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THE WHITE HOUSE

Office of the Press Secretary
(Faith, North Carolina)

For Immediate Release

July 4, 1992

REMARKS BY THE PRESIDENT
AT FOURTH OF JULY CELEBRATION

Legion Park
Faith, North Carolina

3:07 P.M. EDT

THE PRESIDENT: Thank you all very much. Mayor, thank you. Thank you very much, Mayor Hampton. And let me say to all of you, please be seated. (Laughter.) Sorry about that. What a great day in Faith, and what a wonderful way to get here -- play a couple of innings of ball, eat a little barbecue, drink a little of that wine or whatever they call it over there. (Laughter.)

Really, we're thrilled to be here, and thank you for that very, very warm welcome. And I say warm -- I use the term advisedly. (Laughter.) I'll tell you a little Trivial Pursuit -- 50 years ago almost to this day I was a naval aviation cadet at Chapel Hill, North Carolina. (Applause.) And that was my first taste of North Carolina hospitality, and this is my last and my very best up till now. So thank you all very, very much. (Applause.)

It's great to see our Governor here, doing a superb job for this state. And you'll miss him in the governorship, but we've got to keep him active. He's done a great job for the state of North Carolina. May I pay my respects to another man I've been with shoulder to shoulder -- Congressman Coble here; and just say to all of you -- Daisy Bost and all that worked on this program, what a magnificent show this is. And the Governor is right; we are proud to be in Faith, North Carolina, and proud to see this spirit alive and well. (Applause.)

I didn't hear the East Rowan High School Marching Band, but somebody -- here they are right here. Fantastic. (Applause.)

But this is a very special American day. I just came from the races down there in Daytona, and we saluted the King, a son of North Carolina, Richard Petty. (Applause.) Dale Earnhart -- Dale showed us around and explained it, so it's been a great big high of a day for me here. And this one is a picture postcard holiday setting. You've got it all with the Little League and the softball games and the wheel barrel races and the parade down Main Street. And now I'll be very short because I want to go over and try the bungee jumping -- (laughter.) No, Barbara said it's okay to throw your hat in the ring, but not the whole body. (Laughter.)

But we meet today in the state that gave birth to flight way back a thousand years ago -- and on the day when the eagle soars proudest of all. We meet in small-town America -- in many ways, as I survey our great country, in many ways the spiritual heart of all America.

Several miles up the road is Salisbury, home to our friend Liddy Dole -- (applause) -- and home to Cheerwine. (Laughter.) And a little east, Siler City, where television's Aunt Bea is buried. I've always wondered if Aunt Bea were with us today if she'd be serving broccoli. I hope not. (Laughter.)

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Not every place in America is like these wonderful towns, but its values can and should be -- because the values that the Mayor mentioned, the values the Governor talked about, the values that you hold dear are the values that hold our entire country together. And we never should forget that. (Applause.)

When I go back to Washington, Barbara and I -- we have about an hour and a half, I believe it is, maybe a couple of hours at the airport. Then we fly to Poland, where I'll stand shoulder to shoulder Sunday morning with Lech Walesa, the President. Remember him? The guy that stood up for freedom when nobody else could do it in Poland? Stood up and took the heat. And now Poland is free. And he looks to the United States and he says, above all the countries, it was the United States of America that stood with me and offered me the hope for freedom. (Applause.)

You know what it means to be good neighbors. You know what it is to have families, strong and united; good schools; safe neighborhoods; job-creating economy and a world at peace. Now, you go over to the Faith Soda Shop, or the Hairport, or R&I Variety, and you'll see the values that can achieve these goals. One is faith in self-reliance. You believe in equal rights for all Americans. And don't let anybody knock your town; you stand with me against bigotry and against racism. (Applause.)

And you believe in what is good and what is right. Some regard principles as disposable, like TV dinners, but they couldn't be more wrong. Let others support some of this -- films and the programs which mock small-town America. But I stand with the millions who support your America. And there's nothing wrong with a nation more like Salisbury or Faith, North Carolina. And believe me, carry those principles with you. (Applause.)

And I've had -- it's not just the name of the town. But from this springs another small-town virtue: We believe America is special because of fidelity to God. And we have not forgotten that we are one nation under God. And that's an important thing to point out on July 4th. (Applause.)

I heard from the Mayor that there are 553 -- technically, 553 residents. But she tells me that on Sunday more than 800 attend church services. And that's pretty good out of a town of 553. Think of that. You show why, according to a Gallup Poll, America is the most religious nation on Earth.

Remember the small boy expressing that conviction: "God bless mother and daddy, my brother and sister." And he says, "Oh, and God take care of yourself because if anything happens to you, we're all sunk." (Laughter.) And that kid is right -- just as right as he can be.

So the American people really have mountains of faith. And I believe the God who gave us life also gave us liberty. And so again I'd like to use this wonderful occasion, this national holiday -- perhaps our greatest -- to call on the Congress to pass a constitutional amendment permitting voluntary prayer in the public schools. (Applause.)

Barbara and I were talking earlier to people for whom every day is the 4th of July. And they don't apologize for the choking up when you hear the Star-Spangled Banner or standing at attention when you say the Pledge of Allegiance. And they don't apologize for the lump in the throat when a few blocks away over her on Gantt Street in the American Legion Building they visit a monument dedicated to the veterans -- the living and the dead -- of every American war.

And here in Faith, memories run long, just as principles run deep. And you know -- Jim touched on it -- but you know how to answer those who say that the success of Desert

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storm should be forgotten. But, look, you had 76,000, as he said, troops in this one state deployed from North Carolina.

And I don't think Saddam Hussein -- who might by now have nuclear weapons, or if we hadn't challenged him we'd all be paying \$10 for gas as he moved into Saudi Arabia -- I don't think he doubts for a minute the will and the strength and the patriotism of the American people. (Applause.)

And I know very well our veterans haven't forgotten, as those courageous, the best fighting forces we've ever put together. We stay together. I told Howard Coble -- I sometimes risk being a little personal. But I was shot down in World War II. And I learned something. I learned something in combat: The wingman doesn't pull away from the flight leader. And when I was shot down into the Pacific it was my teammates. One located my raft. Another shot down a boat that was put out from a Japanese island. And I learned this: We are a team. We're a united country. And when the going gets tough, we get moving. And we don't apologize, and we don't quit. (Applause.) We never quit. And we don't forget the POWs and the MIAs, I might add, either. (Applause.) We're with them.

Eisenhower spoke of "the great and priceless privilege of growing up in a small town." Well, Barbara and I are privileged to be in a small town that proves how right Ike was.

And ours is a nation -- believe me -- ours is a nation whose best days lie ahead. And these kids here can go to bed at night with less fear of nuclear war because we've been here.

And now we've got to keep moving and bring that change to everybody in America that wants opportunity. And we can do it. Why? Because on this special day of freedom we are still the United States of America. Nothing to apologize for, everything to be proud of.

Thank you, and God bless each and every one of you.
(Applause.)

END

3:16 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 21, 1991

REMARKS BY THE PRESIDENT
AT CIVIL RIGHTS BILL SIGNING CEREMONY

The Rose Garden

1:18 P.M. EST

Welcome to the White House. And may I salute the members of the Cabinet who are here today, members of the Congress -- many members of Congress, distinguished guests.

Today, we celebrate a law that will fight the evil of discrimination while also building bridges of harmony between Americans of all races, sexes, creeds and backgrounds.

For the past few years, the issue of civil rights legislation has divided Americans. No more. From day one, I told the American people that I wanted a civil rights bill that advances the cause of equal opportunity. And I wanted a bill that advances the cause of racial harmony. And I wanted a bill that encourages people to work together. And today I am signing that bill, the Civil Rights Act of 1991.

Discrimination, whether on the basis of race, national origin, sex, religion or disability, is worse than wrong. It's an evil that strikes at the very heart of the American ideal. This bill, building on current law, will help ensure that no American will discriminate against another.

For these reasons, this is a very good bill. Let me repeat: this is a very good bill. Last year -- back in May of 1990 in the Rose Garden, right here, with some of you present, I appealed for a bill I could sign. And I said that day that I cannot and will not sign a quota bill. Instead, I said that the American people deserved a civil rights bill that -- number one, insisted that employers focus on equal opportunity -- not on developing strategies to avoid litigation. Number two, they deserved a bill that was based upon fundamental principles of fairness -- that anyone who believes their rights have been violated is entitled to their day in court -- and that the accused are innocent until proved guilty. And number three, they deserved a bill that provided adequate deterrent against harassment based upon race, sex, religion, or disability.

I also said that day back in 1990 that "this administration is committed to action that is truly affirmative, positive action in every sense, to strike down all barriers to advancement of every kind for all people." And in that same spirit, I say again today: I support affirmative action. Nothing in this bill overturns the government's affirmative action programs.

And unlike last year's bill -- a bill I was forced to veto -- this bill will not encourage quotas or racial preferences because this bill will not create lawsuits on the basis of numbers alone. I oppose quotas because they incite tensions between the races, between the sexes, between people who get trapped in a numbers game.

This bill contains several important innovations. For example, it contains strong new remedies for the victims of

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discrimination and harassment, along with provisions capping damages that are an important model to be followed in tort reform. And it encourages mediation and arbitration between parties before the last resort of litigation. Our goal and our promise is harmony -- a return to civility and brotherhood -- as we build a better America for ourselves and our children.

We had to work hard for this agreement. This bill passed both Houses of Congress overwhelmingly with broad support on both sides of the aisle. A tip of the hat goes to Senator Kennedy and former Congressman Hawkins, who, way back in February of 1990, got the ball rolling -- and I congratulate and thank particularly Senators Dole, Danforth and Hatch, Congressmen Michel, Goodling and Hyde for ensuring that today's legislation fulfills the principles that I outlined in the Rose Garden last year.

No one likes to oppose a bill containing the words "civil rights" -- especially me -- and no one in Congress likes to vote against one, either. I owe a debt of gratitude to those who stood with us against counterproductive legislation last year -- and again earlier this year -- as well as to those who led the way toward the important agreement we've reached today. I'm talking about Democrats, I'm talking about Republicans and those outside the Congress who played a constructive role. And to all of you, I am very, very grateful, because I believe this is in the best interest of the United States.

But to the Congress I also say this: The 1991 Civil Rights bill is only the first step. If we seek -- and I believe that every one of us does -- to build a new era of harmony and shared purpose, we must make it possible for all Americans to scale the ladder of opportunity. If we seek to ease racial tensions in America, civil rights legislation is, by itself, not enough. The elimination of discrimination in the workplace is a vital element of the American Dream, but it is simply not enough.

I believe in an America free from racism, free from bigotry.

I believe in an America where anyone who wants to work has a job.

I believe in an America where every child receives a first-rate education ... a place where our children have the same chance to achieve their goals as everyone else's kids do.

I believe in an America where all people enjoy equal protection under the law ... where everyone can live and work in a climate free from fear and despair ... where drugs and crime have been banished from our neighborhoods and schools.

And I believe in an America where everyone has a place to call his own -- a stake in the community, the comfort of a home.

I believe in an America where we measure success not in dollars and lawsuits -- but in opportunity, prosperity and harmony. I believe in the ideals we all share -- ideals that made America great: decency, fairness, faith, hard work, generosity, vigor, and vision.

The American Dream rests on the vision of life, liberty and the pursuit of happiness. In our workplaces, in our schools, or on our streets, this dream begins with equality and opportunity. Our agenda for the next American Century -- whether it be guaranteeing equal protection under the law, promoting excellence in education, or creating jobs -- will ensure for generations to come that America remains the beacon of opportunity in the world. Now, with great

pride, I will sign this good, sound legislation into law. Thank you very much.

(The bill is signed.) (Applause.)

Q Sir, are you concerned about the feeling of a sense of disarray because of the Counsel's memo?

THE PRESIDENT: The which?

Q Boyden Gray's idea on affirmative action.

THE PRESIDENT: Listen to what I say, and don't get off -- too caught up. It's all worked out and feels good. I think it's very sound legislation.

END

1:26 P.M. EST

Mar. 13 / Administration of George Bush, 1991

has three children, and resides in Washington, DC.

Nomination of Raoul L. Carroll To Be President of the Government National Mortgage Association
March 13, 1991

The President today announced his intention to nominate Raoul Lord Carroll, of the District of Columbia, to be President of the Government National Mortgage Association at the Department of Housing and Urban Development in Washington, DC. He would succeed Arthur J. Hill.

Since 1989, Mr. Carroll has served as General Counsel for the Department of Veterans Affairs in Washington, DC. Prior to this Mr. Carroll served as a partner with Bishop, Cook, Purcell & Reynolds in Washington, DC, 1986-1989.

Mr. Carroll graduated from Morgan State College (B.S., 1972) and St. John's University School of Law (J.D., 1975). He was born March 16, 1950, in Washington, DC. Mr. Carroll served in the U.S. Army, 1975-1979. He is married, has two children, and resides in Washington, DC.

Remarks by the President and Prime Minister Brian Mulroney of Canada at the Air Quality Agreement Signing Ceremony in Ottawa
March 13, 1991

The Prime Minister. Mr. President, distinguished guests: I'm very pleased to welcome President Bush to Canada on his first foreign trip since the end of the Gulf war. He comes to Canada today as a President who is greatly admired at home and widely respected abroad, and one whose skill and resolve provided the international community with a stunning success in a war over Iraq.

In my many meetings and conversations with President Bush since August 2d I have been struck both by his grasp of the issues and by the breadth of his vision in regard to this remarkable problem. He instinctively

chose to work within the United Nations. He painstakingly constructed and nurtured a great and disparate coalition of sovereign nations. He provided the perspective and the patience required for successful statecraft. And when, at the 11th hour, a diplomatic solution was again rejected, President Bush provided the strength and the decisiveness required for the successful prosecution of war.

I'm not entirely certain how history will interpret the expression "defining moment," which appears to be pretty much en vogue in certain quarters these days. But I assume it means the crystallization of great need and wise, confident leadership in a manner that indelibly affects succeeding generations. In that regard, the conduct of the Gulf crisis and the war, from its uncertain beginnings to its triumphant end, was in fact, a defining moment for the United Nations, the United States, and the world. And for this extraordinary achievement the name George Bush will live proudly in the history of free men and women.

In fact, this Presidency, in my judgment, will always be remembered for the uncommon courage and the strong leadership that President George Bush of the United States of America demonstrated throughout an exceptionally challenging and potentially explosive period in world history.

Canada and the United States are close friends and trusted allies. And the President of the United States is always most welcome in our country. And, Mr. President, I bid you on behalf of everyone a most warm welcome here today.

I have noticed that President Bush has acquired along the way a 91-percent approval rating. *[Laughter]* Because of our close relationship and because this is a special day—George Bush and I have been friends for many years—I know that the President will want to pool his ratings with mine. *[Laughter]* We can then, George, divide by two, and we both come out ahead. *[Laughter]*

But it's a particular pleasure for us to welcome you, Mr. President, on this visit to sign the Canada-United States Air Quality Accord. This agreement has had a long and sometimes difficult history. It has involved

three United States successive Car I, Mr. President since the day President. And today—when the United States have played a one has played you.

You have demonstrated Canadian interest domestic clean this agreement ernments of b ment today, to ules, and require progress that it also provides a to solve other problems.

[At this point, a

That's Gallu [Laughter] I ex fast. [Laughter]

With this agreement programs now we are confident will be eliminated.

I would like there are many thanked today—And I mention others—John Fr the House of Co in his previous the Environment one. And I see the United States and David Mac the Environment of Commons; an who are with a role.

But I would lips, of External Environment-Canada job well-done. their American of people on both present this afternoon to make this happen.

Mr. President, portant to Canada.

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three United States administrations and five successive Canadian governments. You and I, Mr. President, have worked on this issue since the days when you were still Vice President. And I see Alan Gottlieb here today—when Alan was our Ambassador in the United States, and so many others who have played an important role in it. But no one has played a more critical role than you.

You have demonstrated sensitivity to Canadian interests in your proceeding with domestic clean air legislation and in signing this agreement today. It commits the Governments of both countries, this arrangement today, to a series of targets and schedules, and requires both to make public the progress that is achieved. The agreement also provides a framework for cooperation to solve other transboundary air pollution problems.

[At this point, a telephone rang.]

That's Gallup calling, Mr. President. [Laughter] I expected a push, but not this fast. [Laughter]

With this agreement and with the control programs now in effect in both countries, we are confident that the acid rain menace will be eliminated by the year 2000.

I would like to take this opportunity—there are many people who deserve to be thanked today—Davie Fulton from the IJC. And I mentioned Alan—and so many others—John Fraser, who is the Speaker of the House of Commons, Mr. President, but in his previous incarnation was Minister of the Environment, and a most successful one. And I see Bill Reilly, who is here from the United States; and Robert De Cotret; and David MacDonald, who is Chairman of the Environment Committee of the House of Commons; and so many parliamentarians who are with us today who played a key role.

But I would like to thank Michael Phillips, of External Affairs, and Bob Slater, of Environment Canada, our negotiators, for a job well-done. And I would like to thank their American counterparts and the scores of people on both sides, many of whom are present this afternoon, for working so hard to make this happy day possible.

Mr. President, this agreement is very important to Canadians. Our national soul

takes its breath from the forests and lakes and mountains and prairies that give life to our country. The aboriginal peoples of Canada have taught us that we hold this magnificent land, as you do yours, in trust for future generations. And so, today's agreement will help us correct many of the errors of the past.

With this agreement we are guaranteeing our children that air quality will never again be taken for granted on this continent. The sensitivity and idealism of children on both sides of the border are our environment's best hope.

Mr. President, your colleagues from the administration, Governor Sununu and General Scowcroft, and your colleagues, Ambassador Ney: on behalf of Canadians young and old, I would like to express our appreciation for your cooperation.

There is someone here, Stan Darling, Mr. President, who is right over there, who, as he says, is a member of the Conservative Caucus, soon to be 80 years young, as he says every Wednesday. He was one of the often unmentioned guiding lights who fought the fight over many long and difficult years to make this possible. And while you and I get to sign it today, Mr. President, what we sign is a tribute to Stan Darling and so many Members of Parliament and Members of Congress and members of the administration on both sides who deserve this tribute today.

So, I would like to express our appreciation for your cooperation, and I want to thank you for your vital contribution to preserving the common environment we both hold in trust for future generations. I'm aware, Mr. President, of the pressures on you. There are actually some pressures on us in the same ways up here in Canada. And to have moved as you did the environmental question so quickly within your own borders so far and to such heights is a tribute to the commitment that you made to the American people and to the Government of Canada—that if elected, you would make this your highest priority and you would try to bring about a day like today. Well, we're here, Mr. President, and we're here on a happy day in very large measure because you provided that principal leadership, you followed through when you gave

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your commitment. And for that and many other reasons I express our thanks. And I give you the warmest of welcomes to Canada.

Minister De Cotret. President Bush has certainly demonstrated an unprecedented interest in the bilateral environment affairs of Canada and the United States. Mr. President, Canadians look forward to making further improvements to our shared heritage. Allow me to add my appreciation to that of the Prime Minister. Ladies and gentlemen, the President of the United States.

The President. Thank you all very much for that welcome to Canada. And, Mr. Prime Minister, it's a delight to be with you and Mrs. Mulroney again. And to Minister De Cotret, why, thank you, sir, for presiding at this historic occasion, one that we've been looking forward to very, very much.

To the Members of the Parliament and to our able Ambassador, Eddie Ney, it's a great pleasure to be up here, and then to add my name, along with our country's commitment, to an agreement of great environmental importance. I too, would like to pay my respects to Mr. Darling. I can't say I have felt his lash or his determination as much as others in this Parliament have felt—[laughter]—but I would like to assure him that, while he was fighting the domestic battles here, sensitizing Canadians—and sometimes it spilled over to sensitizing those south of the border here—Ambassador. Gottlieb and Burney were no paper tigers. They were on us like ugly on an ape, I'll tell you. [Laughter] And they stayed on us, and appropriately so. Because I think, because of their leadership, they had brought many in the United States Congress and many in the administration to understand just how important a priority this was to the Prime Minister and to the Members here. And so, I salute them as well.

Before I speak about this agreement briefly, let me just make a brief comment, to underscore my sincere appreciation for the key contribution made by your country to the coalition's recent victory in the war to liberate Kuwait. Mr. Prime Minister, since the very first minute that you and I talked, Canada and the United States were appropriately, significantly side by side. And I thank you, sir, I thank the Canadian people, I thank the Members of this Parlia-

ment for standing in partnership for the principles that gave justice real meaning in the world. I once again want to say that I would talk—I'm sure it seemed to him endlessly—but to your Prime Minister, and the American people knew from day one exactly where Canada stood. And we are very, very grateful for that.

This agreement that we're fixing to sign is added proof that the challenges we face require a new partnership among nations. Last year at the Houston economic summit, we agreed to give this effort real priority. Our negotiators gained momentum with the passage in the U.S. of our landmark environmental legislation, the Clean Air Act of 1990. Credit for this accord belongs to the EPA in our country, its able Administrator, Bill Reilly, who is with us today. And of course, credit goes to the negotiators on both sides for the spirit in which they completed this task. Let me thank our special negotiator, Dick Smith, and his colleagues, as well as their counterparts across the table on the Canadian side for a job well-done.

Beyond our common interest in our shared environment, this agreement says something about our overall relationship. The fact that Canada and the United States were able so quickly to craft a wide-ranging and effective agreement on such a complex subject says a lot about the extraordinarily strong relationship between our two countries.

Mr. Prime Minister, I do recall our own discussions on environmental issues, and especially our meeting before I became President back in January of 1987. I made a comment then that made its way into more than a few Canadian news reports, that I'd gotten "an earful" from you on acid rain. That was the understatement of the year. [Laughter] So now, I came up here to prove to you that I was listening, and all of us on the American side were listening. And again, we appreciate your strong advocacy, your articulate advocacy of this principle that I think will benefit the American people, the Canadian people. And I like to think it goes even beyond the borders of our two great countries.

So, thank you very much. The treaty that we sign today is testimony to the seriousness with which both our countries regard

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this critical environmental issue. And here is one that did take two to tango. Here is one where each had to come give a little and take a little, and it's been worth it. And I think we're doing something good and sound and decent today.

Thank you all very, very much.

Note: The Prime Minister spoke at 3:50 p.m. in the Reading Room at Parliament Hill. In his remarks, the Prime Minister referred to E. Davie Fulton, Chairman of the Canadian Section of the International Joint Commission—United States and Canada; Minister of the Environment Robert De Cotret of Canada; Michael Phillips, Assistant Deputy Minister for Canadian External Affairs; Bob Slater, Assistant Deputy Minister for Environment Canada; John H. Sununu, Chief of Staff to the President; and Brent Scowcroft, Assistant to the President for National Security Affairs. The President referred to the Prime Minister's wife, Mila; Derek Burney, Canadian Ambassador to the United States; and Richard J. Smith, U.S. Special Negotiator for Acid Rain Talks With Canada.

News Conference of President Bush and Prime Minister Mulroney of Canada in Ottawa March 13, 1991

The Prime Minister. The President and I had an opportunity for slightly over an hour so far to review both some bilateral relationships and problems that we do have in the trade area and elsewhere, but also to begin the process of discussing the evolving situation in the Middle East.

As you know, Secretary of External Affairs Joe Clark is returning tonight to join us at dinner after an extensive trip throughout the Middle East. He left Tehran earlier today and will be back, and we look forward to pursuing these questions later on tonight.

Mr. President.

The President. Thank you. The only thing I'd say before taking questions is that I would like to take this opportunity to thank the Canadian people and the Prime Minister

for the steadfast support for the coalition and for the principle of standing up against this aggression in the Middle East. And Canada, from day one, was on board, steadfast. The Prime Minister and I were in touch a lot, and I valued his counsel then, and I value his counsel now. But I really wanted to thank the Canadian people for the warm reception today and for their role in the coalition.

Arms Control

Q. Mr. President, as you know, our Prime Minister has proposed a global arms summit under the U.N. auspices to stop the spread of both conventional and nonconventional weapons. I was wondering, sir, if you could tell us whether you endorse that mechanism as a way of tackling this problem.

The President. One of the goals that I spelled out, one of the points I made in my speech to our Congress was the need to do something about the proliferation of weapons. I'll have a chance to talk to Prime Minister Mulroney about that. I'm not sure exactly what the proper structure is, but clearly, that idea might have some merit. But again, it's a little early. He has not asked me to endorse that proposal, and again, I would like to talk to him before I commit ourselves further on it.

But the idea of coming together in a multilateral way to do something about the proliferation of weapons into the Middle East is something that has some appeal to me. We've seen multilateral diplomacy try and, in some ways, be effective in the Middle East, and I don't want to forget that. I don't want to start going it alone, and I don't think Canada wants to start going it alone.

Middle East Peace Process

Q. Thank you, Mr. President. I would like to ask you about Secretary Baker's trip to the Middle East. Do you see any sign that Israeli or Palestinian leaders are willing to make any kind of fundamental change in their long-held positions?

The President. I would say this, Terry [Terence Hunt, Associated Press], that the reports—and I've gotten a report every night, each from Jim Baker, and then Brent Scowcroft has been, I think, even in more touch with him—I think that the Secretary

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 31, 1991

REMARKS BY THE PRESIDENT
DURING THE NATIONAL PRAYER BREAKFAST

The Washington Hilton Hotel
Washington, D.C.

9:50 A.M. EST

THE PRESIDENT: Thank you very much for that warm welcome. And let me just greet our -- Prime Minister Henry here and Prime Minister Ratu Mara and President Goncz over here and all the other visitors from overseas.

And I want to pay my special respects to the members of the Senate and House Prayer Group. I would also like to single out Doug Coe, who has been such a guiding light in all of this. (Applause.) And, of course, our special thanks to Joe Gibbs and to Governor Buddy Romer for sharing in such a personal way their faith.

My heartfelt thanks goes out to everyone involved in this marvelous event. Dr. Graham was reminding Barbara and me when we came over here of its genesis, and how President Eisenhower, he felt, seemed very nervous about whether this would be the right thing to do and whether it would be a fulfilling experience for the people that attended. And I expect Ike would, if he could have attended this one, would have had no doubts whatsoever.

I want to thank everyone for their concern and prayers about Barbara's recent accident. In these days of environmental terrorism -- (laughter) -- I can happily report that the tree is very well and so is Barbara Bush doing very well, I might say. (Applause.) And I say that with considerable pride. (Applause.)

This is a diverse group. I've never seen anything quite like it -- politically or anything else. But we do have one thing in common: We stand together in prayer. Let me just share a letter -- a true letter I received here from a mother who told me a story about her five-year-old son's evening prayers. As he knelt by his bed, this kid was kneeling in prayer, and his parents explained that they were going to pray together for President Bush so that he would have the wisdom to get the hostages out of Iraq. And after a minute of deep thinking, the little boy said, "Mom, how is a bush going to get the people out of the rock, and how did they get there in the first place?" Well, the mother, in her wrap-up of the letter, said that it was a good thing the Lord knew what the boy was praying for, because he sure didn't. (Laughter.) But, you know, the hostages came out of Iraq. (Laughter.)

So I believe the Lord does hear our prayers. Joe put it very beautifully here. I know our country is praying for peace. And across this nation the churches, the synagogues, the mosques are packed, record attendance at services. In fact, the night the war began, Dr. Graham was at the White House. And he spoke to us then of the importance of turning to God as a people of faith, turning to Him in hope. And then the next morning, Dr. Graham went over to Fort Myer where we had a lovely service leading our nation in a beautiful prayer service there, with special emphasis on the troops overseas.

So I expect when Barbara and I were there at that prayer service, we were doing -- only doing what everyone in America was doing -- praying for peace.

MORE

You know, America is a nation founded under God. And from our very beginnings we have relied upon His strength and guidance in war and in peace. And this is something we must never forget. Just yesterday -- you're going to think I do nothing but read the mail -- (laughter) -- but just yesterday I got a letter from a man who pointed out to me that during the State of the Union message that I had neglected to make any mention of God. And I was somewhat defensive about that, so I quickly went back and I did see at the very end "may God bless America." But then I got realizing that this man was correct. I have learned what I suppose every President has learned, and that is that one cannot be President of our country without faith in God. And without knowing with certainty that we are one nation under God. So I think I should have made that clear -- more clear that God is our rock and salvation, and we must trust Him and keep faith in Him.

And so we ask his blessings upon us and upon every member, not just of our Armed Forces, but of our coalition armed forces, with respect for the religious diversity that is represented as these 28 countries stand up against aggression.

Today I'm asking and designating that Sunday, February 3rd, be a national day of prayer. And I encourage all people of faith to say a special prayer on that day -- a prayer for peace; a prayer for the safety of our troops; a prayer for their families; a prayer for the innocents caught up in this war; and a prayer that God will continue to bless the United States of America. (Applause.)

END

9:57 A.M. EST

grips the District Building. That's why it is time for a change: time to put Chief Turner in charge of the whole city.

Maurice Turner knows this city inside out, not just the Washington of monuments and marble, not the cruel Washington the world sees on the 6 o'clock news, but the Washington of neighborhoods, of communities, of churches, of solid citizens and strong values—a Washington full of life and hope and opportunity for everyone who calls this city home. That's the Washington that Maurice Turner comes from, and it's the Washington he'll fight to keep alive and flourishing. So, I ask every one of you to keep working hard for him, and I ask hard-working Washingtonians to give him your vote. Help Maurice Turner turn this city around.

One thing more, a message to all Washingtonians as you get ready to go to the polls on November 6th: This past year, everywhere from streets and squares of Eastern Europe now to the sands of Saudi Arabia, we've learned a powerful lesson about the risks people are willing to take to win freedom and keep it. I urge every citizen in the District of Columbia to get out and vote. Do not take democracy for granted. Go to the polls and exercise your precious right and vote for the candidate of your choice. If you take a little advice from all of us here today, vote for Maurice Turner. He's going to get the job done.

I know these are very trying times for our country. They're trying times internationally. They're trying times certainly on the many domestic fronts that come together to represent the entirety of the United States of America. I mentioned this out campaigning the other day across the country. I am proud that the country has come together in the spirit of former Senator Vandenberg, certainly when it comes to support for what we are trying to do in rolling back aggression in the Middle East. The country is united, transcending political ideology, liberal or conservative; transcending party, Republican, Democrat, or even independent—everybody pulling together. But we must not neglect the domestic agenda. We're coming up into an election cycle. I think it is beholden on those who hold office to get out and say what they think.

So, when Maurice Turner invited me to come here today, I accepted before he could change his mind—[laughter]—because I want to see this good, decent, honorable man the next Mayor of Washington, DC. Thank you all for what you're doing to support him. Good luck, and God bless you all.

Note: The President spoke at 8:26 a.m. in the Grand Ballroom at the Mayflower Hotel.

Remarks Following Discussions With President F.W. de Klerk of South Africa

September 24, 1990

President Bush. To our friends from South Africa, once again, welcome to the White House. We've just come from an extraordinarily useful meeting. President de Klerk and I have conversed on the phone several times in the past, but it was a great pleasure to hold this face-to-face meeting with the first South African leader to visit the United States in more than 40 years.

President de Klerk described for me in detail what he is trying to accomplish in South Africa: the process of ending apartheid and negotiating a new political reality for all. We talked of this very promising, sometimes difficult situation, especially the recent violence. And I think all Americans recognize that President de Klerk is courageously trying to change things. After all, we have seen in other parts of the world the culture of political violence overwhelm the culture of dialog, and this must not happen to South Africa. The Government has a special responsibility to maintain order, but all political parties and groups have a special responsibility to support the process of peaceful transition.

One thing is apparent in this process of change: The move away from apartheid toward a new political reality is indeed irreversible. And much has already happened. Leading political figures, including Nelson Mandela [African National Congress leader], have been released from prison. The Government and the ANC, the African National

Congress, I plan for the cal prisoners for years a political ac media have work has be and the Gov over the p Other grou for the bel state of eme the country.

Who amo have anticip ments? Clea courage and Africa. The the principl government to tell you th what Preside dela are tryi suit of this p this Presiden American pe

South Afric based on re; universal suffi thority is res word. South spect for hur ty for all its c; to see an ec freedom and market forces ty that opens remedy the : tions inflicted many years b Klerk agrees opportunity fr

And it is in of sanctions meetings tod; obviously, we come up. And As I stated, change in Sou that we'll bear sider specific must be to su and of course, Congress on tl all the condit

Congress, have reached an agreement on a plan for the release of the remaining political prisoners. Political organizations banned for years are now free to conduct peaceful political activities, and restraints on the media have largely been removed. A framework has been agreed to between the ANC and the Government to lead to negotiations over the political future of the country. Other groups are invited to join in. Except for the beleaguered Natal, the nationwide state of emergency has been lifted through the country.

Who among us only a year ago would have anticipated these remarkable developments? Clearly, the time has come to encourage and assist the emerging new South Africa. The United States clearly endorses the principle of constitutional democratic government in South Africa, and I'm here to tell you that I have enormous respect for what President de Klerk and Nelson Mandela are trying to achieve together in pursuit of this principle. And it is not simply this President. I believe, sir, it's the entire American people that feel that way.

South Africa needs a constitutional system based on regular and free elections with universal suffrage, a civil society where authority is responsible in every sense of the word. South Africa needs an unvarying respect for human rights and equal opportunity for all its citizens. And we also would like to see an economic system that's based on freedom and individual initiative and market forces. We believe that only a society that opens equal opportunity to all can remedy the social and economic deprivations inflicted on so many people for so many years by apartheid. And President de Klerk agrees with this principle of equal opportunity for all.

And it is in such a context that the issue of sanctions often arises. Although our meetings today were not about sanctions, obviously, we discussed it; the topic did come up. And let me just say a quick word. As I stated, we believe the process of change in South Africa is irreversible, a fact that we'll bear squarely in mind as we consider specific issues in the future. Our goal must be to support the process of change, and of course, I will consult fully with the Congress on these issues. And as you know, all the conditions set in our legislation have

not yet been made, in spite of the dramatic progress that we salute here today. But let me emphasize that these conditions are clear-cut and are not open to reinterpretation, and I do not believe in moving the goalposts.

Finally, we will be in touch with our traditional allies in Western Europe and elsewhere on what we can do to help build democracy in South Africa. It is only in this way that South Africa can again be fully accepted into the wider international community.

Apartheid has long hindered South Africa from within, depriving it of the talent and very dreams of millions of men and women. Little wonder then that the end of apartheid holds the promise of unleashing the creative energies of the restless millions, and that's why the end of apartheid can really mean the beginning of a greater South Africa.

Mr. President, if you're successful in this effort, South Africa around the world will become a beloved country not for one people but for all. And for that—your efforts, your courage—you leave with our gratitude, our appreciation, and a hearty Godspeed. Good luck to you, sir, in this wonderful endeavor. We're pleased you're here, very pleased, indeed.

President de Klerk. Mr. President, ladies and gentlemen, may I, at the outset, also say publicly how appreciative we are of the very kind reception which we have had here in the United States of America. For us it is, indeed, an historical occasion for me to be the first State President ever to visit the shores of America from South Africa.

From the moment we set foot here, we've been overwhelmed with friendliness. And in particular, Mr. President, I want to thank you for the very frank, very open, and very fruitful discussions which we were able to have today for over 2 hours.

I want to say, Mr. President, that from the people of South Africa I bring a message, a message of recognition for the awesome responsibility which rests upon your shoulders in the handling of the very difficult situation in the Gulf. We admire you for the strong leadership which you have shown, and South Africa has fully identified itself with that leadership. You can count on

us, as we have publicly stated, to support the steps you have taken to assure that democracy, and that the political process of dialog and the political process of keeping all channels open will also be maintained in that part of the world. We will support you, sir, in the very definite steps you have taken to assure that the unacceptable form of aggression which manifested itself there will be withstood; and South Africa will play its part in that regard. We wish you well in handling this awesome and tremendous responsibility.

Mr. President, I want to thank you for the acknowledgment of the new reality which exists in South Africa. There is, indeed, as you have stated, sir, a new reality; and the process in South Africa is indeed an irreversible one. There will be negotiations, and from those negotiations there will come about a new constitutional situation, a new constitution which will offer full political rights within the framework of internationally acceptable definitions of what democracy really is.

There will be a vote of equal value to all South Africans. There will be effective protection of the very values which you in the United States of America hold so dearly: values such as an independent judiciary; such as effective protection of the rights of the individual in the form of a bill of rights, of checks and balances to prevent the abuse of majority power to the detriment or suppression of minorities and smaller communities. There will be, in South Africa, the protection of fundamental values with regard to the assurance of an economic system which will create sufficient growth to meet the tremendous challenges which we face in the field of addressing the problems of poverty and illiteracy and housing and urbanization.

There will be in South Africa—the process is irreversible—through negotiation a new constitutional and economic dispensation which will offer equal opportunities and full democratic rights to all its people. In that sense of the word, the international community can rely on us. We will not turn back. The fact, sir, that you have today given recognition to this fact will serve as inspiration to us. We stand on the threshold of a tremendously exciting period in the history of our country. We are adamant to

use the window of opportunity which history has given us to assure that we will bring about a new and just South Africa.

In that process, the Government of South Africa won't be acting unilaterally. Our goal is to bring about this fundamental change, to bring about this new and just South Africa on the basis of building and achieving a broad consensus between all the leaders with proven constituencies, whether they be large or small, in South Africa.

We are making headway with that. There are some stumbling blocks in the way. We have a problem of volatility to deal with which sometimes erupts into violent situations which are totally unacceptable. We've taken steps in an impartial manner, through the use of our security forces, curbed the violence. We are as anxious as you are, sir, that we should move as soon as possible to a situation where also in the province of Natal the state of emergency can be lifted and where the political process in South Africa can be fully normalized. We've already taken great steps in that direction.

I view, Mr. President, today as an important moment where real progress has been attained in normalizing our country's situation with regard to the international community. You, sir—as leader of the strongest country in the world, economically speaking and militarily speaking—your acknowledgment of the progress which we have made and your encouragement with regard to the progress which we are committed to make in the future is, for us, extremely important.

I thank you for the warm reception. And I look beyond the immediate problems and the historical problems, forward also to the day when South Africa, the new South Africa, with a new constitution and a new government, will, together with the United States of America and other important powers—being one of the strongest regional powers in the Southern Hemisphere, being the hope of the rebuilding of prosperity and opportunity for almost the whole continent of Africa—where South Africa will, by taking hands as we are now already doing with you and with others, will play a constructive role in ensuring stability on the globe, in ensuring that the vision which we share with you of peace between all coun-

Note President of the South Africa to their remarks privately in the Old South Africa Room, and then Old Family Day.

Proclamation 6
Lunch Week, 1
September 24.

*By the Presiden.
of America*

A Proclamation

Established by the National School Lunch Act, the program became the main source of nutrition for the Child Nutrition School Lunch Act. The depth of our country's most vulnerable population to be our policy security, to safeguard the being of the American people, the courage the do the agriculture food -

tries—where we can make a contribution to ensure that that vision will also become reality.

We wish you, sir, and the American people everything of the best. We invite you to play the constructive role which you have spelled out here today. South Africa is going to overcome its problems. South Africa will become once again a proud member of the international community. And South Africa will be a trustworthy friend of the United States of America in maintaining the very values on which your system is built.

My country, ladies and gentlemen, today finds itself in step, in step with the basic value systems of this great country, the United States of America. And we say to you, sir, thank you for a kind reception. Everything of the best in your endeavors to assure global peace. You will not find South Africa lacking in support when you need it.

Note: President Bush spoke at 1:30 p.m. at the South Portico of the White House. Prior to their remarks, the two Presidents met privately in the Oval Office and with U.S. and South African officials in the Cabinet Room, and then attended a luncheon in the Old Family Dining Room.

Proclamation 6185—National School Lunch Week, 1990
September 24, 1990

By the President of the United States of America

A Proclamation

Established less than half a century ago, the National School Lunch Program has become the mainstay of the United States' Child Nutrition programs. The National School Lunch Act of 1946 underscored the depth of our concern for our youngest and most vulnerable citizens. It also declared it to be our policy "as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food."

When he signed the National School Lunch Act on June 4, 1946, President Truman observed that, "in the long view, no nation is any healthier than its children or more prosperous than its farmers." By promoting good nutrition among our Nation's schoolchildren, as well as the purchase and distribution of U.S. agricultural products, the National School Lunch Act has benefitted not only America's youth and farmers but also the entire country.

Since its enactment, the National School Lunch Program has been expanded to include the School Breakfast Program. Legislation has also been enacted to provide free meals to children from families with very low incomes. Today the National School Lunch Program serves appetizing and nutritious meals to more than 23 million children in over 91,000 schools. Recognizing the importance of a good breakfast to learning, nearly half of these institutions also participate in the School Breakfast Program and provide nutritious morning meals to nearly 4 million children each day. Over 80 percent of these children receive breakfast without charge because they are from families with low incomes.

The School Breakfast and National School Lunch Programs not only encourage participating students to develop healthy eating habits, but also help to ensure that children come to class ready and able to learn. By providing the Nation's schoolchildren with nutritious meals, these valuable programs help to ensure that they have the energy, stamina, and good health needed to remain eager and attentive students. In so doing, these programs strengthen the educational process.

During National School Lunch Week, we pay due recognition to the many concerned Americans who devote their time and skill to providing children around the country with good nutrition at school. These individuals include Federal and State officials, food service professionals, school administrators, teachers, parents, local civic leaders, and many volunteers. Their generous cooperative efforts are a wonderful example of a successful partnership among Federal and State governments and local communities.

By joint resolution approved October 9, 1962 (Public Law 87-780), the Congress

THE WHITE HOUSE

Office of the Press Secretary
(North Carolina)

For Immediate Release

October 21, 1992

REMARKS BY THE PRESIDENT
AT THOMASVILLE WELCOME

Thomasville, North Carolina

3:12 P.M. EDT

THE PRESIDENT: What a great North Carolina day. (Applause.) Thank you, Governor Jim Martin. I'll tell you something -- the people of North Carolina are lucky to have such a quality man of character leading this state as Jim Martin. (Applause.) And now we've got to keep that character and quality going by electing Jim Gardner to be the next Governor of North Carolina. (Applause.)

I'm delighted to see a man here who supports me and supports our country so much -- Congressman Howard Coble. (Applause.) If we had more like him they wouldn't be yelling, "Clean House" at me. We need more like him. And while we're at it, we need to help of our distinguished guest today, Senator Strom Thurmond, one of America's truly greats over here. (Applause.) And we need to help him by cleaning Senate. And that means send our friend, Lauch Faircloth to the United States Senate.

Lauch Faircloth is one of the great -- he'd be a great senator. He'll go up there and change things. And the status quo is what's wrong. We need him in the Senate. Send him up there. He's doing just great. (Applause.)

And then we've got another sportsman here. I think of North Carolina as a sporting state, one that loves athletics. Charlotte's coming on strong. We've got Darryl Waltrip right here, one of America's greats. (Applause.)

And so we've got them all. And now we're ready to go. And let me thank everybody responsible for this wonderful rally -- the great bands from Thomasville, East Davidson, and Ledford High Schools. (Applause.) And it's great to be here with last year's state champions, the Thomasville High School Bulldogs. (Applause.)

And can I tell you something as a satisfied customer? You've got to make the best furniture in the entire world. (Applause.) Not only is it made right here, but also there's a certain generosity of spirit by the companies and the workers involved, because I'm told that you were sending furniture to the victims of Hurricane Andrew. That is the American spirit, and I'm very grateful to you. (Applause.)

And now on to the business at hand. Did anybody watch that debate the other night? (Applause.) Let me tell you -- well, I thought we did all right, I thought we did okay. But let me tell you this. What I think you saw was a vast difference in experience, certainly a vast difference in philosophy, and a vast difference in character. And character matters for President of the United States. (Applause.)

Governor Clinton made a horrible comment. He said he wants to do for the United States what he's done for Arkansas. That would be terrible.

MORE

AUDIENCE: B000000.

THE PRESIDENT: Let me click off some gloomy statistics and then we'll get on to something a little more positive. Arkansas -- you've got this Ozone Man on the ticket with him -- you know, Gore. Arkansas ranks the 50th in quality of environmental standards; it ranks 50th in per capita spending on criminal justice; it ranks 49th in per capita spending on police protection; it ranks 48th in percentage of adults with high school diplomas; it is 48th on spending on corrections; 46th on teachers' salaries; and 45th in the overall well-being of children. You cannot take a failing Little League coach and put him on to coach the Atlanta Braves -- manage the Braves. (Applause.)

He calls this change. He says he's the candidate of change. Well, let's take a close look at what he offers. How about this one for openers -- and he hasn't got there: \$150 billion in new taxes and \$220 in new spending. That is trickle-down government and we don't need it in Washington, D.C. (Applause.) He says he'd take it to the -- sock it to the rich. Watch out, middle America. Watch out, struggling nurse or family person. He's going to stick it right in your wallet -- and you don't need that anymore. Let's get the taxes down and the spending down. (Applause.)

The last time we got that kind of change -- you don't have to go back to Herbert Hoover. Go back to when you had a liberal Democrat in the White House and you had a Democrat spendthrift Congress that Lauch Faircloth wants to change. Go back and take a look. That was in the days of Jimmy Carter. Now, do you remember what interest rates --

AUDIENCE: B00000.

THE PRESIDENT: Sorry, gang, but it's true. Do you remember what the interest rates were? Twenty-one and a half percent. Twenty-one percent. Inflation was robbing every senior citizen in this country -- 15 percent. We cannot go back to that failed policy. (Applause.) You keep going with that kind of change and change is all you'll have left in your pocket. We've got to do better.

And my philosophy is this: Cut the spending and cut the taxes and put more money -- put more money into the pockets of the American working man. (Applause.) And one way to do that is create more markets abroad. It's exports that have saved us in the global slowdown. We've got to increase exports, create more markets for the goods that are produced right here in North Carolina. And we can do it. But we can't do it by turning inward.

It's small business -- it's small business that creates the jobs in this country and we ought never to forget it. And that means -- they create two-thirds of the new jobs. And that means we need relief for taxation from small business; we need relief from regulation; and certainly, we need relief from litigation. We are suing each other too much in this country -- (applause) -- and caring for each other too little.

Legal reform is what we need. It's a sorry thing when malpractice insurance is running health care costs up for every American. When a guy sees somebody lying by the highway and doesn't dare stop to help him because they're afraid some trial lawyer will come along and sue him, when a person doesn't coach Little League because he's scared of getting a lawsuit by some nutty lawyer it is time to put a lid on this. Sue each other less, care for each other more. (Applause.)

And one big difference I've got is with him on health care. He wants to put a government board in to kind of ration out the health care of this country. And I want to make

MORE

insurance available to the poorest of the poor. I want to give a tax credit to middle America so they can get a little relief. And make insurance available to everybody, but keep the quality up. We've got the best doctors in the world. Keep the quality up by keeping government under control. (Applause.)

A big difference on education. You see, he wants to put the control more in Washington. And I say this: We want to put control in the hands of the families. We did it in child care and now I want to do it in school choice. Help parents send their kids to all schools -- public schools, private schools, and religious schools. (Applause.) And he won't do that. And I am proud that under my administration more money is going to kids to help them go to college than anytime in the history of this country. (Applause.)

You know, as I ride along the rails and I see these crossings, I see law enforcement people out helping us at every crossing. And let me just say this: Strom Thurmond, one of the great leaders for strong anticrime legislation, is fighting in the Senate to make our laws tougher so that we back up our law enforcement officials and have more consideration for the victims of crime and less for the criminals. (Applause.) That's what we've got to do.

And what is Arkansas's policy? Arkansas's prisoners spend 20 percent of their sentences in jail. That's not good enough.

AUDIENCE: Booooo.

THE PRESIDENT: If a guy busts a law -- and certainly, if they kill a law enforcement officer, they ought to stay there until they get on Willard Scott's program on that 100th birthday. (Applause.)

You heard the difference the other day between how we get the government spending down. I'll give you three ideas. You give us Lauch Faircloth and we're going to help Strom get that job done. One, a balanced budget amendment. (Applause.) Two, a taxpayers' check-off that says if you're concerned about the deficit, check your tax return, and 10 percent of it has to go to lowering the deficit. And if Congress can't make the priorities, make them cut right straight across the board until we get the job done. (Applause.)

And the last one is, I want that line-item veto. Forty-three governors have it. (Applause.) Forty-three governors have it. Let's stop that pork barrel spending, do what's right for the American people, but not do what's right for the reelection of every member of the United States Congress. And, frankly, I like the idea of turning the Congress back to the people by putting on term limits. The President is limited, why not the Congress? (Applause.)

You know, the other night I guess one of the big differences came -- this was in the Richmond debate -- when Governor Clinton said it's not the character of the President, he says it's the character of the presidency. And to that, I say they're inseparable. You cannot separate it out. And character matters.

And the liberals don't like it when I talk about family values, but America knows what I mean. We've got to strengthen the family. (Applause.) And they don't like it when I say, yes, we're one nation under God -- and we are -- and we'd better never forget it. (Applause.)

But my argument with the Governor of Arkansas is you can't please everybody. I found that out in this job. You've got to call them as you see them. And if you make a mistake, you admit it. You don't try to cover it up and say one thing to one

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group and another thing to another group. And therein is a question of character -- on everything from the right to work laws, to term limits, to free trade, to the Persian Gulf, he's tried to be on one side and then another. And you cannot do that as President, and that is a matter of character. (Applause.)

There's a pattern of deception here, and America better look at it. There is a pattern of deception. I love what Governor Martin said about the patriotism of this state, serving your country -- and, yes, North Carolina responded perhaps more than any other state in Desert Storm. (Applause.)

But where was Governor Clinton? Where was Governor -- never mind. Don't let this guy say that. You're going to get me in trouble with the media. And who would want to do that? (Applause.)

But let me remind you where that man that wants to be commander-in-chief of the Armed Forces. This one didn't happen 23 years ago, this one happened about a year and a half ago. And what he said was -- at the time, I had to make a very tough decision, leading the country and the Congress to make a tough decision -- he said this. He said, well, I agreed with the minority, but I guess if it were a close vote, I guess if it were a close vote I would have voted with the majority. If we had listened to him -- Governor Martin is right -- Saddam Hussein would be in downtown Saudi Arabia and controlling the world oil supply and have a nuclear bomb. We didn't listen to that kind of waffle; we went ahead and made a tough decision. (Applause.) Character counts. Character matters. You cannot be all things to all people. And, yes, it matters.

Let me say this. First place, I wish Barbara Bush were here because I think we've got a great First Lady. (Applause.) But, you know, she and I have talked about this -- and as you know, we are blessed in our family. We're blessed with a bunch of grandkids, blessed with five wonderful children. And so, life has treated us pretty good. But when people are hurting in this country you feel it. You feel it right in your heart. And so I want to win this election not because I need this job, but I want to continue to serve the American people and lift up the hopes of these kids. (Applause.) We have literally changed the world.

AUDIENCE: Four more years! Four more years!

THE PRESIDENT: We have literally changed the world. And the kids in these bands over here go to bed at night without that same fear of nuclear war that gripped their parents, and that is substantial change for world peace. (Applause.)

And now what we've got to do is take that same leadership with a new and changed Congress -- and there will be one -- and lift up America. We are not, as Clinton says, a nation in decline. We are the greatest, fairest, freest nation on the face of the Earth. And now let's make it better. Now let's make it better. (Applause.) Help me. But the change I'm talking about -- remember, send Lauch Faircloth to the United States Senate. We must change the Senate. Reelect Howard Coble, let's move America forward. And thank you, and may God bless this greatest country on the face of the Earth. Thank you all very much. (Applause.)

END

3:27 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Wisconsin)

For Immediate Release

October 31, 1992

REMARKS BY THE PRESIDENT
AT BURLINGTON WELCOME

Burlington Train Depot
Burlington, Wisconsin

9:00 A.M. CST

THE PRESIDENT: Well, thank you all. Before we say all aboard, let me thank Tommy Thompson for being at my side through thick and thin. When everything looked a little more difficult than it does today, he stayed right at our side. He has been an outstanding Governor. He has led not just this state, but many in the country by the example you all have set, the example he has set. And I am very proud to have the Thompsons as good, close personal friends of the Bush family. Thank you, Tommy. (Applause.)

May I thank Mayor Hefty and our Republican chairman Dave Opitz; and John MacIver, and old friend, helping so much on our campaign. But there's some real business ahead for next Tuesday. We must keep Bob Kasten in the United States Senate. He is doing a superb job for our country. (Applause.) A real leader up there. So do not gamble with the future. Make sure you've got Bob Kasten returned to the Senate.

And, you know, everyplace I go -- haven't seen them here today -- but you see these signs saying, "Clean House." Clean House. People are tired of that House of Representatives being controlled by that same body for 38 years -- the one institution that hasn't changed. Send Mark Neumann to the United States Congress. (Applause.)

And we Bushes are delighted to be here in Burlington -- the Chocolate City, USA. (Applause.) If my opponent were here today he might even inhale, it smells so good. (Laughter.) Don't take it personally, Bill, please. (Laughter.) These guys can dish it out, but they can't take it too well. Well, anyway.

And may I salute the veterans here today from the VFW. And let me just say this: I am proud to have worn the uniform of this country. I believe in honor, duty and country. (Applause.) And I salute those who served.

Today is Halloween, our opponents' favorite holiday. (Laughter.) They are literally trying to scare America. The only way that the Clinton-Gore ticket can win is if they convince us that we're a nation in decline. And here's the way they do it. They say we're less than Germany, but a little more than Sri Lanka -- or if they can convince the hard-working families in this country that we're in a deep recession. Neither is true. We are the most respected nation in the world. And our economy, thank God, is moving forward. (Applause.)

And so the difference on Tuesday is going to be a difference between experience, a philosophy, and yes, it is very important -- character matters. (Applause.)

You know, for months, Governor Clinton has been ill-defining our record and talking very little about his. So on this lovely Saturday, let me just tell you some facts about

Arkansas. I won't dwell on it because I don't want to ruin this day.

Arkansas -- 50th in the quality of environmental initiatives; 50th in the percentage of adults with college degrees; 50th in per capita spending on criminal justice; 49th in spending on police protection; 48th in percentage of adults with a high school diploma; 48th in spending on corrections; 46th on teachers' salaries -- getting better -- 45th on the overall well-being of children. And he said in the debate, "I want to do for America what I've done for Arkansas." No way! We're not going to let him do that. (Applause.)

Please point out I did not invent that expression.
(Laughter.)

Governor Clinton says he's a candidate of change. And let's take a close look -- a little look -- at what he's talking about. Under him every day is going to be Halloween: fright and terror. He dreams of -- he talks about government investing. The answer is not to have government investing by taking more of your taxes. The answer is for us to stimulate small business by tax relief, less regulation, and less lawsuits that finish off a lot of these small businesses. (Applause.)

The last time we had his kind of change, remember what it was like. He loves to point out -- he goes, let's go back to Herbert Hoover. Let's not -- let's go back to Jimmy Carter, when you had a Democrat in the White House and that spendthrift Congress, led by those liberal Democrats. And what did you have? Maybe some of the young ones don't remember. Interest rates, 21.5 percent; inflation 15 percent; the Misery Index that they invented twice as much as it is now. And you want that kind of change -- change is all you'll have left in your pocket if you put this guy into office. (Applause.)

No, a lot of families are hurting, but the economy is moving. And the worse news in the world -- you could see the tears coming down the face of the Governor and the Ozone Man. You could see it when the tears trickled down their face because it came out that our economy grew for the sixth straight quarter, and grew at 2.7 percent. We're on the move. Now let's keep it going, but don't do it by raising taxes and increasing government spending. (Applause.)

Our plan does just -- here's what it does. It controls the growth of spending. It holds the line on taxes. And then I'm saying to the American people, give me these four things: Give us a balanced budget amendment. Republicans want it. Conservative Democrats want it. Discipline the Congress and the Executive Branch by a balanced budget amendment. (Applause.)

Give us a check-off -- give you all a check-off, so if you feel strongly about the deficit you check a little box on your tax return, up to 10 percent of your tax, and that must go, under the law, to reducing the federal deficit. If Congress can't do it, let the people have a say and try to get it done. (Applause.)

And give us a -- then the next thing -- 43 governors have it. Give us a line-item veto and let's stomp out some of the waste out of the spending. (Applause.)

And the fourth one, let's have the Congress, like the presidency, let's have some term limits on the United States Congress. (Applause.)

You know, small business creates two-thirds of the new jobs. And all we hear from Governor Clinton is let's get government to invest. Government never invested productively a dime in anything. And so we want to free up that small business sector, by giving them relief and letting them lead the way to

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new heights, new recovery and new opportunity for these kids here today. (Laughter.)

And I mentioned litigation. We are suing each other too much and caring for each other too little in this country. And it is a crying shame when a doctor is afraid to deliver a baby because of a malpractice suit; when a Little League coach is afraid to coach because somebody might bring a nutty lawsuit against them; or when you're driving along the highway, you see somebody hurt, you want to stop but you're afraid to for afraid somebody will say, oh, they moved the body just wrong, and slap you with one of these ridiculous lawsuits. Let's put a cap on these lawsuits that are finishing off -- (applause) -- a lot of goodwill and finishing off a lot of small businesses.

Health care -- we've got a good plan: Making insurance available to the poorest of the poor; pool insurance so you bring the prices down; and do something about malpractice that costs \$20 billion to \$25 billion a year. But do not let the government ration health care or control prices because we'll fail here like many others who have tried it failed abroad. (Applause.)

Education -- education, Wisconsin's in the lead. And we've got a good record and we've got a good program. It says it's not good enough to do it the way the subcommittee chairmen in Washington say. Give it -- give the power not to the teachers union, but to the teachers. And God bless our teachers who are doing so much for our kids. (Applause.) And give parents -- Milwaukee has led in this, Milwaukee has led -- give parents the choice of public, private, or religious schools. Help them, and that will make all schools better. (Applause.)

Welfare reform -- we've got bold new programs. And let me just salute your Governor for leading the nation with learnfare and workfare and trying to break the cycle of welfare. That is a compassionate approach, the strong approach. And I salute Tommy Thompson and I want to see this happen for the entire country. (Applause.)

Crime -- we've got a very positive record. Our spending to support our law enforcement officers is way up. The Arkansas record is sorry. The other day who came to see me in the Oval Office -- eight officers. They were from the Little Rock Fraternal Order of Police. And they endorsed me for President of the United States. (Applause.)

And the point I'm going to make right down to the election is that character counts. You cannot make the White House into the Waffle House. You cannot flip-flop on all these issues. And whether it's right to work, whether it's term limits, whether it's free trade -- whatever it is, Governor Clinton can be on one side and then heroically on the other side. And I am telling you that Harry Truman was right -- the buck does stop on that Oval Office desk. And it is a question of character if you keep trying to waffle and be on all sides.

Let me give you one key example. I had to mobilize probably the most historic world coalition we've ever seen in order to stand up against aggression in the Middle East. And I had to go against all these talking-head pundits; I had to go against demonstrations; I had to go against a determined Democrat majority in the House until we won them over.

And where was Governor Clinton the day I made that fateful decision? He said, well, "I agree with the arguments of the minority, but I guess I would have voted with the majority." What kind of leadership is that? That is a waffle. There is a pattern of deception here, and we cannot have that in the Oval Office. (Applause.)

You cannot lead -- you cannot lead by misleading. And finally, let me wrap it up by saying -- in the first place, I'm elated that there's only three days more to go. We can't win. Barbara and I can hardly believe it. I've given you some positive reasons, whether it's crime or education or welfare reform, to vote for me for President. But I'll give you another one. I think we've got the best First Lady we possibly could have. (Applause.)

But let me tell you why I believe that character --

AUDIENCE: Barbara! Barbara! Barbara!

THE PRESIDENT: Barbara's a perfect 10, the man says. Okay.

But let me tell you why, in a serious moment here before we take this exciting train trip -- let me tell you why I believe that character really does count. Remember -- I cited this in the debate, but Horace Greeley said this: Fame is a vapor, popularity an accident; riches take wing. Only character endures. And I really believe that that's especially true in the presidency. And it matters not just because of the plans you make, but because of the crises that you never possibly can foresee.

And, yes, the world is much safer today. But as Dick Cheney, our able Secretary of Defense, reminded us the other day, who knows where the next crisis will come? The Soviet bear is dead, but there are a lot of wolves out there in the woods. So imagine, a year from today, if you picked up a newspaper out in front of your house and you read about some upheaval, some unforeseen upheaval, some terrorist getting ahold of a nuclear weapon, and how you would react to that. And I believe that you've got to close your eyes, imagine in that dangerous situation an American leader without any experience, completely untested, a leader about whom literally we know very, very little. And what we do know is this troubling pattern that I mentioned -- this pattern of being on one side, pattern of indecisiveness.

And so I don't believe that we can take this kind of risk -- not now, not in this incredibly uncertain time, and not when our children's security is at stake. And when that next crisis occurs -- and you can bet that somewhere it will -- whether it's at home or abroad, the entire world is going to look to the American presidency.

Bill Clinton says it's not the character of the President, it's the character of the presidency. Wrong. They're interconnected, they're locked. And so you've got to ask, what is character. A friend said, well, it's acting alone the same way you would act with a million people watching. That's a good description. But while nobody may be watching in the Oval Office, millions will feel the impact of the judgment of the President of the United States.

And I've been tested. We've managed world change that I think history will record as almost biblical proportions. These young kids here go to bed at night without the same fear of nuclear war that their mothers and dad had. And that is a major accomplishment, and we as a country can take great pride in it. (Applause.)

But I'll never forget when we were faced with a crisis now known as Desert Storm. I didn't waver. I took a stand. I made the decision to go to war because I knew it was right, not because I felt it was popular. You've got to go back and remember all the predictions of the body bags, and how I hadn't convinced the country, and how the demonstrators were expressing the will of the people, and that I had to make a lonely decision.

And I'll never forget being with Barbara up at a little chapel we have there at Camp David, when we had to make a decision -- when I had just made a decision. A couple of days later America's sons and daughters would go into war again. It is not an easy decision. And you've got to do it from conviction all the way. And it's an awesome responsibility to ask anybody's kid to possibly knock on death's door early. It's a responsibility that I've tried very hard to fulfill with honor and decency and, yes, duty -- above all, I hope integrity.

And so that's your call. And now as we go down to the wire on November 3rd, and all the polling and all the pundits won't make any difference at all. And it's up to the people. And when you enter that voting booth, please ask yourself three common-sense questions: Who has the right visions for America's economic future? Who can lead us through this global transition? And which candidate has the character -- who would you trust with your family; who would you trust with your country when a crisis arrives?

Ideas, action, and character -- I have tried hard to be a proponent of all three. And may God bless this country. Go to the polls. We need your support. We are going to win this election for the young people here today. Thank you, and God bless each and every one of you. (Applause.)

END

9:15 A.M. CST

THE WHITE HOUSE

Office of the Press Secretary
(Auburn Hills, Michigan)

For Immediate Release

November 1, 1992

REMARKS BY THE PRESIDENT
AT OAKLAND COUNTY WELCOME

Palace of Auburn Hills
Auburn Hills, Michigan

2:10 P.M. EST

THE PRESIDENT: Thank you very much. (Applause.) Thank you, thank you, thank you. (Applause.) Bill -- thank you Bill Laimbeer. Thank you all very, very much for the welcome to the Palace. And I am very proud to have Bill Laimbeer at my side. I think that's going to get us in there for victory in Michigan. So, Bill, thank you very much. (Applause.)

Let's slam-dunk our opponent, the Governor from Arkansas, on Tuesday. (Applause.)

No, I'm delighted to be here -- very proud to have at my side and running our campaign perhaps the most effective leader this state has ever seen, but in any event, the great Governor John Engler. I salute him and thank him. (Applause.)

Do me a favor. Help me clean House. (Applause.) Clean it out. And here's how we're going to do it. Here's how we're going to do it. Elect Megan O'Neill -- (applause) -- elect Dick Chrysler, John Pappageorge -- (applause) -- Joe Knollenberg -- elect them and we can help make a big step toward cleaning House. That one institution has not changed for 38 years. And now we can make a big change. (Applause.)

I want to thank Mitch Ryder and the band. I want to thank all these high school bands -- just fantastic music. (Applause.) And I want to salute my friend, our MC, Brooks Patterson -- you've got a good one there. (Applause.) And also the party leaders, because here's when we get down to getting out the vote and getting down to the crunch. And Dave Doyle and the rest of them are doing a first-class job. So go to the polls. Bring your neighbors and let's carry the state of Michigan. (Applause.)

I am absolutely confident of victory because the American people are going to decide that there is a vast difference in experience, a vast difference in philosophy, and, yes, a vast difference in character. (Applause.) You know, I think finally one of the reasons is we're getting in perspective exactly what has happened in Arkansas since this man has been Governor. And they don't like it, but it doesn't hurt to tell the truth. And here it is: Arkansas is the 50th in the quality of environmental initiatives -- 50th state.

AUDIENCE: Booo --

THE PRESIDENT: How do you environmentalists like that? Fiftieth in the percentage of adults with college degrees.

AUDIENCE: Booo --

THE PRESIDENT: It gets worse, hold your fire. Fiftieth in per capita spending on criminal justice; 49th -- wait a minute, they're going up here -- 49th in per capita spending on

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police protection; 48th in the percentage of adults with a high school diploma. A little more for you guys here.

AUDIENCE: Booo --

THE PRESIDENT: Forty-eight for spending on corrections; 46th in teachers' salaries; 45th in the overall well-being of children. And Governor Clinton said, "I want to do for the country what I've done for Arkansas. No way.

AUDIENCE: Booo --

THE PRESIDENT: We cannot let that happen to this country. This country's just beginning to move. (Applause.)

Governor Clinton says he's the candidate of change. We'll get to Ozone Man in a minute. (Laughter.) Let's look closely at what Governor Clinton offers, and this is one thing the American people should focus on now in the last day before this campaign -- \$150 billion in new taxes.

AUDIENCE: Booo --

THE PRESIDENT: -- \$220 billion new spending. You talk about trickle-down, that's trickle-down government. Take it from the people and have government spend it. And we're not going to let that happen. (Applause.)

And you hear the same old siren's call -- you hear the same old siren's call: Well, we'll take it from the rich. There aren't enough rich people. So all you cab drivers, all you nurses, all you overworked teachers, watch out -- watch out for it. Watch your pocketbook and watch your wallets. They're coming right after you. (Applause.)

You know, they talk about change, change, change. And all you have to do is remember the last time we had a man like Governor Clinton as President and a Democrat-controlled Congress. You had change all right. You had inflation at 15 percent; you had interest rates -- 21.5 percent, you had a Misery Index at 20. And we cannot let that happen to the United States. (Applause.) Change, change, change.

AUDIENCE: No way, Bill! No way, Bill!

THE PRESIDENT: No way, that's right. Change -- change is all you'll have left in your pocket if you let this guy become President of the United States of America. (Applause.)

And you know the only way -- the only way they can win is by scaring America that we're in some deep recession. Look, the economy is growing. We are caught up in a fragile international economy. You hear them talk -- Governor Clinton says we're something less than Germany and a little above Sri Lanka. But let me tell you something: Our economy is doing better than Germany, better than Japan, better than Canada. And if we keep going the way we're moving now and get our programs in, we'll be leading the entire world. (Applause.)

Yes, people are hurting. Yes, people are hurting in this country. But we don't need to make it worse for them by going back to tax and spend. We need our program. And let me tell you what it is.

First place, we're going to open new markets. Exports have saved us. We are going to open new markets for American products all around the world. We are not going to go protection. We think we have the best workers in the world. Now let's open those markets. (Applause.)

And we're going to have -- we're going to continue to have a strong environmental policy. But we are not going to go to the extreme. Governor Clinton and the Ozone Man, they -- (applause) -- well, here's what they want to do. They're backing off a little now because they're on all sides of every issue. They want to go and put a 40 to 45-mile-per-gallon CAFE standard -- fuel efficiency standard -- on American autos.

AUDIENCE: Boooooo!

THE PRESIDENT: And that will throw auto workers out of work. And I'm not going to go to the extreme. We are not going to go to the extreme on this environment. (Applause.)

And instead of those crazy government policies, we are going to inspire and invigorate small business. And here's how we're going to do it. Two-thirds of the jobs created are in small business, so we're going to get relief from taxation, relief from regulation, and, yes, relief from litigation. (Applause.)

We have got to have legal reform. These trial lawyers are backing Governor Clinton right up to the hilt. The lead trial lawyer in Arkansas said, "Don't worry. Bill won't go against us on tort reform." Look, we've got Little League coaches that are afraid to coach; we've got doctors that are afraid to bring babies into the world because of a lawsuit; we've got people that are afraid to help people along the highway because they're afraid to be sued. And we've got to put an end to these crazy lawsuits. And we're going to do it. (Applause.)

And whatever your politics, you should have an interest in that one. And we've got to sue each other less and care for each other more in this country. (Applause.)

Big difference on health care. We've got the great health care program. And we're going to get it through because there is going to be a cleaning of the House, and there's going to be 100 new members of Congress. And the reason is those guys up there can't even run a two-bit post office or of a two-bit bank. (Applause.) So we're going to 100 or maybe 150 new members of Congress. And we're going to get this health care program through.

We're going to provide health care, insurance to the poorest of the poor through vouchers. We're going to help the overburdened next income bracket and the income tax range there by tax credit. We're going to pool the insurance so the small operator can get the same cost benefits as the larger ones -- large companies. And then we're going to do this: We are going to say no to Governor Clinton's want to let the government ration health care through this board he is proposing. (Applause.) Health care for all. Health care for all, but use market forces to get it done.

On education, I've got a big difference with Governor Clinton on this one. I cited the sorry record in Arkansas. Now we've adopted -- we've adopted national education goals for the very first time. And I give Governor Clinton credit for this one, because as a Governor he worked with us on this. The program is this: Renew, literally reinvent American schools and give parents the choice of schools -- private, public or religious. (Applause.) And that competition will make all the public schools better. It works in Wisconsin, it can work right across this country. (Applause.)

On welfare reform we've got to break the cycle of welfare. Too many people, generation after generation dependent. So what we're going to do is go nationally with the waiver system, give those states the right to put in workfare. People are going to get the check, let them do a little work and work their way off of the welfare. (Applause.)

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And learnfare -- help people to learn, these kids. It's a tragedy, generation after generation. Make part of the welfare reform learnfare so people on welfare will have the privilege of an education in this country and be able to do better.

We've gone after these deadbeat dads; we're going to keep after them. (Applause.) And, yes, I don't care what the liberal elite says, family is important. And family values are important. (Applause.)

And we need to help all families -- single parent, whatever it is. But we need to help them by getting better crime -- out of -- getting crime out of our areas. We've got to have better crime legislation. We better get some that supports the police and some that has more compassion for the victims of crime and a little less for the criminals. (Applause.)

And I'll tell you what I mean -- Arkansas, people that are sentenced there spend 20 percent of their sentence in jail. And under the federal jurisdiction, which is mine, 85 percent. We must support our local police officers. (Applause.)

And awhile back I had a visit from eight guys from Arkansas, and they came up to endorse me for President of the United States. And they were the Fraternal Order of Police in Arkansas in Little Rock. (Applause.) And I was proud to have their endorsement. (Applause.)

We've got to get the deficit down, but Bill Clinton talks about let government invest. Government never created a job. It is small business and private sector that creates jobs. (Applause.) So if you want to get the deficit down, here's the way to do it: Control the growth of these mandatory spending programs, give us a balanced budget amendment to the Constitution to discipline the Congress -- (applause) -- give us -- give every taxpayer the right to check 10 percent of his tax return. And if you want it to go to the deficit, make the Congress put it on the deficit. (Applause.) Give the President what 43 governors have -- a line-item veto, and let the President draw a line through this excessive spending. (Applause.) And I'll throw in a fourth measure -- I think it's time to give the Congress back to the people. I want term limits for the members of the United States Congress. (Applause.)

And here's the last point: I mentioned character and trust. Well --

AUDIENCE: We love you.

THE PRESIDENT: Well, I hope so. (Applause.)

There's been a little panic in Little Rock, because I think they see that the goal that Bill Clinton has been eagerly awaiting ever since he was studying in Oxford might be slipping away from him. (Applause.) He's begun attacking my character. And I love to fight this one out in the last couple of days on character and trust. (Applause.) Yes, he is a character. (Applause.) But being attacked -- being attacked on character by Governor Clinton is like being called ugly by a frog. We don't need to worry about it. (Applause.) We didn't invite that term Slick Willy. We didn't invite it. It's come in from Arkansas. It was all through the Democratic primary. We are not going after his character. We're doing what Harry Truman is. We tell the truth and they think it's hell. So be it. We're simply telling the truth. (Applause.)

It's difficult for him to level with the American people -- and here I'm very serious. You can't have it both ways as President of the United States. You can't tell one story and then another. In April, for example, on the draft, he said he

would release all his draft records. And he never has done that to this day. He is waffling and ducking --

AUDIENCE: Booooo.

THE PRESIDENT: -- and bobbing and weaving. And you cannot do that as President. (Applause.)

Listen, a lot of people opposed the war and I understand that. That's not the point here. The point is there is a pattern as Prof deception. On one side of the issue one day, and another side the next. And you cannot do that in the Oval Office. (Applause.)

I think -- I know, I know a lot of the media don't like this. I know a lot of our friends in the media don't like this. In fact, I like these hats -- Annoy the Media: Reelect Bush. (Applause.) Let me divert for a minute. Have you ever seen a year where -- they have their own seminars, "have we been fair?" They know very well they haven't, but we're going to win without them. (Applause.)

Listen. Before you get too angry about this, share my frustration about it, please grant amnesty to the good guys -- the photographers, the guys carrying the boom mikes. Somebody stuck them with the American flag the other day. These are our friends. They are good people. Don't harass them. Save your rifle for those that aren't here -- those Sunday talk show people. Those guys that are telling us how we're going to vote. (Applause.)

But, you know, I mentioned the draft. Even today we have new evidence -- an affidavit that when Governor Clinton first ran for office his friends used special connections to seize his ROTC file and destroy all others. He's got to level with the American people on this kind of thing.

But it's not just the draft, it's not just the draft. You know my differences with him on organizing demonstrations. Look, people objected to the war. But I make a distinction, when your brothers or your peers are in a jail in Hanoi, or kids are being drafted out of the ghetto to go into that war that was not a popular war, I simply think it is wrong to go to a foreign country and organize demonstrations against the United States of America. And that's what he did. (Applause.)

And all his apologists out there, all these talking heads say, oh, yes, but it was 23 years ago. Okay, if it was wrong to do that, just say so. If you make a mistake, admit it. I have done it, and that's what you have to do as President of the United States. (Applause.)

But the pattern continues. One time he's for the North American Free Trade Agreement; another he started to be against it, then in the debate say, well, I'm for it, but I will make some changes. You cannot have a lot of butts in the Oval Office. You've got to call them as you see them. (Applause.)

Term limits, CAFE standards, whatever it is, he's got a position for whatever audience he's talking to. And I really mean this, you lose all credibility as President if you try to do that on every issue. And let me finish this little start -- this little beginning here by saying, here's what he said on the war. It was a tough decision, tough time for our country. People were divided. And here's what Governor Clinton courageously said about the time I had to make this decision. He said, "I agree with the arguments the minority made, but I guess I would have voted with the majority." What kind of waffle iron is that.

AUDIENCE: Booo --

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THE PRESIDENT: You can't do it. You cannot be here and there. The bottom line is -- the bottom line is we simply cannot take the risk on Governor Clinton -- character, inexperience -- his experience and character do not meet the criterion of the Oval Office. And the world is still a dangerous place. We've made great progress. And, frankly, I take great pride in the fact that with a very able team, I was President when we greatly reduced the threat of nuclear war to every family here and around the world. (Applause.) Great that we had ancient enemies talking to each other in the Middle East; that the Soviet Union is no longer international communism, but democracy on the move. A lot of progress toward world peace.

And I was thrilled the other day -- yesterday, as a matter of fact, when an announcement came out of Baghdad. Saddam Hussein's government plan a big party the next day after the election, because they think Governor Clinton is going to win. Hold the phone, Saddam. They are not going to have a demonstration in Baghdad, because they're going to have to contend with me with four more years. (Applause.)

AUDIENCE: USA! USA! USA!

THE PRESIDENT: Well, actually the other night in Michigan, Governor Clinton told a voter that he's already thought about what he's going to do as President. He said he's going to play his saxophone in the White House. And he's already planning the inauguration parade, you know. Hold the phone, Bill. Hold the phone. We are going to show that you're not going to be in the White House and you're not going to have the parade. And the press are going to be wrong about you. (Applause.)

The day before that -- the day before that he said he was an underdog, and then yesterday he was a saxophone player in the White House. He's waffling even on that. (Applause.)

I've got a lesson for him. I know he studied at Oxford and I know when. But he might not understand how democracy works. It's not the pundits, it's the people that decide these elections. And that's why we're going to do it. (Applause.)

You know, I believe it's going to boil down to character and trust. I think we've already kind of won the debate on taxing and spending. People do not want to tax and spend more. They want a little relief from taxation and a little less government spending. (Applause.)

But the bottom line is -- the bottom line is you cannot have this pattern of deception and deceiving. I will tell you this: the toughest decision I had to make did relate to the war. And I remember being up there at Camp David with Barbara a day or so before the battle actually began. And it is tough when you have to send somebody else's son or somebody else's daughter into harm's way into combat. But you can't waffle. You've got to get your judgment made up and then you've got to say, here's what we're going to do. And I did it, and I have no regrets. And as a result of doing it, we lifted the entire world -- (applause) -- and we bashed -- we bashed aggression. We bashed aggression, and we restored hope in the United States of America.

And now, you go to the polls. And so I'm going to ask -- in the first place, you've got to work hard. You've got to go there and get the vote out. One of the reasons we're going to win, we've got the most committed supporters. We've got people like you all who are going to go to those polls. (Applause.)

And then I'm going to look into the lens the evening of the election, and I say to America, give me your support based on trust, based on character, based on confidence in the United

MORE

States of America. I want to lead this country, finish the job, restore hope and opportunity to every young person here. (Applause.) And with your help, we're going to get the job done.

Thank you all. (Applause.) And may God bless the United States of America. (Applause.) Thank you so very much for a great rally. (Applause.)

END

2:43 P.M. EST

#9649

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REMARKS BY THE PRESIDENT,
GOVERNOR BILL CLINTON, AND MR. ROSS PEROT
IN SECOND PRESIDENTIAL DEBATE OF 1992

Robins Center
University of Richmond
Richmond, Virginia

9:00 P.M. EDT

MS. SIMPSON: Good evening and welcome to the second of three presidential debates between the major candidates for President of the United States. The candidates are the Republican nominee, President George Bush; the independent, Ross Perot; and Governor Bill Clinton, the Democratic nominee.

My name is Carol Simpson and I will be the moderator for tonight's 90-minute debate which is coming to you from the campus of the University of Richmond in Richmond, Virginia.

Now, tonight's program is unlike any other presidential debate in history. We're making history now, and it's pretty exciting. An independent polling firm has selected an audience of 209 uncommitted voters from this area. The candidates will be asked questions by these voters on a topic of their choosing -- anything they want to ask about. My job as moderator is to take care of the questioning, ask questions myself if I think there needs to be continuity and balance, and sometimes I might ask the candidates to respond to what another candidate may have said.

Now, the format has been agreed to by representatives of both the Republican and Democratic campaigns, and there is no subject matter that is restricted. Anything goes. We can ask anything. After the debate the candidates will have an opportunity to make a closing statement.

So, President Bush, I think you said it earlier -- let's get it on.

THE PRESIDENT: Let's go.

MS. SIMPSON: And I think the first question is over here.

Q I'd like to direct my question to Mr. Perot. What will you do as President to open foreign markets to fair competition from American business and to stop unfair competition here at home from foreign countries so that we can bring jobs back to the United States?

MR. PEROT: That's right at the top of my agenda. We've shipped millions of jobs overseas and we have a strange situation because we have a process in Washington where after you've served for awhile you cash in, become a foreign lobbyist, make \$30,000 a month; then take a leave, work on presidential campaigns, make sure you got good contacts and then go back out.

Now, if you just want to get down to brass tacks, first thing you ought to do is get all these folks that have got these one-way trade agreements that we've negotiated over the years and say, fellas, we'll take the same deal we gave you. And

they'll gridlock right at that point, because, for example, we've got international competitors who simply could not unload their cars off the ships if they had to comply -- you see, if it was a two-way street; just couldn't do it.

We have got to stop sending jobs overseas. To those of you in the audience who are business people, pretty simple -- if you're paying \$12, \$13, \$14 an hour for factory workers and you can move your factory south of the border, pay \$1 an hour for labor, hire young -- let's assume you've been in business for a long time, you've got a mature work force. Pay \$1 an hour for your labor, have no health care -- that's the most expensive single element in making a car -- have no environmental controls, no pollution controls and no retirement, and you don't care about anything but making money, there will be a giant sucking sound going south.

So if the people send me to Washington, the first thing I'll do is study that 2,000-page agreement and make sure it's a two-way street.

I have one last part here. I've called -- I decided I was a dumb and didn't understand it, so I called the who's who of the folks that have been around it. And I said, why won't everybody go south? They say, it would be disruptive. I said, for how long? I finally got them up for 12 to 15 years. And I said, well, how does it stop being disruptive? And that is, when their jobs come up for \$1 an hour to \$6 an hour, and ours go down to \$6 an hour, then it's leveled again. But in the meantime, you've wrecked the country with these kinds of deals. We've got to cut it out.

MS. SIMPSON: Thank you, Mr. Perot. I see that the President has stood up, so he must have something to say about this.

THE PRESIDENT: Carole, the thing that saved us in this global economic slowdown has been our exports. And what I'm trying to do is increase our exports. And if, indeed, all the jobs were going to move south because of lower wages, there are lower wages now and they haven't done that. And so I have just negotiated with the President of Mexico, the North American Free Trade Agreement and the Prime of Canada, I might add. And I want to have more of these free trade agreements, because export jobs are increasing far faster than any jobs that may have moved overseas. That's a scare tactic because it's not that many. But any one that's here, we want to have more jobs here. And the way to do that is to increase our exports.

Some believe in protection. I don't. I believe in free and fair trade. And that's the thing that saved us, and so I will keep on, as President, trying to get a successful conclusion to the GATT Round, the big Uruguay Round of trade which will really open up markets for our agriculture, particularly. I want to continue to work after we get this NAFTA agreement ratified this coming year. I want to get one with Eastern Europe; I want to get one with Chile. And free and fair trade is the answer; not protection.

And as I say, we've had tough economic times, and it's exports that have saved us, exports that have built.

MS. SIMPSON: Governor Clinton.

GOVERNOR CLINTON: I'd like to answer the question, because I've actually been a Governor for 12 years, so I've known a lot of people who have lost their jobs because of jobs moving overseas, and I know a lot of people whose plants have been strengthened by increasing exports.

The trick is to expand our export base and to expand trade on terms that are fair to us. It is true that our exports

to Mexico, for example, have gone up and our trade deficit's gone down. It's also true that, just today, a record high trade deficit was announced with Japan.

So what is the answer? Let me just mention three things very quickly. Number one, make sure that other countries are as open to our markets as our markets are to them. And if they're not, have measures on the books that don't take forever and a day to implement.

Number two, change the tax code. There are more deductions in the tax code for shutting plants down and moving overseas than there are for modernizing plant and equipment here. Our competitors don't do that. Emphasize and subsidize modernizing plant and equipment here, not moving plants overseas.

Number three, stop the federal government's program that now gives low interest loans and job training funds to companies that will actually shut down and move to other countries, but we won't do the same thing for plants that stay here. So more trade, but on fair terms, and favor investment in America.

MS. SIMPSON: Thank you. I think we have a question over here.

Q This is for Governor Clinton. In the real world -- that is, outside of Washington, D.C., compensation and achievement are based on goals defined and achieved. My question is about the deficit. Would you define in specific dollar goals how much you would reduce the deficit in each of the four years of a Clinton administration, and then enter into a legally binding contract with the American people that if you did not achieve those goals that you would not seek a second term? Answer yes or no, and then comment on your answer, please.

GOVERNOR CLINTON: No, and here's why: And I'll tell you exactly why. Because the deficit now has been building up for 12 years. I'll tell you exactly what I think can be done. I think we can bring it down by 50 percent in four years and grow the economy.

Now, I could get rid of it in four years in theory on the books now, but to do it you'd have to raise taxes too much and cut benefits too much to people who need them, and it would even make the economy worse.

Mr. Perot will tell you, for example, that the expert he hired to analyze his plan says that it will bring the deficit down in five years, but it will make unemployment bad for four more years. So my view is, sir, you have to increase investment, grow the economy and reduce the deficit by controlling health care costs, prudent reductions in defense, cuts in domestic programs and asking the wealthiest Americans and foreign corporations to pay their fair share of taxes, and investing in growing this economy.

I ask everybody to look at my economic ideas. Nine Nobel Prize winners and over 500 economists and hundreds of businesspeople, including a lot of Republicans, said this is the way you've got to go. If you don't grow the economy, you can't get it done. But I can't foresee all the things that will happen, and I don't think a President should be judged solely on the deficit.

Let me also say we're having an election today. You'll have a shot at me in four years and you can vote me right out if you think I've done a lousy job; and I would welcome you to do that.

MS. SIMPSON: Mr. President?

THE PRESIDENT: Well, I've got to -- I'm a little confused here because I don't see how you can grow the deficit down by raising people's taxes. You see, I don't think the American people are taxed too little, I think they're taxed too much. I went for one tax increase, and when I make a mistake, I admit it. Say that wasn't the right thing to do.

Governor Clinton's program wants to tax more and spend more -- \$150 billion in new taxes, spend another \$220 billion. I don't believe that's the way to do it.

Here's some things that will help. Give us a balanced budget amendment. He always talks about Arkansas having a balanced budget, and they do. But he has a balanced budget amendment -- have to do it. I'd like the government to have that. And I think it would discipline not only the Congress, which needs it, but also the Executive Branch.

I'd like to have what 43 governors have -- the line-item veto. So if the Congress can't cut, we've got a reckless spending Congress, let the President have a shot at it by wiping out things that are pork barrel or something of that nature.

I've proposed another one. Some sophisticates think it may be a little gimmicky -- I think it's good. It's a check-off. It says to you as a taxpayer -- say, you're going to pay a tax of \$1,000 or something -- you can check 10 percent of that if you want to in one box, and that 10 percent, \$100, or if you're paying \$10,000, whatever it is -- \$1,000 -- check it off, and make the government, make it lower the deficit by that amount. And if the Congress won't do it, if they can't get together and negotiate how to do that, then you'd have a sequester across the board. You'd exempt Social Security -- I don't want to tax or touch Social Security. I'm the President that said, hey, don't mess with Social Security, and we haven't.

So I believe we need to control the growth of mandatory spending -- back to this gentleman's question -- that's the main growing thing in the budget. The program that the President -- two-thirds of the budget, I, as President, never get to look at -- never get to touch. We've got to control that growth to inflation and population increase, but not raise taxes on the American people now. I just don't believe that would stimulate any kind of growth at all.

MS. SIMPSON: How about you, Mr. Perot?

MR. PEROT: Well, we're \$4 trillion in debt and we're going into debt an additional \$1 billion -- a little more than \$1 billion every working day of the year. Now, the thing I love about it -- I'm just a businessman. I was down in Texas, taking care of business, tending to my family. This situation got so bad that I decided I had better get into it. The American people asked me to get into it. But I just find it fascinating that while we sit here tonight, we will go into debt an additional \$50 million in an hour and a half.

Now, it's not the Republicans' fault, of course; and it's not the Democrats' fault. And what I'm looking for is who did it? Now, they're the two folks involved, so maybe if you put them together, they did it. Now, the facts are we have to fix it.

We are leaving -- I'm here tonight for these young people up here in the balcony from this college. When I was a young man, when I got out of the Navy, I had multiple job offers. Young people with high grades can't get a job. The 18-year-old to 24-year-old high school graduates 10 years ago were making more than they are now. In other words, we were down to -- 18 percent of them were making -- the 18-to-24-year-olds were making less than \$12,000. Now that's up to 40 percent. And what's happening in the meantime -- the dollar's gone through the floor.

Now, whose fault is that? Not the Democrats; not the Republicans. Somewhere out there there's an extraterrestrial that's doing this to us, I guess. (Laughter.) And everybody says they take responsibility. Somebody, somewhere has to take responsibility for this. Put it to you bluntly, the American people: if you want me to be your President, we're going to face our problems, we'll deal with the problems, we'll solve our problems. We'll pay down our debt. We'll pass on the American Dream to our children. And I will not leave our children a situation that they have today.

When I was a boy, it took two generations to double the standard of living. Today it will take 12 generations. Our children will not see the American Dream because of this debt that somebody, somewhere dropped on us.

MS. SIMPSON: You're all wonderful speakers and I know you have lots more to add. But I have talked to this audience and they have lots of questions on other topics. Can we move to another topic, please?

We have one up here, I think.

Q Yes, I'd like to address all the candidates with this question. The amount of time the candidates have spent in this campaign trashing their opponents character and their programs is depressingly large. Why can't your discussions and proposals reflect the genuine complexity and the difficulty of the issues to try to build a consensus around the best aspects of all proposals?

MS. SIMPSON: Who wants to take that one? (Laughter.) Mr. Perot, you have an answer for everything, don't you? Go right ahead, sir. (Laughter.)

MR. PEROT: No, I don't have an answer for everything. As you all know, I've been buying 30-minute segments to talk about issues. And tomorrow night on NBC from 10:30 p.m. to 11:00 p.m. Eastern, we're going to talk about how you pay the debt down. So we're going to come right down to that one, see. We'll be on again Saturday night 8:00 p.m. to 9:00 p.m. on ABC. (Laughter.)

MS. SIMPSON: Okay, okay --

MR. PEROT: So the point is -- finally, I couldn't agree with you more -- couldn't agree with you more. And I have said again and again and again, let's get off mud wrestling, let's get off personalities, and let's talk about jobs, health care, crime -- the things that concern the American people. I'm spending my money -- not PAC money, not foreign money -- my money to take this message to the people.

MS. SIMPSON: Thank you, Mr. Perot. So that seems directed. He would say it's you gentlemen that have been doing that. Mr. Clinton -- Governor Clinton, how do you -- President Bush, how would you like to respond?

THE PRESIDENT: Well, in the first place, I believe that character is a part of being President. I think you have to look at it. I think that has to be a part of candidate for President or being President. In terms of programs, I've submitted, what, four different budgets to the United States Congress in great detail. They're so heavy they'd give you a broken back. And everything in there says what I am for. Now, I've come out with a new Agenda for America's Renewal, a plan that I believe really will help stimulate the growth of this economy.

My record on world affairs is pretty well-known, because I've been President for four years. So I feel I've been

talking issues. Nobody likes the -- likes who shot John. But I think the first negative campaign run in this election was by Governor Clinton. And I'm not going to sit there and be a punching bag. I'm going to stand up and say, hey, listen, here's my side of it. But character is an important part of the equation.

The other night, Governor Clinton raised -- I don't know if you saw the debate the other night -- suffered through that. (Laughter.) Well, he raised a question of my father. It was a good line, well-rehearsed and well-delivered. But he raised a question of my father and said, well, your father, Prescott Bush, was against McCarthy. You should be ashamed of yourself -- McCarthyism.

I remember something my dad told me. I was 18 years old, going to Penn Station to go into the Navy. And he said, write your mother -- which I faithfully did. He said, serve your country. My father was an honor, duty and country man. And he said, tell the truth. And I've tried to do that in public life, all through it. And that has said something about character.

My argument with Governor Clinton -- you can call it mud wrestling, but I think it's fair to put it in focus -- is I am deeply troubled by someone who demonstrates and organizes demonstration in a foreign land when his country's at war. Probably a lot of kids here disagree with me. But that's what I feel. That's what I feel passionately about. I'm thinking of Ross Perot's running mate sitting in the jail -- how would he feel about it. But maybe that's generational. I don't know.

But the big argument I have with the Governor on this is this taking different positions on different issues, trying to be one thing to one person here that's opposing the NAFTA agreement and then for it -- what we call waffling.

And I do think that you can't turn the White House into the waffle house, you've got to say what you're for. And you have got to --

MS. SIMPSON: Mr. President, I am getting time cues, and with all due respect -- I'm sorry --

THE PRESIDENT: Excuse me, I don't want to -- no, go ahead, Carole.

MS. SIMPSON: Governor Clinton.

THE PRESIDENT: I get wound up because I feel strongly.

MS. SIMPSON: Yes, you do. (Laughter.)

GOVERNOR CLINTON: Let me say first of all to you that I believe so strongly in the question you asked that I suggested this format tonight. I started doing these formats a year ago in New Hampshire, and I found that we had huge crowds because all I did was let people ask questions and I tried to give very specific answers. I also had a program starting last year.

I've been disturbed by the tone and the tenor of this campaign. Thank goodness the networks have a fact check so I don't have to just go blue in the face anymore that Mr. Bush said once again tonight I was going to have a \$150-billion tax increase. When Mr. Quayle said that all the networks said, that's not true. He's got over \$100 billion in tax cuts and incentives.

So I'm not going to take up your time tonight, but let me just say this. We'll have a debate in four days and we can talk about this character thing again, but The Washington

Post ran a long editorial today saying they couldn't believe Mr. Bush was making character an issue and they said he was the greatest "political chameleon" for changing his positions of all time.

Now, I don't want to get into that --

THE PRESIDENT: Please don't say anything by The Washington Post.

GOVERNOR CLINTON: Wait a minute. Let's don't -- you don't have to believe that. Here's my point. I'm not interested in his character. I want to change the character of the presidency. And I'm interested in what we can trust him to do and what you can trust me to do and what you can trust Mr. Perot to do for the next four years. So I think you're right, and I hope the rest of the night belongs to you.

MS. SIMPSON: May I -- I talked to this audience before you gentlemen came and I asked them about how they felt about the tenor of the campaign. Would you like to let them know what you thought about that -- when I said are you pleased with how the campaign's been going?

AUDIENCE: Nooo --

MS. SIMPSON: Who wants to say why you don't like the way the campaign is going?

Q If I may, and forgive the notes here but I'm shy on camera. (Laughter.) The focus of my work is a domestic mediator, is meeting the needs of the children that I work with by way of their parents, and not the wants of their parents. And I ask the three of you, how can we as, symbolically, the children of the future President, expect the two of you -- the three of you -- to meet our needs, the needs in housing and in crime and you name it, as opposed to the wants of your political spin doctors and your political parties?

MS. SIMPSON: So your question is --

Q Can we focus on the issues and not the personalities and the mud? I think there is a need -- if we could take a poll here with the folks from Gallup, perhaps -- I think there is a real need here to focus at this point on the needs.

MS. SIMPSON: How do you respond? How do you gentlemen respond to --

MR. CLINTON: I agree with him.

MS. SIMPSON: President Bush?

THE PRESIDENT: Let's do it. Let's talk about programs for children.

Q Could we cross our hearts and, it sounds silly here, but could we make a commitment? You know, we're not under oath at this point, but could you make a commitment to the citizens of the United States to meet our needs -- and we have many -- and not yours again? You know, I repeat that -- that's a real need I think that we all have.

THE PRESIDENT: I think it depends on how you define it. I mean, I think, in general, let's talk about these issues, let's talk about the programs. But in the presidency, a lot goes into it. Caring goes into it -- that's not particularly specific. Strength goes into it -- that's not specific. Standing up against aggression -- that's not specific in terms of a program. This is what a President has to do.

So, in principal, though, I'll take your point. I think we ought to discuss child care or whatever else it is.

MS. SIMPSON: And you two?

GOVERNOR CLINTON: Ross had his hand up.

MR. PEROT: No hedges, no ifs, ands and buts, I'll take the pledge. Because I know the American people want to talk about issues and not tabloid journalism. So I'll take the pledge and we'll stay on the issues.

Now, just for the record, I don't have any spin doctors, I don't have any speechwriters. Probably shows. (Laughter.) I make those charts you see on television even. (Laughter.) But you don't have to wonder if it's me talking. Hey, what you see is what you get. If you don't like it, you've got two other choices, right?

GOVERNOR CLINTON: Wait a minute. I want to say just one thing now, Ross, in fairness. The ideas I express are mine. I've worked on these things for 12 years, and I'm the only person up here who hasn't been part of Washington in any way for the last 20 years. So I don't want the implication to be that somehow everything we say is just cooked up and put in our head by somebody else. I worked 12 years very hard as a Governor on the real problems of real people. I'm just as sick as you are by having to wake up and figure out how to defend myself every day. I never thought I'd ever be involved in anything like this.

MR. PEROT: May I finish?

MS. SIMPSON: Yes, you may finish.

MR. PEROT: Very briefly?

MS. SIMPSON: Yes, very briefly.

MR. PEROT: I don't have any foreign money in my campaign. I don't have any foreign lobbyists on leave in my campaign. I don't have any PAC money in my campaign. I've got five and a half million hard-working people who have put me on the ballot. And I belong to them.

MS. SIMPSON: Okay.

MR. PEROT: And they are interested in what you're interested in. I'll take the pledge -- I've already taken the pledge on cutting the deficit in half. I never got to say that. There's a great young group, Lead Or Leave -- college students, young people who don't want us to spend their money. I took the pledge we'd cut it out.

MS. SIMPSON: Thank you. We have a question here.

Q Yes. I would like to get a response from all three gentlemen. And the question is, what are your plans to improve the physical infrastructure of this nation, which includes the water system, the sewer system, our transportation systems, et cetera? Thank you.

MS. SIMPSON: The cities. Who is going to fix the cities, and how?

THE PRESIDENT: I'd be glad to take a shot at it.

MS. SIMPSON: Please.

THE PRESIDENT: I'm not sure that -- and I can understand if you haven't seen this because there's been a lot of hue and cry. We passed this year the most farthest-looking transportation bill in the history of this country since

Eisenhower started the interstate highways -- \$150 billion for improving the infrastructure. That happened when I was President. And so I am very proud of the way that came about and I think it's a very, very good beginning.

Like Mr. Perot, I am concerned about the deficits. And \$150 billion is a lot of money, but it's awful hard to say we're going to go out and spend more money when we're trying to get the deficit down. But I would cite that as a major accomplishment.

We hear all the negatives. When you're President, you expect this. Everybody's running against the incumbent. They can do better; everyone knows that. But here's something that we can take great pride in because it really does get to what you're talking about. Our home initiative, our homeownership initiative, HOPE, that passed the Congress is a good start for having people own their own homes instead of living in these deadly tenements.

Our enterprise zones that we hear a lot of lip service about in Congress would bring jobs into the inner city. There's a good program. And I need the help of everybody across this country to get it passed in substantial way by the Congress.

When we went out to South Central in Los Angeles -- some of you may remember the riots there. I went out there, I went to a Boy's Club, and every one of them -- the Boy's Club leaders, the ministers, all of them were saying, pass enterprise zones. We go back to Washington and very difficult to get it through the Congress.

But there's going to be a new Congress. No one likes gridlock. There's going to be a new Congress because the old one -- I don't want to get this man mad at me, but there was a post office scandal and a bank scandal. You're going to have a lot of new members of Congress. And then you can sit down and say, help me do what we should for the cities, help me pass these programs.

MS. SIMPSON: Mr. President, aren't you threatening to veto the bill, the urban aid bill, that included enterprise zones?

THE PRESIDENT: Sure, but the problem is you get so many things included in a great, big bill that you have to look at the overall good. That's the problem with our system. If you had a line-item veto, you could knock out the pork, you could knock out the tax increases, and you could do what the people want, and that is create enterprise zones.

MS. SIMPSON: Governor Clinton, you're chomping at the bit.

GOVERNOR CLINTON: That bill pays for these urban enterprise zones by asking the wealthiest Americans to pay a little more. And that's why he wants to veto it -- just like he vetoed an earlier bill this year -- this is not mud slinging, this is fact slinging --

THE PRESIDENT: They're you go.

GOVERNOR CLINTON: A bill earlier this year -- this is fact -- that would have given investment tax credits and other incentives to reinvest in our cities and our country. But it asked the wealthiest Americans to pay a little more.

Mr. Perot wants to do the same thing. I agree with him -- I mean, we agree with that.

Let me tell you specifically what my plan does: My plan would dedicate \$20 billion a year in each of the next four

years for investments in new transportation, communications, environmental cleanup and new technologies for the 21st century. And we would target it especially in areas that have been either depressed or which have lost a lot of defense-related jobs.

There are 200,000 people in California, for example, who have lost their defense-related jobs. They ought to be engaged in making high-speed rail. They ought to be engaged in breaking ground in other technologies, doing waste recycling, clean water technology and things of that kind. We can create millions of jobs in these new technologies -- more than we're going to lose in defense if we target it. But we're investing a much smaller percentage of our income in the things you just asked about than all of our major competitors. And our wealth growth is going down as a result of it. It's making the country poorer, which is why I answered the gentleman the way I did before.

We have to both bring down the deficit and get our economy going through these kinds of investments in order to get the kind of wealth and jobs and incomes we need in America.

MS. SIMPSON: Mr. Perot, what about your plans for the cities? You want to tackle the economy and the deficit first.

MR. PEROT: First, you've got to have money to pay for these things. So you've got to create jobs. And there are all kinds of ways to create jobs in the inner city. Now, I am not a politician, but I think I could to Washington in a week and get everybody holding hands and get this bill signed, because I talked to the Democratic leaders and they want it; I talked to the Republican leaders, and they want it. But since they are bred from childhood to fight with one another rather than get results -- I would be glad to drop out and spend a little time and see if we couldn't build some bridges.

Now, results is what counts. The President can't order Congress around; Congress can't order the President around. That's not bad for a guy that's never been there, right? But you have to work together. Now, I have talked to the chairmen of the committees that want this. They're Democrats. The President wants it, but we can't get it because we sit here in gridlock because it's a campaign year. We didn't fund a lot of other things this year, like the savings and loan mess. That's another story that we're going to pay a big price for right after the election.

The facts are, though -- the facts are, the American people are hurting. These people are hurting in the inner cities. We're shipping the low-paying -- quote, "low-paying" jobs overseas. What are low-paying jobs? Textiles, shoes, things like that that we say are yesterday's industries. They're tomorrow's industries in the inner city.

Let me say in my case, if I'm out of work, I'll cut grass tomorrow to take care of my family. I'll be happy to make shoes. I'll be happy to make clothing. I'll make sausage. You just give me a job. Put those jobs in the inner cities, instead of doing diplomatic deals and shipping them to China, where prison labor does the work.

MS. SIMPSON: Mr. Perot, everybody thought you won the first debate because you were plain-speaking and you made it sound, oh, so simple -- we'll just do it. What makes you think that you're going to be able to get the Democrats and Republicans together any better than these guys?

MR. PEROT: If you asked me if I could fly a fighter plane or launch -- be an astronaut, I can't. I've spent my life creating jobs. It's something I know how to do. And very simply

in the inner city, they're starved. You see, small businesses is the way to jump-start the inner city.

MS. SIMPSON: Are you answering my question?

(Laughter.)

MR. PEROT: You want jobs in the inner city? Do you want jobs in the inner city? Is that your question?

MS. SIMPSON: No, I want you to tell me how you're going to be able to get the Republicans and Democrats in Congress --

MR. PEROT: Oh, I'm sorry.

MS. SIMPSON: -- to work together better than these two gentlemen.

MR. PEROT: I've listened to both sides. And if they would talk to one another instead of throwing rocks, I think we could get a lot done. And among other things, I would say, okay, over here in this Senate committee, to the chairman, who is anxious to get this bill passed, to the President who's anxious -- I'd say rather than just yelling at one another, why don't we find out where we're apart, try to get together, get the bill passed, and give the people the benefits, and not play party politics right now.

And I think the press would follow that so closely that probably they would get it done. That's the way I would do it. I doubt if they'll give me the chance, but I will drop everything and go work on it.

MS. SIMPSON: Okay. I have a question here.

Q My question was originally for Governor Clinton, but I think I would welcome a response from all three candidates. As you are aware, crime is rampant in our cities. And in the Richmond area, and I'm sure it's happened elsewhere, 12-year-olds are carrying guns to school. And I'm sure when our Founding Fathers wrote the Constitution, they did not mean for the "Right to Bear Arms" to apply to 12-year-olds. So I'm asking, where do you stand on gun control, and what do you plan to do about it?

MS. SIMPSON: Governor Clinton?

GOVERNOR CLINTON: I support the right to keep and bear arms. I live in a state where over half the adults have hunting or fishing licenses or both. But I believe we have to have some way of checking handguns before they're sold to check the criminal history, the mental health history and the age of people who are buying them. Therefore, I support the Brady Bill, which would impose a national waiting period, unless and until a state did what only Virginia has done now, which is to automate its records. Once you automate your records, then you don't have to have a waiting period, but at least you can check.

I also think we should have, frankly, restrictions on assault weapons, whose only purpose is to kill. We need to give the police a fighting chance in our urban areas where the gangs are building up.

The third thing I would say doesn't bear directly on gun control, but it's very important. We need more police on the street. There is a crime bill which would put more police on the street, which was killed for this session by a filibuster in the Senate, mostly by Republican senators. And I think it's a shame it didn't pass. I think it should be made to law. But it had the Brady Bill in it, the waiting period.

I also believe that we should offer college scholarships to people who will agree to work them of as police officers. And I think as we reduce our military forces, we should let people earn military retirement by coming out and working as police officers.

Thirty years ago there were three police officers on the street for every crime. Today, there are three crimes for every police officers. In the communities, which have had real success putting police officers near schools where kids carry weapons -- to get the weapons out of the schools -- are on the same blocks, you've seen crime go down. In Houston there's been a 15-percent drop in the crime rate in the last year because of the work the mayor did there in increasing the police force. So I know it can work. I've seen it happen.

MS. SIMPSON: Thank you. President Bush?

THE PRESIDENT: I think you put your finger on a major problem. I talk about strengthening the American family. And it's very hard to strengthen the family if people are scared to walk down to the corner store and send their kid down to get a loaf of bread. It's very hard. I have been fighting for very strong anticrime legislation -- habeas corpus reform, so you don't have these endless appeals; so when somebody gets sentenced, hey, this is for real. I've been fighting for changes in the exclusionary rule, so if an honest cop stops somebody and makes a technical mistake, the criminal doesn't go away. I'll probably get into a fight in this room with some, but I happen to think that we need stronger death penalties for those that kill police officers.

Virginia's in lead in this -- as Governor Clinton properly said -- on this identification system for firearms. I am not for national registration of firearms. Some of the states that have the toughest antigun laws have the highest levels of crime. I am for the right, as the Governor says -- I'm a sportsman, and I don't think you ought to eliminate all kinds of weapons.

But I was not for the bill that he was talking about because it was not tough enough on the criminal. I'm very pleased that the Fraternal Order of Police in Little Rock, Arkansas, endorsed me, because I think they see I'm trying to strengthen the anticrime legislation. We've got more money going out for local police than any previous administration.

So we've got to get it under control. And as one last thing -- point I'd make -- drugs. We have got to win our national strategy against drugs, the fight against drugs. And we're making some progress. Doing a littler better on interdiction. We're not doing as well amongst the people that get to be habitual drug users. The good news is, and I think it's true in Richmond, teenage use is down of cocaine substantially -- 60 percent in the last couple of years. So we're making progress. But until we get that one done, we're not going to solve the neighborhood crime problem.

MS. SIMPSON: Mr. Perot, there are young black males in America dying at unprecedented --

MR. PEROT: I would just make a comment on this.

MS. SIMPSON: Yes, I'm getting --

MR. PEROT: Oh, you're going to elaborate. Okay, excuse me.

MS. SIMPSON: -- to the fact that homicide is the leading cause of death among young black males, 15 to 24 years old. What are you going to do to get the guns off the street?

MR. PEROT: On any program, and this includes crime, you'll find we have all kinds of great plans lying around that never get enacted into law and implemented. I don't care what it is -- competitiveness, health care, crime, you name it. The Brady Bill, I agree that it's a timid step in the right direction, but it won't fix it. So why pass a law that won't fix it?

Now, what it really boils down to is can you live -- we have become so preoccupied with the rights of the criminal that we have forgotten the rights of the innocent. And in our country, we have evolved to a point where we've put millions of innocent people in jail because you go to the poor neighborhoods and they've put bars on their windows and bars on their doors, and put themselves in jail to protect the things that they acquired legitimately. Now, that's where we are.

We have got to become more concerned about people who play by the rules and get the balance we require. This is going to take, first, building a consensus in grassroots America. Right from the bottom up, the American people have got to say, they want it. And that point, we can pick from a variety of plans and develop new plans, and the way you get things done is bury yourselves in the room with one another, put together the best program, take it to the American people, use the electronic town hall -- the kind of thing you're doing here tonight -- build a consensus, and then do it and then go on to the next one. But don't just sit here slow dancing for four years doing nothing.

MS. SIMPSON: Thank you. Thank you, Mr. Perot.

We have a question up here.

Q Please state your position on term limits. And if you are in favor of them, how will you get them enacted?

THE PRESIDENT: Any order? I'll be glad to respond. I strongly support term limits for members of the United States Congress. I believe it would return the government closer to the people, the way that Ross Perot is talking about. The President's terms are limited to two, a total of eight years. What's wrong with limiting the terms of members of Congress to 12? Congress has gotten kind of institutionalized. For 38 years, one party has controlled the House of Representatives. And the result? A sorry little post office that can't do anything right, and a bank that has more overdrafts than all of Chase Bank and Citibank put together.

We've got to do something about it. And I think you get a certain arrogance, bureaucratic arrogance if people stay there too long. And so I favor -- strongly favor term limits. And how to get them passed? Send us some people that will pass the idea. And I think you will. I think the American people want it now. Everyplace I go, I talk about it, and I think they want it done.

Actually, you'd have to have some amendments to the Constitution because of the way the Constitution reads.

MS. SIMPSON: Thank you. Governor Clinton?

GOVERNOR CLINTON: I know they're popular, but I'm against them. I'll tell you why. I believe, number one, it would pose a real problem for a lot of smaller states in the Congress who would have enough trouble now making sure their interests are heard. Number two, I think it would increase the influence of unelected staff members in the Congress who have too much influence already. I want to cut the size of the congressional staffs, but I think you're going to have too much influence there with people who were never elected who have lots of expertise.

Number three, if the people really have a mind to change, they can. You're going to have 120 to 150 new members of Congress. Now, let me tell you what I favor instead. I favor strict controls on how much you can spend running for Congress, strict limits on political action committees, requirements that people running for Congress appear in open public debates like we're doing now. If you did that, you could take away the incumbent's advantage, because challengers like me would have a chance to run against incumbents like him for House races and Senate races, and then the voters could make up their own mind without being subject to an unfair fight. So that's how I feel about it, and I think if we had the right kind of campaign reform, we'd get the changes you want.

MS. SIMPSON: Mr. Perot, would you like to address term limitations?

MR. PEROT: Yes. Let me do it first on a personal level. If the American people send me up to do this job, I intend to be there one term. I do not intend to spend one minute of one day thinking about reelection. It is a matter of principle, and my situation is unique and I understand it. I will take absolutely no compensation. I go as their servant.

Now, I have set as strong an example as I can. And at that point, when we sit down over at Capitol Hill -- tomorrow night I'm going to be talking about government reform. It is a long subject; you wouldn't let me finish tonight. If you want to hear it, you can get it tomorrow night. (Laughter.) But the point is -- you'll hear it tomorrow night. But we have got to reform government.

If you put term limits in and don't reform government, you won't get the benefit you thought. It takes both. So we need to do the reforms and the term limits. And after we reform it, it won't be a lifetime career opportunity. Good people will go serve and then go back to their homes, and not become foreign lobbyists and cash in at \$30,000 a month, and then take time off to run some president's campaign.

They're all nice people; they're just in a bad system. I don't think there are any villains, but, boy, is the system rotten.

MS. SIMPSON: Thank you very much.

We have a question over here.

Q I'd like to ask Governor Clinton, do you attribute the rising costs of health care to the medical profession itself, or do you think the problem lies elsewhere? And what specific proposals to you have to tackle this problem?

GOVERNOR CLINTON: I've had more people talk to me about their health care problems, I guess, than anything else. All across America, people who have lost their jobs, lost their businesses, had to give up their jobs because of sick children -- so let me try to answer you in this way.

Let's start with the premise. We spend 30 percent more of our income than any nation on earth on health care. And yet, we insure fewer people. We have 35 million people without any insurance at all, and I see them all the time. One hundred thousand Americans a month have lost their health insurance just in the last four years.

So if you analyze where we're out of line with other countries you come up with the following conclusions: Number one, we spend at least \$60 billion a year on insurance, administrative costs, bureaucracy and government regulation that wouldn't be spent in any other nation. So we have to have, in my

judgment, a drastic simplification of the basic health insurance policies of this country; be very comprehensive for everybody. Employers would cover their employees, government would cover the unemployed.

Number two, I think you have to take on specifically the insurance companies and require them to make some significant change in the way they rate people in the big community pools. I think you have to tell the pharmaceutical companies they can't keep raising drug prices at three times the rate of inflation. I think you have to take on medical fraud. I think you have to help doctors stop practicing defensive medicine. I've recommended that our doctors be given a set of national practice guidelines, and that if they follow those guidelines, that raises the presumption that they didn't do anything wrong.

I think you have to have a system of primary preventive clinics in our inner cities and our rural areas so people can have access to health care.

But the key is to control the costs and maintain the quality. To do that, you need a system of managed competition where all of us are covered in big groups and we can choose our doctors and our hospitals from a wide range, but there is an incentive to control costs. And I think there has to be -- I think Mr. Perot and I agree on this -- there has to be a national commission of health care providers and health care consumers that set ceilings to keep health costs in line with inflation plus population growth.

Now, let me say, some people say we can't do this, but Hawaii does it -- they cover 98 percent of their people and their insurance premiums are much cheaper than the rest of America. And so does Rochester, New York. They now have a plan to cover everybody and their premiums are two-thirds the rest of the country. This is very important, it's a big human problem and a devastating economic problem for America. And I'm going to send a plan to do this within the first 100 days of my presidency. It's terribly important.

MS. SIMPSON: Thank you. Sorry to cut you short, but, President Bush, health care reform.

THE PRESIDENT: I just have to say something. I don't want to stampede -- Ross was very articulate -- across the country. I don't want anybody to stampede to cut the President's salary off altogether. Barbara is sitting over here, and I -- (laughter) -- but what I have proposed -- 10 percent cut, downsize the government, and we can get that done.

She asked the question, I think, is whether the health care profession was to blame. No. One thing to blame is these malpractice lawsuits. They are breaking the system. It costs \$20 billion to \$25 billion a year, and I want to see those outrageous claims capped. Doctors don't dare to deliver babies sometimes because they're afraid that somebody's going to sue them. People don't dare -- medical practitioners -- to help somebody along the highway that are hurt because they're afraid that some lawyer's going to come along and get a big lawsuit.

So you can't blame the practitioners or the health -- and my program is this: Keep the government as far out of it as possible, make insurance available to the poorest of the poor through vouchers -- next range in the income bracket through tax credits. And get on about the business of pooling insurance. A great, big company can buy -- Ross has got a good size company, been very successful. He can buy insurance cheaper than mom and pop store on the corner. But if those mom and pop stores all get together and pool, they, too, can bring the cost of insurance down.

So I want to keep the quality of health care -- that means keep government out of it. I don't like this idea of these boards. It all sounds to me like you're going to have some government setting price. I want competition, and I want to pool the insurance and take care of it that way.

Here's the other point. I think medical care should go with the person. If you leave a business, I think your insurance should go with you to some other business. You shouldn't be worrying if you get a new job as to whether that's going to -- and part of our plan is to make it what they call portable -- big word, but that means if you're working for the Jones Company and you go to the Smith Company, your insurance goes with you. I think it's a good program. I'm really excited about getting it done, too.

MS. SIMPSON: Mr. Perot?

MR. PEROT: We have the most expensive health care system in the world. Twelve percent of our gross national product goes to health care. Our industrial competitors, who are beating us in competition, spend less and have better health care. Japan spends a little over six percent of its gross national product; Germany spends eight percent.

It's fascinating. You bought a front-row, box seat, and you're not happy with your health care. And you're saying tonight we've got bad health care but very expensive health care. Folks, here's why. Go home and look in the mirror. You own this country, but you have no voice in it the way it's organized now. And if you want to have a high-risk experience comparable to bungee jumping -- (laughter) -- go into Congress sometime when they're working on this kind of legislation, when the lobbyists are running up and down the halls. Wear your safety-toe shoes when you go. (Laughter.) And as a private citizen, believe me, you are looked on as a major nuisance. The facts are, you now have a government that comes at you; you're supposed to have a government that comes from you.

Now, there are all kinds of good ideas, brilliant ideas, terrific ideas on health care. None of them every get implemented because -- let me give you an example -- a senator runs every six years; he's got to raise 20,000 bucks a week to have enough money to run. Who's he going to listen to, us or the folks running up and down the aisle with money, the lobbyists, the PAC money? He listens to them. Who do they represent? Health care industry. Not us.

Now, you've got to have a government that comes from you again. You've got to reassert your ownership in this country. And you've got to completely reform our government. And at that point, they'll just be like apples falling out of a tree. The programs will be good because the elected officials will be listening to -- I said the other night I was all ears and I would listen to any good idea. I think we ought to do plastic surgery on a lot of these guys so that they're all ears, too, and listen to you. Then you get what you want; and shouldn't you? You paid for it. Why shouldn't you get what you want as opposed to what some lobbyist cuts a deal, writes the little piece in the law, and it goes through. That's the way the game's played now. Until you change it, you're going to be unhappy.

MS. SIMPSON: Thank you.

Governor Clinton, you wanted one brief point.

GOVERNOR CLINTON: One brief point. We have elections so people can make decisions about this. The point I want to make to you is, a bipartisan commission reviewed my plan and the Bush plan and concluded -- there were as many Republicans as Democratic health care experts on it -- they concluded that my plan would cover everybody and his would leave 27 million behind.

by the year 2000; and that my plan in the next 12 years would save \$2.2 trillion in public and private money to reinvest in this economy. And the average family would save \$1,200 a year under the plan that I offered, without any erosion in the quality of health care. So I ask you to look at that.

And you have to vote for somebody with a plan. That's what you have elections for. If people say, well, he got elected to do this, and then the Congress says, okay, I'm going to do it. That's what the election was about.

MS. SIMPSON: Brief, Governor Clinton. Thank you.

We have a question right here.

Q Yes, how has the national debt personally affected each of your lives? And if it hasn't, how can you honestly find a cure for the economic problems of the common people if you have no experience in what's ailing them?

MR. PEROT: May I answer it?

MS. SIMPSON: Well, Mr. Perot, yes, of course.

MR. PEROT: Who do you want to start with?

Q My question is for each of you, so --

MR. PEROT: Yes, it caused me to disrupt my private life and my business to get involved in this activity. That's how much I care about it. And believe me, if you knew my family and if you knew the private life I have, you would agree in a minute that that's a whole lot more fun than getting involved in politics.

I have lived the American Dream. I came from a very modest background. Nobody's been luckier than I've been. All the way across the spectrum, and the greatest riches of all are my wife and children. It's true of any family. But I want all the children -- I want these young people up here to be able to start with nothing but an idea like I did and build a business. But they've got to have a strong, basic economy. And if you're in debt, it's like having a ball and chain around you.

I just figure as lucky as I've been. I owe it to them. And I owe it to the future generations. And on a very personal basis, I owe it to my children and grandchildren.

MS. SIMPSON: Thank you, Mr. Perot. Mr. President.

THE PRESIDENT: Well, I think the national debt affects everybody. Obviously, it has a lot to do with interest rates --

MS. SIMPSON: She's saying you personally.

Q You, on a personal basis, how has it affected you?

MS. SIMPSON: Has it affected you personally?

THE PRESIDENT: Well, I'm sure it has. I love my grandchildren. I want to think that --

Q How?

THE PRESIDENT: I want to think that they're going to be able to afford an education. I think that's an important part of being a parent. If the question -- maybe I get it wrong. Are you suggesting that if somebody has means that the national debt doesn't affect them?

Q What I'm saying --

THE PRESIDENT: I'm not sure I get it. Help me with the question and I'll try to answer it.

Q Well, I've had friends that have been laid off in jobs --

THE PRESIDENT: Yes.

Q I know people who cannot afford to pay the mortgage on their homes, their car payment. I have personal problems with the national debt. But how has it affected you? And if you have no experience in it, how can you help us if you don't know what we're feeling?

MS. SIMPSON: I think she means more the recession, the economic problems today the country faces rather than --

THE PRESIDENT: Well, listen, you ought to be in the White House for a day and hear what I hear and see what I see and read the mail I read and touch the people that I touch from time to time.

I was in the Lomax AME Church. It's a black church just outside of Washington, DC. And I read in the bulletin about teenage pregnancies, about the difficulty that families are having to make ends meet. I talked to parents. I mean, you've got to care. Everybody cares if people aren't doing well. But I don't think it's fair to say you haven't had cancer, therefore you don't know what it's like. I don't think it's fair to say -- whatever it is, if you haven't been hit by it personally. But everybody's affected by the debt. Because of the tremendous interest that goes into paying on that debt, everything's more expensive. Everything comes out of your pocket and my pocket. So it's that.

But I think in terms of the recession, of course, you feel it when you're President of the United States. That's why I'm trying to do something about it by stimulating the export, investing more, better education system.

Thank you. I'm glad you clarified it.

GOVERNOR CLINTON: Tell me how it's affected you again? You know people who have lost their jobs and lost their homes?

Q Yes.

GOVERNOR CLINTON: Well, I've been Governor of a small state for 12 years. I'll tell you how it's affected me. Every year, Congress and the President sign laws that make us do more things, it gives us less money to do it with. I see people in my state, middle class people -- their taxes have gone up in Washington and their services have gone down, while the wealthy have gotten tax cuts.

I have seen what's happened in this last four years when -- in my state, when people lose their jobs there's a good chance I'll know them by their names. When a factory closes, I know the people who ran it. When the businesses go bankrupt, I know them. And I've been out here for 13 months, meeting in meetings just like this ever since October with people like you all over America. People that have lost their jobs, lost their livelihood, lost their health insurance.

What I want you to understand is, the national debt is not the only cause of that. It is because America has not invested in its people. It is because we have not grown. It is because we've had 12 years of trickle-down economics. We've gone

from first to 12th in the world in wages. We've had four years where we've produced no private sector jobs.

Most people are working harder for less money than they were making 10 years ago. It is because we are in the grip of a failed economic theory. And this decision you're about to make better be about what kind of economic theory you want, not just people saying I want to go fix it, but what are we going to do.

What I think we have to do is invest in American jobs, in American education, control American health care costs, and bring the American people together again.

MS. SIMPSON: Thank you, Governor Clinton. We are a little more than halfway through this program, and I'm glad that we're getting the diversity of questions that we are, and I don't want to forget these folks on the wings over here, so let's go over here.

Do you have a question?

Q Yes, I do. My name is Ben Smith. I work in the financial field, counseling retirees. And I'm personally concerned about three major areas. One is the Social Security Administration or trust fund is projected to be insolvent by the year 2036. And we've funded the trust fund with IOUs in the form of Treasury bonds. The pension guarantee fund which backs up our private retirement plans for retirees is projected to be bankrupt by the year 2026, not to mention the cutbacks by private companies. And Medicare is projected to be bankrupt maybe as soon as 1997.

And I would like from each of you a specific response as to what you intend to do for retirees relative to these issues -- not generalities, but specifics -- because I think they're very disturbing issues.

MS. SIMPSON: President Bush, may we start with you?

THE PRESIDENT: Well, the Social Security -- you're an expert and I could, I'm sure, learn from you the details of the pension guarantee fund and the Social Security fund. The Social Security system was fixed about five years, and I think it's projected out to be sound beyond that. So at least we have time to work with it.

But on all of these things, a sound economy is the only way to get it going. Growth in the economy is going to add to these -- add to the overall prosperity and wealth. I can't give you a specific answer on pension guarantee fund. All I know is that we have firm government credit to guarantee the pensions. And that is very important.

But the full faith in credit of the United States, in spite of our difficulties, is still pretty good. It's still the most respected credit. So I would simply say, as these dates get close you're going to have to reorganize and refix as we did with the Social Security fund. And I think that's the only answer. But the more immediate answer is to do what this lady was suggesting we do, and that is to get this deficit down and get on without adding to the woes, and then restructure.

One thing I've called for that has been stymied and I'll keep on working for it is a whole financial reform legislation. It is absolutely essential in terms of bringing our banking system and credit system into the new age instead of having it living back in the dark ages. And it's a big fight. And I don't want to give my friend, Ross, another shot at me here, but I am fighting with the Congress to get this through.

And you can't just go up and say I'm going to fix it, you've got some pretty strong-willed guys up there that argue with you. But that's what the election's about; I agree with the Governor. That's what the election is about. And sound fiscal policy is the best answer, I think, to all the three problems you mentioned.

MS. SIMPSON: Thank you. Mr. Perot?

MR. PEROT: Just on a broad issue here. When you're trying to solve a problem, you get the best plans. You have a raging debate about those plans. Then out of that debate, with leadership comes consensus. Then --and if the plans are huge and complex, like health care, I would urge you to implement pilot programs. Like the old carpenter says, measure twice, cut once. Let's make sure this thing's as good as we all think it is at the end of the meeting.

Then, finally, our government passes laws and freezes the plan in concrete. Anybody that's ever built a successful business will tell you, you optimize, optimize, optimize after you put something into effect. The reason Medicare and Medicaid are a mess is we froze them. Everybody knows how to fix them. There are people all over the federal government if they could just touch it with a screwdriver could fix it.

Now, back over here. See, we've got a \$4-trillion debt, and only in America would you have \$2.8 trillion of it, or 70 percent of it financed five years or less. Now, that's another thing for you to think about when you go home tonight. You don't finance long-term debt with short-term money. Why did our government do it? To get the interest rates down. A one percent increase in interest rates in that \$2.8 trillion is \$28 billion a year.

Now, when you look at what Germany pays for money and what we don't pay for money, you realize there's quite a spread, right? And you realize this is a temporary thing and there's going to be another sucking sound that runs our deficit through the roof.

You know -- and everybody's ducking it so I'm going to say it -- that we are not letting that surplus stay in the bank. We are not investing that surplus like a pension fund. We are spending that surplus to make the deficit look smaller to you than it really is. Now, that puts you in jail in corporate America if you kept books that way; but in government it's just kind of the way things are. That's because it comes at you, not from you.

Now, then -- that money needs to be -- they don't even pay interest on it, they just write a note for the interest.

MS. SIMPSON: Mr. Perot, can you wrap it up?

MR. PEROT: Sure. But the point -- see, do you want to fix the problem or sound-bite it? I understand the importance of time, but see, here's how we get to this mess we're in. This is just one of 1,000.

MS. SIMPSON: But we've got to be fair.

MR. PEROT: Now, then, to nail it, there's one way out: A growing, expanding job base -- a growing, expanding job base to generate the funds and the tax revenues to pay off the mess and rebuild America. We've got to double hit. If we're \$4 trillion down, we should have everything perfect, but we don't. We've got to pay it off and build money to renew it -- spend money to renew it -- and that's going to take a growing, expanding job base. That is priority one in this country. Put everybody that's breathing to work. And I'd love to be out of

workers and have to import them, like some of our international competitors.

MS. SIMPSON: Mr. Perot, I'm sorry, I'm going to --

MR. PEROT: Sorry.

MS. SIMPSON: And I don't want to sound-bite you, but we are trying to be fair to everyone.

MR. PEROT: No, absolutely. I apologize.

MS. SIMPSON: All right, Governor Clinton.

GOVERNOR CLINTON: I think I remember the question. (Laughter.) Let me say first of all -- I want to answer your specific question, but first of all, we all agree that there should be a growing economy. What you have to decide is who's got the best economic plan. And we all have ideas out there, and Mr. Bush has a record. I don't want you to read my lips and I sure don't want you to read his. (Laughter.) I do hope you will read our plans.

Now, specifically --

THE PRESIDENT: -- first rule?

GOVERNOR CLINTON: One, on Medicare, it is not true that everyone knows how to fix it; there are different ideas. The Bush plan, the Perot plan, the Clinton -- we have different ideas. I am convinced, having studied health care for a year, hard, and talking to hundreds and hundreds of people all across America, that you cannot control the costs of Medicare until you control the cost of private health care and public health care with managed competition, ceiling on cost, and radical reorganization of the insurance markets -- you've got to do that. We've got to get those costs down.

Number two. With regard to Social Security -- that program -- a lot of you may not know this -- it produces a \$70-billion surplus a year. Social Security is in surplus \$70 billion. Six increases in the payroll tax -- that means people with incomes of \$51,000 a year or less pay a disproportionately high share of the federal tax burden, which is why I want some middle class tax relief.

What do we have to do? By the time the century turns, we have got to have our deficit under control, we have to work out of so that surplus is working up, so when the baby boomers like me retire, we're okay.

Number three, on the pension funds, I don't know as much about it, but I will say this: What I will do is to bring in the pension experts of the country, take a look at it and strengthen the pension requirements further. Because it's not just enough to have the guarantee. We had a guarantee on the S&Ls, right? We had a guarantee, and what happened? You picked up a \$500-billion bill because of the dumb way the federal government deregulated it.

So I think we are going to have to change and strengthen the pension requirements on private retirement plans.

MS. SIMPSON: Thank you. I think we have a question here on international affairs, hopefully.

Q We've come to a position where we're in the new world order. And I'd like to know what the candidates feel our position is in this new world order and what are responsibilities are as a superpower.

MS. SIMPSON: Mr. President?

THE PRESIDENT: We have come to that position. Since I became President, 43, 44 countries have gone democratic. No longer totalitarian, no longer living under dictatorship or communist rule. This is exciting. This is -- new world order to me means freedom and democracy.

I think we will have a continuing responsibility as the only remaining superpower to say involved. If we pull back in some isolation and say we don't have to do our share, or more than our share, anymore, I believe you going to just ask for conflagration that we'll get involved in in the future. NATO, for example, has kept the peace for many, many years. And I want to see us keep fully staffed in NATO so we'll continue to guarantee the peace in Europe.

But the exciting thing is the fear of nuclear war is down. And you hear all the bad stuff that's happened on my watch -- I hope people will recognize that this is something pretty good for mankind. I hope they'll think it's good that democracy and freedom is on the move. And we're going to stay engaged, as long as I am President, working to improve things.

You know, it's so easy now to say, hey, cut out foreign aid, we've got a problem at home. I think the United States has to still be -- have the Statue of Liberty as a symbol of caring for others. We're right this very minute, we're sending supplies in to help these little starving kids in Somalia. We're trying to get -- it's the United States that's taken the lead in humanitarian aid into Bosnia. We're doing this all around the world.

And, yes, we've got problems at home. And I think I've got a good plan to help fix those problems at home. But because of our leadership, because we didn't listen to the freeze, the nuclear freeze group -- do you remember: freeze it, back in about in the late '70s. Freeze, don't touch it. We're going to lock it in now, or else we'll have war. President Reagan said, no, peace through strength. It worked. The Soviet Union is no more. And now we're working to help them become totally democratic through the Freedom Support Act that I led on. A great Democratic Ambassador, Bob Strauss over there; Jim Baker; all of us got this thing passed -- through cooperation, Ross. It worked with cooperation. And you're for that, I'm sure -- helping Russia become democratic.

So the new world order to me means freedom and democracy, keep engaged, do not pull back into isolation. And we are the United States. And we have a responsibility to lead and to guarantee the security. If it hadn't been for us, Saddam Hussein would be sitting on top of three-fifths of the oil supply of the world, and he'd have nuclear weapons. And only the United States could do this.

Excuse me, Carole.

MS. SIMPSON: Thank you. Mr. Perot.

MR. PEROT: Well, it's cost-effective to help Russia succeed in its revolution. It's pennies on the dollar compared to going back to the Cold War. Russia's still very unstable. They could go back to square one and worse. There's still -- all the nuclear weapons are not dismantled. I'm particularly concerned about the intercontinental weapons, the ones that can hit us. We've got agreements, but they're still there.

With all this instability and breaking into republics and all the Middle Eastern countries going over there and shopping for weapons, we've got our work cut out for us. So we need to stay right on top of that and constructively help them move toward democracy and capitalism.

We have to have money to do that. We have to have our people at work. See, for 45 years, we were preoccupied with the Red Army. I suggest now that our number-one preoccupation is red ink in our country. And we've got to put our people back to work so that we can afford to do these things we want to do in Russia. We cannot be the policeman for the world any longer.

We spend \$300 billion a year defending the world. Germany and Japan spend around \$30 billion apiece. It's neat -- if I can get you to defend me, and I can spend all my money building industry, that's a homerun for me. Coming out of World War II, it made sense. Now the other superpowers need to do their part.

I'll close on this point: You can't be a superpower unless you're an economic superpower. If we're not an economic superpower, we are a used-to-be and we will not longer force for good throughout the world. And if nothing else gets you excited about rebuilding our industrial base, maybe that will, because job one is to put our people back to work.

MS. SIMPSON: Governor Clinton, the President mentioned Saddam Hussein. Your vice president and you have had some words about the President and Saddam Hussein. Would you care to comment?

GOVERNOR CLINTON: I'd rather answer her question first, and then I'll be glad to. Because the question you ask is important. The end of the Cold War brings an incredible opportunity for change -- the winds of freedom blowing around the world, Russia demilitarizing. And it also requires us to maintain some continuity, some bipartisan American commitment to certain principles.

And I would just say there are three things that I would like to say. Number one, we do have to maintain the world's strongest defense. We may differ about what the elements of that are. I think the defense needs to be with fewer people and permanent armed services, but with greater mobility on the land, in the air, and on the sea, with a real dedication to continuing development of high technology weaponry and well-trained people. I think we're going to have to work to stop the proliferation of weapons of mass destruction. We've got to keep going until all those nuclear weapons in Russia are gone and the other republics.

Number two, if you don't rebuild the economic strength of this country at home, we won't be a superpower. We can't have any more instances like what happened when Mr. Bush went to Japan and the Japan Prime Minister said he felt sympathy for our country. We have to be the strongest economic power in the world. That's what got me into this race, so we could rebuild the American economy.

And number three, we need to be a force for freedom and democracy. And we need to use our unique position to support freedom -- or in China or in any other place, wherever the seeds of freedom are sprouting. We can't impose it, but we need to nourish it. And that's the kind of thing that I would do as President -- follow those three commitments into the future.

MS. SIMPSON: Okay, we have a question up there.

Q We've talked a lot tonight about creating jobs. But we have an awful lot of high school graduates who don't know how to read a ruler, who cannot fill out an application for a job. How can we create high-paying jobs with the education system we have? And what would you do to change it?

MS. SIMPSON: Who would like to begin? The Education President?

THE PRESIDENT: I'd be delighted to, because you can't do it the old way. You can't do it with the school bureaucracy controlling everything. And that's why we have a new program that I hope people have heard about. It's being worked now in 1,700 communities -- I bypassed Congress on this one, Ross -- 1,700 communities across the country. It's called America 2000. And it literally says to the communities, reinvent the schools. Not just the bricks and mortar, but the curriculum and everything else. Think anew. We have a concept called the New American School Corporation, where we're doing exactly that.

And so I believe that we've got to get the power in the hands of the teachers, not the teachers union -- what's happening up there? (Laughter.) And so our America 2000 program also says this: It says let's give parents the choice of a public, private or public school -- public, private or religious school. And it works. It works in Milwaukee. A Democratic woman up there taking the lead in this, the mayor up there on the program. And the schools that are not chosen are improved. Competition does that.

So we've got to innovate through school choice. We've got to innovate through this America 2000 program. But she is absolutely right. The programs that we've been trying where you control everything and mandate it from Washington don't work.

The governors -- and I believe Governor Clinton was in on this, but I don't want to invoke him here -- but they come to me and they say, please get the Congress to stop passing so many mandates telling us how to control things. We know better how to do it in California or Texas or wherever it is. So this is what our program is all about. And I believe -- you're right on to something -- that if we don't change the education, we're not going to be able to compete.

Federal funding for education is up substantially. Pell Grants are up. But it isn't going to get the job done if we don't change K-12.

MS. SIMPSON: Governor Clinton?

GOVERNOR CLINTON: First of all, let me say that I've spent more of my time in life on this in the last 12 years than any other issue. Seventy percent of my state's money goes to public schools. And I was really honored when Time Magazine said that our schools have shown more improvement than any other state in the country except one other -- they named two states showing real strides forward in the '80s. So I care a lot about this. And I've spent countless hours in schools.

But let me start with what you've said. I agree with some of what Mr. Bush said, but it's nowhere near enough. We live in a world where what you earn depends on what you can learn, where the average 18-year-old will change jobs eight times in a lifetime, and where none of us can promise any of you that what you now do for a living is absolutely safe from now on. Nobody running can promise that. There's too much change in the world.

So what should we do? I'm going to reel some things off real quick, because you said you wanted specifics. Number one, under my program we would provide matching funds to states to teach everybody with a job to read in the next five years and give everybody with a job a chance to get a high school diploma. In big places, on the job.

Number two, we would provide two-year apprenticeship programs to high school graduates who don't go to college. And community colleges are on the job. Number three, we'd open the doors to college education to high school graduates without regard to income. They could borrow the money and pay it back as

a percentage of their income over the couple of years of service to our nation here at home.

Number four, we would fully fund the Head Start program to get little kids off to a good start. And five, I would have an aggressive program of school reform. More choices in the -- I favor public schools or these new charter schools -- we can talk about that if you want. I don't think we should spend tax money on private schools. But I favor public school choice. And I favor radical decentralization in giving more power to better-trained principals and teachers with parent councils to control their schools. Those things would revolutionize American education and take us to the top economically.

MS. SIMPSON: Thank you, Governor Clinton. What the question is -- what is going to cost?

Q What is it going to cost?

MS. SIMPSON: What is it going to cost?

GOVERNOR CLINTON: In six years -- I budget all this in my budget. In six years, the college program would cost \$8 billion over an above what -- the present student loan program costs four. You pay \$3 billion for busted loans because we don't have an automatic recovery system and a billion dollars in bank fees. So the net cost of the \$8 billion six years from now and a trillion-plus budget -- not very much.

The other stuff -- all the other stuff I mentioned costs much less than that. The Head Start program, full funding, would cost about \$5 billion more. And it's all covered in my budget from the plans that I've laid out, from raising taxes on families with incomes above \$200,000, and asking foreign corporations to pay the same tax that American corporations do on the same income; from \$140 billion in budget cuts, including what I think are very prudent cuts in the defense budget. It's all covered in the plan.

MS. SIMPSON: Mr. Perot, you on education, please.

MR. PEROT: Yes. I've got scars to show from being around education reform. And the first words you need to say in every city and state and just draw a line in the sand -- public schools exist for the benefit of the children -- you're going to see a lot of people fall over it. Because any time you're spending \$199 billion a year, somebody's getting it, and the children get lost in the process. So that's step one.

Keep in mind in 1960 when our schools were the envy of the world, we were spending \$16 billion on them. Now we spend more than any other nation in the world -- \$199 billion a year and rank at the bottom of the industrialized world in terms of educational achievement.

One more time, you've brought a front-row box seat and got a third-rate performance. This is a government that's not serving you.

By and large, it should be local. The more local, the better. Interesting phenomenon small towns have good schools, big cities have terrible schools. The best people in a small town will serve on the school board. You get into big cities, it's political patronage, stepping stones. You get the job, give your relatives the janitor's job at \$57,000 a year, more than the teachers make. And with luck, they clean the cafeteria once a week. (Laughter.)

Now, you're paying for that. Those schools belong to you. And we put up with that. And as long as you put up with

that, that's what you're going to get. And these folks are just dividing up \$199 billion and the children get lost.

If I could wish for one thing for great public schools, it would be a strong family unit in every home. Nothing will ever replace that. You say, well, gee, what are you going to do about that? Well, the White House is a bully pulpit, and I think we ought to be pounding on the table every day. There's nothing -- the most efficient unit of government will ever know is a strong, loving family unit.

Next thing. You need small schools, not big schools. A little school, everybody's somebody. Individualism is very important. These big factories, everybody told me they were cost-effective. I did a study on it. They're cost-ineffective. Five thousand students -- why is a high school that big? One reason. Sooner or later, you get 11 more boys that can run like the devil that weigh 250 pounds and they might win district. Now, that has nothing to do with learning.

Secondly, across Texas, typically half the school day was non-academic pursuits. In one place, it was 35 percent. In Texas, you could have unlimited absences to go to livestock shows. Found a boy -- excuse me, but this gives the flavor -- a boy in Houston kept a chicken in the bathtub in downtown Houston. Missed 65 days going to livestock shows. Finally had to come back to school, the chicken lost his feathers. That's the only way we got him back. (Laughter.)

Now, that's your tax money being wasted.

Now, neighborhood schools. It is terrible to bus tiny little children across town. And it is particularly terrible to take poor, tiny little children and wait until the first grade and bus them across town to Mars where the children know their numbers, know their letters, have had every advantage; the end of the first day, that little child wants out.

I close on this: You've got to have world-class teachers, world-class books. If you ever got close to how textbooks were selected, you wouldn't want to go back the second day. I don't have time to tell you the stories. (Laughter.)

MS. SIMPSON: No, you don't. (Laughter.)

MR. PEROT: Finally. If we don't fix this -- you're right -- we can't have the industries of tomorrow unless we have the best educated work force. And here, you've got for the disadvantaged children, you've got to have early childhood development. The cheapest money you'll ever spend. The first contact should be with the mother when she's pregnant. That little child needs to be loved and hugged and nurtured and made to feel special, like your children were. They learn to think well or poorly of themselves in the first 18 months.

MS. SIMPSON: Thank you, Mr. Perot.

MR. PEROT: And within the first few years, they either learn how to learn or don't learn how to learn. And if they don't, they wind up in prison and it costs more to keep them in prison than it does to send them to Harvard. I rest my case.

MS. SIMPSON: Thank you.

President Bush, you wanted to add something.

THE PRESIDENT: I just had a word of clarification because of something Governor Clinton said. My school choice program, G.I. Bill for Kids, does not take public money and give it to private schools. It does what the G.I. Bill itself did when I came out of World War II. It takes public money and gives it to families or individuals to choose the school they want.

And where it's been done, those schools -- like in Rochester, those schools that weren't chosen find that they then compete and do better. So I think it's worth a shot.

We've got a pilot program, it ought to be tried -- school choice -- public, private or religious, not to the schools, but to -- 46 percent of the teachers in Chicago, public schoolteachers send their kids to private school.

Now, I think we ought to try to help families and see if it will do what I think, make all schools better.

GOVERNOR CLINTON: I just want to mention if I could --

MS. SIMPSON: Very briefly.

GOVERNOR CLINTON: Very briefly. Involving the parents in the preschool education of their kids, even if they're poor and uneducated, can make a huge difference. We have a big program in my state that teaches mothers or fathers to teach their kids to get ready for school -- it's the most successful thing we've ever done.

Just a fact clarification real quickly. We do not spend a higher percentage of our income on public education than every other country. There are nine countries that spend more than we do on public education. We spend more on education cause we spend so much more on colleges.

But if you look at public education alone and you take into account that we have more racial diversity and poverty, it makes a big difference. There are great public schools where there are public school choice, accountability and brilliant principals. I'll just mention one -- the Beasley Academic Center in Chicago -- I commend it to anybody. It's as good as any private school in the country.

MS. SIMPSON: We have very little time left and it occurs to me that we have talked all this time and there has not been one question about some of the racial tensions and ethnic tensions in America. Is there anyone in this audience that would like to pose a question to the candidates on this?

Q What I'd like to know, and this is to any of the three of you, is aside from the recent accomplishments of your party -- aside from those accomplishments -- in racial representation and without citing any of your current appointments or successful elections, when do you estimate your party will both nominate and elect an Afro-American and female ticket to the Presidency of the United States?

MS. SIMPSON: Governor Clinton, why don't you answer that first.

GOVERNOR CLINTON: Well, I don't have any idea, but I hope it will happen sometime in my lifetime.

Q I do, too.

GOVERNOR CLINTON: I believe that this country is elected more and more African Americans and Latinos and Asian Americans who are representing districts that are themselves not necessarily of the majority of their race. The American people are beginning to vote across racial lines. And I hope it will happen more and more.

More and more women are being elected. Look at all these women Senate candidates we have here. And -- you know, according to my mother and my wife and my daughter, this world would be a lot better place if women were running it most of the time.

I do think there are special experiences and judgments and backgrounds and understandings that women bring to this process, by the way. This lady said here, how have you been affected by the economy? I mean, women know what it's like to be paid an unequal amount to equal work; they know what it's like not to have flexible working hours; they know what it's like not to have family leave or child care. So I think it would be a good thing for America if it happened and I think it will happen in my lifetime.

MS. SIMPSON: Okay, I'm sorry we have just a little bit time left, let's try to get responses from each of them.

President Bush or Mr. Perot?

THE PRESIDENT: I think if Barbara Bush were running this year she'd be elected. (Laughter.) But it's too late.

You don't want us to mention appointees but when you see the quality of people in our administration, see how Colin Powell performed -- I say administration, he's in the military --

Q I said when's your guess?

THE PRESIDENT: You weren't impressed with the fact that he performed --

Q Excuse me, I'm extremely impressed with that --

THE PRESIDENT: Yes, but wouldn't that suggest to the American people then here's a quality person, if he decided that he could automatically --

Q Sure. I just wanted to know --

THE PRESIDENT: -- get the nomination of either party? Huh?

Q I'm totally impressed with that. I just wanted to know is when is your guess of when.

THE PRESIDENT: Oh, I see -- you mean time?

Q Yeah.

THE PRESIDENT: I don't know. Starting after four years. (Laughter.) No, I think you'll see --

MS. SIMPSON: Mr. Perot?

THE PRESIDENT: I think you'll see more minority candidates and women candidates coming forward.

MS. SIMPSON: Thank you.

THE PRESIDENT: This is supposed to be the women's -- year of the women in the Senate. Let's see how they do. I hope a lot them win.

MS. SIMPSON: Mr. Perot, I don't want to cut you up any more but we only have a minute left.

MR. PEROT: I have a fearless forecast. A message just won't do it -- Colin Powell will be on somebody's ticket four years from now. Right? Right? You wanted -- that's it. Four years.

MS. SIMPSON: How about a women?

MR. PEROT: Now, if he won't be -- General Waller would be a -- you say, why do you keep picking military people?

These are people that I just happened to know and have a high regard for. I'm sure there are hundreds of others.

THE PRESIDENT: How about Dr. Lou Sullivan?

MR. PEROT: Absolutely.

THE PRESIDENT: Yeah, good man.

MR. PEROT: Absolutely.

MS. SIMPSON: What about a women?

MR. PEROT: Oh, oh.

THE PRESIDENT: My candidate's right there.

MR. PEROT: I can think of many.

MS. SIMPSON: Many?

MR. PEROT: Absolutely.

MS. SIMPSON: When?

MR. PEROT: How about Sandra Day O'Conner as an example? Dr. Bernadine Healy.

MS. SIMPSON: Good.

MR. PEROT: National Institute of Health. All right, I'll yield the floor. Name some more.

THE PRESIDENT: Good Republicans. (Laughter.)

MS. SIMPSON: Thank you, I want to apologize to our audience because there were 209 people here and there were 209 questions. We only got a fraction of them and I'm sorry to those of you that didn't get to ask your questions, but we must move to the conclusion of the program.

It is time now for the two minute closing statements and by prior agreement President Bush will go first.

THE PRESIDENT: May I ask for an exception because we owe Carole Simpson a -- anybody can stand inbetween these three characters here and get the job done -- we owe her a round of applause. (Applause.) Just don't take it out of my time.

MS. SIMPSON: That's right.

THE PRESIDENT: I feel strongly about it but I don't want it to come out of my time. I feel strongly about it, but I don't want it to come out of my time.

MS. SIMPSON: That's right. (Laughter.)

THE PRESIDENT: No, but let me just say to the American people -- in two and a half weeks, we're going to choose who should sit in this Oval Office; who to lead the economic recovery; who to be the leader of the free world: who to get the deficit down. Three ways to do that. One is to raise taxes, one is to reduce spending, controlling that mandatory spending. Another one is to invest and save and to stimulate growth.

I do not want to raise taxes; I differ with the two here on that. I'm just not going to do that. I do believe that we need to control mandatory spending. I think we need to invest and save more. I believe that we need to educate better and retrain better. I believe that we need to export more, so I'll keep working for export agreements where we can sell more abroad.

MS. SIMPSON: And, finally, last but not least, Governor Clinton.

GOVERNOR CLINTON: Thank you, Carol, and thank you, ladies and gentlemen. Since I suggested this format, I hope it's been good for all of you. I've really tried to be faithful to your request that we answer the questions specifically and pointedly. I thought I owed that to you, and I respect you for being here, and for the impact you've had on making this a more positive experience.

These problems are not easy. They're not going to be solved overnight. But I want you to think about just two or three things. First of all, the people of my state have let me be their Governor for 12 years because I made commitments to two things: More jobs and better schools.

Our schools are now better. Our children get off to a better start -- from preschools programs and smaller classes in the early grades. And we have one of the most aggressive adult education programs in the country; we talked about that.

This year, my state ranks first in the country in job growth, fourth in manufacturing job growth, fourth in income growth, fourth in the decline of poverty. I'm proud of that. It happened because I could work with people -- Republicans and Democrats. That's why we've had 24 retired generals and admirals, hundreds of businesspeople, many of them Republican, support this campaign.

You have to decide whether you want to change or not. We do not need four more years of an economic theory that doesn't work. We've had 12 years of trickle-down economics. It's time to put the American people first to invest and grow this economy. I'm the only person here who's ever balanced a government budget. And I've presented 12 of them and cut spending repeatedly. But you cannot just get there by balancing the budget. We've got to grow the economy but putting people first -- real people like you.

I got into this race because I did not want my child to grow up to be part of the first generation of Americans to do worse than their parents. We're better than that. We can do better than that. I want to make America as great as it can be. And I ask for your help in doing it.

Thank you very much.

MS. SIMPSON: Thank you, Governor Clinton.

Ladies and gentlemen, this concludes the debate, sponsored by the Bipartisan Commission on Presidential Debates. I'd like to thank our audience of 209 uncommitted voters who may leave this evening maybe being committed. And hopefully, they'll go to the polls like everyone else on November 3rd and vote.

We invite you to join us on the third and final presidential debate next Monday, October 19th, from the campus of Michigan State University in East Lansing, Michigan.

I'm Carole Simpson. Good night. (Applause.)

END

10:30 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Lansing, Michigan)

For Immediate Release

October 19, 1992

REMARKS BY THE PRESIDENT,
GOVERNOR BILL CLINTON AND MR. ROSS PEROT
IN THE THIRD PRESIDENTIAL DEBATE OF 1992

Wharton Center for the Performing Arts
Michigan State University
Lansing, Michigan

7:00 P.M. EDT

MR. LEHRER: Good evening. Welcome to this third and final debate among the three major candidates for President of the United States -- Governor Bill Clinton, the Democratic nominee; President George Bush, the Republican nominee -- (applause) -- and independent candidate, Ross Perot. (Applause.)

I am Jim Lehrer, of the McNeil-Lehrer News Hour on PBS. I will be the moderator for this debate, which is being sponsored by the Commission on Presidential Debates. It will be 90 minutes long. It is happening before an audience on the campus of Michigan State University in East Lansing.

The format was conceived by and agreed to by representatives of the Bush and Clinton campaigns. But then it is somewhat different than those used in the earlier debates. I will ask questions for the first half under rules that permit follow-ups. A panel of three other journalists will ask questions in the second half under rules that do not. As always, each candidate will have two minutes -- up to two minutes to make a closing statement. The order of those, as well as that for the formal questioning were all determined by a drawing.

Gentlemen, again welcome and again good evening.

It seems from what some of those voters said at your Richmond debate and from polling and other data that each of you, fairly or not, faces serious voter concerns about the underlying credibility and believability of what each of you says you would do as President in the next four years.

Governor Clinton, in accordance with the draw, those concerns about you are first. You are promising to create jobs, reduce the deficit, reform the health care system, rebuild the infrastructure, guarantee college education for everyone who is qualified, among many other things -- all with financial pain only for the very rich. Some people are having trouble, apparently, believing that is possible. Should they have that concern?

GOVERNOR CLINTON: No. There are many people who believe that the only way we can get this country turned around is to tax the middle class more and punish them more. But the truth is that middle class Americans are basically the ~~same~~ ^{same} of Americans who have been taxed more in the 1980s ~~and~~ ^{and}. The last 12 years, even though their ~~wealth~~ ^{wealth} ~~has~~ ^{has} ~~not~~ ^{not} ~~increased~~ ^{increased}.

Middle class people will have their fair share of changing to do and many challenges to face, including the challenge of becoming constantly reeducated. But my plan is a

MORE

departure from trickle-down economics, just cutting taxes on the wealthiest Americans and getting out of the way. It's also a departure from tax-and-spend economics because you can't tax and divide an economy that isn't growing.

I propose an American version of what works in other countries. I think we can do it better -- invest and grow. I believe we can increase investment and reduce the deficit at the same time if we not only ask the wealthiest Americans and foreign corporations to pay their fair share. We also provide over \$100 billion in tax relief in terms of incentives, new plants, new small businesses, new technologies, new housing, and for middle class families; and we have \$140 billion of spending cuts.

Invest and grow. Raise some more money, spend the money on tax incentives to have growth in the private sector, take the money from the defense cuts and reinvest it in new transportation and communications and environmental cleanup systems. This will work.

On this, as on so many other issues, I have a fundamental difference from the present administration. I don't believe trickle-down economics will work. Unemployment is up. Most people are working harder for less money than they were making 10 years ago. I think we can do better if we have the courage to change.

MR. LEHRER: Mr. President, a response.

THE PRESIDENT: Do I have one minute? Just the ground rules here.

MR. LEHRER: Well, you have roughly one minute. We can loosen that up a little bit. But go ahead.

THE PRESIDENT: He doesn't like trickle-down government, but, hey, I think he's talking about the Reagan-Bush years where we created 15 million jobs. The rich are paying a bigger percent of the total tax burden. And what I don't like is trickle-down government. And therein -- I think Governor Clinton keeps talking about trickle-down, trickle-down, and he's still talking about spending more and taxing more.

Government -- he says invest government; grow government. Government doesn't create jobs. If they do, they're make-work jobs. It's the private sector that creates jobs. And, yes, we've got too many taxes on the American people and we're spending too much. And that's why I want to get the deficit down by controlling the growth of mandatory spending.

It won't be painless. I think Mr. Perot put his finger on something there. It won't be painless, but we've got to get the job done. But not by raising taxes.

Mr. and Mrs. America, when you hear him say we're going to tax only the rich, watch your wallet, because his figures don't add up, and he's going to sock it right to the middle class taxpayer and lower if he's going to pay for all the spending programs he's proposed. So we have a big difference on this trickle-down theory. I do not want any more trickle-down government. It's gotten too big. I want to do something about that.

MR. LEHRER: Mr. Perot, what do you think of the Governor's approach -- what he just laid out?

MR. PEROT: Well, the basic problem with it is it doesn't balance the budget. If you forecast it out, you still will have a significant deficit under each of their plans, as I understand them. Our challenge is to stop the financial bleeding. If you take a patient into a hospital that's bleeding

arterially, step one is to stop the bleeding. And we are bleeding arterially.

There's only one way out of this. And that is to stop the deterioration of our job base, to have a growing, expanding job base, to give us the tax base. See, balancing the budget is not nearly as difficult as paying off the \$4-trillion debt and leaving our children the American Dream intact. We have spent their money; we have got to pay it back. This is going to take fair shared sacrifice.

My plan balances the budget within six years. We didn't do it faster than that because we didn't want to disrupt the economy. We gave it off to a slow start and a fast finish to give the economy time to recover. But we faced it and we did it. And we believe it's fair shared sacrifice.

The one thing I have done is lay it squarely on the table in front of the American people. You've had a number of occasions to see in detail what the plan is and at least you'll understand it. I think that's fundamental in our country that you know what you're getting into.

MR. LEHRER: Governor, the word "pain" -- one of the other leadership things that's put on you is that you don't speak of pain. That you speak of all things -- nobody's going to really have to suffer under your plan. You've heard what Mr. Perot has said. He said -- to do the things that you want to do, you can't do it by just taking the money from the rich. That's what the President says as well. How do you respond to that? The numbers don't add up.

GOVERNOR CLINTON: I disagree with both of them. For one thing -- let me just follow up here. I disagree with Mr. Perot that the answer is to raise -- put a 50-cent gas tax on the middle class and raise more taxes on the middle class and the working poor than on the wealthy. His own analysis says that unemployment will be slightly higher in 1995 under his plan than it is today. And as far as what Mr. Bush says, he is the person who raised taxes on the middle class after saying he wouldn't. And just this year Mr. Bush vetoed a tax increase on the wealthy that gave middle class tax relief. He vetoed middle class tax relief this year.

And furthermore, under this administration, spending has increased more than it has in the last 20 years -- and he asked Congress to spend more money than it actually spent. Now, it's hard to outspend Congress, but he tried to for the last three years.

So my view is the middle class is the -- they've been suffering, Jim. Now, should people pay more for Medicare if they can? Yes. Should they pay more for Social Security if they get more out of it than they've paid in and they're upper income people? Yes. But look what's happened to the middle class. Middle class Americans are working harder for less money than they were making 10 years ago and they're paying higher taxes. The tax burden on them has not gone down; it has gone up.

I don't think the answer is to slow the economy down more, drive unemployment up more, and undermine the health of the private sector. The answer is to invest and grow this economy. That's what works in other countries and that's what will work here.

MR. LEHRER: As a practical matter, Mr. President, do you agree with the Governor when he says that the middle class -- the taxes on the middle class -- do your numbers agree that the taxes on the middle class have gone up during the last --

THE PRESIDENT: Everybody is paying too much taxes. He refers to one tax increase. Let me remind you it was a

Democratic tax increase. And I didn't want to do it and I went along with it. And I said I make a mistake -- if I make a mistake, I admit it. That's quite different than some. But I think that's the American way.

I think everyone is paying too much. But I think this idea that you can go out and -- then he hits me for vetoing a tax bill. Yes, I did. And the American taxpayer ought to be glad they have a President to stand up to a spending Congress.

We remember what it was like when we had a spending President and a spending Congress and interest rates -- who remembers that -- they were 21.5 percent under Jimmy Carter. And inflation was 15. We don't want to go back to that.

And so, yes, everybody's taxed too much, and I want to get the taxes down. But not by signing a tax bill that's going to raise taxes on people.

MR. LEHRER: Mr. President, when you said just then that you admit your mistakes, and you looked at Governor Clinton and said -- what mistake is it that you want him to admit to?

THE PRESIDENT: Well, the record in Arkansas. I mean, look at it. And that's what we're asking America to have? Now, look, he says Arkansas's a poor state. They are. But in almost every category -- they're lagging. I'll give you an example.

He talks about all the jobs he's created in one or two years. Over the last 10 years since he's been Governor, they're 30 percent behind. They're 30 percent of the national average. On pay for teachers, on all these categories, Arkansas is right near the very bottom.

You haven't heard me mention this before, but we're getting close now and I think it's about time I start putting things in perspective. And I'm going to do that. It's not dirty campaigning because he's been talking about my record for half a year here, 11 months here. And so we've got to do that. I've got to get it in perspective.

What's his mistake? Admit it, that Arkansas is doing very, very badly against any standard -- environment, support for police officers, whatever it is.

MR. LEHRER: Governor, is that true?

GOVERNOR CLINTON: Mr. Bush's Bureau of Labor statistics says that Arkansas ranks first in the country in the growth of new jobs this year -- first.

THE PRESIDENT: This year.

GOVERNOR CLINTON: Fourth in manufacturing jobs. Fourth in the reduction of poverty. Fourth in income increase. Over the last 10 years we've created manufacturing jobs much more rapidly than the national average. Over the last five years our income has grown more rapidly than the national average. We are second in tax burden -- the second lowest tax burden in the country. We have the lowest per capita state and local spending in the country.

We are low spending, low tax burden. We've dramatically increased and our jobs are growing. I wish America had that kind of record, and I think most people looking at us tonight would like it if we had more jobs and a lower spending burden on the government.

MR. LEHRER: Mr. Perot, if you were sitting at home now and just heard this exchange about Arkansas, who would you believe?

MR. PEROT: I grew up five blocks from Arkansas. (Laughter.) Let's put it in perspective. It's a beautiful state. It's a fairly rural state. It has a population less than Chicago or Los Angeles, about the size of Dallas and Fort Worth combined. So I think probably we're making a mistake night after night after night to cast the nation's future on a unit that small.

MR. LEHRER: Why is that a mistake?

MR. PEROT: It's irrelevant. (Laughter and applause.)

MR. LEHRER: What he did as Governor of Arkansas --

MR. PEROT: No, no, no. But you can't -- I could say that I ran a small grocery store on the corner; therefore, I extrapolate that into the fact that I could run Wal-Mart. That's not true. (Applause.) I can't protect an Arkansas --

MR. LEHRER: Governor?

GOVERNOR CLINTON: Mr. Perot, with all respect, I think it is highly relevant, and I think that a \$4-billion budget in state and federal funds is not all that small. And I think the fact that I took a state that was one of the poorest states in the country and had been for 153 years, and tried my best to modernize its economy and to make the kind of changes that have generated support from people like the presidents of Apple Computer and Hewlett Packard and some of the biggest companies in this country, 24 retired generals and admirals and hundreds of business executives are highly relevant.

And, you know, I'm, frankly, amazed that since you grew up five blocks from there you would think that what goes on in that state is irrelevant. I think it's been pretty impressive.

MR. PEROT: It's not --

GOVERNOR CLINTON: And the people who have jobs -- (applause) -- the people who have jobs and educations and opportunities that didn't have them 10 years ago don't think it's irrelevant at all. They think it's highly relevant, and wish the rest of the country --

THE PRESIDENT: I don't have a dog in this fight, but I'd like to get in on it.

GOVERNOR CLINTON: You think it's relevant.
(Laughter.)

THE PRESIDENT: Governor Clinton has to operate under a balanced budget amendment. He has to do it. That is the law. I'd like to see a balanced budget amendment for America, to protect the American taxpayers. And then that would discipline not only the Executive Branch, but the spending Congress, the Congress that's been in control of one party -- his party -- for 39 years. And we almost had it done. And that institution, the House of Representatives -- everyone's yelling "Clean House" -- one of the reasons is we almost had it done. And the Speaker -- very able, decent fellow, I might add -- but he twisted the arms of some of the sponsors of that legislation and had them change their vote.

What's relevant here is that tool, that discipline that he has to live by in Arkansas -- and I'd like it for the American people. I want the line-item veto. I want a check-off so of the Congress can't do it, let people check off their income tax, 10 percent of it, to compel the government to cut spending.

And if they can't do it, if the Congress can't do it, let them then have to do it across the board -- that's what we call a sequester. That's the discipline we need. And I'm working for that, to protect the American taxpayer against the big spenders.

MR. LEHRER: Mr. President, let's move to some of the leadership concerns that have been voiced about you. And they relate to something you said in your closing statement in Richmond the other night about the President being the manager of crises. And that relates to an earlier criticism that you began to focus on the economy, on health care, on racial divisions in this country only after they became crises. Is that a fair criticism?

PRESIDENT BUSH: Jim, I don't think that's a fair shot. I hear it. I hear it echoed by political opponents, but I don't think it's fair. I think we've been fighting for day one to do something about the inner cities. I'm for enterprise zones. I have had it in every single proposal I've sent to the Congress. And now we hear a lot of talk -- oh, well, we all want enterprise zones. And yet the House and the Senate can't send it down without loading it up with a lot of these Christmas tree ornaments they put on the legislation. I don't think in racial harmony that I'm a laggard on that. I've been speaking out since day one.

We've gotten the Americans For Disabilities Act, which I think is one of the foremost pieces of civil rights legislation. And, yes, it took me to veto two civil rights quota bills, because I don't believe in quotas, and I don't think the American people believe in quotas. And I deep-backed the Congress on that, and then we passed a decent civil rights bill that offers guarantees against discrimination in employment. And that is good.

I've spoken out over and over again against anti-Semitism and racism, and I think my record as a member of Congress speaks for itself on that.

What was the other part of it?

MR. LEHRER: Well, it's just that -- you've spoken to it. I mean, but the idea -- not so much in specifics --

PRESIDENT BUSH: Yes.

MR. LEHRER: -- but that it has to be a crisis before you -- it gets your attention.

PRESIDENT BUSH: I don't think that's true at all. I don't think that's true. But, you know, let others fire away on it.

MR. LEHRER: Do you think that's true, Mr. Perot?

MR. PEROT: I'd like to just talk about issues, and so --

MR. LEHRER: You don't think this is an issue?

MR. PEROT: Well, no. But the point is that's a subjective thing. The subjective thing is when does President Bush react. And I feel it would be very difficult for me to answer that in any short period of time.

MR. LEHRER: Well, then, let's phrase -- I'll phrase it differently then. He said the other night in his closing words in Richmond that one of the key things that he believes the American people should decide between -- among the three of you, is who they want in charge if this country gets to a crisis. Now, that's what he said. And the rap on the President is that it's only crises time that he focuses on some of these things.

so my question to you -- we're going to talk about you in a minute.

MR. PEROT: I thought you'd forgotten I was here.

(Laughter.)

MR. LEHRER: No, no, no. No, no. But my question to you is -- so -- if you have nothing to say about it, fine. I'll go to Governor Clinton. But --

MR. PEROT: I will let the American people decide that. I would rather not critique the two candidates.

MR. LEHRER: All right.

Governor, what do you think?

GOVERNOR CLINTON: The only thing I would say about that is I think that on the economy, Mr. Bush said for a long time there was no recession and then said it would be better to do nothing than to have a compromise effort with the Congress. He really didn't have a new economic program until over 1,300 days into his presidency and not all of his health care initiative has been presented to the Congress even now.

I think it's important to elect a President who is committed to getting this economy going again and who realizes we have to abandon trickle-down economics and put the American people first again, and who will send programs to the Congress in the first 100 days to deal with the critical issues that America's crying out for leadership on -- jobs, incomes, the health care crisis, the need to control the economy. Those things deserve to be dealt with from day one. I will deal with them from day one. They will be my first priority, not my election year concerns.

MR. LEHRER: Mr. President.

PRESIDENT BUSH: Well, I think you're overlooking that we have had major accomplishments in the first term. But if you're talking about protecting the taxpayer against his friends in the United States Congress, go back to what it was like when you had a Democratic President and a Democratic Congress. You don't have to go back to Herbert Hoover. Go back to Jimmy Carter. And interest rates were 21 percent, inflation was 15 percent, the Misery Index -- unemployment, inflation added together -- it was invented by the Democrats -- went right through the roof. We've cut it in half. And all you hear about is how bad things are.

You know -- you remember the question, "Are you better off?" Well, is a homebuyer better off who can refinance the home because interest rates are down? Is a senior citizen better off because inflation is not wiping out their family savings? I think they are. Is the guy out of work better off? Of course, he's not. But he's not going to be better off if we grow the government -- if we invest, as Governor Clinton says, invest in more government.

You've got to free up the private sector. You've got to let small business have more incentives. For three months -- three quarters, I've been fighting -- three quarters been fighting to get the Congress to pass some incentives for small business -- capital gains, investment tax allowance, credit for first-time homebuyers. And it's blocked by the Congress. And then if a little of it comes my way, they load it up with Christmas trees and tax increases. And I have to stand up in favor of the taxpayer.

MR. LEHRER: I have to let -- we have to talk about Ross Perot now or he'll get me, I'm sure.

Mr. Perot, on this issue that I have raised at the very beginning and we've been talking about, which is leadership as President of the United States, the concerns -- my reading of it, at least -- my concerns about you, as expressed by folks in the polls and other places, it goes like this: You've got a problem with General Motors. You took your \$750 million and you left. You had a problem in the spring and summer about some personal hits that you took as a potential candidate for President of the United States, and you walked out. Does that say anything relevant to how you would function as President of the United States?

MR. PEROT: I think the General Motors thing is very relevant. I did everything I could to get General Motors to face its problems in the mid-'80s while it was still financially strong. They just wouldn't do it. And everybody now knows the terrible price they're paying by waiting until it's obvious to the brain dead that they have problems. (Laughter.)

Now, hundreds -- thousands of good, decent people, whole cities up here in this state are adversely impacted because they would not move in a timely way. Our government is at that point now. The thing that I am in this race for is to tap the American people on the shoulder and to say to every single one of you: Fix it while we're still relatively strong. If you have a heart problem, you don't wait until the heart attack to address it.

So the General Motors experience is relevant. At the point when I could not get them to address those problems, I had created so much stress in the board, who wanted just to keep the Lawrence Welk music going, that they asked to buy my remaining shares. I sold them my remaining shares. They went their way, I went my way. Because it was obvious we had a complete disagreement about what should be done with the company.

But let's take my life in perspective. Again and again on complex, difficult tasks, I have stayed the course. When I was asked by our government to do the POW project, within a year the Vietnamese had sent people into Canada to make arrangements to have me and my family killed. And I had five small children. And my family and I decided we would stay the course, and we lived with that problem for three years.

Then I got into the Texans' war on drug program, and the big-time drug dealers got all upset. Then when I had two people imprisoned in Iran, I could have left them there, I could have rationalized it. We went over, we got them out and we brought them back home. And since then, for years, I have lived with the burden of the Middle East where it's eye for an eye and tooth for a tooth country in terms of their unhappiness with the fact that I was successful in that effort.

Again and again and again, in the middle of the night at 2:00 a.m. or 3:00 a.m. in the morning, my government has called me to take extraordinary steps for Americans in distress. And again and again and again, I have responded. And I didn't wilt and I didn't quit.

Now, what happened in July we've covered again and again and again. But I think in terms of the American people's concern about my commitment -- and I'm here tonight, folks. I've never quit supporting you as you put me on the ballot in the other 26 states. And when you asked me to come back in, I came back in. And talk about not quitting -- I'm spending my money on this campaign. The two parties are spending your money -- taxpayer money. I've put my wallet on the table for you and your children -- over \$60 million at least will go into this campaign to leave the American Dream to you and your children to get this country straightened out. Because if anybody owes it to you, I do. I've lived the American Dream; I'd like for your children to be able to live it, too. (Applause.)

MR. LEHRER: Governor, do you have a response to the staying the course question about Mr. Perot?

GOVERNOR CLINTON: I don't have any criticism of Mr. Perot. I think what I'd like to talk about a minute is, since you asked him the question was the General Motors issue. I don't think there's any question that the automobile executives made some errors in the 1980s, but I also think we should look at how much productivity has increased lately -- how much labor has done to increase productivity and how much management has done. We're still losing a lot of auto jobs, in my judgment because we don't have a national economic strategy that would build the industrial base of this country.

Just today, I met with the presidents and the vice presidents of the Willow Run Union near here. They both said they were Vietnam veterans supporting me because I had an economic program that put them back to work. We need an investment incentive to modernize plant and equipment. We've got to control the health care costs for those people; otherwise we can't keep the manufacturing jobs here. And we need a tough trade policy that is fair, that insists on open markets in return for open markets. We ought to have a strategy that will build the economic and industrial base.

So I think Mr. Perot was right in questioning the management practices. But they didn't have much of a partner in government here as compared with the policies the Germans and the Japanese followed. And I believe we can do better. That's one of the things I want to change. I know that we can grow manufacturing jobs. We did it in my state and we can do it nationally.

MR. LEHRER: Mr. President, do you have a response?

THE PRESIDENT: To this?

MR. LEHRER: Yes.

THE PRESIDENT: Well, I wondered when Governor Clinton was talking to the autoworkers whether he talked about his and Senator Gore's favoring CAFE standards -- those are fuel efficiency standards -- of 40 miles per gallon. That would break the auto industry and throw a lot of people out of work.

As regarding Mr. Perot, I take back something I said about him. I once said in a frivolous moment when he got out of the race, if you can't stand the heat, buy an air conditioning company. And I take it back because I think he said he made a mistake. And the thing I find is if I make a mistake I admit it. I've never heard Governor Clinton make a mistake.

But one mistake he's made is fuel efficiency standards at 40 to 45 miles per gallon will throw many autoworkers out of work. And you can't have it both ways. There's a pattern here of appealing to the autoworkers and then trying to appeal to the spotted owl crowd or the extremes in the environmental movement. You can't do it as President. You can't have a pattern of one side of the issue one day and another the next.

So my argument is not with Ross Perot; it is more with Governor Clinton.

MR. LEHRER: Governor, what about that charge -- having it both ways on this issue?

GOVERNOR CLINTON: Let's just talk about the CAFE standards.

MR. LEHRER: All right.

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GOVERNOR CLINTON: That's the fuel efficiency standards. They're now 27.5 miles per gallon per automobile fleet. I never said -- and I defy you to find where I said -- I gave an extensive environment speech in April. And I said that we ought to have a goal of raising the fuel efficiency standards to 40 miles a gallon. I think that should be a goal. I never said we should write it into law if there is evidence that that goal cannot be achieved. The National Science Foundation did a study which said it would be difficult for us to reach fuel efficiency standards in excess of 37 miles per gallon by the year 2000. I think we should try to raise the fuel efficiency.

And let me say this: I think we ought to have incentives to do it. I think we ought to push to do it. That doesn't mean we have to write it into the law.

Look, I am a job creator, not a job destroyer. It is the Bush administration that has had no new jobs in the private sector in the last four years. In my state we're leading the country in private sector job growth. But it is good for America to improve fuel efficiency.

We also ought to convert more fuel -- vehicles to compress natural gas. That's another way to improve the environment.

MR. LEHRER: Mr. Perot, based on your experience at General Motors, where do you come down on this? This has been thrown about, back and forth during this campaign from the very beginning about jobs and CAFE standards.

MR. PEROT: Well, everybody's nibbling around the edges. Let's go to the center of the bull's eye to the core problem. And, believe me, everybody on the factory floor all over this country knows it. You implement that NAFTA -- the Mexican trade agreement -- where they pay people \$1 an hour, have no health care, no retirement, no pollution controls, et cetera, et cetera, et cetera, and you're going to hear a job -- sucking sounds of jobs being pulled out of this country right at a time when we need the tax base to pay the debt and pay down the interest on the debt and get our house back in order. We have got to proceed very carefully on that.

See, there's a lot I don't understand. I do understand business. I do understand creating jobs. I do understand how to make things work. And I've got a long history of doing that. Now, if you want to go to the core problem that faces everybody in manufacturing in this country, it's that agreement that's about to be put into practice.

But here -- very simply -- everybody says it will create jobs. Yes, it will create bubble jobs. Now, watch this. Listen very carefully to this: One-time surge while we build factories and ship machine tools and equipment down there. Then year after year for decades they will have jobs. And I finally thought I didn't understand it. I called all the experts and they said, "Oh, it will be disruptive for 12 to 15 years." We haven't got 12 days, folks. We cannot lose those jobs. They were eventually saying Mexican jobs will eventually come to \$7.50 an hour and ours will eventually go down to \$7.50 an hour. It makes you feel real good to hear that, right?

Let's think it through, here. Let's be careful. I'm for free trade philosophically, but I have studied these trade agreements until the world has gone flat, and we don't have good trade agreements across the world. I hope we'll have a chance to get into that tonight, because I can get right to the center of the bull's eye and tell you why we're losing whole industries in this country. Excuse me.

MR. LEHRER: Just for the record, though, Mr. Perot, I take it then for your answer you do not have a position on whether or not enforcing the CAFE standards will cost jobs in the auto industry.

MR. PEROT: Oh, no. It will cost jobs. But that's not -- let me say this: I'd rather -- if you gave me two bad choices --

MR. LEHRER: Okay.

MR. PEROT: I'd rather have some jobs left here than just see everything head south, see?

MR. LEHRER: So that means no -- (laughter) -- in other words, you agree with President Bush, is that right?

MR. PEROT: No, I'm saying our principal need now is to stabilize the tax base, which is the job base, and create a growing, dynamic base. Now, please, folks, if you don't hear anything else I say, remember where the -- millions of people at work are our tax base. One quick point: If you confiscate the Forbes 400 wealth -- take it off, you cannot balance the budget this year. Kind of gets your head straight about where the taxes year in and year out have got to come from. Millions and millions of people at work.

MR. LEHRER: I wanted -- yes, sir.

PRESIDENT BUSH: Well, I'm caught in the middle of NAFTA. Ross says, with great conviction, he opposes the North American Free Trade Agreement. I am for the North American Free Trade Agreement. My problem with Governor Clinton, once again, is that one time he's going to make up his mind -- he will see some merit in it, but then he sees a lot of things wrong with it. And then the other day he says he's for it. However, then we've got to pass other legislation. When you're President of the United States, you cannot have this pattern of saying "Well, I'm for it, but I'm on the other side of it." And it's true on this and it's true on CAFE.

Look, if Ross were right and we get a free trade agreement with Mexico, why wouldn't they have gone down there now? You have a differential in wages right now. I just have an honest philosophical difference. I think free trade is going to expand our job opportunity. I think it is exports that have saved us when we're in a global slowdown -- a connected, global slowdown -- a recession in some countries. And it's free trade, fair trade that needs to be our hallmark and we need more free trade agreements, not fewer.

MR. LEHRER: Governor, a quick answer on trade, and I want to go on to something else.

GOVERNOR CLINTON: I'd like to respond to that. You know, Mr. Bush was very grateful when I was among the Democrats who said he ought to have the authority to negotiate an agreement with Mexico. Neither I nor anybody else, as far as I know, agreed to give him our proxy to say that whatever he did was fine for the workers of this country and for the interests of this country.

I am the one who is in the middle on this. Mr. Perot says it's a bad deal. Mr. Bush says it's a hunky-dory deal. I say, on balance, it does more good than harm if we could get some protection for the environment so that the Mexicans have to follow their own environmental standards, their own labor law standards; and if we have a genuine commitment to reeducate and retrain the American workers who lose their jobs and reinvest in this economy.

I have a realistic approach to trade. I want more trade. And I know there are some good things in that agreement, but it can sure be made better.

Let me just point out -- just today in The Los Angeles Times, Clyde Prestowitz, who was one of President Reagan's leading trade advisors, and a lifelong conservative Republican, endorsed my candidacy because he knows that I'll have a free and fair trade policy, a hard-headed realistic policy, and not get caught up in rubber-stamping everything the Bush administration did. If I wanted to do that, why would I run for President, Jim? Anybody else can run the middle class down and run the economy in a ditch; I want to change it. (Applause.)

THE PRESIDENT: I think he made my case. On the one hand, it's a good deal, but on the other hand, I'd make it better. You can't do that as President. You can't do it on the war, where he says, well, I was with the minority, but I guess I would have voted with the majority.

This is my point tonight: We're talking about two weeks from now you've got to decide who is going to be President. And there is this pattern that has plagued him in the primaries, and now about trying to have it both ways on all these issues. You can't do that. And if you make a mistake, say you made a mistake and go on about your business, trying to serve the American people.

Right now we heard it. Ross is against it. I am for it. He says on the one hand I'm for it, and on the other hand, I may be against it. (Applause.)

MR. LEHRER: Governor --

GOVERNOR CLINTON: That's what's wrong with Mr. Bush. His whole deal is, you've got to be for it or against it and you can't make it better. I believe we can be better. I think the American people are sick and tired of either-or solutions, people being pushed in the corner, polarized to extremes. I think they want somebody with common sense who can do what's best for the American people. And I'd be happy to discuss these other issues. But I can't believe he is accusing me of getting on both sides.

He said trickle-down economics was voodoo economics. Now, he's its biggest practitioner. (Laughter and applause.) Let me just say --

THE PRESIDENT: I've always said trickle-down government is bad.

GOVERNOR CLINTON: I could run this string out a long time, but remember this, Jim: Those 209 Americans last Thursday night in Richmond told us they wanted us to stop talking about each other and start talking about Americans and their problems and their promises. And I think we ought to get back to that. I'll be glad to answer any question you have, but this election ought to be about the American people. (Applause.)

MR. LEHRER: Mr. Perot?

MR. PEROT: Is there an equal time rule here tonight?

THE PRESIDENT: Yes.

MR. PEROT: Or do you just keep lunging in at will? I thought we were going to have equal time, but maybe I just have to interrupt the other two. Is that the way it works this --

MR. LEHRER: No. Mr. Perot, you're doing fine. Go ahead. Whatever you want to say, say it.

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MR. PEROT: Now that we've talked all around the problem about free trade, let's go again to the center of the bull's eye.

MR. LEHRER: Wait a minute. I was going to ask -- I thought you wanted to respond to what we were talking about.

MR. PEROT: I do. I do. I just want to make -- these foreign lobbyists, this whole thing -- our country has sold out to foreign lobbyists. We don't have free trade. Both parties have foreign lobbyists on leave and key roles in their campaigns. And if there's anything more unwise than that, I don't know what it is. Every debate, I bring this up and nobody addresses it.

I would like for them to look you in the eye and tell you why they have people representing foreign countries working on their campaigns. And, you know, you've seen the list, I've seen the list. We won't go into the names. But no wonder they -- if I had those people around me all day every day telling me it was fair and free, I might believe it. But if I look at the facts as a businessman, it's so tilted. The first thing you ought to do is just say, guys, if you like these deals so well, we'll give you the deal you gave us.

Now, Japanese couldn't unload the cars in this country if they had the same restrictions we had, and on, and on, and on, and on. I suggest to you that the core problem -- one country spent \$400 million lobbying in 1988 -- our country. And it goes on and on. And you look at a Who's Who in these campaigns around the two candidates. They're foreign lobbyists taking leaves. What do you think they're going to do when the campaign's over? Go back to work at \$30,000 a month representing some other country. I don't believe that's in the American people's interest.

I don't have a one of them, and I haven't taken a penny of foreign money, and I never will. (Applause.)

MR. LEHRER: Mr. President, how do you respond to that? Mr. Perot has made that charge several times -- the fact that you have people working in your campaign who are paid foreign lobbyists.

THE PRESIDENT: Most people that are lobbying are lobbying the Congress. And I don't think there's anything wrong with an honest person who happens to represent an interest of another country for making his case. That's the American way. And what you're assuming is that that makes the recipient of the lobbying corrupt or the lobbyists themselves corrupt. I don't agree with that.

But if I found somebody that had a conflict of interest that would try to illegally do something as a foreign registered lobby, the laws cover this. I don't know why -- I've never understood quite why Mr. Perot was so upset about it, because one of the guys he used to have working for him, I believe, had foreign accounts. Could be wrong, but I think so.

MR. PEROT: Soon as I found it out, he went out the door, too. (Applause.)

THE PRESIDENT: Well, I think you've got to look at the integrity and the honor of the people that are being lobbied and those that are lobbyists. The laws protect the American taxpayer in this regard. If the laws are violated, so much -- but to suggest if somebody represents a foreign country on anything that makes him corrupt, I don't -- or against the taxpayer, I don't agree with it.

MR. PEROT: One quick relevant specific. We're getting ready to dismantle the airlines industry in our country, and none of you know it. And I doubt, in all candor, if the President knows it. But this deal that we're doing with BAC and US Air and KLM and Northwest -- now, guess who is on the President's campaign big time? A guy from Northwest. This deal is terribly destructive to the U.S. airline industry. One of the largest industries in the world is the travel and tourist business. We won't be making airplanes in this country 10 years from now if we let deals like this go through.

I can -- if the press has any interest tonight, I'll detail it to you. I won't take 10 minutes tonight; all these things take a few minutes. But that's happening as we sit here today. We hammer-lock the American companies -- American Airlines, Delta -- the last few great we have, because we're trying to do this deal with these two European companies. And never forget, they've got Airbus over there, and it's a government-owned, privately-owned consortium across Europe. They're dying to get the commercial airline business.

Japan is trying to get the commercial airline business. I don't think there are any villains inside government on this issue, but there sure are a lot of people who don't understand business. And maybe you need somebody up there who understands when you're getting your pocket picked. (Applause)

MR. LEHRER: Governor, I'm sorry, but that concludes my time with --

GOVERNOR CLINTON: Boy, I had a great response to that.

MR. LEHRER: All right. Go ahead, quickly. (Laughter.) Just very briefly.

GOVERNOR CLINTON: I think Ross is right, and that we do need some more restrictions on lobbyists. We ought to make them disclose to people they've given money to when they're testifying before congressional committees. We ought to close the lawyers' loophole; they ought to have to disclose when they're really lobbying. And we ought to limit -- we ought to have a much longer period of time, about five years between the time when people can leave Executive Branch offices and then go out and start lobbying for foreign interest. I agree with that.

We've wrecked the airline industry already because there's all these leveraged buyouts and all these terrible things that have happened to the airline industry. We're going to have a hard time rebuilding it. But the real thing we've got to have is a competitive economic strategy. Look what's happening to McDonnell Douglas. Even Boeing is losing market share because we let the Europeans spend \$25 billion to \$40 billion on Airbus without an appropriate competitive response.

What I want America to do is to trade more, but to compete and win by investing in competitive ways. And we're in real trouble on that. (Applause.)

MR. LEHRER: I'm going to be in real trouble if I don't bring out -- it's about time --

THE PRESIDENT: I promise it's less than 10 seconds.

MR. LEHRER: Okay.

THE PRESIDENT: I heard Governor Clinton congratulate us on one thing. First time he said something pleasant about this administration. Productivity in this country is up. It is way up. Productivity is up, and that's a good thing. There are many other good ones, but I was glad he acknowledged that.

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MR. PEROT: I've volunteered -- now, look, I'm just kind of a, you know, third dog here. I was put on the ballot by the people, not special interest; so I have to stand up for myself. Now, Jim, let me net it out. On the second debate, I offered, since both sides want the enterprise zones but can't get together, I said I'll take a few days off and go to Washington and hold hands with you and we'll get it done. I'll take a few days off, hold hands with you and get this airline thing straightened out, because that's important to this country.

That's kind of pathetic I have to do it, and nobody's called me yet to come up, I might mention -- (laughter) -- but if they do, if they do, it's easy to fix. If you all want the enterprise zones, why don't we pass the dang thing and do it, right?

MR. LEHRER: All right. Now we're going to bring in three other journalists to ask questions. They are Susan Rook of CNN, Gene Gibbons of Reuters, and Helen Thomas of United Press International.

You thought you'd never get in here, didn't you?

THE PRESIDENT: Uh-oh. (Applause)

MR. LEHRER: Okay, we are going to continue on the subject of leadership, and the first question goes to Governor Clinton for a two-minute answer. It will be asked by Helen Thomas.

Helen?

MS. THOMAS: Governor Clinton, your credibility has come into question because of your different responses on the Vietnam draft. If you had it to do over again, would you put on the nation's uniform? And, if elected, could you, in good conscience, send someone to war?

GOVERNOR CLINTON: If I had it to do over again, I might answer the questions a little better. You know, I had been in public life a long time and no one had ever questioned my role, and so I was asked a lot of questions about things that happened a long time ago. I don't think I answered them as well as I could have.

Going back 23 years, I don't know, Helen. I was opposed to the war. I couldn't help that. I felt very strongly about it, and I didn't want to go at the time. It's easy to say in retrospect I would have done something differently.

President Lincoln opposed the war, and there were people who said maybe he shouldn't be President. But I think he made us a pretty good President in wartime. We've got a lot of other Presidents who didn't wear their country's uniform and had to order our young soldiers into battle, including President Wilson and President Roosevelt. So the answer is, I could do that. I wouldn't relish doing it, but I wouldn't shrink from it.

I think that the President has to be prepared to use the power of the nation when our vital interests are threatened, when our treaty commitments are at stake, when we know that something has to be done that is in the national interest. And that is a part of being President.

Could I do it? Yes, I could.

MR. LEHRER: A reminder now, we're back on the St. Louis rules, which means that the Governor had his answer, and then each of you will have one minute to respond.

Mr. President?

THE PRESIDENT: Well, I've expressed my heartfelt difference with Governor Clinton on organizing demonstrations while in a foreign land against your country when young ghetto kids have been drafted and are dying.

My argument with him on -- the question was about the draft -- is that there is this same pattern. In New Hampshire, Senator Kerry said you ought to level, you ought to tell the truth about it. And April 17th, he said he's bring out all the records on the draft. They have not been forthcoming. He got a deferment or he didn't. He got a notice or he didn't. And I think it's this pattern that troubles me more than the draft. A lot of decent, honorable people felt as he did on the draft. But it is this pattern.

And again, you might be able to make amendments all the time, Governor, but you've got to -- as President, you can't be on all these different sides, and you can't have this pattern of saying, well, I did this or I didn't. Then the facts come out and you change it. That's my big difference with him on the draft. It wasn't failing to serve.

MR. LEHRER: Your minute is up, sir.

Mr. Perot, one minute.

MR. PEROT: I've spent my whole adult life very close to the military; feel very strongly about the people who go into battle for our country; appreciate their idealism, their sacrifices; appreciate the sacrifices their families make. That's been displayed again and again in a very tangible way.

I look on this as history. I don't look on it, personally, as relevant. And I consider it really a waste of time tonight when you consider the issues that face our country right now.

MR. LEHRER: All right. The next question goes to President Bush and Gene Gibbons will ask it. (Applause.)

MR. GIBBONS: Mr. President, you keep saying that you made a mistake in agreeing to a tax increase to get the 1990 budget deal with Congress. But if you hadn't gotten that deal you would have either had to get repeal of the Gramm-Rudman deficit control act or cut defense spending drastically at a time when the country was building up for the Gulf War, and decimate domestic discretionary spending, including such things as air traffic control. If you had it to do all over again, sir, which of those alternatives would you choose?

THE PRESIDENT: I wouldn't have taken any of the alternatives. I believe I made a mistake. I did it for the very reasons you say. There was one good thing that came out of that budget agreement and that is we put a cap on discretionary spending.

One-third of the President's budget is at the President's discretion -- or really, the Congress, since they appropriate every dime and tell the President how to spend every dime. We've put a cap on the growth of all that spending. And that's good. And that's helped. But I was wrong because I thought the tax compromise, going along with one Democratic tax increase, would help the economy. I see no evidence that it has done it.

So what would I have done, what should I have done? I should have held out for a better deal that would have protected the taxpayer and not ended up doing what we had to do -- or what I thought at the time would help.

So I made a mistake. And I -- you know, the difference, I think, is that I knew at the time I was going to take a lot of political flack. I knew we'd have somebody out there yelling, "Read my lips." And I did it because I thought it was right. And I made a mistake. That's quite different than taking a position where you know what's best for you. That wasn't best for me, and I knew it in the very beginning. I thought it would be better for the country than it was.

So there we are. (Applause.)

MR. LEHRER: Mr. Perot, one minute.

MR. PEROT: The 101 in leadership is be accountable for what you do. Let's go back to the tax and budget summit briefly. Nobody ever told the American people that we increase spending \$1.83 for every dollar of taxes raised. That's absolutely unconscionable. Both parties carry a huge blame for that on their shoulders.

This was not a way to pay on the deficit. This was a trick on the American people. That's not leadership. Let's go back in terms of accepting responsibilities for your actions. To create Saddam Hussein over a 10-year period and using billions of dollars of U.S. taxpayer money, step up to the plate and say, it was a mistake.

To create Noriega, using taxpayer money, step up to the plate and say it was a mistake. If you can't get your act together to pick him up one day when a Panamanian major has kidnapped him -- a special forces team is 400 yards away and it's a stroll across the park to get him -- and if you can't get your act together, at least pick up the Panamanian major who they then killed -- step up to the plate and admit it was a mistake. That's leadership, folks.

Now, leaders will always make mistakes. We've created -- and I'm not aiming at any one person here. I'm aiming at our government. Nobody takes responsibility for anything. We've got to change that.

MR. LEHRER: I'll take responsibility for saying. your time is up.

MR. PEROT: I'm watching the light.

MR. LEHRER: All right.

Governor Clinton, one minute, sir.

GOVERNOR CLINTON: The mistake that was made was making the "read my lips" promise in the first place just to get elected, knowing what the size of the deficit was. (Applause.) Knowing what the size of the deficit was, knowing there was no plan to control health care costs, and knowing that we did not have a strategy to get real economic growth back into this economy. The choices were not good then.

I think at the time the mistake that was made was signing off on the deal late on Saturday night in the middle of the night -- that's just what the President did when he vetoed the Family Leave Act. I think what he should have done is go before the American people on the front end and said "Listen, I made a commitment and it was wrong. I made a mistake because I couldn't have foreseen these circumstances and this is the best deal we can work out at the time."

He said it was in the public interest at the time, and most everybody who was involved in it I guess thought it was. The real mistake was the "read my lips" promise in the first place. You just can't promise something like that just to get

elected if you know there's a good chance that circumstances may overtake you.

MR. LEHRER: All right, Mr. Perot, the question is for you. You have a two minute answer, and it will be asked by Susan Rook.

MS. ROOK: Mr. Perot, you've talked about going to Washington to do what the people who run this country want you to do. But it is the President's duty to lead, and often lead alone. How can you lead if you are forever seeking consensus before you act?

MR. PEROT: Let's talk about two different subjects. In order to lead, you first have to use the White House as a bully pulpit and lead. Then you have to develop consensus, or you can't get anything done. And that's where we are now; we can't get anything done. How do you get anything done? When you've got all of these political action committees, all of these thousands of registered lobbyists -- 40,000 registered lobbyists, 23,000 special interest groups, and the list goes on and on and on, and the average citizen out here just working hard every day. You've got to go to the people. I just love the fact that everybody, particularly in the media, goes bonkers over the town hall. I guess it's because you will lose your right to tell them what to think. (Laughter.) The point is, they'll get to decide what to think. (Applause.)

PRESIDENT BUSH: Hey -- you've got something there.

MR. PEROT: What you've been -- I love the fact that people will listen to a guy with a bad accent and a poor presentation manner talking about flip charts for 30 minutes, because they want the details. See, all the folks up there at the top said people -- "the attention span of the American people is no more than five minutes. They won't watch it." They're thirsty for it.

You want to have a new program in this country -- if you get grassroots America excited about it and if they tap Congress on the shoulder and say "Do it, Charlie," it will happen. And that's a whole lot different from these fellows running up and down the halls whispering in their ears now and promising campaign funds for the next election if they do it.

Now, I think that's going back to where we started. That's having a government from the people. I think that's the essence of leadership, rather than cutting deals in dark rooms in Washington. (Applause.)

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: Well, I believe in the town hall meetings. They started with my campaign in New Hampshire. And I think Ross Perot has done a good job in having them. And I, as you know, pushed for the debate to include 209 American citizens who were part of it in Richmond a few days ago. I've done a lot of them and I'll continue to do them as President.

But I'd also like to point out that I haven't been part of what we're criticizing in Washington tonight. Of the three of us, I have balanced a government budget 12 times. I have offered and passed campaign finance reform. Offered, pushed for, and passed in public referendum lobbyist restrictions. Done the kinds of things you have to do to get legislators together, not only to establish consensus, but to challenge them to change. And in 12 years as Governor, I guess I've taken on every interest group there was in my state at one time or another to fight for change. It can be done. That's why I've tried to be so specific in this campaign to have a mandate, if elected, so that Congress will know what the American people have voted for. (Applause.)

MR. LEHRER: President Bush, one minute.

PRESIDENT BUSH: I would like the record to show the panelists that Ross Perot took the first shot at the press. My favorite bumper sticker, though, is "Annoy the Media. Reelect President Bush." (Laughter and applause.) Sorry, Helen. I'm going to pay for this later on.

Look, you have to build a consensus, but in some things -- Ross mentioned Saddam Hussein. Yes, we tried. And, yes, we failed to bring him into the family of nations. He had the fourth largest army. But then when he moved against Kuwait I said, this will not stand. And it's hard to build a consensus. We went to the U.N. We made historic resolutions up there. The whole world was united. Our Congress was dragging its feet. Governor Clinton said "Well, I might have been with the minority. Let sanctions work. But I guess I would have voted with the majority."

A President can't do that. Sometimes he has to act. And in this case, I'm glad we did, because if we'd have let sanctions work and had tried to build a consensus on that, Saddam Hussein today would be in Saudi Arabia controlling the world's oil supply, and he would be there maybe with a nuclear weapon. We busted the fourth largest army and we did it through leadership.

MR. LEHRER: All right, we're going to go onto another subject now, and the subject is priorities. And the first question goes to you, President Bush, and Susan will ask it.

MS. ROOK: President Bush, gentlemen, I acknowledge that all of you have women and ethnic minorities working for you and working with you. But when we look at the circle of the key people closest to you, your inner circle of advisors, we see white men only. Why, and when will that change?

PRESIDENT BUSH: You don't see Margaret Tutwiler sitting in there with me today?

MS. ROOK: The key people, President Bush.

PRESIDENT BUSH: What?

MS. ROOK: The key people, the people beyond the glass ceiling.

PRESIDENT BUSH: I happen to think she's a key person. I think our Cabinet members are key people. I think the woman that works with me, Rose Zamaria is about as tough as a -- (applause) -- up there and makes some discipline and protects the taxpayer. Look at our Cabinet. You talk about somebody strong, look at Carla Hills. Look at Lynn Martin, who's fighting against this glass ceiling and doing a first class job on it. Look at our Surgeon General, Dr. Novello. You can look all around and you'll see first-class, strong women.

Jim Baker's a man. Yes, I plead guilty to that. (Laughter.) But look around -- look who's around with him there. I mean, this is a little defensive on your part, Susan, to be honest with you. We've got a very good record appointing women to high positions and positions of trust. And I'm not defensive at all about it.

What we've got to do is keep working, as the Labor Department is doing a first-class job on, to break down discrimination, to break down the glass ceiling. And I am not apologetic at all about our record with women. We've got -- I think -- you think about women in government. I think about women in business. Why not try to help them with my small business program to build some incentives into the system.

I think we're making progress here. You've got a lot of women running for office. As I said the other night, I hope a lot of them lose because they're liberal Democrats and we don't need more of them in the Senate or more of them in the House. But nevertheless, they're out there. And we've got some very good Republican women running. So we're making dramatic progress.

MR. LEHRER: Mr. Perot, one minute.

MR. PEROT: Well, I've come from the computer business and everybody knows women are more talented than the men. So we have a long history of having a lot of talented women. One of our first officers was a woman -- a chief financial officer. She was a director. And it was so far back, it was considered so odd. And even though we were a tiny, little company at the time, it made all the national magazines.

But in terms of being influenced by women and being a minority, there they are right out there -- my wife and my four beautiful daughters. And I just have one son. So he and I are surrounded by women telling us what to do all the time.
(Laughter.)

For the rest of my minute, I want to make a very brief comment here in terms of Saddam Hussein. We told him that we wouldn't get involved with this border dispute, and we've never revealed those papers that were given to Ambassador Glaspie on July 25. I suggest, in the sense of taking responsibility for the actions, we lay those papers on the table. They're not secrets to the nuclear bomb.

Secondly, we got upset when he took the whole thing, but to the ordinary American out there who doesn't know where the oil fields are in Kuwait, they're near the border. We told him he could take the northern part of Kuwait, and when he took the whole thing we went nuts. And if we didn't tell him that, why won't we even let the Senate Foreign Relations Committee and the Senate Intelligence Committee see the written instructions for Ambassador Glaspie?

PRESIDENT BUSH: I'd like to reply on that. That gets to the national honor. We did not say to Saddam Hussein, Ross, you can take the northern part of Kuwait. That is absolutely absurd. Glaspie has testified --

MR. PEROT: Where are the papers?

PRESIDENT BUSH: -- and Glaspie's papers have been presented to the United States Senate. (Applause.) So please --

MR. PEROT: If you have time, go through NEXIS and LEXIS, pull all the old news articles. Look at what Ambassador Glaspie said all through the fall and what have you, and then look at what she and Kelley and all the others in State said at the end when they were trying to clean it up. And talk to any head of any of those key committees in the Senate. They will not let them see the written instructions given to Ambassador Glaspie. And I suggest that in a free society owned by the people, the American people ought to know what we told Ambassador Glaspie to tell Saddam Hussein. Because we spent a lot of money and risked lives and lost lives in that effort, and did not accomplish most of our objectives. We got Kuwait back to the Emir, but he still got his nuclear, his chemical, his bacteriological, and he's still over there, right? I'd like to see those written instructions. Sorry. (Applause.)

MR. LEHRER: Mr. President, when you -- just make sure that everybody knows what's going on here. When you responded directly to Mr. Perot then --

PRESIDENT BUSH: Yes.

MR. LEHRER: -- you violated the rule -- your rules. Now, I'm willing --

PRESIDENT BUSH: I apologize. When I make a mistake I say -- (laughter.)

MR. LEHRER: No, no, no. I just want to make sure that everybody understands. If you all want to change the rules, we can do it.

PRESIDENT BUSH: No, I don't. I apologize for it. But that one got right to the national honor.

MR. LEHRER: All right. Okay.

PRESIDENT BUSH: And I'm sorry.

MR. LEHRER: Okay. But, Governor Clinton, you have a minute.

GOVERNOR CLINTON: Susan, I don't agree that there are no women and minorities in important positions in my campaign. There are many. But I think even more relevant is my record at home. For most of my time as Governor, a woman was my chief of staff, an African American was my chief cabinet officer, an Africa American was my chief economic development officer.

It was interesting today -- there was a story either today or yesterday in The Washington Post about my economic programs and my chief budget officer and my chief economic officer were both African Americans, even though The Post didn't mention that, which I think is a sign of progress. The National Women's Political Caucus gave me an award -- one of their good guy awards -- for my involvement of women in high levels of government. And I've appointed more minorities to positions of high levels in government than all the governors in the history of my state combined before me.

So that's what I'll do as President. I don't think we've got a person to waste. And I think I owe the American people a White House staff, a Cabinet, and appointments that look like America, but that meet high standards of excellence, and that's what I'll do. (Applause.)

MR. LEHRER: All right. The next question goes to you, Mr. Perot for two minutes. It's a two-minute question, and Helen will ask it.

Helen.

MS. THOMAS: Mr. Perot, what proof do you have that Saddam Hussein was told that he could have -- do you have any actual proof or are you asking for the papers? And also, I really came in with another question. What is this penchant you have to investigate everyone? Are those accusations correct -- investigating your staff, investigating the leaders of the grassroots movement, investigating associates of your family?

MR. PEROT: No, they're not correct. And if you look at my life for the first -- until I got involved in this effort, I was one person. And then after the Republican dirty tricks group got through with me, I'm another person, which I consider an absolutely sick operation. And all of you in the press know exactly what I'm talking about.

They investigated every single one of my children, they investigated my wife, they interviewed all my children's friends from childhood on. They went to extraordinary, sick lengths. And I just found it amusing that they would take two or three cases where I was involved in lawsuits and would engage an

investigator -- the lawyers would engage an investigator, which is common. And the only difference between me and any other businessman that has the major businesses I have is I haven't had that many lawsuits. So that's just another one of those little fruit-loopy things they make up to try to instead of facing issues, to try to redefine a person that's running against them. This goes on night and day.

I will do everything I can -- and I got up there to make dirty tricks a thing of the past -- one of the two groups has raised it to an artform. It's a sick artform. Now, let's go back to Saddam Hussein. We gave Ambassador Glaspie written instructions. That's a fact. We've never let the Congress and these foreign relations -- Senate Intelligence Committee see them. That's a fact.

Ambassador Glaspie did a lot of talking, right after July 25th, and that's a fact and it saw the newspapers. And you pool all of at once and read it -- and I did -- and it's pretty clear what she and Kelly and the other key guys around that thing thought they were doing.

Then, at the end of the war when they had to go testify about it, their stories are a total disconnect from what they said in August, September and October. So I say, this is very simple: Saddam Hussein released a tape, as you know, claiming it was a transcript of their meeting, whereas she said we will not become involved in your border dispute; as a matter of fact, you can take the northern part of the country.

We later said, no, that's not true. I said, well, this is simple. What were her written instructions? We guard those like the secrets to the atomic bomb, literally. Now, I say: Whose country is this? This is ours. Who will get hurt if we lay those papers on the table? The worst thing is, again, it's a mistake. Nobody did any of this with evil intent. I just object to the fact that we cover up and hide things -- whether it's Iran-Contra, Iraqgate, or you name it. It's a steady stream.

MR. LEHRER: Governor Clinton, you have one minute.

GOVERNOR CLINTON: Let's take Mr. Bush for the moment at his word. I mean, he's right, we don't have any evidence, at least, that our government did tell Saddam Hussein he could have that part of Kuwait. And let's give him the credit he deserves for organizing Operation Desert Storm and Desert Shield. It was a remarkable event.

But let's look at where I think the real mistake was made. In 1988, when the war between Iraq and Iran ended, we knew Saddam Hussein was a tyrant. We had dealt with him because he was against Iran. The enemy of my enemy maybe is my friend.

All right, the war is over. We know he's dropping mustard gas on his own people. We know he's threatened to incinerate half of Israel. Several government departments -- several -- had information that he was converting our aid for military purposes and trying to develop weapons of mass destruction. But in late '89, the President signed a secret policy saying we were going to continue to try to improve relations with him, and we sent him some sort of communication on the eve of his invasion of Kuwait that we still wanted better relations.

So I think what was wrong -- I give credit where credit is due, but the responsibility was in coddling Saddam Hussein when there was no reason to do it and when people at high levels in our government knew he was trying to do things that were outrageous.

MR. LEHRER: Mr. President, you have a minute.

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THE PRESIDENT: It's awful easy when you're dealing with 90-90 hindsight. We did try to bring Saddam Hussein into the family of nations. He did have the fourth largest army. All our Arab allies out there thought we ought to do just exactly that. And when he crossed the line, I stood up and looked into the camera and I said, this aggression will not stand. And we formed a historic coalition and we brought him down. And we destroyed the fourth largest army, and the battlefield was searched, and there wasn't one single iota of evidence that any U.S. weapons were on that battlefield. And the nuclear capability has been searched by the United Nations, and there hasn't been one single scintilla of evidence that there's any U.S. technology involved in it.

And what you're seeing on all this Iraqgate is a bunch of people who were wrong on the war trying to cover their necks here and try to do a little revisionism. And I cannot let that stand, because it isn't true. Yes, we had grain credits for Iraq, and there isn't any evidence that those grain credits were diverted into weaponry; none. None whatsoever. And so I just have to say it's fine. You can't say there, Governor Clinton, and say, well, I think I'd have been -- I'd have supported the minority -- let sanctions work or wish that it would go away -- but I would have voted with the majority. Come on, that's not leadership.

MR. LEHRER: The next question goes to Governor Clinton, and Gene Gibbons will ask it.

Gene?

MR. GIBBONS: Governor, an important aspect of leadership is, of course, anticipating problems. During the 1988 campaign, there was little or no mention of the savings and loan crisis that has cost the American people billions and billions of dollars. Now there are rumblings that a commercial bank crisis is on the horizon. Is there such a problem, sir? If so, how bad is it and what will it cost to clean it up?

GOVERNOR CLINTON: Gene, there is a problem in the sense that there are some problem banks. And on December 19th, new regulations will go into effect which will, in effect, give the government the responsibility to close some banks that are not technically insolvent, but that are plainly in trouble.

On the other hand, I don't think that we have any reason to believe that the dimensions of this crisis are anywhere near as great as the savings and loan crisis. The mistake that both parties made in Washington with the S & L business was deregulating them without proper capital requirements, proper oversight and regulation, proper training of the executives, many people predicted what happened, and it was a disaster.

The banking system in this country is fundamentally sound with some weak banks. I think that our goal ought to be, first of all, not to politicize it, not to frighten people; secondly, to say that we have to enforce the law in two ways. We don't want to overreact as the federal regulators have, in my judgment, on good banks so that they've created credit crunches that have made our recession worse in the last couple of years, but we do want to act prudently with the banks that are in trouble.

We also want to say that, insofar as is humanly possible, the banking industry itself should pay for the cost of any bank failures, the taxpayers should not. And that will be my policy. And I believe we have a good, balanced approach, we can get the good banks loaning money again in the credit crunch, have proper regulation on the ones that are in trouble, and not overreact. It is a serious problem, but I don't see it as the kind of terrible, terrible problem that the S & L problem was.

MR. LEHRER: President Bush, one minute.

THE PRESIDENT: Well, I don't believe it would be appropriate for a president to suggest that the banking system is not sound; it is sound. There are some problem banks out there.

But what we need is financial reform. We need some real financial reform, banking reform legislation. And I have proposed that, and when I am reelected I believe one of the first things ought to be to press a new Congress, not beholden to the old ways, to pass financial reform legislation that modernizes the banking system, doesn't put a lot of inhibitions on it, and protects the depositors through keeping the FDIC sound. But I think that -- I just was watching some of the proceedings of the American Bankers Association, and I think the general feeling is, most of the banks are sound; certainly there's no comparison here between what happened to the S & Ls and where the banks stand right now, in my view.

MR. LEHRER: Mr. Perot, one minute.

MR. PEROT: Well, nobody's gotten into the real issue yet on the savings and loan. Again, nobody's got a business background, I guess. The whole problem came up in 1984. The President of the United States was told officially it was a \$20-billion problem.

These crooks -- now, Willie Sutton would have gone to own a savings and loan rather than rob banks, because -- he robbed banks because that's where the money is; owning a savings and loan is where the money was.

Now, in 1984 they were told -- I believe the Vice President was in charge of deregulation -- nobody touched that tar baby until the day after election in 1988, because they were flooding both parties with crooked PAC money. And it was, in many cases, stolen PAC money. Now, you and I never got a ride on a lot of these yachts and fancy things it bought, but you and I are paying for it. And they buried it until right after the election.

Now, if you believe The Washington Post and you believe this extensive study that's been done -- and I'm reading it -- right after election day this year, they're going to hit us with 100 banks -- it'll be a \$100-billion problem. Now, if that's true, just tell me now. I'm grown up. I can deal with it. I'll pay my share. But just tell me now. Don't bury it until after the election twice. I say that to both political parties. The people deserve that since we have to pick up the tab. You've got the PAC money, we'll pay the ab. Just tell us.

MR. LEHRER: All right. Mr. Perot, the next question -- we're going into a new round here on a category just called "differences." And the question goes to you, Mr. Perot, and Gene will ask it.

Gene?

MR. GIBBONS: Mr. Perot, aside from the deficit, what government policy or policies do you really want to do something about? What really sticks in your craw about conditions in this country -- beside the deficit -- that you would want to fix as president?

MR. PEROT: The debt and the deficit. Well, if you watched my television show the other night, you saw it. And if you watch it Thursday, Friday, Saturday this week, you'll get more. So, the shameless -- Mr. President -- but in a nutshell, we've got to reform our government or we won't get anything done. We have a government that doesn't work. All these specific examples I'm giving tonight, if you had a business like that,

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they'd be leading you away and boarding up the doors. We have a government that doesn't work. It's supposed to come from the people, it comes at the people. The people need to take the government back.

You've got to reform Congress. They've got to be servants of the people again. You've got to reform the White House. We've got to turn this thing around. And it's a long list of specific items. And I've covered it again and again in print and on television. But very specifically, the key thing is to turn the government back to the people and take it away from the special interests, and have people go to Washington to serve.

Who can give themselves a 23 percent pay raise anywhere in the world except Congress? Who would have 1,200 airplanes worth \$2 billion a year just to fly around in? I don't have a free, reserved parking place at National Airport. Why should my servants? I don't have an indoor gymnasium and an indoor tennis court, an indoor everything they can think of. I don't have a place where I can go make free TV to send to my constituents to try to brainwash them to elect me the next time. And I'm paying for all that for those guys.

I'm going to be running an ad pretty soon that shows -- they promised us they were going to hold the line on spending, a tax and budget -- and I'm going to show how much they've increased this little stuff they do for themselves. And it is silly Putty, folks, and the American people have had enough of it.

Step one, if I get up there, we're going to clean that up. You say: How can I get Congress to do that? I have millions of people at my -- shoulder-to-shoulder with me, and we will see it done warp speed, because it's wrong. We've turned the country upside-down.

MR. LEHRER: Governor Clinton, you have one minute.
(Applause.)

Governor?

GOVERNOR CLINTON: I would just point out on the point that Mr. Perot made, I agree that we need to cut spending in Congress. I've called for a 25 percent reduction in congressional staffs and expenditures. But the White House staff increased its expenditures by considerably more than Congress has in the last four years under the Bush administration, and Congress has actually spent \$1 billion less than President Bush asked them to spend. Now, when you outspend Congress, you're really swinging.

That, however, is not my only passion. The real problem in this country is that most people are working hard and falling further behind. My passion is to pass a jobs program to get incomes up with an investment incentive program to grow jobs in the private sector, to waste less public money and invest more. To control health care costs and provide for affordable health care for all Americans, and to make sure we've got the best trained work force in the world. That is my passion.

We've got to get this country growing again, and this economy strong again, or we can't bring down the deficit. Economic growth is the key to the future of this country.
(Applause.)

MR. LEHRER: President Bush, one minute.

THE PRESIDENT: On government reform?

MR. LEHRER: Sir?

THE PRESIDENT: Government reform?

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MR. LEHRER: Yes. Well, to respond to the subject that Mr. Perot mentioned.

THE PRESIDENT: How about this for a government reform policy? Reduce the White House staff by a third after, or at the same time the Congress does the same thing for their staff. Term limits for members of the United States Congress. Give the government back to the people. Let's do it that way. The President has term limits. Let's limit some of these guys sitting out here tonight. (Applause) Term limits, and then how about a balanced budget amendment to the Constitution? Forty-three states -- more than that -- states have it, I believe. Let's try that.

And you want to do something about all this extra spending that concerns Mr. Perot and me? Okay, how about a line-item veto? Forty-three governors have that. And give it to the President. And if the Congress isn't big enough to do it, let the President have a shot at this excess spending.

A line-item veto. That means you can take a line and cut out some of the pork out of a meaningful bill. Governor Clinton keeps hitting me on vetoing legislation. Well, that's the only protection the taxpayer has against some of these reckless pork programs up there. And I'd rather be able to just line it right out of there and get on about passing some good stuff, but leave out the garbage. Line-item veto. There's a good reform program for you. (Applause.)

MR. LEHRER: The next question goes to Governor Clinton. You have two minutes, Governor, and Sue will ask it.

MS. ROOK: Governor Clinton, you said that you will raise taxes on the rich people with incomes of \$200,000 a year or higher. A lot of people are saying that you will have to go lower than that -- much lower. Will you make a pledge tonight below which an income level that you will not go below? I am looking for numbers, sir, not just a concept.

GOVERNOR CLINTON: My plan -- you can read my plan. My plan says that we want to raise marginal incomes on family incomes above \$200,000 from 31 percent to 36 percent. That we want to ask foreign corporations simply to pay the same percentage of taxes on their income that American corporations pay in America. That we want to use that money to provide over \$100 million in tax cuts for investment in new plant and equipment for small business for new technologies and for middle class tax relief.

Now, I can tell you this: I will not raise taxes on the middle class to pay for these programs. If the money does not come in there to pay for these programs, we will cut other government spending or we will slow down the phase-in to the programs. I am not going to raise taxes on the middle class to pay for these programs.

Now, furthermore, I am not going to tell you to read my lips on anything, because I cannot foresee what emergencies might develop in this country. And the President said, never, never, never would he raise taxes. In New Jersey the other day, Marlin Fitzwater, his spokesman, said, now, that's not a promise. So I think even he has learned that you can't say read my lips, because you can't know what emergencies might come up.

But I can tell you this: I'm not going to raise taxes on middle class Americans to pay for the programs I've recommended. Read my plan. And you know how you can trust me about that? Because, you know, in the first debate, Mr. Bush made some news. He had just said Jim Baker was going to be Secretary of State, but in the first debate he said, no, now he's going to be responsible for domestic economic policy.

Well, I'll tell you: I'll make some news in the third debate. The person responsible for domestic economic policy in my administration will be Bill Clinton. I'm going to make those decisions, and I won't raise taxes in the middle class to pay for my program. (Applause.)

MR. LEHRER: President Bush, you have one minute.

THE PRESIDENT: That's what worries me -- that he's going to be responsible. (Applause.) And he would do for the United States what he did for Arkansas. He would do for the United States what he's done to Arkansas. We do not want to be the lowest of the low. We are not a nation in decline. (Applause.) My problem is, I heard what he said. He said I want to take it from the rich -- raise \$150 billion from the rich. To get it, to get \$150 billion in new taxes, you've got to go down to the guy that's making \$36,600. And if you want to pay for the rest of his plan, all the other spending programs, you're going to sock it to the working man.

So when you hear "tax the rich," Mr. and Mrs. America, watch your wallet. Lock your wallet, because he's coming right after you, just like Jimmy Carter did, and just like you're going to get -- you're going to end up with interest rates at 21 percent, and you're going to have inflation going through the roof. Yes, we're having tough times. But we do not need to go back to the failed policies of the past when you had a Democratic president and a spendthrift Democratic Congress. (Applause.)

MR. LEHRER: Mr. Perot.

GOVERNOR CLINTON: You permitted Mr. Bush to break the rules, he said to defend the honor of the country. What about the honor of my state? We rank first in the country in job growth. We've got the lowest spending state and local in the country and the second lowest tax burden. And the difference between Arkansas and the United States is that we're going in the right direction, and this country's going in the wrong direction. And I had to defend the honor of my state. (Applause.)

MR. LEHRER: We've got a wash, according to my calculations. We have a wash. And we'll go to Mr. Perot for one minute. In other words, the violation of the rule. That's why I meant.

MR. PEROT: I'm the only one that's untarnished at this point.

MR. LEHRER: That's right, your clean. (Laughter.)

MR. PEROT: I'm sure I'll do it before it's over. (Laughter.) The key thing here, see -- we all come up with images. Images don't fix anything. You know, I'm starting to understand it. You stay around this long enough, you think about -- if you talk about it in Washington, you think you did it. If you've been on television about it, you think you did it. (Laughter.) What we need is people to stop talking and start doing.

Now, our real problem here is they both have plans that will not work. The Wall Street Journal said your numbers don't add up. And you can take it out on charts, you look at all the studies that different groups have done -- you go out four, five, six years, we're still drifting along with a huge deficit.

So let's come back to harsh reality. Everybody said, gee, Perot, you're tough. I say, well, this is not as tough as World War II; this is not as tough as the Revolution. And it's fair-shared sacrifice to do the right thing for our

country and for our children. And it will be fun if we all work together to do it.

MR. LEHRER: This is the last question, and it goes to President Bush for a two-minute answer. And it will be asked by Helen.

MS. THOMAS: Mr. President, why have you dropped so dramatically in the leadership polls, from the high 80s to the 40s? And you have said you will do anything you have to do to get reelected. What can you do in two weeks to win reelection?

THE PRESIDENT: Well, I think the answer to why the drop I think has been the economy in the doldrums. Why I'll win is I think I have the best plan of the three of us up here to do something about it. Mine does not grow the government. It does not invest -- have government invest. It says we need to do better in terms of stimulating private business.

We've got a big philosophical difference here tonight between one who thinks the government can do all these things through tax and spend, and one who thinks it ought to go the other way.

And so I believe the answer is I'm going to win it because I'm getting into focus my Agenda for America's Renewal, and also I think that Governor Clinton's had pretty much of a free ride on looking specifically at the Arkansas record. He keeps criticizing us, criticizing me -- I'm the incumbent. Fine. But he's an incumbent. And we've got to look at all the facts. They're almost at the bottom on every single category. We can't do that to the American people.

And then, Helen, I really believe where people are going to ask this question about trust. Because I do think there's a pattern by Governor Clinton of saying one thing to please one group and then trying to please another group. And I think that pattern is a dangerous thing to suggest would work for the Oval Office. It doesn't work that way when you're President. Truman is right -- the buck stops there. And you have to make decisions, even it's against your own interest.

And I've done that. It's against my political interests to say, go ahead and go along with the tax increase. But I did what I thought was right at the time. So I think people are going to be looking for trust and experience.

And then I mentioned it the other night -- I think if there's a crisis, people are going to say, well, George Bush has taken us through some tough crises and we trust him to do that. And so I'll make the appeal on a wide array of issues. Also I've got a philosophical difference -- I've got to watch the clock here -- I don't think we're a declining nation.

The whole world has had economic problems. We're doing better than a lot of the countries in the world. And we're going to lead the way out of this economic recession across this world and economic slowdown here at home.

MR. LEHRER: Mr. Perot, do you have one minute.

THE PRESIDENT: That's why I think I'll win.

MR. LEHRER: Mr. Perot, you have -- sorry. Excuse me, sir. Mr. Perot, you have one minute.

MR. PEROT: I'm the last one, right?

MR. LEHRER: No. Governor Clinton has a minute after you. Then we have the closing statements.

MR. PEROT: One minute after you?

MR. LEHRER: Right.

MR. PEROT: I'm totally focused on the fact that we may have bank traders and nobody answered it. I'm totally focused on that fact that we are still evading the issue of the Glaspié papers. I'm totally focused on the fact that we still could have enterprise zones, according to both parties, but we don't. So I'm still focused on gridlock, I guess.

And I'm also focused on the fact that isn't it a paradox that we have the highest productivity in our work force in the industrialized world and at the same time have the largest trade deficit, and at the same time rank behind nine other nations in what we pay our most productive people in the world. And we're losing whole industries overseas. Now, can't somebody agree with me that the government is breaking business' legs with these trade agreements? They're breaking business' legs in a number of different ways. We have an adversarial relationship that's destroying jobs and sending them overseas while we have the finest workers in the world.

Keep in mind the factory worker has nothing to do with anything except putting it together on the factory floor. It's our obligation to make sure that we give him the finest products in the world to put together and we don't break his legs in the process.

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: I really can't believe Mr. Bush is still trying to make trust an issue after "read my lips" and "15 billion new jobs" and embracing what he called "voodoo economics" and embracing an export enhancing program for farmers he threatened to veto and going all around the country giving out money and programs that he once opposed. But the main thing is he still didn't get it, from what he said the other night to that fine woman on our program -- the 209 people in Richmond. They don't want us talking about each other; they want us to talk about the problems of this country.

I don't think he'll be reelected because trickle-down economics is a failure and he's offering more of it. And what he's saying about my program is just not true. Look at the Republicans that have endorsed me. High-tech executives in Northern California. Look at the 24 generals and admirals, retired, have endorsed me, including the Deputy Commander of Desert Storm. Look at Sarah Brady, Jim Brady's wife - President Reagan's press secretary -- who endorsed me because he knuckled under to the NRA and wouldn't fight for the Brady Bill. We've got a broad based coalition that goes beyond party, because I am going to change this country and make it better with the help of the American people. (Applause.)

MR. LEHRER: All right. That was the final question and answer, and we now go to the closing statements. Each candidate will have up to two minutes. The order was determined by a drawing. Governor Clinton, you are first.

Governor.

GOVERNOR CLINTON: First I'd like to thank the commission and my opponents for participating in these debates and making them possible.

I think the real winners of the debates were the American people. I was especially moved in Richmond a few days ago when 209 of our fellow citizens got to ask us questions. They went a long way toward reclaiming this election for the American people and taking their country back.

I want to say, since this is the last time I'll be on a platform with my opponents, that even though I disagree with Mr. Perot on how fast we can reduce the deficit and how much we can increase taxes on the middle class, I really respect what he's done in this campaign to bring the issue of deficit reduction to our attention. I'd like to say to Mr. Bush, even though I've got profound differences with him, I do honor his service to our country. I appreciate his efforts, and I wish him well. I just believe it's time to change.

I offer a new approach. It's not trickle-down economics. It's been tried for 12 years and it's failed. More people are working harder for less, 100,000 people a month losing their health insurance, unemployment going up, our economy slowing down. We can do better.

And it's not tax and spend economics. It's invest and grow, put our people first, control health care costs and provide basic health care to all Americans, have an education system second to none, and revitalize the private economy. That is my commitment to you. It is a kind of change that can open up a whole new world of opportunities to America as we enter the last decade of this century and move toward the 21st century. I want a country where people who work hard and play by the rules are rewarded, not punished. I want a country where people are coming together across the lines of race and region and income. I know we can do better.

It won't take miracles and it won't happen overnight. But we can do much, much better if we have the courage to change. Thank you very much. (Applause.)

MR. LEHRER: President Bush, your closing statement, sir.

THE PRESIDENT: Three weeks from now -- two weeks from tomorrow, America goes to the polls and you're going to have to decide who you want to lead this country to economic recovery. On jobs, that's the number one priority, and I believe my program for stimulating investment, encouraging small business, brand-new approach to education, strengthening the American family, and, yes, creating more exports is the way to go. I don't believe in trickle-down government. I don't believe in larger taxes and larger government spending.

On foreign affairs, some think it's irrelevant. I believe it's not. We're living in an interconnected world. The whole world is having economic difficulties. The U.S. is doing better than a lot. But we've got to do even better. And if a crisis comes up, I ask who has the judgment and the experience and, yes, the character to make the right decision?

And lastly, the other night on character, Governor Clinton said, "It's not the character of the President, but the character of the presidency." I couldn't disagree more. Horace Greeley said "The only thing that endures is character." And I think it was Justice Black who talked about "Great nations like great men, must keep their word." And so the question is, who will safeguard this nation, who will safeguard our people and our children?

I need your support. I ask for your vote. And may God bless the United States of America. (Applause.)

MR. LEHRER: Mr. Perot, your closing statement, sir.

MR. PEROT: To the millions of fine, decent people who did the unthinkable and took their country back in their own hands and put me on the ballot, let me pledge to you that tonight is just the beginning. These next two weeks we will be going full steam ahead to make sure that you get a voice and that you get your country back.

This Thursday night on ABC from 8:30 to 9:00 -- Friday night on NBC from 8:00 to 8:30 -- and Saturday night on CBS from 8:00 to 8:30 -- we'll be down in the trenches, under the hood, working on fixing the old car to get it back on the road. (Laughter.)

Now, the question is: Can we win? Absolutely we can win, because it's your country. The question really is who do you want in the White House? It's that simple. Now, you've got to stop letting these people tell you who to vote for. You've got to stop letting these folks in the press tell you you're throwing your vote away. You've got to start using your own head. (Applause.)

Then the question is: Can we govern? I love that one. The "we" is you and me. You bet your hat we can govern, because we will be in there together and we will figure out what to do. And you won't tolerate gridlock. You won't tolerate endless meandering and wandering around. And you won't tolerate nonperformance. And believe me, anybody who knows me understands I have a very low tolerance for nonperformance also. Together we can get anything done.

The President mentioned that you need the right person in a crisis. Well, folks, we've got one. And that crisis is a financial crisis. Pretty simply, who's the best qualified person up here on the stage to create jobs? Make your decision and vote on November 3rd. I suggest you might consider somebody who's created jobs.

Second, who's the best person to manage money? I suggest you pick a person who's successfully managed money. Who's the best person to get results and not talk? Look at the record; make your decision.

And finally, who would you give your pension fund and your savings account to to manage? And the last one, who would you ask to be the trustee of your estate and take care of your children if something happened to you?

Finally, to you students up there -- God bless you -- I'm doing this for you. I want you to have the American Dream. (Applause.) And to the American people -- to the American people, I'm doing this because I love you. That's it. Thank you very much. (Applause.)

MR. LEHRER: Thank you, Mr. Perot. Thank you, Mr. President. Thank you, Governor Clinton -- for being with us tonight and the previous debates. Thank you to the panel.

The only thing that is left to be said is, from Michigan State University in East Lansing, I'm Jim Lehrer. Thank you, and good night. (Applause.)

END

8:37 P.M. EDT

THE WHITE HOUSE

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REMARKS BY THE PRESIDENT,
GOVERNOR BILL CLINTON AND MR. ROSS PEROT
IN FIRST 1992 PRESIDENTIAL DEBATE

Field House
Washington University
St. Louis, Missouri

6:03 P.M. CDT

MR. LEHRER: Good evening, and welcome to the first of three debates among the major candidates for President of the United States, sponsored by the Commission on Presidential Debates.

The candidates are independent candidate Ross Perot; Governor Bill Clinton, the Democratic nominee; and President George Bush, the Republican nominee.

I am Jim Lehrer of the McNeil-Lehrer News Hour on PBS, and I will be the moderator for this 90-minute event, which is taking place before an audience here in the Athletic Complex on the campus of Washington University in St. Louis, Missouri.

Three journalists will be asking questions tonight. They are John Mashek of The Boston Globe; Ann Compton of ABC News; and Sander Vanocur, a free-lance journalist. We will follow a format agreed to by representatives of the Clinton and Bush campaigns. That agreement contains no restrictions on the content or subject matter of the questions.

Each candidate will have up to two minutes for a closing statement. The order of those as well as the questioning was determined by a drawing.

The first question goes to Mr. Perot. He will have two minutes to answer, to be followed by rebuttals of one minute each from Governor Clinton and then President Bush.

Gentlemen, good evening. The first topic tonight is what separates each of you from the other.

Mr. Perot, what do you believe tonight is the single most important separating issue of this campaign?

MR. PEROT: I think the principal issue that separates me is that five and a half million people came together on their own and put me on the ballot. I was not put on the ballot by either of the two parties. I was not put on the ballot by any PAC money, by any foreign lobbyist money, by any special interest money. This is a movement that came from the people. This is the way the framers of the Constitution intended our government to be -- a government that comes from the people.

Over time we have developed a government that comes at the people -- that comes from the top down, where the people are more or less treated as objects to be programmed during the campaign, with commercials and media events and fear messages, and personal attacks and things of that nature.

The thing that separates my candidacy and makes it unique is that this came from millions of people in 50 states all

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over this country who wanted a candidate that worked and belonged to nobody but them. I go into this race as their servant, and I belong to them. So this comes from the people.

MR. LEHRER: Governor Clinton, one-minute response.

GOVERNOR CLINTON: The most important distinction in this campaign is that I represent real hope for change: a departure from trickle-down economics, a departure from tax-and-spend economics, to invest and growth. But before I can do that I must challenge the American people to change, and they must decide.

Tonight I say to the President: Mr. Bush, for 12 years you've had it your way. You've had your chance and it didn't work. It's time to change. I want to bring that change to the American people, but we must all decide first we have the courage to change for hope and a better tomorrow.

MR. LEHRER: President Bush, one-minute response, sir.

PRESIDENT BUSH: Well, I think one thing that distinguishes is experience. I think we've dramatically changed the world. I'll talk about that a little bit later, but the changes are mind-boggling for world peace. Kids go to bed at night without the same fear of nuclear war. And change for change sake isn't enough. We saw that message in the late '70s when we heard a lot about change. And what happened -- that Misery Index went right through the roof.

But my economic program, I think, is the kind of change we want. And the way we're going to get it done is we're going to have a brand-new Congress -- a lot of them are thrown out because of all the scandals. I'll sit down with them, Democrats and Republicans alike, and work for my Agenda for American Renewal, which represents real change.

But I'd say, if you had to separate out, I think it's experience at this level.

MR. LEHRER: Governor Clinton, how do you respond to the President -- you have two minutes -- on the question of experience? He says that is what distinguishes him from the other two of you.

GOVERNOR CLINTON: I believe experience counts, but it's not everything. Values, judgment and the record that I have amassed in my state also should count for something. I've worked hard to create good jobs and to educate people. My state now ranks first in the country in job growth this year, fourth in income growth, fourth in the reduction of poverty, third in overall economic performance, according to a major news magazine. That's because we believe in investing in education and in jobs.

And we have to change in this country. You know, my wife, Hillary, gave me a book about a year ago in which the author defined insanity as just doing the same old thing over and over again and expecting a different result. We have got to have the courage to change. Experience, is important, yes. I've gotten a lot of good experience in dealing with ordinary people over the last year and a month. I've touched more people's lives and seen more heartbreak and hope, more pain and more promise, than anybody else who's run for President this year.

And I think the American people deserve better than they're getting. We have gone from first to 13th in the world in wages in the last 12 years, since Mr. Bush and Mr. Reagan have been in. Personal income has dropped while people have worked harder in the last four years. There have been twice as many bankruptcies and new jobs created.

We need a new approach. The same old experience is not relevant. We're living in a new world after the Cold War. And what works in this new world is not trickle-down, not government for the benefit of the privileged few, not tax-and-spend, but a commitment to invest in American jobs and American education. Controlling American health care costs and bringing the American people together.

That is what works. And you can have the right kind of experience and the wrong kind of experience. Mine is rooted in the real lives of real people. And it will bring real results if we have the courage to change.

MR. LEHRER: President Bush, one minute to respond.

PRESIDENT BUSH: I just thought of another -- another big difference here between me -- I don't believe Mr. Perot feels this way, but I know Governor Clinton did, because I want to accurately quote him. He thinks -- I think he said that "the country is coming apart at the seams." Now, I know that the only way he can win is to make everybody believe the economy is worse than it is. But this country's not coming apart at the seams, for heaven sakes. We're the United States of America.

In spite of the economic problems, we are the most respected economy around the world. Many would trade for it. We've been caught up in a global slowdown. We can do much, much better. But we ought not to try to convince the American people that America is a country that's coming apart at the seams.

I would hate to be running for President and think that the only way I could win would be to convince everybody how horrible things are. Yes, there are big problems. And, yes, people are hurting. But I believe that this Agenda for American Renewal I have is the answer to do it. And I believe we can get it done now, whereas we didn't in the past, because you're going to have a whole brand-new bunch of people in the Congress that are going to have to listen to the same American people I'm listening to.

MR. LEHRER: Mr. Perot, a minute response, sir.

MR. PEROT: Well, they've got a point. I don't have any experience in running up a \$4-trillion debt. (Laughter.) I don't have any experience in gridlocked government where nobody takes responsibility for anything and everybody blames everybody else. I don't have any experience in creating the worst public school system in the industrialized world, the most violent, crime-ridden society in the industrialized world. But I do have a lot of the experience in getting things done.

So if we're at a point in history where we want to stop talking about it and do it, I've got a lot of experience in figuring out how to solve problems, making the solutions work, and then moving on to the next one. I've got a lot of experience in not taking 10 years to solve a 10-minute problem.

So if it's time for action, I think I have experience that counts. If it's more time for gridlock and talk and finger-pointing, I'm the wrong man.

MR. LEHRER: President Bush, the question goes to you. You have two minutes. And the question is this: Are there important issues of character separating you from these other two men?

PRESIDENT BUSH: I think the American people should be the judge of that. I think character is a very important question.

I said something the other day where I was accused of being like Joe McCarthy because I questioned -- put it this

way -- I think it's wrong to demonstrate against your own country or organize demonstrations against your own country in foreign soil. I just think it's wrong.

Maybe, they say, well, it was a youthful indiscretion. I was 19 or 20, flying off an aircraft carrier, and that shaped me to be Commander-in-Chief of the Armed Forces. And, I'm sorry, but demonstrating -- it's not a question of patriotism. It's a question of character and judgment.

They get on me -- Bill's gotten on me about "read my lips." And I'll make -- when I make a mistake I'll admit it. But he has made -- not admitted the mistake. And I just find it impossible to understand how an American can demonstrate against his own country in a foreign land, organizing demonstrations against it, when young men are held prisoner in Hanoi, or kids out of the ghetto were drafted.

Some say, well, you're a little old-fashioned. Maybe I am, but I just don't think that's right. Now, whether it's character or judgment -- whatever it is, I have a big difference here on this issue. And so we'll just have to see how it plays out. But I couldn't do that. And I don't think most Americans could do that.

And they all say, well, it was a long time ago. Well, let's admit it then; say "I made a terrible mistake." How could you be Commander-in-Chief of the Armed Forces and have some kid say -- when you have to make a tough decision, as I did in Panama or in Kuwait, and then have some kid jump up and say, well, I'm not going to go. The Commander-in-Chief was organizing demonstrations halfway around the world during another era?

So there are differences. But that's about the main area where I think we have a difference. I don't know about -- we'll talk about that a little with Ross here in a bit.

MR. LEHRER: Mr. Perot, you have one minute.

MR. PEROT: I think the American people will make their own decisions on character. And at a time when we have work to do and we need action, I think they need to clearly understand the backgrounds of each person. I think the press can play a huge role in making sure that the backgrounds are clearly presented in an objective way. Then make a decision.

Certainly anyone in the White House should have the character to be there. But I think it's very important to measure when and where things occurred. Did they occur when you were a young person in your formative years, or did they occur while you were a senior official in the federal government?

When you're a senior official in the federal government, spending billions of dollars in taxpayers' money and you're a mature individual and you make a mistake, then that was on our ticket. If you make it as a young man, time passes.

So I would say just -- look at all three of us, decide who you think will do the job, pick that person in November, because, believe me, as I've said before, the party's over, and it's time for the cleanup crew. And we do have to have change. And people who never take responsibility for anything when it happens on their watch, and people who are in charge --

MR. LEHRER: You're time is up.

MR. PEROT: -- the time is up. (Laughter and applause.)

MR. LEHRER: Time is up.

MR. PEROT: More later.

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MR. LEHRER: Governor Clinton, you have one minute.

GOVERNOR CLINTON: Ross gave a good answer, but I've got to respond directly to Mr. Bush. You have questioned my patriotism. You even brought some right-wing congressmen into the White House to plot how to attack me for going to Russia in 1969, 1970, when over 50,000 other Americans did.

Now, I honor your service in World War II. I honor Mr. Perot's service in uniform and the service of every man and woman who every served, including Admiral Crowe, who was your Chairman of the Joint Chiefs and who's supporting me.

But when Joe McCarthy went around this country attacking people's patriotism, he was wrong. He was wrong. And a Senator from Connecticut stood up to him, named Prescott Bush. Your father was right to stand up to Joe McCarthy. You were wrong to attack my patriotism. I was opposed to the war, but I love my country. And we need a President who will bring this country together, not divide it. We've had enough division. I want to lead a unified country. (Applause.)

MR. LEHRER: All right. We move now to the subject of taxes and spending. The question goes to Governor Clinton for a two-minute answer. It will be asked by Ann Compton.

MS. COMPTON: Governor Clinton, can you lock in a level here tonight on where middle-income families can be guaranteed a tax cut or, at the very least, at what income level they can be guaranteed no tax increase?

GOVERNOR CLINTON: The tax increase I have proposed triggers in at family incomes of \$200,000 and above. Those are the people who, in the 1980s, had their incomes go up while their taxes went down. Middle class people, defined as people with incomes of \$52,000 and down, had their incomes go down while their taxes went up in the Reagan-Bush years, because of six increases in the payroll taxes. So that is where my income limit would trigger.

MS. COMPTON: So there would be no tax increases below \$200,000?

GOVERNOR CLINTON: My plan, notwithstanding my opponent's ad, my plan triggers in at gross incomes, family incomes of \$200,000 and above. And then we want to give modest middle class tax relief to restore some fairness, especially to middle class people with families with incomes of under \$60,000.

In addition to that, the money that I raise from upper income people and from asking foreign corporations just to pay the same income on their income earned in American corporations do will be used to give incentives back to upper income people. I want to give people permanent incentives on investment tax credit, like President Kennedy and the Congress inaugurated in the early '60s to get industry moving again; a research and development tax credit; a low-income housing tax credit; a long-term capital gains proposal for new business and business expansions.

We've got to have no more trickle-down -- we don't need across-the-board tax cuts for the wealthy for nothing, we need to say, here's your tax incentive if you create American jobs the old-fashioned way.

I'd like to create more millionaires than were created under Mr. Bush and Mr. Reagan, but I don't want to have four years where we have no growth in the private sector. And that's what's happened in the last four years. We're down 35,000 jobs in the private sector. We need to invest and grow, and that's what I want to do.

MR. LEHRER: President Bush, one minute, sir.

PRESIDENT BUSH: Let me -- I have to correct one thing. I didn't question the man's patriotism, I questioned his judgment and his character. What he did in Moscow, that's fine. Let him explain it; he did. I accept that. What I don't accept is demonstrating and organizing demonstrations in a foreign country when your country's at war. I'm sorry, I cannot accept that.

In terms of -- this one on taxes spells out the biggest difference between us. I do not believe we need to go back to the Mondale proposals or the Dukakis proposals of tax-and-spend.

Governor Clinton says \$200,000, but he also says he wants to raise \$150 billion. Taxing people over \$200,000 will not get you \$150 billion. And then when you add in his other spending proposals, regrettably, you end up socking it to the working man.

That old adage that they use -- we're going to soak the rich, we're going to soak the rich -- it always ends up being the poor cab driver or the working man that ends up paying the bill. And so I just have a different approach. I believe the way to get the deficit down is to control the growth of mandatory spending programs, and not raise taxes on the American people. We've got a big difference there. (Applause.)

MR. LEHRER: Mr. Perot, one minute.

MR. PEROT: We've got to have a growing, expanding job base to give us a growing, expanding tax base. Right now, we have a flat-to-deteriorating job base, and where it appears to be growing is minimum-wage jobs. So we've got to really rebuild our job base. That's going to take money for infrastructure investment to do that. Our foreign competitors are doing it; we're not.

We cannot pay off the \$4-trillion debt, balance the budget and have the industries of the future and the high-paying jobs in this country without having the revenue. We're going to go through a period of shared sacrifice. There's one challenge -- it's got to be fair.

We've created a mess and don't have much to show for it, and we have got to fix it. And that's about all I can say in a minute. (Applause.)

MR. LEHRER: Okay. Next question goes to President Bush for a two-minute answer, and it will be asked by Sandy Vanocur.

MR. VANOCUR: Mr. President, this past week your Secretary of the Army Michael Stone said he had no plans to abide by a congressional mandate to cut U.S. forces in Europe from 150,000 to 100,000 by the end of September, 1996. Now, why, almost 50 years after the end of World War II and with the total collapse of the Soviet Union, should American taxpayers be taxed, support armies in Europe, when the Europeans have plenty of money to do it for themselves?

PRESIDENT BUSH: Well, Sander, that's a good question. And the answer is, for 40-some years, we kept the peace. If you look at the cost of not keeping the peace in Europe, it would be exorbitant. We have reduced the number of troops that are deployed and going to be deployed. I have cut defense spending.

And the reason we could do that is because of our fantastic success in winning the Cold War. We never would have

got there if we'd gone for the nuclear freeze crowd; never would have got there if we'd listened to those that wanted to cut defense spending. I think it is important that the United States stay in Europe and continue to guarantee the peace. We simply cannot pull back.

Now, when anybody has a spending program they want to spend money on at home, they say, well, let's cut money out of the Defense Department. I will accept and have accepted the recommendations of two proven leaders, General Colin Powell and Dick -- Secretary Dick Cheney. They feel that the levels we're operating at and the reductions that I have proposed are proper. And so I simply do not think we should back to the isolation days and start blaming foreigners.

We are the sole remaining superpower. And we should be that. And we have a certain disproportionate responsibility. But I would ask the American people to understand that if we make imprudent cuts, if we go too far, we risk the peace. And I don't want to do that. I've seen what it is like to see a war -- to see the burdens of a war, and I don't want to see us make reckless cuts.

Because of our programs, we have been able to significantly cut defense spending. But let's not cut into the muscle. And let's not cut down our insurance policy, which is participation of American forces in NATO, the greatest peacekeeping organization every made.

Today, you've got problems in Europe -- still bubbling along, even though Europe's going democracy's route. But we are there. And I think this insurance policy is necessary. I think it goes with world leadership. And I think the levels we've come up with are just about right.

MR. LEHRER: Mr. Perot, one minute, sir.

MR. PEROT: If I'm poor and you're rich, and I can get you to defend me, that's good. But when the tables get turned, I ought to do my share. Right now we spend about \$300 billion a year on defense. The Japanese spend around \$30 billion in Asia. The Germans spend around \$30 billion in Europe.

For example, Germany will spend a trillion dollars building infrastructure over the next 10 years. It's kind of easy to do if you only have to pick up a \$30-billion tab to defend your country. The European Community is in a position to pay a lot more than they have in the past. I agree with the President, when they couldn't, we should have; now that they can, they should.

We sort of seem to have a desire to try stay over there and control it. They don't want us to control it, very candidly. So I think it's very important for us to let them assume more and more of the burden, and for us to bring that money back here and rebuild our infrastructure. Because we can only be a superpower if we are an economic superpower, and we can only be an economic superpower if we have a growing, expanding job base. (Applause.)

MR. LEHRER: Governor Clinton, one minute, sir.

GOVERNOR CLINTON: I agree with the general statement Mr. Bush made. I disagree that we need a 150,000 troops to fulfill our role in Europe. We certainly must maintain an engagement there. There are certainly dangers there. There are certainly other trouble spots in the world which are closer to Europe than to the United States. But two former Defense Secretaries recently issued reports saying that 100,000 or slightly fewer troops would be enough, including President Reagan's former defense secretary, Mr. Carlucci. Many of the military experts whom I consulted on this agreed.

We're going to have to spend more money in the future on military technology and on greater mobility, greater airlift, greater sealift, the B-22 airplane. We're going to have to do some things that are quite costly, and I simply don't believe we can afford, nor do we need to keep 150,000 troops in Europe, given how much the Red Army, now under the control of Russia, has been cut; the arms control agreement concluded between Mr. Bush and Mr. Yeltsin -- something I have applauded. I don't think we need 150,000 troops.

Let me make one other point. Mr. Bush talked about taxes. He didn't tell you that he vetoed a middle class tax cut because it would be paid for by raising taxes on the wealthy and vetoed an investment tax credit paid for by raising taxes on the wealthy.

MR. LEHRER: All right. We go now to Mr. Perot for a two-minute question, and it will be asked by John Mashek.

MR. MASHEK: Mr. Perot, you talked about fairness just a minute ago, on sharing the pain. As part of your plan to reduce the ballooning federal deficit, you've suggested that we raise gasoline taxes 50 cents a gallon over five years. Why punish the middle class consumer to such a degree?

MR. PEROT: It's 10 cents a year, cumulative. It finally gets to 50 cents at the end of the fifth year. I think "punish" is the wrong word. Again, you see, I didn't create this problem; we're trying to solve it.

Now, if you study our international competitors, some of our international competitors collect up to \$3.50 a gallon in taxes. And they use that money to build infrastructure and create jobs. We collect 35 cents and we don't have it to spend. I know it's not popular. And I understand the nature of your question. But the people who will be helped the most by it are the working people who will get the jobs created because of this tax.

Why do we have to do it? Because we have so mismanaged our country over the years, and it is now time to pay the fiddler. And if we don't, we will be spending our children's money. We have spent \$4 trillion worth. An incredible number of young people are active in supporting my effort because they're deeply concerned that we have taken the American Dream from them.

I think it's fitting that we're on the campus of a university tonight. These young people, when they get out of this wonderful university, will have difficulty finding a job. We've got to clean this mess up, leave this country in good shape and pass on the American Dream to them. We've got to collect the taxes to do it. If there's a fairer way, I'm all ears. Ahh. (Laughter and applause.)

But, see -- let me make it very clear. People don't have the stomach to fix these problems, I think it's a good time to face it in November. If they do, then they will have heard the harsh reality of what we have to do. I'm not playing Lawrence Welk music tonight.

MR. LEHRER: Governor Clinton, you have a minute, sir.

GOVERNOR CLINTON: I think Mr. Perot has confronted this deficit issue, but I think it's important to point out that we really have two deficits in America, not one. We have a budget deficit in the federal government, but we also have an investment, a jobs, an income deficit.

People are working harder for less money than they were making 10 years ago -- two-thirds of our people. A \$1,600 drop in average income in just the last two years. The problem I have with the Perot prescription is that almost all economists who have looked at it say that if you cut the deficit this much this quick, it will increase unemployment, it will slow down the economy. That's why I think we shouldn't do it that quickly.

We have a disciplined reduction in the deficit of 50 percent over the next four years. But first, get incentives to invest in this economy, put the American people back to work. We've got to invest in growth. Nine Nobel Prize winning economists and 500 others, including numerous Republican and Democratic business executives, have endorsed this approach because it offers the best hope to put America back to work and get our incomes rising instead of falling.

MR. LEHRER: President Bush, one minute, sir.

PRESIDENT BUSH: The question was on fairness. I just disagree with Mr. Perot. I don't believe it is fair to slap a 50-cent-a-gallon tax over whatever many years on the people that have to drive for a living, people that go long distances. I don't think we need to do it.

You see, I have a fundamental difference. I agree with what he's talking about in trying to get the spending down and to discipline, although I think we ought to totally exempt Social Security. But he's talking tough medicine and I think that's good. I disagree with the tax-and-spend philosophy. You see, I don't think we need to tax more and spend more and then say that's going to make the problem better. And I'm afraid that's what I think I'm hearing from Governor Clinton.

I believe what you need to do is some of what Ross is talking about -- control the growth of mandatory spending and get taxes down. He's mentioned some ways to do it, and I agree with those. I've been talking about getting a capital gains cut forever. And his friends in Congress have been telling me that's a tax break for the rich that would stimulate investment. I'm for an investment tax allowance. I am for a first-time -- a tax break for first-time homebuyers. And with this new Congress coming in, gridlock will be gone and I'll sit down with them and say, let's get this done. But I do not want to go the tax-and-spend route.

MR. LEHRER: All right. Let's move on now to the subject of jobs. The first question goes to President Bush for two minutes, and John will ask that question.

John?

MR. MASHEK: Mr. President, last month you came to St. Louis to announce a very lucrative contract for McDonnell Douglas to build F-15s for Saudia Arabia. In today's Post-Dispatch, a retired saleswoman, a 75-year-old woman named Marjorie Roberts, asked if she could ask a question of the candidates; said she wanted to register her concern about the lack of a plan to convert our defense-oriented industries into other purposes. How would you answer her?

PRESIDENT BUSH: Well, I assume she was supportive of the decision on McDonnell Douglas. I assume she was supporting me on the decision to sell those airplanes. I think it's a good decision. I took a little heat for it, but I think it was the correct decision to do. And we've worked it out and, indeed, we're moving forward all around the world in a much more peaceful way. So that one we came away with which -- in creating jobs for the American people.

I would simply say to her, look, take a look at what the President has proposed on job retraining. When you cut back

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on defense spending, some people are going to be thrown out of work. If you throw another 50,000 kids on the street because of cutting recklessly in troop levels, you're going to put a lot more out of work.

I would say to them, look at the job retraining programs that we're proposing. Therein is the best answer to her. And another one is, stimulate investment and savings. I mean, we've got big economic problems, but we are not coming apart at the seams. We're ready for a recovery with interest rates down and inflation down -- the cruelest tax of all -- caught up in a global slowdown right now, but that will change if you go with the programs I've talked about and if you help with job retraining and education.

I am a firm believer that our America 2000 education problem is the answer. It's a little longer run; it's going to take a while to educate, but it is a good program. So her best hope for short term is job retraining if she was thrown out of work at a defense plant. But tell her it's not all that gloomy. We're the United States. We've faced tough problems before. Look at the Misery Index when the Democrats had both the White House and the Congress. It was just right through the roof.

Now, we can do better. And the way to do better is not to tax-and-spend, but to retrain, get that control of the mandatory spending programs. I am much more optimistic about this country than some. (Applause.)

MR. LEHRER: Mr. Perot, you have one minute, sir.

MR. PEROT: Your defense industries are going to have to convert to civilian industries; many of them are. And the sooner they start, the sooner they'll finish. And there will be a significant transition.

And it's very important that we not continue to let our industrial base deteriorate. We had someone who I'm sure regrets said it in the President's staff -- said he didn't care whether we make potato chips or computer chips. Well, anybody that thinks about it cares a great deal. Number one, you make more making computer chips than you do potato chips. Number two, 19 out of 20 computer chips that we have in this country now come from Japan. We've given away whole industries.

So as we phase these industries over, there's a lot of intellectual talent in these industries. A lot of these people in industries can be converted to the industries of tomorrow. And that's where the high-paying jobs are. We need to have a very carefully thought-through phaseover.

See, we practice 19th century capitalism. The rest of the world practices 21st century capitalism. We've got to -- I can't handle that in a minute, but I hope we can get back into it later. The rest of the world, the countries and the businesses would be working together to make this transition in an intelligent way.

MR. LEHRER: Governor Clinton, you have one minute, sir.

GOVERNOR CLINTON: We must -- we must have a transition plan, a plan to convert from a defense to a domestic economy. No other nation would have cut defense as much as we already have without that. There are 200,000 people unemployed in California alone because we have cut defense without planning to retrain them and to reinvest in the technologies of the future here at home. That is what I want to do.

This administration may say they have a plan, but the truth is they have not even released all the money, the paltry sum of money that Congress appropriated. I want to take

every dollar by which we reduced defense and reinvest it in technologies for the 21st century. In new transportation, in communication and environmental cleanup technologies. Let's put the American people to work. And let's build the kind of high-tech, high-wage, high-growth economy that the American people deserve.

MR. LEHRER: All right. The next question goes to Mr. Perot for a two-minute answer. It will be asked by Ann.

Ann.

MS. COMPTON: Mr. Perot, you talked a minute ago about rebuilding the job base. But is it true what Governor Clinton just said, that that means that unemployment will increase, that it will slow the economy? And how would you specifically use the powers of the presidency to get more people back into good jobs immediately?

MR. PEROT: Step one: The American people send me up there, the day after election, I'll get with the -- we won't even wait until inauguration. I'll ask the President to help me, and I'll ask his staff to help me. And we will start putting together teams to put together -- to take all the plans that exist and do something with them.

Please understand, they're great plan lying all over Washington nobody ever executes. It's like having a blueprint for a house you never built. You don't have anywhere to sleep. Now, our challenge is to take these things, do something with them.

Step one: You want to put America back to work -- clean up the small business problem. Have one task force at work on that. The second: You've got your big companies that are in trouble, including the defense industries -- have another one on that. Have a third task force on new industries of the future to make sure we nail those for our country and they don't wind up in Europe and Asia. Convert from 19th to 21st century capitalism.

You see, we have an adversarial relationship between government and business. Our international competitors that are cleaning our plate have an intelligent relationship between government and business and a supportive relationship.

Then, have another task force on crime, because next to jobs, our people are concerned about their safety. Health care, schools, one on the debt and deficit. And finally, in that 90-day period before the inauguration, put together the framework for the town hall and give the American people a Christmas present -- show them by Christmas the first cut at these plans. By the time Congress comes into session to go to work, have those plans ready to go in front of Congress. Then get off to a flying start in '93 to execute these plans.

Now, there are people in this room and people on this stage who have been in meetings when I would sit there and say, is this one we're going to talk about or do something about? Well, obviously, my orientation is let's go do it.

Now, put together your plans by Christmas. Be ready to go when Congress goes. Nail these things -- small business, you've got to have capital; you've got to have credit, and many of them need mentors or coaches. And we can create more jobs there in a hurry than any other place. (Applause.)

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: This country desperately needs a jobs program. And my first priority would be to pass a jobs program, to introduce it on the first day I was inaugurated. I would meet with the leaders of the Congress, with all the newly-

elected members of the Congress, and as many others with whom I could meet between the time of the election and the inauguration. And we would present a jobs program.

And then we would present a plan to control health care costs and phase in health care coverage for all Americans. Until we control health care costs, we're not going to control the deficit. It is the number-one culprit. But first we must have an aggressive jobs program.

I live in a state where manufacturing job growth has far outpaced the nation in the last few years; where we have created more private sector jobs since Mr. Bush has been President than have been created in the entire rest of the country, where Mr. Bush's Labor Secretary said the job growth has been enormous. We've done it Arkansas. Give me a chance to create these kind of jobs in America. We can do it. I know we can. (Applause.)

MR. LEHRER: President Bush, one minute.

PRESIDENT BUSH: Well, we've got a plan announced for what we can do for small business. I've already put forward things that will get this country working fast, some of which have been echoed here tonight -- investment tax allowance, capital gains reduction, more on research and development, a tax credit for first-time homebuyers.

What I'm going to do is say to Jim Baker when this campaign is over -- all right, let's sit down now. You do in domestic affairs what you've done in foreign affairs -- be the kind of economic coordinator of all the domestic side of the House -- and that includes all the economic side, all the training side -- and bring this program together. We're going to have a new Congress. And we're going to say to them, you've listened to the voters the way we have. Nobody wants gridlock anymore. And so let's get the program through.

And I believe it will work, because, as Ross said, we've got the plans. The plans are all over Washington. And I have put ours together in something called the Agenda for American Renewal. And it makes sense. It's sensible. It creates jobs. It gets to the base of the kind of jobs we need. And so I'll just be asking for support to get that put into effect.

MR. LEHRER: The next question goes to Governor Clinton for two minutes. It will be asked by Sandy.

MR. VANOCUR: Governor Clinton, when a President running for the first time gets into the office and wants to do something about the economy, he finds in Washington there's a person who has much more power over the economy than he does -- the Chairman of the Federal Reserve Board, accountable to no one. That being the case, would you go along with proposals made by Treasury Secretary James Brady and Congressman Lee Hamilton to make the Federal Reserve Board Chairman somehow more accountable to elected officials?

GOVERNOR CLINTON: Well, let me say that I think that we might ought to review the terms in the way it works. But, frankly, I don't think that's the problem today. We have low interest rates today. At least we have low interest rates that the Fed can control. Our long-term interest rates are still pretty high because of our deficit and because of our economic performance.

And there was a terrible reaction internationally to Mr. Bush saying he was going to give us four more years of trickle-down economics and other -- across-the-board tax cut and most of it going to the wealthy with no real guarantee of investment.

But I think the important thing -- the important thing is to use the powers the President does have on the assumption that given the condition of this economy, we're going to keep interest rates down if we have the discipline to increase investment and reduce the debt at the same time. That is my commitment.

I think the American people are hungry for action. I think Congress is hungry for someone who will work with them, instead of manipulate them; someone who will not veto a bill that has an investment credit, middle class tax relief, research and development tax credit, as Mr. Bush has done. Give me a chance to do that.

I don't have to worry, I don't think, in the near term, about the Federal Reserve. Their policies so far, it seems to me, are pretty sound.

MR. LEHRER: President Bush, you have one minute.

PRESIDENT BUSH: I don't think the Fed ought to be put under the Executive Branch. There is separation there. I think that's fine. Alan Greenspan is respected. I've had some arguments with him about the speed in which we might have lowered rates.

But Governor Clinton -- he talks about the reaction to the markets. There was a momentary fear that he might win, and the markets went rrrfft -- down like that -- (laughter and applause) -- so I don't we can judge on -- the stock market has been strong. It's been very strong since I've been President. And they recognize we've got great difficulties. But they're also much more optimistic than the pessimists we have up here tonight.

In terms of vetoing tax bills, you're darn right. I am going to protect the American taxpayer against the spend-and-tax Congress. And I'm going to keep on vetoing them because I don't think we are taxed too little. I think the government's spending too much.

So Governor Clinton can label it tax for the rich or anything he wants. I'm going to protect the working man by continuing to veto and to threaten veto -- until we get this new Congress, when then we're going to move forward on our plan. I've got to protect them.

MR. LEHRER: Mr. Perot, one minute.

MR. PEROT: Keep the Federal Reserve independent, but let's live in a world of reality. We live in a global economy, not a national economy. These interest rates we have now don't make any sense. We have a \$4-trillion debt, and only in American would you finance 70 percent of it five years or less. So 70 percent of our debt is five years or less, it's very intrasensitive.

We have a four-percent gap between what we pay for treasuries and what Germany pays for one to five-year treasuries. That gap is going to close because the Arabs, the Japanese and folks in this country are going to start buying German treasuries because they can get more money.

Every time our interest rates go up one percent, that adds \$28 billion to the deficit or to the debt, whichever place you want to put it. We are sitting on a ticking bomb, folks, because we have totally mismanaged our country. And we had better get it back under control.

Just think, in your own business, if you had all of your long-term problems financed short term, you'd go broke in a hurry. (Applause.)

MR. LEHRER: We're going to move to foreign affairs. The first question goes to Mr. Perot for a two-minute answer, and Sandy will ask it.

MR. VANOCUR: Mr. Perot, in the post-Cold War environment, what should be the overriding U.S. national interest? And what can the United States do, and what can it afford to do to defend that national interest?

MR. PEROT: Again, if you're not rich, you're not a superpower, so we have two that I'd put as number one. I have a one and 1a. One is, we've got to have the money to be able to pay for defense. And we've got to manufacture here. Believe it or not, folks, you can't ship it overseas. You've got to make it here. And you can't convert from potato chips to airplanes in an emergency. You see, Willow Run could be converted from cars to airplanes in World War II because it was here. We're got to make things here. You just can't ship them overseas anymore. I hope we talk more about that.

Second thing, on priorities, we've got to help Russia succeed in its revolution and all of its republics. When we think of Russia, remember we're thinking of many countries now. We've got to help them. That's pennies on the dollar compared to renewing the Cold War.

Third, we've got all kinds of agreements on paper and some that are being executed on getting rid of nuclear warheads. Russia and its republics are out of control or, at best, in weak control right now. It's a very unstable situation. You've got every rich Middle Eastern country over there trying to buy nuclear weapons, as you well know. And that will lead to another five-star migraine headache down the road.

We really need to nail down the intercontinental ballistic missiles, the ones that can hit us from Russia. We've focused on the tactical, we've made some real progress there. We've got some agreements on the nuclear, but we don't have those thing put away yet. The sooner, the better.

So in terms of priorities, we've got to be financially strong. Number two, we've got to take care of this missile situation and try to get the nuclear war behind us and give that a very high priority. And number three, we need to help and support Russia and the republics in every possible way to become democratic, capitalistic societies and not just sit back and let those countries continue in turmoil, because they could go back worse than things used to be; and, believe me, there are a lot of old boys in the KGB and the military that like it better the way it used to be. Thank you.

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: In order to keep America the strongest nation in the world, we need some continuity and some change. There are three fundamental challenges. First of all, the world is still a dangerous and uncertain place. We need a new military and a new national security policy equal to the challenges of the post-Cold War era; a smaller permanent military force, but one that is more mobil, well-trained with high technology equipment. We need to continue the negotiations to reduce nuclear arsenals in the Soviet Union, the former Soviet Union and the United States. We need to stop this proliferation of weapons of mass destruction.

Second, we have to face that, in this world, economic security is a whole lot of national security. Our dollar is at an all-time low against some foreign currencies.

We're weak in the world. We must rebuild America's strength at home.

And finally, we ought to be promoting the democratic impulses around the world. Democracies are our partners; they don't go to war with each other. They're reliable friends in the future. National security, economic strength, democracy.

MR. LEHRER: President Bush, one minute.

PRESIDENT BUSH: We still are the envy of the world in terms of our military; there's no question about that. We're the envy of the world in terms of our economy, in spite of the difficulties we're having; there's no question about that. Our exports are dramatically up.

I might say to Mr. Perot, I can understand why you might have missed it because there's so much fascination by trivia, but I worked out a deal with Boris Yeltsin to eliminate, get rid of entirely the most destabilizing weapons of all -- the SS-18, the big intercontinental ballistic missile. I mean, that's been done. And thank God it has, because the parents of these young people around here go to bed at night without the same fear of nuclear war. (Applause.) We've made dramatic progress.

And so we've got a good military. The question that says get a new military, get the best in the world; we've got it, and they're keeping the peace. And they're respected around the world. And we are more respected because of the way we have conducted ourselves.

We didn't listen to the nuclear freeze crowd. We said peace through strength, and it worked, and the Cold War is over. And America understands that. But we're turned so inward we don't understand the global picture. And we are helping democracy. Ross, the Freedom Support Act is something that I got through the Congress and it's a very good thing, because it does exactly what you say -- and I think you agree with that -- to help Russian democracy. And we're going to keep on doing that.

MR. LEHRER: All right. Next question is for Governor Clinton, and John will ask it.

MR. MASHEK: Governor Clinton, you've accused the President of coddling tyrants, including those in Beijing. As President, how would you exert U.S. power to influence affairs in China?

GOVERNOR CLINTON: I think our relationships with China are important and I don't think we want to isolate China. But I think it is a mistake for us to do what this administration did when all those kids went out there carrying the Statue of Liberty in Tiananmen Square, and Mr. Bush sent two people in secret to toast the Chinese leaders and basically tell them not to worry about it.

They rewarded him by opening negotiations with Iran to transfer nuclear technology. That was their response to that sort of action.

Now that voices in the Congress and throughout the country have insisted that we do something about China, look what has happened. China has finally agreed to stop sending us products made with prison labor not because we coddled them, but because the administration was pushed into doing something about. And recently the Chinese have announced that they're going to lower some barriers to our products, which they ought to do since they have a \$15-billion trade surplus with the United States under Mr. Bush, the second biggest surplus of all, second to Japan.

So I would be firm. I would say, if you want to continue Most Favored Nation status for your government-owned industries as well as your private ones, observe human rights in the future. Open your society. Recognize the legitimacy of those kids that were carrying the Statue of Liberty. If we can stand up for our economic interests, we ought to be able to pursue the democratic interests of the people in China, and over the long run they'll be more reliable partners. (Applause.)

MR. LEHRER: President Bush, you have one minute.

PRESIDENT BUSH: Well, the administration was the first major country to stand up against the abuse in Tiananmen Square. We are the ones that worked out the prison labor deal. We are the ones that have lowered the barrier to products, the Carla Hills negotiation. I am the one that said, let's keep the MFN, because you see China moving toward a free market economy.

To do what the Congress and Governor Clinton are suggesting, you would isolate and ruin Hong Kong. They are making some progress -- not enough for us. We were the first ones to put sanctions on. We still have them on some things.

But Governor Clinton's philosophy is isolate them. He says don't do it, but the policies he's expounding of putting conditions on MFN and kind of humiliating them is not the way you make the kind of progress we are getting. And I have stood up with these people, and I understand what you have to do to be strong in this situation; and it's moving. Not as fast as we'd like. But you isolate China and turn them inward, and then we've made a tremendous mistake.

And I'm not going to do it. And I've had to fight a lot of people that were saying human rights. And we are the ones that put the sanctions on and stood for it. And he can insult General Scowcroft if he wants to. He didn't go over to coddle, he went over to say --

MR. LEHRER: Mr. President, you're over --

PRESIDENT BUSH: -- you must make the very changes they're making now. (Applause.)

MR. LEHRER: One minute, Mr. Perot.

MR. PEROT: It's a huge -- China's a huge country, broken into many provinces. It has some very elderly leaders that will not be around too much longer. Capitalism is growing and thriving across big portions of China. Asia will be our largest trading partner in the future. It will be a growing and a closer relationship. We have a delicate tight-wire walk that we must go through at the present time to make sure that we do not cozy up to tyrants, to make sure that they don't get the impression that they can suppress their people.

But time is our friend there, because their leaders will change in not too many years -- worst case. And their country is making great progress.

One last point on the missiles. I don't want the American people to be confused. We have written agreements and we have some missiles that have been destroyed, but we have a huge number of intercontinental ballistic missiles that are still in place in Russia. The fact that you have an agreement is one thing. Until they're destroyed, some crazy person can either sell them or use them.

MR. LEHRER: All right. The next question goes to President Bush for a two-minute answer. And Ann will ask it.

MS. COMPTON: Mr. President, how can you watch the killing in Bosnia and the ethnic cleansing, or the starvation and

anarchy in Somalia and not want to use America's might if not America's military to try to end that kind of suffering?

PRESIDENT BUSH: Ann, both of them are very complicated situations. And I vowed something, because I learned something from Vietnam -- I am not going to commit U.S. forces until I know what the mission is, until the military tell me that it can be completed, until I know how they can come out.

We are helping. American airplanes are helping today on humanitarian relief for Sarajevo. It is America that's in the lead in helping with humanitarian relief for Somalia. But when you go to put somebody else's son or daughter into war, I think you've got to be a little bit careful, and you have to be sure that there's a military plan that can do this.

You have ancient ethnic rivalries that have cropped up as Yugoslavia is dissolved or getting dissolved. And it isn't going to be solved by sending in the 82nd Airborne. And I'm not going to do that as Commander-in-Chief. I am going to stand by and use the moral persuasion of the United States to get satisfaction in terms of prison camps -- and we're making some progress there; and in terms of getting humanitarian relief in there.

And right now, as you know, the United States took the lead in a no-fly operation up there in -- no-fly order up in the United Nations. We're working through the international organizations. The United -- that's one thing I learned by forging that tremendous and greatly -- highly successful coalition against Saddam Hussein, the dictator: use -- work internationally to do it. I'm very concerned about it. I'm concerned about ethnic cleansing. I'm concerned about a tax on Muslims, for example, over there. But I must stop short of using American force until I know how those young men and women are going to get out of there as well as get in, know what the mission is, and define it. And I think I'm on the right track.

MS. COMPTON: Are you designing a mission that would
--

MR. LEHRER: Ann, sorry -- sorry. Time is up. We have to Mr. Perot for a one-minute response.

MR. PEROT: If we learned anything in Vietnam, it's you first commit this nation before you commit the troops to the battlefield. We cannot send our people all over the world to solve every problem that comes up.

This is basically a problem that is a primary concern to the European Community. Certainly we care about the people. We care about the children. We care about the tragedy. But it is inappropriate for us, just because there's a problem somewhere around the world to take the sons and daughters of working people -- and make no mistake about it, our all-volunteer armed force is not made up of the sons and daughters of beautiful people -- it's the working folks that send their sons and daughters to war, with a few exceptions. Very unlike World War II when FDR's sons flew missions. Everybody went. It's a different world now. It's very important that we not just, without thinking it through, just rush to every problem in the world and have our people torn to pieces.

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: I agree that we cannot commit ground forces to become involved in the quagmire of Bosnia or in the tribal wars of Somalia. But I think that it's important to recognize that there are things that can be done short of that and that we do have interests there. There are, after all, two million refugees now because of the problems in once what was Yugoslavia, the largest number since World War II. And there may

be hundreds of thousands of people who will starve or freeze to death in this winter.

The United States should try to work with its allies and stop it. I urged the President to support this air cover, and he did, and I applaud that. I applaud the no-fly zone and I know that he's going back to the United Nations to try to get authority to enforce it. I think we should step on the embargo on the Belgrade government. And I think we have to consider whether or not we should lift the arms embargo now on the Bosnians, since they are no way in a fair fight with a heavily armed opponent bent on ethnic cleansing. We can't get involved in the quagmire, but we must do what we can.

MR. LEHRER: All right. Moving on now to divisions in our country. The first question goes to Governor Clinton for two minutes, and Ann will ask it.

MS. COMPTON: Governor Clinton, can you tell us what your definition of the word "family" is?

GOVERNOR CLINTON: A family involves at least one parent, whether natural or adoptive or foster, and children. A good family is a place where love and discipline and good values are transmuted from the elders to the children; a place where people turn for refuge and where they know they're the most important people in the world.

America has a lot of families that are in trouble today. There's been a lot of talk about family values in this campaign. I know a lot about that. I was born to a widowed mother who gave me family values; and grandparents. I've seen the family values of my people in Arkansas. I've seen the family values of all these people in America who are out there killing themselves, working harder for less, in a country that's had the worst economic years in 50 years and the first decline in industrial production ever.

I think the President owes it to family values to show that he values America's families. Whether they're people on welfare -- you're trying to move from welfare to work; the working poor whom I think deserve a tax break to lift them above poverty if they've got a child in the house and working 40 hours a week; working families who deserve a fair tax system and the opportunity for constant retraining, they deserve a strong economy. And I think they deserve a family and medical leave act. Seventy-two other nations have been able to do it. Mr. Bush vetoed it twice because he says we can't do something 72 other countries do, even though there was a small business exemption.

So with all the talk about family values, I know about family values. I wouldn't be here without them. The best expression of my family values is that tonight's my 17th wedding anniversary, and I'd like to close my question by just wishing my wife a happy anniversary, and thanking my daughter for being here.. (Applause.)

MR. LEHRER: President Bush, one minute.

PRESIDENT BUSH: Well, I would say that one meeting that made a profound impression on me was when the mayors of the big cities, including the Mayor of Los Angeles, a Democrat, came to see me, and they unanimously said the decline in urban America stems from the decline in the American family. So I do think we need to strengthen family. When Barbara holds an AIDS baby, she's showing a certain compassion for family. When she reads to children, the same thing.

I believe that discipline and respect for the law -- all of these things should be taught to children -- not in our schools, but families have to do that. I'm appalled at the high

-- outrageous numbers of divorces. It's happened in families; it's happened in ours. But it's gotten too much. And I just think that we ought to do everything we can to respect the American family. It can be a single-parent family. Those mothers need help. And one way to do it is to get these deadbeat fathers to pay their obligations to these mothers. That will help strengthen the American family. And there's a whole bunch of other things that I can't click off in this short period of time.

MR. LEHRER: Mr. Perot, you have one minute.

MR. PEROT: If I had to solve all the problems that face this country and I could be granted one wish as we started down the trail to rebuild the job base, the schools and so on and so forth, I would say a strong family unit in every home; where every child is loved, nurtured and encouraged.

A little child, before they're 18 months, learns to think well of himself or herself, or poorly. They develop a positive or negative self-image. At a very early age, they learn how to learn. If we have children who are not surrounded with love and affection -- see, I look at my grandchildren and wonder if they'll ever learn to walk because they're always in someone's arms. And I think, my gosh, wouldn't it be wonderful if every child had that love and support. But they don't.

We will not be a great country unless we have a strong family unit in every home. And I think you can use the White House as a bully pulpit to stress the importance of these little children, particularly in their young and formative years to mold these little precious pieces of clay so that they, too, can live rich, full lives when they're grown. (Applause.)

MR. LEHRER: New question, two-minute answer, goes to President Bush. Sandy will ask it.

MR. VANOCUR: Mr. President, there's been a lot of talk about Harry Truman in this campaign -- so much so that I think tomorrow I'll wake up and see him named as the next commissioner of baseball. (Laughter.)

PRESIDENT BUSH: We could use one.

MR. VANOCUR: The thing that Mr. Truman didn't have to deal with is drugs. Americans are increasingly alarmed about drug-related crimes in cities and suburbs, and your administration is not the first to have grappled with this. Are you at all of a mind that maybe it ought to go to another level, if not to what's advocated by William F. Buckley, Jr. and Milton Freedman -- legalization -- somewhere between there and where we are now?

PRESIDENT BUSH: No. I don't think that's the right answer. I don't believe legalizing narcotics is the answer. I just don't believe that's the answer. I do believe that there's some fairly good news out there. The use of cocaine, for example, by teenagers is dramatically down. But we've got to keep fighting on this war against drugs.

We're doing a little better in interdiction. Many of the countries below -- that used to say, well, this is a United States problem; if you'd get the demand down, then we wouldn't have the problem -- are working cooperatively with the DEA and other law -- the military. We're using the military more now in terms of interdiction. Our funding for recovery is up -- recovering the addicts.

Where we're not making the progress, Sander, is in -- we're making it in teenagers. And thank God, because I thought what Ross said was most appropriate about these families and these children. But where we're not making it is with the

confirmed addicts. And I'll tell you one place that's working well, and that is the private sector -- Jim Burke and this task force that he has. You may know about it. Tell the American people, but this man said I'll get you a million dollars a day in pro bono advertising, something that's very hard for the government to do. And he went out and he did it. And people are beginning to educate through this program, teaching these kids you shouldn't use drugs.

So we're still in the fight. But I must tell you, I think legalization of narcotics or something of that nature, in the face of the medical evidence, would be totally counterproductive. And I oppose it. And I'm going to stand up and continue to oppose it. (Applause.)

MR. LEHRER: Mr. Perot, one minute.

MR. PEROT: Any time you think you want to legalize drugs, go to a neonatal unit, if you can get in. They are between 100 and 200 percent capacity up and down the East Coast. And the reason is crack babies being born. Babies in the hospital 42 days. Typical cost of you and me is \$125,000. Again and again and again, the mother disappears in three days and the child becomes a ward of the state because he's permanently and genetically damaged. Just look at those little children, and if anybody can even think about legalizing drugs, they've lost me.

Now, let's look at priorities. We went on the Libyan raid -- you remember that one -- because we were worried to death that Gadhafi might be building up chemical weapons. We've got chemical warfare being conducted against our children on the streets in this country all day, every day, and we don't have the will to stamp it out.

And again, if I get up there, if you send me, we're going to have some blunt talks about this. And we're really going to get out in the trenches and say, is this one you want to talk about or fix? Because talk won't do it, folks. There are guys that couldn't get a job third shift in a Dairy Queen, driving BMWs and Mercedes, selling drugs. And these old boys are not going to quit easy. (Applause.)

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: Like Mr. Perot, I have held crack babies in my arms. But I know more about this I think than anybody else up here because I have a brother who's a recovering drug addict. I'm very proud of him. But I can tell you this: If drugs were legal, I don't think he'd be alive today. I am adamantly opposed to legalizing drugs. He is alive today because of the criminal justice system. That's a mistake.

What should we do? First we ought to prevent more of this on the street. Thirty years ago there were three policemen for every crime. Now there are three crimes for every policemen. We need 100,000 more police on the street. I have a plan for that.

Secondly, we ought to have treatment on demand. Thirdly, we ought to have boot camps for first-time nonviolent offenders so they can get discipline and treatment and education and get reconnected to the community before they are severed and sent to prison where they can learn how to be first-class criminals.

There is a crime bill that, lamentably, was blocked from passage once again -- mostly by Republicans in the United States Senate, which would have addressed some of these problems. That crime bill is going to be one of my highest priorities next January if I become President. (Applause.)

MR. LEHRER: Next question is to you, Mr. Perot. You have two minutes to answer it, and John will ask it.

MR. MASHEK: Mr. Perot, racial division continues to tear apart our great cities, the last episode being this spring in Los Angeles. Why is this still happening in America? And what would you do to end it?

MR. PEROT: This is a relevant question here tonight. First thing I'd do is during political campaigns, I would urge everybody to stop trying to split this country into fragments and appeal to the differences between us, and then wonder why the melting pot's all broken to pieces after November the 3rd. (Applause.)

We are all in this together. We ought to love one another because united teams win and divided teams lose. If we can't love one another, we ought to get along with one another. And if you can't get there, just recognize we're all stuck with one another, because nobody's going anywhere. Right? (Laughter.)

Now, that ought to get everybody back up. So let's get along together and make it work. Our diversity is a strength. We've turned it into a weakness.

Now, again, the White House is a bully pulpit. I think whoever's in the White House should just make it absolutely unconscionable and inexcusable. And if anybody's in the middle of a speech at a -- you know, one of these conventions, I would expect the candidate to go out and lift him off the stage if he starts preaching hate; because we don't have time for it.

Our differences are our strengths. We have got to pull together -- in athletics, we know it. You see, divided teams lose, united teams win. We have got to unite and pull together. And there's nothing we can't do. But if we sit around blowing all this energy out the window on racial strife and hatred, we are stuck with a sure loser. Because we have been a melting pot, we're becoming more and more of a melting pot. Let's make it a strength, not a weakness. (Applause.)

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: I grew up in the segregated south; thankfully, raised by a grandfather with almost no formal education, but with a heart of gold who taught me early that all people were equal in the eyes of God. I saw the winds of hatred divide people and keep the people of my state poorer than they would have been, spiritually and economically. And I've done everything I could in my public life to overcome racial divisions. We don't have a person to waste in this country.

We are being murdered economically because we have too many dropouts; we have too many low-birth weight babies; we have too many drug addicts as kids; we have too much violence; we are too divided by race, by income, by region.

And I have devoted a major portion of this campaign to going across this country and looking for opportunities to go to white groups and African American groups and Latino groups, Asian American groups and say the same thing: If the American people cannot be brought together, we can't turn this country around. If we can come together, nothing -- nothing can stop us. (Applause.)

MR. LEHRER: Mr. President, one minute.

PRESIDENT BUSH: Well, I think Governor Clinton is committed. I do think it's fair to note -- he can rebut it -- that Arkansas is one of the few states that doesn't have any civil rights legislation. I've tried to use the White House as a

bully pulpit, speaking out against discrimination. We passed two very forward-looking civil rights bills.

It's not going to be all done by legislation, but I do think that you need to make an appeal every time you can to eliminate racial divisions and discrimination. And I'll keep on doing that and pointing to some legislative accomplishment to back it up.

I have to take 10 seconds here at the end -- the red light isn't on yet -- to say to Ross Perot, please don't say to the DEA agents on the street that we don't have the will to fight drugs. Please -- I have watched these people; the same for our local law enforcement people. We're backing them in every way we possibly can. But maybe you meant that some in the country don't have the will to fight it. But those that are out there on the front line, as you know -- you've been a strong backer of law enforcement -- really, I just want to clear that up -- have the will to fight it. And, frankly, some of them are giving their lives.

MR. LEHRER: Time, Mr. President. All right, let's go now to another subject -- the subject of health. The first question for two minutes is to President Bush, and John will ask it.

MR. MASHEK: Mr. President, yesterday tens of thousands of people paraded past the White House to demonstrate their concern about the disease, AIDS. A celebrated member of your commission, Magic Johnson, quit, saying that there was too much inaction. Where is this widespread feeling coming from that your administration is not doing enough about AIDS?

PRESIDENT BUSH: Coming from the political process. We have increased funding for AIDS -- we've doubled it. On research and on every other aspect of it. My request for this year was \$4.9 billion for AIDS -- 10 times as much for AIDS victim as per cancer victim. I think that we're showing the proper compassion and concern. So I can't tell you where it's coming from, but I am very much concerned about AIDS, and I believe that we've got the best researchers in the world out there at NIH working the problem. We're funding them -- I wish there was more money, but we're funding them far more than any time in the past. And we're going to keep on doing that.

I don't know, I was a little disappointed in Magic, because he came to me and I said, now, if you see something we're not doing, get a hold of me, call me, let me know. He went to one meeting, and then we heard that he was stepping down. So he's been replaced by Mary Fisher, who electrified the Republican Convention by talking about the compassion and the concern that we feel. It was a beautiful moment, and I think she'll do a first-class job on that commission.

So I think the appeal is, yes, we care. And the other thing is, part of AIDS -- it's one of the few diseases where behavior matters. And I once called on somebody, well, change your behavior -- if the behavior you're using is prone to cause AIDS, change the behavior. The next thing I know, one of these ACT-UP groups is out saying, Bush ought to change his behavior. You can't talk about it rationally. The extremes are hurting the AIDS cause. To go into a Catholic Mass in a beautiful cathedral in New York under the cause of helping in AIDS and start throwing condoms around in the Mass -- I'm sorry, I think it sets back the cause. We cannot move to the extreme.

We've got to care. We've got to continue everything we can at the federal and the local level. Barbara, I think, is doing a superb job in destroying the myth about AIDS. And all of us are in this fight together. All of us care. Do not go to the extreme. (Applause.)

MR. LEHRER: One minute, Mr. Perot.

MR. PEROT: First, I think Mary Fisher was a great choice. We're lucky to have her heading the commission. Secondly, I think one thing that -- if I were sent to do the job, I would sit down with FDA, look exactly where we are. Then I would really focus on let's get these things out. If you're going to die, you don't have to go through this 10-year cycle that FDA goes through on new drugs. Believe me, people with AIDS are more than willing to take that risk, and we could be moving out to the human population a whole lot faster than we are on some of these new drugs. So I would -- I think we can expedite the problem there.

Let me go back a minute to racial divisiveness. All-time low in our country was the Judge Thomas-Anita Hill hearings, and those senators ought to be hanging their heads in shame for what they did there. (Applause.)

Second thing, there are not many times in your life when you get to talk to a whole country, but let me just say this to all of America: If you hate people, I don't want your vote. That's how strongly I feel about it. (Applause.)

MR. LEHRER: Governor Clinton, one minute.

GOVERNOR CLINTON: Over 150,000 Americans have died of AIDS -- well over a million and a quarter Americans are HIV positive. We need to put one person in charge of the battle against AIDS to cut across all the agencies that deal with it. We need to accelerate the drug approval process. We need to fully fund the act named for that wonderful boy, Ryan White, to make sure we're doing everything we can on research and treatment. And the President should lead a national effort to change behavior, to keep our children alive in the schools. Responsible behavior to keep people alive. This is a matter of life and death.

I've worked in my state to reduce teen pregnancy and illness among children. And I know it's tough. The reason Magic Johnson resigned from the AIDS Commission is because the statement you heard tonight from Mr. Bush is the longest and best statement he's made about it in public. I'm proud of what we did at the Democratic Convention, putting two HIV-positive people on the platform, and I'm proud of the leadership that I'm going to bring to this country in dealing with the AIDS crisis. (Applause.)

MR. LEHRER: New question for Mr. Perot. You have two minutes to answer, and Ann will ask it.

MS. COMPTON: Mr. Perot, even if you've got what people say are the guts to take on changes in the most popular and the most sacred of the entitlements, Medicare, people say you haven't a prayer of actually getting anything passed in Washington. Since the President isn't a lone ranger, how in the world can you make some of those unpopular changes?

MR. PEROT: Two ways. Number one, if I get there, it will be a very unusual and historical event because -- (laughter) -- because the people, not the special interests, put me there. I will have a unique mandate. I have said again and again -- and this really upsets the establishment in Washington -- that we're going to inform the people in detail on the issues through an electronic town hall so that they really know what's going on. They will want to do what's good for our country.

Now, all these fellas with thousand-dollar suits and alligator shoes running up and down the halls of Congress that make policy now -- the lobbyists, the PAC guys, the foreign lobbyists, what have you -- they'll be over there in the Smithsonian. (Laughter.) Because we're going to get rid of

them. And the Congress will be listening to the people, and the American people are willing to have fair, shared sacrifice. They're not as stupid as Washington thinks they are.

The American people are bright, intelligent, caring, loving people who want a great country for their children and grandchildren. And they will make those sacrifices. So I welcome that challenge. And just watch. Because if the American people send me there, we'll get it done. (Applause.)

Now, everybody will faint in Washington. They've never seen anything happen in that town. (Laughter.) This is a town where the White House says "Congress did it;" Congress says, "The White House did it;" and I'm sitting there and saying, "Well, who else could be around?" And then, when they get off by themselves, they said, "Nobody did it." (Laughter.) And yet, the cash register is empty and it used to have our money, the taxpayers' money, in it, and we didn't get the results. We'll get it done. (Applause)

MR. LEHRER: Governor, one minute.

GOVERNOR CLINTON: Ross, that's a great speech, but it's not quite that simple. (Laughter.) I mean, look at the facts. Both parties in Washington, the President and the Congress, have cut Medicare. The average senior citizen is spending a higher percentage of income on health care today than they were in 1965 before Medicare came in. The President's got another proposal to require them to pay \$400 a year more for the next five years.

But if you don't have the guts to control cost by changing the insurance system and taking on the bureaucracies and the regulation of health care in the private and public sector, you can't fix this problem. Costs will continue to spiral. And just remember this, folks: A lot of folks on Medicare are out there every day, making the choice between food and medicine. Not poor enough for Medicare, Medicaid; not wealth enough to buy their medicine. I've met them -- people like Mary Annie and Edward Davis of Nashua, New Hampshire -- all over this country. They cannot even buy medicine. So let's be careful. When we talk about cutting health care costs, let's start with the insurance companies and the people that are making a killing instead of making our people healthy. (Applause.)

MR. LEHRER: One minute, President Bush.

PRESIDENT BUSH: Well, first place I'd like to clear up something, because every four years, the Democrats go around and say, hey, Republicans are going to cut Social Security and Medicare. They've started it again. I am the President that stood up and said, don't mess with Social Security. And I'm not going to, and we haven't. And we are not going to go after the Social Security recipient. I have one difference with Mr. Perot on that because I don't think we need to touch Social Security.

What we do need to do, though, is control the growth of these mandatory programs. And Ross properly says, okay, there's some pain in that. But Governor Clinton refuses to touch that -- simply refuses. So what we've got to do is control it to -- the growth. Let it grow for inflation; let it grow for the amount of new people added, population, and then hold the line. And I believe that is the way you get the deficit down, not by the tax-and-spend program that we hear every four years, whether it's Mondale, Dukakis -- whoever else it is. I just don't believe we ought to do that. So hold the line on Social Security and put a cap on the growth of the mandatory program.

MR. LEHRER: New question. It is for Governor Clinton. Two-minute answer, Sandy will ask it.

MR. VANOCUR: Governor Clinton, Ann Compton has brought up Medicare. I remember in 1965 when Wilbur Mills of Arkansas, the Chairman of Ways and Means, was pushing it through the Congress. The charge against it was it's socialized medicine. One, you never --

GOVERNOR CLINTON: Mr. Bush made that charge.

MR. VANOCUR: Well, he served with him two years later in 1967 where I first met him. The second point, though, is that it is now skyrocketing out of control. People want it, we say it's going bonkers. Is not the Oregon plan applied to Medicaid rationing -- the proper way to go, even though the federal government last August ruled that violated the Americans With Disabilities Act of 1990?

GOVERNOR CLINTON: I thought the Oregon plan should at least have been allowed to be tried because at least the people in Oregon were trying to do something.

Let me go back to the main point, Sandy. Mr. Bush is trying to run against Lyndon Johnson and Jimmy Carter and everybody in the world but me in this race. I have proposed a managed competition plan for health care. I will say again -- you cannot control health care costs simply by cutting Medicare. Look what's happened. The federal government has cut Medicare and Medicaid in the last few years. States have cut Medicaid; we've done it in Arkansas under budget pressures. But what happens? More and more people get on the rolls as poverty increases. If you don't control the health care costs of the entire system, you cannot get control of it.

Look at our program. We've set up a national ceiling on health care costs tied to inflation and population growth set by health care providers, not by the government. We provide for managed competition, not government models, in every state, and we control private and public health care costs.

Now, just a few days ago, a bipartisan commission of Republicans and Democrats, more Republicans than Democrats, said my plan will save the average family \$1,200 a year more than the Bush plan will by the year 2000; \$2.2 trillion in the next 12 years; \$400 billion a year by the end of this decade. I've got a plan to control health care costs. But you can't just do it by cutting Medicare. You have to take on the insurance companies, the bureaucracies, and you have to have cost controls, yes. But keep in mind, we are spending 30 percent more on health care than any country in the world -- any other country. And yet, we have 35 million people uninsured, we have no preventive and primary care. The Oregon plan is a good start if the federal government is going to continue to abandon its responsibilities.

I say if Germany can cover everybody and keep costs under inflation, if Hawaii can cover 98 percent of their people at lower health care costs than the rest of us, if Rochester, New York can do it with two-thirds of the cost of the rest of us, America can do it, too. I'm tired of being told we can't; I say we can. We can do better and we must. (Applause.)

MR. LEHRER: President Bush, one minute.

PRESIDENT BUSH: Well, I don't have time in 30 seconds or one minute to talk about our health care reform plan. The Oregon plan made some good sense. But it's easy to dismiss the concerns of the disabled. As President, I have to be sure that those waivers which we're approving all over the place are covered under the law. Maybe we can work it out. But the Americans for Disabilities Act, speaking about sound and sensible civil rights legislation, was the foremost piece of legislation passed in modern times. And so we do have something more than a technical problem.

Governor Clinton clicked off the things -- you've got to take on insurance companies and bureaucracies. He failed to take on somebody else -- the malpractice suit people, those that bring these lawsuits against -- these frivolous trial lawyers' lawsuits that are running cost of medical care up by \$25 billion to \$50 billion. And he refuses to put anything -- controls on these crazy lawsuits.

If you want to help somebody, don't run the cost up by making doctors have to have five or six tests where one would do for fear of being sued; or have somebody along the highway not stop to pick up a guy and help him because he's afraid a trial lawyer will come along and sue him. We're suing each other too much and caring for each other too little.

MR. LEHRER: Mr. Perot, one minute. (Applause.)

MR. PEROT: We've got the most expensive health care system in the world. It ranks behind 15 other nations when we come to life expectancy, and 22 other nations when we come to infant mortality. So we don't have the best.

Pretty simple, folks. If you're paying more and you don't have the best, if all else fails go copy the people who have the best who spend less, right? But we can do better than that. Again, we've got plans lying all over the place in Washington. Nobody ever implements them.

Now, I'm back to square one. If you want to stop talking about it and do it, then I'll be glad to go up there and we'll get it done. But if you just want to keep the music going, just stay traditional this next time around and this -- four years from now you'll have everybody blaming everybody else for a bad health care system. Talk is cheap. Words are plentiful; deeds are precious. Let's get on with it. (Applause.)

MR. LEHRER: And that's exactly what we're going to do. That was, in fact, the final question and answer. We're now going to move to closing statements. Each candidate will have up to two minutes. The order, remember, was determined by a drawing. And, Mr. Perot, you were first.

MR. PEROT: Well, it's been a privilege to be able to talk to the American people tonight. I make no bones about it: I love this country, I love the principle it's founded on, I love the people here. I don't like to see the country's principles violated. I don't like to see the people in a deteriorating economy and a deteriorating country because our government has lost touch with the people. The people in Washington are good people, we just have a bad system. We've got to change the system. It's time to do it because we have run up so much debt that time is no longer our friend. We've got to put our house in order.

When you go to bed tonight, look at your children. Think of their dreams. Think of your dreams as a child. And ask yourself, "Isn't it time to stop talking about it? Isn't it time to stop creating images? Isn't it time to do it?" Aren't you sick of being treated like an unprogrammed robot? Every four years they send you all kinds of messages to tell you how to vote and then go back to business as usual. They told you at the tax and budget summit that if you agreed to a tax increase, we could balance the budget. They didn't tell you that that same year they increased spending \$1.83 for every dollar we increased taxes. That's Washington in a nutshell right there.

In the final analysis, I'm doing this for your children, when you look at them tonight. There's another group that I feel very close to, and these are the men and women who fought on the battlefield, the children -- the families of the ones who died, the people who left parts of their bodies over

there. I'd never ask you to do anything for me, but I owe you this and I'm doing it for you.

And I can't tell you what it means to me at these rallies when I see you, and you come up and the look in your eyes. And I know how you feel and you know how I feel. And then I think of the older people who are retired. They grew up in the Depression, they fought and won World War II. We owe you a debt we can never repay you. And the greatest repayment I can ever give is to recreate the American Dream for your children and grandchildren. I'll give it everything I have if you want me to do it. (Applause.)

MR. LEHRER: Governor Clinton, your closing statement.

GOVERNOR CLINTON: I'd like to thank the people of St. Louis and Washington University, the Presidential Debate Commission, and all those who made this night possible. And I'd like to thank those of you who are watching. Most of all, I'd like to thank all of you who have touched me in some way over this last year -- all the thousands of you whom I've seen. I'd like to thank the computer executives and the electronics executives in Silicon Valley, two-thirds of whom are Republicans, who said they wanted to sign-on to a change to create a new America. I'd like to thank the hundreds of executives who came to Chicago -- a third of them Republicans -- who said they wanted a change. I'd like to thank the people who started with Mr. Perot who have come on to help our campaign. I'd like to thank all the folks around America that no one ever knows about -- the woman who was holding the AIDS baby she adopted in Cedar Rapids, Iowa, who asked me to do something more for adoption; the woman who stopped along the road in Wisconsin and wept because her husband had lost his job after 27 years. All the people who are having a tough time and the people who are winning, but who know how desperately we need to change.

This debate tonight has made crystal clear a challenge that is as old as America -- the choice between hope and fear; change or more of the same. The courage to move into a new tomorrow or to listen to the crowd who says "Things could be worse."

Mr. Bush has said some very compelling things tonight that don't quite square with the record. He was President for three years before he proposed a health care plan that still hasn't been sent to Congress in total. Three years before an economic plan, and he still didn't say tonight that that tax bill he vetoed raised taxes only on the rich and gave the rest of you a break, but he vetoed it anyway.

I offer a new direction. Invest in American jobs, American education, control health care costs, bring this country together again. I want the future of this country to be as bright and brilliant as its past, and it can be if we have the courage to change. (Applause.)

MR. LEHRER: President Bush, your closing statement.

PRESIDENT BUSH: Well, let me tell you a little what it's like to be President. In the Oval Office, you can't predict what kind of crisis is going to come up. You have to make tough calls. You can't be on one hand this way and one hand another. You can't take different positions on these difficult issues.

And then you need a philosophical -- I'd call it a philosophical underpinning. Mine for foreign affairs is democracy and freedom. And look at the dramatic changes around the world. The Cold War is over. The Soviet Union is no more and we're working with a democratic country. Poland, Hungary, Czechoslovakia, the Baltics are free. Take a look at the Middle East. We had to stand up against a tyrant. The United States

MORE

came together as we haven't in many, many years. And we kicked this man out of Kuwait. And in the process, as a result of that will and that decision and that toughness, we now have ancient enemies talking peace in the Middle East. Nobody would have dreamed it possible.

And I think the biggest dividend of making these tough calls is the fact that we are less afraid of nuclear war. Every parent out there has much less worry that their kids are going to be faced with nuclear holocaust. All this is good.

On the domestic side, what we must do is have change that empowers people. Not change for the sake of change -- tax and spend. We don't need to do that anymore. What we need to do is empower people. We need to invest and save. We need to do better in education. We need to do better in job retraining. We need to expand our exports -- and they're going very, very well indeed. And we need to strengthen the American family.

I hope as President that I've earned your trust. I've admitted it when I make a mistake, but then I go on and help try to solve the problem. I hope I've earned your trust. Because a lot of being President is about trust and character. And I ask for your support for four more years to finish this job.

Thank you very, very much. (Applause.)

MR. LEHRER: Don't go away yet. I just want to thank the three panelists and thank the three candidates for participating -- President Bush, Governor Clinton, and Mr. Perot. They will appear again together on October the 15th and again on October 19th. And next Tuesday there will be a debate among the three candidates for Vice President.

And for now, from Washington University in St. Louis, Missouri, I'm Jim Lehrer -- thank you, and good night. (Applause.)

END

7:36 P.M. CDT

THE WHITE HOUSE

Office of the Press Secretary
(Springfield, Pennsylvania)

For Immediate Release

October 12, 1992

REMARKS BY THE PRESIDENT
AT SPRINGFIELD TOWNSHIP WELCOME

Springfield Township Municipal Amphitheater
Springfield, Pennsylvania

11:57 A.M. EDT

THE PRESIDENT: Thank you very, very much. Give them the sign. (Laughter.) Thank you very, very much. And let me say it's great to be back here in Springfield; great to be back in this all-important part of Pennsylvania. (Applause.) And great to be accompanied by one of the true national leaders who is your Congressman, Curt Weldon. He's doing an outstanding job. (Applause.)

I hope some of you tuned into last night's political talk-a-thon. (Applause.) I don't pretend to be an Oxford debater, but I think I did okay. (Applause.) And what we're going to do is continue to tell the truth about this country, and let the voters decide three weeks from whenever it is -- tomorrow. Three weeks away. We need your support. (Applause.)

You know, listening to our opponents, you might think they want you to believe that America is a nation in decline. And, of course, we've got our challenges, but we should never forget that our people are still the best educated; our economy, in spite of the problems, the most dynamic; our workers are still the most productive -- more productive than any other workers in the entire world. (Applause.)

And I am proud of what we have done to strengthen America's leadership all around the world. (Applause.)

Four years ago we said we'd bring America's disabled into the mainstream, and we delivered. I said we would do what no President has done in 10 years, and that is start to clean our air and get rid of acid rain, and we delivered. And I said we would strengthen the family by letting parents, not the government, choose our kids' child care, and we delivered again. (Applause.)

And I am very proud that on my watch more than a billion people, almost one-fifth of the entire population of the world, have enjoyed the first breath of freedom. And I'm proud that we stood up to the bully of Baghdad, and led the world to say no to aggression. (Applause.)

And I am especially proud that the children here today -- the young people -- will grow up in a world that is safer because we reduced the fear of nuclear war. (Applause.)

But as you people know, there is still -- the Soviet bear may be gone, but there are still some wolves in the woods. And it may be tempting to believe that we can turn the American Commander-in-Chief into the Maytag repairman. But there are still dangers in the world and you've got to ask who do you trust to keep your families secure. (Applause.)

Governor Clinton has absolutely no experience in international matters and I am the President who has led the

world and made these kids safer. (Applause.) I ask for your support on that basis.

You see, the new world brings new challenges and new opportunities. And we're part of a global economy. And this is no time to hand the wheel to a novice. And when it comes to steering America through the new global economic challenges, America needs a driver who knows the highway. Do not take a risk on America's future. (Applause.)

I have laid out -- I have laid out my Agenda for American Renewal, the steps that we must take to win the economic competition, to build a prosperous, secure nation for all the kids here today. And step number one is to tear down the barriers to free and fair trade so that we can create good jobs for American workers. (Applause.)

And, yes, we've been caught up in a global economic slowdown. We have to understand that the nations of Europe would switch for our economy in a fast minute. And we have lower inflation and lower interest rates. We're the world's leading exporter. And when you shop in the world, chances are that the goods in the stores say -- not "Made in Japan," not "Made in Germany," but "Made in the USA." (Applause.)

AUDIENCE: USA. USA. USA. USA.

THE PRESIDENT: And by opening up foreign markets, we will provide good jobs for our kids and our grandkids.

You know, already the average export-related job pays 17 percent more than a traditional job. So if we want our sons and daughters of steelworkers to have good jobs, we must fight for free and fair trade. And I am proud of our administration that last week signed the North American Free Trade Agreement, forging a \$6 trillion market from Manitoba to Mexico. NAFTA will create 175,000 new American jobs. (Applause.)

And in my second term, we will fight for new agreements with the nations of Europe and Asia and Latin America. And just as we once used our military alliances to win the Cold War, we can use these economic alliances to win the new business war. We are number one. Let's make ourselves even stronger.

But let's be serious about one point: If we're going to win that competition in the new economy, we've got to do it, and we've got to do it by changing our schools. You know, we already spend more per pupil than any of our major industrial competitors and yet our kids rank near the bottom in math and science. We need to embrace new ideas. And again, I'm proud of what we've done already. Never in history has America had national education goals. But today we do. Now let's build on that goals to give every kid here a better education. (Applause.)

Never before in America have almost 2,000 communities committed to literally reinventing our schools. And today they are. But we can't stop here. So in my second term I want to give every parent in America the right to choose their kids'school -- public, private, or religious. (Applause.)

But, you know, reforming education will not be enough if our graduates can't find jobs. So we have to strengthen American business. And the past four years have not been easy. American companies are restructuring. But almost every American industry -- steel, computers, biotech -- is stronger than just a few years ago. And small business is the backbone of this economy, creating two out of every three jobs. And small business will lead the economic recovery if we can provide the kind of tax relief I'm fighting for -- relief from taxation, regulation, and litigation. (Applause.)

America spends up to \$200 billion every year on direct cost to lawyers. And Japan doesn't spend this. And neither does Germany. And I want to take on these trial lawyers and reform our lawsuit-happy legal system. (Applause.) People don't even dare coach Little League because they'll get sued. You see a guy lying along the highway and you don't dare stop because you think somebody will sue you for trying to help. Or if you're a doctor, you don't dare deliver babies because you're afraid some crazy patient will sue you with a malpractice suit.

Well, look, we sue each other too much and we care for each other too little. Let's start doing it the other way -- care for each other more and sue each other less. (Applause.)

And step four is this: We've got to cut the cost of health care. And with our current health care system, you get sick twice -- first when you go to the doctor, and then a month later when you get the bill. And I want to reform this malpractice insurance. I want to use competition to drive the cost down. I want to make insurance available to absolutely everybody -- the poorest of the poor right up through the overworked, overtaxed middle class. (Applause.)

And my plan does that. And we still keep the quality of American health care. Let's not go to socialized medicine, let's go to competitive medicine. (Applause.)

A good doctor ought not to be a luxury, not something reserved for the privileged few. Not here, not in Pennsylvania, not in America -- not anymore. Pass my health care reform. Give me new members of Congress. Clean out the House. Give us more like Curt. Give us people that will pass this kind of legislation. (Applause.)

Priority number five is to reach out to every American, because in the next century we need the talent of every person, from the city to the suburbs to the furthest rural town. And to do this we must take back our streets from the crackheads and the criminals. We must back our law enforcement people. (Applause.)

And today I've just come from a marvelous meeting of 20 leaders of national firefighting people. And we've got to make them safe by better law enforcement. We must protect those who are helping us. (Applause.)

I'm proud that under my administration about 85 percent of the people served their full sentences on federal crimes. And we have appointed federal judges who have a little less respect for the criminal and a lot more for the victims of crime. And that's the kind of judges we need. (Applause.)

But we want to do even better. With tough new laws for new crimes like carjacking, and special laws for crimes against women and the elderly. And so I put forward a specific plan to eliminate over 4,000 government projects, almost 250 programs that waste your hard-earned tax dollars. And I want to control the growth of mandatory federal spending without touching Social Security. Leave Social Security safe. (Applause.)

And as Curt knows, the Congress can't do anything about the deficit, so give me a chance. Give me a balanced budget amendment, a line-item veto, an check-off on our tax return. (Applause.) A check-off on the tax return to take the deficit off our children's shoulders. We've got to get the job done, and the current Congress won't do it. The good news is, because of the fraud in the banks and the post offices, we're going to have a lot of new congressmen. And I'll sit down and say, let's change America. Let's get the deficit off the back of these kids. (Applause.)

Governor Clinton simply cannot stand up to the congressional bosses. He refuses to endorse term limits. And I say let's limit the terms of members of Congress and give the government back to the people. (Applause.)

So this is some of our Agenda for America's Renewal. It's a comprehensive, it's an innovative, a new approach; a new plan. And it offers the promises of a very different America than the plan Governor Clinton proposes.

Now, look at each of the items I've mentioned and you'll see the difference. I hate to ruin this beautiful sunny day in Springfield, but I've got to tell you a little bit factually about Governor Clinton's record.

On the question of the North American Free Trade Agreement he was first for it and then against it. And now he's for it again. You can't do that. They don't serve waffles in the Oval Office on these tough issues. (Applause.) And you have to take a position. You can't keep everybody happy, but you've got to -- can't -- take a position. You can't be on all sides of every issue.

In education, Governor Clinton talks a good game, but he's flunked the test in Arkansas. He can't reform American schools because he doesn't want to attend the very powerful union leaders. I want to support the teachers, not the teacher's union. He wants to listen to the union and not to the teachers. (Applause.)

You see the same thing when it comes to small business. Governor Clinton and the trial lawyers act like Boris and Natasha in those old Bullwinkle cartoons -- you remember? They played goo-goo eyes with each other. And he wants small business to pay a stiff new payroll tax for health care. And that would drive away jobs in small business. And we don't need to destroy jobs, we need to create jobs. (Applause.)

And on crime -- on crime, I have been endorsed, because we have a strong record of backing the law enforcement officers, by the National Fraternal Order of Police. And get this -- the police in Little Rock, the ones who know Governor Clinton best, have endorsed me for President of the United States. (Applause.)

And here's the biggest difference of all. Here is the biggest difference of all. Where I want to make government smaller, Governor Clinton has already proposed -- worse than Mondale, worse than Dukakis -- \$150 billion in new taxes. And that ain't all of it, man. He's also proposed over \$200 billion in new spending, and he hasn't got there yet. We cannot have that.

You've got to ask who's going to pay for it. He says sock it to the rich. There aren't that many people that are rich. What he's going to do is stick it right to the cab driver, the teacher, the nurse, the firefighter, the construction workers. And I say we need to help the middle class, not sock it to them with more taxes. (Applause.)

So we've got two fundamentally different philosophies of government. He puts his faith in more government, in special interests, in higher taxes to pay for all his promises. And I offer smaller government, lower taxes, and more power to the people so that we can renew America. (Applause.)

And the Democrats don't like it when I talk about it, but we've got to find ways to strengthen the American family, not tear it apart into shreds by crazy social legislation. (Applause.)

When Barbara Bush -- and I think we've got the -- (applause) -- when Barbara Bush reads to those children in the Diplomatic Entrance to the White House, she's saying "Love your kid. Read to the children. Strengthen the American family." And that's what we must do. (Applause.) And I agree with you. I think we've got the best First Lady in a long, long time. (Applause.)

You know, as I told them last night -- in the Oval Office, the buck does stop there. You've got to make tough decisions. You can't keep everybody happy. When you make a mistake you pick up and go on and try to continue to help the American people. When you admit -- do something wrong, do like a family person does -- say, "Look, I made a mistake and now I want to go forward." I believe I have been a good, strong leader in tough times for the United States of America. (Applause.)

AUDIENCE: Four more years! Four more years! Four more years!

THE PRESIDENT: I believe I have the ideas, the experience and the character to lead again so that together we can make our nation more safe and more secure. And let us not risk -- let us not take a risk on America's future. And I ask for your trust so that I can finish this job. I am proud of the United States. I do not tear it down. I want to lift it up and make life better for every single American.

And may God bless you all. (Applause.) May God bless you. And thank you for this fantastic show of support. (Applause.) I am very, very grateful to you. Thank you all.

END

12:15 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Springfield, Pennsylvania)

For Immediate Release

October 12, 1992

REMARKS BY THE PRESIDENT
TO SPRINGFIELD FIREFIGHTERS

Springfield Township Fire Co. #44
Springfield, Pennsylvania

11:35 A.M. EDT

THE PRESIDENT: Curt, thank you so very much. And I just can't tell you what this event means to me. I want to offer a special salute to Curt Weldon. He has got to be, when you look at the whole nation of the firefighters, the emergency responders, best friend. He is unbelievable in his steadfast support for everything we believe in. (Applause.)

And Curt is very generous in his assessment of my role, but it is his work, his labor, his efforts that make this historic bill here -- gives us this bill to sign today. I want to salute Chief Gallagher; Gene Bidoli, the President of the Fireman's Association of Delaware County. I want to salute the 20 national presidents that are here today, representing a million and a half emergency responders all across our great country.

It's an honor to be here. And I guess like every kid in America, I grew up wondering whether I could ever be a fireman. And Barbara saw me drilling a hole in the Lincoln Bedroom the other day, trying to put a fire pole down, curbing it around to go down into the Oval Office. (Laughter.)

But I am here today to sign the Benjamin Franklin National Memorial Commemorative Medal and Fire Service Bill of Rights Act. It authorizes the mining of a medal commemorating Benjamin Franklin's contribution to the advancement of science and the American fire service.

The activities funded through the sale of the medal we're going to authorize today will help to carry out your important bill of rights. And the proceeds will help promote education and training programs, a greater public awareness and support of the many hazards of firefighting and emergency response. And they will help assure that should the ultimate tragedy occur, your loved ones will be taken care of.

The list of benefits from this medal goes on and on, and so does the courage of the American firefighters. And I know that it can be touch and go in some situations, some of the calls that you respond to; the danger that every firefighter faces when entering a burning building or responding to an accident. And for our bravery and for your unfailing dedication, I say this from the bottom of my heart: thank you on behalf of all Americans.

And also included in this act is the Fire Service Bill of Rights. It is a tribute to all of you. It acknowledges the important contributions that firefighters make to their communities. But most of all, the Fire Service Bill of Rights is long awaited and much deserved recognition for all you do for your country.

As some of you may know, Teddy Roosevelt is among my favorite Presidents in history, and let me share with you what

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his father said to him on his 16th birthday. He said, "We are not placed here to live exclusively for ourselves." And you serve -- you serve. You serve not only for yourselves alone, obviously, but for the family called America.

And on behalf of that family, thank you, may God bless each and every one of you. All of you are heroes in my book. And may God bless the state of Pennsylvania and this wonderful country that we are fortunate enough to live in -- the United States of America.

And now you will see me sign enthusiastically and make official this very important act. Thank you all very much. (Applause.)

END

11:40 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Fond du Lac, Wisconsin)

For Immediate Release

September 30, 1992

REMARKS BY THE PRESIDENT
AT FOND DU LAC COMMUNITY WELCOME

Veterans Memorial Park
Fond du Lac, Wisconsin

12:45 P.M. CDT

THE PRESIDENT: Thank you, Governor Thompson. Thank all of you for that warm Fond du Lac welcome. And it's great -- great to be here in your city, great to be back in the state of Wisconsin. (Applause.)

And let me just say how pleased I am to be here with your Lieutenant Governor, Scott McCallum, who's doing a great job for the state; Anita Anderagg, the County Executive here, a real leader; Cate Zeuska, the State Treasurer. And let me also thank my longtime friend John MacIver, our Bush-Quayle Wisconsin Chairman, for all his efforts. Unless you don't know it, you've got one of the greatest Governors in Tommy Thompson in the entire United States of America. (Applause.) He is an outstanding national leader. And he's doing great things for this state. And he's working most cooperatively with Washington. And I am very, very proud that he is my close, dear friend. And Barbara feels exactly the same way about him. (Applause.)

And I see some Tom Petri signs. We've got to reelect him to the United States Congress. (Applause.) He's a good man, a good Congressman; and reelect him.

Now, I understand that I'm visiting here the day before the Democratic candidates come to town.

AUDIENCE: Booo --

THE PRESIDENT: I can't resist saying, I don't think this is the last time that I'll be ahead of the Democratic ticket. We are going to win this election in November. (Applause.)

AUDIENCE: Four more years! Four more years! Four more years! Four more years!

THE PRESIDENT: There's been a lot of discussion in the past week about presidential debates. And I think debates are important. And I think the American people deserve to see the two candidates side by side. So yesterday, down in Tennessee, I challenged my opponent to a series of four television debates, the last four Sundays before the election. And I said I'd be very flexible about the format, but I was eager to have the American people compare my ideas with Governor Clinton's. And we have offered to meet with Governor Clinton's campaign anywhere, anytime. And so far at least, Governor Clinton has responded to my challenge the same way he responds to issues like free trade, fuel efficiency standards and middle class taxes -- he waffles. I can't find him. He's lost. He's missing in action. (Applause.) He refuses on this issue to take a position one way or the other just like on all these other issues.

So, this morning, I renew my challenge to Governor Clinton; let's have our people sit down, work this out, and let's have four debates with the formats that I like and the format

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that you like. And I'm no Oxford debater -- I didn't spend a lot of time over in Oxford, England in the Debating Society -- but I say let American people decide. Let's get up there and get it on side by side. (Applause.)

Now, when we sit down to debate -- and I hope the Governor will take a stand to agree to them -- we should discuss the most important question: What kind of America do we want for the young people here today. Because of your sacrifice, because of your commitment, we have helped reduce the fear of nuclear annihilation. And, today, our kids can dream the sweet dreams of peace without fear of nuclear war. And I am proud that that happened when I have been President of the United States. (Applause.)

You listen to Governor Clinton, you might think national security of this country and foreign affairs are not important. They are. We've changed the world. And now we face a new challenge. We must win the new global economic competition, because that is the only way we'll create good jobs for our kids and our grandkids. And I've laid out what I call -- my call for an Agenda for American Renewal, a comprehensive, integrated agenda to create in America by the 21st century the world's very first \$10 trillion economy. And we can do it. We are Americans. (Applause.)

I know that many Americans are anxious about our economy today, concerned about our future. But we need to understand that we are experiencing the impact of a global economic slowdown. It isn't just the United States. It's being felt here at home but it's also felt in Asia and Europe. And those countries would switch with us in a minute regarding economies.

And my opponent spends a lot of time cutting down America, tearing it down, telling everybody how bad he thinks things are. And I would remind him of a few facts. Like the fact that when you go looking for the world's most productive workers and farmers, you don't look to Japan, you don't look to Germany; you look right here in the United States of America. (Applause.)

And we need to build on our strengths. And so my agenda starts with a commitment to free and fair trade. And I want to use my experience in international affairs to open new markets for our products and services, because the American worker never retreats. We always compete, and we always win. (Applause.)

The people of Fond du Lac know this, but small business is the backbone of what we call the new American entrepreneurial capitalism. They will create two-thirds -- small business will create two-thirds of the new jobs in this new economy. And Governor Clinton promises small business relief from taxation, regulation and, yes, litigation. But if we're going to stay with him we better see what the record is. He has a lousy record on regulation. And he certainly has a lousy record on litigation.

Now, if we're really going to renew America, attention must be paid to our children. It is tough to be a kid in America today. The face of poverty is too often a fresh face. The ignorant mind is too often a fresh face. The ignorant mind is too often -- a young mind is too often something you can lose. And the spirit of hope and opportunity has too often been taken away from the young. We know what works to help our kids. We know, for example, that if you give a low-income kid a head start on kindergarten, they end up doing much better in school. And I am proud that today, for the very first time, every eligible kid who wants a head start can get one. And that happened on my watch, and I'm very proud of it. (Applause.)

I am proud of our education revolution. Already 1,700 schools, including many right here in Wisconsin, have signed-on to the national crusade to raise standards, to free the teachers -- God bless those teachers -- to free them from red tape and to literally reinvent American schools. (Applause.)

And I want to go farther and give every parent the right to choose the best schools for their kids -- public, private, or religious. (Applause.)

But if we really want to help those kids, we have to change the American system of child support. And the statistics there are not pretty: 1989 -- fathers were absent from 10 million families. And only a little more of half of absent parents are ordered to pay child support. And those required to pay, only half do -- on time and in full. And only one in five absent parents pay for kids' health care. And each year \$5 billion in court-ordered child support -- \$5 billion -- fails to reach families and kids who desperately need it.

And these working parents, mostly mothers, are trying to keep their families going -- trying to work, keep the kids on track, pay the bills. And they need that check every month and they deserve it. And I believe that since I took office we've made a very good start. We are now able to identify 50 percent more fathers of the kids of single moms; and we increased by more than 40 percent the cases of child support collections. And with the aggressive leadership of Governors like your great Tommy Thompson, states collect over \$2 billion more in child support. And that's a whole lot of good kids who are now getting some lunch money -- money that they deserve. (Applause.)

And that's something you and Wisconsin can take pride in. But the job's not finished. And today I want to build on your success with a new initiative called Project Kids. And Project Kids will require all states to recognize and enforce other states' child support orders. And that will make it much easier to cross borders and catch those deadbeat parents in other states. (Applause.)

We will require organizations who receive support from the Legal Services Corporation to devote 10 percent of their federal funds to helping mothers who need legal help track down a deadbeat dad. (Applause.) And we will say to deadbeat parents, if you owe child support and you haven't paid, then you're going to pay a price: You'll get no passport, no professional licenses, no housing or student loans, or any other help from the federal government until you do right by your children. (Applause.) So the bottom is, if you haven't done what's right for your kids, don't expect any help from Uncle Sam from this day forward. (Applause.)

Now, by taking these steps, we think we can help reduce the stress on so many families. We can help single parents. And most importantly, we can lend a big hand to kids.

And now while we're on the subject, maybe it's worth taking just a few minutes to consider Governor Clinton's record with children. I hate to do this to you on this beautiful sunny day here in Wisconsin. But in this area as in so many others, Governor Clinton talks a good game, but his record leaves something to be desired. Welfare is a kid's issue, because the more we can get people off welfare and into work, the more we strengthen the family. (Applause.)

And here in Wisconsin, you are the leading state. Tommy Thompson is making real progress, promoting personal responsibility. And Governor Clinton talks a good game, but when you look behind the rhetoric, there's nothing there. He's got a TV ad that talks about cutting the welfare rolls in Arkansas. And what he neglects to mention is that while some people were

leaving welfare, even more were going onto welfare. And since Bill Clinton was elected Governor, Arkansas's welfare rolls have increased by 19 percent, 13 percent faster than the rest of the nation. (Applause.)

Now he says he wants to do for America what he's done for Arkansas.

AUDIENCE: Booo --

THE PRESIDENT: I don't know whether that's a promise or a threat. America deserves better than that. (Applause.)

Look at the facts. Look at the facts about Arkansas. In the late 1980s, Arkansas's rate of violent deaths for teenagers soared at three times the national average. And over the decade, child abuse reports shot up 130 percent. And behind each one of those cases is a story of heartbreak. And Arkansas kids deserve to have their hearts healed.

Arkansas faced a special crisis of abuse in the state's foster homes. For years Governor Clinton ignored the problem until he was sued by welfare advocates in his own state. And only this summer, in the middle of his campaign, did he settle a lawsuit and take any steps to improve these homes.

And now he's running around our great country, claimed to be an advocate for children. I urge all Americans, young and old to take a look, not just at his rhetoric but a hard look at Governor Clinton's record. And I believe America can do better, and I believe we must do better by the young people in this country. (Applause.)

The economy is the major issue; let's look at it -- a major issue in this campaign. And when Bill Clinton became Governor 12 years ago, Arkansas, yes, was one of the poorest states in America. And today, Arkansas is still stuck at the bottom. And Bill Clinton's policies are responsible. As Governor, he raised and extended the sales tax, including a tax on baby formula, vegetables and other groceries. And he raised the gas tax, and he taxed mobile homes and cable tv; and just for good measure he threw in a tax on beer. Now, how do you like that one.

AUDIENCE: Booo --

THE PRESIDENT: I didn't think you guys would like it. And, now, Governor Clinton says he's seen the light. And in this campaign he's proposing at least \$150 billion in new spending. But don't worry, he says I'm going to get it all from the rich, the people who make over \$200,000 -- the top two percent. Well, but here's the truth and here's the problem. To get the money he needs for his plan -- the \$150 billion that he's promised in new taxes -- Governor Clinton would have to get his money from every individual with taxable income over \$36,000. Now, these are not people on "The Lifestyles of the Rich and Famous." And you deserve a break, not a further tax increase. (Applause.)

AUDIENCE: Four more years! Four more years! Four more years!

THE PRESIDENT: Look, you see, that's just the start of the tax campaign, though, campaign against the middle class. He has literally made hundreds of promises in this campaign. And he hasn't said how he'll pay for any one of his new programs. But his own hometown newspaper, the Pine Bluff Commercial says, "If Congress followed the example that Bill Clinton set as Governor of Arkansas, it would pass a program that hit the middle class the hardest." We do not need that for the United States of America. (Applause.)

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Now, the good Governor says he's going after all the millionaires, but he'll end up hitting all the nurses and teachers and cab drivers and construction workers. And I say you pay enough to the tax man already. We do not need to add taxes to the working families in this country. (Applause.)

And so it boils down to this: We cannot take a risk of a candidate with no experience, no track record, whose ideas and agenda are wrong for America. That is the basic thing. Governor Clinton is wrong for America. (Applause.)

Let me tell you something. In the Oval Office you face tough decisions. You cannot be on all sides of every question. You've got to call them as you see them. And I've made mistakes. Like any American, I'll admit it when I make a mistake. But I believe I've been a good, strong leader willing to make the tough calls -- (applause) -- and I'm a leader whose ideas are right for America. And I stand before you today asking for your support so that we can change America just as we have changed the entire world.

And I want a second term in office so we can continue to renew our schools, reform welfare, give our children a better shot at the American Dream. And so we can continue to make lives better for American children by matching the peace around the world and by giving our kids peace of mind right here at home. (Applause.)

Let me say something about -- in conclusion -- about service to country. I am very proud that I served my country in the uniform of the United States of America. (Applause.) And I think that has helped me be a good Commander-in-Chief when we had to stand up against aggression halfway around the world. (Applause.)

And that standing up aggression -- against aggression -- has changed the world. Don't listen to the Governor who says we're less than Germany and slightly ahead of Sri Lanka. We are the most respected nation on the face of the Earth, admired by every country -- (applause) -- the friends we have and those that used to be our foes. (Applause.)

And so now help me take that kind of leadership and help me change America to make life better for every single family in our great country. We are going to win Wisconsin, and we are going to win the presidency because our ideas are right for America, this generation, and generations to come.

And may God bless the United States of America, the greatest country on the face of the Earth. (Applause.)

Thank you very, very much.

END

1:05 P.M. CDT

THE WHITE HOUSE

Office of the Press Secretary
(Alcoa, Tennessee)

For Immediate Release

September 29, 1992

REMARKS BY THE PRESIDENT
AT KNOXVILLE AIRPORT WELCOME

McGhee-Tyson Airport
Alcoa, Tennessee

12:11 P.M. EDT

THE PRESIDENT: Thank you. What a great Tennessee welcome.

AUDIENCE: Four more years! Four more years!

THE PRESIDENT: This is fantastic. Thank you, Knoxville. Thank you very, very much. Thank you, Knoxville, Tennessee. This is fantastic.

And let me thank Naomi Judd for being with us. I'm the guy who's honored. What a wonderful entertainer and a great personality and a wonderfully strong character we have standing here today in Naomi Judd. (Applause.)

And may I salute your former -- some of you all's former president of the great university here -- our marvelous Secretary of Education Lamar Alexander. (Applause.) And another Tennessean known nationally as a true leader, a true, honest, decent, strong leader in a Congress that was crying out for it -- and still is -- I'm talking about Howard Baker. (Applause.)

And, you know, you hear a lot of calls -- everywhere I go, people have brooms and they're yelling, "Clean House, clean House. Change the Congress" And if we had more congressmen like Jimmy Duncan -- (applause) -- and more like Don Sundquist and Jimmy Quillen with us here today, we wouldn't have to clean House. But since we do, help us clean House and get this country moving again.

May I salute another old friend, longtime friend for Barbara and me -- Victor Ashe, the Mayor of this city. (Applause.) And also I understand our County Executive Dwight Kessel is here. And that brings me also to another special friend who's taking it out on the trail for me -- Ricky Skaggs. I'm just delighted to be with him. (Applause.)

And standing over here, another good one, another great one -- T.G. Sheppard. Thank you very much for being with us. (Applause.)

Now, first let me start with a word about the polls and the talking heads. (Laughter.) Every one of them said that Tennessee would lose to Georgia, and every one of them said that Tennessee would lose to Florida. (Applause.) So much for the polls, and so much for the talking heads. Enough of it. We're going to win this election. (Applause.)

This campaign, like every campaign, is about a simple question: What kind of America do you want for the young people that are here today? And I'll tell you what kind of an America I want and am working for -- an America that is not just a military superpower, but the greatest economic superpower in the entire world. And that means more jobs for the American people. (Applause.)

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And I have laid out a comprehensive Agenda for American Renewal -- a specific, integrated agenda to create first \$10-trillion economy. And we can get that happening by moving to change the Congress and moving forward with my program. (Applause.)

The Democrats don't like my evening talking about it, but I am very proud of our record in ending and winning the Cold War, proud of the way the sons and daughters of Tennessee performed in the sands of Saudi Arabia. (Applause.) It was a proud moment, not a moment to be forgotten. (Applause.)

And the Clinton ticket feels that they ought not to -- I ought not to talk about foreign policy. I want to use my experience to lead the way to new markets for American products because that is how we are going to create good American jobs -- the same leadership that changed the world. Now let's make America better and renewed. (Applause.)

But, look, we all know that if we're going to compete abroad and do this --- what I talking about -- with markets, we've got to make changes at home. It's small business that creates two-thirds of the new jobs in the new economy. And Governor Clinton promises small business higher taxes and more red tape --

AUDIENCE: Booo --

THE PRESIDENT: -- and I promise relief from regulation and taxation and, yes, relief from these crazy lawsuits that are killing us in this country. (Applause.)

And if we're going to compete in this new world, in this new economy, we must reform our schools. And I am very proud of our great Secretary of Education Lamar Alexander. (Applause.) I am proud of our national America 2000 program; proud that we're raising standards; proud that we're freeing up the teachers -- and God bless them all -- freeing them up from regulation and red tape; and proud that we are designing totally new schools for a new century. And I thank our Secretary. And I thank these communities in Tennessee that are working to rebuild American education. (Applause.)

Lamar and I want to go further. The parents of today's volunteers have the power to choose the best college for their kids. And I want that same choice for elementary and high school. And my G.I. Bill for Kids will give parents and fundamental resources they need and the right to choose the best schools for their kids -- whether they're public, private or religious. (Applause.)

Now, these are some of my ideas and what we're fighting for and what this election is about. And I'm proud of our record, and I'll stand by it in November. But if candidate Clinton wants to talk about the past, then I say I'm ready. And let's take a look at what's been going on in Arkansas. (Applause.) Sorry to ruin your day, but we've got to look at the record. (Applause.)

There's a lot you don't know about this man, and the more you find out, the more you know is that he's wrong for America. (Applause.) We cannot take a risk with this great country of ours. And take a look at the issue of education. As long as I'm standing here with some greats on education, let me put it this way: Governor Clinton was part of the national summit which set our education goals. And I've given him credit for being -- participating in that, and so has Lamar Alexander.

But in Arkansas, his rhetoric does not match his record. He talks about a high-tech economy that Arkansas is 48th in the percent of students that high school diplomas. And three

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out of every four Arkansas high school graduates spend his first year in college relearning what they were supposed to learn in high school. And I think America must do must do a lot better than that. (Applause.)

I think of Tennessee as a fair-play state when it comes to race. And it's the same thing on every issue with him. Governor Clinton says he's for civil rights. But Arkansas doesn't even have a basic civil rights law. He says he's for a clean environment. But the Institute of Southern Studies ranks Arkansas 50th -- 50th in environmental policies. It's the only place where mother fish teach baby fish to jog instead of to swim. (Laughter.) It's so polluted in that river over there. (Applause.)

Governor Clinton says he's been tough on crime. But in the '80s Arkansas's crime increases far outstripped the nation. And the Little Rock police say it all because they have endorsed me for President of the United States of America. (Applause.)

And now let's take a look at the economy. I know America has had some tough times. I know families are concerned, worried about the next job. Those out of work worried about how they're going to get back to work. But understand, we are being affected by a global economic slowdown. It isn't just the United States. Look at Europe. Look at Canada. Look at other countries around the world. And our competitors in Europe would trade places with us in a minute. And, yes, Governor Clinton offers America the European social welfare state policies --

AUDIENCE: Booo --

THE PRESIDENT: -- more government, more special interest spending, more regulation, and more taxes on the middle class. And we cannot let him do that to the taxpayers in this country. (Applause.)

This is not simply campaign rhetoric. As Governor, he raised and extended the sales tax, including a tax on baby formula, vegetables and other groceries. He raised the gas tax. He taxed mobile homes. And for those of you ESPN watchers, he even taxed cable TV. And then he put a tax on beer just for an add-on.

AUDIENCE: Booo --

THE PRESIDENT: I knew the college crowd wouldn't like that too much. (Laughter.)

Governor Clinton now says, well, he's seen the light. And in this campaign he's proposing at least -- and look at the record -- \$150 billion in new taxes, plus at least a \$220 billion in new federal spending. But don't worry, he says, I'll get it all from the rich, from the top two percent.

But the problem is -- here's the truth -- to get the money that he needs for this plan -- everybody's that's analyzed it says this: the \$150 billion that he's promised -- billion dollars that he's promised in new taxes, Governor Clinton would have to get his money from every taxpayer and every individual with taxable income over \$36,000. And these are not people that you see out there on "The Lifestyles of the Rich and Famous." They deserve a break, not a tax increase. (Applause.)

And the problem is, this is just for openers. He'll need hundreds of billions of dollars more to pay for every one of these programs that he's proposed. And there's an old saying: when you go hunting for ducks, hunt where the ducks are. Well, he's hunting for ways to pay for all of his promises, and he's going to go right smack to the middle class, because that's where the bucks are. So watch your wallets. Watch your pocketbooks.

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He's coming right after you. And don't let him say anything different. (Applause.)

And on this one -- on this one don't have to take my word for it. Go right to his neighborhood. Go to Pine Bluff and listen to the Pine Bluff Commercial. And here's what it says. "If Congress followed the example that Bill Clinton set as Governor of Arkansas, it would pass a program that hit the middle class the hardest." And he's going to treat the middle class the way Johnny Majors' team treated Cincinnati last Saturday. (Applause.) Exactly. The Volunteers pounced on the Bearcats, and he's going to pounce on your wallet. Look at the record. We cannot let this happen to America. (Applause.)

I'll give you a factual example. Let's say you're a nurse just starting out with about \$22,000 a year in taxable income. Governor Clinton would have you fork over another \$430 a year to the tax man. And I say that you ought to be able to use that to help your kids' education, or pay the mortgage on the house -- and not send it to the IRS in Washington, D.C. (Applause.)

But he says, hey, forget about this, forget my record, forget the facts, don't talk about Arkansas and my record there. I am a different kind of Democrat. But what is different about him? George McGovern -- Bill Clinton ran Texas for him in 1972. He learned his liberalism from George McGovern. And in that campaign he was out there for George McGovern. Then Jimmy Carter -- Bill Clinton wore the same moderate costume, but at least Carter meant it, even though he brought us the highest Misery Index in recent -- modern times.

And then Michael Dukakis -- Clinton nominated him in an endless nomination speech, I might say. (Laughter.) And then he praised the Massachusetts Miracle right before it went south and the economy collapsed. America does not need this kind of different Democrat. There are some wonderful Democrats out there, but we don't need this kind -- this McGovern, Carter, Dukakis Democrat. (Applause.)

Now, Governor Clinton wants you to trust that America's economy is going to improve if you turn full control of your paycheck over to the crew that already runs the United States Congress. And he wants to tax and spend government planners, those kind of planners to have total control over the Executive Branch, too.

And they tried this 12 years ago. And we ended up with double-digit inflation; we had interest rates sometimes as high as 18 percent; and we had a Misery Index over 21 percent -- unemployment and inflation added together. And it took years to ring inflation and high interest rates out of the American economy. And I want to strengthen our economy and protect your paycheck from the ravages of inflation. We cannot go the tax-and-spend route anymore. (Applause.)

And it all boils down to this. At this time in our history we simply cannot take the risk of Governor Clinton in the White House. (Applause.)

You know, I've been in the Oval Office and I've faced some tough decisions. It's not easy; you cannot be on all sides of every question when you're a President of the United States. And I stand before you today admitting mistakes, but saying I called them as I saw them. I hope I brought the character and integrity to this high office that you can respect and appreciate. (Applause.)

And so I came here to ask for your support so that we can get to work with the new members of Congress -- Democrat and Republican alike -- to fix the problems that stand in the way of this country; so that we can reform our health care system and

we can literally reinvent our schools; and so that we can retrain the workers from one generation and create jobs for the next; so that we can cut government spending and taxes and get this economy moving again; and that we can pass an amendment to limit the terms of members of the United States Congress and give the government back to the people. (Applause.)

Now, if you want a guy that has a statistic for every problem, your man is the Governor of Arkansas. He's got more statistics that there are problems -- 38 percent of this, 28 percent of that. But he's got to face up to the fact that as President you can't have it always, you've got to make the tough calls.

And if you're looking for a leader of experience, a leader ideas, a leader who shares your values, and a leader who understands that America's real strength is not in government, but in places like Alcoa; a leader you can trust, then I know that I can count on your support. And I need it to be President of the United States for four more years. (Applause.)

Let me say this: I am very proud of the sons and daughters of Tennessee that have worn the uniform of the United States of America. You are a great and proud Volunteer State. (Applause.)

Governor Clinton wants us to forget that we have changed the world. And I am not going to let him forget that the young men and women that fought in Desert Storm helped us change the world and make it much more peaceful for every young person here today. (Applause.)

I ask for your trust. I ask for your trust, and I will not betray it. I ask for your vote. And I hope I have earned it.

He can talk about the United States being lower than Germany and someplace above Sri Lanka. And I'll end this way: We are the most decent, fairest, strongest country on the face of the Earth. (Applause.) Let's not tear it down, let's build it up. (Applause.) We are Americans. (Applause.)

And may God bless you all. And thank you very, very much. (Applause.) Thank you so much. (Applause.)

END

12:30 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary
(Columbus, Ohio)

For Immediate Release September 26, 1992

REMARKS BY THE PRESIDENT
AT SPIRIT OF AMERICA SEND-OFF

Old Mound Street Freight Yard
Columbus, Ohio

9:45 A.M. EDT

THE PRESIDENT: Well, what a great day in Ohio. And Barbara and I are delighted to be here. May I salute our longstanding friends, George and Janet Voinovich, and say you are very lucky in this state to have this man as your Governor. (Applause.) And also I want to single out another one, and that's Chalmers Wylie. He and I went to Congress on the same day and he served Columbus with great distinction. If we had more like him they wouldn't be yelling all the time, "Clean House," to get rid of all those Democrats that have been there in control for 38 years. For 38 years. (Applause.)

And I want to see John Kasich reelected. I want to thank your great Mayor, Greg Lashutka. My gosh, you've got a good one here in Columbus, Ohio. (Applause.) And also, if you really want to help change this country, elect Mike DeWine to the United States Senate. (Applause.)

And may I thank and give a special salute to the Marching Tigers. Let others blow the saxophone -- (applause.) Others can blow the saxophone, but I'll stand with the Purple Pride of Pinkerton. You try to say that. (Laughter and applause.)

No, it's great to be back in Ohio. It's a great, beautiful day -- football weather. I should say Buckeye weather here. (Applause.)

You know, over the next couple of days we're taking our crusade to Ohio and to Michigan. Eight towns and cities; over 233 miles. And we're going to talk about what it takes to match peace around the world with peace of mind here at home. And for four months another candidate for President has been tearing down the United States of America, running the country down. Maybe he's inhaling too many of those bus fumes. (Applause.) I think he did inhale them.

Well, let's get that bus off the side of the road, because on this train trip we're going to blow the whistle on Governor Clinton. I am tired of his lousy record in Arkansas. (Applause.)

And here's what we're going to do. We're going to talk about what's right about America and what we're doing to change it; what we need to do to change Congress -- change the direction of the country. And then we're also going to talk about what's going on down in Arkansas and who is doing that to the good people of that state. He has a lousy record in Arkansas and we don't need that for the United States of America. (Applause.)

So for the next two days it's "all aboard, America." The Spirit of America is on its way, and it's all aboard for a better future where government serves the people, not the other

way around. And it's all aboard for the freedom to save and invest and, yes, to keep more of what you earn. And it's all aboard for an agenda which can renew and literally change America, just as America -- and I am proud to have been a significant part of this -- has reduced the threat of nuclear war for these young people here today. (Applause.)

And so what do we want for America? We want smart schools and safe streets. We want to lower taxes and less regulation. We want to strengthen families that are working, hoping and building and dreaming. And that's very different than what the Governor of Arkansas is proposing. (Applause.)

You know, my granddad knew how America was blessed, and he lived here in Columbus. His company, Buckeye Steel, made couplings for the railroads. And my father was born here in Columbus, Ohio. He was raised as a child, lived over on East Broad Street for a while. And he knew how this city loved the American spirit; how you lived it from one generation to the next. And today, Barbara and I are very proud to begin this voyage in a city which has blessed our family, a city that we love.

For, you see, this train trip is much more than about my reelection. It's about creating an America where every day has that spirit of the 4th of July, the kind of America these young people here today deserve. (Applause.)

And that is the real spirit of America. Always been and always will be.

And now we're off to Marysville and Arlington and Bowling Green, and then on into Michigan -- the heart of America; the real America. And with this spirit we see here today we are going to win this election. (Applause.)

Thank you all very, very much. May God bless each and every one of you. Thank you very, very much, indeed. (Applause.) All aboard.

AUDIENCE: Four more years! Four more years!

END

9:50 A.M. CDT