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THE WHITE HOUSE

Office of the Press Secretary
(Detroit, Michigan)

For Immediate Release March 13, 1992

REMARKS BY THE PRESIDENT
IN ADDRESS TO THE ECONOMIC CLUB OF DETROIT

Grand Manor Ballroom
Fairlane Manor
Detroit, Michigan

12:50 P.M. EST

THE PRESIDENT: Please be seated, and thank you for that warm Michigan welcome. Governor Engler, my friend, thank you, sir, for that kind introduction, and my congratulations to you for trying to bring fiscal sanity to this wonderful state. And it's a great pleasure to be met by your Texas wife, Michelle, who's with us today. (Laughter.)

And also it's a great pleasure to see another old friend, a great leader of the state of Michigan, Lieutenant Governor Connie Binsfeld, who was out there at the airport, too. Thank you for being there. Mike Guido, the Mayor, is with us. I salute him. And one last thank-you to Jerry Warren, a former banker and now the miracle worker that can produce such a fantastic crowd on such short notice. (Applause.)

Now, Jerry, if you want to go into the banking business again -- (laughter) -- there may be an opening in Washington, DC, on Capitol Hill. I think this guy could do it. (Laughter and applause.)

It's a pleasure to be back before this outstanding group. And four short days from now, Michigan faces a choice, and you'll make a decision that will really shape the way this country copes with the big issues: the issues that shape the world and the values close to home. And I am talking about jobs, I'm talking about family, and I'm talking about world peace -- and for ourselves and also for our children.

Right now, the most important issue facing Michigan and this country is clearly the economy. It's my number one priority -- jobs. Manufacturing -- you know it perhaps better than most -- has been the greatest generator of good jobs in American history. Take a look at the auto industry. I'm speaking not simply about the jobs created in the industry itself but the thousands upon thousands of jobs in supplier and spin-off businesses. Manufacturing is and always will be a basic strength of this country's economy. No nation will ever lead the world without a strong manufacturing base.

Fifty years ago, this great state of Michigan earned the proud title of Arsenal of Democracy. Industries centered here had no peers and practically no competitors anywhere on the planet. And, yes, today things are different. Michigan's manufacturers are not just competing with a few outgunned adversaries. They are up against tough, hard-nosed competitors in practically every developed country.

Today, the new reality is simply this: If we want to succeed economically at home -- we have got to compete economically abroad.

All we seem to hear on the news is gloom and doom. But let's not overlook some of the fundamentals that prove that we are poised -- not there yet -- but poised for a national recovery. Interest rates are lower now than at any point in the past 10 years. The prime rate is now 6.5 percent. Inflation, most would agree, is under control. Monthly retail sales are up 1.3 percent in February -- on top of a 2.1 percent rise in January. And then you know the story on housing starts -- they're up 5.5 percent since December.

And for all our troubles, America is still the world's dominant economy -- the one market other countries want to crack; the economy producing goods in demand in every country, every corner of the world.

Right now, nationwide, we're in the midst of a record export boom -- one that's driven the trade deficit down 35 percent in the past year alone. And American exports have doubled -- doubled since 1985. Not only do we export more than any other country, but we've been gaining ground, not losing it, to our competitors.

And I fully realize this has not always been true for our auto industry, but these are fundamentals that we can build on -- the raw material, if you will, to manufacture the solid, strong recovery that I am confident we will see.

It looks different here in Detroit. Michigan's been through some extraordinarily tough times. And there's no sense pretending that things are better than they are. But there's also no sense underestimating our strengths and exaggerating our weaknesses. The simple fact is, we face a future with both challenges and opportunities.

In the past three years, the United States has helped bring about change that has reshaped our world for the better. We're the country that won the Cold War, that drew a line on the sand and drove a dictator out of Kuwait. And we are the country that made sacrifices for freedom in four corners of the world, and because we did, right here at home, our children are less fearful of the threat of nuclear war and they sleep much more safely.

And, yes, American leadership has changed the world -- and now what I want to do is use that same leadership to change America.

I don't think there's anyone in this room who doesn't believe that the key to America's economic future is our ability to lead -- to succeed in the world economically, as we have politically. And that's what my economic plan is all about.

Back in January, 45 days ago today -- 45 days ago -- I sent Congress a specific short-term action plan to stimulate this economy, to spark a recovery as early as this spring -- a recovery that would increase auto sales and create jobs. And when I sent that plan to Capitol Hill, I set a deadline.

One short week from now: March 20th -- almost two months from the day I challenged the Congress. And you know the story. Congress barely gave my plan a glance before they got busy on their own agenda: a $90 billion dollar tax increase that will threaten our recovery and cost us jobs. Any economist worth his salt will tell you the last thing this economy needs is a massive tax increase. And you can count on this: If the Democrats send me that plan, they can get ready for a veto the minute it hits my desk. I am not going to accept it. (Applause.)

I believe that my plan -- I'm convinced of it, and I've talked to lots of business people and lots of economists -- I am convinced my plan will make America more competitive. It includes

seven things that we've got to accomplish to ensure a strong market for America and for the automotive industry.

We've got to reduce government spending and draw the line against new taxes. Deficit spending dries up sources of savings the private sector must have to invest, to grow and to create new jobs. And there's only one protection the taxpayer has against uncontrolled, what we call discretionary spending in Washington -- those spending caps that we got enacted a year and a half ago. That's the only protection the taxpayer has.

And guess what? You're right. The Congress wants to get rid of those spending caps now and go back to the days of unchecked spending. And I am not going to let that happen. We've got enough votes to sustain a veto to see that that does not happen to the American taxpayer.

We've got to put an end to excessive government regulation. Our companies can't compete if the government chokes them off in red tape. And we've got to stop counterproductive regulations that cripple your freedom of action and cost this country jobs. So I've ordered a 90-day review of all new regulation with this aim in mind: Whatever contributes to economic growth goes forward, and whatever stifles growth gets scrapped.

We're at midpoint in that review. But even now, you can see results. The sheer volume of new rules and regulations is down to 25 a week, from six times that amount just a year ago. That's progress. Already we've announced regulatory relief to benefit sectors of our economy from biotech to energy. And we're looking now for creative, new ways to use regulations to clean up our environment, using market forces where possible.

Times have changed since the day nearly two decades ago when CAFE standards came into existence. And we now know that CAFE can cost a lot of jobs -- and even lives -- on the highway. And right now, through my Department of Transportation, I've been working with the auto industry and the UAW to fight irresponsible legislation. And I will not sign CAFE legislation that will destroy the auto industry and cost American jobs. (Applause.)

We will take several regulatory steps affecting the auto industry in the near future. There is one that I want to announce today. For some time, the EPA has been considering a requirement to order that all new cars be equipped with these on-board canisters to catch and contain fumes coming from the gas pump. As a result of our regulatory review, we have decided against such a rule. The Department of Transportation determined that on-board canisters pose a real risk to safety, a risk we simply cannot impose on American drivers.

If we want to make America more competitive, we've got to move forward on civil justice reform as well. Too many businesses can't start up or keep going because too many lawyers and too many lawsuits get in the way -- 18 million lawsuits every year alone. (Applause.) Right here in Detroit, there are businessmen and women ready to expand, ready to hire new workers -- stopped cold by the fear of litigation. All told, when you add in indirect expenses, lawsuits cost this economy $300 billion a year. And it's time for reform -- time to replace the explosion of mindless litigation with a little common sense. (Applause.)

I have called on the Congress to pass reform in this area. It's a crime when you have people that don't dare coach little league baseball because they're afraid they're going to get sued or doctors unwilling to deliver babies because they're afraid they're going to get some malicious malpractice suit filed against them. (Applause.)

I know the business people here would agree with this one -- but we've got to keep our nation on the cutting edge of new technologies. That's why I've proposed record federal funding for R&D -- research and development. (Applause.) It's why we back initiatives like one I signed at the White House last October, to create a battery consortium to pioneer a new generation of electric cars, And in the global competition, it's going to come down to this: The best way to master new markets is to make them.

And if we want to be more competitive, we have got to encourage investment. That's why I've called on Congress to pass my investment tax allowance -- speech up the front-end depreciation so people can buy capital equipment and write it off faster. And additionally, Congress ought to cut the tax on capital gains so we can compete with foreign interest. (Applause.)

But political demagogues call that a tax break for the rich. Let me tell you something, you know what it is in Japan and Germany? Zero percent and one percent. And we're up there in the stratosphere somewhere.

We have got to provide our children, in addition, with a 21st century education -- today. And we won't have a first-class economy with second-rate schools. To have the best economy, you have to have the best educated work force. And that's the idea behind our wonderful program known as America 2000 -- America 2000 strategy: our plan to revolutionize, to literally reinvent, America's schools.

And finally, we've got to work to open markets around the world to American goods. Earlier this year, some of the people here today went with me to Japan. And we all took a little grief, a little flak in the press for that trip. But the fact is, that trip laid down a marker. The business community is beginning to understand this. It signalled to our trade partners that I am very serious about free and fair trade. Level the playing field, and American workers and American business can compete with anyone. And we'll keep pushing to open markets that for too long have been closed to quality American goods.

We've already seen a payoff: new markets for America in Japan's computer, glass and paper market, all as a direct result of that trip. And American access to the Japanese government mainframe computer market alone could mean an additional $5.5 billion in computer sales.

And we've seen positive steps in the automotive industry as well -- not everything we want, but we've seen positive steps. Japan's auto industry intends to purchase an additional $10 billion worth of US auto parts by 1994.

And the benefits won't simply flow to the Big Three -- Detroit Center Tool reports that its sales in Japan will jump 500 percent this year alone to $30 million. And that trip was the beginning of an important process that we are going to continue -- opening markets around the world.

And that also means, in my view, a successful conclusion to the Uruguay Round of GATT Round. It's absolutely essential that we open markets, reduce these barriers.

So far today, I've talked about my plan -- my plan to get the economy growing again and to get this country ready for the challenges of a new century. So let me repeat, here's what I'll do, and give it to you straight: I will veto mandates that pass the buck to business and hurt competitiveness. I will veto job-destroying tax increases and fight for job-creating incentives. And I will fight to open markets around the world to American products. And I will fight against the forces of isolationism who want us to turn our back and run away from the future. (Applause.)

That's some of what I can do. And here's what you in the business community must do. But if we're going to work together to make America more competitive, you've got to continue your commitment to train and retrain your workers, give them the skills they'll need to cope with a changing workplace. And to help workers adjust to new economic conditions, government can help, too. For example, last week a Department of Labor task force was here with the representatives of the UAW and GM on just that issue.

Also, you've got to continue to build on recent progress that has labor and management working as allies, not adversaries. No company can compete when it is at war within itself. And you've got to fight for foreign markets -- make the commitment for the long haul.

I, a long time ago -- and I hate to bring it up in a room of successful business people, like the one that's here today -- but was in a business, started the small business. And I think I know what it's like. I do know what it's like to sweat to make a payroll, to run risks, to succeed and to overcome setbacks, too. And we all know how to measure performance. Performance is measured -- performance is measured by performance improved: people back at work, assembly lines up and running, putting out a superior product, and bringing in a profit.

I want to close today, before taking a couple of questions here, by saying, I know when I decided to come here I was going to a great city -- been here many times. I've been privileged to be your guest at the Economic Club several times. Going to a state that's experienced hard times. But I came here for that very reason: To look you in the eye, and to tell you what we are going to do to turn this economy around. And I have too much respect for the people in this room -- too much respect for the men and women who work the assembly lines -- to expect you to settle for anything short of the truth.

And, yes, we're in an election year. We're in a highly partisan, shrill, not overly pleasant, election year. And when the rhetoric heats up, it gets tough separating the fact from the fiction. Well, I can tell you this: All the quick-fix schemes in the world will not get us where we want to go. Some of them have wonderful political appeal, but they're not going to get us where we want to go. And the plan that I've laid out today will help America take on the toughest competition -- and win.

And so let's not wring our hands, try to run away from a challenge. We've never done that. Let's do what America always does when challenge comes our way: Let's change America for the better.

If we can install ourselves through action and principle as the undisputed leader of the free world, a leader with newfound credibility around the world, we can do the same thing here at home. So I ask you to join me in this challenge. Join me in supporting these objectives I have spelled out, and we can and will change America and help the lives of every single American worker and business person in this country.

Thank you very much. And may God bless our wonderful country. Thank you. (Applause.)

GOVERNOR ENGLER: Thank you very much, Mr. President, for that wonderful address and that economic plan for our country. And now we have some specific questions that have been submitted by members of the Detroit Economic Club and some special guests. The first one actually -- I'm sure that Chris McAllister from J.R. King Elementary School, who says "grade six" at the bottom of the card is not a member, but may be a guest here today.

And he asks a question that's on the minds of a lot of people: President Bush, why did you choose a Texas plant over Willow Run? (Laughter.)

THE PRESIDENT: Let me take that question very seriously because -- and I am reluctant to make it this definitive. I was told today, I hadn't seen it because I don't read too much of what Senator Riegle says, but -- (laughter) -- I was told today -- (applause.) I'm very serious about this because this is a challenge to my integrity as President of the United States, and when it gets on that basis I take it seriously. And I was told by the Governor and I was told by a congressman that I was accused by that Senator of intervening in the GM process, the private sector process.

And I'm standing here to tell you with everything I can muster that I made no such intervention. And I take it as a direct attack on my character to have a United States Senator say that. It is a bald-faced lie. And Bob Stemple is right when he said it is. (Applause.)

That 6th-grader is on to something. (Laughter.)

GOVERNOR ENGLER: The UAW AFL-CIO is actively working against your reelection. With times as tough as they are right now, what chance do you see of winning the rank and file worker in a state like Michigan?

THE PRESIDENT: Well, I saw the UAW seems to be supporting Jerry Brown. (Laughter.) That may not be accurate; I don't know. Look, one, there's time for politics; two, there's time for trying to lead this country. These are good people. Their families are hurting. Some have a job today, not sure they'll have it tomorrow. And so my answer to them is, I want to change this economy.

And I tried to spell out here today, and I hope some of them heard it, a program -- a seven-point incentive program, plus a broader program that will, indeed, get this economy moving now and stimulate it, and then we'll also be sure that we are competitive into the future.

So I would like to address myself -- I know that the unions early on decided they were going to support somebody else for president. But for me, this transcends a political endorsement or political opposition. We have got to get the economy moving. There's a lot of families that are hurting out there, and I think what I've proposed here today is the answer.

GOVERNOR ENGLER: As a businessman running a 60-employee family company I must run a tight ship in order to survive in a difficult economy. What can be done to see that our federal government begins now to reduce America's $2 trillion debt so we can enjoy a prosperous economy in the coming years?

That's from David Keller, and related to that is another card that has a question: What is the status of the line-item veto?

THE PRESIDENT: The debt is an enormous worry. And for those who live and die by polls, really for the first time, the deficit and debt is about number one -- I believe it is number one in the polls. What we're -- I'll give you an example of what we're trying to do with it. One, I'm going to try to keep the caps on discretionary domestic spending. Government is too big and it spends to much.

And right now I'm in a big fight in the Congress. The 1990 budget agreement did place caps on all discretionary spending. It did not touch the part of the budget that's growing the fastest -- the entitlements -- but it did put a cap on domestic spending. And

And so I do not accept the wisdom of some that says that a free trade agreement is going to result simply in an export of jobs. It is not going to do that. And I believe that we ought to keep pressing for it. I don't care what the politics of it are. I think it is best, and I want to do exactly the same thing this NAFTA, this North American Free Trade Agreement -- I want to do exactly the same thing with the successful conclusion of the Uruguay Round.

And Michigan has a lot of agriculture and I believe that if we are successful, we will be opening up all kinds of markets abroad for agriculture. I think we can do better in property rights.

And so we have two major initiatives in international trade. One is the NAFTA, which is mainly with Mexico and Canada, of course. And then I want to follow it with opening trade south of there. And secondly is the Uruguay Round.

And the other point I want to make on this hemisphere is this. We look at the changes that have taken place in the former Soviet Union. And we look at the changes that are taking place in Africa, for example, South Africa and Zambia. But sometimes we don't look into our own front yard, the exciting markets of Latin America. And there take a look at what's happened. Military dictatorships have given way to democracies. Communist regimes, a la Nicaragua, have given away to democracies. And there's only one holdout against democracy in this hemisphere really, except for the problems in Haiti -- it's Cuba. It is Cuba. And democracy is on the move.

And what I want to do is help find ways to strengthen those economies so they can be not only perfecting their democracies, but be better markets for American goods and services. And it is an exciting message down there. We are doing a first-class job on working with these Latin American, South American countries. And we ought not to neglect it.

And while saying neglect, let me add this point -- too long an answer to a very simple question -- but it has been suggested that I turn my attention away from national security matters and foreign affairs. I don't think a president should do that. I think it's important to find the right balance between doing something for the domestic economy but recognizing that it's only the United States of America that can lead this free world. And I am not going to neglect my responsibilities overseas, but I darn sure am going to pay as much attention as it requires to get this economy moving. (Applause.)

GOVERNOR ENGLER: This is another question from a youngster -- Calvin Paines, I believe the name is, from J.R. King School in Detroit: Will their be jobs for black children in the future?

THE PRESIDENT: I hope there will and I think there will. And one of the reasons I'm so excited about America 2000 in which many of the business people I see sitting in this room are already assisting, is that our education program will result in just that kind of opportunity. I met with some people from the National League of Cities, and one of the things that concerned this -- this is a little addition to this guy's question -- they told me -- the mayors from big cities, small cities, Democrats, Republicans, liberal, conservative -- the thing that concerns us the most about the urban problems is the decline in the American family.

And the way -- we have appointed a commission led by Governor Ashcroft and former Mayor Strauss of Dallas to figure out what we can do, what legislation is diminishing the family. And underlying it all is the need for more education. And so I would say to this 6th-grader, I think you've got a whale of an opportunity.

and Illinois by Tuesday -- in trying to get these things done that I have outlined here.

And then we're going to be interacting overseas. Of course, Yeltsin's coming here; Helmut Kohl, I think, will be here next weekend. And there's a lot of things of this nature that I must attend to.

And so I can't fault somebody for challenging me. I feel very, very confident about winning this primary. But I think now I've got the proper balance as to how much -- and it wouldn't help a bit to try to assess for you the opposition. That's what the elections are about.

But I know these are nonpolitical gatherings, but if you're a Republican, please vote for me on Tuesday. (Laughter.)

Thank you very much.

END 1:30 P.M. EST

Please fax
as delivered of
short speech
to Cydney - 366-2867
Louth - 377-3808
at Commerce - 377-5819
Mike Farris's office??

DETROIT ECONOMIC CLUB
DETROIT, MICHIGAN
MARCH 13, 1992
12:45 A.M.

With fact check: additions

MY THANKS FOR THAT WARM MICHIGAN WELCOME.

FOUR SHORT DAYS FROM NOW, MICHIGAN FACES A CHOICE. YOU WILL MAKE A DECISION THAT WILL SHAPE THE WAY THIS COUNTRY COPES WITH THE BIG ISSUES: THE ISSUES THAT SHAPE THE WORLD -- AND THE VALUES CLOSE TO HOME: I'M TALKING ABOUT JOBS, ABOUT FAMILY -- ABOUT PEACE: FOR OURSELVES -- FOR OUR CHILDREN.

Acks + jokes. . . —

RIGHT NOW, THE MOST IMPORTANT ISSUE FACING MICHIGAN AND THIS COUNTRY IS THE ECONOMY. IT'S MY NUMBER ONE PRIORITY: JOBS. MANUFACTURING HAS BEEN THE GREATEST GENERATOR OF GOOD JOBS IN AMERICAN HISTORY. TAKE A LOOK AT THE AUTO INDUSTRY. I'M SPEAKING NOT SIMPLY ABOUT THE JOBS CREATED IN THE INDUSTRY ITSELF -- BUT THE THOUSANDS UPON THOUSANDS OF JOBS IN SUPPLIER AND SPIN-OFF BUSINESSES. MANUFACTURING IS AND ALWAYS WILL BE THE BASIC STRENGTH OF THIS COUNTRY'S ECONOMY. NO NATION WILL EVER LEAD THE WORLD WITHOUT A STRONG MANUFACTURING BASE.

50 YEARS AGO, THIS GREAT STATE OF MICHIGAN EARNED THE PROUD TITLE OF ARSENAL OF DEMOCRACY. INDUSTRIES CENTERED HERE HAD NO PEERS AND PRACTICALLY NO COMPETITORS -- ANYWHERE ON THE PLANET. TODAY, THINGS ARE DIFFERENT. MICHIGAN'S MANUFACTURERS ARE NOT JUST COMPETING WITH A FEW OUT-GUNNED ADVERSARIES. THEY ARE UP AGAINST TOUGH, HARD-NOSED COMPETITORS IN PRACTICALLY EVERY DEVELOPED COUNTRY.

TODAY, THE NEW REALITY IS SIMPLY THIS: IF WE WANT TO SUCCEED ECONOMICALLY AT HOME -- WE'VE GOT TO COMPETE ECONOMICALLY ABROAD.

LET'S NOT OVERLOOK SOME OF THE FUNDAMENTALS THAT PROVE WE'RE poised POINT FOR A NATIONAL RECOVERY. INTEREST RATES ARE LOWER NOW THAN AT ANY POINT IN THE PAST TEN YEARS. THE PRIME RATE IS NOW 6.5%. INFLATION IS UNDER CONTROL. MONTHLY RETAIL SALES ARE UP 1.3% IN FEBRUARY -- ON TOP OF A 2.1% RISE IN JANUARY. HOUSING STARTS ARE UP 5.5% SINCE DECEMBER. / FOR ALL OUR TROUBLES, AMERICA IS STILL THE WORLD'S DOMINANT ECONOMY: THE ONE MARKET OTHER COUNTRIES WANT TO CRACK -- THE ECONOMY PRODUCING GOODS IN DEMAND IN EVERY COUNTRY, EVERY CORNER OF THE WORLD. //

J.D. FOSTER

John Kitchen CEA 395-4666

J.D. FOSTER CEA - CHIEF ECONOMIST 5084

How many DOUG CHIA 45 days in SEPT

RIGHT NOW, NATION-WIDE, WE'RE IN THE MIDDLE OF A RECORD EXPORT BOOM -- ONE THAT'S DRIVEN THE TRADE DEFICIT DOWN 35% IN THE PAST YEAR ALONE. NOT ONLY DO WE EXPORT MORE THAN ANY OTHER COUNTRY IN THE WORLD TODAY -- BUT WE'VE BEEN GAINING GROUND, NOT LOSING IT, TO OUR COMPETITORS. AMERICAN EXPORTS HAVE DOUBLED SINCE 1985. THESE ARE FUNDAMENTALS WE CAN BUILD ON -- THE RAW MATERIAL TO MANUFACTURE THE SOLID, STRONG RECOVERY WE KNOW WE'LL SEE.

ELAINE BROWN USTR - 3583

LES DAVIS CONCURRED

Bob ✓ Grady Staffing 4844

377-1675 Les Davis

'85 6.1 > 82%
'91 11.1

I FULLY REALIZE THIS IS NOT TRUE FOR OUR AUTO INDUSTRY, BUT this statement is correct according to LES DAVIS

Tony Villamille 377-8183 Marion Lane LES DAVIS

⇒ economist @ Commerce

* FACT CHECK: HAVE AUTO EXPORTS DOUBLED SINCE '85?

NO HAVE NOT!

☐ TOM COLLOMORE 377-5283

☐ RICH REILLY 377-2047 Dwight Holloway

IT LOOKS DIFFERENT HERE IN DETROIT. MICHIGAN HAS BEEN THROUGH SOME TOUGH TIMES. THERE'S NO SENSE PRETENDING THINGS ARE BETTER THAN THEY ARE. BUT THERE'S ALSO NO SENSE UNDERESTIMATING OUR STRENGTHS OR EXAGGERATING OUR WEAKNESSES. THE SIMPLE FACT IS, WE FACE A FUTURE WITH BOTH CHALLENGES AND OPPORTUNITIES. IN THE PAST THREE YEARS, THE UNITED STATES HAS HELPED BRING ABOUT CHANGE THAT HAS RESHAPED OUR WORLD FOR THE BETTER. WE'RE THE COUNTRY THAT WON THE COLD WAR -- THAT DREW A LINE IN THE SAND AND DROVE A DICTATOR OUT OF KUWAIT. WE'RE THE COUNTRY THAT MADE SACRIFICES FOR FREEDOM IN THE FOUR CORNERS OF THE WORLD -- AND BECAUSE WE DID, RIGHT HERE AT HOME, OUR CHILDREN SLEEP MORE SAFELY.

YES, AMERICAN LEADERSHIP HAS CHANGED THE WORLD -- AND NOW WE WILL CHANGE AMERICA. //

I DON'T THINK THERE'S ANYONE IN THIS ROOM WHO DOESN'T BELIEVE THAT THE KEY TO AMERICA'S ECONOMIC FUTURE IS OUR ABILITY TO LEAD -- TO SUCCEED IN THE WORLD ECONOMICALLY, AS WE HAVE POLITICALLY. THAT'S WHAT MY ECONOMIC PLAN IS ALL ABOUT.

✓ DAVID TAYLOR

BACK IN JANUARY, I SENT CONGRESS A SPECIFIC SHORT-TERM ACTION PLAN TO STIMULATE OUR ECONOMY -- TO SPARK A RECOVERY AS EARLY AS THIS SPRING: A RECOVERY THAT WOULD INCREASE AUTO SALES AND CREATE JOBS. WHEN I SENT THAT PLAN TO CAPITOL HILL -- I SET A DEADLINE. ONE SHORT WEEK FROM NOW: MARCH 20. YOU KNOW THE STORY. CONGRESS BARELY GAVE MY PLAN A GLANCE BEFORE THEY GOT BUSY ON THEIR OWN AGENDA: A $90 BILLION DOLLAR TAX INCREASE THAT WILL THREATEN OUR RECOVERY -- AND COST US JOBS. YOU CAN COUNT ON THIS: IF THE DEMOCRATS SEND ME THAT PLAN -- THEY CAN GET READY FOR A VETO, THE MINUTE IT HITS MY DESK. //

✓ PINK CAMPAIGN

MY PLAN WILL MAKE AMERICA MORE COMPETITIVE. IT INCLUDES SEVEN THINGS WE'VE GOT TO ACCOMPLISH TO ENSURE A STRONG JOB MARKET FOR AMERICA AND FOR THE AUTOMOTIVE INDUSTRY.

WE'VE GOT TO REDUCE GOVERNMENT SPENDING -- AND DRAW THE LINE AGAINST NEW TAXES. DEFICIT SPENDING DRIES UP SOURCES OF SAVINGS THE PRIVATE SECTOR NEEDS TO INVEST, TO GROW AND TO CREATE NEW JOBS.

WE'VE GOT TO PUT AN END TO EXCESSIVE GOVERNMENT REGULATION. OUR COMPANIES CAN'T COMPETE IF THE GOVERNMENT CHOKES THEM IN RED TAPE. WE'VE GOT TO STOP COUNTER-PRODUCTIVE REGULATIONS THAT CRIPPLE YOUR FREEDOM OF ACTION AND COST THIS COUNTRY JOBS. I'VE ORDERED A 90-DAY REVIEW OF ALL NEW REGULATION WITH THIS AIM IN MIND: WHATEVER CONTRIBUTES TO ECONOMIC GROWTH GOES FORWARD. WHATEVER STIFLES GROWTH GETS SCRAPPED.

//

WE'RE AT MIDPOINT IN THAT REVIEW. BUT EVEN NOW, YOU CAN SEE THE RESULTS -- THE SHEER VOLUME OF NEW RULES AND REGULATIONS IS DOWN TO 25 A WEEK, FROM 6 TIMES THAT AMOUNT JUST ONE YEAR AGO.

Gene Schear legal/ NYT Editorial 3-2-92

ALREADY, WE'VE ANNOUNCED REGULATORY RELIEF TO BENEFIT SECTORS OF OUR ECONOMY FROM BIOTECH TO ENERGY. WE'RE LOOKING NOW FOR CREATIVE, NEW WAYS TO USE REGULATIONS TO CLEAN UP OUR ENVIRONMENT. //

"nearly 2 decades" / 1992 ← Skinner 4/90

TIMES HAVE CHANGED SINCE THE DAY 20 YEARS AGO WHEN CAFE STANDARDS CAME INTO EXISTENCE. WE NOW KNOW THAT CAFE CAN COST JOBS -- AND EVEN LIVES -- ON THE HIGHWAY. RIGHT NOW, THROUGH MY DEPARTMENT OF TRANSPORTATION, I'VE BEEN WORKING WITH THE AUTO INDUSTRY AND THE UAW TO FIGHT IRRESPONSIBLE LEGISLATION. <u>I WILL NOT SIGN CAFE LEGISLATION THAT WILL DESTROY THE AUTO INDUSTRY AND COST AMERICAN JOBS</u>. //

1 ? Dave in Clerk's office Transportation

Marty in Grady's office said 1976 per Brady

(- enacted '75 effective '78 (Rob Fairweather)

Rob Fairweather says 1978

Kaye Adkins 3100

THERE IS ONE REGULATORY REFORM I CAN ANNOUNCE TODAY. FOR SOME TIME, THE E.P.A. HAS BEEN CONSIDERING A REQUIREMENT TO ORDER THAT ALL NEW CARS BE EQUIPPED WITH ON-BOARD CANISTERS TO CATCH AND CONTAIN FUMES COMING FROM THE GAS PUMP. AS A RESULT OF OUR REGULATORY REVIEW, WE HAVE DECIDED AGAINST SUCH A RULE. THE DEPARTMENT OF TRANSPORTATION DETERMINED THAT ON-BOARD CANISTERS POSE A REAL RISK TO SAFETY -- A RISK WE SIMPLY CANNOT IMPOSE ON AMERICAN DRIVERS. WE WILL TAKE FURTHER REGULATORY STEPS EFFECTING THE AUTO INDUSTRY IN THE NEAR FUTURE.

IF WE WANT TO MAKE AMERICA MORE COMPETITIVE, WE'VE GOT TO MOVE FORWARD ON CIVIL JUSTICE REFORM. TOO MANY BUSINESSES CAN'T START UP OR KEEP GOING BECAUSE TOO MANY LAWYERS AND TOO MANY LAWSUITS GET IN THE WAY -- 18 MILLION LAWSUITS LAST YEAR ALONE. RIGHT HERE IN DETROIT, THERE ARE BUSINESSMEN AND WOMEN READY TO EXPAND, READY TO HIRE NEW WORKERS -- STOPPED COLD BY THE FEAR OF LITIGATION. ALL TOLD, WHEN YOU ADD IN INDIRECT EXPENSES, LAWSUITS COST THIS ECONOMY $300 BILLION DOLLARS A YEAR. // IT'S TIME FOR REFORM -- TIME TO REPLACE THE EXPLOSION OF MINDLESS LITIGATION WITH A LITTLE COMMON SENSE. //

starting insert

VP Speech Aug 91

VP Speech to ABA Aug. 91

WE'VE GOT TO KEEP OUR NATION ON THE CUTTING EDGE OF NEW TECHNOLOGIES. THAT'S WHY I'VE PROPOSED RECORD FEDERAL FUNDING FOR R&D -- IT'S WHY WE BACK INITIATIVES LIKE ONE I SIGNED AT THE WHITE HOUSE LAST OCTOBER, TO CREATE A BATTERY CONSORTIUM TO PIONEER A NEW GENERATION OF ELECTRIC CARS. // IN THE GLOBAL COMPETITION, IT'S GOING TO COME DOWN TO THIS: THE BEST WAY TO MASTER NEW MARKETS -- IS TO MAKE THEM.

David Taylor OMB 4790

IF WE WANT TO BE MORE COMPETITIVE, WE'VE GOT TO ENCOURAGE INVESTMENT. THAT'S WHY I'VE CALLED ON CONGRESS TO PASS MY INVESTMENT TAX ALLOWANCE. AND CONGRESS MUST CUT THE TAX ON CAPITAL GAINS. //

WE MUST PROVIDE OUR CHILDREN WITH A 21ST CENTURY EDUCATION -- TODAY. WE WON'T HAVE A FIRST-CLASS ECONOMY WITH SECOND-RATE SCHOOLS. THAT'S THE IDEA BEHIND MY AMERICA 2000 STRATEGY: OUR PLAN TO REVOLUTIONIZE -- TO LITERALLY RE-INVENT -- AMERICA'S SCHOOLS.

FINALLY, WE'VE GOT TO WORK TO OPEN MARKETS AROUND THE WORLD TO AMERICAN GOODS. // EARLIER THIS YEAR, I TOOK SOME OF THE PEOPLE HERE TODAY WITH ME TO JAPAN. WE ALL TOOK A LITTLE FLACK IN THE PRESS FOR THAT TRIP -- BUT THE FACT IS, THAT TRIP LAID DOWN A MARKER. IT SIGNALLED TO OUR TRADE PARTNERS THAT I AM [redacted] SERIOUS ABOUT FREE AND FAIR TRADE. LEVEL THE PLAYING FIELD, AND AMERICAN WORKERS AND AMERICAN BUSINESS CAN COMPETE WITH ANYONE. //

Tim Hauser/Commerce 377-3917

WE'LL KEEP PUSHING TO OPEN MARKETS THAT FOR TOO LONG HAVE BEEN CLOSED TO QUALITY AMERICAN GOODS. WE'VE ALREADY SEEN A PAY-OFF: NEW MARKETS FOR AMERICAN IN JAPAN'S COMPUTER, GLASS AND PAPER MARKET: ALL AS A DIRECT RESULT OF OUR TRIP. / WE'VE SEEN POSITIVE STEPS IN THE AUTOMOTIVE INDUSTRY AS WELL. ~~UNDER THE TERMS OF OUR VOLUNTARY AGREEMENT WITH~~ JAPAN, ~~THAT COUNTRY'S~~ AUTO INDUSTRY ~~WILL~~ (INTENDS TO) PURCHASE AN ADDITIONAL TEN BILLION DOLLARS WORTH OF U.S. AUTO PARTS BY 1994. AND THE BENEFITS WON'T SIMPLY FLOW TO THE BIG 3: DETROIT CENTER TOOL REPORTS THAT ITS SALES IN JAPAN WILL JUMP 500 PERCENT THIS YEAR ALONE -- TO 30 MILLION DOLLARS. //

mainframe Japanese Govt

American access of the computer market alone could mean another 5.5 B. in sales.

Allison Roche 377-4527 Sec. Farkin's testimony

Tom Collomore 377-5283 Commerce

Rich Reilly 377-2047

SO FAR TODAY, I'VE TALKED ABOUT MY PLAN -- MY PLAN TO GET THIS ECONOMY GROWING AGAIN AND TO GET THIS COUNTRY READY FOR THE CHALLENGES OF A NEW CENTURY.

SO LET ME REPEAT: HERE'S WHAT I CAN DO -- AND I'LL GIVE IT TO YOU STRAIGHT:

I WILL VETO MANDATES THAT PASS THE BUCK TO BUSINESS AND HURT COMPETITIVENESS.

I WILL VETO JOB-DESTROYING TAX INCREASES -- AND FIGHT FOR JOB-CREATING INCENTIVES.

I WILL FIGHT TO OPEN MARKETS AROUND THE WORLD TO AMERICAN PRODUCTS -- AND I WILL FIGHT AGAINST THE FORCES OF ISOLATIONISM WHO WANT US TO TURN OUR BACK AND RUN FROM THE FUTURE.

THAT'S WHAT I WILL DO -- AND HERE'S WHAT YOU IN THE BUSINESS COMMUNITY MUST DO. BUT IF WE'RE GOING TO WORK TOGETHER TO MAKE AMERICA MORE COMPETITIVE, YOU'VE GOT TO CONTINUE YOUR COMMITMENT TO TRAIN AND RE-TRAIN YOUR WORKERS -- GIVE THEM THE SKILLS THEY'LL NEED TO COPE WITH A CHANGING WORKPLACE.

YOU'VE GOT TO CONTINUE TO BUILD ON RECENT PROGRESS THAT HAS LABOR AND MANAGEMENT WORKING AS ALLIES -- NOT ADVERSARIES. NO COMPANY CAN COMPETE WHEN IT'S AT WAR WITH ITSELF.

YOU'VE GOT TO FIGHT FOR FOREIGN MARKETS -- MAKE THE COMMITMENT FOR THE LONG-HAUL.

I WAS IN BUSINESS. I KNOW WHAT IT'S LIKE TO SWEAT TO MAKE A PAYROLL. TO RUN RISKS. TO SUCCEED -- AND TO FAIL. WE ALL KNOW HOW TO MEASURE PERFORMANCE: PERFORMANCE MEASURED IS PERFORMANCE IMPROVED: PEOPLE BACK AT WORK. ASSEMBLY LINES UP AND RUNNING. PUTTING OUT A SUPERIOR PRODUCT -- AND BRINGING IN A PROFIT. //

I WANT TO CLOSE TODAY WITH A FEW WORDS FROM THE HEART. I KNOW SOME FOLKS WERE SURPRISED I'D COME TO DETROIT -- SURPRISED I'D COME TO A CITY AND STATE THAT'S EXPERIENCED SUCH HARD TIMES. BUT I CAME HERE FOR THAT VERY REASON: TO LOOK YOU IN THE EYE, AND TELL YOU WHAT WE WILL DO TO TURN THIS ECONOMY AROUND. // I HAVE TOO MUCH RESPECT FOR THE PEOPLE IN THIS ROOM -- TOO MUCH RESPECT FOR THE MEN AND WOMEN WHO WORK THE ASSEMBLY LINES -- TO EXPECT YOU TO SETTLE FOR ANYTHING SHORT OF THE TRUTH.

YES, IT'S AN ELECTION YEAR. WHEN THE RHETORIC HEATS UP, IT GETS TOUGH SEPARATING FACT FROM FICTION. WELL, I CAN TELL YOU THIS: ALL THE QUICK-FIX SCHEMES IN THE WORLD WON'T GET US WHERE WE WANT TO GO. THE PLAN I'VE LAID OUT TODAY WILL HELP AMERICA TAKE ON THE TOUGHEST COMPETITION -- AND WIN.

SO LET'S NOT WRING OUR HANDS -- OR TRY TO RUN AWAY FROM THE CHALLENGE. LET'S DO WHAT AMERICA ALWAYS DOES WHEN CHALLENGE COMES OUR WAY: LET'S CHANGE AMERICA -- FOR THE BETTER. //

THANK YOU -- AND MAY GOD BLESS THE UNITED STATES OF AMERICA.

# # #

volunta purchase
plan of J. Corporas
#19 b b JFY 1994.

Autoparts
Allen Roche @
Commerce

The Economic Club of Detroit
333 W. Fort St. Ste. 100, Detroit, MI 48226-3134
Telephone: (313) 963-8547 FAX: (313) 963-7399

TELEFAX

To: Ms. Jeanie Bunton
Ms. Michele Nix
White House Speechwriting

FAX # (202) 456-6218

From: Vivian Castanier
Don Luther
Economic Club of Detroit

Message: Dear Jeanie & Michele:

Don and I are sending you some background information about the Club as well as a copy of this year's schedule. If you need anything else, please let us know.

Date: 3/10/92 Time: 6:45 p.m.

Number of sheets including cover 5

Please call **(313) 963-8547** if you do not receive the correct number of sheets or copy is illegible.

The Economic Club of Detroit

333 West Fort
Detroit, Michigan 48226-3134
Telephone: 313/963-8547
FAX: 313/963-7399

Purpose and Program

The Economic Club was organized September 10, 1934, as a forum for the discussion of vital governmental, economic and social issues.

In the intervening years, the Club has established a premier position among the great public platforms of the world. The Club serves its more than 3,000 members as a meeting place, as an educational institution, as a platform for debate and discussion and the expression of divergent viewpoints on a variety of topics, and, above all, provides members a sense of awareness of and a feeling of involvement in the great issues and affairs of the world.

The Economic Club includes men and women in the professions, in the labor movement, in government, in education – in all walks of life. The Club is anchored firmly to Metropolitan Detroit, but its service area has become statewide, and its reputation reaches over national boundaries to the major capitals of the world.

The Club's main activities are these:

1. Weekly meetings from September to June at which outstanding leaders in fields of timely interest speak to the members and answer their questions.
2. University, college and high school outreach programs in which individual or corporate sponsors arrange for student groups and Junior Achievement members to participate in the regular meetings and to meet privately with the speakers beforehand.
3. Publication and distribution to the membership of the texts of the talks given by a number of the speakers appearing at the Club's weekly meetings.

Membership

Membership is open to all who have an interest in the great issues of our times.

THE ECONOMIC CLUB OF DETROIT

Gerald E. Warren, the President of The Economic Club of Detroit, also gets his exercise through competitive tennis games.

By noting the fact that the Club was founded in 1934, you will realize that the Club was born out of the Great Depression. The founding President referred to it as the "Gloom Club."

This is President Bush's 5th visit to address The Economic Club of Detroit. He spoke here first on March 19, 1979. His topic was, "The Economy: How Did We Get Here? How Do We Get Out?" He appeared on September 19, 1980 as the Republican Candidate for Vice President of the U.S. On October 7, 1985, he addressed the Club as Vice President. On October 26, 1988, Vice President Bush appeared as the Republican Candidate for President.

All living former Presidents of the United States have addressed The Economic Club of Detroit at one time or another.

Among those from Washington addressing The Economic Club this season in the coming weeks are - Jack Kemp, Secretary of Housing and Urban Development, William P. Barr, Attorney General of the United States, and Robert M. Gates, Director of the CIA.

The logo of the Club is an Aladdin's Lamp which the founder of the Club selected because he understood it was the Greek symbol for enlightenment. Thus, the Club serves as a forum to enlighten its members on important economic, social and political issues.

THE ECONOMIC CLUB OF DETROIT
1991-92 SEASON

Sept. 11 (Wed.) – Lieutenant General Brent Scowcroft, Assistant to the President, National Security Council

Sept. 16 – Boone Pickens, General Partner, Mesa Limited Partnership

Sept. 24 (Tues.) – The Honorable John M. Engler, Governor of Michigan

Sept. 25 (Wed.) – The Honorable Jürgen Möllemann, Economics Minister, Federal Republic of Germany

Oct. 2 (Wed.) – The Honorable Louis W. Sullivan, Secretary of Health and Human Services

Oct. 7 – His Excellency Derek Burney, Canadian Ambassador to the U.S.

Oct. 15 (Tues.) – Ross Perot, Chairman, Perot Systems Corporation

Oct. 21 – The Honorable Timothy Ryan, Director, Office of Thrift Supervision

Oct. 28 – Eli Broad, Chairman, President and Chief Executive Officer, Broad Inc.

Nov. 6 (Wed.) – Lieutenant Colonel Oliver North

Nov. 12 (Tues.) – The Honorable William G. Rosenberg, Assistant Administrator, Air and Radiation, Environmental Protection Agency

Nov. 18 – John L. Marion, Chairman of the Board, Sotheby's North America

Nov. 25 – Panel Discussion – *First in a Series* – "The Future of Detroit and the Region: How Do We Meet the Challenge?" *Panelists* – Paul Hubbard, President, New Detroit; Robert McCabe, President, Detroit Renaissance; Frank Smith, President, Greater Detroit Chamber of Commerce; and Robert Spencer, President, Detroit Economic Growth Corporation. *Moderator* – Don H. Barden, Chairman and President, Barden Communications

Dec. 3 (Tues.) – Paul Craig Roberts, Director, Institute for Political Economy

Dec. 9 – Economic Outlook Luncheon: *Automotive* – Keith E. Crain, Vice-Chairman, Crain Communications; *Banking* – Gerald V. MacDonald, Chairman of the Board, Manufacturers National Bank; *Retail Trade* – Joel Greenisen, President, Michigan Marketing Area, Kroger Food Stores; *Construction* – Donald J. Salkowski, President, Detroit Chapter, Associated General Contractors of America

THE ECONOMIC CLUB OF DETROIT
1991-92 SEASON

Jan. 10 (Fri.)	Lee A. Iacocca, Chairman & Chief Executive Officer, Chrysler Corporation (Auto Show Luncheon)
Jan. 21 (Tues.)	Dr. Richard T. Curtin, Director, Surveys of Consumers, University of Michigan
Jan. 27	Diane Steed, President, Coalition for Vehicle Choice
Feb. 3	The Honorable William S. Sessions, Director, FBI
Feb. 7 (Fri.)	The Honorable Lynn Martin, United States Secretary of Labor
Feb. 10	Cathleen Black, President and Chief Executive Officer, American Newspaper Publishers Association
Feb. 18 (Tues.)	Charles J. DiBona, President, American Petroleum Institute
Feb. 24	Masahiro Uchida, President, Mazda Motor Manufacturing (USA) Corporation
Mar. 2	His Excellency Andreas van Agt, Ambassador, Delegation of the Commission of the European Communities
Mar. 9	George V. Grune, Chairman and Chief Executive Officer, The Readers Digest Association
Mar. 13 (Fri.)	The Honorable George Bush, President of the United States
Mar. 16	The Honorable Jack Kemp, Secretary of Housing and Urban Development
Mar. 23	The Honorable William P. Barr, Attorney General of the United States
Mar. 31 (Tues.)	Dr. Henry Kissinger, former Secretary of State, Chairman, Kissinger Associates, Inc.
Apr. 8 (Wed.)	Maryann N. Keller, Managing Director, Furman Selz Incorporated
Apr. 13	The Honorable Robert M. Gates, Director, Central Intelligence Agency
Apr. 27	Clyde V. Prestowitz, Jr., President, Economic Strategy Institute
May 4	Owen Bieber, President, International Union, UAW

EXECUTIVE SUMMARY

The President's business mission was a pathbreaking Presidential initiative bringing together business and government to convey a message of U.S. commitment to compete globally in open markets. The President was accompanied by CEOs who represented the broader interests of the U.S. business community through membership in various trade organizations, including the National Association of Manufacturers and the U.S. Chamber of Commerce.

The objectives in Australia were to highlight the benefits of a long-standing U.S.-Australia trade alliance. President Bush announced his proposal to negotiate a bilateral Trade and Investment Framework Agreement (TIFA) with Australia. The Australian government has responded positively to the President's proposal and negotiations are expected to begin shortly.

The visit to Singapore accomplished three major objectives. First, it highlighted to U.S. business the excellent export opportunities provided by the Association of Southeast Asian Nations (ASEAN). Second, it reinforced our strong ties with Singapore, one of our largest trade and investment partners in Asia, and demonstrated our commitment to free trade. And third, this visit demonstrated to the other members of ASEAN that the United States will remain involved in the region.

During President Bush's visit to Korea, he and President Roh reviewed our bilateral economic relationship. The two Presidents announced an initiative to "study and recommend ways to make it easier to do business together." They tasked the Economic Subcabinet, which is the principal consultative mechanism on trade issues between the U.S. and Korea, to serve as the focal point for discussions on this initiative. Liberalization in financial services was also specifically addressed by the Presidential Business Delegation in their meeting with President Roh.

Japan's dramatically increased share of our overall trade deficit with the world is reflective of the unusually strong impediments to free trade in that market -- both of a structural and a sectoral nature -- which prevent normal economic adjustment like we experience with the rest of the world. The President's main objective during his visit to Japan was to convince the Japanese that any economy the size of Japan's, which benefits from global open trade to the extent Japan has, cannot itself afford to maintain a closed trading system. The benefits of an open trading system, as the President noted in his meetings, will result in more jobs for Americans -- a key goal of the President's trip. Specific commitments sought and achieved by the President included market-opening measures in the areas of autos/auto parts, computers, semiconductors, paper, glass, and standards. Significantly, the Japanese also have agreed to expand their commitments in the Structural Impediments Initiative (SII) to address more specifically the problems faced by foreign businesses operating in Japan. Finally, a number of Japanese firms, under the MITI-sponsored Business Initiative for Global Partnership (BGP), have announced plans to increase substantially their foreign procurements in important sectors, including auto parts, paper, and glass.

WRITTEN TESTIMONY OF THE HONORABLE
J. MICHAEL FARREN

UNDER SECRETARY OF COMMERCE
FOR INTERNATIONAL TRADE

BEFORE THE SENATE FINANCE COMMITTEE

January 23, 1992

INTRODUCTION

The President's business mission was a pathbreaking Presidential initiative bringing together business and government to convey a message of U.S. commitment to compete globally in open markets. The composition of the mission showed the broad commitment of U.S. business and workers to provide quality products in the global market. The mission illustrates that business, commercial interests, and jobs are part and parcel of our relations with other nations, as international economic performance becomes ever more vital to the long-term health of our economy.

The Administration has worked tirelessly since 1988 to open the markets of Japan, Korea, and other east Asian nations to U.S. exports. Some examples of previous market opening efforts of this Administration in the Pacific include: semiconductors, construction (major projects), and supercomputer agreements with Japan; and telecommunications and tariff reduction agreements with the Republic of Korea. As I will detail in my country-specific remarks, we advanced our goal of market opening throughout the region in areas like intellectual property rights, trade in services, and trade in goods such as computers, paper, glass, autos and auto parts.

Reflecting the importance of the Asian market, this trip marks the first time a U.S. president has led a delegation of business leaders on a mission focused on business and commercial issues. But it is not the first time this Administration has focused on commercial development and market opening. It is a continuation of a series of similar missions by the Vice President and Secretary Mosbacher. In May, the Vice President took a business mission to Japan where he focused on increasing U.S. access to the Japanese auto parts markets. In August, he led a delegation of business leaders to Latin America. Secretary Mosbacher has led ten trade missions overseas since early 1989. He has made five trips to help push for open markets in Asia, visiting eight countries. Three trade missions were included in Secretary Mosbacher's visits.

Why was the Asia Pacific region chosen as the first destination of a Presidential Business Delegation? Two way trade with Asia totalled almost $300 billion last year compared to about $190 billion in two way trade with the European Community (EC). The Asia-Pacific region is the fastest growing economic area of the world and shows no signs of relinquishing this title in the near future. For instance, growth in the Four Tigers averaged 8.7 percent in the 1980s; while the ASEAN nations grew at an annual rate of almost seven percent in the same period. Almost every major country in the region is engaged in major development projects which represent tremendous prospects for U.S. firms. Japan is engaged in a $3.1 trillion infrastructure development program announced under SII, and Taiwan is investing $300 billion to modernize its infrastructure. For these and other reasons, the region's importance to the U.S. economy and the opportunities offered for U.S. products and services should only increase in the 1990s.

The President was accompanied by CEOs who represented the broader interests of the U.S. business community through membership in various trade organizations, including the National Association of Manufacturers and the U.S. Chamber of Commerce. Corporate leaders from several small firms, particularly the chairman of the National Federation of Independent Businesses which represents over half a million small businesses, also joined the delegation. We also had three winners of the Malcolm Baldrige Quality Award along, which included two small business winners. Finally, we had representatives from our Japan Corporate Program, a program jointly sponsored by MITI and the Department of Commerce. Upon their return, delegation members briefed colleagues in the business community on commercial conditions and opportunities in the four countries visited.

AUSTRALIA

The U.S. consistently maintains a trade surplus with Australia. Australia was our eleventh largest export market in 1990, taking over $8.5 billion in U.S. exports. U.S. merchandise exports in 1991 are estimated to be at roughly the same level, with the U.S. having an estimated $4.4 billion surplus. We are Australia's second largest trading partner. America is the largest foreign investor in Australia, with cumulative direct and portfolio investment in excess of $36 billion.

The objectives of the Presidential Trade Mission to Australia were to highlight the benefits of a long-standing U.S.-Australia trade alliance and assure the Australians of our continued and strong commitment to the region and to the multilateral trading system.

The Presidential Business Delegation visited Sydney, Canberra, and Melbourne. The business delegation met with Australian government and business leaders and discussed such topics as the need for a successful conclusion to the Uruguay Round and opportunities for trade and investment in several sectors ranging from services to energy and minerals. Long-standing U.S. concerns regarding intellectual property rights, local content requirements, and government procurement were also raised with Australian government officials. To diffuse Australian criticism of the U.S. Export Enhancement Program (EEP), President Bush met with Australian farm leaders and stressed the need to work together to limit agricultural subsidies through the Uruguay Round.

In his speech to the joint session of the Australian Parliament, President Bush announced his proposal to negotiate a bilateral Trade and Investment Framework Agreement (TIFA) with Australia. The Australian government has responded positively to the President's proposal and negotiations are expected to begin shortly. Once the TIFA is in place, the consultative mechanism will provide the U.S. with a useful forum to resolve various bilateral trade issues and promote bilateral trade and investment.

SINGAPORE

Trade has been the life blood of Singapore for centuries. Lacking abundant natural resources, Singapore has prospered on the strength of an inexpensive and productive labor pool, location, and prudent economic management. The U.S. is Singapore's largest trading partner. In 1991, two way trade is expected to exceed $18 billion. The U.S. is the largest foreign investor in Singapore; over 800 American firms operate there.

The reception in Singapore was warm and cordial. In fact, the Delegation was asked to make certain that we repeated the practice of bringing a business delegation on future visits because the degree of cooperation between the two business communities is very important to our overall relationship.

The visit of the Presidential Business Delegation to Singapore successfully accomplished its three major objectives. First, it highlighted to U.S. business the excellent export opportunities provided by the Association of Southeast Asian Nations (ASEAN), whose members have among the highest economic growth rates in the world. Second, it reinforced our strong ties with Singapore, one of our largest trade and investment partners in Asia, and demonstrated our commitment to free trade. And third, because Singapore has traditionally been a gateway into Southeast Asia, this visit demonstrated to the other members of ASEAN -- Brunei, Indonesia, Malaysia, the Philippines, and Thailand -- that the United States Government and private sector will remain involved in the region.

During his visit to Singapore, President Bush announced a number of significant initiatives. First, he and Prime Minister Goh Chok Tong announced that the United States and Singapore agreed in principle to sign a bilateral investment treaty, which will further reinforce our substantial investment ties. An interagency delegation will go to Singapore in late February to begin exploratory discussions on this treaty. That delegation will also hold bilateral trade talks as called for by the Trade and Investment Framework Agreement (TIFA), which our two governments signed in October 1991. These talks will focus on four issues: market access, services, intellectual property protection, and antidumping and countervailing duties.

Second, the President announced the lifting of the sixteen year long trade embargo against Cambodia. This action thus allows American individuals and firms to assist in the reconstruction and growth of the Cambodian market.

Third, he highlighted the upcoming trade-promotion tour of the U.S. Ambassadors to ASEAN. The President and the Secretary of Commerce also brought together the Business Delegation with the U.S. Ambassadors to ASEAN and with business representatives from the region to acquaint American industry with the trade and investment opportunities provided by ASEAN. And fourth, the President announced the establishment of the U.S.-Asia Environmental Partnership, which will bring together U.S. Government agencies, the U.S. business community and non-governmental organizations, and their Asian counterparts to address the serious environmental challenges facing Asia.

KOREA

Korea is the largest of the Four Tigers, and has a phenomenal record of economic growth over the past several decades. Our trade deficit with Korea has decreased from nearly $9 billion in 1987 to a little over $4 billion in 1990, and an estimated $1.5 billion last year. The U.S. remains the Republic of Korea's largest trading partner, absorbing 25 percent of Korea's exports, down from 30 percent in 1990. Korea is our sixth largest export market. The U.S. is Korea's largest foreign investor, with $2.1 billion invested at the end of 1990.

During President Bush's visit to Korea, he and President Roh reviewed our bilateral economic relationship. While a Presidential Business Delegation is rather unique for the U.S., it is not unusual for many countries in Europe or Asia. In fact, President Roh pointed out to President Bush that he has been leading similar missions for some time, and was pleased that the President "stole" the idea from Korea. President Bush commented that although Korea has made progress in removing visible barriers to trade, foreign firms still face significant difficulties in doing business in Korea. He pressed Roh to address such fundamental market access problems as non-transparent standards and regulations, cumbersome customs procedures, restrictive financial policies, and a frugality campaign that has often had an adverse affect on imports.

To promote the further growth of our bilateral economic relationship and improve market access, the two Presidents announced an initiative to "study and recommend ways to make it easier to do business together." They tasked the Economic Subcabinet, which is the principal consultative mechanism on trade issues between the U.S. and Korea, to serve as the focal point for discussions on this initiative. The next meeting is being scheduled for Washington in March.

Under the new initiative, the Subcabinet would identify topics to be investigated and agree on terms of reference for a joint working group for each topic. We are now in the process of developing suitable topics for discussion and action. We believe that the Presidential commitment on both sides will ensure steady progress in the reduction of trade barriers.

Liberalization in financial services was specifically addressed by the Presidential Business Delegation in their meeting with President Roh. Furthermore, given the concern of American business over Korea's restrictive financial and investment policies, Treasury Deputy Assistant Secretary for Developing Countries, James Fall, was sent to Korea as a follow up to the President's call for a response to these issues. This is a part of the Treasury Department's ongoing series of bilateral Financial Policy Talks (FPT) with Korea's Ministry of Finance. Some progress has been made in FPT. For example, the Korean Government opened the country's stock market to foreign investment on January 1 and recently announced plans for interest rate deregulation and the easing of foreign exchange controls.

JAPAN

It is impossible to discuss the economic importance of the Asia Pacific region without talking about Japan. Some speakers, in seeking to expand on the Four Tigers analogy, have referred to Japan as Asia's "elephant." Others have referred to it as the original Asian Tiger. No matter what verbal imagery we may assign to it, Japan remains the region's dominant economic presence.

A great deal of attention has been focused on our bilateral trade relationship with Japan over the past several years. Japan is our second largest trading partner (after Canada), and is our second largest export market (also after Canada). The U.S. and Japan are the two largest economies in the world, together comprising over one third of the total world economy. Japan is now the second largest investor in the United States (after the United Kingdom), and is the third largest source country of outward investment in the world.

While the U.S. trade deficit with Japan has dropped 30 percent since 1987, and U.S. exports to Japan are up 70 percent in the same period, the macroeconomic and other factors which have traditionally been relied upon to bring our worldwide trade accounts into balance have not been effective in correcting our chronic merchandise trade deficit with Japan. For instance, our trade surplus with the European Community increased from $6.3 billion in 1990 to an estimated $17.0 billion in 1991. This was largely a result of economic recovery and the concomitant new market opportunities within Europe, and of the competitiveness of U.S. products. However, despite a strong Japanese economy over the same period, our bilateral merchandise trade deficit has stubbornly remained above $40 billion since 1985, including an estimated $42.5 billion deficit last year. Japan's share of our overall merchandise trade deficit has risen from 40 percent in 1990 to an estimated 65 percent in 1991.

Our bilateral trade deficit with Japan is symptomatic of a larger problem, one that impacts both American and Japanese workers and consumers. The Japanese economic system -- especially in key sectors -- is largely (and by design) self-contained, and exhibits specific and unique structural impediments to the free flow of goods and capital. Because of the singular challenges posed by the Japanese market, this administration has worked hard to develop specific approaches to cultivate and ensure commercial opportunities for U.S. business, including:

- Aggressive pursuit of market-opening agreements in key sectors in which U.S. businesses have been shut out;

- The Structural Impediments Initiative (SII) has been developed and expanded to address structural barriers to trade, such as inadequate public infrastructure investment, restrictions on large retail store openings, lackluster enforcement of anti-competition laws, keiretsu, and other exclusionary business practices; and

- Greatly enhanced trade promotion and business counselling efforts, including the Japan Corporate Program and the expanded Japan Export Information Center.

.Over the past year, as Japan's world trade surplus increased markedly, tension grew in Japan's overseas markets. Last fall, the "Business Initiatives for Global Partnership," or Business Global Partnership (BGP), was announced. The President's visit was well timed to take advantage of this effort in its formative stages, as that effort can significantly benefit U.S. commercial interests.

The Tokyo Declaration and the Global Partnership Plan of Action, of which the Business Global Partnership is an important part, outline the significant results of the trip. With a focus on creating specific business opportunities, these steps should increase U.S. export opportunities. Compared to any other economic package resulting from a single presidential effort, this represents a substantial success.

The Tokyo Declaration clearly and emphatically states that the United States and Japan are resolved to enhance openness and oppose protectionism. The Japanese government will expand efforts to stimulate imports as outlined in the Global Partnership Plan of Action (part II). The United States and Japan have expressed support for efforts by Japanese companies participating in the "Business Initiatives for Global Partnership" (BGP). The BGP is a private sector initiative to expand imports through company developed voluntary action plans. We are encouraged by the announcement that 23 leading Japanese companies in the electronics, auto, and machine industries will increase imports from the world over JFY 1990 levels by $10 billion in JFY 1993. MITI and the USG will monitor the progress of the plans and ensure that U.S. firms take effective steps to benefit from this initiative.

The GOJ will employ tax incentives to promote imports by Japanese companies and encourage local procurement by Japanese affiliated companies operating abroad. The BGP will also enhance Japan External Trade Organization (JETRO) activities which assist foreign firms in establishing contacts with Japanese companies.

The BGP creates expanded opportunities for U.S. suppliers to trade with Japanese companies and will assist U.S. firms in pursuing export contracts and business arrangements under the voluntary action plans recently announced by 23 Japanese firms. We anticipate that many of an additional 88 Japanese companies and 22 industrial associations (which account for approximately 50 percent of Japanese trade) will soon announce voluntary import plans.

Japan has also agreed to many specific measures under the BGP to promote imports and increase foreign direct investment. Cooperation by USG and GOJ financial institutions will create additional opportunities for U.S. companies to work with Japanese firms on projects in developing countries.

Specific sectoral achievements include:

Computers

There is a wide disparity between the foreign share of Japan's private sector computer market and the foreign share of the public sector market. For example, industry figures show that foreign manufacturers currently hold 41 percent of Japan's private sector mainframe computer market but only 6 percent of the public sector mainframe market. At the national government level, foreign market share is only 0.4 percent.

U.S. and Japanese negotiators concluded a new procedural agreement on Japanese public sector computer equipment and services procurement, which requires public sector entities in Japan to follow open and competitive procedures when procuring such equipment or services. U.S. industry has praised the agreement. It is estimated that this agreement will bring an additional $2 - $3 billion a year in U.S. computer sales to Japanese public sector entities.

Paper

Japan is the world's second largest producer and consumer of paper and paperboard products. While it relies heavily on imports for its raw materials, imports from the U.S. in 1990 of printing/writing papers (higher value added papers) accounted for only 0.2 percent of total Japanese consumption. This is true despite the best efforts of competitive U.S. paper producers over a period of years to penetrate the Japanese market.

The government of Japan has agreed to complete ongoing market access negotiations with the U.S. Government by March 31, 1992. Steps involved in this agreement will be combined with efforts by Japanese paper distributors to increase their procurement of competitive U.S. products under the BGP initiative. In addition, the Japan Fair Trade Commission (JFTC) will conduct a survey on competitive conditions in the paper sector. We anticipate that this survey will address what we believe are long-standing anti-competitive and exclusionary activities on the part of Japanese manufacturers and distributors of paper and paperboard products. Once barriers are removed, we estimate that U.S. exports could increase $400 million annually.

Glass

Japan is the world's fourth largest market for flat glass. Only three Japanese companies produce flat glass. All are members of well established and strong keiretsu. The overwhelming difficulty for U.S. exporters has been penetrating the keiretsu network and closed distribution system. Steps the Government of Japan has agreed to take to increase market access for competitive foreign firms to export flat glass to Japan include the following:

- MITI will facilitate the efforts of foreign firms to increase sales in the Japanese market;

- Japanese companies will be encouraged by MITI to include imports of flat glass under their Business Global Partnership plans;

- JFTC will survey conditions in the glass market from a competition policy perspective;

- All Japanese glass manufacturers will be encouraged by MITI and the JFTC to put in place anti-monopoly compliance programs by February 1992. A stated goal of such compliance programs is to open the distribution system for glass to competitive foreign glass manufacturers;

- The Ministry of Construction will facilitate efforts of foreign firms to meet Japanese building standards for flat and other glass building materials.

Semiconductors

The President's trip also resulted in a reaffirmation of the 1991 U.S.-Japan Semiconductor Arrangement. That agreement recognizes the expectation of U.S. industry that foreign market share in Japan will reach more than 20 percent by the end of 1992. This figure is not a guarantee. In 1990, Japan's semiconductor market was valued at about $20 billion. Current foreign market share in Japan is 14.3 Percent. Foreign sales will have to increase by about $1.2 billion by the end of this year to reach a 20 percent market share.

Non-automotive Standards

The forty-nine non-automotive related standards and certification issues raised by U.S. companies in various industries have been resolved or will be resolved through the office of the Trade and Investment Ombudsman's (OTO) intensified efforts. These steps will improve market access in sectors such as industrial machinery, chemicals, transportation equipment, processed food, cosmetics, and pharmaceuticals. The Government of Japan will continue to address market access issues raised by foreign companies and others through the OTO.

SII

The Structural Impediments Initiative (SII) has been a key element in our trade policy dialogue with Japan since it was announced in July 1989. SII produced many meaningful commitments on the part of the Japanese government. Progress has been significant in some areas, but in others greater efforts are needed. SII is critical to our firms' ability to sell in Japan. There can be no level playing field if exclusionary business practices, investment restraints and business biases against imports exist.

A successful SII complements the President's specific commercial goals in Japan. We have agreed with the Japanese government to reinvigorate SII. The dialogue will broaden, new commitments will be undertaken and old ones will be implemented fully. We hope to have our next meeting within the coming month.

Autos and Auto Parts

Automotive trade with Japan in 1991 comprised an estimated 70 percent of the overall bilateral trade deficit. Comparatively speaking, in 1987 (the peak deficit year) automotive trade was 56 percent of the bilateral trade deficit. The 1991 U.S.-Japan automotive trade imbalance accounted for about 45 percent of the worldwide U.S. merchandise trade deficit.

Both U.S. auto parts and vehicle manufacturers have less than one percent of the Japanese market while maintaining significant market shares in other foreign countries -- even those which possess indigenous, competitive automotive industries. Indeed, excluding trade with Japan, we estimate the U.S. would show a $5 billion surplus in auto parts in 1991. Ford and GM sold over 3 million cars in the highly competitive European market last year. Japanese vehicle manufacturers have been reluctant to procure U.S.-made parts although the products are of high quality and are competitively priced. The U.S.-Japan auto parts price survey conducted in the spring of 1991 showed that U.S. parts, both installed and uninstalled, are in many cases 200 to 300 percent less expensive than the Japanese equivalent.

In the vehicle sector, access to the distribution system in Japan has been a significant barrier to market access. During the visit, each of the five major Japanese automotive manufacturers indicated their intention to provide access to their dealership network for U.S. auto manufacturers through company to company arrangements. These actions build on earlier announcements by Japanese automotive manufacturers to no longer require prior notification or consultation from their dealerships before the dealers undertook dual dealership arrangements.

Outstanding standards and certification issues identified by U.S. industry have also been significant impediments preventing U.S. firms from gaining further access to the Japanese market. Several issues have been in existence for more than a decade. Combined with both the contractual restrictions effectively preventing Japanese auto dealers from "dualing," i.e., carrying a competing manufacturer's product, and with exorbitant land prices in Japan (which effectively preclude the establishment of independent distribution networks), U.S. manufacturers have not had effective distribution opportunities.

We reached a resolution of a majority of standards issues, and in a few months all of the issues will be resolved. Twelve of the fourteen outstanding issues have been resolved completely, and of the remaining eight issues, six are in a resolution process, i.e. we have reached an understanding on how to finalize them. The remaining two issues will be resolved shortly.

Specifically, the expedited method for importing vehicles into Japan, known as the "preferential handling procedure," now has a potential higher unit cap of 3,000 units per model. Previously, the limit had been 1,000 units. Also, Japan agreed to accept auto emission test data from the U.S. (U.S. vehicles still tested to Japanese standards), which reciprocates U.S. practice.

MITI has announced tax and financial incentives under the Business Global Partnership, and the joint MITI-DOC vehicle trade opportunity study is progressing. The contractual relationship between dealers and auto manufacturers has been revised and now no longer includes a clause requiring dealers to hold consultations with the manufacturer prior to handling competing products. The Japan Fair Trade Commission (JFTC) also announced its intention to initiate a survey of competition in the automobile and auto parts sectors before the end of March, 1992.

In the auto parts sector, the Japanese automotive manufacturers announced voluntary plans to increase parts purchases by $10 billion by 1994. This is an increase from about $9 billion in JFY 1990 to $19 billion in 1994. These are significant numbers and represent a step in the right direction.

The U.S. and Japanese governments also reached agreement on the technical aspects of the joint sourcing study which will be underway this spring. The first phase of the study will examine the sourcing patterns of the U.S. and Japanese vehicle manufacturers, including Japanese transplants in the U.S. The second phase will examine the origin of the subcomponents used by the first tier suppliers in manufacturing parts sold to the automaker. The study will be useful in providing benchmarks for claims of increasing U.S. content by Japanese manufacturers.

In the private sector, the Big Three announced their intention to meet again with the CEOs of the five major Japanese auto manufacturers. The visit was also an opportunity for the other members of the delegation to open a dialogue with their counterparts in Japan.

CONCLUSION

As the President said upon his departure for Asia on December 30: "The sharp lines that once separated foreign and domestic policy have been overtaken by a new reality. If we want to put people to work here at home, we've got to expand trade and to open markets."

That's what this trip was all about. It was not meant as a trade mission, winning contracts for specific companies. It was not conceived as a trade negotiation, aimed at solving individual problems, although we did make excellent progress in various areas as I have discussed above. It was quite simply a mission designed to bring trade and economic concerns to the forefront of our bilateral relations with these countries. As the President has stressed in the past, economic security in the New World Order will be as important as military security. American industry is willing and able to play the same important role in the pursuit of economic security as it did in the pursuit of military security. American industry and American workers are willing and anxious to compete globally on the basis of fair trade principles and quality products. That was the message we brought to Australia, Singapore, Korea, and Japan; and by that measure, the mission was a success.

* Aladdin's lamp is their logo (DEC)

FACT CHECK COMMENCED → 3/11/92

[13th]

McGroarty/Bunton
March 11, 1992
10:30 am
[DET.3]

PRESIDENTIAL REMARKS: DETROIT ECONOMIC CLUB
DETROIT, MICHIGAN
MARCH ~~7~~, 1992
~~xx:00~~ A.M.??
NOON

lunch before Poms arrives
12:45 announced to stage
1,500 - 2,000 attendance
probably a Q's & A from cards

Intro Gov. Engler
[Introductory acknowledgements.]

My thanks for that warm Michigan welcome. I want to talk to you today about the most important issue facing Michigan and this country. It's my number one priority: the state of our domestic economy -- especially, the manufacturing sector.

Manufacturing has been the greatest generator of good jobs in American history. Take a look at the auto industry. I'm speaking not simply about the jobs created in the industry itself -- but the thousands upon thousands of jobs in supplier and spin-off businesses.

We've seen the beginning of the globalization of the service sector -- and each day brings new frontiers in the information economy. But manufacturing is and always will be the basic strength of this country's economy. No nation will ever lead the world without a strong manufacturing base.

Michigan and our country have been through some tough times. It's time for straight talk. / Before I focus on some of the specific problems we see facing the manufacturing sector, let me mention some of the things in our economy we can't afford to overlook. [Interest rates are lower now than at any point in the past twenty years.] Inflation -- the stealth tax that hits every American in the pocketbook -- inflation is under control. For

can actually go back to '79

safest would be 10yrs. 1992 → 20yrs. not time

Treasury A 10yr. Sec.

J.D. FOSTER 5084

all our troubles, America is still the world's dominant economy: the one market other countries want to crack -- the economy producing goods in demand in every country, every corner of the world. // Right now, we're in the middle of a record export boom -- one that's narrowed the trade deficit from 119 billion to 66 billion dollars in the past four years alone. Not only are we number one in the world today -- but we've been gaining ground, not losing it, to our competitors. [STATS/EXAMPLES.] These are fundamentals we can build on -- the raw material to manufacture the solid, strong recovery we know we'll see.

There's no sense pretending things are better than they are -- but there's also no sense underestimating our strengths or exaggerating our weaknesses. The simple fact is, we face a future with both challenges and opportunities. In the past three years, we've helped bring about change that has reshaped our world for the better.

I don't think there's anyone in this room who doesn't believe that the key to America's economic future is our ability to lead -- to succeed in the world economically, as we have politically. That's what my economic plan is all about.

Back in January, I sent Congress a specific short-term action plan to stimulate our economy -- to spark a recovery as early as this spring. When I sent that plan to Capitol Hill -- I set a deadline. One short week from now: March 20. You know the story. Congress barely gave my plan a glance before they got busy on their own agenda: a $90 billion dollar tax increase that

will cripple this economy. You can count on this: I will veto any tax increase the Democrats send my way -- the minute it hits my desk.

At the same time, I sent Congress a broader, long-term plan to help make America more competitive. That plan includes record federal support for R&D to keep our nation on the cutting edge of new technologies; new incentives for business investment -- and a clear signal to a tax-hungry Congress that we will hold the line on government spending -- and draw the line against new taxes.

Here's what I mean by making America more competitive: We must provide our children with a 21st Century education -- today. That's the idea at the heart of our America 2000 strategy: our plan to revolutionize -- to literally re-invent -- America's schools.

We've got to move forward on civil justice reform. Too many businesses can't start up or keep going because too many lawyers and too much red tape get in the way. Frivolous lawsuits sap our economy and strain our patience. It's time for reform -- time to replace the explosion of mindless litigation with a little common sense. //

And we've got to work to open markets around the world to American goods. // Earlier this year, I took some of the people here today with me to Japan. We all took a little flack in the press for that trip -- but the fact is, that trip was a successful mission, the beginning of a new push to open markets that for too long have been closed to quality American goods.

We've already seen results: new markets for American computers, glass and timber [-- and yes, for auto parts.] That trip marked the beginning of an important process -- a process that is key to this country's economic future and one I will do all I can as President to advance. It signalled to our trade partners that America is serious about free and fair trade. Level the playing field, and American workers and American business can compete with anyone. //

But our companies can't compete if the government chokes them in red tape. We've put a stop order on all new regulation. I've ordered a 90-day review of all new regulation with this aim in mind: whatever contributes to economic growth goes forward. Whatever stifles growth gets scrapped. // Today I am happy to announce [SECTION DETAILING RELATED REGULATORY RELIEF].

So far today, I've talked about my plan -- my plan to get this economy growing again and to get this country ready for the challenges of a new century. But I want to make sure that when you walk out of this room today -- you know exactly where I stand regarding the future of this country's manufacturing base.

Let me tell you what I can do -- and I'll give it to you straight:

I will not allow the federal government to contribute to any deterioration in America's manufacturing base.

I will stop counter-productive regulations that cripple your freedom of action and cost this country jobs. And I will veto any CAFE legislation that costs a single American job. //

I will veto mandates that pass the buck to business and hurt competitiveness.

I will veto job-destroying tax increases.

I will fight for job-creating incentives.

Let me tell you what I'll fight for:

I will fight to open markets around the world to American products -- and I will fight against the forces of protectionism abroad -- and here at home.

I will champion education reform -- to train the kind of skilled workforce you'll need to compete in the 21st Century.

That's what I will do. You have my word on it. And now, here's what you in the business community must do. Some of the things I'm going to say may strike a nerve. But it's got to be said.

You've got to invest in your future: See past the next quarter's balance sheet -- look to the long-term.

You've got to train your workers -- give them the skills they'll need to cope with a changing workplace -- take a stake in our schools and help teach the children who'll shape our future.

You've got to continue to build on recent progress that has labor and management working as allies -- not adversaries. No company can compete when it's at war with itself.

You've got to fight for foreign markets -- make the commitment for the long-haul. Don't expect government to ride in to the rescue: Because there's one thing I won't do: and that's give one industry a leg up on all the others. Government can't

second-guess the marketplace by picking winners and losers.

All this week I've been speaking about responsibilities -- about the responsibilities of each individual American citizen, about the government's responsibilities to the people. So let me add a word today about responsibility in corporate America -- about a practice that's managed to raise the blood-pressure of every working American, and fuel a cynicism about business this country just cannot afford. I think you know what I'm talking about. ~~How many~~ Millions of people here in Michigan and across the country must have asked themselves how a company can lose money, lay off workers -- while its executives pull down these 7- and 8-figure pay packages? //

If responsibility has any meaning in the business world, it starts by linking pay to performance. Performance measured means performance improved: People back ~~to~~ at work. Assembly lines up and running. Putting out a superior product -- and bringing in a profit: do that, and any executive can lay claim to a legitimate bonus.

The last thing I want to see is the government setting salaries. But when it comes to executive pay, there's nothing wrong with a little shareholder democracy. That's why I've asked the SEC to expand shareholders' access to information -- to give them a stronger voice in corporate councils. //

Let me say in closing: I recognize that it's an election year. When the rhetoric heats up, it gets a little tough separating fact from fiction.

But I sincerely believe: If we want to succeed economically at home -- we've got to compete economically abroad. I bring the same approach to the economic challenge we face today that I've brought to every challenge we've met -- and mastered. I want people to say: If you've got a fight you must win, if you've got a hell of a problem -- George Bush is the right man to tackle it. George Bush will get the job done. //

Thank you -- and may God bless the United States of America.

# # #

McGroarty/Bunton
March 11, 1992
~~3:30 pm~~
[DET.3]

PRESIDENTIAL REMARKS: DETROIT ECONOMIC CLUB
DETROIT, MICHIGAN
MARCH 13, 1992
xx:00 A.M.??
NOON/ announced @ 12:45 p.m.

[Introductory acknowledgements.] My thanks for that warm Michigan welcome.

Four short days from now, Michigan faces a choice. You will make a decision that will shape the way this country copes with the big issues: the issues that shape the world -- and the values close to home: I'm talking about jobs, about family -- about peace: for ourselves -- for our kids.

Right now, the most important issue facing Michigan and this country is the economy. It's my number one priority: jobs -- especially, in the manufacturing sector.

Manufacturing has been the greatest generator of good jobs in American history. Take a look at the auto industry. I'm speaking not simply about the jobs created in the industry itself -- but the thousands upon thousands of jobs in supplier and spin-off businesses. Manufacturing is and always will be the basic strength of this country's economy. No nation will ever lead the world without a strong manufacturing base.

Before I focus on some of the specific problems we see facing the manufacturing sector, let me mention some of the things in our economy we can't afford to overlook. Interest rates are lower now than at any point in the past ~~twenty~~ 10 years. Inflation is under control. For all our troubles, America is

still the world's dominant economy: the one market other countries want to crack -- the economy producing goods in demand in every country, every corner of the world. //

Right now, we're in the middle of a record export boom -- one that's narrowed the trade deficit from 119 billion to 66 billion dollars in the past three years alone. Not only are we number one in the world today -- but we've been gaining ground, not losing it, to our competitors. [STATS/EXAMPLES.] These are fundamentals we can build on -- the raw material to manufacture the solid, strong recovery we know we'll see.

Michigan and our country have been through some tough times. It's time for straight talk. / There's no sense pretending things are better than they are. But there's also no sense underestimating our strengths or exaggerating our weaknesses. The simple fact is, we face a future with both challenges and opportunities. In the past three years, we've helped bring about change that has reshaped our world for the better.

I don't think there's anyone in this room who doesn't believe that the key to America's economic future is our ability to lead -- to succeed in the world economically, as we have politically. That's what my economic plan is all about.

Back in January, I sent Congress a specific short-term action plan to stimulate our economy -- to spark a recovery as early as this spring: a recovery that would increase auto sales and create jobs. When I sent that plan to Capitol Hill -- I set a deadline. One short week from now: March 20. You know the

Senate version over 100
House version over 90

story. Congress barely gave my plan a glance before they got busy on their own agenda: a $90 billion (roughly $100 billion) dollar tax increase that will cripple this economy -- and cost us jobs. You can count on this: I will veto any tax increase the Democrats send my way -- the minute it hits my desk.

In addition to my action plan, I sent Congress a broader, long-term plan to help make America more competitive. That plan centers on seven things we've got to accomplish to ensure a stong job market for America and for the automotive industry.

We've got to reduce government spending -- and draw the line against new taxes. Deficit spending dries up sources of savings the private sector needs to invest, to grow and to create new jobs.

We've got to put an end to excessive government regulation. Our companies can't compete if the government chokes (binds) them in red tape. I've ordered a 90-day review of all new regulation with this aim in mind: whatever contributes to economic growth goes forward. Whatever stifles growth gets scrapped. //

If we want to make America more competitive, we've got to move forward on civil justice reform. Too many businesses can't start up or keep going because too many lawyers and too much red tape get in the way. Right now, lawsuits cost this economy $300 billion dollars a year. // It's time for reform -- time to replace the explosion of mindless litigation with a little common sense. //

check w V.P.

We've got to keep our nation on the cutting edge of new technologies. That's why I've proposed record federal funding for R&D -- it's why we back initiatives like the battery consortium to pioneer a new generation of electric cars. In the global competition, it's going to come down to this: the future belongs to the people with the bright ideas.

If we want to be more competitive, we've got to encourage investment. That's why I've called on Congress to pass my investment tax allowance. And it's why I've urged the Congress to quit punishing the people who invest their hard-earned money to create new jobs -- and cut the tax on capital gains.

We must provide our children with a 21st Century education -- today. We won't have a first-class economy with second-rate schools. America 2000 strategy: our plan to revolutionize -- to literally re-invent -- America's schools.

Finally, we've got to work to open markets around the world to American goods. // Earlier this year, I took some of the people here today with me to Japan. We all took a little flack in the press for that trip -- but the fact is, that trip laid down a marker. It signalled to our trade partners that America is serious about free and fair trade. Level the playing field, and American workers and American business can compete with anyone. //

We'll keep pushing to open markets that for too long have been closed to quality American goods. We've already seen results: new markets for American computers, glass and timber. paper?

2500

[[In the automotive industry, just last month, GM received approval opening unlimited exports of the Pontiac Grand-Am to Japan. And the benefits won't simply flow to the Big 3: Detroit Center Tool reports that its sales in Japan will jump 500 percent this year alone -- to 30 million dollars.]]

So far today, I've talked about my plan -- my plan to get this economy growing again and to get this country ready for the challenges of a new century. But I want to make sure that when you walk out of this room today -- you know exactly where I stand regarding the future of this country's manufacturing base.

So let me repeat: here's what I can do -- and I'll give it to you straight:

I will not allow the federal government to contribute to any deterioration in America's manufacturing base.

I will stop counter-productive regulations that cripple your freedom of action and cost this country jobs. And I will veto any CAFE legislation that costs a single American job. //

I will veto mandates that pass the buck to business and hurt competitiveness.

I will veto job-destroying tax increases.

I will fight for job-creating incentives.

Let me tell you what I'll fight for:

I will fight to open markets around the world to American products -- and I will fight against the forces of protectionism abroad -- and here at home.

That's what I will do -- and here's what you in the business community must do. Some of the things I'm going to say may strike a nerve. But it's got to be said.

You've got to invest in your future: See past the next quarter's balance sheet -- look to the long-term.

You've got to train your workers -- give them the skills they'll need to cope with a changing workplace -- take a stake in our schools and help teach the children who'll shape our future.

You've got to continue to build on recent progress that has labor and management working as allies -- not adversaries. No company can compete when it's at war with itself.

You've got to fight for foreign markets -- make the commitment for the long-haul. Don't expect government to ride in to the rescue: Because there's one thing I won't do: and that's give one industry a leg up on all the others. Government can't second-guess the marketplace by picking winners and losers.

And let me add a word today about responsibility in corporate America -- about a practice that's managed to raise the blood-pressure of every working American, and fuel a cynicism about business this country just cannot afford. I think you know what I'm talking about. How many millions of people here in Michigan and across the country must have asked themselves how a company can lose money, lay off workers -- while its executives pull down these 7-and 8-figure pay packages? //

If responsibility has any meaning in the business world, it starts by linking pay to performance. Performance measured means

performance improved: People back at work. Assembly lines up and running. Putting out a superior product -- and bringing in a profit: do that, and any executive can lay claim to a legitimate bonus.

The last thing I want to see is the government setting salaries. But when it comes to executive pay, there's nothing wrong with a little shareholder democracy. That's why I've asked the SEC to expand shareholders' access to information -- to give them a stronger voice in corporate councils. //

I want to close today with a few words from the heart. I know some folks were surprised I'd come to Detroit -- surprised I'd come to a city and state that's experienced such hard times. But I came here for that very reason: to look you in the eye, and tell you what we've got to do to turn this economy around. // I have too much respect for the people in this room -- too much respect for the men and women who work the assembly lines -- to expect you to settle for anything short of the truth.

Yes, it's an election year. When the rhetoric heats up, it gets tough separating fact from fiction. Well, I can tell you this: All the quick-fix schemes and gimmicks in the world are just that: gimmicks. The plan I've laid out today will help America take on the toughest competition -- and win.

So let's not wring our hands -- or try to run away from the challenge. Let's do what America always does when challenge comes our way: Let's change America -- for the better. //

roll up our sleeves

Thank you -- and may God bless the United States of America.

Faxed from SITRM. @ 10:15 a.m.

EXECUTIVE OFFICE OF THE PRESIDENT

13-MAR-1992 09:48AM

TO: CHRISTINA M. MARTIN

FROM: JEAN M. BUNTON
OFFICE OF COMMUNICATIONS

SUBJECT: ECONOMIC CLUB OF DETROIT

T --

1. ACCORDING TO ADVANCE, WOULD BE GOOD TO DO A GENERIC ACK. TO "MEMBERS OF THE ECONOMIC CLUB OF DETROIT." THE ENTIRE AUDIENCE IS CLUB MEMBERS AND THEIR GUESTS.

2. HUMOR - "CAN'T THINK OF A BETTER PLACE TO SPEND FRIDAY THE 13TH THAN THE "GLOOM CLUB." [CLUB WAS BORN OUT OF THE GREAT DEPRESSION -- THE FOUNDING PRESIDENT REFERRED TO THE CLUB AS THE "GLOOM CLUB".]

3. POSSIBLE HUMOR LINE: CLUB CURRENT PRESIDENT GERALD WARREN GETS HIS EXERCISE THROUGH COMPETITIVE TENNIS.

4. AUTO EXPORTS HAVE NOT DOUBLED SINCE 1985. THEY HAVE INCREASED 82 PERCENT SINCE 85, [6.1% TO 11.1] ACCORDING TO LES DAVIS IN COMMERCE CHIEF ECONOMIST OFFICE 377-1675.]

5. CAFE STANDARDS CAME ABOUT IN 1975, ACCORDING TO ROB FAIRWEATHER IN BOB GRADY'S OFFICE. ON THE BACK UP COPY IT WAS ON PAGE 8 -- THE GRAPH STARTING WITH ...TIMES HAVE CHANGED. DELETE "20 YEARS AGO" AND REPLACE WITH "NEARLY TWO DECADES AGO".

NEW! LANGUAGE CHANGE

LANGUAGE CHANGE

6. Page 9 on back up: 18 million lawsuits last year alone; delete "last year alone" - replace with "ever year." [New sentence reads - 18 million lawsuits every year."

Thanks!

N.Y.TIMES: 02/21/92

RESEARCH SPENDING IS DECLINING IN U.S. AS IT RISES ABROAD

A LONG TREND IS REVERSED

Federal Study Worries Analysts, Who Fear Nation Is Losing Its Edge in Innovations

54

By WILLIAM J. BROAD

American spending on research and development has begun to fall for the first time since the 1970's, even as foreign rivals increase their investments in research, a Federal science agency said yesterday.

The amounts spent on research by the Federal Government and private industry each fell, worrying many analysts. They fear that the nation is losing its edge in the international race for discoveries and innovations that can form the basis for new goods and services.

The National Science Board, in its biennial report on the health of the nation's research enterprise, said overall spending on research by the Federal Government, industry, universities and private patrons slowed during the second half of the 1980's and began to fall in 1989, ending an era of extraordinary growth.

Recession and End of Cold War

A Federal analyst, who spoke on the condition of anonymity, said the decline was caused by cutbacks in military research with the end of the cold war and by industrial reductions prompted in part by the recession.

Dr. James J. Duderstadt, president of the University of Michigan and chairman of the National Science Board, said in a statement that the decline, when coupled with educational woes, "should give us real concern for the continued vitality of our research enterprise."

He noted that the United States, despite the drop, still leads the world in overall spending on scientific research.

Yet analysts already edgy about America's status in the global contest for economic advantage expressed worry about the research decline. American spending is falling, they said, as similar investments by Japan and Germany are rising rapidly.

"Clearly it's another warning sign," said Kent H. Hughes, president of the Council on Competitiveness, a private group in Washington that seeks policies to promote industrial vigor. "Especially on the private side, I'd be concerned. That's the research closest to commercialization and marketable products."

Dr. Frank Press, president of the National Academy of Sciences, a federally chartered organization of scientists that advises the Government, agreed. "We especially need to ask why industrial research is down when for other countries it's going up," he said. "That's a matter of concern."

News of the overall drop came in a 487-page report, "Science and Engineering Indicators." Its author, the National Science Board, is the policy-making arm of the National Science Foundation, a Federal agency that supports science research and is responsible for monitoring the nation's overall scientific health.

The biennial report is meant to give decision makers in Government, industry and academia concise information about national trends in science spending, education, manpower and the various fruits of the research enterprise, including patents, scientific papers and new technologies.

In recent decades, the only other drop in overall science spending occurred in the early 1970's as the United States reduced space research after the Apollo moon landings and cut back on military research amid an early thaw in the cold war.

The new report shows that the United States, beginning in 1975, embarked on a spending spree that climaxed in 1989 with an annual national expenditure for research and development of $154.31 billion. After that peak, the amount for 1990 fell to $151.57 billion. The figures are in constant 1991 dollars to cancel the effects of inflation.

The report said that preliminary data suggest that the total for 1991 will be about the same as 1990. But a Federal analyst working on the data suggested that the 1991 total might go down further.

"The dip," said the Federal analyst, who spoke on the condition of anonymity, "is not simply in Federal dollars but in almost all sectors.

"The bottom line for industry is that they had tremendous growth in the first half of the 80's," the analyst said. "And now, with a change of expectations in profits and sales, and a certain amount of consolidation, there's been a slowing in research and development."

From a peak in 1989 of $78.83 billion, annual research spending by American industry dropped to $77.84 billion in 1990, according to the report. It was the biggest drop in three decades.

'Probably Will Get Worse'

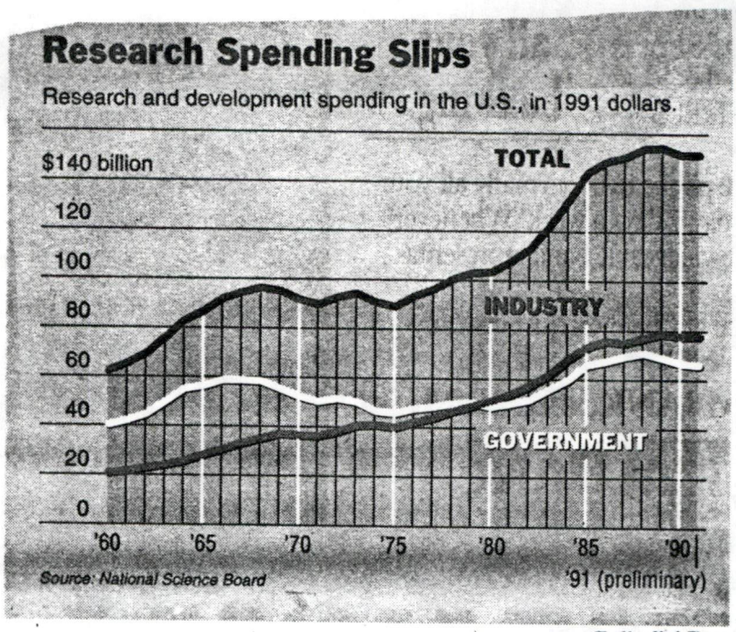
"It's bad news," said Erich Bloch, former director of the National Science Foundation. "And it probably will get worse. A couple of years ago, the leveling off had to do with restructuring. But the drop now has to do with the recession and restructuring."

Even before the decline, the rate of growth had fallen sharply. Between 1980 and 1985 the rate of annual growth for industrial research was 6.9 percent in inflation-adjusted dollars, the report said. Between 1985 and 1990, it fell to 1.2 percent.

The report also noted that the American share of the global market for high-technology goods had fallen from 40 percent in 1980 to 37 percent in 1988.

The report, which is required by Congressional legislation, is submitted by the National Science Board to the President, who in turn provides it to Congress. The current volume is the 10th in a biennial series begun in 1972.

In a preface to the report, Dr. Duderstadt of the National Science Board noted the rapid changes around the globe and warned that American research priorities and programs must be "refined and reshaped to adapt."



The New York Times

Lynn Kennedy 7:30P

THE WHITE HOUSE
WASHINGTON

2:30

Pons to Detroit from Kalamazoo

Have already eaten

- 2nd mtg for this week -

≈ 1,600 in audience

As of Wed's

Dais -

- Pres. Jerry Warren of Detroit Econ. Club
Gerald

—— Andy Foster
Political

Bd. of Dirs.?

income president

Vivian

~~Don~~

12 March 9:30 a.

THE WHITE HOUSE

WASHINGTON

VIVIAN CASTINIER

ECD

313-963-8547

re: access

Lynn Kennally: 3/12/92 2:50 p.m.

[blanket recog. to mbrs. of Economic Club of Detroit

Mrs. Engler [Michelle]

Lt. Gov. Connie Binsfeld (woman)

To _____

Date _____ Time _____

WHILE YOU WERE OUT

M Les Davis.

of _____

Phone 377-1675

Area Code Number Extension

TELEPHONED		PLEASE CALL	
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WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

Message

Chief Economist @ Commerce

TONY WILLIAMS'S OFFICE

Operator

AMPAD EFFICIENCY® 23-021 CARBONLESS

U.S. Department of Commerce
Office of the Secretary

14th & Constitution, N.W.
Washington, D.C. 20230
United States of America

TO: ALISON KUTCHINS 377-5283

FROM: RICH REILLY 377-2047 / TOM COLLAMORE

FAX 377-0257

SUBJECT: INFO. FOR SPEECH WRITERS

OF PAGES (including cover sheet) 6

REMARKS: JEANNIE BUNTON (456-7750) REQUESTED THIS INFO...

- RICH REILLY -

Recent Agreements, Contracts or Activities in the Auto Industry:

1.) General Motors Corporation has received Type Designation Approval on Pontiac Grand-Am SE Sedan and Grand-Am SE Coupe. (Type Designation Approval is the government certification procedure used by Japanese vehicle manufacturers. This will allow U.S. manufacturers unlimited exports to Japan of these models.) (Letter attached) February 25 completed

2.) Detroit Center Tool (DCT), a Japan Corporate Program company and Presidential Business Delegation to Asia and the Pacific participant, was awarded $2.5 million in export orders for end use by Honda for the assembly of sunroofs while in Japan with the President. DCT is optimistic about business in Japan following the Presidential Mission and expects 1992 orders from the Japanese to reach $30 million in 1992, a five-fold increase from 1991.

GO TO PAGE 5

3.) Chrysler has announced that it will introduce right-hand drive automobiles in Japan this Fall, and Ford is to introduce right-hand drive automobiles in model year 1993. local taste / customs

4.) General Motors Corporation began a large-scale advertising campaign in Japan on March 4, 1992. (See attachment)

MINISTRY OF TRANSPORT

KASUMIGASEKI, CHIYODA-KU,
TOKYO, JAPAN

Tokyo, 25 Feb.1992

The Honorable
J. Michael Farren
Under Secretary for International Trade
U.S. Department of Commerce
Washington, D.C. 20230

Dear Mr. Farren,

I have the pleasure of informing you that the Ministny of Transport has given, as of 24 February 1992, the Type Designation Approval on Pontiac Grand-Am SE Sedan and Grand-Am SE Coupe manufactured by General Motors.
The application was submitted on 14 January 1992 and the whole process was completed as speedily as in a month and ten days.

I am very much pleased to see our agreement, reached in early January in Tokyo and confirmed by the exchange of letters dated on 23 January, is bearing its fruit so quickly.
I hope further cases will follow soon.

As we promised, MOT is preparing to send a mission of three experts to Wasington on 23 and 24 Macrh to explain implementation of January agreement to DOC, to exchange views with US authorities concerned on testing of US manufactured vehicles by US official test institutes in accordance with the Japanese standard and test procedures as well as to discuss with the US counterparts on possible international harmonization of the certain standards and test procedures.
They will also visit Detroit from 25 to 27 March to explain the TDA system to three US manufacturers.

I hope the mission will achieve those objectives successfully and contribute to the smooth integration of US auto-manufacturers into the TDA system.
In this regard, I would like to ask you to extend, if necessary, possible assistance by DOC to the mission particularly in relation with US manufacturers.
The contact point in the Japanese Embassy is First Secretary Mr. Norio Mitsuya.

Sincerely yours,

Kiyoshi Terashima
Vice Minister for
International Affairs

JAPAN CORPORATE PROGRAM
PROGRESS OF COMPANIES IN THE JAPANESE MARKET

- Square D Company and its two joint venture partners have won two bids for Kansai Airport projects worth $6.5 million and $2.88 million, respectively.

- In 1991, Detroit Center Tool (DCT) received its first orders from Toyota and Nissan, so that it now has business with every major Japanese auto manufacturer. While in Japan with the President, DCT was awarded $2.5 million in export orders for end use by Honda for the assembly of sunroofs. DCT is very optimistic about business in Japan following the Presidential Mission and expects 1992 orders from the Japanese to reach $30 million in 1992, a five-fold increase from 1991. DCT has introduced other U.S. suppliers to its new customers in Japan and helped them market their products.

- In July 1991, Timken started supplying approximately 150,000 sets of wheel bearings a year for the Nissan Cedric, Gloria, and CIMA luxury car models. This was the first time a U.S. supplier participated in the "Design-In" concept to supply a vital part for a Japanese domestic-only model. In December 1991, The Timken Company received an order for 600,000 sets of wheel bearings a year for use in the Mitsubishi Pajero, sold under the name Mitsubishi Montero in the United States. In total, Timken started on six new major projects in 1991 with four new major OEM customers in Japan.

- Guardian Industries feels its opportunities in Japan have greatly increased with the agreement on flat glass reached on the President's Asia trip and the agreed to studies by MITI and the Japanese Fair Trade Commission on the exclusionary practices of the Japanese glass market. Guardian has recently opened its sales office in Japan and is preparing to open a distribution center to supply the architectural glass distribution market.

- Peavey Electronics increased sales in Japan by more than 150 percent in 1991. In September 1991, for the first time ever, Peavey had two amplifiers in The Japan Music Journal's top-ten list ranking sales.

- Since joining the Japan Corporate Program, American of Martinsville has signed distribution agreements with two Japanese partners: Kosuga & Co., Ltd, and Shibusawa Development Co., Ltd.

- Applied Communications, Inc. and Compaq Computer Corp. both opened permanent offices in Japan in 1991.

Post-it™ brand fax transmittal memo 7671 | 2 pages ▸ 1

To HENRY MISISCO | From CAROLYN BRETHAUER

Co. [redacted] | Co. GM WASHINGTON

Dept. | Phone #

Fax # 377-0674 | Fax #

yfefrjp. ybsirxxi ybfarxx. yppsrxx.

20627jpfef
r f bc-japan-autoimports:815aes 3-5 0268
Japanese auto imports down 14th straight month

TOKYO (UPI) _ A continuing economic slump reduced the number of imported automobiles sold in Japan in February compared with a year earlier, the 14th consecutive year-on-year drop, the Japan Automobile Importers Association reported Thursday.

The number of new foreign car registrations in February came to 12,720 vehicles, down 2,175 from a year earlier and a 14.6 percent drop, the association announced in its monthly report.

''Unless the overall economic situation improves, we cannot expect a bright future for imported cars,'' an association spokesman said.

In 1991, the Japanese auto market, including both imports and domestic sales, posted a 3 percent drop from the previous year to 7.5 million vehicles.

German automobiles led the import list with 7,451 vehicles, down 17.1 percent from a year earlier, and commanded a 59.1 percent share of the imported passenger car market.

American cars took second place with 2,431 vehicles, 15.6 percent more than in February 1991.

American Honda Motor Co. occupied the U.S. contingent's top spot with nearly half of all U.S. passenger cars newly registered in Japan during February.

General Motors Corp., which began a large-scale advertising campaign in Japan on Wednesday, posted an 8.7 percent increase to 783 vehicles.

Ford Motor Co. imports fell to 231 vehicles, a 10.2 percent drop from the same period last year.

A spokesman for Yanase & and Co., Japan's top auto importer, attributed GM's rise to recent model changes and increased sales efforts.

upi 03-05-92 08:14 aes

Henry -
Thought you'd be interested in this.

THE WHITE HOUSE

WASHINGTON

Tim Houser Commerce 377-3917

we have a 6.8 billion out of a 19.1 billion mainframe computer mkt (both public & private)

mainframe the agreement could mean addition $3.5 to 5.5 billion in sales to the Japanese Govern't (agreement to govt sales only)

TIM HOUSER → Commerce

on paper → abt $500 million

share out of $20 billion

2/or 2.5%

paper & paper board

market.

To JEANNIE

Date March 12 '92 Time 3:15 P

WHILE YOU WERE OUT

M. TOM COLLAMORE

of

Phone

Area Code Number Extension

TELEPHONED	✓	PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

Message Not True that Japan will now accept US Emissions Tests!

Operator

AMPAD EFFICIENCY®

23-021 CARBONLESS

THE WHITE HOUSE

WASHINGTON

377-5283

3/11/92
2 p.m.

Call Anne —

see. Nagbacher says"
Japanese WILL NOW ACCEPT
U.S. EMISSIONS TESTS
INSTEAD OF Requiring
reviews —

true?

How much will it
save??

NOT TRUE -DC

☐ WILL SAVE TIME

☐

auto dealer sales are 8.5% Jan. 1.4% in Feb.

J.D. Foster preliminary #'s

Stats — ↗ "rose 1.3% in February after rising and upwardly revised 2.1% in Jan- originally .6 "

395-4666

Jan. 1.167 or 1.2% up 3.5% from Dec. tgr. ago

retail figures; housing starts

Housing starts are up 5.5% from Dec.

Under Sec. Mike Farren

recent pickup (Jan. 38% above Jan 91 trough.) *

→ american corporation in Japan is worth

→ glass market

→ paper market

John Kitchen

395-4666 → current prime rate is 6.5%

☑ CEA trade deficit is down .35% done 1991-1990

→ commitment Japan trade & auto parts double or triple

Tim Hauser → deputy to Under Sec Mike Farren

Document No. 3141995S

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/10/92 **ACTION/CONCURRENCE/COMMENT DUE BY:** TODAY, 3/10/92 COB

SUBJECT: MICHIGAN ADVERTISEMENTS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	HORNER	☐	☐
SKINNER	☐	☑	MCBRIDE	☐	☐
SCOWCROFT	☐	☐	MOORE	☐	☑
DARMAN	☑	☐	PETERSMEYER	☐	☐
BRADY	☐	☑	PORTER	☑	☐
BROMLEY	☐	☐	ROGICH	☐	☐
CALIO	☑	☐	ROLLINS	☑	☐
DEMAREST	☑	☐	SMITH	☐	☑
FITZWATER	☐	☑	YEUTTER	☐	☑
GRAY	☑	☐	FINDLAY	☐	☑
HOLIDAY	☑	☐	BOSKIN	☐	☑
			KAUFMAN	☑	

REMARKS:

Please forward your comments directly to Maria Sheehan, Rm. 121, x7150, no later than COB, TODAY, MARCH 10, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

"COMPETE"
:30 TV
Bush Quayle '92

92 MAR 10 P4:20

VIDEO

POTUS in front of DESK
in OVAL OFFICE, to CAMERA

POTUS (OC): MICHIGAN HAS BEEN THROUGH TOUGH TIMES.

IT'S CLEAR HERE--PERHAPS LIKE NO OTHER STATE--THAT WE ARE COMPETING WITH THE WORLD FOR JOBS.

BUT TO REMAIN THE ECONOMIC LEADER OF THE WORLD, WE HAVE TO SET SOME THINGS STRAIGHT HERE AT HOME:

* FREEZE REGULATIONS THAT COST US JOBS.

* PREPARE OUR CHILDREN WITH BETTER EDUCATIONS.

* AND MOST IMPORTANT, REDUCE GOVERNMENT SPENDING.

WE'VE CHANGED THE WORLD. NOW, LET'S CHANGE AMERICA.

Bush/Quayle '92
"Straight"
:30TV

3/9/92, 2:00pm

VIDEO	AUDIO
President Bush in Oval Office	GB (OC): Michigan and our country have been through some tough times. And it's time now for straight talk. Fixing this economy is my number one job. I want spending cuts, tax relief and job creation. The Congress wants a ninety billion dollar tax ~~increase~~ that would hurt us all. I'll veto that tax increase the minute it hits this desk. And if Congress is afraid to cut the size of government, I'm not.

Pres said we've always been using 90 billion - video has been taped.
JB

McGroarty/Bunton
March 12, 1992
8:45 am
[DET.4]

PRESIDENTIAL REMARKS: DETROIT ECONOMIC CLUB
DETROIT, MICHIGAN
MARCH 13, 1992
12:45 A.M.

[Introductory acknowledgements.] My thanks for that warm Michigan welcome.

Four short days from now, Michigan faces a choice. You will make a decision that will shape the way this country copes with the big issues: the issues that shape the world -- and the values close to home: I'm talking about jobs, about family -- about peace: for ourselves -- for our kids.

Right now, the most important issue facing Michigan and this country is the economy. It's my number one priority: jobs -- especially, in the manufacturing sector.

Manufacturing has been the greatest generator of good jobs in American history. Take a look at the auto industry. I'm speaking not simply about the jobs created in the industry itself -- but the thousands upon thousands of jobs in supplier and spin-off businesses. Manufacturing is and always will be the basic strength of this country's economy. No nation will ever lead the world without a strong manufacturing base.

Before I focus on some of the specific problems we see facing the manufacturing sector, let me mention some of the things in our economy we can't afford to overlook. Interest rates are lower now than at any point in the past ten years. Inflation is under control. For all our troubles, America is

still the world's dominant economy: the one market other countries want to crack -- the economy producing goods in demand in every country, every corner of the world. //

Right now, we're in the middle of a record export boom -- one that's narrowed the trade deficit from 119 billion to 66 billion dollars in the past three years alone. Not only do we export more than any other country in the world today -- but we've been gaining ground, not losing it, to our competitors. [STATS/EXAMPLES.] These are fundamentals we can build on -- the raw material to manufacture the solid, strong recovery we know we'll see.

Michigan and our country have been through some tough times. There's no sense pretending things are better than they are. But there's also no sense underestimating our strengths or exaggerating our weaknesses. The simple fact is, we face a future with both challenges and opportunities. In the past three years, we've helped bring about change that has reshaped our world for the better.

I don't think there's anyone in this room who doesn't believe that the key to America's economic future is our ability to lead -- to succeed in the world <u>economically</u>, as we have <u>politically</u>. That's what my economic plan is all about.

Back in January, I sent Congress a specific short-term action plan to stimulate our economy -- to spark a recovery as early as this spring: a recovery that would increase auto sales and create jobs. When I sent that plan to Capitol Hill -- I set

a deadline. One short week from now: March 20. You know the story. Congress barely gave my plan a glance before they got busy on their own agenda: a $90 billion dollar tax increase that will cripple this economy -- and cost us jobs. You can count on this: I will veto any tax increase the Democrats send my way -- the minute it hits my desk.

In addition to my action plan, I sent Congress a broader, long-term plan to help make America more competitive. That plan includes seven things we've got to accomplish to ensure a strong job market for America and for the automotive industry.

We've got to reduce government spending -- and draw the line against new taxes. Deficit spending dries up sources of savings the private sector needs to invest, to grow and to create new jobs.

We've got to put an end to excessive government regulation. Our companies can't compete if the government chokes them in red tape. I've ordered a 90-day review of all new regulation with this aim in mind: whatever contributes to economic growth goes forward. Whatever stifles growth gets scrapped. //

If we want to make America more competitive, we've got to move forward on civil justice reform. Too many businesses can't start up or keep going because too many lawyers and too many lawsuits get in the way -- 18 million lawsuits last year alone. Right now, lawsuits cost this economy $300 billion dollars a year. // It's time for reform -- time to replace the explosion of mindless litigation with a little common sense. //

17,300,000 in '89 " 18 million new lawsuits annually"

VP language

Aug 91 ABA speech

We've got to keep our nation on the cutting edge of new technologies. That's why I've proposed record federal funding for R&D -- it's why we back initiatives like the battery consortium to pioneer a new generation of electric cars. In the global competition, it's going to come down to this: the future belongs to the people with the bright ideas.

If we want to be more competitive, we've got to encourage investment. That's why I've called on Congress to pass my investment tax allowance. And it's why I've urged the Congress to quit punishing the people who invest their hard-earned money to create new jobs -- and cut the tax on capital gains.

We must provide our children with a 21st Century education -- today. We won't have a first-class economy with second-rate schools. America 2000 strategy: our plan to revolutionize -- to literally re-invent -- America's schools.

Finally, we've got to work to open markets around the world to American goods. // Earlier this year, I took some of the people here today with me to Japan. We all took a little flack in the press for that trip -- but the fact is, that trip laid down a marker. It signalled to our trade partners that America is serious about free and fair trade. Level the playing field, and American workers and American business can compete with anyone. //

We'll keep pushing to open markets that for too long have been closed to quality American goods. We've already seen results: new markets for American computers, glass and paper.

[[In the automotive industry, just last month, GM received approval opening unlimited exports of the Pontiac Grand-Am to Japan. And the benefits won't simply flow to the Big 3: Detroit Center Tool reports that its sales in Japan will jump 500 percent this year alone -- to 30 million dollars.]]

So far today, I've talked about my plan -- my plan to get this economy growing again and to get this country ready for the challenges of a new century. But I want to make sure that when you walk out of this room today -- you know exactly where I stand regarding the future of this country's manufacturing base.

So let me repeat: here's what I can do -- and I'll give it to you straight:

I will not allow the federal government to contribute to any deterioration in America's manufacturing base.

I will stop counter-productive regulations that cripple your freedom of action and cost this country jobs. [And I will veto any CAFE legislation that costs a single American job.] //

I will veto mandates that pass the buck to business and hurt competitiveness.

I will veto job-destroying tax increases.

Let me tell you what I'll fight for:

I will fight for job-creating incentives.

I will fight to open markets around the world to American products -- but I will fight against the forces of protectionism abroad -- and here at home.

That's what I will do -- and here's what you in the business community must do. Some of the things I'm going to say may strike a nerve. But it's got to be said.

You've got to invest in your future: See past the next quarter's balance sheet -- look to the long-term.

You've got to train and re-train your workers -- give them the skills they'll need to cope with a changing workplace -- take a stake in our schools and help teach the children who'll shape our future.

You've got to continue to build on recent progress that has labor and management working as allies -- not adversaries. No company can compete when it's at war with itself.

You've got to fight for foreign markets -- make the commitment for the long-haul. Don't expect government to ride in to the rescue: Because there's one thing I won't do: and that's give one industry a leg up on all the others. Government can't second-guess the marketplace by picking winners and losers.

And let me add a word today about responsibility in corporate America -- about a practice that's managed to raise the blood-pressure of every working American, and fuel a cynicism about business this country just cannot afford. I think you know what I'm talking about. How many millions of people here in Michigan and across the country must have asked themselves how a company can lose money, lay off workers -- while its executives pull down these 7-and 8-figure pay packages? //

If responsibility has any meaning in the business world, it starts by linking pay to performance. Performance measured means performance improved: People back at work. Assembly lines up and running. Putting out a superior product -- and bringing in a profit: do that, and any executive can lay claim to a legitimate bonus.

The last thing I want to see is the government setting salaries. But when it comes to executive pay, there's nothing wrong with a little shareholder democracy. That's why I've asked the SEC to expand shareholders' access to information -- to give them a stronger voice in corporate councils. //

I want to close today with a few words from the heart. I know some folks were surprised I'd come to Detroit -- surprised I'd come to a city and state that's experienced such hard times. But I came here for that very reason: to look you in the eye, and tell you what we've got to do to turn this economy around. // I have too much respect for the people in this room -- too much respect for the men and women who work the assembly lines -- to expect you to settle for anything short of the truth.

Yes, it's an election year. When the rhetoric heats up, it gets tough separating fact from fiction. Well, I can tell you this: All the quick-fix schemes and gimmicks in the world are just that: gimmicks. The plan I've laid out today will help America take on the toughest competition -- and win.

So let's not wring our hands -- or try to run away from the challenge. Let's do what America <u>always does</u> when challenge comes our way: Let's change America -- for the better. //

Thank you -- and may God bless the United States of America.

# # #

→ when Battley Constitn Agmt signed & where
Bill in Clerk's office 2226 of Oct. 25, 1991
South Lawn

→ private sector R&D in U.S. / how does that comprise to Japan
J.D. FOSTER 5084

— way down on per capita basis but way ahead in absolutes —

P. 87 budget & public sector R&D

Remarks at the Announcement of Agreement Between the Department of Energy and the Advanced-Battery Consortium.

October 25, 1991

Thank you all. And, Jim Watkins, thank you very much. You may want to sit there, this is fairly long. [*Laughter*] May I salute not only Secretary Watkins but Secretary Mosbacher; and Bill Reilly, our Administrator; Chairman Deland was, here he is here, Mike Deland. And, of course, single out Senator Johnston and Senator Riegle with us today.

And I would like to thank the three representatives of the automotive industry who are with us and who have had such an important part to play in all of this. Welcome to the White House, all of you, and to an event that shows how America's genius rests on the timeless qualities of enterprise and ingenuity, qualities which can make the next century the new American century.

When I first heard I'd be getting together with America's competing big three, I thought Jennings, Rather and Brokaw would descend on the White House. [*Laughter*] So, this is a very pleasant experience, and, actually, I think it's terrific that these three large motor companies were brought together in mutual cooperation.

Earlier today, I mentioned to one of my grandkids this idea that I'd be out here giving a speech about electric batteries. He said, "I hope it's not interrupted by that pink bunny with a drum." [*Laughter*]

Six months ago, Chrysler, Ford and GM, together with California Edison and the Electric Power Research Institute, formed a consortium to develop improved batteries for electric automobiles. And they knew that widespread use of electric vehicles wouldn't become a reality until someone built more powerful, less expensive electric batteries.

And today, I am very proud to announce this agreement between this consortium and our Department of Energy, supported by utilities and battery manufacturers, to move us closer to that day. We've joined in a 4-year research project to create a new generation of batteries. And the goal: nothing less than to make electric vehicles competitive by the year 2000.

This private-public partnership will employ market forces, as Jim mentioned, to protect natural resources and point us toward a cleaner, more prosperous fuel and future. And it will help us reduce dependence on foreign oil and help us reduce pollution. It will also create American jobs for engineers and scientists during this R&D period and for battery manufacturers and then the support industries as this project moves into commercial production.

You know, regulating increased fuel economy will not significantly reduce our dependence on uncertain sources of foreign oil. And to accomplish that, we need alternatives to gasoline, and the electric vehicle is one of the most attractive alternatives around. The development of a competitive electronic auto industry will do more to reduce oil imports than rigid fuel efficiency standards that risk jobs and public safety. And let's remember: senseless overregulation is always a one-way dead end.

But while batteries have brought us together today, batteries are not all that this day is about. The group gathered here points to a new way of doing business: combining industry and Government's intellectual and productive assets to sustain our competitiveness in the whole international arena. Electric vehicles represent the next technology milestone in the auto industry. And we intend to beat our competitors to that milestone.

Today's agreement embodies an idea whose time has come, that Government and business can help America outthink, outwork, and outperform any nation in the world.

Earlier this year, I announced the administration's national energy strategy, a blueprint of powerful ideas for America's future. And I want to salute Senator Bennett Johnston who's been a key leader. I don't want to say partner because that might make you all believe he believes in every detail we are emphasizing. But he's done a superb job up there in the Congress working with the Department of Energy and the White House. And I would like to avail myself of this opportunity to encourage support for our energy bill.

The agreement fits into the blueprint of America's future being strong. It reflects our commitment t
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Thank you all
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Note: *The Presiden
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James D. Watkins;
Robert A. Mosbach
Administrator of th
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of the Council on
Senators J. Bennett
W. Riegle, Jr.; and
chormen Peter Jen
Tom Brokaw.*

The President's N

October 25, 1991

The President. W
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After extraordina
tion, we have reach

INTRODUCED June 5, 91 WITHDRAWN NOV. 1

225-1772

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our commitment to diversify transportation fuels. I believe there's plenty of safeguard for the environment in it, advancing technology and increasing industry participation in research and development.

And that strategy is key to achieving for all Americans a secure, clean, and affordable energy future. The U.S. Senate will soon consider comprehensive energy legislation—it's Senate bill 1220—incorporating many of the principles that shape our strategy. And I urge Congress to do its part by enacting strong energy legislation like Senate bill 1220. This legislation is environmentally sound. It does not threaten to throw a lot of automobile workers out of work by enacting excessive CAFE standards.

ENERGY BILL

LISA HOWARD/ OMB-SAPS 243 4790

And it was once observed, "Our Union is river, lake, ocean, and sky." It is also people dreaming dreams of endless possibility, caring, toiling, creating, and achieving.

And let me thank you all for coming to the White House. And it's now my privilege to witness the signing of an agreement that reaffirms the spirit of America, that tomorrow will be even better, brighter, and greater than today.

Thank you all very, very much. [*Applause*]

Note: *The President spoke at 10:42 a.m. on the South Lawn at the White House. In his remarks, he referred to Secretary of Energy James D. Watkins; Secretary of Commerce Robert A. Mosbacher; William K. Reilly, Administrator of the Environmental Protection Agency; Michael R. Deland, Chairman of the Council on Environmental Affairs; Senators J. Bennett Johnston and Donald W. Riegle, Jr.; and television network anchormen Peter Jennings, Dan Rather, and Tom Brokaw.*

The President's News Conference
October 25, 1991

The President. Well, I have a brief statement, and then I'll be glad to take a few questions.

After extraordinary debate and negotiation, we have reached an agreement with Senate Republican and Democratic leaders on a civil rights bill that would be a source of pride for all Americans. It does not resort to quotas, and it strengthens the cause of equality in the workplace. Both the administration and the Congress can present this legislation to the people of America as a new standard against discrimination and for equal opportunity.

This agreement was reached last night in marathon negotiations, shepherded by Senator John Danforth of Missouri, nurtured by Senator Dole and other leaders of both parties. It was a proud accomplishment for the Congress and the administration. And now we can go forward together in progress on civil rights in this country.

I remember standing out there in the Rose Garden with Attorney General Thornburgh more than a year-and-a-half ago, to make an unshakable commitment to the Nation's civil rights leaders that I wanted a nonquota civil rights bill that I could sign. And assuming there are no changes in the bill as agreed to last night, we now have such a bill. And my promise will be kept, and I will enthusiastically sign this bill.

Another subject: on the Middle East peace conference. I want to note the historic nature of this meeting. The Middle East has been characterized by dangerous and tragic conflict for decades. The peoples of this region still have enormous differences. But I want to commend the statesmanship of the leaders of all those parties attending the peace conference.

Sitting down together is the beginning of understanding. And we cannot know the outcome, of course. It will take patience and determination. The United States cannot make peace in the Middle East; only the parties themselves can do that. But we can and will be a committed and active partner in the search for peace.

Secretary Baker has been patient. He's been steadfast. He's been tirelessly disciplined in working with the Soviet Union and all the parties in the region to make this conference and the promise of peace a reality. We owe him a major debt of thanks.

I also go to Madrid to meet with President Gorbachev. And I know that President Gorbachev joins me in wanting to put the

Here is a Ted Johnston bill

[Jim Brown 395-3457 Cafe Stuff]