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Economic Club--Down River, Michigan 10/29/92 [OA 7582]

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PRESIDENTIAL REMARKS:

((Grady 10/27/92))
ECONOMIC SPEECH
DOWN RIVER, MICHIGAN
OCTOBER 29, 1992

In just five days, you will make the most important choice you can make in our democracy. The time for predictions and polls will be over -- you will step into the booth, and be heard.

The choice you will make on election day is serious -- it is one that will determine the future course of America for the next four years -- with consequences that could extend far into the future. You will choose who should lead this nation, and who should lead the free world.

Governor Clinton and I agree on at least one thing in this campaign -- the economy is the number one issue. But who do you really trust to get us through and beyond our current problems -- to extend America's leadership? Each of us has offered a plan. The issue is whose plan will help the economy grow and create jobs -- mine or Governor Clinton's.

First, let's have some straight talk about our current situation -- about both the strengths and weaknesses of the economy today.

Here are the facts. Growth has been too slow. But we are growing. We have just finished our sixth straight quarter of growth. That is not a recession. In the last quarter, we grew twice as fast as Japan. Meanwhile, Germany's growth was negative.

Now you've all seen Governor Clinton recite his facts. The last person I heard race through that many statistics sold me a used car -- it was a lemon; it kept swinging left.

Take Governor Clinton's claim about our economic performance. Frankly, when he makes comparisons, Governor Clinton slips right past the fact that the last time we brought together a Democratic President and a Democratic Congress, we triggered the worst four year decline in our economy in 50 years. From 1978 to 1982, the economic policies of the other side actually shrunk the economy. In contrast, since the end of 1988, our economy has grown by over 4 1/2 percent.

The worst economic performance since the Depression belongs to Bill Clinton's soulmate Jimmy Carter. His last year in office, 1980, witnessed the single greatest fall in average family income - 3.4%. We dug ourselves out of that recession and generated 20 million new jobs in 10 years. Bill Clinton would throw us back in the ditch.

Look at some further evidence. Inflation today is running at just under 3% per year. The last time we had a Democratic Congress and a Democratic President, inflation rose to 13.5%. Jimmy Carter's policies drove interest rates as high as 21.5 percent. Today, the prime rate is 6 percent, and mortgage interest rates are the lowest they have been in a generation. Lower interest rates have allowed those who refinance their homes to save \$2,000 a year in mortgage payments.

The bond market is already responding to Bill Clinton's program of more spending and higher deficits. Interest rates have begun to rise with reports that he will launch a spending binge with no compensating budgetary control. So don't kid yourself.

The markets are voting with their feet. Bill Clinton's plan will lead to higher interest rates. And that will put a brake on the economy just when we need to hit the accelerator.

You might ask, how is it that these facts haven't been reported to the American people? And that, indeed, is a very good question.

Not long ago, ABC's Nightline sponsored a "Town Meeting" at Rice University in Houston, Texas. Ted Koppel, the host, asked the audience first to clap if they thought the national media had been biased in favor of Governor Clinton and against my candidacy. The applause was thunderous. Then he asked them to clap if the thought it had been the other way around. Near silence. Koppel was shocked. But most people were not.

A recent study by the Center for Media and Public Affairs revealed that 96% of the stories about the economy over the last three months have been negative. Only one in twenty five presented some balance. That's a higher ratio of negative stories than during the recession itself.

So no wonder consumer confidence is low. Dan Rather and Bill Clinton have formed a tag team so that reporting on the economy has all the truth and authenticity of professional wrestling.

But American workers haven't been wrestled to the ground. They are the most productive in the world. And the American people have the highest standard of living.

The question before America next Tuesday is: what set of policies will keep America number one? It comes down to this:

whose plan will help the economy grow and create jobs?

Here is my plan.

First, we have got to help small business. Small business is the source of two out of three new jobs. So I propose more credit for small business. Lower taxes. And less regulation. That will create jobs.

Second, we've got to open new markets for American products. The North American Free Trade Agreement with Canada and Mexico will create 200,000 jobs -- and that's just the beginning. We need lower barriers to our products around the world. And we should sign a network of free trade agreements throughout the Americas. Every one billion dollars in exports creates 20,000 American jobs. Open markets means more exports. And that means more jobs here at home.

Third, we've got to help get businesses ready to compete in this global economy. That means investment in R&D and in new technologies like computers, lighter and stronger materials, and biotechnology. Bill Clinton talks about it. We're already doing it -- advancing whole new technologies, and letting the private sector develop exciting new applications and products.

Getting business ready to compete means reforming our legal system to cut down on the number of frivolous lawsuits. Last year, there were 18 million lawsuits filed in this country. And 70 percent of the world's lawyers live here in America. I want to make sure we lead the world in the production of goods and services, not the production of lawyers.

Fourth, if we're going to compete in the long run, we've got to improve our schools and train our workers. I've increased the education budget by 41 percent. But we need more accountability. That means testing teachers and students. And it means giving parents the choice of the best schools for their children -- public, private, or religious.

Bill Clinton would stand in the way of this idea -- but the American people want it. One recent Gallup survey found that 70% of Americans favor full school choice.

This year, politics got in the way of education reform. Congress wanted to deny me a victory. So they wouldn't pass true education reform. Maybe after the election Congress will worry less about me and stop denying our children a victory.

But even without help from Congress, we're making headway. Over 2,000 communities and 45 states have joined our America 2000 crusade to improve America's schools.

Fifth, if we're going to create economic security for all Americans, we need health care reform. My plan makes health insurance affordable for all Americans. And it makes it possible to go from one job to another without fear of losing insurance.

Last but not least, we can and must do all these things while holding the line on spending and taxes. My plan would control the growth of mandatory government spending. It would reduce taxes on the American people. And it's time for a balanced budget amendment; a line item veto; and a taxpayer checkoff to cut spending and cut the deficit --- because if Congress won't cut

spending, they should let the people do it for them.

Now I ask you to compare each of those six points with Governor Clinton's plan.

Small business. Governor Clinton's plan would crush small business. New payroll taxes for health care. New payroll taxes for training. More regulation. More paperwork. Governor Clinton has a plan for small business. He would make every big business small. And he would make every small business non-existent.

New markets through free and fair trade. Governor Clinton says one day he's for it. Then the next he says he'd put conditions on his support. And here's the most telling evidence of his true beliefs. *Newsweek* magazine, then the British papers, and now other news organizations have reported that Governor Clinton's representatives have been working to make sure that we don't get a GATT agreement and the expanded trade that would come with it.

Governor Clinton is letting American jobs take a back seat to his political ambitions. That's cynical. It's irresponsible. And it's wrong.

You know, the *New York Times* finally got the Clinton ally who had the meeting, a Washington lawyer, to come forward -- but he says he was acting on his own. That's not quite believable. EC officials just decide to meet a guy who walks in off the street, representing himself. Governor Clinton should come clean: did anyone from his campaign set up the meeting?

Legal reform. It's simple -- Governor Clinton opposes it. The trail lawyers support and fund his campaign. And they won't

let him support it. That may be right for his campaign coffers, but it's wrong for America.

Education reform. Same problem. The education lobby, and the National Education Association don't want true school choice. So Governor Clinton opposes it.

Health care reform. Governor Clinton's plan is simple: new payroll taxes. Government boards to fix prices, leading inevitably to rationing of services. Last time the government tried to allocate something it was gasoline. It didn't work. Jimmy Carter had long gas lines. Bill Clinton now offers lines at the doctor's office.

And taxes and spending. Here is the clearest difference of all. Governor Clinton's plan proposes a \$150 billion tax increase -- the largest in American history.

Yet here's the irony. There isn't a serious economist who thinks that raising taxes will create jobs.

In fact, economists estimate that health care payroll taxes will destroy 700,000 jobs. CAFE standards will kill 300,000 jobs. Radical defense cuts will wipe out an additional 1 million jobs.

There's a name for Governor Clinton's brand of no-growth, high-tax economics: trample down economics. It will trample down growth. It will trample down small business. It will trample down jobs.

Let me put this in local perspective. This week we read about major changes at General Motors, the biggest company in the world. There is no question -- this is a time of upheaval for GM. I

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Bush 36.4%
 Clinton 31.8%
 Perot 31.8%

believe GM can turn it around. Quality is improving. They make good products. They have the best workers in the world.

But this much is clear. The last thing that GM needs now is higher taxes. Does anyone seriously believe that when GM is down, higher taxes will help it recover? Does Governor Clinton really believe that Michigan workers will benefit from more regulation and higher CAFE standards?

Face facts: these things will not help save GM jobs. They will destroy them.

Yet higher taxes, more regulation, and higher CAFE standards are what Governor Clinton offers.

At the debate in East Lansing a few weeks ago, Bill Clinton looked right in the camera and said that higher CAFE standards were only a goal. He said, quote, "I defy anyone to find where we said it should be in legislation."

Yet let me quote something else. It's from the Bill Clinton for President Committee, "National Energy Policy," dated spring 1992, and here's what it says: -- quote -- "I support an increase in corporate average fuel economy standards from the current 27.5 miles per gallon... The 45 miles per gallon standard should be...incorporated into national legislation."

And here's another quote. It's from page 90 of Governor Clinton's own book. It says -- quote -- "Increase corporate average fuel economy standards from the current 27.5 miles per gallon to 40 miles per gallon by the year 2000, and 45 miles per gallon by 2015."

So here is the fact: Governor Clinton stared into that camera with a look of sincerity and spoke words that were not sincere.

And that is part of a pattern. He said on August 12th that his health plan would include a payroll tax. He said in September that it wouldn't. He said in January he wouldn't rule out term limits for Congressmen. Then he said in July he opposed term limits.

This is part of a pattern -- a pattern that is dangerous for Michigan workers, and dangerous for America.

You see, Governor Clinton is trying to pull a fast one on the American people. He brags about job growth this year in Arkansas. But he doesn't tell you that throughout the 1980s, job growth in Arkansas was 30% below the national average.

And he doesn't tell you this: this week, the Toledo Blade reported that Arkansas lured companies from the Midwest with low wages and lax environmental laws. The Blade headline asked the right question. It read: "Job Growth, or Job Theft?"

In the end, the choice before the voters on Tuesday is very clear. Our economy is moving through recovery to expansion. Governor Clinton's plan will reverse course and stop the recovery in its tracks.

Over the last 12 years, we have succeeded in reducing taxes on the American people. Governor Clinton will reverse course and raise them.

And around the world, people are choosing the path America has blazed -- freer markets, less government control, more power for

the individual. Governor Clinton will reverse course and send us the other way.

When you step into that voting booth on Tuesday, consider which plan you think will help create jobs for America. My plan of open markets, better schools, help for small business, lower taxes, and less government spending. Or Governor Clinton's plan of higher taxes, more spending, and more government.

Remember this: when you make your choice, there is no refund. No margin for error. No turning back if a mistake is made. America's future is too important to be put at risk with policies that are wrong for America.

Ladies and gentlemen, the choice is clear. I need your support, and I ask for your vote.

Thank you, God bless you, and God bless the United States of America.

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REMARKS:

MORE TO FOLLOW . . .

THE WHITE HOUSE

Office of the Press Secretary
(Colorado Springs, Colorado)

For Immediate Release

August 6, 1992

REMARKS BY THE PRESIDENT
TO AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Broadmoor Hotel International Center
Colorado Springs, Colorado

9:12 A.M. MDT

THE PRESIDENT: Thank you all very much. Thank you for that warm ALEC welcome, thank you. (Applause.) Fred, thank you. Please be seated, and thank you for that wonderfully warm ALEC welcome. And, Fred Noye, thank you for that generous introduction.

I want to thank the official host, the Mayor, Mayor Isaac, for his hospitality; recognize Sam Brunelli, of course, an old friend with us here who feels very comfortable here. Holly Coors, so well-known, and ALEC; my dear friend and respected leader of faith, Jim Dobson here. And let me just say, Fred, you have done a wonderful job as chairman. I'm not pronouncing you dead yet, you have a few more months. But you've done a great chairman job and I know that your shoes will be ably filled by Bill Raggio, over here, from the state of Nevada. (Applause.)

Bill flew in with us last night from Reno on Air Force One. And all the White House stationary and match boxes from the plane are missing. (Laughter.) But he swears there's no correlation whatsoever. (Laughter.)

But I was so honored that he came all the way up from the convention, took the puddle-jumpers all the way, to just represent ALEC on the ride down, fill me in on what a fantastic convention is underway right here in Colorado Springs.

Twenty years ago, when ALEC started, I see it that you were a lone voice in the conservative wilderness. And now you gather in these marvelous Colorado mountains at a time when the endangered species list is topped by that creature rarely spotted outside of the 202 area code -- I'm talking, of course, about the unabashed, unreconstructed liberal. (Laughter and applause.)

But your energy and your ideas and your enthusiasm helped lead the ideological transformation of America. So it's an honor to be standing here as your guest, invited to speak to you today.

I understand that -- I think the figure is no fewer than six members of my Cabinet will speak here. And I'm especially delighted that you've chosen to give the Thomas Jefferson Freedom Award, that coveted award, to the idea man of the conservative movement, Jack Kemp. (Applause.)

As you know, so far, this election has been a little one-sided. For nine months -- and I'm not complaining. My day is coming -- for nine months -- (applause.) For nine months, five other candidates -- maybe it was six way back then. For nine months, five other candidates -- maybe it was six way back then -- various sundry surrogates have aimed a fire hose of criticism at me. And I have been blamed for everything, except that crazy scoring system that was used in the Olympic boxing

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competition. (Applause.) I shouldn't really go out on a limb like that because I haven't checked the AP wire and see how it went. (Laughter.)

But I admit I've been a little slow to fight back. My opponent has mentioned my name about once every five seconds -- not always in the most flattering light. And I still haven't even said his name in full. I've referred occasionally to my opponent, "the other guy," and even the governor of a certain state with a profitable chicken industry on the Mississippi River, located somewhere between Texas and Oklahoma. (Laughter.)

And let me tell you why I have waited. As I listen to the American people, I get a sense of something you might pick up from your own constituents. People are sick of politics. I think they think this election year has gone on a little too long. You used to start on Labor Day -- Labor Day isn't even at hand yet. They're tired of the charges and the countercharges. And they want ideas and they want action. And they want to trust their leaders to turn the first into the second.

And that's what I want to talk about this morning -- ideas, action and trust. Well, I don't want to get too partisan. I'm going to draw a few comparisons. Grant me a favor, though, and I'll save the "C" word for my convention in Houston. And then I'll just stick with the all-purpose title for today of "my opponent." But let me guarantee you one thing: When our convention is over -- I am tired of being sluggish by these people. And I will fight back. And I am going to win this election. (Applause.) And I will fight tough, but I will fight fair.

Which reminds me: Remember the old story of the fierce gladiator? He'd killed every lion that they could throw up against him, every lion he'd faced. So one day the centurions went out, went to Carthage and found the meanest lion in the world. And they'd buried the gladiator in the arena there in Rome, right up so just his head was sticking out, fill him with sand. The lion was released, charged him, making a deadly pass at the gladiator's head. And as he did, the gladiator reached up and took a very ferocious bite in a very sensitive place in the lion's anatomy. (Laughter.) And the lion howled in pain and ran for the exit, fled from the arena. And the lead centurion ran out, attacked the gladiator screaming: "Fight fair, damn it, fight fair." (Laughter and applause.)

Now, every time I tiptoe into the water with this guy, they start yelling: "Negative campaigning." I am going to fight back. And I will define his record as he's ill-defined mine. And I will fight on the only battleground that really counts, and that is the battleground of ideas. And ideas matter. (Applause.)

If ever there was an organization that understood it, ideas matter. And ALEC knows. They know that. And when Americans choose their leadership, they're choosing a direction. They're choosing a set of beliefs.

And for the past quarter century, the tide has flowed our way for a very simple reason: The American people agree with our philosophy and with our ideas. And if imitation is the sincerest form of flattery, the whole world is wearing those red ALEC blankets that I saw last night. And for years your members, working in both political parties, have been holding the line on government spending, you've been resisting the Pavlovian impulse to raise taxes at every turn. And you're fighting to give parents the chance to choose their kids' schools and choose their day care. And I am for this, and I hope you'll all support it. (Applause.)

This is the wave of the future. It will make the public schools better, the private schools better, and the

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religious schools better. And when I got out of the service nobody said to me, here's the G.I. Bill; you can only go to School A. They said, go to the school of your choice. And that enhanced the great state universities and the private universities and those based on religious faith.

On many of the major issues of this campaign my opponent and I have entirely different ideas. On education, on health care, on life, on defense, on prayer in school, for example, we are separated by a gulf as wide as the Grand Canyon. But on some issues, especially economic issues, I'm afraid we don't yet sound all that different.

Of course, unlike my great predecessor, I will have to confess I am not known for threatening Daniel Webster's place in oratorical history. I will confess, there have been other greater speakers. But to me, real eloquence, real eloquence, lies in action. And so when it comes to ideas for fixing our economy, I say, look not just at what we say, look at what we are trying to do and have done.

Let me give you some examples -- (applause.) I firmly believe we must get a handle on this budget deficit before it strangles our future. (Applause.) My opponent supposedly agrees with me. And he says in his speeches that government takes too much of your money and gives you too little in return. And what do we do about it?

Well, I have fought for a freeze on domestic discretionary spending. And I have fought for a cap -- and this is the only way we're going to get the deficit down -- a cap on mandatory federal spending, with specific proposals for savings. And a responsible -- I emphasize that word -- a responsible reduction in defense spending consistent with our mission as the leader of the world, and consistent with my oath to be responsible for the national security. I am not going to cut into the muscle of our defense and go back to a hollow army. So let's be clear on that. (Applause.)

I know everybody at ALEC likes light reading. Now here is a midsession review, and in it, it tells exactly and specifically how to get this budget deficit down. It's been sitting up and languishing in the Congress, who do not want to make the tough decisions that I have recommended year after year. I urge you all to go out to your nearest bookstore, hopefully getting it at a discount, and read this program. You'll be impressed because it is ALEC philosophy.

Now, my opponent has taken a very different approach. He has proposed over \$200 billion of new spending and at least \$150 billion in new taxes. And when it comes to any concern about the federal budget deficit, his action sounds like John McLaughlin's sign-off every week -- "Bye-bye." (Laughter and applause.)

Look, ultimately -- you know this; the men and women of ALEC know this -- I believe the only way to get the budget deficit under control, the major disciplinary tool is a balanced budget amendment to the Constitution. (Applause.) And you at ALEC have done for the amendment what Rush Limbaugh has done for the art of passionate communication. (Applause.)

And let me just single out one person, probably embarrass the daylights out of him, but I know of what David Halbrook, a former ALEC chairman had done -- a most respected Democrat; he has taken the lead on the balanced budget amendment. He has taken your message and mine all across this country. And we owe him a vote of gratitude. Thank you very, very much. (Applause.) I knew he'd be embarrassed. (Applause.) There he is.

Don't give him equal time or he'll tell you how his town in Mississippi is the center of the universe. I don't have time for that. (Laughter.)

No, but again, on this question of the balanced budget agreement, look at the rhetoric out there. My opponent agrees with me in principle. But at the moment of truth, when we finally got that amendment to the floor of the House this summer, he came out against it. The amendment fell short by nine votes, after that liberal congressional leadership convinced 12 cosponsors -- 12 people that had cosponsored the amendment -- to change their position at the last minute and to vote no.

Okay. We're going to keep fighting. But if we can't get a balanced budget amendment right now, at least give me a line-item veto like virtually every governor in the United States has. (Applause.)

But again, he says he favors the idea, this opponent, nameless opponent. But look at our actual proposals. In my budget this year -- and again, I don't want to lift that heavy book up -- I identified 246 government programs -- will you mind holding it up at the appropriate time? (Laughter.) This is an all-purpose book, I'll tell you -- 246 that I would end and another 4,000 wasteful projects that I will also get rid of altogether. They're in there. They are defined.

Now, this list includes some big-ticket items as well as some smaller things, like a vitally important federal research program into the mating habits of the mink. And again on this issue, my opponent is singing the same tune, but the dance steps are different. And when he released his economic plan -- look at it, don't take my word for it -- he searched and searched through thousands of government programs and found only one that he would eliminate -- federal subsidies for honeybee farmers.

Now, I have gone head-to-head in this job day in and day out, regardless of the polls. And I'm going to continue to do what I think is right with some very powerful special interests -- the NEA, the powerful teachers union; the labor bosses; the ACLU, the Ralph Naders of beltway fame. But I doubt anyone will get stung by taking on the honeybee industry. They're just not that tough. (Laughter and applause.)

What about mandatory spending? It's devouring more and more of our budget every year. About two-thirds of the budget the President doesn't get a shot at. I think we all know that. I propose it's time to roll up our sleeves and go after it. No matter what the political price, we owe it to the young people here today. (Applause.)

My opponent nods his head in agreement saying, and here's a quote: "We need a government that offers more empowerment and less entitlement." And all, again, I'm asking, and I'll be asking this all fall, is do the words match the action?

In my past three budgets, I have proposed the caps on mandatory spending. And I have submitted specific ideas for savings. And the amounts aren't poultry -- \$72 billion in this year's budget, \$47 billion last year, \$119 billion in 1990. And what does the opposition offer? You can search the entire economic program and find one very tiny idea: reducing Medicare subsidies for the wealthy. And that isn't a bad idea. In fact, I put it in my own budget. But keep in mind, it would reduce mandatory spending by one-tenth of one percent next year. This hardly qualifies as a profile in budget-cutting courage. (Applause.)

Do you see a pattern? Do you see a pattern -- a pattern here? Look at our most pressing economic challenge -- how to create more jobs now. And I have proposed a package that includes incentives for investment to create jobs -- many incentives that ALEC has been so forcefully advocating. That

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help, that credit, for the first-time homebuyer so that that homebuyer can participate in the American Dream; tax savings through juggling around the IRAs for families that are trying in these tough times to save.

And my opponent copies you and me when he says that an expanding economy's the best policy of all. But first, he proposes the largest tax increase in American history, larger than what Mike Dukakis and Walter Mondale proposed together. And then he proposes at least a seven percent payroll tax to finance a new government-run health care scheme. And then his friends in the congressional leadership took my growth package and added a tax increase to it. And I took care of that with the veto pen. And as you able Chairman said, that's the first time a President has done that. (Applause.)

And so you have every right to say, what's going on here? What's happening? What's really happening?

As I peel through the details of our economic plans, I can't help but think of the words of another George. I'm not used to quoting him -- George McGovern. George McGovern has never been what I would call a big friend or fan of mine. But you may recall during the New York convention, he called the other ticket -- and I quote here -- "a Trojan horse." And he said, they are really -- here's the quote, exact quote: "They are really much more liberal than they appear. And they'll show it after they are elected." Well, I don't know if I ever have told you this before, but George McGovern is a very smart man. He is very intelligent. (Laughter and applause.)

But this is what worries me. As I compare the details of what we have to offer, the details, and I begin to wonder. Is all this talk of what they call a new covenant simply a coverup for some very old and tired ideas? The other side talks about changing the economy with new spending and taxes. But when they talk about change, that's all you're going to have left in your pockets when these guys get through with you. (Laughter and applause.) So please get the ALEC message around this country. (Applause.)

And there's one other thing -- and I say this with respect for the conservatives on both parties that are here -- my opponent talks about change. But he refuses to even mention the one thing that hasn't changed in 36 years, and I'm talking about the liberal leadership in the United States Congress. And it's about time we changed that if we want to move this leadership forward. (Applause.)

So if you really want to clean out the deadlock in Washington, why not clean out that same liberal dead wood on that leadership that has fought me every inch of the way, scared to death that the American economy might just get a little bit better if they pass those incentives that I know would have helped this economy grow. (Applause.)

And now I'm hoping, and I really do, this may be George McGovern's Trojan horse will be a tiger when it comes to holding the line on taxes and spending. But I doubt it. And I believe the voters need more proof than mere words. And so today, I have an idea to propose to the American people; a way to move away even in this fiercely partisan election year, a way to move away from partisanship; a way to get some of the ideas you fought for off the drawing board and into action; a way to get our economy moving today and keep it growing tomorrow. And most important, a way to do what is right for our country.

And today I issue a challenge to my opponent and to his close allies there in the congressional leadership: If you really agree with us that these ideas are important, why hold them hostage to a political campaign? If you really believe that tax cuts can create jobs, pass my growth package now. And if you

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want to get a handle on government spending, put a line-item veto on my desk right now and give me a chance to get this deficit under control. And I'll start cutting right away. (Applause.)

And if you want to control mandatory spending, convince the Congress to adopt this proposed savings plan just next week. They don't have to wait. And if you really want to reform health care, bring it up. Our plan is up there. It's a good one. Bring it up and vote on it. And if you really believe in a balanced budget amendment let's call it up and vote for it again, and leave the pressure off of these members and let them vote their consciences, and let them do what's right for the American people. (Applause.) Send it to your states right now for ratification. (Applause.)

Now, the plan I've outlined today, a plan based on so many ideas that you've fit into the system -- ALEC ideas, ALEC initiatives -- is the strong, compelling action that our economy desperately needs. And quite frankly, I don't expect the other side to come forward and back their ideas, these pronouncements, back them with action. I think there's a Trojan horse lurking in the weeds, ready to pull a fast one on the American people. And I simply am not going to let that happen. (Applause.)

And in the next four months, and for the next four years, I will accelerate our fight for these tax incentives and lowering the taxes, for budgetary discipline, for making the tough calls on runaway spending. And I will put my case in words, but I will back my words with action. And I will show the American people, we must not return to a failed philosophy for America, no matter how neatly packaged it is today. It is time to continue moving forward -- forward on a positive, conservative vision for our great nation.

May I thank each and every member of ALEC. And may God bless the greatest, freest, fairest country on the face of the Earth, the United States of America. Thank you all very, very much. (Applause.)

END

9:39 A.M. MDT

For Immediate Release

September 7, 1992

REMARKS BY THE PRESIDENT
AT GOP LABOR DAY PICNIC

Waukesha County Exposition Grounds
Waukesha, Wisconsin

10:16 A.M. CDT

THE PRESIDENT: Thank you so much. What a marvelous turnout. Waukesha knows how to do it. Thank you all very much. (Applause.) Barbara and I are delighted to be here. And may I thank our great United States Senator Bob Kasten, and say how lucky we are to have him and Eva in Washington, D.C. Two of the best. Please get out there and work hard in November. We've got to get more like him in the Senate. (Applause.)

And, of course, you heard from one of the great governors in this country, Tommy Thompson, your own. I salute him and Sue Ann. I don't believe I've got a better supporter out there than Tommy Thompson. (Applause.)

And may I greet Jim Sensenbrenner. If we had more like him in the Congress you wouldn't have everybody yelling "Clean House." He's right. Most of them are wrong. We do need to clean House. (Applause.)

And that brings me to Joe Cook. I'd like to see him elected to the Congress. And then, of course, John MacIver, an old friend who has been in these political trenches with me and Tommy and Bob Kasten for a long time. We salute him. Here's a guy who rolls up his sleeves, like so many of you, and just goes to work for what he believes. And it's a great part of American politics. And I salute him and every other volunteer out there doing the Lord's work. We are going to win because of all of you. (Applause.)

Barbara and I started this morning up at the Mackinac Bridge in Michigan. And with us today, incidentally, is Michigan's Governor John Engler over there -- another great Republican. John. (Applause.) We had a brisk 50-minute walk across that magnificent Mackinac Bridge. So when we say it's great to be at a picnic we know what we're talking about. It's nice to be here -- no more walks.

Now, this Labor Day we gather at a triumphant moment in history. I can stand before you this morning and can say something no other President could ever say: The cold war is over and freedom finished first. (Applause.)

But America is not a nation that brags, not a nation that looks behind -- we are loyal only to the future. So this Labor Day, we must rededicate ourselves to the future of all who punch the time clock, pay the bills, sweat it out at tax time. Our number one priority must be to build economic security for the working men and women of this great country of ours. (Applause.)

And today is the kick-off day for these campaigns. I think the American people feel this one has been going on about 10 months too long -- and so do I. But nevertheless, this is the official kick-off day. My opponent will kick off his campaign with message of fear, telling us that our country is in decline. But I ask you to look beneath the rhetoric and look at the facts.

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Governor Clinton will tell you that we're a nation in decline, slipping past Germany, headed south towards Sri Lanka, to use his words. Wrong, absolutely wrong, Governor Clinton. (Applause.) The world's most productive workers are not in Germany. They are not in Japan. They are right here in the United States of America. A lot of them right here today in Wisconsin. (Applause.)

And Governor Clinton will tell you that American wages are slipping. And he doesn't mention that since 1985, our workers have earned bigger paychecks and benefits than any other workers in the world. And I want to see them even better. (Applause.) Governor Clinton says that people are working harder for less. He won't mention that adjusted personal income is higher than it was four years ago. That's because inflation -- the thief of the middle class -- has been securely locked away. (Applause.)

Now, does this mean all is fine in America? Of course not. But at a time of uncertainty, a time of wrenching global challenge, Governor Clinton wants to scare American workers so that he can slip into office -- with the failed tax-and-spend policies of the past. Last night -- I don't know if any of you heard that Tom Brokaw show -- but last night the Governor appeared on the Brokaw show, and the first words out of his mouth were: "I have advocated a tax increase." Well, Governor, that is the wrong prescription for America. (Applause.)

He offers a treasure trove of new government programs that will cost at least \$220 billion more of your money. I say you already give too much to the tax man. (Applause.) And he wants to raise taxes by \$150 billion -- just to start; that's just for openers. I want to cut them and get the economy started in high gear. (Applause.)

You heard what Bob Kasten said; he's right. We've been trying to get through this gridlocked Congress some incentives that he and I believe in -- locked because of the old thinking of the Democratic leadership that's been in power for 38 years. So as this campaign gets into full swing, I make one promise. I will talk about real ideas -- of making health care available to the poorest of the poor, controlling what you pay when you go to a doctor. About reforming welfare, giving our kids what they deserve -- the world's very best schools. (Applause.) My policies will strengthen the most important institution in our nation -- and I am talking about the American family. (Applause.)

The liberals are trying to back us away from discussing how to strengthen the family. And we are going to stay with it. America knows that the family is slipping and we want to help strengthen it by child care and by support for these school choice and whatever it is -- welfare reform. So let's keep talking about what America needs -- strengthening the American family. (Applause.)

But today, as Governor Thompson said, I want to talk about another roadblock in the way of you and your families' economic security -- our crazy, out-of-control legal system. Don't just ask me about what's wrong with our legal system. Check the opinion of that famous enforcer of American justice. I'm not talking about Oliver Wendell Holmes or John Marshall. I mean someone even more famous than that: Hulk Hogan. (Laughter.)

My grandkids tell me that in his movie last year Hulk Hogan was confronted with the predictable crop of bad guys. Only the bad guys refused to fight. Instead they said, "This is the '90s -- we're not going to fight you. We are going to sue you." (Laughter.)

Well, I believe that one statement sums up a lot of what is wrong in America today. You pick up the newspaper and the stories roll on out at you. Like the story about a basketball -- true story

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-- about a basketball referee who made a controversial call at the buzzer of a Purdue-Iowa basketball game. Purdue won, and an Iowa souvenir company was suddenly left with a lot of victory souvenirs that weren't in all that much demand. So what did the company do? They sued the referee. Sound crazy? Well, it took two years and a lot of money before the case was dismissed by the state Supreme Court.

Now, understand, law is a noble and honorable profession. But most good lawyers will tell you that the system is out of control. In the past 20 years, the number of civil lawsuits filed in federal courts has more than doubled. Today, the average case takes almost a year to be resolved -- and in the past year alone the number of cases were pending for three years -- increased by nearly 15 percent.

That means you can file a suit, have time to enroll in a law school, study three years, graduate, pass the bar, and then represent yourself in court on the day the decision is handed down. (Applause.) Now, come on.

The NAM, the National Association of Manufacturers, has just finished looking at what this litigation explosion costs our economy. According to a soon-to-be-released study, American consumers and companies will spend up to \$200 billion on legal services this year -- \$200 billion dollars! American businesses now spend more on insurance and legal fees than on training and preparing our workers for the new economy. And that is crazy. (Applause.) As a nation, I believe it's high time that we started suing each other less and caring for each other more. (Applause.)

I have proposed a comprehensive plan to reform our civil justice system. And we reform our product liability laws. And these laws allow people to be compensated for harm caused by a defective product. People ought to receive fair compensation when a product is defective and they get hurt. But like so much of our civil justice system, product liability has careened out of control.

Let me give you just one example. The Will-Burt Corporation of Orville, Ohio, stopped making parts for ladders and scaffolds and aircraft because they couldn't afford the liability insurance. That was bad news for the company's owners -- but worse news for the 80 employees, all of whom got pink slips.

Here is the problem. The product liability laws vary from state to state and the rules have encouraged these crazy lawsuits and outrageous awards. And the cost of insurance keeps going right out through the roof, keeps skyrocketing.

Big deal, right? So companies have to pay extra for a few lawyers. But it's not just companies who foot the bill, we all pay higher prices for everything from medicine to step ladders. We never get to see a lot of good products because companies are afraid of excessive lawsuits. (Applause.)

Get this. Almost half of all the money paid out in these kind of cases goes not to the injured party, but to the lawyers. I don't want to see only lawyers getting rich, I want to see American workers getting rich. And that's the problem. (Applause.)

Our product liability system is killing our economic competitiveness -- costing Americans secure jobs that you deserve. Our liability costs are many times greater than in Japan and in Europe. Every dollar we spend all around the courtroom is a dollar we won't spend on training, education, research, investment. It could be the difference between no jobs for our kids and good jobs for our kids. (Applause.)

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Now, we have to do something about this. Luckily, your great Senator, Bob Kasten, understands this. He has been fighting to change the system. And he has put forth a plan, which I am for, working with him on, to speed the legal process -- settle more cases out of court and bring some rationality to the product liability system. Once again, a Wisconsin man is in the lead. (Applause.)

Our plan is pro-consumer, pro-business, pro-safety, and pro-jobs. The day my pen signs Senator Kasten's bill is the day we stop undermining the American worker that we salute today on Labor Day. (Applause.)

So why then, if we have all these problems, do we face this crisis? Bob Kasten will tell you in three words -- the gridlocked Congress. And that's why I'm here today.

Forty-four years ago next month, another incumbent President came through Waukesha. His name was Harry S. Truman. Now, I admit it, Harry and I don't have everything in common. (Laughter.) He believed in bigger government -- I don't share that view. But quite frankly, I voted against Truman that year. But still there are some similarities between us.

I've just read that fascinating book, this big, fat book on Truman -- a marvelous biography. Harry Truman ran a small business. He knew what it was to meet a payroll, to work for a living in the private sector. And so do I. (Applause.) Harry Truman wanted to join the military and fight for his country. I so do I, and I did. (Applause.) Harry Truman ran as an underdog -- just as I am. And he liked it, and so do I. (Applause.) Harry Truman admitted when he made a mistake. And God knows I've done the same thing, and I've admitted it. (Applause.)

But most of all, Harry Truman was frustrated by what he called the "do-nothing" Congress. Listen to Truman's very own words from right here in this very town 44 years ago. "When I say do-nothing, I mean they" -- meaning Congress -- "have done nothing for the people. They have not listened to the people's demands."

Now, the gridlocked Congress hasn't listened to people either. One example: I favor a balanced budget amendment. So do you. The Congressman from this very district sponsored the balanced budget amendment, and then turned around and voted against his own amendment on the House floor. That's what I mean when I say gridlocked Congress. Clean House. (Applause.)

For years, Americans have complained about this crazy legal system, but once again the gridlocked Congress has refused to act on my reforms -- or on Bob Kasten's reforms. Later this week, we finally get a Senate vote on the product liability reform. My message to the gridlocked Congress is simple. Either fix our legal system -- stop undermining our workers -- or we're going to take a broom and do some spring cleaning in November, because we are going to clean House. (Applause.)

Send me some good leaders who will listen to the people, the way this Senator does. Elect Joe Cook to the House of Representatives. Help clean House. That's the message.

They talk about change -- change the one institution that hasn't budged for 38 years. Change the House. (Applause.)

Well we're going to clean House -- not just so companies spend less time paying lawyers, more time creating jobs. Not just so moms and dads can coach Little League without fear of some crazy lawsuit. We're going to clean House so we bring down health care costs, so we improve our schools, we take back our streets from the criminals, and we start backing up our law enforcement officials more and more. (Applause.)

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Now, before I finish it's worth mentioning that while I'm in Waukesha this morning, my opponent -- guess where he is -- he's in Harry Truman's hometown -- in Independence, Missouri. So let's just have some plain speaking about Bill Clinton -- Governor Bill Clinton -- and Harry Truman.

Harry Truman never engaged in double-speak. He told people the truth, not merely what they wanted to hear. Compare that to Governor Clinton's position on reforming our legal system. The head of the lawyers -- the head of the trial lawyers in Arkansas -- Trial Lawyers Association -- said Governor Clinton has -- and I quote -- "always done what is right for the trial lawyers." I bet Harry Truman would have done what is right for the American people, not for the trial lawyers. (Applause.)

Whether it was the Soviet blockade of Berlin, or the invasion of Korea, Harry Truman never flinched from the tough decision. Now, contrast that with Governor Clinton's waffling and wavering about whether he would have followed my lead and stood up to Saddam Hussein and his naked aggression. (Applause.)

Harry Truman prided himself on his own military service, and he frequently visited veterans associations and spoke with great pride about his service to his country.

Last but not least, Harry Truman believed America could not turn our back on the rest of the world, even despite the challenges here at home. Governor Clinton virtually ignores foreign policy, and flirts with the dangerous idea of sticking America's head in protectionist sands.

Harry Truman said "the buck stops here." On issue after issue, Governor Clinton says "first, let's blame George Bush," and then "I'll get back to you later with an answer." (Applause.) I'll tell you, if the bucks stops there, than Governor Clinton is offering devalued currency. (Laughter.)

Harry Truman was a man of decisiveness, not equivocation. He'd find little in common with Governor Clinton, a man who hedges or ducks on almost every tough issue; a man who seems to feel strongly on both sides of almost every issue that are before this great nation.

I found out something in the Oval Office. You can't have it both ways. You've got to call it as you see it. You have to make the tough decision and then pay the consequences or get the credit. But you can't be on every side of every issue, waffling around and call that leadership. That is not leadership. (Applause.)

You know, many people thought Harry Truman would lose in 1948. But he said what was in on his mind, he didn't worry about the press, and he never lost faith in the United States of America.

I stand before you with the same passion and that same faith. I will talk about ideas for the next 57 days. Ideas that matter. Ideas that can deal with the real challenges facing this country. Ideas that won't make everyone happy, but that will be right for the United States of America.

And like Harry Truman, I believe a new age of America beckons, and that we can reap the benefits. With your help, come November we will match our global victory with economic security here at home.

Thank you all for being here. And may God bless the United States of America on this very, very special day. Thank you all. (Applause.)

END

10:40 A.M. CDT

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REMARKS:

STORIES, QUOTES TO FOLLOW - WE'RE GOING
TO WIN.

Office of the Press Secretary
(Greensboro, North Carolina)

For Immediate Release

September 23, 1992

REMARKS BY THE PRESIDENT
TO TRIAD BUSINESS COMMUNITY

Joseph S. Koury Convention Center
Greensboro, North Carolina

9:50 A.M. EDT

THE PRESIDENT: Thank you, Tom. Thank you very, very much, and what a wonderful welcome back to this state. Thank you all, please be seated. It's an honor to be introduced by a successful, honored, small businessman, Tom Coble. Thank you, sir, for those kind words. I also want to salute the woman who's done so much to advance the interests of American small businesses, our Administrator of the Small Business Administration, Pat Saiki, former member of Congress and now of our SBA in Washington. (Applause.) And also to, of course, to salute the inimitable, marvelous Governor of this state, Jim Martin. What a job he's done for the country and for North Carolina. (Applause.) And salute, too, congressional candidates Barbara Gore Washington of the 12th District and Richard Burr of the 5th District. I'm glad to be with them. (Applause.)

And with us are our two national leaders of our Independent Business Coalition, Pat Harrison and Miller Hicks -- both here with us today -- here's Miller over here; and where's Pat? Whoops, she didn't make the head table -- sitting out here. (Laughter.) She should have; she's an outstanding business success.

Pat, stand up. And, Miller you've got to stand up and let them see you. (Applause.) These people are pulling together this national small business coalition -- Independent Business Coalition, we call it.

Well, I've come here to Greensboro to talk about small business -- and, really, to drive home for the nation the fact that businesses, like the ones that come together in the Triad business community, generate the hope and pride and the jobs that hold America together.

Take Joe Koury -- a well-respected member of the Triad, and the father of four beautiful daughters. Now, Joseph wasn't always the one-man conglomerate that we see today. He started small: began building his empire in the early years after World War II, buying up the old Army barracks here in Greensboro and turning them into housing -- sometimes for the same GIs who'd trained there before going off to war, now come home to start a family. And that ingenuity -- that spirit of enterprise -- that drive and dream tells us the meaning of opportunity, the meaning in America. And it's all over this great -- I don't want to start singling people out, but my friend, Jack Laughery is another one right here from this state who exemplifies the American Dream -- starting, taking risk, building. And it's a wonderful thing, and it's a wonderful epitome of the spirit of this state, in my view.

Now today, America's economy is working its way through a period of profound change. And, incidentally, it's not just America, it's international change. You saw the recent ups and downs in the international currency market. Other countries even now look

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to our economy as the envy of the world. And you see it here in North Carolina, these changes, just the way you do all across the country. Many of our larger companies have retrenched and, indeed, they've restructured -- and I know that these changes have been difficult for many working Americans. But America's small businesses have shown a staying power -- creating new products by the thousands -- new jobs literally by the millions.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the numbers of workers employed by Fortune 500 companies actually went down. But in that same decade, small businesses boomed -- adding 16 million new jobs.

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to advantage -- the force at the leading edge of economic recovery. And that's why it is absolutely critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius. Helping small business reach for its dreams is key to my Agenda for America Renewal.

I've set a goal -- to make America the first -- the world's first \$10-trillion economy in the early years of the 21st Century. And when we get to that goal -- not if, but when -- and it is very achievable -- look at the numbers -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America -- (applause) -- the men and women, for example, of the Triad business community.

Right now, small businesses employ over half of our nation's workforce. Small businesses create two-thirds of the new jobs in America. Small businesses are hothouses for innovation, and risk-taking, new ideas -- the very engine of entrepreneurial capitalism that pulls this economy forward.

And I know because I've been there myself. I did, as Mr. Coble said, run a small business -- started it from the ground up, with a lot of help, obviously, from coworkers and partners. And I know what it's like to sweat out a deal, and shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even got the ulcers, or had them back then, to prove it. And that is a fact.

So let me tell you: I happen to think that meeting a payroll is not a bad qualification for being President of the United States of America. (Applause.)

And I might peripherally make the point that the contrast with my opponent couldn't be clearer. He's spent almost his entire adult life in government. And when he wasn't in government, he practiced law and taught law school. And he even worked in the Congress -- for his part-time job. Not exactly the credentials we're looking for these days. (Laughter.)

So it shouldn't surprise you that when it comes to the economy, my opponent thinks government should lead -- all I ask you to do is compare the plans -- directed by bureaucratic planners who couldn't run a business anywhere but into the ground.

Now I believe government can play a role in helping small business; no question. But it is a role of support -- not the lead. Not to put the new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea. (Applause.)

So I've put together a program to strengthen small business -- a program that will work, because it understands how

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small businesses work. This is one important part of my comprehensive Agenda for America Renewal.

I'm releasing the full program today in a report I call "Encouraging Entrepreneurial Capitalism." Now, here is the report, and I hope we can make some, at least, available to people here today. But we can get them to you. That's a fancy name for small business savvy America is known for. Some of the ideas are ones that we've been pushing for, for years -- some are new: All of them are solid, sensible ways to strengthen small business.

Now, let me detail -- and some of this is quite detailed -- what my program does:

First, it will help small businesses get started. You see, many new businesses literally begin at home -- when entrepreneurs convert their own "nest egg" into capital. Germany does not tax capital gains at America's punitive rates -- neither does Japan. One of them, I believe, is zero percent; and the other, I believe, is Japan, is on percent. If we want to compete and win, it's time to reward the risk-takers who turn their dreams into tomorrow's jobs. It is time to cut the tax on capital gains. (Applause.)

The liberals continue to insist that that's a break for the rich. It isn't. It is clearly an incentive to start new companies and employ more people. (Applause.) And because you've got to crawl before you can walk, we're also helping small businesses with an aggressive micro-loan program -- from a few hundred dollars up to \$25,000 at the critical early stages when new ventures are, I think we would agree, that at that stage, new businesses are most vulnerable.

That's how we'll help entrepreneurs get their ideas off the ground, get their businesses up and running.

But today, I want to take our efforts one step further. I am proposing a five-year, \$20-billion small-business initiative -- to lift tax and regulatory burdens off the back of small business, and to cut the costs of capital.

We start by knocking down the corporate tax rate on small businesses from 15 to 10 percent. (Applause.) And this new initiative will smooth the way for small business start-ups -- by increasing the small business deduction limit from \$10,000 to \$25,000. And it will allow entrepreneurs to deduct \$2,500 of those start-up costs that most of you remember in the very first year.

My initiative includes steps to simplify tax laws for small businesses -- (applause) -- changes that will result in almost \$5 billion a year in tax relief -- and should allow most small businesses to file a one- or two-page tax return. And finally, it eliminates capital gains on newly-issued small business stock. That will serve as an incentive to create new businesses.

Part three of this small business program is to help existing small businesses find credit. The best idea in the world cannot work without capital. Entrepreneurs simply can't do it alone. They need credit to set up shop and to expand.

Right now, you and I know that the credit crunch has hit small businesses hard. That's why we've been working with bankers and regulators across the country to free up the flow of credit to companies like yours. Our regulatory reform, for example, by the SEC, has made it easier for small businesses to raise capital through stock, through these offerings of stock -- and to help growing firms get from Main Street to Wall Street.

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And I've had the Small Business Administration -- I have Pat Saiki here working overtime to help credit-starved businesses. This year alone, we have increased by more than 50 percent the loan guarantees offered by her agency, the SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs.

Small business is one of the most effective ways to bring minority Americans into the economic mainstream. That's why later today, Pat Saiki will release our plan to streamline the SBA's Minority Small Business program to bring economic opportunity to entrepreneurs all across America.

And tomorrow, Pat's going to go on to South Florida, to kick off what we call the Green Line program -- a program that we test-marketed up in New England -- to provide a revolving line of credit to help small businesses bridge the gap between production and payment. This Green Line initiative, incidentally, should be especially helpful to small firms that are seeking to get back to "business as usual" after Hurricane Andrew.

Now, fourth, we have got to help small businesses hire new workers and increase productivity. Small businesses -- like every employer in America -- will benefit from education reforms like America 2000, our program from our expanded job training initiatives, from enterprise zones, from legal reform that ends those sky's-the-limit lawsuits that can drive a small business into bankruptcy. We've got to do something about these crazy lawsuits. Even all of that, though, is not enough.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. You see, in the 21st century, America must be not just a military superpower, but an economic superpower and an export superpower. And for a long time, it was felt that small businesses were too little to sell abroad and compete abroad. That's changed. And we want to facilitate more sales from small business into this vast export market that lies ahead. (Applause.)

Right now, a fraction of America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open these new markets for America's small businesses -- we've got to tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- leading the way, for example, in the bio-tech, the bio-technology revolution. That's one key reason that I strongly support a 100% increase in federal research and development funds to help small businesses generate the technologies of tomorrow.

And fifth, we've got to free small businesses from the tangle of red tape and regulation. (Applause.) Vice President Quayle has filled me in on a meeting that he had not long ago with Richard Allen, who runs a furniture manufacturing company over in High Point. Federal reporting rules have gotten so bad that he's had to hire new staff just to read regulations. Now, frankly, that's one kind of job creation we could do without. Filling out federal forms should not be a full-time job.

That's why, in January of this year, I ordered a freeze on federal regulations. You work long and hard for your success, and you should spend your time doing business -- not doing paperwork. (Applause.) And finally, we've got to help small businesses provide for their workers, to help the 15 million Americans who are self-employed. So I want to raise the deduction for health insurance from 25 percent to 100 percent. And I want to reform health insurance -- give small companies the same advantage that bigger companies have

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when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not do what the liberal Congress wants me to do -- slap another mandate on small businesses' back. I'm not going to do that. (Applause.)

I believe in family leave, and I believe our approach to facilitating family leave through tax credits is a far better way than putting new mandates on a guy who is struggling to make ends meet and would have to lay off people to meet the costs of that program. We want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy.

Taken together, that's a strong package -- a comprehensive package -- to give real-world help, right now, to the small businesses that make this economy grow. You'll notice a lot of it, through tax relief, is removing the burden of government from the back of small business.

Now, I think it's fair to say, and ask dispassionately: What about my opponent? What is his plan for small business? The difference could not be sharper. You see, I see small business as the backbone of the American economy. Mr. Clinton, Governor Clinton sees small business as the goose that lays the Golden Eggs.

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got the tax plan for almost every day of the week: Start with \$150 billion in new taxes. That's not my saying he's doing it; this is what he actually has proposed. And then add a payroll tax for training -- he's already proposed that -- one-and-a-half percent across the board for small businesses -- every business -- and then add a health care plan that will lead to a 7 percent payroll tax to finance the inevitable government takeover of health care.

And I tell you, it's taxing just to talk about this whole program ahead. (Applause.) Somebody said, that taxes my memory. And Clinton says, that's a good idea, let's try it. (Laughter and applause.) Now, I guess -- and yesterday -- nobody believes this, but I did make a subconscious slip. I spoke up when I was going on about the different plans, and I called him "Governor Taxes." And I quickly corrected it.

But now, "Governor Taxes" says, yes, he wants to raise taxes -- and rolls out his standard "soak the rich" rhetoric. You listen to him. But what he won't tell you is this: two out of every three people hit by Governor Clinton's tax hike would be small business owners or family farmers. And these folks are not millionaires -- they are Mom and Pop, Inc., and we cannot let them slap a tax on small business. (Applause.)

Take a look at what Governor Clinton's tax plan would mean for small businesses right here in this state. If you're like the typical small business, you operate with a profit margin of about 2 percent. Some clearly do better; some are struggling to make it 2 percent. Your market is too competitive for you to pass on costs by raising prices. That can happen in large companies that dominate the market. You can't do it as a small businessman. You already feel that you've already cut your costs, your operating costs, to the very bone.

And so when Bill Clinton's new taxes kick in, you have a choice -- a tough choice. His payroll taxes alone amount to 4 percent to 5 percent of your operating expenses. That's your profit margin -- and then some.

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So here's your choice: You can board up the windows -- or you can get out the pink slips. You can continue to operate, but to do so you're going to have to lay off some on your rather small workforce.

Now, I want to invite Governor Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of \$500,000 to \$1 million. That's a 2 percent profit margin -- and in the best case -- gives that business a -- say, a \$20,000 profit.

Now, Governor Clinton's new taxes would cost that company between \$46,000 and \$56,000 -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is putting someone out of work, cutting down on your overall payroll account.

And in the case of my example, that's two or three employees -- two or three people out of less than a 20-person company who lose their jobs.

Now, just think about that. Those two or three people aren't just numbers -- they're not some names on a payroll sheet. They're real people -- they're friends and neighbors -- men and women with families to feed and mortgages to pay.

Now, if that two or three still doesn't sound like much, keep this one in mind. In North Carolina alone, 25 percent of the workers -- of all workers -- 638,000 people -- work in companies the same size as the one in my example, companies that will be crippled by Bill Clinton's new taxes.

Across this state, North Carolina has thousands of businesses with less than 10 employees. Grocery stores -- more than 3,000. More than 2,500 small furniture stores. Four out of every five companies in the building trades. Book stores, beauty shops, laundries, video stores and TV repair shops. And the list goes on and on and on. And for them, Bill Clinton's tax plan means one thing: Misery on Main Street. (Applause.)

You see, I don't think these central planners understand this. America is a nation of small businesses -- and to those small businesses, they'll take a big hit under Governor Clinton's tax plan. And my opponent could not do more damage to America's risk-takers, entrepreneurs, if he'd declared war on small businesses. Well, if you're like me, you've got to say: Small business should not be big-government's piggy bank. (Applause.)

All I ask is that you people here and the people across the country take a look at my approach -- and then contrast that with Governor Clinton's. You see, I want to strengthen small businesses across America by lowering taxes -- increasing R&D.

Bill Clinton wants to tax small businesses and small business owners so he can give big government a raise.

I want to cut red tape, eliminate excessive regulation and reform the ruinous legal system that's crippling this economy and killing small businesses. (Applause.) We really must get these suits under control. We are suing each other too much and caring for each other too little in this country. (Applause.) Now, Bill Clinton wants to saddle these -- or, his plan would saddle these new small businesses with new mandates; the old ones, too, the existing ones. New or old, small businesses, all with new mandates. And he's told the trial lawyers of America he wouldn't take away even one little loophole.

How about health care? Job training? Family leave?

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I want to reform our health care system -- extend coverage to all Americans, and use the markets to drive costs down while keeping quality -- the great quality of American health care up. And as I said before, Bill Clinton's plan will mean a payroll tax and more government control.

I want to give displaced workers a voucher to get the training they want. And Bill Clinton wants to put a payroll tax on employers.

I want to use tax credits to encourage businesses to provide workers family leave. Well, my opponent? You see the pattern -- more government rules, more government red tape.

You know, they sent this family leave bill down to me the other day. They sent it down just for fine timing in terms of politics. And I vetoed it, and I sent it right back. I am for family leave, but I am not for putting further mandates on small business. Let's do it through tax relief, not through running people out of business. (Applause.)

Bill Clinton's got a "Punt, pass and kick" plan: Punt the problem over to business. Pass the costs along. And kick the American worker -- right where he carries his wallet. (Applause.)

Now, you've got a choice in this election. A choice between two different philosophies -- two different directions to take this great country. Bill Clinton puts his faith in the so-called "best and brightest." In his old Oxford cronies who believes that "government knows best" -- just like the social welfare crowd that pulled Britain down before Maggie Thatcher and John Major pumped some life back in.

Well, I put my faith in the American people -- and I want to see you keep control of the decisions that really matter in life. And when Bill Clinton says "government knows best" -- I say: You know better.

Let me sum it up this way: His plan is wrong for America. And mine is right. (Applause.)

Here's what Bill Clinton and the "government first" crowd just really don't get. They don't get it. They don't understand: Government can print money -- but it simply cannot create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington, D.C. More great ideas -- more of our gross domestic product, our GDP -- begins at a basement workbench, at a computer on someone's kitchen table, with the savings you set aside to start a business of your own.

And, America -- don't let them teach the American people, particularly the young, that America is a nation in decline. We are simply not. We are the most respected leader in the world -- militarily, and economically. (Applause.) And in spite of the economic difficulties we've had and are enduring, America -- believe me -- is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders and dreamers who build.

We need a government that understands that fundamental fact. And my program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all.

Thank you once again for this warm North Carolina welcome -- and may God bless the United States of America. Thank you very much. (Applause.)

THE WHITE HOUSE

Office of the Press Secretary
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For Immediate Release

August 6, 1992

REMARKS BY THE PRESIDENT
TO AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Broadmoor Hotel International Center
Colorado Springs, Colorado

9:12 A.M. MDT

THE PRESIDENT: Thank you all very much. Thank you for that warm ALEC welcome, thank you. (Applause.) Fred, thank you. Please be seated, and thank you for that wonderfully warm ALEC welcome. And, Fred Noye, thank you for that generous introduction.

I want to thank the official host, the Mayor, Mayor Isaac, for his hospitality; recognize Sam Brunelli, of course, an old friend with us here who feels very comfortable here. Holly Coors, so well-known, and ALEC; my dear friend and respected leader of faith, Jim Dobson here. And let me just say, Fred, you have done a wonderful job as chairman. I'm not pronouncing you dead yet, you have a few more months. But you've done a great chairman job and I know that your shoes will be ably filled by Bill Raggio, over here, from the state of Nevada. (Applause.)

Bill flew in with us last night from Reno on Air Force One. And all the White House stationary and match boxes from the plane are missing. (Laughter.) But he swears there's no correlation whatsoever. (Laughter.)

But I was so honored that he came all the way up from the convention, took the puddle-jumpers all the way, to just represent ALEC on the ride down, fill me in on what a fantastic convention is underway right here in Colorado Springs.

Twenty years ago, when ALEC started, I see it that you were a lone voice in the conservative wilderness. And now you gather in these marvelous Colorado mountains at a time when the endangered species list is topped by that creature rarely spotted outside of the 202 area code -- I'm talking, of course, about the unabashed, unreconstructed liberal. (Laughter and applause.)

But your energy and your ideas and your enthusiasm helped lead the ideological transformation of America. So it's an honor to be standing here as your guest, invited to speak to you today.

I understand that -- I think the figure is no fewer than six members of my Cabinet will speak here. And I'm especially delighted that you've chosen to give the Thomas Jefferson Freedom Award, that coveted award, to the idea man of the conservative movement, Jack Kemp. (Applause.)

As you know, so far, this election has been a little one-sided. For nine months -- and I'm not complaining. My day is coming -- for nine months -- (applause.) For nine months, five other candidates -- maybe it was six way back then. For nine months, five other candidates -- maybe it was six way back then -- various sundry surrogates have aimed a fire hose of criticism at me. And I have been blamed for everything, except that crazy scoring system that was used in the Olympic boxing

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competition. (Applause.) I shouldn't really go out on a limb like that because I haven't checked the AP wire and see how it went. (Laughter.)

But I admit I've been a little slow to fight back. My opponent has mentioned my name about once every five seconds -- not always in the most flattering light. And I still haven't even said his name in full. I've referred occasionally to my opponent, "the other guy," and even the governor of a certain state with a profitable chicken industry on the Mississippi River, located somewhere between Texas and Oklahoma. (Laughter.)

And let me tell you why I have waited. As I listen to the American people, I get a sense of something you might pick up from your own constituents. People are sick of politics. I think they think this election year has gone on a little too long. You used to start on Labor Day -- Labor Day isn't even at hand yet. They're tired of the charges and the countercharges. And they want ideas and they want action. And they want to trust their leaders to turn the first into the second.

And that's what I want to talk about this morning -- ideas, action and trust. Well, I don't want to get too partisan. I'm going to draw a few comparisons. Grant me a favor, though, and I'll save the "C" word for my convention in Houston. And then I'll just stick with the all-purpose title for today of "my opponent." But let me guarantee you one thing: When our convention is over -- I am tired of being slugged by these people. And I will fight back. And I am going to win this election. (Applause.) And I will fight tough, but I will fight fair.

Which reminds me: Remember the old story of the fierce gladiator? He'd killed every lion that they could throw up against him, every lion he'd faced. So one day the centurions went out, went to Carthage and found the meanest lion in the world. And they'd buried the gladiator in the arena there in Rome, right up so just his head was sticking out, fill him with sand. The lion was released, charged him, making a deadly pass at the gladiator's head. And as he did, the gladiator reached up and took a very ferocious bite in a very sensitive place in the lion's anatomy. (Laughter.) And the lion howled in pain and ran for the exit, fled from the arena. And the lead centurion ran out, attacked the gladiator screaming: "Fight fair, damn it, fight fair." (Laughter and applause.)

Now, every time I tiptoe into the water with this guy, they start yelling: "Negative campaigning." I am going to fight back. And I will define his record as he's ill-defined mine. And I will fight on the only battleground that really counts, and that is the battleground of ideas. And ideas matter. (Applause.)

If ever there was an organization that understood it, ideas matter. And ALEC knows. They know that. And when Americans choose their leadership, they're choosing a direction. They're choosing a set of beliefs.

And for the past quarter century, the tide has flowed our way for a very simple reason: The American people agree with our philosophy and with our ideas. And if imitation is the sincerest form of flattery, the whole world is wearing those red ALEC blankets that I saw last night. And for years your members, working in both political parties, have been holding the line on government spending, you've been resisting the Pavlovian impulse to raise taxes at every turn. And you're fighting to give parents the chance to choose their kids' schools and choose their day care. And I am for this, and I hope you'll all support it. (Applause.)

This is the wave of the future. It will make the public schools better, the private schools better, and the

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religious schools better. And when I got out of the service nobody said to me, here's the G.I. Bill; you can only go to School A. They said, go to the school of your choice. And that enhanced the great state universities and the private universities and those based on religious faith.

On many of the major issues of this campaign my opponent and I have entirely different ideas. On education, on health care, on life, on defense, on prayer in school, for example, we are separated by a gulf as wide as the Grand Canyon. But on some issues, especially economic issues, I'm afraid we don't yet sound all that different.

Of course, unlike my great predecessor, I will have to confess I am not known for threatening Daniel Webster's place in oratorical history. I will confess, there have been other greater speakers. But to me, real eloquence, real eloquence, lies in action. And so when it comes to ideas for fixing our economy, I say, look not just at what we say, look at what we are trying to do and have done.

Let me give you some examples -- (applause.) I firmly believe we must get a handle on this budget deficit before it strangles our future. (Applause.) My opponent supposedly agrees with me. And he says in his speeches that government takes too much of your money and gives you too little in return. And what do we do about it?

Well, I have fought for a freeze on domestic discretionary spending. And I have fought for a cap -- and this is the only way we're going to get the deficit down -- a cap on mandatory federal spending, with specific proposals for savings. And a responsible -- I emphasize that word -- a responsible reduction in defense spending consistent with our mission as the leader of the world, and consistent with my oath to be responsible for the national security. I am not going to cut into the muscle of our defense and go back to a hollow army. So let's be clear on that. (Applause.)

I know everybody at ALEC likes light reading. Now here is a midsession review, and in it, it tells exactly and specifically how to get this budget deficit down. It's been sitting up and languishing in the Congress, who do not want to make the tough decisions that I have recommended year after year. I urge you all to go out to your nearest bookstore, hopefully getting it at a discount, and read this program. You'll be impressed because it is ALEC philosophy.

Now, my opponent has taken a very different approach. He has proposed over \$200 billion of new spending and at least \$150 billion in new taxes. And when it comes to any concern about the federal budget deficit, his action sounds like John McLaughlin's sign-off every week -- "Bye-bye." (Laughter and applause.)

Look, ultimately -- you know this; the men and women of ALEC know this -- I believe the only way to get the budget deficit under control, the major disciplinary tool is a balanced budget amendment to the Constitution. (Applause.) And you at ALEC have done for the amendment what Rush Limbaugh has done for the art of passionate communication. (Applause.)

And let me just single out one person, probably embarrass the daylights out of him, but I know of what David Halbrook, a former ALEC chairman had done -- a most respected Democrat; he has taken the lead on the balanced budget amendment. He has taken your message and mine all across this country. And we owe him a vote of gratitude. Thank you very, very much. (Applause.) I knew he'd be embarrassed. (Applause.) There he is.

Don't give him equal time or he'll tell you how his town in Mississippi is the center of the universe. I don't have time for that. (Laughter.)

No, but again, on this question of the balanced budget agreement, look at the rhetoric out there. My opponent agrees with me in principle. But at the moment of truth, when we finally got that amendment to the floor of the House this summer, he came out against it. The amendment fell short by nine votes, after that liberal congressional leadership convinced 12 cosponsors -- 12 people that had cosponsored the amendment -- to change their position at the last minute and to vote no.

Okay. We're going to keep fighting. But if we can't get a balanced budget amendment right now, at least give me a line-item veto like virtually every governor in the United States has. (Applause.)

But again, he says he favors the idea, this opponent, nameless opponent. But look at our actual proposals. In my budget this year -- and again, I don't want to lift that heavy book up -- I identified 246 government programs -- will you mind holding it up at the appropriate time? (Laughter.) This is an all-purpose book, I'll tell you -- 246 that I would end and another 4,000 wasteful projects that I will also get rid of altogether. They're in there. They are defined.

Now, this list includes some big-ticket items as well as some smaller things, like a vitally important federal research program into the mating habits of the mink. And again on this issue, my opponent is singing the same tune, but the dance steps are different. And when he released his economic plan -- look at it, don't take my word for it -- he searched and searched through thousands of government programs and found only one that he would eliminate -- federal subsidies for honeybee farmers.

Now, I have gone head-to-head in this job day in and day out, regardless of the polls. And I'm going to continue to do what I think is right with some very powerful special interests -- the NEA, the powerful teachers union; the labor bosses; the ACLU, the Ralph Naders of beltway fame. But I doubt anyone will get stung by taking on the honeybee industry. They're just not that tough. (Laughter and applause.)

What about mandatory spending? It's devouring more and more of our budget every year. About two-thirds of the budget the President doesn't get a shot at. I think we all know that. I propose it's time to roll up our sleeves and go after it. No matter what the political price, we owe it to the young people here today. (Applause.)

My opponent nods his head in agreement saying, and here's a quote: "We need a government that offers more empowerment and less entitlement." And all, again, I'm asking, and I'll be asking this all fall, is do the words match the action?

In my past three budgets, I have proposed the caps on mandatory spending. And I have submitted specific ideas for savings. And the amounts aren't poultry -- \$72 billion in this year's budget, \$47 billion last year, \$119 billion in 1990. And what does the opposition offer? You can search the entire economic program and find one very tiny idea: reducing Medicare subsidies for the wealthy. And that isn't a bad idea. In fact, I put it in my own budget. But keep in mind, it would reduce mandatory spending by one-tenth of one percent next year. This hardly qualifies as a profile in budget-cutting courage. (Applause.)

Do you see a pattern? Do you see a pattern -- a pattern here? Look at our most pressing economic challenge -- how to create more jobs now. And I have proposed a package that includes incentives for investment to create jobs -- many incentives that ALEC has been so forcefully advocating. That

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help, that credit, for the first-time homebuyer so that that homebuyer can participate in the American Dream; tax savings through juggling around the IRAs for families that are trying in these tough times to save.

And my opponent copies you and me when he says that an expanding economy's the best policy of all. But first, he proposes the largest tax increase in American history, larger than what Mike Dukakis and Walter Mondale proposed together. And then he proposes at least a seven percent payroll tax to finance a new government-run health care scheme. And then his friends in the congressional leadership took my growth package and added a tax increase to it. And I took care of that with the veto pen. And as you able Chairman said, that's the first time a President has done that. (Applause.)

And so you have every right to say, what's going on here? What's happening? What's really happening?

As I peel through the details of our economic plans, I can't help but think of the words of another George. I'm not used to quoting him -- George McGovern. George McGovern has never been what I would call a big friend or fan of mine. But you may recall during the New York convention, he called the other ticket -- and I quote here -- "a Trojan horse." And he said, they are really -- here's the quote, exact quote: "They are really much more liberal than they appear. And they'll show it after they are elected." Well, I don't know if I ever have told you this before, but George McGovern is a very smart man. He is very intelligent. (Laughter and applause.)

But this is what worries me. As I compare the details of what we have to offer, the details, and I begin to wonder. Is all this talk of what they call a new covenant simply a coverup for some very old and tired ideas? The other side talks about changing the economy with new spending and taxes. But when they talk about change, that's all you're going to have left in your pockets when these guys get through with you. (Laughter and applause.) So please get the ALEC message around this country. (Applause.)

And there's one other thing -- and I say this with respect for the conservatives on both parties that are here -- my opponent talks about change. But he refuses to even mention the one thing that hasn't changed in 36 years, and I'm talking about the liberal leadership in the United States Congress. And it's about time we changed that if we want to move this leadership forward. (Applause.)

So if you really want to clean out the deadlock in Washington, why not clean out that same liberal dead wood on that leadership that has fought me every inch of the way, scared to death that the American economy might just get a little bit better if they pass those incentives that I know would have helped this economy grow. (Applause.)

And now I'm hoping, and I really do, this may be George McGovern's Trojan horse will be a tiger when it comes to holding the line on taxes and spending. But I doubt it. And I believe the voters need more proof than mere words. And so today, I have an idea to propose to the American people; a way to move away even in this fiercely partisan election year, a way to move away from partisanship; a way to get some of the ideas you fought for off the drawing board and into action; a way to get our economy moving today and keep it growing tomorrow. And most important, a way to do what is right for our country.

And today I issue a challenge to my opponent and to his close allies there in the congressional leadership: If you really agree with us that these ideas are important, why hold them hostage to a political campaign? If you really believe that tax cuts can create jobs, pass my growth package now. And if you

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want to get a handle on government spending, put a line-item veto on my desk right now and give me a chance to get this deficit under control. And I'll start cutting right away. (Applause.)

And if you want to control mandatory spending, convince the Congress to adopt this proposed savings plan just next week. They don't have to wait. And if you really want to reform health care, bring it up. Our plan is up there. It's a good one. Bring it up and vote on it. And if you really believe in a balanced budget amendment let's call it up and vote for it again, and leave the pressure off of these members and let them vote their consciences, and let them do what's right for the American people. (Applause.) Send it to your states right now for ratification. (Applause.)

Now, the plan I've outlined today, a plan based on so many ideas that you've fit into the system -- ALEC ideas, ALEC initiatives -- is the strong, compelling action that our economy desperately needs. And quite frankly, I don't expect the other side to come forward and back their ideas, these pronouncements, back them with action. I think there's a Trojan horse lurking in the weeds, ready to pull a fast one on the American people. And I simply am not going to let that happen. (Applause.)

And in the next four months, and for the next four years, I will accelerate our fight for these tax incentives and lowering the taxes, for budgetary discipline, for making the tough calls on runaway spending. And I will put my case in words, but I will back my words with action. And I will show the American people, we must not return to a failed philosophy for America, no matter how neatly packaged it is today. It is time to continue moving forward -- forward on a positive, conservative vision for our great nation.

May I thank each and every member of ALEC. And may God bless the greatest, freest, fairest country on the face of the Earth, the United States of America. Thank you all very, very much. (Applause.)

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9:39 A.M. MDT