

BACKGROUNDER



September 23, 1992

Issues Office

BUSH AND CLINTON ON SMALL BUSINESSES: CREATING JOBS VERSUS CLOSING UP SHOP

BUSH:

CLINTON:

<p><u>Small Business Experience:</u></p> <ul style="list-style-type: none"> • As a former small business owner and entrepreneur, George Bush understands the needs of small businessmen and women. 	<p><u>No Small Business Experience:</u></p> <ul style="list-style-type: none"> • Has never-owned or run a business.
<p><u>Tax Cuts for Small Business</u></p> <ul style="list-style-type: none"> • Will cut taxes to create new opportunities for small business. His capital gains tax cut and investment tax allowance will spur investment; his homebuyers' credit will help firms in real estate and construction. <p>-- Signed the Small Business Credit and Business Opportunity Enhancement Act to increase the level of Small Business Administration loans and loosen up credit for small businesses.</p>	<p><u>Tax Hikes for Small Business</u></p> <ul style="list-style-type: none"> • Will impose at least \$150 billion in taxes over the next four years -- hitting over 800,000 small businesses and costing them over \$40 billion.
<p><u>Stopping Government Mandates</u></p> <ul style="list-style-type: none"> • Opposes increases in auto efficiency standards that would hurt, in part, auto supply and repair firms, many of which are small businesses. • Vetoed three bills which would have imposed job-costing mandates on small businesses, including this March, the Democrats' \$100 billion tax hike. 	<p><u>Will Impose New Mandates</u></p> <ul style="list-style-type: none"> • Has supported radical increases in auto efficiency standards that would risk losing as many as 300,000 auto jobs. • Clinton's new health care, worker training, and family leave mandates would make small business owners think twice about hiring new workers. Under Clinton per worker health care costs soar by two-thirds.

Helping Small Businesses Afford Health Care:

- Will help small businesses to afford private coverage for their employees: small businesses will be allowed to pool resources and given the buying power of large firms.

-- Opposes payroll taxes to pay for government-run health insurance. Forcing people from private coverage into under-funded government-run coverage will lower the quality of care.

Imposing Payroll Taxes to Fund Government-Run Health Insurance:

- Will impose a 7-9% payroll tax on small businesses to fund government-run health insurance. As a result:

-- One to two million small business jobs would evaporate, according to small business owners;

-- Four out of five workers in firms with 25 employees or less would be forced into government-run health insurance.

Reducing Regulations:

- Took action to alleviate the credit crunch, including revision of SEC regulations that will help small businesses raise capital.

-- Another regulatory reform will ease the paperwork burden of payroll tax forms for small businesses.

Will Impose More Regulation:

- New government programs for health care, worker training, and intrusive new environmental regulations will cost small businesses, forcing them to spend more time and money to comply with unnecessary regulations.

Will Reform Out-of-Control Lawsuits:

- Believes we need to sue each other less and care for each other more. Understands that court delays and lawyers costs hurt America's competitiveness.

-- Is fighting for tort reforms that will reduce product liability and medical malpractice suits, and lower rising premium costs for business.

Refuses to Back Tort Reform:

- Refuses to back reforms that will end out-of-control lawsuits. Refuses to acknowledge that court delays and lawyer costs are a real, everyday burden for small business and our nation's competitiveness.

-- Trial lawyers are Clinton's leading source of campaign contributions. One leading trial lawyer urged fellow attorneys to "Dig down deep and give to Bill Clinton."

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BUSH VERSUS CLINTON: FIGHTING CRIME

BUSH:

CLINTON:

Increasing Federal Investment

- President Bush has proposed a 59% increase in federal spending to fight crime and has proposed a total of \$15.8 billion next year to build new prisons, expand enforcement of laws, and improve interdiction of drugs, (1993 Budget of the U.S. Government).

Clinton's Arkansas: Still at the Bottom

- Arkansas ranks 49th in per capita spending on police protection, and 50th in total state and local justice system per capita expenditures.

Building and Expanding Prisons

- Since 1989, President Bush has spent over \$2 billion to build new prison space, nearly doubling bed space in federal and state prisons from 31.7 million beds to an estimated 53.4 million by 1993, (1993 Budget of the U.S. Government).

Small Investment in Prisons

- Arkansas ranks 46th in per capita corrections spending. In 1985, the Arkansas Department of Corrections sought a \$39 million increase to cover its swelling prison population, (Arkansas Gazette, 11/28/84). Clinton rejected almost all of the requested increase. Ultimately, the Corrections Department received a budget hike totalling just \$1.1 million, (Arkansas State Budgets, FY 83-85 and FY 85-87).

Tough Legislation to Fight Violent Crime

- Under the Reagan and Bush Administrations, the national violent crime rate has risen 27%, (Crime in the United States, Federal Bureau of Investigations, 1991).

-- To combat this problem, President Bush has sought a tough crime bill with stronger sentencing, including the death penalty, and an end to excessive appeals and legal technicalities that let criminals go free.

High Rate of Violent Crime

- Arkansas' violent crime rate has climbed much faster than the national average, soaring 58%. Arkansas' violent crime rate is now one of the worst in the U.S.

<u>The Declining U.S. Crime Rate</u> <ul style="list-style-type: none">• During the Reagan and Bush Administrations, the nation's overall crime rate fell by one percent, (Crime in the United States, Federal Bureau of Investigations, 1991).	<u>Arkansas' Soaring Crime</u> <ul style="list-style-type: none">• During the 1980s, Arkansas' serious crime rate jumped nearly 28% -- <u>the worst increase in the nation.</u>
<u>Crimes Against Women</u> <ul style="list-style-type: none">• During the 1980s, the average number of rapes committed nationally increased 4.4%, (State and Metropolitan Area Data Book, 1991).	<u>Arkansas' Increasing Number of Rapes</u> <ul style="list-style-type: none">• During the same time period, rapes in Arkansas increased 42.3% -- the 8th fastest out of 50 states and the District of Columbia and nearly <u>ten times the national average</u>, (State and Metropolitan Area Data Book, 1991).
<u>Tough Sentencing</u> <ul style="list-style-type: none">• Because of tough Reagan and Bush policies, the number of criminals convicted of federal crimes jumped 63% from 1980 to 1990. Of those convicted, more than twice as many were sentenced to prison in 1990 as were sentenced in 1980 and to 30% more time (Federal Criminal Case Processing, October 1991). <p>-- Under President Bush, the average sentence for federally-convicted drug dealers has increased by 40%. Drug criminals now spend on average <u>six and a half years in prison.</u></p>	<u>Hard Crime, Easy Time</u> <ul style="list-style-type: none">• Arkansas state inmates serve, on average, between six and eighteen months in prison, regardless of their original sentence. <u>Almost no inmate serves a full sentence</u>, (AP, "Arkansas Today," 8/13/91).

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UNCIVIL RIGHTS IN ARKANSAS

BUSH:

Putting Political Capital on the Line for Civil Rights

- In 1968, Congressman George Bush had the political courage to face down angry constituents and take a stand for the Fair Housing Act.

Creating New Opportunity

- George Bush proposed and signed the landmark Americans with Disabilities Act to bring disabled Americans into the mainstream of American life.
- After vetoing a civil rights bill which would have resulted in quotas and excessive litigation, in 1991, President Bush signed a civil rights bill that will do neither.

Economic Advancement

- During the 1980s, the number of black families earning \$50,000 or more increased by 30%, and the black middle class grew by almost one-fifth, to 4.3 million families.
- During the Reagan-Bush years, Hispanic household income rose by 67%, and Hispanic poverty levels and unemployment rates fell.

Fighting Discrimination

- Throughout his life, President Bush has spoken out strongly against discrimination in all its forms, and has worked actively to combat it.

CLINTON:

So Much for Leadership . . .

- After 12 years of Clinton, Arkansas still does not have a housing discrimination law -- one of just nine states so dubiously distinguished.

Clinton's Legacy: Stifled Opportunity

- After 12 years of Clinton, Arkansas still does not have a civil rights law -- one of only two states in the entire country without such a law.
- Clinton has signed legislation specifically mandating racial quotas on school boards and gubernatorial commissions.

Economic Decline

- In Clinton's Arkansas, at least 80% of all black families had incomes less than \$20,000, and 25% had incomes less than \$5,000 (Arkansas Business, 9/30/91).
- The poverty rate for Hispanics in Clinton's Arkansas is higher than the national average, and the median income for Arkansas' Hispanics is \$4,000 less than the national median for Hispanics.

- In 1988, a federal court found that Arkansas' drug courier profile -- used to stop and question those whom police suspected were drug dealers -- discriminated against Hispanics.

CLINTON'S DIRTY SECRET: HIS ENVIRONMENTAL RECORD IN ARKANSAS

BUSH:

CLINTON:

Historic Achievements

- President Bush's Clean Air Act Amendments of 1990 will cut acid rain emissions in half and reduce toxic pollutants by 90 percent. ten million fewer Americans are now living in counties with unhealthy air than in 1989.

Water Quality and Coastal Protection

- Set new standards for water quality, increased funding to clean up coastal harbors, and issued regulations to reduce lead and copper emissions -- giving 138 million Americans cleaner water.

-- Declared a moratorium on offshore oil drilling in environmentally sensitive areas on both coasts.

-- Tripled the rate of toxic waste site cleanups.

Protecting Our Heritage

- Added almost 8 million acres to our Nation's parks, forests, wildlife refuges, and wilderness system; Committed to protecting the legitimate property rights of farmers and landowners while maintaining goal of "no net loss of wetlands."

Getting Tough on Polluters

- Collected more fines and secured more prison sentences for violators than in the previous 18 years combined.

Arkansas' Air

- Under Clinton, Arkansas is ranked 42nd in the nation for per capita toxic chemicals released into the air, 43rd in per capita spending on air pollution, and 41st in ozone depleting emissions.
--Arkansas has no environmental law exceeding federal standards.

Too Chicken to Crack Down?

- Arkansas ranks 47th in the nation in per capita toxic chemical releases to surface water and 42nd in percentage of polluted rivers and streams. Clinton has ignored pollution of state rivers by poultry and other livestock industries while collecting campaign contributions from Arkansas' powerful chicken industry.

Wetlands Waffle

- As governor, sought relaxation of wetlands regulations for Arkansas farmers. But, as a presidential candidate, favors inclusion of millions of acres of farmland in the definition of wetlands.

A Record of Failure and Inaction

- The Green Index ranks Clinton's Arkansas dead last in the nation for the quality of state environmental initiatives. When asked, Clinton could not name a single Arkansas law that exceeds federal environmental standards.

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HEALTH CARE IN CLINTON'S ARKANSAS -- A LEGACY OF NEGLECT

Helping the Uninsured

- Will help over 90 million Americans afford health coverage through tax credits and deductions.
- The U.S. has a lower percentage of uninsured (as a percentage of the population) than Arkansas.

Clinton's Legacy of Neglect

- More than 42 percent of Arkansas workers, the second highest percentage in the nation, do not have employer-paid health insurance.
- One-in-four Arkansas residents have no health insurance at all. So much for Clinton's rhetoric.

Reforming Health Care

- Will reform health care to fix what's broken and preserve what's not, providing affordable and accessible health coverage to all Americans.

Creating Government-Run Health Insurance

- Will create a government-run health insurance system that will sacrifice jobs, lead to rationing and reduce the quality of care.

- Will use tax credits and deductions, competition, and administrative and malpractice reforms to expand coverage, preserve quality, and drive down costs.

- Will impose a 7-9% payroll tax that will cost 700,000 jobs in the near term, and eventually as many as 1-2 million jobs. Even Clinton now admits his plan would require a new payroll tax.

Helping Small Business

- Will help small businesses afford coverage for their employees by giving them the buying power of larger groups, and reducing the burden of government mandates.

Hurting Small Business

- Would impose a payroll tax that would force 80% of workers in firms with 25 or fewer employees into government-run health insurance.
- The National Federation of Independent Business estimates that play-or-pay will cost 1-2 million small business jobs.

Fighting the Gridlock Congress

- Continues to push Congress for passage of his health care reforms, although many Democratic leaders seem more interested in seeing no health care reform than any reform that might help the President.

Some Things Take Longer to Achieve in Clinton's Arkansas

- Clinton waited until his fifth term as Governor to provide "bare bones" coverage to people uninsured for a year or more. This plan was termed "worthless" by his state's AFL-CIO.

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EDUCATION AND CHILDREN IN ARKANSAS: CLINTON'S DISMAL RECORD

BUSH:

CLINTON:

<p><u>High School Graduation</u></p> <ul style="list-style-type: none"> During the past decade, the national high school dropout rate has fallen by 11 percent. 	<p><u>Arkansas' Educational Decline</u></p> <ul style="list-style-type: none"> Under Clinton in the 1980s, Arkansas' fell from 47th to 48th place in the nation in percentage of adults with a high school diploma.
<p><u>Toughening Standards</u></p> <ul style="list-style-type: none"> In 1989, President Bush convened an education summit of U.S. governors. Result -- the AMERICA 2000 program to revitalize American education through new, tougher standards, voluntary national testing, and parental choice of the schools their children attend. 	<p><u>Declining Standards</u></p> <ul style="list-style-type: none"> Arkansas has consistently lagged behind the U.S average in college test scores. Arkansas fell from 20th to 25th out of 28 states using the ACT test, while 75 percent of Arkansas college students required remedial instruction in their first year of college.
<p><u>Creating Opportunities for Higher Education</u></p> <ul style="list-style-type: none"> The President's FY 1993 budget proposes the largest one-year increase in Pell grants in history. His \$6.6 billion request is 22% over FY 1992 and 48% over 1989. President Bush's Lifelong Learning Act gives American of all ages the opportunity to get a higher education. 	<p><u>Arkansans and College Degrees: A Rare Mix</u></p> <ul style="list-style-type: none"> After 12 years of Clinton, Arkansas ranks 50th in the U.S. in percentage of adults with a college degree.

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PRESIDENT BUSH VS. CLINTON -- REAL ECONOMIC FAIRNESS

BUSH

CLINTON

Increasing Fairness Nationwide:

- The Urban Institute has concluded that in recent years " . . . on average, the rich got a little richer and the poor got much richer. " Thus, cutting taxes has, and will, create economic security and growth for all.

Decreasing Fairness in Arkansas:

- An August 1992 study by the Center for Budget and Policy Priorities ranked Clinton's Arkansas as one of the ten worst states in income fairness to the middle class. In Clinton's Arkansas, the rich have been doing a lot better than the middle class.

Cutting Spending:

- According to the Congressional Budget Office, Congress has given the President \$58 billion less in spending cuts than he has requested.
- Has proposed a cap on the growth on non-social security entitlement spending, a balanced budget amendment, and line item veto.
- Has proposed \$132 billion in specific mandatory spending cuts which could be used to finance an across-the-board tax cut.

Increasing Spending -- Dramatically:

- Doubled state spending since 1983, while raising regressive taxes that hit poor and working Americans the hardest.
- No proposals to control entitlement spending; opposes the Balanced Budget Amendment.
- Has proposed at least \$220 billion in new spending, not counting the \$200 billion price-tag for his government-run health insurance plan.

<u>Increasing Aid To Education</u> <ul style="list-style-type: none">• Federal aid to Arkansas schools has increased by 35 percent since 1983.• President Bush's "G.I. Bill for Children" will allow parents to choose the schools their children attend, whether public, private, or religious, and assist them in defraying the costs.	<u>Decreasing Aid to Education</u> <ul style="list-style-type: none">• In Arkansas, state aid to schools fell during the 1980s -- both per capita and per pupil.
<u>Children's Welfare</u> <ul style="list-style-type: none">• The death rate for children 14 and under has improved in the U.S. as a whole.	<u>Arkansas' Increasing number of Child Deaths</u> <ul style="list-style-type: none">• Arkansas ranked 49th in the U.S. in the death rate of children in 1989; at the same time, violent deaths of teenagers in Arkansas rose at three times the national average.
<u>Combatting Child Abuse</u> <ul style="list-style-type: none">• The President is committed to stopping child abuse. His FY 1993 budget contains approximately \$60 million to fight child abuse and neglect. The President recently signed into law the Child Abuse, Domestic Violence, Adoption, and Family Services Act of 1992.	<ul style="list-style-type: none">• Arkansas' child abuse rate doubled from 1982 to 1987. By 1990, the abuse rate was 35% higher than the national average. According to Clinton's own Department of Human Services, the state's "frequent and widespread" failures placed Arkansas children in "imminent peril."

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BUSH:

CLINTON:

Cutting Taxes:

- Vetoed the Democrats' \$100 billion tax hike passed in March 1992.

Raising Taxes to Historic Levels:

- Raised state sales taxes repeatedly to finance ever-increasing spending. As described by the Arkansas Gazette, Arkansas' tax system under Clinton became "stacked against the ordinary taxpayer and consumer, stacked for the rich and the special interest[s]."

-- Clinton has also opposed removing the tax on groceries, (in most states groceries are not taxed at all).

-- Clinton taxed food stamps until forced to stop by the Reagan-Bush Administration; attempted to levy a tax on child care; and started taxing mobile homes.

- Has proposed an across-the-board tax cut to be financed by cuts in federal spending. Will help create jobs by cutting the capital gains tax rate, creating a tax credit for first-time homebuyers, and an Investment Tax Allowance to spur new equipment purchases.

- Has proposed a comprehensive health reform package to make coverage affordable and maintain quality care without raising taxes.

- In 1991, signed largest tax increase in Arkansas history.

- In 1992, has proposed the largest tax increase in U.S. history -- more than two out of three of those that will be hit by higher income taxes are small businesses.

- Will impose new payroll taxes for government-run health insurance and worker training programs, costing jobs and forcing some small businesses to close their doors.

BUSH:

<http://dolearchives.ku.edu>

CLINTON:

<p><u>Personal Income -- Still Number One:</u></p> <ul style="list-style-type: none"> • Real per capita income increased 16.3% from 1980 to 1990. <p>-- The group of Americans that enjoyed the largest income growth during the 1980's were those earning \$20,000 - \$30,000; as a group their incomes rose 29% during the 1980s.</p>	<p><u>Personal Income -- Declining:</u></p> <ul style="list-style-type: none"> • At the end of the 1980's, Arkansas ranked 48th in the nation for per capita income - about 73 percent of the national average and down from 75 percent in 1980.
<p><u>Employment:</u></p> <ul style="list-style-type: none"> • Under President Bush, 1.5 million private sector jobs have been created. 	<ul style="list-style-type: none"> • Arkansas employment growth during the 1980s was well below average job growth during the 1970s, and also below the national average for job growth.
<p><u>Wages and Earnings:</u></p> <ul style="list-style-type: none"> • The U.S. has been first in the world in worker compensation every tabulated year since 1985. <p>-- Clinton's claim that wages have fallen is misleading; it does not adjust for currency differences and the value of non-wage compensation.</p>	<ul style="list-style-type: none"> • Arkansas manufacturing wages dropped from 47th to 50th during the 1980s.

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