

Speeches

Governor Romney's Detroit Economic Club Address

Monday, Jan 14, 2008

Remarks As Delivered

"Thank you. This is quite an institution. It's good to be back here with you. It's good to be back in Michigan.

"You know, somehow everything just seems right here. In the winter, of course, the skies are cloudy all day. Most of the cars you see on the roads are made here in the good old U-S-of A.

"People know that pop is not a relative, it's a soft drink, and they know that Vernors is the best ginger ale in the world.

"And of course, for me, I have a lot of memories here. This is where both Ann and I were born. It's where I met her. We were in our senior year when we went to a party together. I was in senior year, she was a sophomore. She came with someone else. I noticed her at age 16. She was very interesting. I went to the guy who brought her there and said, 'Look, I live closer to Ann than you do, can I give her a ride home?' We've been going steady ever since.

"So we know each other real well. I said to her after we made the decision to get into this race, and you've probably heard it before, I said, 'Ann, in your wildest dreams did you see me running for President of the United States?' And she said, 'Mitt, you weren't in my wildest dreams.' She'd be here today, but she's in Lansing, by the way, speaking at another event for me.

"First, one of the things I like best about coming back to Michigan is the memories I have in my heart of my Mom and Dad.

"One of my favorite stories, and you may have heard this because they told it more than once, was about my Dad's visit to Mt. Pleasant, Michigan, on the 4th of July. He got up and spoke before the town. He said, 'It sure is great being here in Mt. Clement.' There was this big oooh in the audience and my mother leaned forward and said, 'George,

it's Pleasant, Pleasant!' He said, 'Yeah, it sure is pleasant here in Mt. Clement.'

"Now I have to tell you, if I'm elected as President of this great land, I will not need a compass to tell me where Michigan is.

"And I won't need to be briefed on what's going on in the auto industry or what's happening to Michigan's economy. You see, I've got Michigan in my DNA. I've got it in my heart and I've got cars in my bloodstream.

"When I was living here, Michigan was the pride of the country and really the envy of the entire world. Detroit was the Motor City to everybody in the world. Of course, the Hudson's Thanksgiving Day Parade was one of the grand traditions my family enjoyed.

"And perhaps the biggest day of the year for me was being able to go to the Detroit Auto Show. This was really something. My Dad was head of a car company, you know, he made Ramblers. And we were escorted from the hotel with a police escort, motorcycles, awfully cool, even though we had to go in a Rambler. So exciting.

"But a lot has changed since then, as you know, and not all of it is good. Michigan is enduring a one-state recession, and the problem has only been exacerbated by poor choices made by some of the leaders in Lansing to raise taxes and take that course instead of cutting spending.

"Unemployment, now you know these numbers, unemployment at 7.4% is in the basement of the entire country. A state agency just this week forecast that next year it's going to go to 8.2% and after that 8.7% the year after.

"And the question is, what has Washington done with this looming, not looming, this existing crisis, this recession, what has Washington done to help? The answer is not very much at all.

"In fact, in face of all of the existing burdens that weigh down our domestic auto industry, instead of throwing over a life preserver, Washington has dropped yet another anvil on Michigan with higher CAFE standards. And now, it's passively sitting back to see if the car companies can swim. And the answer is: just barely.

"A lot of Washington politicians are aware of the pain, but they haven't done anything

about it. And of course, I hear people from time to time say, 'Well, that's Michigan's problem.' Or, they say something like, 'Well, it's the car companies. They just brought it on themselves.'

"But that's where they're wrong. What Michigan is feeling will be felt by the entire nation unless we win the economic battle here. Michigan is a bit like the canary in the mine shaft. What's hurting Michigan, if it's left unchecked, will ultimately imperil the entire nation.

"What's at stake here, in fact, is even larger than that. It's even larger than an industry and a state. The world is seeing the beginning of a global competitive struggle. It pits at least four major economic strategies against each other, and each of them has far reaching consequences for the peace of the planet, the prosperity, and security of America and the world.

"Our strategy – the American strategy – you know well. It is economic freedom combined with personal freedom. That's our strategy.

"China's strategy is Communism combined with an unbridled morphing of free enterprise. China doesn't flinch at buying oil from the genocidal Sudanese government or selling nuclear technology to the Iranians who threaten genocide. Today, China alone accounts for one-third of our trade imbalance as a nation.

"There's a third strategy; it's based on the control of energy and oil. It's pursued by a resurgent Russia, by Hugo Chavez in Venezuela, by Iran's President Ahmadinejad. Today, as you know, our energy purchases account for another one-third of our trade imbalance.

"The fourth strategy that's being pursued is radical, violent Jihadism. It is a very different campaign. It wants to return the world to the economy and the human condition of the Dark Ages. Violent Jihadism has cost America this year more in our treasure than even our purchases of oil. And, of course, much more, it has cost the lives of our countrymen, and other people throughout the world.

"We're accustomed as a people to measuring our national security in terms of missiles and aircraft and defense spending. But I would suggest that as we look down the lane for this next century, a better measure of our national security is the health of our economy. You cannot have a first-tier military and have a second-tier economy. The

Soviet Union learned that the hard way and Ronald Reagan taught it to them.

"Michigan's economic worries should be America's worries. I don't know about the Washington politicians, but I can tell you this: if I am President, I will not rest until Michigan has come back!

"I am convinced that Michigan can once again lead the world's automotive industry. But it means we're going to have to change things in Washington. We're going to have to go from politicians who say they are 'aware' of Michigan's problems to have a President instead who will actually take action to do something about them.

"Let me tell you some of the places where I'd start.

"First of all, we have to be honest about the problems we have and tackle them head on. If I'm President of this country, I will roll up my sleeves in the first 100 days I'm in office, and I will personally bring together industry, labor, Congressional and state leaders and together we will develop a plan to rebuild America's automotive leadership. It will be a plan that works for Michigan and that works for the American taxpayer.

"And as part of this, we will directly address and rectify the enormous product cost and capital cost disadvantages that currently burden the domestic automakers. From legacy costs, to health care costs, to increased CAFE standard costs, to the cost of embedded taxes, Detroit can only thrive if Washington is an engaged partner, not a disinterested observer. The plan is going to have to include increases in funding for automotive related research as well as new tax benefits including making the Research and Development Tax Credit permanent.

"I am not open to a bail out, but I am open to a work out. Washington should not be a benefactor, but it can and must be a partner.

"But that's only one step. Washington also has to stop loading Detroit down with unfunded mandates. Of course, we all want fuel mileage to rise, but discontinuous CAFE leaps, uncoordinated with the domestic manufacturers, and absent consideration of competitiveness, kills jobs and imperils the entire industry. Washington dictated CAFE is not the right answer.

"We also have to stop Washington politicians from imposing enormous unilateral energy costs on American manufacturing, including automotive manufacturing. For

example, the McCain-Lieberman bill pending in Congress unilaterally imposes new high energy costs on U.S. manufacturers, with no safety valve. The Energy Information Agency estimated that this bill would raise electric rates by as much as 25% and gasoline by as much as 68 cents a gallon. And their estimate of the cost in U.S. jobs - 300,000 jobs. So it's not just a job killer, it would also make it harder for families to make their ends meet.

"Now of course we have to tackle the threat of climate change. But we don't call it America warming, we call it global warming. Placing caps and taxes on the U.S. alone just drives manufacturers to China and India, and does little more than make Washington politicians feel welcome at the embassy cocktail parties.

"Next, and you've heard this before, there is more healthcare cost in an automobile than steel costs. We got healthcare insurance premiums down in my state and we got everyone on track to be insured. We will work to do the same here and for the rest of the nation.

"And then a final burden, it's time to fix the tax code. Corporations, like individuals, need lower and simpler taxes. Embedded taxes put our products at a disadvantage in our home market and wherever they compete around the world. When we send for example, a Ford Mustang overseas, it's not just loaded with accessories. It's loaded with our excessive healthcare costs, our excessive regulatory burdens, our excessive legal liability burden, and the taxes paid by every single automotive supplier to help put product into that car. You take off those burdens and let's show them how fast a Mustang will actually go.

"Of course, taking off those burdens is only part of the solution. If we're going to be the world's greatest economic power, we also have to invest in the future. It's time for us to be bold. I will make a five-fold increase – from \$4 billion to \$20 billion – in our national investment in energy research, fuel technology, materials science, and automotive technology. Let's invest in our future.

"As you know, research spins out new ideas for new products, from both small businesses and large businesses. That's exactly what's happened in healthcare. We spend what \$30 billion a year in NIH, and we lead the world in healthcare products. In defense, we spend even more. We lead the world in defense products. We also spend money in the space industry. And we lead the world in products coming out of space. Look how industries in these other states that have those advantages that thrive from

the spin of other technologies, from our investment there. So if we can invest in healthcare, and defense, and space, why not also invest in energy and fuel technology right here in Michigan?

"Michigan can be a laboratory, just like other states – a drawing board, from which we can invent the future.

"Second, we'll turn government workforce training programs that are managed by bureaucrats, into personal accounts that can be managed by the workers themselves so they can gain education at community college or they can pay for on-the-job training in real jobs.

"There are currently some 40 different workforce training programs in government spread out all over the entire federal government. Now let's replace the bureaucracy and the bureaucrats with personal responsibility and individual ownership.

"Long term, we're only going to lead the world only if our students coming in now are the best-educated in the world. And you know this, almost every independent group that's looked at our public schools has said that we're falling behind international standards. And their number one prescription time and again – treat teachers like the real professionals they are. Better teachers should be better paid. Teachers should also be evaluated and promoted. And, here's a novel idea, education of our children should come ahead of the interests of the teacher's union.

"And finally, we have to shape America's trade policy to open markets for our goods and level the playing field across the world. For America to remain the world's superpower, we have to remain the world's economic superpower. And that requires us to successfully compete everywhere in the world.

"However, as we pursue new trade agreements, I'm far less interested in just getting an agreement signed than I am in getting an agreement signed that is good for America. I promise you that any nation that unfairly manipulates its currency, steals our patents and designs, dumps unsafe products in our markets, or stifles the American goods in their market place, will face a very aggressive President across the negotiating table.

"Now let me be clear, I strongly support free trade, but free trade has to be fair in both directions. And when the playing field is level, America can compete with any country in the world. And we will win.

"I came here about a year ago and talked about a number of actions which I thought were necessary to keep our national economy strong. I talked about cutting spending in Washington, about across the board tax cuts, about national tort reform liability, and I also talked about entitlement reform. But these aren't enough. What we face here in Michigan and what we face around the country if we don't take action here in Michigan, is a far more complex set of problems than most politicians have been willing to acknowledge.

"There is no one silver bullet. When it comes to getting Michigan back on track and building a strong America, we have to address every single problem I've spoken about. And I will.

"And by the way, that's what I have done all my life. I've taken on complex situations, led tough negotiations, found solutions, and then gotten things back on track. That was the job that I had as a leader in the business world, and then as the head of the Olympics in Salt Lake City, and of course as Governor of Massachusetts.

"And I am the only candidate with that kind of experience, and frankly, that's exactly the kind of experience that Michigan and America needs in the White House today.

"Now, I know that there are some people who don't think that there's a future for the domestic automobile industry. They think that the industry and its jobs are gone forever. And they're wrong.

"Innovation and change present the opportunity for transformation. And the burdens on American manufacturing are largely imposed by government, and new leadership in Washington can lift the burdens and lift the industry.

"Washington politicians look at Michigan and they see a rust belt. But the real rust is in Washington.

"The pessimist will point to an empty factory and a laid-off worker and say they have no future.

"Instead, I see vital infrastructure, a skilled workforce, and an innovative spirit, all worthy of an optimistic vision, and deserving of a leader who will work tirelessly to deliver the power and potential of Michigan and the American people.

"The pessimist says that the hundreds of thousands of jobs that have been lost, have been lost forever. That logic of course says that the 200 jobs that were lost last week at Willow Run, they're lost forever too. And by the way, that logic would also say that all the rest of the jobs in the auto industry will one day be gone forever, and there's nothing that can be done about it.

"Well, the pessimists are wrong. The auto industry and all its jobs do not have to be lost. And I am one man who will work to transform the industry and save those jobs.

"Now, after this speech, I am going to do with my son Tagg, who's sitting right there, what my Dad did with me 50 years ago. We're going to go to the International Auto Show where I will show him the best of today and the vision of what we can be tomorrow.

"And the next time I visit the Auto Show here in Detroit, I hope it will be as the President of the United States. Thank you so much. Thank you!"

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