served as Ambassador to Brunei. Ambassador Phillips has also served as president of the U.S.-China Business Council, 1973–86; Deputy Permanent Representative of the United States to the United Nations, 1970–73; president of the U.S. Council of the International Chamber of Commerce and secretary-treasurer of the U.S. Business and Industry Advisory Committee to the Organization for Economic Cooperation and Development, 1965–69; and U.S. Representative on the United Nations Economic and Social Council, 1958–61.

Ambassador Phillips graduated from Harvard University (B.A., 1943). He was born December 6, 1920, in The Hague, The Netherlands. Ambassador Phillips is married, has three children, and resides in Washington, DC.

Nomination of Nancy M. Dowdy To Be Special Representative for Arms Control Negotiations and Disarmament

June 23, 1992

The President today announced his intention to nominate Nancy M. Dowdy, of the District of Columbia, to be Special Representative for Arms Control Negotiations and Disarmament (Chief Science Adviser).

Since 1989 Dr. Dowdy has served at the Arms Control and Disarmament Agency as Representative to the Joint Compliance and Inspection Commission in Geneva, 1991–present, and Representative to the Strategic Arms Reduction Talks in Geneva, 1989–91. She served at the University of Chicago in the office of the vice president as assistant vice president for research and for the Argonne National Laboratory, 1983–89.

Dr. Dowdy graduated from St. Louis University (B.S., 1960) and the University of Illinois (M.S., 1961; Ph.D., 1966). She was born October 25, 1938, in Jackson, MS. Dr. Dowdy currently resides in Washington, DC.

Message to the Congress Transmitting Proposed Legislation on Credit Availability and Regulatory Relief

June 24, 1992

To the Congress of the United States:

I am pleased to transmit for your immediate consideration and enactment the "Credit Availability and Regulatory Relief Act of 1992." This proposed legislation will enhance the availability of credit in the economy by reducing regulatory burdens on depository institutions. Also transmitted is a section-by-section analysis.

The regulatory burden on the Nation's financial intermediaries has reached a level that imposes unacceptable costs on the economy as a whole. Needless regulations restrict credit, slowing economic growth and job creation. Excessive costs weaken financial institutions, exposing the taxpayer to the risk of loss. Rigid supervisory formulas distort business decisions and discourage banks, thrifts, and credit unions from pursuing their core lending activities. In 1991, the Nation's banks spent an estimated $10.7 billion on regulatory compliance, or over 59 percent of the system's entire annual profit. We cannot allow this unnecessary and oppressive burden to continue weighing down the consumer and business lending that will fuel economic recovery.

The Credit Availability and Regulatory Relief Act of 1992 reduces or eliminates a wide range of these unnecessary financial institution costs. Among the significant changes that would be made by the bill are:

- Elimination of the requirement that banking agencies develop detailed "micromanagement" regulations for every aspect of an institution's managerial and operational conduct, from the compensation of employees to the ratio of market value to book value of an institution's stock;
- Enactment of a statutory requirement that the regulations of the various Federal banking agencies be as uniform as possible, to avoid the complexity, inconsistencies, and comparative distortions that result from widely varying regulatory practices;
- Reduction of audit costs, by returning auditors to their traditional function of investigating the accuracy of depository institution financial statements and eliminating the costly and misguided expansion of their role over legal and managerial matters;
- Alleviation of the significant paperwork burden imposed by the Community Reinvestment Act on small, rural depository institutions *without* exempting such institutions from the substantive requirements to satisfy the credit needs of their entire communities—coupled with creation of incentives for institutions to reach higher levels of compliance by streamlining expansion procedures for institutions with outstanding Community Reinvestment Act ratings; and
- Elimination of the requirement that the Federal Reserve write detailed "bright line" regulations on the amounts of credit that one depository can extend to another, thus retaining the Federal Reserve's existing flexibility to supervise the payments system without unduly inhibiting correspondent banking relationships.

These changes, and the others made by the bill, will result in significant reductions to the administrative costs of depository institutions—costs that are currently passed on to borrowers in the form of restricted credit and higher priced loans.

I would like to emphasize that none of the bill's provisions will compromise in any way the safety and soundness of the financial system. The legislation makes no changes to those elements of the Administration's proposed supervisory reforms that the Congress did adopt last year. All existing capital standards will remain in force and will be neither weakened nor modified by the proposed legislation; the "prompt corrective action" framework mandating swift regulatory responses to developing institutional problems will remain unchanged; and bank regulators will continue to have exceptionally tough enforcement powers.

The legislation I am transmitting to you today is a broad and responsible solution to one of the major problems facing our financial system. The financial industry, the economy, and the public generally will benefit from enactment of this regulatory relief. I therefore urge the Congress to give high priority to the passage of the Administration's reforms.

GEORGE BUSH

The White House,
June 24, 1992.

Statement on the Balanced Budget Amendment
June 24, 1992

This morning, I met with Members of the House of Representatives, Republicans and Democrats, who earlier this month voted in favor of a balanced budget constitutional amendment. I thanked them for the courage, vision, and responsibility they displayed supporting the balanced budget constitutional amendment. Their votes demonstrated their willingness to stand up to the special interests who perpetuate the status quo of deficit spending. Their votes show they take seriously the intolerable legacy of debt that future generations will inherit if we do not take prompt action to control