

Note: The President spoke at 7:15 p.m. in the Mackinac Ballroom at the Westin Hotel. In his remarks, he referred to Randolph J. Agle, chairman, Michigan Republican Finance Committee; and Michael T. Timmis and Heinz Prechter, dinner cochairmen.

Designation of John B. Waters as Chairman of the Board of Directors of the Tennessee Valley Authority

June 29, 1992

The President today designated John B. Waters, of Tennessee, as Chairman of the Board of Directors of the Tennessee Valley Authority. He would succeed Marvin T. Runyon.

Since 1984, Mr. Waters has served as a member of the Tennessee Valley Authority Board. From 1961 to 1984, he served with the law firm of Hailey, Waters & Sykes in

Sevierville, TN.

Mr. Waters graduated from the University of Tennessee (B.S., 1952), and the University of Tennessee Law School (J.D., 1961). He served in the U.S. Navy from 1952 to 1955. He was born July 15, 1929, in Sevierville, TN. Mr. Waters is married, has two children, and resides in Sevierville, TN.

Remarks and a Question-and-Answer Session With the Agriculture Communicators Congress

June 30, 1992

The President. Thank you for that welcome. And to those of you from outside the beltway, as we say, welcome to Washington on this humid day. This Herb Plambeck memorial get-together—[laughter]—some of you may know the dean down there, but it's always a pleasure to see him and see so many of you.

Let me just say a word about our Secretary of Agriculture. He came into this job with considerable experience in agriculture, both out in the field and then in Congress. In my view, he has done an outstanding job for American agriculture. Not only has he worked hard here domestically, the concerns of the farmers very much on his mind, but I can tell you from watching him in action he has done a superb job in terms of negotiating to try to achieve a successful conclusion to the Uruguay round of GATT. And I am very, very grateful to him.

I'm delighted to see Sara Wyant and Marsha Mauzey and Dave King and Taylor Brown. And once again, let me say welcome to all of you.

Before I get into the agricultural topics, I'd like to make a short statement that I hope will be of interest to all of you, indeed, to all Americans. This morning Ambassador Malcolm Toon briefed me on his trip last week to Russia. He went there to determine whether the American POW's or MIA's could possibly be alive there; went there, the full cooperation pledged by Boris Yeltsin before he left. His report makes clear that Boris Yeltsin stands by his pledge, providing us access to Russian officials and opening up the KGB archives. But Ambassador Toon also reports that his search has yet to uncover any evidence that American POW's or MIA's are currently being held in Russia.

As President, I take it to be an article of faith, a solemn covenant with those who serve this country: The United States will always make every possible effort, take every possible action to learn the fate of those taken prisoner or missing in action. Our aim remains a full accounting for every

POW and MIA, nothing less. I'm grateful to Malcolm Toon for pursuing this important mission. He's home now. He's left some people there, and we are going to try to get to the bottom of this so we can allay the concerns of every family who might possibly be involved.

At my instruction, Ambassador Toon will continue his work with the full support of the Russian Government, including an exhaustive search of the Soviet archives. And the government, this may interest you, has promised to make a definitive statement on this issue within the next few weeks. They are taking their role very seriously. And we're going to pursue every credible account of American POW's or MIA's held by the Soviet regime.

Now to the issue at hand, the matrix of this wonderful get-together. First, my thanks to all of you for the great job you do in keeping the farmers and the ranchers and the agribusiness owners not just well-informed but the best informed in the entire world. I know you have their respect and gratitude and certainly mine, too.

Democracy works because at its heart is one fundamental principle, freedom. Freedom is about human rights, self-determination, peace among nations. It's also about the free flow of ideas and information, and that's where your job comes in. That's why your work is so important not only to democracy and free enterprise but also to agriculture.

Thanks, in part, to the job that you do every single day, agriculture is America's number one industry. There are still a lot of people in this country that don't understand this, so let me repeat it: Agriculture is America's number one industry.

The news lately has been taken up with urban issues. But I want you to know that rural issues are equally important. And my growth agenda that I'm trying to get through the Congress will benefit all Americans. With lower capital gains taxes, investment tax credits, we call them the investment tax allowances, and health care reform, farmers are major beneficiaries of our economic growth agenda.

Our policies have, I think we'd all agree, kept interest rates low. So farm debt has gone down, while income has gone up. And

with our commonsense agricultural policy, we can secure a more prosperous future for farmers by expanding and hopefully creating a lot of new markets, both at home and abroad.

With a fourth of our production sold abroad, the world looks to the American farmer for its food and fiber needs. This year, that adds up to an expected \$41 billion in exports, the second highest in history, and an \$18 billion positive trade balance. And that's not all. These farm exports generate hundreds of thousands of jobs right here at home. Exports are a key to agriculture's continued strength and economic growth. That's why our economic plan, the one I am pushing with Congress, includes programs to actively promote these agricultural sectors. And that's why we're working to expand markets, open new ones on several fronts.

We're going to knock down trade barriers and ensure fair competition for American farmers in the world marketplace. The GATT and the NAFTA agreements are critical, and I will not let up on my commitment to either of them. I will continue to press our trading partners. A GATT agreement is clearly in everyone's best interest because it will increase economic growth worldwide. But while we work for an agreement, we are not going to forget to defend the interests of American farmers.

America's agricultural prosperity is tied to exports. And 95 percent of the world's population lives outside the United States of America, and global population growth is outpacing ours by 70 percent each year. We want to make sure that our farmers and ranchers are in a position to take advantage of the trade opportunities this growth offers by freeing farmers to make decisions based on market demands.

Export credits to Russia and other new nations of the old U.S.S.R., we call them the C.I.S., are opening the door to a vast and important market for our agricultural goods, one that holds incredible potential for our producers. As you know, our able Secretary, Ed Madigan, announced earlier that we would make \$150 million in export credit guarantees available to Russia around July 1st and another \$150 million around

August 1st. However, in response to President Yeltsin's request, we announced that both credit guarantee packages, a total of \$300 million, will be available on or about July 1st. This completes the \$600 million credit guarantee offer that I made to Russia back on April 1st. And it brings to \$4.85 billion the value of CCC credit guaranteed by my administration, those guarantees made available to assist U.S. agricultural exports to the former U.S.S.R. since January of '91.

Now, these and other export programs are keeping American ag products competitive, and they are boosting export sales. In addition to the expanding exports, regulatory reform has got to be a key priority. Our regulatory changes put the farmer back in charge. And as the old saying goes, the best way to solve farm problems is to consult the hardest hands.

I am very pleased with the job that Vice President Quayle and the Competitiveness Council are doing to cut back on excessive regulation. We're not talking here just about ag; we're talking about all across the industrial spectrum. But they're doing a superb job on limiting and restricting regulation and trying to eliminate the excessive regulations.

Since I announced a moratorium on new regulations in the State of the Union Address, we have saved \$15 billion to \$20 billion in the cost of excessive redtape. And this is just a downpayment on things to come. Our regulatory relief initiative is based on commonsense principles: putting the individual back in charge, creating jobs for Americans, and protecting property rights for all. That's guaranteed under the Constitution.

My commitment to developing alternative markets is equally strong. Technological advances have opened the way to create a new industrial feedstock for America, one derived from agricultural commodities that will give consumers products that are safer for the environment.

Ed Madigan shares my vision of tapping into this commercial potential, and we're seeing real success. In my home State of Texas, a group of imaginative entrepreneurs plan to make newsprint from a crop called kenaf. And in Nebraska, another group is

making comforters and pillows out of milkweed floss, milkweed floss, you heard me correctly. In Illinois, Ed's home State, they plan to produce biodegradable plastics from farm products. Ed was over here, for all of you ardent golfers, showing me some golf tees made out of corn. I don't know that they'll help, but I'll try anything—[laughter]—so if I can get them back—

Then, of course, one subject that I know is on the minds of everybody, that's ethanol, a great American success story that is now the single largest industrial use of corn. And the Clean Air Act that I signed into law does provide new opportunities for ethanol. Let me say it straight out in plain English: I support ethanol. And I believe it must become a major player in the fuel market.

The oxygenated fuels program created by that clean air law will be up and running this fall. We want to make sure that ethanol is competitive in the reformulated gasoline program. To encourage ethanol use, I am today announcing my support for an amendment which makes the gas tax exemption for ethanol proportional to the amount of ethanol used in gasoline. This will allow ethanol blends to compete with other additives. The bottom line is less carbon monoxide for American citizens and more sales for American farmers.

You know, Americans are doers. With their hard work and determination to get the job done, they accomplish great things as long as the Government does not get in the way. I've said it before, and let me just say it here again today: It's America's entrepreneurs, men and women of faith and vision and imagination like our farmers, who create our Nation's wealth. So get Government out of their way and on their side, and you'll see that there's no limit to what they can do for this country.

I am convinced that one of the best things we can do for American agriculture is to bring these two trade agreements to a successful conclusion. If you want to see a growth in American agriculture, please do whatever you can when we get an agreement to help get it through the Congress. We're not going to take agreements up there that are bad. But I believe what I've said about American agriculture and about

entrepreneurship. I just want you to know we're going to work right down to the wire to get these two agreements done.

Now, with no further ado, I understand it's in order to take a few questions. And I don't know how it's been arranged, but I'm sure Ed has thought out—maybe you just hold up your hand and yell. Oh, we've got a microphone over here.

Q. Mr. President, first of all, you may not be aware but we invited the other Presidential candidates to come and speak to us. You were the only one that could find time to do so, and we appreciate it very much.

The President. Hey.

Q. Having said that, I want to tell you that Farm Journal magazine is fortunate to have a number of editors located, we call it field editors, in different parts of the country. And they regularly attend many meetings with farmers and ranchers. And they report to us that farmers and ranchers really seem to identify with the un-candidate, Mr. Perot. Mr. President, can you tell us why farmers and ranchers should vote for you instead of Ross Perot or Governor Clinton?

The President. Well, I can tell you why I think they should vote for me, and let others sort out—because I'm not in what they call a campaign mode yet. I can't wait to get started actually—[laughter]—and that will be after the Republican Convention in the middle of August. What I've tried to do is get things done for this country. I've tried to stay out as much as possible, and I'll admit I'm not totally pure on this, of the political fray. And for about 6 months I've been pounded by both of them, plus several others that dropped out along the way. So I understand politics. I understand how the attack politics works. But I will be ready. I've never felt more fit, and I've never felt more up for a fight.

But what we're trying to do, and why I think farmers in the final analysis will be with me, is to put less emphasis on these government interventions into agriculture, trying to conclude successfully two trade agreements that will expand markets. I think we've handled the programs that are on the books now, I hope, with fairness. I am thinking of the export programs, things of that nature. I think the agricultural econ-

omy, though it could be better in certain sectors, is doing reasonably well, I think in some categories doing quite well. I think that farmers recognize that private sector initiatives are very important, and I hope they know that.

I don't think every farmer makes up his mind just on agricultural issues. I think minor details like world peace mean something to farmers and the fact that their kids go to bed at night with less fear of nuclear war. In the final analysis, I think that's something that will inure to the benefit of those I'm running with in the fall. I think we've done a good job in facilitating these dramatic changes around the world.

Where I feel a certain frustration is in my inability to get certain things passed through Congress. I happen to believe, as I said in my remarks, that a capital gains tax is very, very important for farmers. I think farmers identify with that. And the others are kind of all around on the field on this.

So I think things like that and the investment tax allowance, the first-time credit for homebuyers, that \$5,000 credit, even though they're not just ag policy, are things that farmers' families can identify with.

Lastly, I'd like to take my case to the American people on what we call family values—family values—[laughter]—not in a contentious sense. But you see, Barbara and I both believe that family, the strength of the American family, is absolutely vital to where we're going to be as a country in the future. That means I am reviewing, as President, things like the welfare system to see how we can reform it to keep families together and not have some idiotic redtape keeping them apart.

So I would appeal to farmers not just on ag issues, where I think we've got a good record with good people managing the account, but on a broad array of philosophical questions that I think we agree with. I would again cite the world peace as something that is very important. You can't find it talked about. I see no media mention of it.

We entered into—you asked me what time it is, and I'm telling you how to build a watch here. [Laughter] But we had Boris Yeltsin here the other day. And I think of

my times campaigning in Iowa years ago and how Iowa has kind of—I single out Iowa, but it's kind of an internationalist State in a sense, a great interest in all these things. We had Yeltsin standing here in the Rose Garden, and we entered into a deal to eliminate the biggest and the most threatening intercontinental ballistic missiles, the SS-18's of the Soviet Union. And it was almost "Ho-hum, what have you done for me recently?" This is major. This affects every family in agricultural or urban America, and it is significant.

I think that I will be taking the case to the American people, again, not just on these ag issues that I've talked about in my remarks but on a broad array of issues, and hoping, and I believe properly, that the economy, which has been stagnant and dull, will be vastly improved. And I point to the growth of the first quarter, 2.7 percent growth, and yet the American people feel, by over 60 percent, that things are getting worse in terms of the economy.

There is a gap between reality and perception. And part of my job when I do get into a campaign mode is to try to close that gap and be sure that we are judged on reality, not on these erroneous perceptions that are being portrayed in the political process. Did you get it?

Q. Thank you.

The President. All right. Who's next? I apologize for going on so long, but I'm practicing for when I do get in a political mode. [Laughter]

Q. You talked about rural activities a little bit, a while ago, and I would like to ask you to possibly elaborate, if you could. You know as well as I do in Texas, lots of rural area there in the farming and ranching industry, and it seems to be drying up, not only in Texas but in other parts of the United States. There's a lot of concerns, crop failures, environmental pressures, and health care needs in smaller communities. Can you kind of outline for us, if you can, what you plan on doing?

The President. Health care, we have the best, and I say this with appropriate modesty, the best health care reform proposal. It will have appeals in rural America because what it says is: We reject nationalized health care. We reject socialized medicine.

We are determined to preserve the quality of American health care. And the way to do it is to go through with this program that we now have defined up there that has a hallmark of it: Access for those people who do not have insurance.

It also has ways to revise and change the costs, the ever-escalating costs in health care. One of the things, a fundamental tenet, again, that I would like to see us get through Congress, but it is blocked by the trial lawyers, is this concept that we care for each other too little and sue each other too much. We want to change these liability, put some caps on some of this liability so we don't have these malicious lawsuits driving obstetricians out of business, for example. We've got a good health care program that I think will benefit rural America as well as urban America.

We're working very closely with Congressman Coleman on how we can better attract other jobs and opportunities to some areas in rural America that have been bypassed, more people in some concentrated areas leaving the farm.

I think the best thing that we can do is to guarantee that this overall economy recover. And as I say, it's growing. It's not growing near as robustly as I'd like to see it growing. But if we can pass the capital gains cut, the investment tax allowance, the first-time homebuyers tax credit—and that's something that would be good for rural America, I might add—I believe we can stimulate the economy without making the deficit worse.

I will take to the rural America as well as urban America my advocacy of and defense of a balanced budget amendment. It is time to discipline not just Congress; this will discipline every budgeteer in the executive branch, the branch I head. And we need it. And 80 percent of the American people want it. Twelve of the sponsors of the balanced budget amendment that favored it were beaten to their knees by the Democratic leadership who said, "Well, you've got to change your minds"—12 of the sponsors of it. And we lost by a handful of votes; almost got two-thirds in the Congress.

So I think there's some specific things that will appeal. But I also think there's

some broader macroeconomic things that will appeal.

Q. We note that you held the line, although it was an unpopular line among some in the press, recently at the Earth summit in Rio on the balance between the environment and the business interests here in the United States. We wonder if this is something we may see more of in the future in your stance toward the wetlands and the endangered species policies here in the United States? And also, I wondered what will be your position in clarifying the roles of the agencies in coordinating wetlands policy?

The President. Well, first place, thank you for your comments about Rio. That's the first nice thing I've heard. My definition of leadership is not going out and just signing onto a piece of paper that—it doesn't matter how many other countries give it. We're the United States. We have the best record on the environment of any country, literally. You lay down the records, certainly the very best.

So I was not playing defense down there in Rio. I was simply saying, if you really want to help on medicines or if you really want to help on other aspects of biodiversity, don't enter into a treaty that fails to protect America's property rights, fails to protect those to whom the world is looking for scientific advancement and technological advancement.

So I'm quite sure that we were correct in that position. And we did not enter into a global climate change treaty that is going to increase the cost to this country. Let me tell you the figure: We have spent \$800 billion on environment, \$800 billion, this is private, obviously, as well as government, in the last 10 years. The estimate is \$1.2 trillion in the next 10 years, and we are leading the world in this.

On terms of the wetlands, I had hoped that we could get the wetlands reserve program going fully forward. I believe it's a good answer. And I announced in California—I was just trying to get the date; anyway, it was last month sometime—the implementation of the wetlands reserve program. Now we've got to go and get it funded by the Congress. If funded, it will restore a million acres of wetlands without imposing

a burden on the farmers.

It is my view that on these decisions you ought to take in market force. I don't like takings. The recent Supreme Court decision, I think, was a decision the right way. Some guy goes and buys some property, and he's told he can't use it. Now, that isn't the American system.

I think we've got to move the manual out, and we're trying to move forward as quickly as possible on that. I think for a while it looked like we were too far over between the Corps and EPA on the regulatory side, and I hope that the steps we've taken recently have corrected that. But I guess the answer is to try to balance all of these interests.

You mentioned the endangered species. We had a decision coming out of the Interior Department the other day where I caught hell on both sides; therefore I figured we did something right. [*Laughter*] We got it from the extremes in the environmental movement, and then some developers thought we should have protected 30,000 logging jobs instead of 15,000. It is a very complicated problem. We've got to enforce the endangered species law. But when it comes to interpretation I also, and I told them this when we made this decision, I've got to have some responsibility for the American family, for people that are trying to make a living in a tough economic time.

I know that I will be—as we move into the political year, they will get on me because the extreme environmentalists are not happy. But I maintain in wetlands no net loss. It's a good policy. I think we can implement it so that it does not do damage to the American farmer. But we are going to be taking a strong environmental record to the American people; one that I'm proud of. And yet I recognize, hey, we're going to get it from both sides.

Q. Mr. President, I'm told—

The President. I forgot to tell you that I've got a radical view of wetlands. I think wetlands ought to be wet. [*Laughter*] I think you know what I mean. We had one example of a city block, I mean, they were trying to build a parking garage or something. Some guy came along and out of some weird interpretation claimed it was a

wetland. So I think we've got to be wary of the extremes.

Yes, sir.

Q. Mr. President, I'm told that we only have time for one question. So before I ask it, I'd like to thank you, on behalf of the group, for coming today. The question is this: There's a perception in the countryside, reflected somewhat in Congress, that our wheat exports for the last few weeks or months have about ground to a halt because of the lack of EEP subsidy announcements and allocations by the Government; perception that Secretary Madigan is doing his best, USDA is trying, but that Secretary Baker, Brent Scowcroft at the NSC are stopping it. My question to you, Mr. President: Is foreign policy going to dictate agricultural policy, or can you let Madigan be Madigan?

The President. Well, we can let Madigan be—almost be Madigan. [*Laughter*] The reason I say that is the farmer has no better friend. But what happens here when we get down into final negotiations on the GATT round, for example, I turn to Ed. And I said, "Now look, I have said I am not going to bring a GATT agreement to the Congress where the farmers can't support it." You know and I know that no matter what agreement we get, there may well be one farm group or another that says they don't like it. But I'm talking about an agreement that has broad support in agricultural America. And so Ed will say, "Here's what we can do." We have not departed. We have not pushed him—and you can let him, after I'm out of here, he can correct me if he wants to—have not pushed him beyond what he thinks is in the best interest of the American farmer.

Now, in terms of emphasis, in terms of timing, as we come down to the wire on the NAFTA or on the Uruguay round, there are some times when you have to try through open and honest diplomacy to get the agreement. And if that means you don't slap somebody the first instance you have a chance with a fine or with some action that retaliates, okay, that's the way it is. I've got to keep in mind the big picture because I know that a successful conclusion to the GATT round is in the interest of the American people.

I believe we have rather fully used the EEP.

Secretary Madigan. Eight hundred million dollars so far this year.

The President. Eight hundred million dollars so far this year. And I salute the Secretary for this. And obviously, I wish you had been with me, sir, when I was in Australia. They were on me about that—"How can you treat a friend"—I said, look, this is the law. This is what we should and must do, is to use those provisions of the law to enhance our agricultural exports. And it's not aimed at you, Mr. Australian Foreign Minister or whoever it was that was all over my case down there. It is the law of the land.

And incidentally, on EEP we are quite selective, and we don't try to bludgeon our friends. It wasn't passed for that end, as everybody here knows. So I think we've been fair in the application. I can't concede that sometimes timing is affected, a brandnew announcement of a protection or an encouragement to domestic agriculture item is held back for a few days. But I think we faithfully implemented the law.

I might add something on that. I hope it doesn't sound too defensive. I see a lot of revisionists talking about Iraq now. We did try through using agricultural credits to encourage Saddam Hussein to join the family of nations. I remember a lot of support in agricultural America at the time. Now, a lot of people that opposed me on Desert Storm have a kind of revisionistic view of things, and they're trying to make it that this was wrong and that this gave him the funds to buy bombs or something of that nature. It isn't. The policy did not work, and we did what we had to do to stand up against aggression.

But here was a case where ag credits were caught up in a scene. Now people are trying to say those ag credits were the reason, you know, gave him the wherewithal to take over a neighboring country, and I don't believe it. I don't believe it. I think we properly used these credits for what they were designed to do. I think it's been beneficial to American agriculture, and I'm going to continue to use them in a way that's beneficial to American agriculture with the national security interests of the

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United States foremost in my mind.

So I can't say it's been perfect, but I do think that the Department and, I hope, the White House has done a good job in the implementation of the law and in the using of these credits. I can tell you that what I really would rejoice in, and what I will rejoice in, is when we get this GATT agreement closed and get it finalized and let the American farmer compete with others on a level playing field all around the world. And that is the final and best answer to your very penetrating question about the

use of the EEP.

Thank you all very, very much.

Note: The President spoke at 1:31 p.m. at the Department of Agriculture. In his remarks, he referred to Herb Plambeck and William Taylor Brown, former president and president, National Association of Farm Broadcasters; Sara Wyant Lutz, president, American Agricultural Editors Association; Marsha Mauzey, president, Agricultural Relations Council; and David King, president, Agricultural Communicators in Education.

Remarks on the Superconducting Super Collider

June 30, 1992

The President. Look, this meeting is about the super collider. And I just want to thank these most distinguished scientists for taking the strong scientific case up to Capitol Hill in support of this project. It is important not just for national pride; it's important to science generally that this be fully funded and that we stay out front, working, of course, with international partners the best we can, but that we remain out front. And I'm anxious to hear from you how you feel, sir, your testimony went. And thank you very much for going up there to the Senate. We've got to get in the Senate and get approved that which we failed to do in the House.

Dr. Schwitters. I think we had a chance to make the case for the SSC. We talked about the long-term value and need in the science and then the value of doing this kind of research for the country. We had

a few critical questions, but I think that the team answered them well because we do have good answers.

The President. Well, what we've got to do is get it restored in the conference and get this under control. We're fighting for it, and we are committed to it. We have a handful of these major scientific projects that need support, even though we've got tough budgetary conditions. This is no time to cut the funding for this project. We will fight with you for it.

Dr. Schwitters. Thank you very much. We really appreciate that.

Note: The President spoke at 4:10 p.m. in the Roosevelt Room at the White House, during at a meeting with Government and private-sector scientists. Roy Schwitters was Director of the Superconducting Super Collider Laboratory in Waxahachie, TX.

Letter to Congressional Leaders Reporting on the Cyprus Conflict

June 30, 1992

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I am submitting to you this bimonthly report on progress toward a negotiated settlement of the Cyprus ques-

tion. This report covers the last 21 days of March, all of April, and the first 15 days of May, 1992.