

Mar. 23 / Administration of George Bush, 1992

Professor von Hayek revolutionized the world's intellectual and political life. Future generations will read and benefit from his works.

Statement by Press Secretary Fitzwater on the President's Telephone Conversation With President Boris Yeltsin of Russia

March 23, 1992

The President and President Yeltsin spoke for 20 minutes today. The President called to brief President Yeltsin on his meetings with Chancellor Kohl and said both the U.S. and Germany agreed on the need to support Russia's courageous economic reforms and would work with their G-7 partners to promote strong international support for the reforms. The President reaffirmed U.S.

commitment to continued humanitarian and technical assistance efforts.

President Yeltsin briefed the President on the results of the C.I.S. heads of state meeting in Kiev, particularly on military and nuclear issues. He also reported C.I.S. willingness to actively work for a peaceful resolution of the conflict in Nagorno-Karabakh.

Nomination of Thomas P. Kerester To Be Chief Counsel for Advocacy at the Small Business Administration

March 23, 1992

The President today announced his intention to nominate Thomas P. Kerester, of Virginia, to be Chief Counsel for Advocacy at the Small Business Administration. He would succeed Frank S. Swain.

Since 1985 Mr. Kerester has served as executive director of the Tax Executives Institute, Inc., in Washington, DC. Prior to this, he served as principal with the firm

of Coopers & Lybrand in Washington, DC, 1974-85.

Mr. Kerester graduated from Ohio State University (B.S., 1951; J.D., 1953). He was born April 12, 1929, in Youngstown, OH. Mr. Kerester served in the U.S. Air Force, 1955-57, and the U.S. Air Force Reserves, 1957-66. He is married, has two children, and resides in Alexandria, VA.

Remarks to the National American Wholesale Grocers Association

March 24, 1992

Boyd, thank you very much for the good news and for the introduction. And let me just say I am very pleased to be here. And I want to salute your leaders: first, Boyd, who did the honors here; Bill Eacho, who's with me; Richard Niemann; and T.C. Godwin. And also, before I get going here, I want to single out a former Cabinet member, Agricultural Secretary Jack Block, who's doing an outstanding job for the common

interest so well represented here today.

And I am here to follow up on what I said Friday, but mainly to ask you to help me change this country, to make it stronger and make it better. And as Boyd so generously said, we have changed the world. We've won a great victory for world peace and freedom. And as President, believe me, I will stay fully engaged with the world. We have won the cold war. And I salute previ-

ous Presidents for their role in keeping our defenses strong; my predecessor, Ronald Reagan, for his foresight in doing what he could to bring about the collapse of international communism.

But now is no time to pull back from engagement in international affairs. So now let's put to work the same leadership that we used to change the world to change America. And let me tell you what that means: We'll leave a legacy of productive jobs for our citizens, with strong families secure in a more peaceful world.

And I have a strategy to renew America and to keep our country strong in the next century. I proposed a plan to stimulate the economy without raising taxes and without increasing the Federal deficit, action to strengthen real estate, action to help young families buy that first home now. Get it done now. And I asked for action to create good jobs. One of those actions was to cut the tax on capital gains. It's not a break for the rich. It is a job-creation incentive.

But the majority in Congress simply couldn't break their tax-and-spend habits. And I asked for action to stimulate this economy, not stifle it. And I asked for a jobs bill. And they passed a bill to increase income taxes by \$100 billion. And they turned their backs on that first-time home-buyer by failing to enact this \$5,000 tax credit. They watered down the investment tax allowance that we had, an allowance that would have sped up depreciation and encouraged people to buy new capital equipment, given them incentives to do that. They stifled other reforms to help businesses modernize and compete. And then they tinkered with the capital gains tax. But if their plan were adopted, that tax would still be among the highest in the developed world.

You people know this, but a lot of Americans don't. Japan and Germany tax capital gains at zero and at one percent. They don't even have—in essence don't have taxes on capital gains in one country and tax it at one percent in another. And we're to compete with all that in this highly competitive world.

And yes, I was disappointed in the Congress. But frankly, I was not surprised. And so last Friday that tax bill came down, and

I vetoed the tax increase. And that veto is going to be sustained. But not just to carp, then I announced actions that I would take on my own to do what I could to get the fat out of the Government, to cut the red-tape that chokes our competitive spirit, and to get this country up to speed for the long haul.

You and I have business experience. We know what the tax increase would really do. About 80 percent of the revenue increase resulting from the higher rates would come from, you guessed it, small businesses. More than a million small businesses would be affected, many of them crippled by that Democratic-leadership tax increase. Thousands of family-run grocery and convenience stores are in this category. Small family farms also could face financial ruin from such a tax increase.

The bill I've just vetoed tried to raise the marginal rate for small family businesses and farms by about 18 percent. Now, just think about the impact of this on your own businesses. The grocery business, wholesale and retail, is fiercely competitive. I know you're being nice to the guy next to you here today, but when you go home, why, we'll understand if you go at each other. And why is it so competitive? You operate on the thinnest of profit margins; for wholesalers it's often less than a penny on the dollar. And if you had to face a big increase in the bracket where you pay most of your taxes, how would you cope? You'd feel pressure to cut back on the quality of your service. Competition would press you to hold out as long as possible before passing costs along to your customers. So you might have to eliminate jobs. Eventually everyone in the business would have to pass the costs along, and that would fuel inflation.

Those are simple facts of life for people trying to make a living. But even as millions of American families were huddling over their kitchen tables to work on their tax returns, the liberal Congress tried to raise their taxes by \$100 billion.

Last Friday, as I say, I vetoed their massive tax increase. And I sent Congress my first line-item rescissions, cutting \$3.6 billion in unneeded wasteful spending. These rescissions will serve notice to Congress that

the days of wasteful spending are over. And it is a step symbolic of the power that 43 Governors have, the line-item veto. Incidentally, at their recent national meeting, the Nation's Governors, Democrat and Republican, went on record calling for line-item veto authority for the President. And I need that authority.

I'm also fighting for economic growth through actions that don't need to be passed by the Congress. Some things I need Congress to do; other things we can do without. Take a look at Government regulation. Day by day, rule by rule, and industry by industry, we are winning battles against overregulation. We're winning victories for common sense and freedom.

Just last Thursday, for example, our administration announced reforms on nutrition labeling for meat and poultry. Our reforms will keep our food supply every bit as safe, and I have responsibility for that, but we will reduce the burden and expense of regulation on American consumers and on our hard-working food producers and grocers. If Congress sends me any legislation that would overregulate economy, I'm going to veto it as soon as it reaches my desk.

Now, if we Americans are going to hone our skills and really compete in the years ahead, we've got a lot more to do. And I want to have us keep our sights on the next American century. And when I think of America in the year 2000, I think of five strategic concerns mentioned in my address to the Nation last Friday.

First, we must change and renew our schools. We must become a Nation of students, educating ourselves throughout our lifetimes in the best system of schools, colleges, and universities in the entire world. And this is going to take revolutionary change. Most of our States and hundreds of local communities are committed to change. They have joined me already in a crusade that we call America 2000, an exciting program to revolutionize education.

Business-as-usual is not going to help us reach our national education goals. We need to get behind world-class standards, new curriculum frameworks, break-the-mold schools, voluntary national testing. And a centerpiece of our plan is the belief that

schools will do their best when parents enjoy real freedom and real responsibility to choose their children's schools, public, private, and religious. School choice for parents is an idea whose time has come.

Second, we need to make our excellent health care system more affordable and more available to Americans. We've got the highest quality health care in the entire world, but everyone should have access to it. And we all know the problems: Too many people don't have health insurance, and health care costs are going right through the roof. And we also know that the answer doesn't lie in costly and coercive plans like the scheme to make employers "play or pay." And the answer certainly isn't these nationalized, these socialized medicine plans. Nationalized health care would be a national disaster.

The way I propose that we help our society deal with this is based on markets and choice. Just as in education, vouchers are a key part of my strategy for giving Americans a fairer and more affordable health care system. And our answer is to change our health care system for the better, not ruin it. And we're going to keep fighting for this sensible plan.

Third—and I know you're going to agree with this one—we need fundamental legal reform to stop the epidemic of lawsuits. You all know the litany. You hear it in your communities. You hear it in your businesses. Things are so out of hand that some parents refuse to coach Little League for fear of liability lawsuits. Some doctors won't deliver babies anymore because of malpractice suits. Well, just imagine what we could achieve if we spent as much time helping each other as we do suing each other.

And the costs of litigation and liability on small business are absolutely staggering, horrendous. You know, in 1989 there were 18 million lawsuits filed in America, 18 million. And that's why I've again asked Congress to pass my civil justice reform bill which will help people resolve problems through means other than the courtroom. And it will help put a stop to frivolous lawsuits and reduce the drag on our economy caused by excessive litigation. And I need your help. I need your help with the Con-

gress to pass this sensible approach.

And fourth, we must reform Government in line with one of America's most important founding principles: strict limits on the size and power of Government. With a Federal Government that gobbles up a quarter of GNP, we can't really say we're as free as we should be. One quarter of all we produce as a Nation, as a people, goes to pay for the central Government. Now, that's just not right. And right now, the system is not accountable, effective, efficient, or even compassionate. And we need Government that knows its limits. But more important, we need a Government that works.

We have got to fix a congressional system that's gone out of control. Congress, as an institution controlled by one party, the Democrats, for most of the past four decades, desperately needs reform. And I'm going to have more to say, constructively, about reforming Congress in not so many days from now, at a later date. But we can start by compelling Congress to be governed by the laws that they impose on people like you, such as civil rights law, wage and hour laws, fair labor standards. We must totally eliminate the special interest PAC's that give unfair advantage to incumbents in Congress and say yes to the people's call for term limits on Congress. My term is limited; the President's term is limited. And I believe theirs should be now if we want true reform.

Fifth, we must work to expand our markets. Of all the legacies that I want to help create as your President, few could be more important than open and fair trade opportunities for our manufacturers and our service industries and also for our farmers and our food industries. Food and agriculture trade is the critical problem of world trade. The European Community spends more than 10 times, 10 times as much as we do on agricultural export subsidies. This cannot and must not go on.

And I made that point in a very vigorous way to a very receptive Chancellor Kohl of Germany when he visited Camp David last weekend. His leadership will be vital if we are to break the deadlock in GATT and concluding the Uruguay round successfully. And I know from my talks that he wants to see a successful conclusion to the Uru-

guay round. So let me assure you, we'll be working as hard as possible the next few weeks to make a breakthrough in GATT. But as we see it, if there's no fair deal for agriculture, there simply cannot be a good GATT agreement. Agriculture is the key to getting this worked out.

And I'm also working to open up the exciting market opportunities in Mexico. With nearly 100 million people next door, Mexico is already one of our best customers. And they'll buy a lot more American goods as soon as these negotiations are concluded. It is one of our fastest growing markets anywhere in the world. And the bottom line is: A good agreement with Mexico means more U.S. jobs.

Last year, our exports around the world reached record levels. So the more trade barriers we can knock down the better. On a level playing field, I am absolutely convinced that Americans can outproduce, outperform anyone, anytime, anywhere. I have that kind of confidence in the American worker.

On each of these challenges, there are two roads to take: One is reform; the other protects the status quo. You and I are gathered on Capitol Hill today because we share a common purpose. We're here in the neighborhood of a Congress that fails to heed calls for reform, that so far has failed to pass a simple but effective plan to help create jobs and build confidence. We're not simply going to complain about the Congress; we're going to try to change it.

And there are hundreds of you here, hometown business leaders, who are the backbone of your community. And just after this speech, I understand that all of you are headed up the Hill to visit your Senators and Representatives. I hope you'll pass along my warmest thanks to those who have stood with us and urge all Members of Congress to support our long-term economic growth package, the five points I mentioned here today. It is just that important.

This will be, for me, my final campaign. And I plan to fight as never before. I have had the privilege of being your President at the great turning point when freedom prevailed over imperial communism, when the

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Berlin Wall came down, when Iraq's aggression was defeated, ancient enemies talking peace in the Middle East, when democracy really got on the move in this, our own hemisphere. We are helping solidify a legacy of peace. But I cannot rest and you cannot rest until we help this country win another legacy: productive jobs for our citizens, with strong families secure in a more peaceful world. Working together, we changed the world. And now we can change America.

Thank you all very, very much. And may God bless you in your important work.

Note: The President spoke at 11:04 a.m. at the Hyatt Regency Hotel. In his remarks, he referred to Boyd L. George, chairman of the board of governors, and John R. Block, president, National American Wholesale Grocers Association; William C. Eacho III, chairman of the board of directors, International Foodservice Distributors Association; Richard Niemann, vice chairman of the board of directors, Food Marketing Institute; and T.C. Godwin, Jr., chairman of the board, National Association of Convenience Stores.

Message to the Congress on Environmental Goals

March 24, 1992

To the Congress of the United States:

In 1991 two events set the stage for a new era in history: the West won the Cold War and the United States led a U.N. coalition to roll back aggression in the Middle East. Both watershed events demonstrated the power of sustained international cooperation in pursuit of just and moral causes. They underscored the need for U.S. leadership in a complex, interdependent world.

Historic changes are also occurring in the relationship between humanity and the environment. We increasingly recognize that environmental improvement promotes peace and prosperity, while environmental degradation can cause political conflict and economic stagnation. We see that environmental protection requires international commitment and strategic American leadership in yet another just and moral cause.

Merging Economic and Environmental Goals

As I often have stated, we can have both economic growth and a cleaner, safer environment. Indeed, the two can be mutually supportive. Sound policies provide both.

My environmental strategy seeks to merge economic and environmental goals. For example, boosting two engines of economic growth—technological change and international trade—can also provide benefits for

the environment. Likewise, regulatory approaches that emphasize economic efficiency can help lower the costs of securing greater environmental quality. The following examples are illustrative:

Investments in Technology: My Administration has invested aggressively in key areas of research and development that will boost productivity and economic performance. Several technologies heralded primarily for their benefit to economic growth and competitiveness, such as advanced materials, high performance computing, electric batteries, and biotechnology, also have valuable environmental applications. Increasing investments in basic environmental research will enable policymakers to devise more informed, effective, and efficient policies.

International Trade: In negotiations on the General Agreement on Tariffs and Trade (GATT), the United States calls on other nations to reduce farm subsidies, which harm competitive farm exports and contribute to environmental degradation. In parallel with negotiations toward a North American Free Trade Agreement (NAFTA), the United States and Mexico are expanding environmental cooperation. A free trade agreement would lead to stronger growth in both countries and provide increased financial resources for environmental protection.