

I am disappointed that after 52 days the Congress has produced partisan, flawed legislation. Rather than work in a constructive manner to strengthen the economy and to create jobs, congressional leaders chose the path of partisanship. H.R. 4210 would jeopardize the recovery. It would not create jobs. It would not create incentives for long-term investment and growth, it does not contain a tax credit for first-time homebuyers, and it contains wholly inappropriate special interest provisions.

H.R. 4210 would increase taxes by more than \$100 billion. More than two-thirds of all taxpayers facing tax increases as a result of this bill would be owners of small businesses and entrepreneurs. Small businesses

are the primary source of new job creation.

H.R. 4210 would raise income tax rates substantially for some individuals, in some cases increasing marginal rates by more than 30 percent.

This is the wrong time to raise taxes, to increase the deficit, or to send a message of fiscal irresponsibility to financial markets.

I am therefore returning H.R. 4210, and I ask the Congress again to pass my economic growth program, without raising taxes.

GEORGE BUSH

The White House,
March 20, 1992.

Remarks to Republican Members of Congress and Presidential Appointees

March 20, 1992

Welcome to the White House. Fifty-two days ago in my State of the Union Address, I asked Congress to act on my agenda for economic growth. And I asked for immediate action by March 20th on a series of proposals to help rekindle the economic recovery. And I asked the Democratic leadership to put partisanship aside, pledging to do the same, in order to enact seven sensible steps to increase investment, strengthen the value of American homes, and create jobs. Well, March 20th has arrived, and no recovery bill of any kind has come to the White House as of now.

This morning the congressional conferees finished work on a tax bill. It would increase taxes and harm the economy. And so, today I am doing three things. First, I have just signed the veto message to stop the Democrats' tax increase. And second, I am taking several additional steps on my own to help the recovery with or without action by Congress. And third, while the Democratic leadership in Congress is in disarray, I am proposing action on the real challenges facing America, on my long-term plans to help America compete in the global economy of the future.

Now is the time for real, significant

change. And I am disappointed in Congress. In fairness, some Democrats did not want to put a tax increase in the bill. And I salute them for courageously standing up against more taxes. But politics prevailed. A slim majority passed the bill in the face of a certain veto. But they aren't blocking my economic recovery plan because they're afraid it won't work; they're blocking it because they're afraid it will work.

I do not take this step lightly. No President has vetoed a major tax bill since Harry Truman did it in 1948. But I submitted an economic growth plan to Congress for a reason: to promote a recovery in which every American has an interest. The package I proposed was carefully tailored. It was paid for without raising taxes. It was designed to encourage and strengthen the positive economic signs we're beginning to see: home sales and housing starts up as interest rates stay down; retail sales improving; 164,000 new jobs last month alone.

In response, the Democratic Congress has returned to form. It's produced a bill that will not strengthen the economy; it will weaken it. It's produced a bill that will not stimulate growth; it will stifle it. As if by reflex, the Democrats in Congress could not

resist their natural impulse to raise taxes. But I assure you of this: I simply will not let them do it.

So, moments ago I signed the veto message for the Democrats' tax increase because raising taxes will not help create jobs. And the bill is not yet here, but the conference report tells me all I need to know. And when the bill is sent down tonight, this signed message will be waiting for it, and my veto will go back to the Hill the minute the bill arrives. And needless to say, I will not send it back via the House post office. [Laughter] The message is clear: My veto, and a block of votes ready to sustain it, stands ready to stop any tax increase on the American people.

With that clear, I ask the Democratic leadership to put aside once and for all the idea of a tax increase. And I ask the Congress again: Pass the seven commonsense measures that I have proposed to help the economy now. Do so without raising taxes, and I'll sign it. And then let's get on to the long-term agenda. But stop holding the American economy hostage in a partisan game.

Passing a tax increase is bad enough, but here's what really troubles me. The irresponsibility of Congress on this plan, it's a part of a pattern. It reflects a more serious problem, a deeper, systemic problem that is gnawing at the strength of our Nation. It is no wonder that Americans are angry. Today, looking at the accumulated evidence of several years, it must be said: Our congressional system is broken.

We have a long tradition in this country of pulling together when national need demands that we do so. And over the years, many accomplishments, large and small, have been truly bipartisan. But Congress today is different. It's more partisan. Its campaigns are financed by special interests. It's grown out of control. It's lost the ability to police itself. And perhaps most importantly, it is no longer accountable to individual American citizens and voters. And this must change.

One party has controlled the House of Representatives for almost four decades. Staff has become institutionalized. In 1950, there were about 2,000 personal staff in Congress. Today, there are almost 12,000

staff for Members of Congress themselves and almost 40,000 if you include the entire legislative branch. The number of committees and subcommittees has quadrupled.

And for this, we get a Congress incapable of passing the simple plan that I presented almost 2 months ago, a Congress controlled by the Democratic caucus which cannot manage a tiny bank or a tiny post office.

In the 1990 elections, special interest political action committees, PAC's, gave almost \$117 million to incumbent Congressmen and Senators. Only about \$15 million were donated to challengers. With this eight-to-one spending advantage, obvious voter discontent was buried in a wave of PAC-financed television advertising. And so, nearly every incumbent won.

The time has come for change because when the system is broken, you do have to fix it. And I have proposed to eliminate the PAC's which are poisoning our system. The time has come to eliminate these political action committees in their entirety.

I propose also to increase accountability. I'm ordering several steps to implement promptly the Supreme Court's *Beck* decision. No worker should be forced to have money taken out of his or her paycheck to fund politicians that he or she disagrees with. We should apply to Congress the same laws, from employment practices to civil rights to the Freedom of Information Act, which it imposes on everyone else.

And I believe the time has come to limit the terms of Congressmen. The terms of Presidents are limited. It's time for the terms of Congressmen to be limited.

The bottom line is that we all need a new Congress, one that can and will work with me for constructive change. And in the meantime, I will take additional actions on my own with every legal means at my disposal to keep the economy moving up. And I will do so in spite of the hopelessly tangled congressional web of PAC's, perks, privileges, partnership, and paralysis. There is, of course, a serious limit on what a President can do without Congress. But I am determined to do all I can to effect change.

First, I want to underline a fundamental point: Government is too big, and it spends too much. I have already proposed to

freeze domestic discretionary spending in Federal employment next year. And I've also proposed to curb the growth of mandatory programs without touching Social Security. Mandatory spending, spending on programs that need no annual congressional action to keep growing, consumes almost two-thirds of the entire Federal budget. Over the next decade, this spending, if left unchecked, will grow by \$2 trillion more than is needed for inflation and new beneficiaries. Currently, most of these programs grow automatically without congressional review or even a chance for a Presidential veto.

My proposal, which is before Congress now, would permit these programs to grow for inflation and new beneficiaries and, where necessary, some amount above that. But we need some ceiling to keep their growth within reasonable bounds. Uncontrollable spending is a major cause of the Federal deficit that I'm working to contain, and it must be addressed.

Today I am sending to Capitol Hill the first of a series of additional measures to cut Federal spending now, this year. I have also directed all Agency heads to look for further areas where spending cuts can be made now. The line-item rescissions identified so far, in total, will cancel out about \$4 billion in unnecessary spending: funds for local parking garages, \$100,000 for asparagus yield declines, mink research, prickly pear research. The examples would be funny if the effect weren't so serious. And this kind of wasteful spending destroys public confidence in the integrity of the Government. And Americans have every right to be outraged and disgusted. It's their money.

I will work with the Republicans in the House to bring these items to a vote individually. Forcing the Democratic leadership to allow line-by-line votes on items of pork will bring us a step closer to the accountability and the power that 43 Governors have, the line-item veto.

Some argue that the President already has that authority, the line-item veto authority, but our able Attorney General, in whom I have full confidence, and my trusted White House Counsel, backed up by legal opinions from most of the legal scholars,

feel that I do not have that line-item veto authority. And this opinion was shared by the Attorney General in the previous administration.

I ask the American people, then, to demand that a President be given line-item veto authority legislatively or, if necessary, by changing the Constitution. The line-item veto is essential, and I need it now.

Secondly, I've directed the Vice President to step up the assault on unnecessary regulation and paperwork. Let me give you a progress report that he gave to me, and he's doing a superb job on this. Though some in Congress oppose regulatory relief, I've already taken specific steps to remove the regulatory roadblocks to growth. We've implemented plans to promote biotechnology, to lower construction costs, help small business, ease the credit crunch, help clean up the air, reduce costs in transportation, and cut through the morass of regulation and agriculture.

And today, we're launching a new public-private partnership to promote research and development by bringing the good ideas from our Federal labs into the marketplace. Over the coming months, we will be announcing many more such steps to chop away at needless regulation and paperwork wherever we can. Too much regulation smothers innovation, eliminates jobs, and makes America less competitive.

I realize that these are only modest steps, but they reflect a fundamental attitude. And if the Democratic leadership that runs the status quo Congress will not help us change America, we have to change it without them. And if the Democratic leadership that runs the status quo Congress will not help us reform Government, we must reform it without them.

You see, change is nothing to fear. For more than two centuries, America has been a force for change. Our restlessness is legendary. Our energy is boundless. Because of this, today America, even given our economic problems, is the most productive Nation on the face of the Earth, with the highest standard of living. We have only one-twentieth of the world's population. But we produce one-fourth of the world's output, twice that of Japan, 4 times that of

Germany.

Today America's credibility and prestige in the world, not to mention our strength, have never been greater. But we didn't get where we are by standing still. We got where we are by always striving to do better. And that's why the current paralysis of the Congress, controlled over and over again by that liberal Democratic majority, is so troubling. It's caused too many Americans, at the exact moment of triumph for American values around the world, to lose confidence.

Americans are understandably worried about their future, not only about the economy right now, although that is a key problem, but about the economic competition of the future, about the central question that lies at the heart of the American dream: Will our children have a better life than we do?

Make no mistake: We will compete and win in the global economy. In the last 10 years we've become more productive. Our exports have more than doubled. Manufacturing productivity has increased. And we are capturing new markets around the world from Europe to Africa to Latin America. But in order to keep succeeding in this global economic competition we've got to change America in five key ways. We need a strategy that is confident, forward-looking, future-oriented, and we need to be willing to change.

First, we must expand markets for American products. So, I will continue to pursue a GATT agreement to open markets further. I will push for a North American free trade agreement to unlock the potential of markets in Mexico and Canada. And I will work for bilateral agreements to knock down barriers to American exports.

To win these markets we must guarantee that America will lead the world in knowledge, in new ideas, in making products of the highest quality. And that requires specific investments today. I've proposed to invest more in basic R&D, research and development, and in key technologies like high-performance computing, new and advanced materials in biotechnology. Congress should approve these investments. And not only the Government must invest more in the future. To maintain our edge by increas-

ing private sector investment, Congress should pass the capital gains tax cut and make the R&D tax credit permanent.

And second, we must prepare our workforce to compete, through better education, better training. And I've proposed a set of dramatic reforms in education called America 2000 and a new approach to job training, Job Training 2000. The idea of America 2000 is simple, to revolutionize American education. And that means creating new kinds of schools with new technology and new ways of learning. It means measuring progress and holding schools accountable for their performance. And it means giving all families, including low- and middle-income families, choice in picking their children's schools.

We've put the resources behind our efforts. Although budget dollars are very tight, education is so important to me that I've increased funding, funding for education, by 42 percent just since 1989 and gave it the biggest increase this year. I put in place a new program to help train teachers in math and science and increased funding for math and science education by over 69 percent. But more money alone won't do it. We need reform.

And thirdly, we must reform health care. America has provided the best quality health care in the entire world. But we are plagued by two problems: Too many Americans are not covered by health insurance, and health care costs too much. And I have proposed a comprehensive plan to make health care more affordable, more available, more sensible. It guarantees access for affordable health care, affordable health insurance for all Americans. Congress should pass it, and that will help our competitiveness all around the world.

Fourth, we've got to fix our legal system. America is drowning in a sea of litigation. Too many lawsuits means higher prices for consumers and reduced competitiveness for all America. It is estimated that fear of medical practice alone generates up to about \$20 billion per year in increased health costs. This must change. In some cases we should require the loser to pay the winner's legal fees, and that would stop

some of these frivolous lawsuits. You know the problem. When parents won't coach Little League teams, when obstetricians won't deliver babies, and when community pools are closed in the summertime, all because of the fear of liability, we know that something is wrong. And now is the time for Congress to pass my legislation to fix it.

And fifth, we must tackle each of these challenges without higher taxes or more Government spending. America doesn't need bigger Government; it needs better Government. On every one of these issues the Democrats in Congress are standing in the way of reform. They've cut my budgets for R&D and investing in the future and then voted instead for pork.

They've stripped choice and accountability out of the education bill. They are working on a Government takeover as a solution to our health care program, to be financed by a massive tax increase. And the special interests have made them afraid of legal reform. Well, it is time for Congress to either lead, to follow, or simply get out of the way.

On every one of these challenges there are two very different ways of looking at the world, one is reformist and the other protects the status quo. And that difference is driven by values. The special interests and the foot-draggers do not believe in the kind of change that we seek, change which respects markets more than Government dictates, which recognizes fundamental American values and the difference between right and wrong, which rewards excellence and punishes wrong-doing.

They do not believe that actions should

have consequences. Well, one set of actions should have consequences. The failure of Congress to move on our program of change means only one thing: It is time for a new Congress. Give others a chance to control the United States Congress. You give me the right lawmakers, and I'll give you the right laws.

Over the coming weeks I'll be speaking more about these changes, and I'll be laying out further specific plans that I have for each. And I ask the American people to compare those plans to the response of the Democratic-led status quo Congress and the do-nothing caucus that has dominated that Democratic Party for too long.

Patrick Henry said, "I like the dreams of the future better than the history of the past." Well, Patrick Henry was right. Imagine the irony, as the world is beating a path to freedom's door, if we, ourselves, were to turn back now. If we carry the change forward, we can have a nation of productive workers and competitive companies, of healthy and secure communities, of schools that are the best in the entire world. And America can remain a nation whose exuberant confidence and commitment to freedom are admired worldwide.

I am ready to build such an America. Because if we can change the world, we can change America.

Thank you all. And may God bless the United States of America. Thank you very much.

Note: The President spoke at 4:04 p.m. in the East Room at the White House.

Statement on Signing Legislation Waiving Printing Requirements for the Tax Bill

March 20, 1992

Today I approve H.J. Res. 446, which waives the printing requirements of sections 106 and 107 of Title 1 of the United States Code with respect to H.R. 4210. I do so to avoid any confusion as to my ability to act on any form of that legislation presented

to me after certification by the Committee on House Administration of the House of Representatives that the form is a true enrollment. In signing the resolution, I express no view as to whether it is necessary to waive the provisions of Title 1 before I