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Feb. 11 / Administration of George Bush, 1991

man, of our generals out there—General Schwarzkopf and others. Then if they come to me and say there needs to be another phase, then I will then make that decision—because that is a decision for the President of the United States.

Having said that, I have total confidence that we are on the right path, and with no further ado, I want to thank them for this arduous trip—but it was well worth it.

Thank you.

Q. Mr. President are you still skeptical air power will do the job?

The President. They may be taking questions over there and I'll refer the—as I said early on when I started in all of this, the briefings on military and air and all of this are best conducted by the experts. And they are over there across the river in the Pentagon. When it comes to the President's decision, I'll be glad to discuss it at the appropriate time. But this is not the appropriate time, for the reasons that I gave you.

We are on track; it is going smoothly. I've got total confidence that we are prevailing. It is working well. And that's what the American people need to know now, and I don't have anything to contribute beyond that.

Note: The President spoke at 3:45 p.m. in the Rose Garden at the White House. Prior to his remarks, the President was briefed by Secretary of Defense Dick Cheney and Gen. Colin L. Powell, Chairman of the Joint Chiefs of Staff, on their recent meetings in Saudi Arabia with Gen. H. Norman Schwarzkopf, commander of the U.S. forces in the Persian Gulf, and other allied officers.

Message to Congressional Leaders Transmitting the 1991 Economic Report

February 12, 1991

*To the Speaker of the House of
Representatives and the President
of the Senate:*

Just over 8 years ago the longest peacetime economic expansion in U.S. history began. By the start of the 1990s the unem-

ployment rate had fallen to levels not seen since the early 1970s, and inflation remained relatively low and remarkably stable when compared with the 1970s. More than 20 million new jobs were created by our dynamic and diverse market economy—the largest and the most productive in the world. Reflecting both the evolving needs and wants of the American people and the rapid advance of technology, some industries and regions experienced much more robust job growth than others. And, as is normal during economic expansions, the rate of growth of the Nation's output varied from year to year.

The events of 1990 were a reminder that even a healthy economy can suffer shocks and short-term setbacks. In early August, Iraq invaded and occupied its small, defenseless neighbor Kuwait and threatened Saudi Arabia. Oil prices rose substantially on the world market, and business and consumer confidence plummeted. These shocks hit an economy that was already growing slowly for several reasons, including worldwide increases in interest rates, tightened credit conditions, and the lingering effects of a successful attempt begun in 1988 by the Federal Reserve to prevent an acceleration of inflation. U.S. output turned down in the fourth quarter of 1990, and it became clear that the economy had entered a recession. I know that in some regions of our country, people are in genuine economic distress.

This temporary interruption in America's economic growth does not signal a decline in the basic long-term vitality of the U.S. economy. Indeed, there were important economic achievements in 1990. Even though many analysts had earlier forecast increased inflation, the underlying rate of inflation was contained and showed clear signs of declining by the end of the year. Low inflation is essential to lower interest rates and strong economic growth. The U.S. trade deficit declined for the third year in a row, and U.S. firms remained competitive in world markets. Exports of American products reached an all-time high in 1990 and exceeded those of any other nation. Productivity in U.S. manufacturing continued to grow impressively. Some regions and

industries experienced relatively strong job growth.

My Administration's economic policies are designed both to mitigate the current downturn and to provide for a solid recovery and the highest possible rate of sustainable economic growth. Because these policies are credible and systematic, they reduce uncertainty and pave the way to higher growth with sustained job-creating expansions. With these policies in place, the current recession is expected to be mild and brief by historical standards.

Economic growth is projected to recover by the middle of this year. Inflation and interest rates are expected to decline. With the adoption of my pro-growth initiatives, the recovery and ensuing expansion are projected to be strong and sustained, and to be accompanied by continued progress toward lower inflation.

As the Nation proceeds into the 1990s, it is important to remember the simple secret of America's economic success in the 1980s: a government policy that allowed the private sector to serve as the engine of economic growth. We must also remember that economic growth is the fundamental determinant of the long-run success of any nation, the basic source of rising living standards, and the key to meeting the needs and desires of the American people.

The process of growth necessarily involves change. Advances in technology, shifts in world market conditions, and changes in tastes and demographics have created major new industries and dramatically altered the fortunes of existing industries. The lesson of history is clear. Attempts to protect special interests by blocking the economy's natural, market-driven evolution—through regulation, subsidy, or protection from competition—reduce the economy's flexibility and impair its ability to grow and to create jobs. Growth and prosperity are enhanced by strengthening and extending the scope of market forces, not by substituting government dictates for the free choices of workers, consumers, and businesses.

Toward Renewed Growth

The budget law enacted last fall gives fiscal policy a strong and credible medium-term framework. It increases the ability of

the fiscal system to dampen the impact of the current recession, while providing for strong controls to reduce Federal spending as a percentage of our gross national product. A major reason that the budget deficit is expected to increase this year—before declining steadily thereafter—is the increase in payments to those adversely affected by the current downturn and the reduction in tax receipts as incomes grow more slowly. These automatic responses to the recession will help cushion its effects.

I am committed to maintaining a tax system that will sustain strong economic growth. My proposal to reduce the tax rate on capital gains would give a needed boost to the economy and set it on a strong course of economic growth and job creation for years to come. A lower capital gains tax rate would encourage entrepreneurial activity, which plays a critical role in creating new jobs, new products, and new methods of production. It would reduce the bias in favor of debt financing and thereby decrease the financial risks borne by U.S. corporations and their workers and shareholders.

The Federal Reserve's control of inflation throughout the recent long expansion has given it the credibility necessary to mitigate the current downturn significantly without triggering an increase in inflationary expectations. Federal Reserve action in recent months will also help to alleviate tight credit market conditions that have hampered the economy. It is important that the Federal Reserve sustain money and credit growth necessary for the maintenance of sustained economic growth, especially during an economic downturn. And, while unwarranted risks should be avoided, I believe that sound banks should be making more sound loans.

Comprehensive banking reform will help to alleviate tight credit conditions by reducing unnecessary restrictions on the banking sector. Healthier depository institutions are essential for a sound financial system. Lifting restrictions on interstate banking activities and on the ability of banks to combine with commercial and other financial firms will increase banks' competitiveness. These changes will enhance banks' ability to at-

tract capital and reduce the risk of a contraction in lending.

Some have argued that the government should react to the recent oil price shock by reregulating energy markets. They would do well to remember the lessons of the 1970s, when regulation worsened the impacts of two oil shocks and forced Americans to waste many hours in long and unnecessary lines at gas stations. Long-term uncertainties about energy prices make it vital that U.S. energy policy be based, in both the short run and the long run, on the flexibility and efficiency that only well-functioning markets can provide.

My Administration's National Energy Strategy calls for removing unnecessary barriers to market forces so that ample supplies of reasonably priced energy can continue to foster economic growth. The Strategy also outlines initiatives to enhance the energy security of the United States and its friends and allies, to encourage cost-effective conservation and efficiency measures, to increase the use of alternative fuels, and to continue to mitigate the environmental consequences of energy use.

Supporting Long-Run Growth

The Federal Government cannot mandate or effectively direct economic growth, but it can and should create conditions that encourage market-driven growth. That requires reducing barriers to saving, investing, working, and innovating. Encouraging growth also requires sustaining and expanding the role of market forces and, thereby, enhancing the economy's flexibility. Attempts to second-guess the market and to direct government support to particular firms, industries, or technologies in the name of promoting growth are inevitably counterproductive.

The multiyear Federal deficit reduction package adopted last year, the largest and most comprehensive such package in U.S. history, will reduce the Federal budget deficit by nearly a half-trillion dollars over the next 5 years relative to baseline projections. This substantial reduction in government borrowing will raise the national saving rate and increase the pool of funds available to finance job-creating private investment in new productive capacity and new technology.

My Administration remains firmly committed to taking additional steps to lower the cost of capital and to encourage entrepreneurship, saving, investment, and innovation. I have again asked the Congress to reduce the tax rate on long-term capital gains and to make the research and experimentation tax credit permanent. To encourage private saving, my budget again includes Family Savings Accounts and penalty-free withdrawals from Individual Retirement Accounts for first-time homebuyers. My Administration will seek increased Federal support for research that has broad national benefits, and we will make the results of government-supported research more accessible to the private sector so that they can be brought more quickly to market.

Strong economic growth will continue to require a sound national transportation infrastructure. My Administration's proposals for restructuring highway programs, centered around a new National Highway System program, would make a substantial contribution to meeting those demands.

Economic growth requires skilled and adaptable workers as well as modern capital and new technology. Excellence in education is the key to increasing the quality of the U.S. labor force. My Administration is strongly committed to making the U.S. educational system second to none, so that U.S. workers can continue to compete effectively with their peers in other nations. To meet this goal, the performance of U.S. elementary and secondary education must be dramatically improved. More money will not ensure excellence; America is already a world leader in spending on education. Fundamental reform is necessary.

Government policies should be designed to put power in the hands of individuals and families—to give them the tools and incentives to improve their own lives. Thus students and their families must be given greater freedom to choose among competing schools, and talented and skilled individuals must be freed from unnecessary obstacles to entering the teaching profession. My Administration will seek enactment of a new Educational Excellence Act that would support choice in education, alternative certification for teachers and principals, rewards for outstanding teachers and for

schools that improve their students' achievements, and innovative approaches to mathematics and science education.

The Immigration Act of 1990, the first major reform of legal immigration in a quarter-century, will substantially increase the overall level of immigration, particularly of skilled workers. These new workers will contribute to U.S. economic growth, as well as to the Nation's social and cultural vitality.

The Americans with Disabilities Act is the most significant extension of civil rights legislation in two decades. It will enable more of our citizens with disabilities to enter the economic mainstream and thus to better their own lives while contributing to the Nation's economic strength.

Last year important legislation passed that will give power and opportunity to individuals. The expansion of the Earned Income Tax Credit, the new health insurance credit, and the other child care provisions in the 1990s budget legislation will put dollars for child care directly in the hands of parents, instead of bureaucracies. The Homeownership and Opportunity for People Everywhere (HOPE) initiative in the National Affordable Housing Act will expand homeownership and give more families a stake in their communities. My Administration strongly supported the expansion of medicaid to provide health insurance to more pregnant women and children in low-income families.

But there is more to be done. My Administration will continue to press for the establishment of enterprise zones to encourage entrepreneurship, investment, and job creation in distressed communities. We will propose initiatives focused on infant mortality, preventive measures, and nutrition to improve the health of those least able to provide for their own needs.

Flexibility and Regulation

The remarkable flexibility of the U.S. economy, which stems from its reliance on free markets, is a major national asset. Flexibility enables the economy to cushion the effects of adverse developments, such as oil price shocks, and to take full advantage of innovations and other new opportunities. Indeed, the responsiveness of the economy to new opportunities is an important spur

to innovation and a source of economic dynamism.

Government regulation generally serves to reduce economic flexibility and thus should have a very limited role. Where regulation is necessary, regulatory programs should pass strict cost-benefit tests and should seek to harness the power of market forces to serve the public interest, not to distort or diminish those forces.

The lesson of the savings and loan crisis, to which my Administration responded swiftly, is not that competition and innovation are incompatible with safety and soundness in the financial sector. Rather, this experience shows that poorly designed regulation, inadequate supervision, and limits on risk-reducing diversification can combine to produce behavior that undermines creditors' confidence and imposes unnecessary burdens on taxpayers.

We can and must ensure the safety and soundness of our banking system and continue to provide full protection for insured deposits while allowing competition to improve efficiency and encourage innovation. My Administration's proposals for comprehensive reform of the regulatory system governing banks will achieve these goals. In addition, these reforms will enhance the ability of U.S. banks to compete in the global markets for financial services.

Last year's farm legislation embodied important steps toward a market-oriented agricultural policy and away from government domination of this vital and progressive sector. Farmers have been given additional flexibility in planting decisions, in a way that will both sustain farmers' incomes and save taxpayers' money.

Market-based initiatives can and should play a key role in environmental policy as well. In 1989 my Administration proposed comprehensive legislation to combat air pollution. This proposal broke a logjam that had blocked congressional action for more than a decade, and a landmark clean air bill was enacted last year—the most significant air pollution legislation in the Nation's history. The centerpiece of this bill is an innovative, market-based program for controlling—at the least possible cost to the economy—the emissions that produce acid rain. All provisions of this legislation will be im-

plemented so as to minimize unnecessary burdens on American workers and firms.

Economic growth and environmental protection are compatible, but only if environmental goals reflect careful cost-benefit analysis and if environmental regulation provides maximum flexibility to meet those goals at least cost. My Administration will continue to be guided by the responsibilities of global stewardship; we will seek both to protect the environment and to maintain economic growth to give all the world's children the chance to lead better lives than their parents.

Leadership in the Global Economy

Throughout the postwar period, the United States has led the world toward a system of free trade and open markets. The benefits of global economic integration and expanded international trade have been enormous, at home and abroad. U.S. firms gain from access to global markets; U.S. workers benefit from foreign investment in America; and U.S. consumers can buy goods and services from around the world. Competition and innovation have been stimulated, and businesses have increased their efficiency by locating operations around the globe. The phenomenal prosperity and vitality of market-oriented economies—and the bankruptcy of the socialist model—point the way to future progress and growth.

My Administration will continue to push aggressively for open markets in all nations, including our own, and will continue to oppose protectionism. Protectionist trade barriers impose burdens on the many to serve the interests of the few and can only reduce the Nation's competitiveness. Government attempts to overrule the decisions of the international marketplace and to manage trade or investment flows inevitably reduce economic flexibility and lower living standards.

My Administration's top trade policy priority continues to be the successful completion of the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (GATT). Success in the Uruguay Round would open agricultural markets, lower or eliminate tariffs on many products, strengthen the GATT system, and extend it to cover important new areas—such as serv-

ices, investment, and intellectual property—critical to U.S. economic vitality. These improvements would significantly increase the ability of the global economy to raise living standards in the United States and around the world. Failure, on the other hand, would increase trade frictions and could lead to a destructive new round of protectionism.

In addition, my Administration has moved to pave the way toward a hemispheric zone of free trade. We have announced our intention to begin negotiations on a free-trade agreement with Mexico. My Enterprise for the Americas Initiative promises to fuel growth and prosperity throughout this hemisphere by removing barriers to trade and investment. This initiative also aims to provide official debt reduction to countries engaged in significant economic reforms and thereby to build on my Administration's ongoing support for commercial debt reduction.

America remains a beacon of hope to peoples around the world. Our Nation continues to demonstrate by shining example that political democracy and free markets reinforce each other and together lead to liberty and prosperity. Nations in this hemisphere and the emerging democracies of Eastern Europe are eagerly moving to follow America's example. The challenges these nations face as they fundamentally restructure their economies are enormous. My Administration will continue its strong support and assistance for their vital and historic efforts.

Looking Ahead

In my *Economic Report* last year I stated that I looked forward to the 1990s with hope and optimism. Despite the economic events of 1990, we have reason for both hope and optimism in full measure as the Nation approaches the next American century.

Following sound economic policy principles, my Administration seeks to achieve the maximum possible rate of sustainable economic growth. We must continue to adhere to those principles if we are to soften the impacts of the current recession and to strengthen the foundation for strong growth in the years to come. Economic

growth remains the key to raising living standards for all Americans, to expanding job opportunities, and to maintaining America's global economic leadership.

George Bush

The White House,
February 12, 1991.

Note: The President's message was printed in the report entitled "Economic Report of the President." The message was not issued as a White House press release. Thomas S. Foley is Speaker of the House of Representatives, and Dan Quayle is President of the Senate.

**Statement by Press Secretary Fitzwater
on United States Commercial Space
Policy Guidelines
February 12, 1991**

The President has approved U.S. commercial space policy guidelines aimed at expanding private sector investment in space by the market-driven commercial space sector. These guidelines are the result of a 9-month interagency review of the commercial space sector conducted by the Vice President and the National Space Council.

The U.S. commercial space policy guidelines recognize that a robust commercial space sector has the potential to generate new technologies, markets, jobs, and other important economic benefits to the Nation. The guidelines contain new provisions and definitions of key concepts to provide for more effective implementation of the national space policy by U.S. Agencies.

**Exchange With Reporters on the
Persian Gulf Conflict Prior to
Discussions With Defense Minister
Thomas King of the United Kingdom
February 12, 1991**

Q. Going to talk about the ground war—possible?

The Defense Minister. Are you going on, Mr. President, or—

The President. No, I'm not. I defer to guests because I don't take questions in here. And that's Helen Thomas [United Press International], I think. [Laughter] I don't look over, so I can't see, but I—

Q. We've got a better one for you.

The President. She knows very well that I don't take questions here. But foreign guests are encouraged to, if you'd like to.

The Defense Minister. Well, I just said to the President here—and the Vice President, who I had the pleasure of meeting last week in London, and with Dick Cheney, General Brent Scowcroft—the very close measure of the very close cooperation we have. I'm very grateful for it. We've been very appreciative of the close contact also we have. And I was going to say to the President that we have great admiration for General Schwarzkopf. We're working very closely with him. We have our 1st Armored Division, which is with now the U.S. 7th Corps. And General Franks is commanding that. And we have General Smith working under him. And it's a measure of the cooperation that we have. I think both at sea, in the air, and on land that it's been an excellent illustration of very close cooperation. And I welcome the chance to meet the President. And one feels one knows these issues so well, communicating through various channels.

Q. Mr. King, do you think it's too soon to go to a ground war? Do you agree with the President on that?

The Defense Minister. It's a need to see some significant reduction in Iraq's military capability. You can't put precise figures on it, but there certainly needs to be a reduction in their capability. I know the President has always made very clear something that we support very strongly, that we want to see a tilt in the balance of military advantage so that when our forces embark—the allied coalition forces embark on that land campaign that the balance of advantage is with them. That will help us to minimize the casualties on our own side and actually hopefully minimize the casualties for the people of Kuwait who are going to be part of the battleground.

Q. Is there concern, though, on the other hand, that if the air war is protracted that

process dragging out over a number of weeks would not be fair to Mr. Gates.

The President again underscores his total support for Mr. Gates and urges the committee and the full Senate to act as soon as possible to confirm this honorable, able, and dedicated public servant.

London Economic Summit Economic Declaration: Building World Partnership

July 17, 1991

1. We, the Heads of State and Government of the seven major industrial democracies and the representatives of the European Community, met in London for our seventeenth annual Summit.

2. The spread of freedom and democracy which we celebrated at Houston has gathered pace over the last year. Together the international community has overcome a major threat to world peace in the Gulf. But new challenges and new opportunities confront us.

3. We seek to build world partnership, based on common values, and to strengthen the international order. Our aim is to underpin democracy, human rights, the rule of law and sound economic management, which together provide the key to prosperity. To achieve this aim, we will promote a truly multilateral system, which is secure and adaptable and in which responsibility is shared widely and equitably. Central to our aim is the need for a stronger, more effective UN system, and for greater attention to the proliferation and transfer of weapons.

Economic policy

4. Over the last year, some of our economies have maintained good growth, while most have slowed down and some gone into recession. But a global recession has been avoided. The uncertainty created by the Gulf crisis is behind us. We welcome the fact that there are now increasing signs of economic recovery. Progress has been made too in reducing the largest trade and current account imbalances.

5. Our shared objectives are a sustained recovery and price stability. To this end, we

are determined to maintain, including through our economic policy coordination process, the medium-term strategy endorsed by earlier Summits. This strategy has contained inflationary expectations and created the conditions for sustainable growth and new jobs.

6. We therefore commit ourselves to implement fiscal and monetary policies, which, while reflecting the different situations in our countries, provide the basis for lower real interest rates. In this connection, continued progress in reducing budget deficits is essential. This, together with the efforts being made to reduce impediments to private saving, will help generate the increase in global savings needed to meet demands for investment. We also welcome the close cooperation on exchange markets and the work to improve the functioning of the international monetary system.

7. We will also, with the help of the Organisation for Economic Co-operation and Development (OECD) and other institutions, pursue reforms to improve economic efficiency and thus the potential for growth. These include:—

- a) greater competition in our economies, including regulatory reform. This can enhance consumer choice, reduce prices and ease burdens on business.
- b) greater transparency, elimination or enhanced discipline in subsidies that have distorting effects, since such subsidies lead to inefficient allocation of resources and inflate public expenditure.
- c) improved education and training, to enhance the skills and improve the opportunities of those both in and out of employment, as well as policies contributing to greater flexibility in the employment system.
- d) a more efficient public sector, for example through higher standards of management and including possibilities for privatisation and contracting out.
- e) the wide and rapid diffusion of advances in science and technology.
- f) essential investment, both private and public, in infrastructure.

8. We will encourage work nationally and internationally to develop cost-effective economic instruments for protecting the

environment, such as taxes, charges and tradeable permits.

International trade

9. No issue has more far-reaching implications for the future prospects of the world economy than the successful conclusion of the Uruguay Round. It will stimulate non-inflationary growth by bolstering confidence, reversing protectionism and increasing trade flows. It will be essential to encourage the integration of developing countries and Central and East European nations into the multilateral trading system. All these benefits will be lost if we cannot conclude the Round.

10. We therefore commit ourselves to an ambitious, global and balanced package of results from the Round, with the widest possible participation by both developed and developing countries. The aim of all contracting parties should be to complete the Round before the end of 1991. We shall each remain personally involved in this process, ready to intervene with one another if differences can only be resolved at the highest level.

11. To achieve our objectives, sustained progress will be needed in the negotiations at Geneva in all areas over the rest of this year. The principal requirement is to move forward urgently in the following areas taken together:—

- a) market access, where it is necessary, in particular, to cut tariff peaks for some products while moving to zero tariffs for others, as part of a substantial reduction of tariffs and parallel action against non-tariff barriers.
- b) agriculture, where a framework must be decided upon to provide for specific binding commitments in domestic support, market access and export competition, so that substantial progressive reductions of support and protection may be agreed in each area, taking into account non-trade concerns.
- c) services, where accord on a general agreement on trade in services should be reinforced by substantial and binding initial commitments to reduce or remove existing restrictions on services trade and not to impose new ones.
- d) intellectual property, where clear and enforceable rules and obligations to

protect all property rights are necessary to encourage investment and the spread of technology.

12. Progress on these issues will encourage final agreement in areas already close to conclusion, such as textiles, tropical products, safeguards and dispute settlement. Agreement to an improved dispute settlement mechanism should lead to a commitment to operate only under the multilateral rules. Taken all together, these and the other elements of the negotiations, including GATT rule-making, should amount to the substantial, wide-ranging package which we seek.

13. We will seek to ensure that regional integration is compatible with the multilateral trading system.

14. As we noted at Houston, a successful outcome of the Uruguay Round will also call for the institutional reinforcement of the multilateral trading system. The concept of an international trade organisation should be addressed in this context.

15. Open markets help to create the resources needed to protect the environment. We therefore commend the OECD's pioneering work in ensuring that trade and environment policies are mutually supporting. We look to the General Agreement on Tariffs and Trade (GATT) to define how trade measures can properly be used for environmental purposes.

16. We are convinced that OECD members must overcome in the near future and, in any case, by the end of the year, remaining obstacles to an agreement on reducing the distortions that result from the use of subsidised export credits and of tied aid credits. We welcome the initiative of the OECD in studying export credit premium systems and structures and look forward to an early report.

Energy

17. As the Gulf crisis showed, the supply and price of oil remain vulnerable to political shocks, which disturb the world economy. But these shocks have been contained by the effective operation of the market, by the welcome increase in supplies by certain oil-exporting countries and by the actions co-ordinated by the International Energy Agency (IEA), particularly the use of stocks.

We are committed to strengthen the IEA's emergency preparedness and its supporting measures. Since the crisis has led to improved relations between producers and consumers, contacts among all market participants could be further developed to promote communication, transparency and the efficient working of market forces.

18. We will work to secure stable worldwide energy supplies, to remove barriers to energy trade and investment, to encourage high environmental and safety standards and to promote international cooperation on research and development in all these areas. We will also seek to improve energy efficiency and to price energy from all sources so as to reflect costs fully, including environmental costs.

19. In this context, nuclear power generation contributes to diversifying energy sources and reducing greenhouse gas emissions. In developing nuclear power as an economic energy source, it is essential to achieve and maintain the highest available standards of safety, including in waste management, and to encourage co-operation to this end throughout the world. The safety situation in Central and Eastern Europe and the Soviet Union deserves particular attention. This is an urgent problem and we call upon the international community to develop an effective means of coordinating its response.

20. The commercial development of renewable energy sources and their integration with general energy systems should also be encouraged, because of the advantages these sources offer for environmental protection and energy security.

21. We all intend to take a full part in the initiative of the European Community for the establishment of a European Energy Charter on the basis of equal rights and obligations of signatory countries. The aim is to promote free and undistorted energy trade, to enhance security of supply, to protect the environment and to assist economic reform in Central and East European countries and the Soviet Union, especially by creating an open, non-discriminatory regime for commercial energy investment.

Central and Eastern Europe

22. We salute the courage and determination of the countries of Central and Eastern

Europe in building democracy and moving to market economies, despite formidable obstacles. We welcome the spread of political and economic reform throughout the region. These changes are of great historical importance. Bulgaria and Romania are now following the pioneering advances of Poland, Hungary and Czechoslovakia. Albania is emerging from its long isolation.

23. Recognising that successful reform depends principally on the continuing efforts of the countries concerned, we renew our own firm commitment to support their reform efforts, to forge closer ties with them and to encourage their integration into the international economic system. Regional initiatives reinforce our ability to cooperate.

24. All the Central and East European countries except Albania are now members of the International Monetary Fund (IMF) and the World Bank. We welcome the steps being taken by those countries that are implementing IMF-supported programmes of macro-economic stabilisation. It is crucial that these programmes are complemented by structural reforms, such as privatising and restructuring state-owned enterprises, increasing competition and strengthening property rights. We welcome the establishment of the European Bank for Reconstruction and Development (EBRD), which has a mandate to foster the transition to open, market-oriented economies and to promote private initiative in Central and East European countries committed to democracy.

25. A favourable environment for private investment, both foreign and domestic, is crucial for sustained growth and for avoiding dependence on external assistance from governments. In this respect, technical assistance from our private sectors and governments, the European Community and international institutions should concentrate on helping this essential market-based transformation. In this context, we emphasise the importance of integrating environmental considerations into the economic restructuring process in Central and Eastern Europe.

26. Expanding markets for their exports are vital for the Central and East European countries. We welcome the substantial increases already made in exports to market

economies and we undertake to improve further their access to our markets for their products and services, including in areas such as steel, textiles and agricultural produce. In this context, we welcome the progress made in negotiating Association Agreements between the European Community and Poland, Hungary and Czechoslovakia, as well as the Presidential Trade Enhancement Initiative announced by the United States, all of which will be in accordance with GATT principles. We will support the work of the OECD to identify restrictions to East/West trade and to facilitate their removal.

27. The Group of Twenty-four (G24) process, inaugurated by the Arch Summit and chaired by the European Commission, has mobilised \$31 billion in bilateral support for these countries, including balance of payments finance to underpin IMF-supported programmes. Such programmes are in place for Poland, Hungary and Czechoslovakia. We welcome the contributions already made for Bulgaria and Romania. We are intensifying the G24 coordination process and we reaffirm our shared willingness to play our fair part in the global assistance effort.

The Soviet Union

28. We support the moves towards political and economic transformation in the Soviet Union and are ready to assist the integration of the Soviet Union into the world economy.

29. Reform to develop the market economy is essential to create incentives for change and enable the Soviet people to mobilise their own substantial natural and human resources. A clear and agreed framework within which the centre and the republics exercise their respective responsibilities is fundamental for the success of political and economic reform.

30. We have invited President Gorbachev to meet us for a discussion of reform policies and their implementation, as well as ways in which we can encourage this process.

31. We commend the IMF, World Bank, OECD and EBRD for their study of the Soviet economy produced, in close consultation with the European Commission, in response to the request we made at Houston.

This study sets out many of the elements necessary for successful economic reform, which include fiscal and monetary discipline and creating the framework of a market economy.

32. We are sensitive to the overall political context in which reforms are being conducted, including the "New Thinking" in Soviet foreign policy around the world. We are sensitive also to the importance of shifting resources from military to civilian use.

33. We are concerned about the deterioration of the Soviet economy, which creates severe hardship not only within the Soviet Union but also for the countries of Central and Eastern Europe.

The Middle East

34. Many countries have suffered economically as a result of the Gulf crisis. We welcome the success of the Gulf Crisis Financial Co-ordination Group in mobilising nearly \$16 billion of assistance for those countries suffering the most direct economic impact of the Gulf crisis and urge all donors to complete disbursements rapidly. Extensive assistance is being provided by Summit participants for the Mediterranean and the Middle East, as well as by the IMF and World Bank.

35. We believe that enhanced economic co-operation in this area, on the basis of the principles of non-discrimination and open trade, could help repair the damage and reinforce political stability. We welcome the plans of major oil exporting countries for providing financial assistance to others in the region and their decision to establish a Gulf Development Fund. We support closer links between the international financial institutions and Arab and other donors. We believe this would encourage necessary economic reforms, promote efficient use of financial flows, foster private sector investment, stimulate trade liberalisation and facilitate joint projects e.g. in water management, which would draw on our technical skills and expertise.

Developing Countries and Debt

36. Developing countries are playing an increasingly constructive role in the international economic system, including the Uruguay Round. Many have introduced rad-

ical policy reforms and are adopting the following principles:

- (a) respect for human rights and for the law, which encourages individuals to contribute to development;
- (b) democratic pluralism and open systems of administration, accountable to the public;
- (c) sound, market-based economic policies to sustain development and bring people out of poverty;

We commend these countries and urge others to follow their example. Good governance not only promotes development at home, but helps to attract external finance and investment from all sources.

37. Our steadfast commitment to helping developing countries, in conjunction with a durable non-inflationary recovery of our economies and the opening of our markets, will be the most effective way we have of enhancing prosperity in the developing world.

38. Many of these countries, especially the poorest, need our financial and technical assistance to buttress their own development endeavours. Additional aid efforts are required, to enhance both the quantity and the quality of our support for priority development issues. These include alleviating poverty, improving health, education and training and enhancing the environmental quality of our aid. We endorse the increasing attention being given to population issues in devising strategies for sustainable progress.

39. Africa deserves our special attention. Progress by African governments towards sound economic policies, democracy and accountability is improving their prospects for growth. This is being helped by our continued support, focused on stimulating development of the private sector, encouraging regional integration, providing concessional flows and reducing debt burdens. The Special Programme of Assistance for Africa, coordinated by the World Bank and providing support for economic reform in over 20 African countries, is proving its worth. We will provide humanitarian assistance to those parts of Africa facing severe famine and encourage the reform of United Nations structures in order to make this assistance more effective. We will also work to help the countries concerned remove the

underlying causes of famine and other emergencies, whether these are natural or provoked by civil strife.

40. In the Asia-Pacific region, many economies, including members of the Association of South-East Asian Nations (ASEAN) and the Asia-Pacific Economic Co-operation (APEC), continue to achieve dynamic growth. We welcome the efforts by those economies of the region which are assuming new international responsibilities. Other Asian countries, which are strengthening their reform efforts, continue to need external assistance.

41. In Latin America we are encouraged by the progress being made in carrying out genuine economic reforms and by developments in regional integration. We welcome the continuing discussions on the Multilateral Investment Fund, under the Enterprise for the Americas Initiative which, together with other efforts, is helping to create the right climate for direct investment, freer trade and a reversal of capital flight.

42. We recognize with satisfaction the progress being made under the strengthened debt strategy. Some countries have already benefited from the combination of strong adjustment with commercial bank debt reduction or equivalent measures. We encourage other countries with heavy debts to banks to negotiate similar packages.

43. We note:

- (a) the agreement reached by the Paris Club on debt reduction or equivalent measures for Poland and Egypt, which should be treated as exceptional cases;
- (b) the Paris Club's continued examination of the special situation of some lower middle-income countries on a case by case basis.

44. The poorest, most indebted countries need very special terms. We agree on the need for additional debt relief measures, on a case by case basis, for these countries, going well beyond the relief already granted under Toronto terms. We therefore call on the Paris Club to continue its discussions on how these measures can best be implemented promptly.

45. We recognize the need for appropriate new financial flows to developing countries. We believe the appropriate way to avoid unsustainable levels of debt is for de-

veloping countries to return of financial

46. We believe that whose resources were used in the early 1980s to create and sustain the association of Articles of Agreement

Environment

47. The international community's formidable task of coming decisions continues to economic progress. Use of this and safeguarding and future economies of protecting democratic systems.

48. Environmental policies should be integrated with economic work in this OECD. This of member performance and mental income making.

49. International cooperative arrangements set an example for opening countries. In this context reached on the Antarctic continent. We Sahara and Budapest Ex

50. The United States and Developing countries will be a late climax of many negotiations for a successful necessary participation.

veloping countries to adopt strengthened policies to attract direct investment and the return of flight capital.

46. We note the key role of the IMF, whose resources should be strengthened by the early implementation of the quota increase under the Ninth General Review and the associated Third Amendment to the Articles of Agreement.

Environment

47. The international community will face formidable environmental challenges in the coming decade. Managing the environment continues to be a priority issue for us. Our economic policies should ensure that the use of this planet's resources is sustainable and safeguards the interests of both present and future generations. Growing market economies can best mobilize the means for protecting the environment, while democratic systems ensure proper accountability.

48. Environmental considerations should be integrated into the full range of government policies, in a way which reflects their economic costs. We support the valuable work in this field being undertaken by the OECD. This includes the systematic review of member countries' environmental performance and the development of environmental indicators for use in decision-making.

49. Internationally, we must develop a cooperative approach for tackling environmental issues. Industrial countries should set an example and thus encourage developing countries and Central and East European nations to play their part. Co-operation is also required on regional problems. In this context, we welcome the consensus reached on the Environmental Protocol of the Antarctic Treaty, aimed at reinforcing the environmental preservation of this continent. We note the good progress of the Sahara and Sahel Observatory as well as the Budapest Environmental Centre.

50. The UN Conference on Environment and Development (UNCED) in June 1992 will be a landmark event. It will mark the climax of many international environmental negotiations. We commit ourselves to work for a successful Conference and to give the necessary political impetus to its preparation.

51. We aim to achieve the following by the time of UNCED:—

- a) an effective framework convention on climate change, containing appropriate commitments and addressing all sources and sinks for greenhouse gases. We will seek to expedite work on implementing protocols to reinforce the convention. All participants should be committed to design and implement concrete strategies to limit net emissions of greenhouse gases, with measures to facilitate adaptation. Significant actions by industrial countries will encourage the participation of developing and East European countries, which is essential to the negotiations.
 - b) agreement on principles for the management, conservation and sustainable development of all types of forest, leading to a framework convention. This should be in a form both acceptable to the developing countries where tropical forests grow and consistent with the objective of a global forest convention or agreement which we set at Houston.
52. We will seek to promote, in the context of UNCED:
- a) mobilization of financial resources to help developing countries tackle environmental problems. We support the use of existing mechanisms for this purpose, in particular the Global Environment Facility (GEF). The GEF could become the comprehensive funding mechanism to help developing countries meet their obligations under the new environmental conventions.
 - b) encouragement of an improved flow of beneficial technology to developing countries, making use of commercial mechanisms.
 - c) a comprehensive approach to the oceans, including regional seas. The environmental and economic importance of oceans and seas means that they must be protected and sustainably managed.
 - d) further development of international law of the environment, drawing inter alia on the results of the Siena Forum.
 - e) the reinforcement of international institutions concerned with the environment, including the United Nations En-

vironment Programme (UNEP), for the decade ahead.

53. We support the negotiation, under the auspices of UNEP, of an acceptable framework convention of biodiversity, if possible to be concluded next year. It should concentrate on protecting ecosystems, particularly in species-rich areas, without impeding positive developments in biotechnology.

54. We remain concerned about the destruction of tropical forests. We welcome the progress made in developing the pilot programme for the conservation of the Brazilian tropical forest, which has been prepared by the Government of Brazil in consultation with the World Bank and the European Commission, in response to the offer of co-operation extended following the Houston Summit. We call for further urgent work under the auspices of the World Bank, in co-operation with the European Commission, in the framework of appropriate policies and with careful attention to economic, technical and social issues. We will financially support the implementation of the preliminary stage of the pilot programme utilising all potential sources, including the private sector, non-governmental organisations, the multilateral development banks, and the Global Environmental Facility. When details of the programme have been resolved, we will consider supplementing these resources with bilateral assistance, so that progress can be made on the ground. We believe that good progress with this project will have a beneficial impact on the treatment of forests at UNCED. We also welcome the spread of debt for nature exchanges, with an emphasis on forests.

55. The burning oil wells and polluted seas in the Gulf have shown that we need greater international capacity to prevent and respond to environmental disasters. All international and regional agreements for this purpose, including those of the International Maritime Organisation (IMO), should be fully implemented. We welcome the decision by UNEP to establish an experimental centre for urgent environmental assistance. In the light of the recent storm damage in Bangladesh, we encourage the work on flood alleviation under the auspices of the World Bank, which we called for at the Arch Summit.

56. Living marine resources threatened by over-fishing and other harmful practices should be protected by the implementation of measures in accordance with international law. We urge control of marine pollution and compliance with the regimes established by regional fisheries organisations through effective monitoring and enforcement measures.

57. We call for greater efforts in co-operation in environmental science and technology, in particular:—

- a) scientific research into the global climate, including satellite monitoring and ocean observation. All countries, including developing countries, should be involved in this research effort. We welcome the development of information services for users of earth observation data since the Houston Summit.
- b) the development and diffusion of energy and environment technologies, including proposals for innovative technology programmes.

Drugs

58. We note with satisfaction progress made in this field since our Houston meeting, notably the entry into force of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic [Psychotropic] Substances. We welcome the formation of the United Nations International Drugs Control Programme (UNDCP).

59. We will increase our efforts to reduce the demand for drugs as a part of overall anti-drug action programmes. We maintain our efforts to combat the scourge of cocaine and will match these by increased attention to heroin, still the principal hard drug in Europe and Asia. Enhanced co-operation is needed both to reduce production of heroin in Asia and to check its flow into Europe. Political changes in Central and Eastern Europe and the opening of frontiers there have increased the threat of drug misuse and facilitated illicit trafficking, but have also given greater scope for concerted Europe-wide action against drugs.

60. We applaud the efforts of the "Dublin Group" of European, North American and Asian governments to focus attention and resources on the problems of narcotics production and trafficking.

61. We commend the achievements of the task-forces initiated by previous Summits and supported by an increasing number of countries:—

- a) We urge all countries to take part in the international fight against money laundering and to cooperate with the activities of the Financial Action Task Force (FATF). We strongly support the agreement on a mutual evaluation process of each participating country's progress in implementing the FATF recommendations on money laundering. We endorse the recommendation of the FATF that it should operate on a continuing basis with a secretariat supplied by the OECD.
- b) We welcome the report of the Chemical Action Task Force (CATF) and endorse the measures it recommends for countering chemical diversion, building on the 1988 UN Convention against drug trafficking. We look forward to the special meeting in Asia, concentrating on heroin, and the CATF meeting due in March 1992, which should consider the institutional future of this work.

62. We are concerned to improve the capacity of law enforcement agencies to target illicit drug movements without hindering the legitimate circulation of persons and goods. We invite the Customs Cooperation Council to strengthen its cooperation with associations of international traders and carriers for this purpose and to produce a report before our next Summit.

Migration

63. Migration has made and can make a valuable contribution to economic and social development, under appropriate conditions, although there is a growing concern about worldwide migratory pressures, which are due to a variety of political, social and economic factors. We welcome the increased attention being given these issues by the OECD and may wish to return to them at a future Summit.

Next meeting

64. We have accepted an invitation from Chancellor Kohl to hold our next Summit in Munich, Germany in July 1992.

17 July 1991

Note: The declaration was made available by the Office of the Press Secretary but was not issued as a White House press release.

The President's News Conference With Soviet President Mikhail Gorbachev in London, United Kingdom

July 17, 1991

President Bush. Well, may I say that it was a pleasure to have President Gorbachev in this Embassy. We've made a good deal of progress, and we will—he might have something to say about how much progress. But from the standpoint of the United States and the economic front and the arms front, we are very pleased with this meeting.

And once again, Mikhail, welcome, sir. I'm delighted to see you and your top people here.

President Gorbachev. Mr. President, it was very short, and that's because of the circumstances. In fact, we didn't have a lot of time at our disposal, but we used it very well and very productively, and we were able to talk about quite a few things. Again, there's not much time for the press conference, and maybe later you will be able to satisfy yourselves as far as what happens at our subsequent meeting.

Now, what I wanted to say was, in view of the fact that we were told that all of the issues are solved on the START treaty, we, with the President of the United States, have agreed to finalize everything in Geneva, and we will give commensurate instructions so that we could then sign that treaty. And this connection—there's also the issue of the visit of the President of the United States to the Soviet Union.

Once again, I've invited the President to come to the Soviet Union on a visit at the very end of July, and I hope that everything is clear now about the visit—the visit will take place. The Soviet people, all of us will be ready to give our hospitality to the President of the United States and, I also hope, to Mrs. Bush and to all those who will accompany him to Moscow. Welcome, Mr. President, to Moscow, and welcome all of you to Moscow.

that is budgetarily sound, and that is—where we have offsets and we stay within the budget agreement. So, that's what I've been concentrating on.

Now, as I leave, I'll be focusing in the United Nations on these other questions.

Q. Mr. President, do you think—

The President. Well, I'm going to be focusing on all that when we get up there, and I'll have something to say about it later this morning.

Note: The President spoke at 10:05 a.m. on the South Lawn at the White House. During this exchange, a reporter referred to President Saddam Hussein of Iraq. Robert Dole is Senate Minority Leader. A tape was not available for verification of the content of this exchange.

**Address to the 46th Session of the
United Nations General Assembly in
New York City
September 23, 1991**

Mr. President, thank you, sir, Mr. Secretary-General, distinguished delegates to the United Nations, I am honored to speak with you as you open the 46th Session of the General Assembly.

I'd first like to congratulate outgoing President Guido De Marco of Malta and salute our incoming President Samir Shihabi of Saudi Arabia. I also want to salute especially Secretary-General Javier Perez de Cuellar, who will step down in just over 3 months. But let me say, Secretary-General Perez de Cuellar has served with great distinction during a period of unprecedented change and turmoil. For almost 10 years we've enjoyed the leadership of this man of peace, a man that I, along with many of you, feel proud to call friend. So today, let us congratulate our friend and praise his spectacular service to the United Nations and to the people of the world. Mr. Secretary-General.

Let me also welcome new members to this chamber: two delegations representing Korea, particularly our democratic friends, the Republic of Korea; the Republics of Estonia, Latvia, and Lithuania; and new mis-

sions from the Marshall Islands and Micronesia.

Twenty years ago, when I was the Permanent Representative here for the United States, there were 132 U.N. members. Just 1 week ago, 159 nations enjoyed membership in the United Nations. Today, the number stands at 166. The presence of these new members alone provides reasons for us to celebrate.

My speech today will not sound like any you've heard from a President of the United States. I'm not going to dwell on the superpower competition that defined international politics for half a century. Instead, I will discuss the challenges of building peace and prosperity in a world leavened by the cold war's end, the resumption of history.

Communism held history captive for years. It suspended ancient disputes, and it suppressed ethnic rivalries, nationalist aspirations, and old prejudices. As it has dissolved, suspended hatreds have sprung to life. People who for years have been denied their pasts have begun searching for their own identities, often through peaceful and constructive means, occasionally through factionalism and bloodshed.

This revival of history ushers in a new era, teeming with opportunities and perils. And let's begin by discussing the opportunities.

First, history's renewal enables people to pursue their natural instincts for enterprise. Communism froze that progress until its failures became too much for even its defenders to bear. And now citizens throughout the world have chosen enterprise over envy, personal responsibility over the enticements of the state, prosperity over the poverty of central planning.

The U.N. Charter encourages this adventure by pledging "to employ international machinery for the promotion of the economic and social advancement of all peoples." And I can think of no better way to fulfill this mission than to promote the free flow of goods and ideas. Frankly, ideas and goods will travel around the globe with or without our help. The information revolution has destroyed the weapons of enforcement, isolation and ignorance. In many parts of the world technology has overwhelmed ty-

anny, proving that the age of information can become the age of liberation if we limit state power wisely and free our people to make the best use of new ideas, inventions, and insights.

By the same token, the world has learned that free markets provide levels of prosperity, growth, and happiness that centrally planned economies can never offer. Even the most charitable estimates indicate that in recent years the free world's economies have grown at twice the rate of the former Communist world.

Growth does more than fill shelves. It permits every person to gain, not at the expense of others but to the benefit of others. Prosperity encourages people to live as neighbors, not as predators. Economic growth can aid international relations in exactly the same way. Many nations represented here are parties to the General Agreement on Tariffs and Trade. The Uruguay round, the latest in the postwar series of trade negotiations, offers hope to developing nations, many of which have been cruelly deceived by the false promises of totalitarianism.

Here in this chamber we hear about North-South problems. But free and open trade, including unfettered access to markets and credit, offer developing countries means of self-sufficiency and economic dignity. If the Uruguay round should fail, a new wave of protectionism could destroy our hopes for a better future. History shows all too clearly that protectionism can destroy wealth within countries and poison relations between them. And therefore, I call upon all members of GATT to redouble their efforts to reach a successful conclusion for the Uruguay round. I pledge that the United States will do its part.

I cannot stress this enough: Economic progress will play a vital role in the new world. It supplies the soil in which democracy grows best. People everywhere seek government of and by the people. And they want to enjoy their inalienable rights to freedom and property and person.

Challenges to democracy have failed. Just last month coup plotters in the Soviet Union tried to derail the forces of liberty and reform, but Soviet citizens refused to follow. Most of the nations in this chamber stood with the forces of reform, led by Mik-

hail Gorbachev and Boris Yeltsin, and against the coup plotters.

The challenge facing the Soviet peoples now—that of building political systems based upon individual liberty, minority rights, democracy, and free markets—mirrors every nation's responsibility for encouraging peaceful, democratic reform. But it also testifies to the extraordinary power of the democratic ideal.

As democracy flourishes, so does the opportunity for a third historical breakthrough: international cooperation. A year ago, the Soviet Union joined the United States and a host of other nations in defending a tiny country against aggression and opposing Saddam Hussein. For the very first time on a matter of major importance, superpower competition was replaced with international cooperation. The United Nations, in one of its finest moments, constructed a measured, principled, deliberate, and courageous response to Saddam Hussein. It stood up to an outlaw who invaded Kuwait, who threatened many states within the region, who sought to set a menacing precedent for the post-cold war world. The coalition effort established a model for the collective settlement of disputes. Members set the goal, the liberation of Kuwait, and devised a courageous, unified means of achieving that goal.

And now, for the first time, we have a real chance to fulfill the U.N. Charter's ambition of working "to save succeeding generations from the scourge of war, to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and nations large and small to promote social progress and better standards of life in larger freedom." Those are the words from the charter. We will not revive these ideals if we fail to acknowledge the challenge that the renewal of history presents.

In Europe and Asia, nationalist passions have flared anew, challenging borders, straining the fabric of international society. At the same time, around the world, many age-old conflicts still fester. You see signs of this tumult right here. The United Nations has mounted more peacekeeping missions in the last 36 months than during its first 43 years. And although we now seem merciful-

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ly liberated from the fear of nuclear holocaust, these smaller, virulent conflicts should trouble us all. We must face this challenge squarely: first, by pursuing the peaceful resolution of disputes now in progress; second and more importantly, by trying to prevent others from erupting.

No one here can promise that today's borders will remain fixed for all time. But we must strive to ensure the peaceful, negotiated settlement of border disputes. We also must promote the cause of international harmony by addressing old feuds. We should take seriously the charter's pledge "to practice tolerance and live together in peace with one another as good neighbors."

UNGA Resolution 3379, the so-called "Zionism is racism" resolution, mocks this pledge and the principles upon which the United Nations was founded. And I call now for its repeal. Zionism is not a policy; it is the idea that led to the creation of a home for the Jewish people, to the State of Israel. And to equate Zionism with the intolerable sin of racism is to twist history and forget the terrible plight of Jews in World War II and, indeed, throughout history. To equate Zionism with racism is to reject Israel itself, a member of good standing of the United Nations.

This body cannot claim to seek peace and at the same time challenge Israel's right to exist. By repealing this resolution unconditionally, the United Nations will enhance its credibility and serve the cause of peace.

As we work to meet the challenge posed by the resumption of history, we also must defend the charter's emphasis on inalienable human rights. Government has failed if citizens cannot speak their minds, if they can't form political parties freely and elect governments without coercion, if they can't practice their religion freely, if they can't raise their families in peace, if they can't enjoy a just return from their labor, if they can't live fruitful lives and, at the end of their days, look upon their achievements and their society's progress with pride.

Politicians who talk about "democracy" and "freedom" but provide neither eventually will feel the sting of public disapproval and the power of people's yearning to live free.

Some nations still deny their basic rights to the people. And too many voices cry out

for freedom. For example, the people of Cuba suffer oppression at the hands of a dictator who hasn't gotten the word, the lone hold-out in an otherwise democratic hemisphere, a man who hasn't adapted to a world that has no use for totalitarian tyranny. Elsewhere, despots ignore the heartening fact that the rest of the world has embarked upon a new age of liberty.

The renewal of history also imposes an obligation to remain vigilant about new threats and old. We must expand our efforts to control nuclear proliferation. We must work to prevent the spread of chemical and biological weapons and the missiles to deliver them. It is for this reason that I put forward my Middle East arms initiative, a comprehensive approach to stop and, where possible, reverse the accumulation of arms in that part of the world most prone to violence.

We must remember that self-interest will tug nations in different directions and that struggles over perceived interests will flare sometimes into violence. We can never say with confidence where the next conflict may arise. And we cannot promise eternal peace, not while demagogues peddle false promises to people hungry with hope, not while terrorists use our citizens as pawns and drug dealers destroy our peoples. We, as a result, we must band together to overwhelm affronts to basic human dignity.

It is no longer acceptable to shrug and say that one man's terrorist is another man's freedom fighter. Let's put the law above the crude and cowardly practice of hostage-holding.

In a world defined by change, we must be as firm in principle as we are flexible in our response to changing international conditions. That's especially true today of Iraq. Six months after the passage of U.N. Security Council Resolutions 687 and 688, Saddam continues to rebuild his weapons of mass destruction and subject the Iraqi people to brutal repression. Saddam's contempt for U.N. resolutions was first demonstrated back in August of 1990. And it continues even as I am speaking. His government refuses to permit unconditional helicopter inspections and right now is refusing to allow U.N. inspectors to leave inspected

premises with documents relating to an Iraqi nuclear weapons program.

And it is the United States view that we must keep the United Nations sanctions in place as long as he remains in power. And this also shows that we cannot compromise for a moment in seeing that Iraq destroys all of its weapons of mass destruction and the means to deliver them. And we will not compromise.

This is not to say, and let me be clear on this one, that we should punish the Iraqi people. Let me repeat, our argument has never been with the people of Iraq. It was and is with a brutal dictator whose arrogance dishonors the Iraqi people. Security Council Resolution 706 created a responsible mechanism for sending humanitarian relief to innocent Iraqi citizens. We must put that mechanism to work.

We must not abandon our principled stand against Saddam's aggression. This cooperative effort has liberated Kuwait, and now it can lead to a just government in Iraq. And when it does, when it does, the Iraqi people can look forward to better lives, free at home, free to engage in a world beyond their borders.

The resumption of history also permits the United Nations to resume the important business of promoting the values that I've discussed today. This body can serve as a vehicle through which willing parties can settle old disputes. In the months to come, I look forward to working with Secretary-General Perez de Cuellar and his successor as we pursue peace in such diverse and troubled lands as Afghanistan, Cambodia, Cyprus, El Salvador, and the Western Sahara.

The United Nations can encourage free-market development through its international lending and aid institutions. However, the United Nations should not dictate the particular forms of government that nations should adopt. But it can and should encourage the values upon which this organization was founded. Together, we should insist that nations seeking our acceptance meet standards of human decency.

Where institutions of freedom have lain dormant, the United Nations can offer them new life. These institutions play a crucial role in our quest for a new world order, an order in which no nation must surrender

one iota of its own sovereignty, an order characterized by the rule of law rather than the resort to force, the cooperative settlement of disputes rather than anarchy and bloodshed, and an unstinting belief in human rights.

Finally, you may wonder about America's role in the new world that I have described. Let me assure you, the United States has no intention of striving for a *Pax Americana*. However, we will remain engaged. We will not retreat and pull back into isolationism. We will offer friendship and leadership. And in short, we seek a *Pax Universalis* built upon shared responsibilities and aspirations.

To all assembled, we have an opportunity to spare our sons and daughters the sins and errors of the past. We can build a future more satisfying than any our world has ever known. The future lies undefined before us, full of promise, littered with peril. We can choose the kind of world we want: one blistered by the fires of war and subjected to the whims of coercion and chance, or one made more peaceful by reflection and choice. Take this challenge seriously. Inspire future generations to praise and venerate you, to say, "On the ruins of conflict, these brave men and women built an era of peace and understanding. They inaugurated a new world order, an order worth preserving for the ages."

Good luck to each and every one of you. And thank you very, very much.

Note: President Bush spoke at 12:44 p.m. in the General Assembly Hall at the United Nations. In his address, he referred to outgoing U.N. General Assembly President Guido De Marco and incoming President Samir Shihabi, Secretary-General Javier Perez de Cuellar de la Guerra of the United Nations, President Mikhail Gorbachev of the Soviet Union, President Boris Yeltsin of the Republic of Russia, President Saddam Hussein of Iraq, and President Fidel Castro Ruz of Cuba.

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our people from Washington up here in the next few days.

Anyway, I better go to church.

Note: The exchange began at 9:45 a.m. at St. Ann's Episcopal Church. In the exchange, the following persons were referred to: United Nations Secretary-General Javier Perez de Cuellar de la Guerra; recently released hostage Edward Tracy; President Ali Akbar Hashemi-Rafsanjani of Iran; Representative Bill McCollum; and President Saddam Hussein of Iraq. Operation Rescue is an organization of anti-abortion activists, and ACT UP is an organization of activists seeking additional funding for AIDS research. Following the exchange, the President attended morning services at the church.

Remarks in a Teleconference With the National Governors' Association in Seattle, Washington

August 18, 1991

The President. Well, Booth, thank you very much for that kind introduction. Let me also say hello to the Speaker, Tom Foley, who's come back home to his State to welcome the Governors to the Emerald City. My thanks to all of you for letting me come by in this manner, come in by satellite.

Booth, I know as NGA chairman for the past year you've been frequently doing that bicoastal redeye. So, I need to loan you this satellite here. It is the quickest way to travel coast-to-coast: smooth ride, we hope, and no jet lag.

This year's gathering is marked, obviously, by the sadness at the passing of one of your own, I want to say our own, a past chairman of NGA, Governor Richard Snelling. Barbara and I join all of you in expressing our sympathy to the Snelling family, to Dick's wife, Barbara, and their children. Everyone who ever worked with Dick, of every political stripe, knew him to be a man of character and deep commitment. He will be missed by the people of Vermont and by Americans everywhere who

value that high standard that he set for the business we're all in, public service.

This is a perfect forum to highlight several issues of urgent concern to all of us. So, let's start with transportation. In just 43 days, the Federal Government's authority to fund highway and transit projects will expire. We need a new 5-year Federal reauthorization bill to maintain and improve our infrastructure.

In just a few hours from now, I'm told you'll hear from Sam Skinner. I've asked Sam to work with the Congress to redouble our efforts to produce a reauthorization bill acceptable to all parties. All levels of government must do more to meet our transportation needs. That's why I've proposed a 39-percent increase in the Federal share for highway spending. But let me be clear: I will veto any bill that includes an increase in the gasoline tax.

The clock is ticking. I urge the NGA to help keep the pressure on, to join me and the Congress to pass this critical bill.

Anyone who knows the NGA knows you've come to Seattle to get things done. Over the past several years, we've forged a partnership between the Federal Government and the States. That partnership has begun to achieve great things in education. Now, we must join forces on the tough issue of health care. Booth, you've led the NGA's task force on health care in crafting a policy on health-care reform. There are good stories in the paper about that today. Your draft policy calls for comprehensive State reforms. It outlines how the Federal Government can encourage innovation. If the NGA adopts such a policy, we want to work with you. We'll do our best to remove Federal obstacles to State-designed solutions.

Health care and transportation are just two of the many issues of our agenda that affect every aspect of American life. But we must face other challenges: making our economy stronger; our streets safe; battling drugs; building a Nation united in its desire to secure peace, prosperity, and opportunity for all Americans.

Today, let me just focus on education and to commend you on the work you've done this year to improve learning in America. It's been nearly 2 years since we met in Charlottesville. There, following in the foot-

steps of America's truly education President, Thomas Jefferson, we committed ourselves to the "Jeffersonian Compact." That compact led us to establish six national education goals and launched the Nation on a decade-long crusade to improve our schools.

This march toward excellence has many dimensions. In the 2 years since the education summit, two key principles behind our national goals now drive the forces of reform. I'm talking about high expectations and a focus on results.

Some, and I can understand this, but some dismissed our goals as too ambitious. But you and I know if we wanted dramatic improvement, we had to set our sights higher. Improved performance begins with high expectations.

In the future, our students will have to meet or exceed objective, world-class standards. I believe that every child can learn, regardless of background or disability. We want all students to succeed.

Since Charlottesville, a second key principle has shaped our approach to education reform. We must focus on results, build a performance-based education system. Our work with the National Council on Standards and Testing, chaired by Carroll Campbell and Roy Romer, will result in a system of American achievement tests to help us mark our progress. No longer will we measure educational success by the dollars we pour into the process. We'll measure success by the caliber of students our schools produce.

We'll start measuring performance this fall when we release the first national education report card. We won't see the report card until September, but let's not kid ourselves about the news. We know right now that our schools aren't making the grade. That's why your support in addressing this critical problem is so very important.

Today, I'd like to announce that I will be addressing the state of our Nation's education here in Maine on September 3d, as our school season begins. I'm glad Governor Jock McKernan, the new chairman of the Education Commission of the States, will be with us, as I plan to make this the first in a series of such reports.

I also plan to address our Nation's school children on October 1st. And if I might, I'd

like to suggest and ask that each of you do the same in your State.

Our summit in Charlottesville focused on results. And now, through the hard work of the National Education Goals Panel, we need to reestablish phase one of the voluntary national testing system. I call it the American Achievement Test. We need this to be ready for the 1993 school year, and we'll continue to work closely with you, the Governors, in meeting this deadline.

Tomorrow, Lamar, your former colleague and now mine, Lamar Alexander, will speak to you about America 2000, our plan to restructure, literally re-invent, America's schools. America 2000 challenges us to do more than tinker with the existing system. It challenges us to mount a national crusade: one that draws its energy from the American people's desire for change; one that enlists and engages parents, corporate and community leaders; one that makes us use the talents, drive, and desire of everyone who has a stake in America's schools. That's why America 2000 deserves the full support of every Governor.³⁴

Incidentally—and it really was very important to us, to me, in getting perspective here—some time ago, Barbara and I traveled to Grand Junction, Colorado, to help launch Colorado 2000, a program for which Governor Romer deserves enormous credit. And thousands of people were ready to join this crusade. What struck me the most was the passion that these people shared, the passion that comes from glimpsing the world of possibilities open to every child.

That passion must spark this great crusade in every State. When I announced America 2000, I said there can be no renaissance without revolution. Well, I'm pleased to tell you today that, State by State, community by community, and school by school, that revolution has begun.

Two hundred years ago, Thomas Jefferson called education the keystone of the arch of the American experiment. Education stands as our most enduring legacy, vital to our economic strength, fundamental to our democratic institutions. Education speaks to us, always, as the dream that shapes America's destiny.

Now, as Booth said, we're going to have some give-and-take here. And I really am

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anxious to hear about your work in Seattle; what's going on in your States. And thank you, Booth. As they say on TV, "Back to you."

Governor Gardner. Thank you, Mr. President, for your comments. We have several members here that are looking forward to dialoging with you. I'll just start it off on a light note. I know you're interested in domestic affairs. I have a circumstance where my wife is just picking up golf. Believe it or not, it's true. And if you have any suggestions or comments I might make about her game?

The President. Don't say what I said about Barbara's game. I learned the hard way on that one. I've been vindicated actually, because it was she that said she stunk, not me. But I would suggest kind and gentle comments, Booth, and wish her well. [Laughter]

Governor Gardner. I'll pass that on to her.

I'd like to now call on Governor Ashcroft.

Governor Ashcroft. Mr. President, thank you very much for communicating with us again. Our opportunity to work with you has been most pleasing, particularly your coming to our meetings, hosting the education summit, and being willing to have an open door to us. In particular, I want to thank you for your commitment on the transportation issues.

We do need to reinforce our commitment to infrastructure, but our policy of the NGA calls for States to retain taxing capacity. And I think additional Federal tax would eliminate my ability to raise the right resources at the State level to match Federal resources that would come under a new reauthorized bill. And obviously, it should be a reconstructed bill in my judgment, and I think you're on the right track there. So, I want to thank you for your commitment to protect us from counterproductive Federal intrusion into an important State revenue source on the gas tax.

On a personal note, I've written to all the Governors here about my fondness for Clarence Thomas, with whom I shared an office for 16 months. And you get to know a person pretty well in 16 months sharing the same room with him. I think he's a great nominee, and I hope he has a chance to demonstrate that greatness on the Court.

The President. I think he will. And I know there's been some honest debate on that one. But you know, I don't know if you can see behind me the little tiny former tool shed, I think, and it was standing right here. I must say I got all choked up when I heard Clarence talk about his background. And he did it from the heart; there's no phoniness here. I honestly believe that he'll be a great Justice, and at this juncture I feel he will be confirmed. You might talk to Tom Foley, who's always very fair in these matters, although it's the Senate's business, and get his view. But I think he'll get a shot. I think he'll be given a chance to serve on this Court, and I think he will acquit himself.

It's funny that Missourians, who know him best, seem to be, in a rather nonpartisan or bipartisan matter, the strongest for him. And so, I appreciate your words about him. He's quite a guy, quite a guy.

Governor Romer. Mr. President, Carroll Campbell will report in a moment on the Goals Panel. I want to give you an update on the Council on Standards and Assessment. We met last Thursday and made four decisions that I think are significant.

First, as a council we decided that we would recommend to Congress and to the Goals Panel an achievement system, not one test, but an assessment system where we'd take advantage of the best that the States have now going and develop it as a total system and not just a Federal test.

The second recommendation is that we work with clusters of States, that each State not proceed alone, but they try to group and use some combined efforts to save money and to get the job done better and quicker.

Third, we recommend that we begin at the 4th grade and work toward the 8th and the 12th, rather than reverse; and to begin in the year '93-'94, which is in keeping with your suggested timetable.

The fourth decision we made was to begin with the subject matter of reading, writing, and arithmetic because those are the most available to us in a quality form by '93-'94.

And I just wanted to give you that update because it was a lot of action and we did it, I think, expeditiously.

The one other comment I'd like to share with you, Mr. President, is that a number of Governors view the standards and assessment like two pieces of bread on a sandwich, and they're both very important. We do need to set standards, and we do need to assess how well we do. But inside those two pieces of bread we need to fill that sandwich. In other words, we need to cause those students to be able to reach those high achievement levels. And inside that sandwich we need to have obviously better teacher education. We've got to have better instructional materials, textbooks, and other matters. We've got to have better management of the school and substantial reform of the school system.

And so, I think some of my colleagues wanted to share with you—we need your help, not just in setting the standards and in holding our feet to the fire on assessment but we need your help to fill the middle of that sandwich. Because many of us are having to go back to our taxpayers—you know, I know Governor Wilson in California did, and many of us are having to go back to our taxpayers and say, you've got to put some things on the table to help us get this job done. You can help reinforce that message at a local level. And I just want to share that with you.

The President. Well, Roy, thanks. And talk to Lamar in a little more detail about this and let us see what we can do. Let me just, without filibustering here—when you did that statewide program after I saw you with these participants from towns and cities across Colorado, did you run into any resistance to the concept of testing at all?

Governor Romer. No, there's apprehension about testing, but there's not resistance. I think what they're concerned about is that they may have a heavy load laid on them. And say you're going to hold our feet to the fire, but you're not going to give us the resource or the reform to get there. And I think we need to do both.

The President. Okay. I think there's been some resistance, but I don't think it's unmanageable, particularly if we're able to do what you say here. But anyway, thanks.

Governor Campbell. Mr. President, how are you?

The President. Good, Carroll.

Governor Campbell. We have been working very, very diligently trying to get ready to give you a report on the Nation on September 30th. And we'll have a lot of information at that time, and it's going to give us a better idea of where we stand. We do not yet know exactly how to measure goal three. But Roy Romer has been leading the measurement effort. And I've served on that panel with him, and he's making great progress. And we think that we will have the things in '93-'94 that are necessary, particularly in the 4th grade.

Let me say this: People want to know what we're really testing. We set standards, and then we have to know how to measure against those standards. And it's my belief that the system is going to respond. You made the comment just a moment ago that things are happening all over America. They are. In every State, people are striving to meet the goals on their own. And that's what our effort's about, is to try to stimulate the system to meet these goals. But we need your constant, your sustained effort on this subject and your continued speaking-out to remind and challenge this Nation. Because I think that the Nation is ready to respond. And through your leadership, I think it will respond.

The President. Well, I plan to do that, and if I didn't, Lamar would kill me. And he's pretty much of a taskmaster, but we will be spending a lot of time on it. I think in terms of total commitment of Presidential time, there's been a fair amount so far. But I just keep seeing the need to do more and more, and supplementing what not only the Department is doing under Lamar and David Kearns and some really vital new leadership, but also what the Governors are.

So, I will participate and I will do my level-best. And talk to Tom again. We're going to need help with Congress on how we get some of these initiatives that I know most Governors support, passed through the Congress. But I sense a spirit of real cooperation now and I really know I have to do as much as I possibly can in doing exactly what you've said. So, thanks for the suggestion.

Governor Roberts. Mr. President, I had the opportunity last February, at the Gover-

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ry, at the Gover-

nors' Convention, to talk to John Sununu on two issues that I raised a question with him on: the issue of energy conservation and particularly as it related to the issue of mass transit. Mr. Sununu, at that time, referred me to the about-to-be-released "national energy policy" which followed our conference by a couple of days.

With all due respect, Mr. President, I was disappointed in the energy policy, particularly as it related to issues of conservation, which I thought the policy was somewhat devoid of, and as it really pushed on the issue of mass transit in growing city environments that are really being clogged and environmentally affected by the lack of mass transit.

I think my question to you today would be how is this country going to move to be less dependent on foreign oil unless we move aggressively on the issue of mass transit in city areas of this Nation? And I think the flip side of that coin would be how can we become more environmentally sound in this country if policies continue to the degree that I think they are now, to make choices that cause the pollution of air and that encourage the offshore drilling or at least the pressures toward that in States like mine, basically don't encourage American people to save those resources and don't really encourage us to conserve the resources of this country?

The President. Well, of course, Governor, I would disagree with your hypothesis. I think that our energy program does have good sound conservation measures in it. I think our transportation program, I hope it will be helpful in helping unclog the systems here.

But you talk about becoming independent from foreign oil, and then you say no offshore drilling. I don't know whether you realize how much of our domestic oil comes from offshore drilling. It's not off of Oregon, but it's like closing a military base. Everybody wants to close military bases, but they want to close them in the other guy's district or the other guy's State. You want to see the United States independent, and there is no way that you can project energy independence without continuing to, in a sound environmental way, use hydrocarbons.

So, I think, take a hard look at it, analyze it, talk to Jim Watkins, and then let me know specifically where you think it falls short. But your State has some problems that I am very sympathetic to, and I know you're trying to sort out. You started off saying you wanted to mention the environment. I find myself torn between what are extremes sometimes, but are really a choice between environment and people working. And that may be an oversimplification, but there's an awful lot of people in your State, and a lot of people in the State I'm sitting in right now, who feel that maybe we're leaning too far over on the side of environment.

So, I just want to say I am committed. I think I know something about the energy business. I think we are making headway. This reformulated gasoline for cars, I think we're doing well there. I don't want to shut down the auto industry. I don't want to impose these rigid CAFE [Corporate Average Fuel Economy] standards. Some environmentalists say that's the answer, to conserve. I tell you, we are concerned about jobs, and I just don't want to go to the extreme.¹⁵

But look, I accept your constructive comments or criticism if you will. And we'll take a look every way we can to see that we're doing our level-best. But I would enlist your help and your suggestions from your State as to what I should tell the people that write in that are getting thrown out of work by some of the extreme positions in the environmental mode. So, please help us on that one.

I don't think you and I are far apart on it. I did a little homework here, but maybe we are. But it's a tough one out there. I'm talking about the endangered species—I'm off of the energy thing a little bit. But we've got to find our way, and we've got to do it without throwing an awful lot of people out of work. And yet, I think our clean air bill was a major step forward. I think we've got other environmental initiatives that I think can help in this regard.

But look, this country cannot instantly turn to sun and wind and solve all our problems. Someday maybe we can do that, and I think we've got some good research money in our program to do that.

But let's keep talking about it. Let's keep in dialog on it. Because, look, I'm not saying we've got all the answers, but I do think we have a pretty well-balanced energy program. It's being attacked from both sides, so it must have something to recommend it.

Governor Roberts. Thank you, Mr. President.

Governor Weld. Mr. President, we in Massachusetts are very excited about the North American free trade agreement that you are negotiating with Canada and Mexico. We think it's going to enable us to increase our production and our exports and create a lot of jobs, and we think it's going to be good for the country to be part of a 600-million-person market so we can compete with Europe starting in 1992.

Some people, as you know, have criticized the agreement because of environmental problems in Mexico and wage rates in the other countries. I know that you have dealt personally with both President Salinas and Prime Minister Mulroney on these issues. Can you tell us, so that we can help to persuade our people, based on your personal work with them, on what basis we can say that we envision that so far from costing us jobs or hurting our economy, this agreement is going to be a real stimulus and lead to job creation in the American States?

The President. I can. And first, the guy sitting not too far from you is my monitor—I'm looking down now instead of at you, looking to see where the Speaker is. I expect he's off to your right, I don't know. But in any event, he can tell you that if we bring back a trade agreement negotiated with Mexico that is not considerate of the disparity in wages or does something to exacerbate those differences, and does not produce environmental change, why, that bill won't pass. The agreement won't pass. All we got was the right to negotiate on the so-called Fast Track. And so, there's some checks and balances that I think properly lie in the United States Congress.

But some felt in the debate, Governor, that we shouldn't do anything with Mexico along these lines until Mexico had cleaned up its environment and stopped polluting the rivers and brought themselves up into the, roughly to the standard area where we are. It was my feeling and the feelings of the majority in the Congress that we ought

to go ahead now, get the Fast Track, negotiate, and hopefully, through expanded trade, Mexico would gain the wherewithal to do much more in the way of environment.

But you put it on a personal basis. Carlos Salinas is committed unlike any previous President, I think Tom will confirm this, to improving the environment for his people. And again, at the risk of being not only repetitious but maybe perhaps emotional about it, when he told me that the school kids in Mexico painted in the sky at night in their classes, 1st-grade classes, with no stars and no moon. And he said my ambition is to have those children paint in the stars and the moon because they can see them so clearly every night.

And I think most people that have followed it will tell you he's moving in that direction. He is a new breed, a young aggressive leader, and I think in the environment he will do exactly what we're talking about.

In terms of labor disparity, it is my belief that increased trade will raise wage standards in Mexico, rather than drag them down. It's isolation and it's degradation and it's excessive poverty that keeps the wage rates disproportionately low. And I think there's plenty of examples to prove it. But you're on to the two key points of this agreement. And we will do our level-best to hammer out a very sound one.

And you know, on this one, we had difference with many of the trade unions. They just differed and felt that, look, this is going to export jobs. I think it's going to increase jobs in the United States because of the vigorous increase in exports that we'll see.

So, there's some big problems out there. I've got confidence in our negotiators. And I have great confidence in President Salinas of Mexico. And we will do our level-best to bring to Tom Foley and the others an agreement that does take care of the two areas which are the two most significant areas of debate in this FTA [free trade agreement] with Mexico.

But I agree with you, it's a good, important step that's been taken by the Congress and the administration, and now we've got to flesh it out.

I might say parenthetically, and I'd ask for the Governors' support on this one, help us, with your European friends and your sister cities and whoever it is, get this trade agreement going for the GATT. The big, broad picture of booming international trade depends on a successful conclusion to the Uruguay round. And we're still having enormous difficulty with Europe, particularly on agriculture. And so, a lot of you go over there with trade missions, a lot of you know those leaders, and please at every turn, emphasize the need to move forward with agricultural reform. Because if we don't get that, there will not be a successful conclusion to the Uruguay round. I wouldn't be a part of it, and I wouldn't ask that Tom Foley and the leaders in the Senate be asked to vote on a treaty that leaves agriculture sitting off on the side.

So, we need the help of every American leader to convince these European, particularly Europe, European leaders that the best way to help undeveloped countries, the best way to guarantee an increase in the world economy is to get a successful conclusion to the GATT round. So it's FTA with Mexico, but it's also the Uruguay round.

Governor Weld. Thank you, Mr. President. Tom Foley, as you spied on your monitor, is here to my right—

The President. Now I see him.

Governor Weld. —and he sends you his greetings. And we all thank you on behalf of all the Governors for being with us today.

The President. Well, do you want a little recreational report for Governor McKernan, and Governor Weld can eat his heart out? I don't know if Governor Gregg is there. I think my cousin caught a 14-pound bluefish today. It's about to rain like hell on us here, it looks like, because we may catch some of Carroll Campbell's business, or maybe it's in North Carolina, but I'm worried a little bit about the hurricane.

But I appreciate your willingness to entertain my appearance in this manner. It's a good way to do it.

Tom, I'm looking forward to seeing you and Heather when the Prime Minister of the United Kingdom is here, and I hope the regional Governors will be able to join us. I use this unusual invitational method to say

to the new Governor of Vermont, if he's there, he's most welcome to come over. But I'm enjoying this rest and I expect, like all of you feel, you should take a little R&R. So, I'm not faking it. It's not a business trip. Thank you so much, and thanks for letting me come over this way.

Note: The President spoke at 4:03 p.m. from his home in Kennebunkport, ME, via a two-way video and audio hookup with the meeting in Seattle. During the teleconference, the following persons were referred to: Governor Booth Gardner of Washington; Thomas S. Foley, Speaker of the House of Representatives and his wife, Heather; late Governor Richard Snelling of Vermont; Secretary of Transportation Samuel K. Skinner; Governors Carroll A. Campbell of South Carolina, Roy R. Romer of Colorado, and John R. McKernan, Jr., of Maine; Secretary of Education Lamar Alexander; Governor John D. Ashcroft of Missouri; Clarence Thomas, nominee for Supreme Court Associate Justice; Governor Pete Wilson of California; David T. Kearns, Deputy Secretary of Education; John H. Sununu, Chief of Staff to the President; Governor Barbara Roberts of Oregon; Secretary of Energy James D. Watkins; President Carlos Salinas de Gortari of Mexico; Prime Minister Brian Mulroney of Canada; Governors William F. Weld of Massachusetts and Judd Gregg of New Hampshire; Prime Minister John Major of the United Kingdom; and Governor Howard Dean of Vermont.

Statement by Deputy Press Secretary Popadiuk on the Attempted Coup in the Soviet Union

August 19, 1991

We are aware of the press reports concerning President Gorbachev. We have no details at this time. The President was informed by General Scowcroft. We are continuing to seek details.

Note: The statement referred to press reports of a coup against President Mikhail Gorbachev of the Soviet Union. Brent Scowcroft is

Q. In view of the fact that the underdeveloped countries find it impossible to acquire this know-how.

President Bush. Well, it's not impossible. And the answer is: Move briskly to privatization, to free markets, to market economies, and keep going down that path. And that will attract investment, and that investment will close the technological gap. So, I'd say that is the answer to countries that are moving forward now into this period of change.

Leftist Governments in South America

Q. When Allende was President of Chile, as a Socialist government, Chile was considered to be a security risk to the United States. If Uruguay were to bring to power a coalition of the left—Socialist Communists, et cetera—if that kind of coalition came to government, would it be considered to be a risk to the security of the United States? And secondly, the Enterprise for the Americas regime—would it apply to a country which would elect a Socialist government?

President Bush. The success of the Enterprise for Americas depends a lot on moving down this market-economy route. Most Socialists governments or Communist governments want the goods and services produced to be owned by the state. That is a formula for disaster. That is a failed formula. So, the question is very hypothetical, but it seems unlikely to me that the country would move in that direction these days, when you see the whole world moving away from the failed ideology of communism.

[At this point President Lacalle knocked over a glass.]

President Lacalle. It's a gimmick.
[Laughter]

Argentine Military Rebellion

Q. Yesterday, we were witnesses to what happened in Argentina. Do you think that democracies are stable in this part of the continent?

President Bush. Yes, I do. And I think that the incidents yesterday, as I read it, were aimed not at the government, but it was a military-versus-military controversy. And so, I am very pleased to be going to Argentina, and I salute President Menem

there for what he has done and is trying to do in moving Argentina further down democracy's path and doing something in the economic system along the lines that we've been talking about here today.

Meeting With President Lacalle

Q. What bilateral issues were dealt with in your meeting with President Lacalle, President Bush?

President Bush. Mainly, sir, on trade and investment. We're talking about science and technology. Indeed, as a result of our preliminary meeting, President Lacalle has very generously invited my Science Advisor, Dr. Bromley, to spend an hour with him today on that subject. And so, these were the main subjects, but there were one or two others I think we touched on. But those were the main subjects—trade, investment, economics dominated the meeting on a bilateral basis, sir.

The technology also touched on the environment questions. Even though those are global, there are some interests of bilateral concern there.

President Lacalle. Thank you, everybody. Welcome, once again to Montevideo.

Note: President Lacalle spoke at 2:45 p.m. in the Salón de Actos at the Edificio Libertad. A reporter referred to Mercado Común del Sur, the Common Market of the South, composed of Brazil, Argentina, Uruguay, and Paraguay. Ellipses present in these remarks indicate that material was missing on the press release. A tape was not available for verification of the content of the question-and-answer session.

Remarks to a Joint Session of the Congress in Montevideo, Uruguay December 4, 1990

Mr. Vice President, distinguished Members of Congress, ladies and gentlemen, and citizens of Uruguay:

First off, all of us have been deeply touched by your warm welcome. From the minute I've gotten here, I've felt at home. And indeed, Montevideo is graced by images that were once familiar features in our own nation's frontier tradition: the dramatic statues of Belloni and Zorrilla depict-

ing covered wagons, a stagecoach, the gaucho himself. For a moment, I thought I was back home in Texas.

The peoples of our two countries have long been linked by bonds of tradition and belief. Both emphasize equality. Both place their trust in the individual. Both are deeply rooted to the land. Indeed, Uruguay is blessed with some of the best farmland in the world, and flying over it this morning, it reminded me of the fertile heartland of the United States. But the truth is, there is no place quite like Uruguay, this heart-shaped country that's not only at the heart of the Southern Cone but at the heart of South America's exciting new movement towards free markets and free ideas.

Uruguay appears small on the map, but looms large in real life—large in land, large in character, large in heritage, and large in dreams. More than a century ago, W.H. Hudson crossed Uruguay's rolling grasslands and purple banks and brought them vividly to life in his epic saga "The Purple Land." The Uruguay he saw was a trackless prairie of vast spaces and limitless horizons. Today the horizons of Uruguay once again open up to a future without limit. Just look around. Behind me, José Artigas, father of a modern nation. And before me, the Uruguayan Congress, a new generation of pioneers, seeking not to tame a land but to build a nation.

Our visit comes at a time when the Western Hemisphere looks out upon a new era, an era not for the First World or the Third World but an era that marks a new dawn for the New World. Together, were embarked on a journey spurred by profound worldwide changes: political renewal, economic restructuring, social realignment. And together we're leading the way.

We have a unique chance to realize the dreams and ambitions of the people who came to the Americas, north and south, seeking a better life for themselves and for those who followed. Like the United States, Uruguay is a nation of immigrants, and the history of our Republics is told in the history of our families.

One such family was the MacGillycuddys of Ireland, who left the shores of Europe in the last century. One went north, and one went south. Both worked hard, prayed to the same God, learned the language of their

adopted countries. And today their grandchildren are the children of the Americas: Eduardo MacGillycuddy, Uruguay's Ambassador to Washington, and Cornelius MacGillycuddy, better known in my country as United States Senator Connie Mack—common dreams, common bonds, common families.

This is my first trip to Uruguay, and yet I feel I know your President, President Lacalle, well. We met in Washington last February, and again in October in New York. Not only does your President have a vision for his country but he has the rare talent of being able to act on his vision for the benefit of the people.

Last June I announced the Enterprise for the Americas Initiative, an ambitious new plan to increase trade, investment, and growth throughout the hemisphere. It is a major step in our shared dream for the world's first completely democratic hemisphere. And President Lacalle was the first, the very first leader, to call me to discuss how we could work together to realize its objectives.

The world is changing faster than anyone believed possible. Fundamental changes are sweeping Uruguay and Latin America. From Tierra del Fuego to the Texas border, old ways of doing business are being reexamined, and new ideas are on the march. The democratic form of government has come to be recognized as the heart of political legitimacy. The democratic ideal has not triumphed everywhere and, to be sure, not all men live today in total freedom or in democracy; but we've reached the point where all are demanding to live in freedom as their God-given right.

The Western Hemisphere can take pride in having launched this worldwide transformation from dictatorship to democracy. And nowhere has the process been more impressive than right here, where your people have demonstrated the courage, cooperation, and self-sacrifice necessary to win success. The transition was difficult, but the potential rewards are great. The conversion of the hemisphere to representative government and to rational economic management opens up the possibility of unprecedented mutual respect and common purpose across the Americas.

Here in Uruguay, President Lacalle has set forth a bold program to restructure the economy, changes which will improve Uruguay's overall strength and prosperity. In time, the economy will produce more goods and services, provide more jobs for all and, in short, improve Uruguay's very quality of life.

But look, fundamental changes often involve costs. There are no easy solutions, no quick fixes. But you are not alone. Our Enterprise for the Americas Initiative is aimed at extending a helping hand to our neighbors in South America on trade, investment, and debt reduction.

I know some in Latin America fear we've become preoccupied with the dramatic developments in the Old World. Let me assure you today that we have not. The Enterprise for the Americas Initiative represents a fundamental shift in our relationship with Latin America. It recognizes a simple truth, a truth President Lacalle recognized last June at the Organization of American States, a truth that has now been heard and embraced throughout the Americas. "Prosperity in our hemisphere," he said, "depends on trade, not aid."

In order to promote trade, we are working toward a framework agreement with Uruguay, Brazil, Argentina, and Paraguay that commits us to explore practical ways to reduce trade and investment barriers. A strong multilateral trading system is the cornerstone of a healthy, expanding world economy, benefiting both developing and developed nations alike. That's why I have made the successful conclusion of the Uruguay round of the GATT [General Agreement on Tariffs and Trade] a top trade priority, and that's why it has such a prominent place in my Enterprise for the Americas Initiative. It presents us an extraordinary opportunity for unparalleled economic growth for all nations, well into the 21st century.

In the final talks at the GATT this week, we stand firmly with you and other Latin nations in insisting that countries sharply reduce the agricultural subsidies that distort world trade. The land has historically been at the heart of both our economies; and from Montevideo to Montana, our farmers and our ranchers enjoyed shared traditions, shared interests, and shared concerns.

As our trade ministers meet in Brussels this week, I want to speak to them from the place where the round began. It began with a commitment to expansion of world trade, so let us finish the round in the same spirit, translating good intentions into firm commitments that will benefit us all by substantially expanding world trade. As the traveler in "The Purple Land" says: "We lose half our opportunities in life through too much caution." The new dawn is breaking. The stakes are high. Let's successfully conclude the GATT round, and that means opening up Europe's market to this hemisphere's agricultural products.

The Enterprise for the Americas Initiative also acknowledges that improved trade must be bolstered by assistance with investment and with debt. To promote investment, we've been working with the Inter-American Development Bank to create a sectoral loan program. The IDB's response has been outstanding. That's no surprise; it's led by an Uruguayan, Enrique Iglesias. We will also help countries committed to economic and investment reform to shake loose the burden of debt.

First, I want to congratulate President Lacalle on his successful negotiation of a debt agreement with the commercial banks under the Brady plan. That is a vote of confidence in Uruguay's economic policies by the international financial community. And we've also asked our Congress to approve a new package to reduce Uruguay's official debt. This will allow us to convert other payments to investment in industry and to swap debt for nature to protect your natural beauty. Environmental destruction knows no borders. And it is our responsibility to leave future generations not only a more prosperous world but a cleaner and a safer world.

A safer world also means a world free from the scourge of this hemisphere, the scourge called cocaine. And for the sake of our kids, every country must do its part to stop the explosive cycle of drugs, dependency, and dollars. And let me assure you, we are doing our level-best to reduce demand in the United States for these outrageous illegal narcotics.

And finally, a safer world also means a world safe for freedom, a world governed

by the rule of law. And just a few minutes ago, I was privileged to meet with your Supreme Court. A free, honest, and impartial judicial system is fundamental to the freedom of a democracy, just as the rule of law is fundamental to the freedom of the world.

What the world faces in the Persian Gulf, believe me, is fundamental. We will not, we must not, reward a nation that would wipe another country off the face of the Earth. We will not reward a nation that has literally—and the tales are agonizing—has literally raped and terrorized its smaller neighbor. We will not reward a nation that kidnaps people and holds them hostage, staking them out as human shields, a nation that violates the sanctity of foreign embassies. And we will not reward a nation whose unprovoked aggression is driving economies all around the world into ever-greater financial distress.

I want to just say a special word in tribute to your President and to your proud democracy. Uruguay has shown great courage and commitment in support for United Nations sanctions against Iraqi aggression. Some may not realize this, but Uruguay paid a double price, a double price for upholding these sanctions: first, in higher oil prices, but also in substantial markets lost for now for your products. And yet you never flinched; your country never flinched. You never wavered in support of these U.N. sanctions.

You know, some seek to portray the crisis in the Gulf as a conflict between Iraq and the United States. In truth, as your example clearly demonstrates, it is a conflict between a united world community and an isolated, brutal dictator; the rule of law against Saddam Hussein's [President of Iraq] brutal aggression. And that's why I'm convinced, totally convinced, that the world community will prevail in the end.

The U.N. sanctions in their entirety will be upheld, and aggression will not be rewarded. That—and it will come—that will be a great victory for peace and global security. And I want to take this occasion, once again, to salute you, to salute your nation for your leadership in this struggle.

You know, in Czechoslovakia, President Havel told me the cost to his country was \$1.5 billion. And Brazil yesterday—Presi-

dent Collor told me \$5 billion is his estimated annual cost. And here in Uruguay, President Lacalle said the impact is substantial. All because of Iraq's determination to violate the sanctity and the sovereignty of little Kuwait.

No one in your great country needs to be told about sovereignty. In 1811 Artigas and his gauchos led an exodus of free Uruguayans who refused to submit to the control of foreign despots. His demand was simple: complete autonomy for Uruguay. His dream was not realized overnight, but today many believe that had it not been for Artigas' brave stand Uruguay would surely been absorbed into another nation.

Exactly 30 years ago, President Eisenhower spoke to the people of Uruguay from this very podium. Our message hasn't changed. He said: "The United States does not covet a single acre of land that belongs to another. We don't wish to control or dictate to another government." And he went on, "We believe that the people of every nation are endowed with the right of free choice and that the most sacred obligation of the world community is to guarantee such choice to all."

A generation later, Juan Lavalleja and the 33 Immortals completed Uruguay's transition to sovereign freedom. Today their legacy has fallen to you—an inheritance from Uruguay and for all of the Americas. Today the new 33 Immortals are the very nations of this continent, the OAS [Organization of American States] nations, now barreling in confidence towards the new century. All of us have a stake in working together. Our goal is to work with Latin America to build a hemisphere where trade and investment are unfettered, private enterprise can flourish, and individual rights are respected.

I see a hemisphere with strong democratic institutions and leaders, an ever-expanding economic opportunity for all members of society—a society free of drugs and crime, a cleaner environment, and a new era of cooperation between Latin America and the United States.

Yours is a colorful land of spectacular beauty, from the lush green expanses outside Salto to the purple banks of the Yi River to the white beaches of Punta del

Enterprise for the Americas Initiative



United States Department of State
Bureau of Public Affairs
Washington, DC

Following are remarks by President Bush before administration officials and members of the business community, Washington, DC, June 27, 1990.

Thank you all very much for coming to the White House. It is my pleasure to welcome so many distinguished guests with such strong interests in the vital Latin American and Caribbean region.

In the past 12 months everyone of us, from the men in the White House to the man on the street has been fascinated by the tremendous changes, the positive changes taking place around the world. Freedom has made great gains, not just in Eastern Europe, but right here in the Americas. We've seen a resurgence of democratic rule, a rising tide of democracy never before witnessed in the history of this beloved hemisphere. And with one exception, Cuba, the transition to democracy is moving toward completion. We can all sense the excitement that the day is not far off when Cuba joins the ranks of world democracies and makes the Americas fully free.

With one exception, that's the case. But the political transformation sweeping the rest of Latin America and the Caribbean has its parallel in the economic sphere. Throughout the region, nations are turning away from the statist economic policies that stifle growth and

are now looking to the power of the free market to help this hemisphere realize its untapped potential for progress. A new leadership has emerged backed by the strength of the peoples' mandate—leadership that understands that the future of Latin America lies with free government and free markets. In the words of Colombia's courageous leader, Virgilio Barco—President Barco: "The long-running match between Karl Marx and Adam Smith is finally coming to an end" with the "recognition that open economies with access to markets can lead to social progress."

For the United States, these are welcome developments—developments that we're eager to support. But we recognize that each nation in the region must make its own choices. There is no blueprint, no one size fits all approaches to reform. The primary responsibility for achieving economic growth lies with each individual country. Our challenge in this country is to respond in ways that support the positive changes now taking place in the hemisphere. We must forge a genuine partnership for free market reform.

Back in February, I met in Cartagena [Colombia] with heads of the three Andean nations. And I came away from that meeting convinced that the United States must review its approach not only to that region but to Latin America and

the Caribbean as a whole. I asked Treasury Secretary Brady to lead a review of US economic policy toward this vital region, to make a fresh assessment of the problems and opportunities we'll encounter in the decade ahead. That review is now complete, and the results are in. And the need for new economic initiatives is clear and compelling.

All signs point to the fact that we must shift the focus of our economic interaction toward a new economic partnership because prosperity in our hemisphere depends on trade, not aid. I've asked you here today to share with you some of the ideas, some of the ways we can build a broad-based partnership for the 1990s—to announce the new Enterprise for the Americas Initiative that creates incentives to reinforce Latin America's growing recognition that free market reform is the key to sustained growth and political stability.

The three pillars of our new initiative are trade, investment, and debt. To expand trade, I propose that we begin the process of creating a hemisphere-wide free trade zone; to increase investment that we adopt measures to create a new flow of capital into the region; and to further ease the debt—the burden of debt—a new approach to debt in the region with important benefits for our environment.

Trade

In the 1980s, trade within our hemisphere trailed the overall pace of growth in world trade. One principal reason for that: over-restrictive trade barriers that wall off the economies of our region from each other, and from the United States, at great cost to us all. These barriers are the legacy of the misguided notion that a nation's economy needs protection in order to thrive. The great economic lesson of this century is that protectionism still stifles progress, and free markets breed prosperity. To this end, we've formulated a three-point trade plan to encourage the emerging trend toward free market reform and that is now gathering forces in the Americas.

First, as we enter the final months of the current Uruguay Round of the world trade talks, I pledge close cooperation with the nations of this hemisphere. The successful completion of the Uruguay Round remains the most effective way of promoting long-term trade growth in Latin America and the increased integration of Latin nations into the overall global trading system. Our aim in the Uruguay Round is free and fair trade.

Through these talks, we are seeking to strengthen existing trade rules and to expand them to areas that do not now have agreed rules of fair play. To show our commitment to our neighbors in Latin America and the Caribbean, we will seek deeper tariff reductions in this round on products of special interest to them.

Second, we must build on the trend we see toward free markets and make our ultimate aim a free trade system that links all of the Americas—North, Central, and South. We look forward to the day when not only are the Americas the first fully free democratic hemisphere, but when all are equal partners in a free trade zone stretching from the port of Anchorage to the Tierra del Fuego.

I'm announcing today that the United States stands ready to enter into free trade agreements with other markets in Latin America and the Caribbean, particularly with groups of countries that have associated for purposes of trade liberalization. The first step in this process is the now-announced free trade agreement with Mexico.¹ We must all recognize that we won't bring down barriers to

¹On June 11, 1990, Presidents Bush and Salinas endorsed the goal of a comprehensive free trade agreement between the United States and Mexico. The presidents have directed their trade ministers to undertake the consultations and preparatory work needed to initiate such negotiations and to report back to them before the two presidents' next meeting in December 1990.

free trade overnight; changes so far-reaching may take years of preparation and tough negotiations. But the payoff in terms of prosperity is worth every effort. And now is the time to make a comprehensive free trade zone for the Americas our long-term goal.

And third, I understand that some countries aren't yet ready to take that dramatic step to a full free trade agreement. And that's why we're prepared to negotiate with any interested nation in the region bilateral framework agreements to open markets and develop closer trade ties. Such agreements already exist with Mexico and Bolivia. Framework agreements will enable us to move

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forward on a step-by-step basis to eliminate counterproductive barriers to trade and toward our ultimate goal of free trade. And that's a prescription for greater growth and a higher standard of living in Latin America and, right here at home, a new market for American products and more jobs for American workers.

Promoting free trade is just one of three key elements in our new Enterprise for the Americas Initiative. And our second pillar is increased investment.

Investment Reform

The competition for capital today is fierce. And the key to increased investment is to be competitive, to turn around the conditions that have discouraged both foreign and domestic investment, reduce the regulatory burden, clear away the thicket of bureaucratic barriers that choke off Latin America's aspiring entrepreneurs.

In one large Latin city, for instance, it takes almost 300 days to cut through the red tape to open a small garment shop. In another country, the average overseas caller has to make five phone calls to get

through, and the wait for a new telephone line can be as long as 5 years—and that's got to change.

Investment reform is essential to make it easier to start new business ventures and make it possible for international investors to participate and profit in Latin American markets. In order to create incentives for investment reform, the United States is prepared to take the following steps:

First, the United States will work with the Inter-American Development Bank (IDB) to create a new lending program for nations that take significant steps to remove impediments to international investment. The World Bank could also contribute to this effort; and

Second, we propose the creation of a new investment fund for the Americas. This fund, administered by the IDB, could provide up to \$300 million a year in grants in response to market-oriented investment reforms in progress in privatization.

The United States intends to contribute \$100 million to the fund, and we will seek matching contributions from Europe and Japan. But in order to create an attractive climate for new investment, we must build on our successful efforts to ease the debt burden. That's the third pillar of this new Enterprise for the Americas initiative.

Easing the Debt Burden

Many nations have already undertaken painful economic reforms for the sake of future growth. But the investment climate remains clouded, weighted down by the heavy debt burden. Under the Brady plan, we are making significant progress. The agreements reached with Mexico and Costa Rica and Venezuela are already having a positive impact on investment in those countries.

Mexico, to take just one example, has already seen a reversal of the destructive capital flight that drained so many Latin American nations of precious investment resources. That's critical. If we restore confidence, capital will follow.

As one means of expanding our debt strategy we propose that the IDB add its efforts and resources to those of the International Monetary Fund (IMF) and the World Bank to support commercial bank debt reduction in Latin America and the Caribbean and, as in the case of World Bank and IMF, IDB funds should be directly linked to economic reform.

While the Brady plan has helped nations reduce commercial bank debt for nations with high levels of official debt—debt owed to governments rather than

private financial institution—the burden remains heavy. And today, across Latin America, official debt owed to the US Government amounts to nearly \$12 billion, with \$7 billion of that amount in concessional loans. In many cases, the heaviest official debt burdens fall on some of the region's smallest nations—countries like Honduras and El Salvador and Jamaica.

That's a problem we must address today. As the key component in addressing the region's debt problem, I am proposing a major new initiative to reduce Latin America's and the Caribbean's official debt to the United States for countries that adopt strong economic and investment reform programs with the support of international institutions.

Our debt reduction program will deal separately with concessional and commercial types of loans. On the concessional debt, loans made from aid or food for peace accounts, we will propose substantial debt reductions for the most heavily burdened countries. And we will also sell a portion of outstanding commercial loans to facilitate these debt-for-equity and debt-for-nature swaps in countries that have set up such programs.

Strengthening Environmental Policies

These actions will be taken on a case-by-case basis. One measure of prosperity in the most important long-term investment any nation can make is environmental well-being. As part of our Enterprise for the Americas Initiative, we will take action to strengthen environmental policies in this hemisphere.

Debt-for-nature swaps are one example—patterned after the innovative agreements reached by some Latin American nations and their commercial creditors. We will also call for the creation of environmental trusts, where interest payments owed on restructured US debt will be paid in local currency and set aside to fund environmental projects in the debtor countries.

These innovative agreements offer a powerful new tool for preserving the natural wonders of this hemisphere that we share. From the vistas of the unspoiled Arctic, to the beauties of the barrier reef off Belize, to the rich rain forests of the Amazons, we must protect this living legacy that we hold in trust. For an increasing number of our neighbors, the need for free market reform is clear. These nations need economic breathing room to enact bold reforms. And this official debt initiative is one answer. A way out from under the crushing burden of debt that slows the process of reform.

Conclusion

I know there is some concern that the revolutionary changes we've witnessed this past year in Eastern Europe will shift our attention away from Latin America. But I want to assure all of you here today, as I've assured many democratic leaders in Central and South America and the Caribbean, and Mexico, the United States will not lose sight of the tremendous challenges and opportunities right here in our own hemisphere. And

indeed, as we talk with the leaders of the G-24 about the emerging democracies in Europe—I've been talking to them also about their supporting democracy and economic freedom in Central America. Our aim is a closer partnership between the Americas and our friends in Europe and in Asia.

Two years from now, our hemisphere will celebrate the 500th anniversary of an epic event, Columbus' discovery of America, our New World. And we trace our origins, our shared history to the time of Columbus' voyage and the courageous quest for the advancement of man. Today, the bonds of our common heritage are strengthened by the love of freedom and a common commitment to democracy. Our challenge, the challenge in this new era of the Americas is to secure this shared dream and all its fruits for all the people of the Americas—North, Central, and South.

The comprehensive plan that I've just outlined is proof positive the United States is serious about forging a new partnership with our Latin American and Caribbean neighbors. We're ready to play a constructive role at this critical time to make ours the first fully free hemisphere in all of history. ■

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