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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13612
Folder ID Number: 13612-008

Folder Title:
[Announcement of Tax Bill Veto] [3/20/92] [OA 6099]

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ANNOUNCEMENT OF TAX BILL VETO
THE WHITE HOUSE
FRIDAY, MARCH 20, 1992

CHRISTINA'S
MASTER

* GOOD AFTERNOON AND WELCOME TO THE WHITE HOUSE.

FIFTY-TWO DAYS AGO, IN MY STATE OF THE UNION ADDRESS, I ASKED CONGRESS TO ACT ON MY AGENDA FOR ECONOMIC GROWTH. I ASKED FOR IMMEDIATE ACTION, BY MARCH 20TH, ON A SERIES OF PROPOSALS TO HELP REKINDLE THE ECONOMIC RECOVERY.

I ASKED THE DEMOCRATIC LEADERSHIP TO PUT PARTISANSHIP ASIDE, PLEDGING TO DO THE SAME, IN ORDER TO ENACT SEVEN SENSIBLE STEPS TO INCREASE INVESTMENT, STRENGTHEN THE VALUE OF AMERICAN HOMES, AND CREATE JOBS.

WELL, MARCH 20TH HAS ARRIVED. ((AND NO RECOVERY BILL OF ANY KIND HAS COME TO THE WHITE HOUSE AS OF NOW.)) THIS MORNING, THE CONGRESSIONAL CONFEREES FINISHED WORK ON A TAX BILL. IT WOULD INCREASE TAXES, AND HARM THE ECONOMY. SO TODAY, I AM DOING THREE THINGS.


* FIRST, I HAVE JUST SIGNED THE VETO MESSAGE TO STOP
THE DEMOCRATS' TAX INCREASE. SECOND, I AM TAKING
SEVERAL ADDITIONAL STEPS ON MY OWN TO HELP THE
RECOVERY, WITH OR WITHOUT CONGRESS. AND THIRD, WHILE
THE DEMOCRATIC LEADERSHIP IN CONGRESS IS IN DISARRAY, I
AM PROPOSING ACTION ON THE REAL CHALLENGES FACING
AMERICA -- ON MY LONG-TERM PLANS TO HELP AMERICA
COMPETE IN THE GLOBAL ECONOMY OF THE FUTURE. ((NOW IS
THE TIME FOR REAL CHANGE.))

I AM DISAPPOINTED IN CONGRESS. IN FAIRNESS, SOME
DEMOCRATS DIDN'T WANT TO PUT A TAX INCREASE IN THE BILL
-- AND I SALUTE THEM FOR COURAGEOUSLY STANDING UP
AGAINST MORE TAXES. BUT POLITICS PREVAILED. A SLIM
MAJORITY PASSED THE BILL IN THE FACE OF A CERTAIN VETO.
BUT THEY AREN'T BLOCKING MY ECONOMIC RECOVERY PLAN
BECAUSE THEY'RE AFRAID IT WON'T WORK, THEY'RE BLOCKING
* IT BECAUSE THEY'RE AFRAID IT WILL WORK.

I DON'T TAKE THIS STEP LIGHTLY. NO PRESIDENT HAS VETOED A MAJOR TAX BILL SINCE HARRY TRUMAN DID IT IN 1948.

BUT I SUBMITTED AN ECONOMIC GROWTH PLAN TO CONGRESS FOR A REASON -- TO PROMOTE A RECOVERY IN WHICH EVERY AMERICAN HAS AN INTEREST. THE PACKAGE I PROPOSED WAS CAREFULLY TAILORED. IT WAS PAID FOR -- WITHOUT RAISING TAXES. IT WAS DESIGNED TO ENCOURAGE AND STRENGTHEN THE POSITIVE ECONOMIC SIGNS WE ARE BEGINNING TO SEE -- HOME SALES AND HOUSING STARTS UP AS INTEREST RATES STAY DOWN, RETAIL SALES IMPROVING, 164,000 NEW JOBS LAST MONTH ALONE.

IN RESPONSE, THE DEMOCRATIC CONGRESS HAS RETURNED TO FORM. IT HAS PRODUCED A BILL THAT WILL NOT STRENGTHEN THE ECONOMY -- IT WILL WEAKEN IT. IT HAS PRODUCED A BILL THAT WILL NOT STIMULATE GROWTH -- IT WILL STIFLE IT. AS IF BY REFLEX, THE DEMOCRATS IN CONGRESS COULD NOT RESIST THEIR NATURAL IMPULSE TO RAISE TAXES. BUT I ASSURE YOU OF THIS: I WILL NOT LET THEM DO IT.



SO, MOMENTS AGO, I SIGNED THE VETO MESSAGE FOR THE DEMOCRATS' TAX INCREASE -- BECAUSE RAISING TAXES WILL NOT HELP CREATE JOBS.

THE BILL IS NOT YET HERE -- BUT THE CONFERENCE REPORT TELLS ME ALL I NEED TO KNOW. WHEN THE BILL IS SENT DOWN TONIGHT, THIS SIGNED MESSAGE WILL BE WAITING FOR IT -- AND MY VETO WILL GO BACK TO THE HILL THE MINUTE THE BILL ARRIVES.

 ((NEEDLESS TO SAY, I WILL NOT SEND IT BACK VIA THE HOUSE POST OFFICE.))

THE MESSAGE IS CLEAR: MY VETO, AND A BLOCK OF VOTES READY TO SUSTAIN IT, STANDS READY TO STOP ANY TAX INCREASE ON THE AMERICAN PEOPLE.

WITH THAT CLEAR, I ASK THE DEMOCRATIC LEADERSHIP TO PUT ASIDE ONCE AND FOR ALL THE IDEA OF A TAX INCREASE. AND I ASK THE CONGRESS AGAIN: PASS THE 7 COMMON-SENSE MEASURES I'VE PROPOSED TO HELP THE ECONOMY NOW. DO SO WITHOUT RAISING TAXES, AND I WILL SIGN IT. THEN LET'S GET ON TO THE LONG-TERM AGENDA. BUT STOP HOLDING THE AMERICAN ECONOMY HOSTAGE IN A PARTISAN GAME.

PASSING A TAX INCREASE IS BAD ENOUGH. BUT HERE'S WHAT REALLY TROUBLES ME:

THE IRRESPONSIBILITY OF CONGRESS ON THIS PLAN IS PART OF A PATTERN. IT REFLECTS A MORE SERIOUS PROBLEM -- A DEEPER SYSTEMIC PROBLEM THAT IS GNAWING AT THE STRENGTH OF OUR NATION. IT IS NO WONDER THAT AMERICANS ARE ANGRY. TODAY, LOOKING AT THE ACCUMULATED EVIDENCE OF SEVERAL YEARS, IT MUST BE SAID: OUR CONGRESSIONAL SYSTEM IS BROKEN.

WE HAVE A LONG TRADITION IN THIS COUNTRY OF PULLING TOGETHER WHEN NATIONAL NEED DEMANDS THAT WE DO SO. OVER THE YEARS, MANY ACCOMPLISHMENTS, LARGE AND SMALL, HAVE BEEN TRULY BIPARTISAN.

BUT CONGRESS TODAY IS DIFFERENT. IT IS MORE PARTISAN. ITS CAMPAIGNS ARE FINANCED BY SPECIAL INTERESTS. IT HAS GROWN OUT OF CONTROL. IT HAS LOST THE ABILITY TO POLICE ITSELF. AND, PERHAPS MOST IMPORTANTLY, IT IS NO LONGER ACCOUNTABLE TO INDIVIDUAL AMERICAN CITIZENS AND VOTERS. THIS MUST CHANGE.

ONE PARTY HAS CONTROLLED THE HOUSE OF REPRESENTATIVES FOR ALMOST FOUR DECADES. STAFF HAS BECOME INSTITUTIONALIZED. IN 1950, THERE WERE ABOUT 2,000 PERSONAL STAFF IN CONGRESS. TODAY, THERE ARE ALMOST 12,000 STAFF FOR MEMBERS OF CONGRESS THEMSELVES -- AND ALMOST 40,000 IF YOU INCLUDE THE ENTIRE LEGISLATIVE BRANCH. THE NUMBER OF COMMITTEES AND SUBCOMMITTEES HAS QUADRUPLED.

AND FOR THIS -- WE GET A CONGRESS INCAPABLE OF
PASSING THE SIMPLE PLAN I PRESENTED ALMOST TWO MONTHS
AGO -- A CONGRESS CONTROLLED BY THE DEMOCRATIC CAUCUS
* WHICH CANNOT MANAGE A TINY BANK OR A TINY POST OFFICE.

IN THE 1990 ELECTIONS, SPECIAL INTEREST POLITICAL
ACTION COMMITTEES -- "PACS" -- GAVE ALMOST 117 MILLION
DOLLARS TO INCUMBENT CONGRESSMEN AND SENATORS. ONLY
ABOUT 15 MILLION DOLLARS WERE DONATED TO CHALLENGERS.
WITH THIS 8-TO-1 SPENDING ADVANTAGE, OBVIOUS VOTER
DISCONTENT WAS BURIED IN A WAVE OF PAC-FINANCED
TELEVISION ADVERTISING. SO, NEARLY EVERY INCUMBENT
WON.

THE TIME HAS COME FOR CHANGE -- BECAUSE WHEN THE
SYSTEM IS BROKEN, YOU DO HAVE TO FIX IT. I HAVE
PROPOSED TO ELIMINATE THE PACS WHICH ARE POISONING OUR
SYSTEM. THE TIME HAS COME TO ELIMINATE THESE POLITICAL
ACTION COMMITTEES IN THEIR ENTIRETY.

I PROPOSE ALSO TO INCREASE ACCOUNTABILITY. I AM ORDERING SEVERAL STEPS TO IMPLEMENT PROMPTLY THE SUPREME COURT'S BECK DECISION. NO WORKER SHOULD BE FORCED TO HAVE MONEY TAKEN OUT OF HIS PAYCHECK TO FUND POLITICIANS HE OR SHE DISAGREES WITH.

WE SHOULD APPLY TO CONGRESS THE SAME LAWS -- FROM EMPLOYMENT CONDITIONS TO CIVIL RIGHTS TO THE FREEDOM OF INFORMATION ACT -- WHICH IT IMPOSES ON EVERY ~~OTHER~~ ^{ONE ELSE.} ~~BUSINESS AND EVERY OTHER CITIZEN IN THIS COUNTRY.~~

AND I BELIEVE THE TIME HAS COME TO LIMIT THE TERMS OF CONGRESSMEN. THE TERMS OF PRESIDENTS ARE LIMITED. IT IS TIME FOR THE TERMS OF CONGRESSMEN TO BE LIMITED.

THE BOTTOM LINE IS THAT WE ALL NEED A NEW CONGRESS -- ONE THAT CAN AND WILL WORK WITH ME FOR CONSTRUCTIVE CHANGE.

IN THE MEANTIME, I WILL TAKE ADDITIONAL ACTIONS ON MY OWN, WITH EVERY LEGAL MEANS AT MY DISPOSAL, TO KEEP THE ECONOMY MOVING UP. I WILL DO SO IN SPITE OF THE HOPELESSLY TANGLED CONGRESSIONAL WEB OF PACS, PERKS, PRIVILEGE, PARTISANSHIP AND PARALYSIS.

THERE IS, OF COURSE, A SERIOUS LIMIT ON WHAT A PRESIDENT CAN DO WITHOUT CONGRESS. BUT I AM DETERMINED TO DO ALL I CAN TO EFFECT CHANGE.

FIRST, I WANT TO UNDERLINE A FUNDAMENTAL POINT:
GOVERNMENT IS TOO BIG AND SPENDS TOO MUCH.

Stumbled
X I'VE ALREADY PROPOSED TO FREEZE DOMESTIC
DISCRETIONARY SPENDING AND FEDERAL EMPLOYMENT NEXT
YEAR. I'VE ALSO PROPOSED TO CURB THE GROWTH OF
"MANDATORY" PROGRAMS -- WITHOUT TOUCHING SOCIAL
SECURITY. MANDATORY SPENDING -- SPENDING ON PROGRAMS
THAT NEED NO ANNUAL CONGRESSIONAL ACTION TO KEEP
GROWING -- CONSUMES ALMOST TWO-THIRDS OF THE FEDERAL
BUDGET. OVER THE NEXT DECADE, THIS SPENDING -- IF LEFT
UNCHECKED -- WILL GROW BY TWO TRILLION DOLLARS MORE
THAN IS NEEDED FOR INFLATION AND NEW BENEFICIARIES.

CURRENTLY, MOST OF THESE PROGRAMS GROW
AUTOMATICALLY -- WITHOUT CONGRESSIONAL REVIEW, OR EVEN
A CHANCE FOR A PRESIDENTIAL VETO. MY PROPOSAL, WHICH
IS BEFORE CONGRESS NOW, WOULD PERMIT THESE PROGRAMS TO
GROW FOR INFLATION AND NEW BENEFICIARIES, AND, WHERE
NECESSARY, SOME AMOUNT ABOVE THAT. BUT WE NEED SOME
CEILING TO KEEP THEIR GROWTH WITHIN REASONABLE BOUNDS.
UNCONTROLLED SPENDING IS A MAJOR CAUSE OF THE FEDERAL
DEFICIT I AM WORKING TO CONTAIN -- AND IT MUST BE
X ADDRESSED.

I have also directed all agency heads to look for further areas where

TODAY I AM SENDING TO CAPITOL HILL THE FIRST OF A SERIES OF ADDITIONAL MEASURES TO CUT FEDERAL SPENDING NOW -- THIS YEAR. ^{THE} THESE LINE-ITEM RESCISSIONS, ^{IDENTIFIED} IN ^{SO FAR} TOTAL, WILL CANCEL ABOUT 4 BILLION DOLLARS IN UNNECESSARY SPENDING. spending cuts can be made now.

FUNDS FOR LOCAL PARKING GARAGES. ONE HUNDRED THOUSAND DOLLARS FOR "ASPARAGUS YIELD DECLINES." MINK RESEARCH. PRICKLY PEAR RESEARCH. THE EXAMPLES WOULD BE FUNNY IF THE EFFECT WEREN'T SO SERIOUS. THIS KIND OF WASTEFUL SPENDING DESTROYS PUBLIC CONFIDENCE IN THE INTEGRITY OF THE GOVERNMENT. AMERICANS HAVE EVERY RIGHT TO BE OUTRAGED, AND DISGUSTED. IT IS THEIR MONEY.

I WILL WORK WITH THE REPUBLICANS IN THE HOUSE TO BRING THESE ITEMS TO A VOTE INDIVIDUALLY. FORCING THE DEMOCRATIC LEADERSHIP TO ALLOW LINE-BY-LINE VOTES ON ITEMS OF PORK WILL BRING US A STEP CLOSER TO THE ACCOUNTABILITY AND POWER THAT 43 GOVERNORS HAVE -- THE LINE-ITEM VETO.

SOME ARGUE THAT THE PRESIDENT ALREADY HAS LINE-
ITEM VETO AUTHORITY. UNFORTUNATELY, OUR ABLE ATTORNEY
GENERAL AND MY TRUSTED WHITE HOUSE COUNSEL, BACKED UP
BY LEGAL OPINIONS FROM MOST LEGAL SCHOLARS, FEEL THAT I
DO NOT HAVE LINE-ITEM VETO AUTHORITY. THIS OPINION WAS
SHARED BY THE ATTORNEY GENERAL IN THE PREVIOUS
ADMINISTRATION. I ASK THE AMERICAN PEOPLE TO DEMAND
THAT A PRESIDENT BE GIVEN LINE-ITEM VETO AUTHORITY
LEGISLATIVELY -- OR, IF NECESSARY, BY CHANGING THE
CONSTITUTION. *LINE ITEM VETO IS ESSENTIAL*

SECOND, I HAVE DIRECTED THE VICE PRESIDENT TO STEP
UP THE ASSAULT ON UNNECESSARY REGULATION AND PAPERWORK.
LET ME GIVE YOU A PROGRESS REPORT. THOUGH SOME IN
CONGRESS OPPOSE REGULATORY RELIEF, I'VE ALREADY TAKEN
SPECIFIC STEPS TO REMOVE THE REGULATORY ROADBLOCKS TO
GROWTH.

WE'VE IMPLEMENTED PLANS TO PROMOTE BIOTECHNOLOGY, LOWER CONSTRUCTION COSTS, HELP SMALL BUSINESS, EASE THE CREDIT CRUNCH, HELP CLEAN UP THE AIR, REDUCE COSTS IN TRANSPORTATION, AND CUT THROUGH THE MORASS OF REGULATION IN AGRICULTURE. TODAY, WE'RE LAUNCHING A NEW PUBLIC-PRIVATE PARTNERSHIP TO PROMOTE RESEARCH AND DEVELOPMENT BY BRINGING THE GOOD IDEAS FROM OUR FEDERAL LABS INTO THE MARKETPLACE.

OVER THE COMING MONTHS, WE WILL BE ANNOUNCING MANY MORE SUCH STEPS TO CHOP AWAY AT NEEDLESS REGULATION AND PAPERWORK WHEREVER WE CAN. TOO MUCH REGULATION SMOTHERS INNOVATION, ELIMINATES JOBS, AND MAKES AMERICA LESS COMPETITIVE.

I REALIZE THAT THESE ARE ONLY MODEST STEPS. BUT THEY REFLECT A FUNDAMENTAL ATTITUDE.

IF THE DEMOCRATIC LEADERSHIP THAT RUNS THE STATUS QUO CONGRESS WILL NOT HELP US CHANGE AMERICA, WE WILL HAVE TO CHANGE IT WITHOUT THEM. IF THE DEMOCRATIC LEADERSHIP THAT RUNS THE STATUS QUO CONGRESS WILL NOT HELP US REFORM GOVERNMENT, WE MUST REFORM IT WITHOUT THEM.

YOU SEE, CHANGE IS NOTHING TO FEAR. FOR MORE THAN TWO CENTURIES, AMERICA HAS BEEN A FORCE FOR CHANGE. OUR RESTLESSNESS IS LEGENDARY. OUR ENERGY BOUNDLESS.

BECAUSE OF THIS, TODAY AMERICA -- EVEN GIVEN OUR ECONOMIC PROBLEMS -- IS THE MOST PRODUCTIVE NATION ON EARTH, WITH THE HIGHEST STANDARD OF LIVING. WE HAVE ONLY ONE-TWENTIETH OF THE WORLD'S POPULATION. BUT WE PRODUCE ONE-FOURTH OF THE WORLD'S OUTPUT -- TWICE THAT OF JAPAN, AND FOUR TIMES THAT OF GERMANY. TODAY, AMERICA'S CREDIBILITY AND PRESTIGE IN THE WORLD -- NOT TO MENTION OUR STRENGTH -- HAVE NEVER BEEN GREATER. BUT WE DIDN'T GET WHERE WE ARE BY STANDING STILL.

WE GOT WHERE WE ARE BY ALWAYS STRIVING TO DO BETTER. THAT'S WHY THE CURRENT PARALYSIS OF THE CONGRESS IS SO TROUBLING.

IT HAS CAUSED TOO MANY AMERICANS, AT THE EXACT MOMENT OF TRIUMPH FOR AMERICAN VALUES AROUND THE WORLD, TO LOSE CONFIDENCE.

AMERICANS ARE UNDERSTANDABLY WORRIED ABOUT THEIR FUTURE. NOT ONLY ABOUT THE ECONOMY RIGHT NOW, ALTHOUGH THAT IS A KEY PROBLEM, BUT ABOUT THE ECONOMIC COMPETITION OF THE FUTURE. ABOUT THE CENTRAL QUESTION THAT LIES AT THE HEART OF THE AMERICAN DREAM: WILL OUR CHILDREN HAVE A BETTER LIFE THAN WE DO?

MAKE NO MISTAKE: WE WILL COMPETE AND WIN IN THE GLOBAL ECONOMY. IN THE LAST TEN YEARS, WE'VE BECOME MORE PRODUCTIVE. OUR EXPORTS HAVE MORE THAN DOUBLED. MANUFACTURING PRODUCTIVITY HAS INCREASED. WE ARE CAPTURING NEW MARKETS AROUND THE WORLD -- FROM EUROPE, TO AFRICA, TO LATIN AMERICA.

BUT IN ORDER TO KEEP SUCCEEDING IN THIS GLOBAL ECONOMIC COMPETITION, WE'VE GOT TO CHANGE AMERICA IN FIVE KEY WAYS. WE NEED A STRATEGY THAT IS CONFIDENT, FORWARD-LOOKING, FUTURE-ORIENTED -- AND WE NEED TO BE WILLING TO CHANGE.

FIRST, WE MUST EXPAND MARKETS FOR AMERICAN PRODUCTS. SO I WILL CONTINUE TO PURSUE A GATT AGREEMENT TO OPEN MARKETS FURTHER. I WILL PUSH FOR A NORTH AMERICAN FREE TRADE AGREEMENT, TO UNLOCK THE POTENTIAL OF MARKETS IN MEXICO AND CANADA. AND I WILL WORK FOR BILATERAL AGREEMENTS TO KNOCK DOWN BARRIERS TO AMERICAN EXPORTS.

TO WIN THESE MARKETS, WE MUST GUARANTEE THAT AMERICA WILL LEAD THE WORLD IN KNOWLEDGE, IN NEW IDEAS, AND IN MAKING PRODUCTS OF THE HIGHEST QUALITY. THAT REQUIRES SPECIFIC INVESTMENTS -- TODAY.

I'VE PROPOSED TO INVEST MORE IN BASIC R&D, AND IN KEY TECHNOLOGIES LIKE HIGH PERFORMANCE COMPUTING, NEW AND ADVANCED MATERIALS, AND BIOTECHNOLOGY. CONGRESS SHOULD APPROVE THESE INVESTMENTS.

AND NOT ONLY THE GOVERNMENT MUST INVEST MORE IN THE FUTURE. TO MAINTAIN OUR EDGE BY INCREASING PRIVATE SECTOR INVESTMENT, CONGRESS SHOULD PASS THE CAPITAL GAINS TAX CUT AND MAKE THE R&D TAX CREDIT PERMANENT.

SECOND, WE MUST PREPARE OUR WORKFORCE TO COMPETE -
- THROUGH BETTER EDUCATION AND TRAINING. I'VE PROPOSED A SET OF DRAMATIC REFORMS IN EDUCATION CALLED AMERICA 2000, AND A NEW APPROACH TO JOB TRAINING -- JOB TRAINING 2000.

THE IDEA OF AMERICA 2000 IS SIMPLE -- TO
REVOLUTIONIZE AMERICAN EDUCATION. THAT MEANS CREATING
NEW KINDS OF SCHOOLS WITH NEW TECHNOLOGY AND NEW WAYS
OF LEARNING. IT MEANS MEASURING PROGRESS, AND HOLDING
SCHOOLS ACCOUNTABLE FOR THEIR PERFORMANCE. AND IT
MEANS GIVING ALL FAMILIES -- INCLUDING LOW- AND MIDDLE-
INCOME FAMILIES -- CHOICE IN PICKING THEIR CHILDREN'S
SCHOOLS.



WE'VE PUT THE RESOURCES BEHIND OUR EFFORTS.
ALTHOUGH BUDGET DOLLARS ARE VERY TIGHT, EDUCATION IS SO
IMPORTANT TO ME THAT I'VE INCREASED FUNDING FOR
EDUCATION BY 42 PERCENT JUST SINCE 1989 -- AND GAVE IT
THE BIGGEST INCREASE THIS YEAR. I'VE PUT IN PLACE A
NEW PROGRAM TO HELP TRAIN TEACHERS IN MATH AND SCIENCE,
AND INCREASED FUNDING FOR MATH AND SCIENCE EDUCATION BY
OVER 69 PERCENT. BUT MORE MONEY ALONE WON'T DO IT --
WE NEED REFORM.

THIRD, WE MUST REFORM HEALTH CARE. AMERICA HAS PROVIDED THE BEST QUALITY HEALTH CARE IN THE WORLD -- BUT WE ARE PLAGUED BY TWO PROBLEMS: TOO MANY AMERICANS ARE NOT COVERED BY HEALTH INSURANCE, AND HEALTH CARE COSTS TOO MUCH.

I HAVE PROPOSED A COMPREHENSIVE PLAN TO MAKE HEALTH CARE MORE AFFORDABLE, MORE AVAILABLE, AND MORE SENSIBLE. IT GUARANTEES ACCESS TO AFFORDABLE HEALTH INSURANCE FOR ALL AMERICANS. CONGRESS SHOULD PASS IT - - AND THAT WILL HELP OUR COMPETITIVENESS. ALL AROUND THE WORLD.

FOURTH, WE'VE GOT TO FIX OUR LEGAL SYSTEM. AMERICA IS DROWNING IN A SEA OF LITIGATION. TOO MANY LAWSUITS MEANS HIGHER PRICES FOR CONSUMERS, AND REDUCED COMPETITIVENESS FOR AMERICA. IT IS ESTIMATED THAT FEAR OF MEDICAL MALPRACTICE ALONE GENERATES UP TO 20 BILLION DOLLARS PER YEAR IN INCREASED HEALTH COSTS.

THIS MUST CHANGE. IN SOME CASES, WE SHOULD REQUIRE
THE LOSER TO PAY THE WINNER'S LEGAL FEES. THAT WILL
STOP FRIVOLOUS LAWSUITS.

WHEN PARENTS WON'T COACH LITTLE LEAGUE TEAMS, WHEN
OBSTETRICIANS WON'T DELIVER BABIES, AND WHEN COMMUNITY
POOLS ARE CLOSED IN THE SUMMERTIME -- ALL BECAUSE OF
THE FEAR OF LIABILITY -- WE KNOW THAT SOMETHING IS
WRONG. NOW IS THE TIME FOR CONGRESS TO PASS MY
LEGISLATION TO FIX IT.

FIFTH, WE MUST TACKLE EACH OF THESE CHALLENGES
WITHOUT HIGHER TAXES OR MORE GOVERNMENT SPENDING.
AMERICA DOESN'T NEED BIGGER GOVERNMENT -- IT NEEDS
BETTER GOVERNMENT.

ON EVERY ONE OF THESE ISSUES, THE DEMOCRATS IN CONGRESS ARE STANDING IN THE WAY OF REFORM. THEY HAVE CUT MY BUDGETS FOR R&D AND INVESTING IN THE FUTURE, AND VOTED INSTEAD FOR PORK. THEY HAVE STRIPPED CHOICE AND ACCOUNTABILITY OUT OF THE EDUCATION BILL. THEY ARE WORKING ON A GOVERNMENT TAKEOVER AS THE SOLUTION TO OUR HEALTH CARE PROBLEM, TO BE FINANCED BY A MASSIVE TAX INCREASE. AND THE SPECIAL INTERESTS HAVE MADE THEM AFRAID OF LEGAL REFORM.

 IT IS TIME FOR CONGRESS TO EITHER LEAD, FOLLOW, OR GET OUT OF THE WAY.

ON EVERY ONE OF THESE CHALLENGES, THERE ARE TWO VERY DIFFERENT WAYS OF LOOKING AT THE WORLD. ONE IS REFORMIST, THE OTHER PROTECTS THE STATUS QUO.

THAT DIFFERENCE IS DRIVEN BY VALUES. THE SPECIAL INTERESTS AND THE FOOTDRAGGERS DO NOT BELIEVE IN THE KIND OF CHANGE WE SEEK: CHANGE WHICH RESPECTS MARKETS MORE THAN GOVERNMENT DICTATES; WHICH RECOGNIZES FUNDAMENTAL AMERICAN VALUES AND THE DIFFERENCE BETWEEN RIGHT AND WRONG; WHICH REWARDS EXCELLENCE AND PUNISHES WRONGDOING. THEY DO NOT BELIEVE THAT ACTIONS SHOULD HAVE CONSEQUENCES.

WELL, ONE SET OF ACTIONS SHOULD HAVE CONSEQUENCES. THE FAILURE OF CONGRESS TO MOVE ON OUR PROGRAM OF CHANGE MEANS ONLY ONE THING: IT IS TIME FOR A NEW CONGRESS. ((GIVE ME THE RIGHT LAWMAKERS, AND I'LL GIVE YOU THE RIGHT LAWS.))

deleted [BECAUSE IT IS PRECISELY THE STRENGTH OF THE VALUES THE NAYSAYERS REJECT THAT HAS MADE AMERICA THE ENVY OF THE WORLD AND THE ENGINE OF DEMOCRACY.

OVER THE COMING WEEKS, I WILL BE SPEAKING MORE ABOUT THESE CHANGES. I'LL BE LAYING OUT FURTHER SPECIFIC PLANS I HAVE FOR EACH. AND I ASK THE AMERICAN PEOPLE TO COMPARE THOSE PLANS TO THE RESPONSE OF THE STATUS QUO CONGRESS AND THE DO-NOTHING CAUCUS THAT HAS DOMINATED THE DEMOCRATIC PARTY FOR TOO LONG.

PATRICK HENRY SAID: "I LIKE THE DREAMS OF THE FUTURE BETTER THAN THE HISTORY OF THE PAST."

PATRICK HENRY WAS RIGHT. IMAGINE THE IRONY, AS THE WORLD IS BEATING A PATH TO FREEDOM'S DOOR, IF WE OURSELVES WERE TO TURN BACK NOW. IF WE CARRY THE CHANGE FORWARD, WE CAN HAVE A NATION OF PRODUCTIVE WORKERS AND COMPETITIVE COMPANIES, OF HEALTHY AND SECURE COMMUNITIES, OF SCHOOLS THAT ARE THE BEST IN THE WORLD. AMERICA CAN REMAIN A NATION WHOSE EXUBERANT CONFIDENCE AND COMMITMENT TO FREEDOM ARE ADMIRERD WORLDWIDE.

I'M READY TO BUILD SUCH AN AMERICA.

BECAUSE IF WE CAN CHANGE THE WORLD, WE CAN CHANGE
AMERICA.

THANK YOU AND GOD BLESS YOU.



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SENSITIVE

Document No. 316 4010

WHITE HOUSE STAFFING MEMORANDUM

CLOSE HOLD

DATE: 03/19/92 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. Friday 03/20

SUBJECT: PRESIDENTIAL REMARKS: ANNOUNCING VETO MESSAGE OF TAX BILL, 03/20

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	GRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			FINDLAY		

REMARKS:

Please provide any comments directly to Bob Grady, Rm. 260, x4844 no later than 10:00 a.m., Friday, 03/20, with a copy to this office. Thanks.

RESPONSE:

McGRADY COMMENTS

CLOSE HOLD

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

SENSITIVE



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

02 MAR 19 P8:00

March 19, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Grady *REG*
Associate Director

RE: Remarks Announcing Veto Message of Tax Bill
The White House
March 20, 1992
3:00 p.m.

Attached are draft remarks announcing your signature of the veto message on the tax bill. As discussed, the speech announces your signature of the veto message, highlights the systemic problems plaguing Congress, announces certain steps you are taking on your own, and outlines five changes America must make to compete and win in the global economy.

The draft is about 60% of the length of that which we reviewed this morning. While it may appear longer at first, it should be noted that the draft we reviewed earlier was single-

~~do three things.~~

Attachment: Draft remarks

(March 19, 1992)

PRESIDENTIAL REMARKS: ANNOUNCEMENT OF TAX BILL VETO
THE WHITE HOUSE
FRIDAY, MARCH 20, 1992

Good afternoon and welcome to the White House.

Fifty-two days ago, in my State of the Union Address, I asked Congress to act on my ^[action plan] agenda for economic growth. I asked for immediate action, by March 20th, on a series of proposals to help rekindle the economic recovery.

I asked the Democratic leadership to put partisanship aside, pledging to do the same, in order to enact seven sensible steps to increase investment, strengthen the value of American homes, and create jobs.

Well, March 20th has arrived. Last night, the Congressional conferees finished work on the conference report on the tax bill. It would increase taxes, and harm the economy. So today, I want to do three things.

First, I am going to sign the veto message and stop the Democrat's tax increase. Second, I am taking several additional steps on my own to help the recovery, with or without Congress. And third, while the Democrats in Congress dither, I am proposing action on the real challenges facing America -- on my long-term plans to help America compete in the global economy of the future.

I am disappointed in Congress. In fairness, some Democrats didn't want to put a tax increase in the bill. But politics prevailed. A slim majority passed the bill in the face of a certain veto. But they aren't blocking my economic recovery plan

isn't the degree of detail unnecessary?

because they're afraid it won't work, they're blocking it because they're afraid it will work.

Transition?
↓
→

I don't take this step lightly. This is the first time a President has vetoed a tax bill since Harry Truman did it in 1948.

~~But~~ I submitted an economic growth package to Congress for a reason -- to promote a recovery in which every American has an interest. The bill I proposed was carefully tailored. It was paid for -- without raising taxes. It was designed to encourage and strengthen the positive economic signs we are beginning to see -- home sales and housing starts up as interest rates stay down,

→

retail sales improving, 164,000 new jobs ~~just~~ ^{alone} last month. In response, the Democratic Congress has returned to form. It has produced a bill which will not strengthen the economy -- it will

→

weaken it. It has produced a bill which will not stimulate growth -- it will ~~retard~~ ^{SAFC} it. As if by reflex, the Democrats in Congress could not resist their natural impulse to raise taxes.

→

But I assure you ~~of this~~: I will not let them do it.

~~With this pen,~~ I am now going to sign the veto message for the Democrats' tax increase -- because raising taxes will not help create jobs.

The bill is not yet here -- but the conference report tells me all I need to know. When the bill is sent down tonight, this signed message will be waiting for it -- and my veto will go to the Hill the minute the bill arrives here.

refer just
once to veto
pen - better to
do it on p. 3?

The message is clear: my veto pen, and a block of votes ready to sustain it, stands ready to stop any tax increase on the American people.

With that clear, I ^{urge} ask the Democratic leadership to put aside once and for all the idea of a tax increase. And I ^{call on} ask the Congress again: Pass the 7 common-sense measures I've proposed to help the economy now. ~~Do so without raising taxes, and I will sign it. Then let's get on to the long term agenda. But stop holding the American economy hostage in a partisan game.~~

Passing a tax increase is bad enough. But here's what really troubles me:

The irresponsibility of Congress on this plan is part of a pattern. It reflects a more serious problem -- a deeper systemic problem that is gnawing at the strength of our nation. It is no wonder that Americans are mad. Today, looking at the accumulated evidence of several years, it must be said: our Congressional system is broken.

We have a long tradition in this country of pulling together when national need demands that we do so. Over the years, many accomplishments, large and small, have been truly bipartisan.

But Congress today is different. It is more partisan. It is financed by special interests. It has grown out of control. It has lost the ability to police itself. And, perhaps most importantly, it is no longer accountable to individual American citizens and voters.

One party has controlled the House of Representatives for 37 years. Staff has become institutionalized. Twenty-five years ago, there were 2,000 Congressional staff. Today, there are more than 12,000 staff for Congress itself -- almost 40,000 if you include the entire legislative branch. The number of committees and subcommittees has grown from 38 fifty years ago to over 300 today. ^{7 284?}

all this what?

And for this ^{- gargantuan growth / bureaucratic bloat} we get a Congress incapable of passing the simple plan I presented almost two months ago. Today, the Congress can't manage a one-teller bank. ^(P)

In the 1990 elections, special interest political action committees -- "PACs" -- gave about 117 million dollars to incumbent Congressmen and Senators. Only 15 million dollars were donated to challengers. With this 8-to-1 spending advantage, obvious voter discontent was smothered in a wave of PAC-financed television advertising. So, nearly every incumbent won.

The time has come for change -- because when the system is broken, you do have to fix it. I have proposed to eliminate the PACs which are poisoning our system.

OUT OF PLACE here

I propose also to increase accountability. I am directing the Secretary of Labor to implement promptly the Supreme Court's Beck decision. No worker should be forced to have money taken out of his paycheck to fund politicians he disagrees with.

We should apply to Congress the same laws -- from employment conditions to civil rights -- which it imposes on every other business and every other citizen in this country.

And this I believe

For the sake of citizen government

~~And I believe the time has come to limit the terms of~~
~~Congressmen.~~ ^{Constitution limits} The ~~term~~ ^{to 2 terms.} of a President is limited. It is time for ^{term limits for} ~~the terms of~~ Congressmen to be limited. //

The bottom line is that we all need a new Congress -- one that can work to do what is right.

In the meantime, I will take additional actions on my own, with every legal means at my disposal, to keep the economy moving up. ~~I will do so in spite of the hopelessly tangled Congressional web of~~ ^{All the all the the} PACs, ^{of the} perks, ^{all add up to one thing.} privilege, partisanship, and paralysis.

There is, of course, a serious limit on what a President can do without Congress. But I am determined to do all I can.

First, I want to underline a fundamental point: government is too big and spends too much.

I've already proposed to freeze domestic discretionary spending and federal employment next year. I've also proposed to cap the growth of "mandatory" programs (other than Social Security). These are programs that grow automatically -- without Congressional review, or even a chance for a Presidential veto. Their uncontrolled growth is fast becoming another Washington scandal.

Today I am sending to Capitol Hill the first of a package of additional measures to cut Federal spending now -- this year. These line-item rescissions, in total, will cancel about \$4 billion in unnecessary spending.

Let me just reach into the pork barrel right now for a few examples. Funds for local parking garages. One hundred thousand dollars for "asparagus yield declines." Mink research. Prickly pear

doesn't just waste tax payers' money -- it

research. The examples would be funny if the effect weren't so serious. This kind of wasteful spending destroys public confidence in the integrity of the government. Americans have every right to be outraged, and disgusted. ~~It is their money.~~

BUT BEING OUTRAGED ISN'T ENOUGH. THIS TIME, WE'RE GOING TO DO SOMETHING ABOUT IT.

I will work with the Republicans in the House to bring each of

these items to a vote. That will bring us a step closer to the accountability and power that 43 Governors have -- the line-item

veto.

IF THE CONGRESS WANTS TO PASS THE PORK-LET'S SEE

Second, I have directed the Vice President to step up the assault on unnecessary regulation and paperwork. Let me give you a progress report. While Congress has spun its wheels for these past two months, we've already taken specific steps to remove the regulatory roadblocks to growth.

We've implemented plans to promote biotechnology, lower construction costs, help small business, ease the credit crunch, help clean up the air, reduce costs in transportation, and cut through the morass of regulation in agriculture. Today, we're launching a new public-private partnership to promote research and development by bringing the good ideas from our Federal labs into the marketplace.

Over the coming months, we will be announcing many more such steps to chop away at needless regulation and paperwork wherever we can. Too much regulation stifles innovation and makes America less competitive.

[I realize that these are only modest steps. But they reflect a fundamental attitude.]

And let me serve notice: The changes & cuts I've announced today aren't just a one-shot deal. We're going to keep the heat on. Congress may not be ready for reform - but the American people are. We will bring bring change to Congress.

If the Democrats who run the status quo Congress will not help us change America, we will have to change it without them. If the Democrats who run the status quo Congress will not help us reform government, we must reform it without them.

You see, change is nothing to fear. For more than two centuries, America has been a force for change. Our restlessness is legendary. Our energy boundless.

Because of this, today America is the most productive nation on earth, with the highest standard of living. We have only one-twentieth of the world's population. But we produce one-fourth of the world's output -- twice that of Japan, and four times that of Germany. Today, America's credibility and prestige in the world -- not to mention our strength -- have never been greater. But we didn't get where we are by standing still.

We got where we are by always striving to do better. That's why the current paralysis of the Congress is so troubling.

It has caused too many Americans, at the exact moment of triumph for American values around the world, to lose confidence.

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

Make no mistake: we can compete and win in the global economy. In the last ten years, we've become more productive. Our exports have more than doubled. Manufacturing productivity has

increased. We are capturing markets around the world -- from Europe, to Africa, to Latin America.

But in order to keep succeeding in this global economic competition, we've got to change America in five key ways. We need a strategy that is confident, forward-looking, future-oriented -- and we need to be willing to change.

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

To win these markets, we must guarantee that America will lead the world in knowledge, in new ideas, and in making products of the highest quality. That requires specific investments -- today.

I've proposed to invest more in basic R&D, and in key technologies like high performance computing, new and advanced materials, and biotechnology. Investments

IF Congress should approve these
WANTS TO DO MORE than
pay lip-service to competitors,
Congre.

And not only the government must invest more in the future. To maintain our edge by increasing private sector investment, Congress should pass the capital gains tax cut and make the R&D tax credit permanent.

Second, we must prepare our workforce to compete -- through better education and training. I've proposed a set of radical

reforms in education called America 2000, and a new approach to job training -- Job Training 2000.

The idea of America 2000 is simple -- to revolutionize American education. That means creating new kinds of schools with new technology and new ways of learning. It means measuring progress, and holding schools accountable for their performance. And it means giving all parents -- including and especially the poor -- choice in picking the schools that can do the job best for their kids.

We've put the resources behind our efforts. (I've increased the Federal budget for education by 42 percent just since 1989.) I've put in place a new program to train teachers in math and science, and increased funding for math and science education by over 69 percent. But more money alone won't do it -- we need reform.

*Why
cite this
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of the
Ted Kennedy's*

*✓
line*

Third, we must reform health care. America has provided the best quality health care in the world -- but we are plagued by two problems: too many Americans are not covered by health insurance, and health care costs too much.

I have proposed a plan to make health care more affordable, more available, and more sensible. Congress should pass it -- and that will help our competitiveness.

Fourth, we've got to fix our legal system. America is drowning in a sea of litigation. Too many lawsuits means higher prices for consumers, and reduced competitiveness for America.

In some cases, we should require the loser to pay the winner's legal fees. That will stop frivolous lawsuits *in a hurry.* ✓

When parents won't coach Little League teams, when obstetricians won't deliver babies, and when community pools are closed in the summertime -- all because of the fear of liability -- we know that something is wrong. Now is the time to fix it.

Fifth, we must tackle each of these challenges without higher taxes or more government spending. America doesn't need bigger government -- it needs better government.

On every one of these issues, the Democrats in Congress are standing in the way of reform. They have cut my budgets for R&D and investing in the future, and voted instead for pork. They have stripped ^{School} choice and accountability out of the education bill. They are working on a government takeover as the solution to our health care problem, to be financed by a massive tax increase. And the special interests ^{than the history of the past} have made them afraid of legal reform. *-- the "loophole lobby" that stalks Capitol Hill --*

It is time for Congress to either lead, follow, or get out of the way.

On every one of these challenges, there are two very different ways of looking at the world. One is reformist, the other protects the status quo.

That difference is driven by values. The special interests and the footdraggers do not believe in the kind of change we seek: change which respects markets more than government dictates; which recognizes fundamental American values and the difference between

SENSITIVE

Document No. 3164916

WHITE HOUSE STAFFING MEMORANDUM

CLOSE HOLD

DATE: 03/19/92 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. Friday 03/20

SUBJECT: PRESIDENTIAL REMARKS: ANNOUNCING VETO MESSAGE OF TAX BILL, 03/20

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	GRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			FINDLAY		

REMARKS:

Please provide any comments directly to Bob Grady, Rm. 260, x4844 no later than 10:00 a.m., Friday, 03/20, with a copy to this office. Thanks.

*All comments
AD*

RESPONSE:

CLOSE HOLD

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

SENSITIVE

**EXECUTIVE OFFICE OF THE PRESIDENT**OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

02 MAR 19 08:00

March 19, 1992

MEMORANDUM FOR THE PRESIDENT**FROM:**Robert E. Grady
Associate Director *REG***RE:**Remarks Announcing Veto Message of Tax Bill
The White House
March 20, 1992
3:00 p.m.

Attached are draft remarks announcing your signature of the veto message on the tax bill. As discussed, the speech announces your signature of the veto message, highlights the systemic problems plaguing Congress, announces certain steps you are taking on your own, and outlines five changes America must make to compete and win in the global economy.

The draft is about 60% of the length of that which we reviewed this morning. While it may appear longer at first, it should be noted that the draft we reviewed earlier was single-spaced.

Attachment: Draft remarks

(March 19, 1992)

**PRESIDENTIAL REMARKS: ANNOUNCEMENT OF TAX BILL VETO
 THE WHITE HOUSE
 FRIDAY, MARCH 20, 1992**

Good afternoon and welcome to the White House.

Fifty-two days ago, in my State of the Union Address, I asked Congress to act on my agenda for economic growth. I asked for immediate action, by March 20th, on a series of proposals to help rekindle the economic recovery.

I asked the Democratic leadership to put partisanship aside, pledging to do the same, in order to enact seven sensible steps to increase investment, strengthen the value of American homes, and create jobs.

Well, March 20th has arrived. Last night, the Congressional conferees finished work on the conference report on the tax bill. It would increase taxes, and harm the economy. So today, I want to do three things.

First, I am going to sign the veto message and stop the Democrat's tax increase. Second, I am taking several additional steps on my own to help the recovery, with or without Congress. And third, while the Democrats in Congress dither, I am proposing action on the real challenges facing America -- on my long-term plans to help America compete in the global economy of the future.

I am disappointed in Congress. In fairness, some Democrats didn't want to put a tax increase in the bill. But politics prevailed. A slim majority passed the bill in the face of a certain veto. But they aren't blocking my economic recovery plan

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because they're afraid it won't work, they're blocking it because they're afraid it will work.

I don't take this step lightly. This is the first time a President has vetoed a tax bill since Harry Truman did it in 1948.

But I submitted an economic growth package to Congress for a reason -- to promote a recovery in which every American has an interest. The bill I proposed was carefully tailored. It was paid for -- without raising taxes. It was designed to encourage and strengthen the positive economic signs we are beginning to see -- home sales and housing starts up as interest rates stay down, retail sales improving, 164,000 new jobs just last month. In response, the Democratic Congress has returned to form. It has produced a bill which will not strengthen the economy -- it will weaken it. It has produced a bill which will not stimulate growth -- it will retard it. As if by reflex, the Democrats in Congress could not resist their natural impulse to raise taxes. But I assure you of this: I will not let them do it.

~~With this pen, I am now going to sign the veto message for the Democrats' tax increase -- because raising taxes will not help create jobs.~~ ^{will immediately} ~~immediately~~ 5

The bill is not yet here -- but the conference report tells me all I need to know. ^{So,} When the bill is sent down tonight, this signed message will be waiting for it -- and my veto will go to the Hill the minute the bill arrives here.

3

The message is clear: my veto ~~power~~, and a block of votes ready to sustain it, stands ready to stop any tax increase on the American people.

With that clear, I ask the Democratic leadership to put aside once and for all the idea of a tax increase. And I ask the Congress again: Pass the 7 common-sense measures I've proposed to help the economy now. Do so without raising taxes, and I will sign it. Then let's get on to the long-term agenda. But stop holding the American economy hostage in a partisan game.

Passing a tax increase is bad enough. But here's what really troubles me:

The irresponsibility of Congress on this plan is part of a pattern. It reflects a more serious problem -- a deeper systemic problem that is gnawing at the strength of our nation. It is no wonder that Americans are mad. Today, looking at the accumulated evidence of several years, it must be said: our Congressional system is broken.

We have a long tradition in this country of pulling together when national need demands that we do so. Over the years, many accomplishments, large and small, have been truly bipartisan.

But Congress today is different. It is more partisan. It is financed by special interests. It has grown out of control. It ~~has lost the ability to police itself~~ *does not and cannot*. And, perhaps most importantly, it is no longer accountable to individual American citizens and voters.

One party has controlled the House of Representatives for 37 years. Staff has become institutionalized. Twenty-five years ago, there were 2,000 Congressional staff. Today, there are more than 12,000 staff for Congress itself -- almost 40,000 if you include the entire legislative branch. The number of committees and subcommittees has grown from 38 fifty years ago to over 300 today.

*I believe
12,000 is
House staff
only*

284

And for this -- we get a Congress incapable of passing the simple plan I presented almost two months ago. Today, the Congress can't manage a one-teller bank.

In the 1990 elections, special interest political action committees -- "PACs" -- gave about 117 million dollars to incumbent Congressmen and Senators. Only 15 million dollars were donated to challengers. With this 8-to-1 spending advantage, obvious voter discontent was smothered in a wave of PAC-financed television advertising. So, nearly every incumbent won.

The time has come for change -- because when the system is broken, you do have to fix it. *First,* I have proposed to eliminate the PACs which are poisoning our system.

~~I propose also to increase accountability,~~ *Second* I am ~~in our election system.~~ directing the Secretary of Labor to implement promptly the Supreme Court's Beck decision. No worker should be forced to have money taken out of his paycheck to fund politicians he disagrees with.

Third We should apply to Congress the same laws -- from employment conditions to civil rights -- which it imposes on every other business and every other citizen in this country.

5

Finally,
And I believe the time has come to limit the terms of
Congressmen. The term of a President is limited. It is time for
the terms of Congressmen to be limited.

The bottom line is that we all need a new Congress -- one that
can work to do what is right.

In the meantime, I will take additional actions on my own,
with every legal means at my disposal, to keep the economy moving
up. I will do so in spite of the hopelessly tangled Congressional
web of PACs, perks, privilege, partisanship and paralysis.

There is, of course, a serious limit on what a President can
do without Congress. But I am determined to do all I can.

Let me
~~First, I want to~~ underline a fundamental point: government is
too big and spends too much.

I've already proposed to freeze domestic discretionary
spending and federal employment next year. I've also proposed to
cap the growth of "mandatory" programs (other than Social
Security). These are programs that grow automatically -- without
Congressional review, or even a chance for a Presidential veto.
Their uncontrolled growth is fast becoming another Washington
scandal.

Today I am sending to Capitol Hill the first of a package of
additional measures to cut Federal spending now -- this year.
These line-item rescissions, in total, will cancel about \$4 billion
in unnecessary spending.

Funds for local parking garages. One hundred thousand dollars
for "asparagus yield declines." Mink research. Prickly pear

6

research. The examples would be funny if the effect weren't so serious. This kind of wasteful spending destroys public confidence in the integrity of the government. Americans have every right to be outraged, and disgusted. It is their money.

I will work with the Republicans in the House to bring each of these items to a vote. That will bring us a step closer to the accountability and power that 43 Governors have -- the line-item veto.

Second, I have directed the Vice President to step up the assault on unnecessary regulation and paperwork. Let me give you a progress report. While Congress has spun its wheels for these past two months, we've already taken specific steps to remove the regulatory roadblocks to growth.

We've implemented plans to promote biotechnology, lower construction costs, help small business, ease the credit crunch, help clean up the air, reduce costs in transportation, and cut through the morass of regulation in agriculture. Today, we're launching a new public-private partnership to promote research and development by bringing the good ideas from our Federal labs into the marketplace.

Over the coming months, we will be announcing many more such steps to chop away at needless regulation and paperwork wherever we can. Too much regulation stifles innovation and makes America less competitive.

I realize that these are only ^{first} ~~modest~~ steps. But they reflect a fundamental attitude.

If the Democrats who run the status quo Congress will not help us change America, we will have to change it without them. If the Democrats who run the status quo Congress will not help us reform government, we must reform it without them.

~~You see, change is nothing to fear.~~ ^{you see,} For more than two centuries, America has been a force for change. Our restlessness is legendary. Our energy boundless.

Because of this, today America is the most productive nation on earth, with the highest standard of living. We have only one-twentieth of the world's population. But we produce one-fourth of the world's output -- twice that of Japan, and four times that of Germany. Today, America's credibility and prestige in the world -- not to mention our strength -- have never been greater. But we didn't get where we are by standing still.

We got where we are by always striving to do better. That's why the current paralysis of the Congress is so troubling.

It has caused too many Americans, at the exact moment of triumph for American values around the world, to lose confidence.

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

Make no mistake: we can compete and win in the global economy. In the last ten years, we've become more productive. Our exports have more than doubled. Manufacturing productivity has

n.b. people do want change but most people also fear it.

increased. We are capturing ^{new} markets around the world -- from Europe, to Africa, to Latin America.

But in order to keep succeeding in this global economic competition, we've got to change America in five key ways. We need a strategy that is confident, forward-looking, future-oriented -- and we need to be willing to change.

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

To win these markets, we must guarantee that America will lead the world in knowledge, in new ideas, and in making products of the highest quality. That requires specific investments -- today.

I've proposed to invest more in basic R&D, and in key technologies like high performance computing, new and advanced materials, and biotechnology. Congress should approve these investments.

And not only the government must invest more in the future. To maintain our edge by increasing private sector investment, Congress should pass the capital gains tax cut and make the R&D tax credit permanent.

Second, we must prepare our workforce to compete -- through better education and training. I've proposed a set of radical

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reforms in education called America 2000, and a new approach to job training -- Job Training 2000.

The idea of America 2000 is simple -- to revolutionize American education. That means creating new kinds of schools with new technology and new ways of learning. It means measuring progress, and holding schools accountable for their performance. And it means giving all parents -- including and especially the poor -- choice in picking the ^{children's} schools. ~~that can do the job best for their kids.~~

We've put the resources behind our efforts. I've increased the Federal budget for education by 42 percent just since 1989. I've put in place a new program to train teachers in math and science, and increased funding for math and science education by over 69 percent. But more money alone won't do it -- we need reform.

Third, we must reform health care. America has provided the best quality health care in the world -- but we are plagued by two problems: too many Americans are not covered by health insurance, and health care costs too much.

I have proposed a plan to make health care more affordable, more available, and more sensible. Congress should pass it -- and that will help our competitiveness.

Fourth, we've got to fix our legal system. America is drowning in a sea of litigation. Too many lawsuits means higher prices for consumers, and reduced competitiveness for America.

10

In some cases, we should require the loser to pay the winner's legal fees. That will stop frivolous lawsuits.

When parents won't coach Little League teams, when obstetricians won't deliver babies, and when community pools are closed in the summertime -- all because of the fear of liability -- we know that something is wrong. Now is the time to fix it.

Fifth, we must tackle each of these challenges without higher taxes or more government spending. America doesn't need bigger government -- it needs better government.

Good
On every one of these issues, the Democrats in Congress are standing in the way of reform. They have cut my budgets for R&D and investing in the future, and voted instead for pork. They have stripped choice and accountability out of the education bill. They are working on a government takeover as the solution to our health care problem, to be financed by a massive tax increase. And the special interests have made them afraid of legal reform.

It is time for Congress to either lead, follow, or get out of the way.

On every one of these challenges, there are two very different ways of looking at the world. One is reformist, the other protects the status quo.

That difference is driven by values. The special interests and the footdraggers do not believe in the kind of change we seek: change which respects markets more than government dictates; which recognizes fundamental American values and the difference between

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right and wrong; which rewards excellence and punishes wrongdoing. They do not believe that actions should have consequences.

Well, one set of actions should have consequences. The failure of Congress to move on our program of change means only one thing: it is time for a new Congress.

Because it is precisely the strength of the values the naysayers reject that has made America the envy of the world and the engine of democracy.

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

Patrick Henry said: "I like the dreams of the future better than the history of the past."

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

I'm ready to build such an America.

Because if we can change the world, we can change America.

Thank you and God bless you.

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