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Q. I think that the opening of Japanese market is very important, and I think Japanese consumers and Japanese people believe in that. But I think the reason why you couldn't come up with an agreement today for the framework talks is that because Japanese people—or the numerical target approach is not really popular among the Japanese people or Japanese industry, including Japanese bureaucrats. So I wonder whether you think, Mr. President, whether you think that you would come up with any agreement or any result or outcome in the near future with this numerical target approach? Also, I wonder whether you think that is supported by the Japanese ordinary audience?

And also, I heard that Mr. Gore raised the question of Japanese bureaucrats in his talks with Mr. Hata. I wonder whether, Mr. President, if you think that the Japanese bureaucrat is a kind of burden or a barrier in opening up Japanese market? [*Laughter*]

The President. I thought you'd never ask. No.

First of all, I understand that the numerical target is not popular, as you said, among the Japanese people or the Japanese Government. America's trade deficit with Japan is not very popular among the American people or the American Government. It's hard to explain it, year-in and year-out always getting bigger.

I think in every society, the permanent government is more change-averse than the changing government. I think that is true in every society. In some societies it's more true than others. And the stronger the permanent civil service is, if you will, in the making of policy, the more likely they are to be change-averse. If you look at the history of Japan from where you started after the Second World War through the next 45-plus years, having a system in which you produce for your own market and the world, had high savings rates, low consumption rates, relatively closed markets, and relatively high value products, worked dramatically to improve the standard of living of your people. But at some point as your growth rates become more normal, as they have in the last 10 years, and as the capacity of your people alters and the aspirations of your people alter, you have to develop a more open economy and society.

I couldn't say it any more eloquently than the Prime Minister did in the book that he wrote that he gave me to read. So I don't want to pick a fight with any particular sector of Japanese society. I would just say that we know we're in a process of change. We're both committed to it. That's the good news. I also think it's good news that we didn't come up with an agreement today that didn't mean anything. And we're just going to have to keep dealing with this and try to find some way out of it, because we have to come to trust each other across systems that are still very different.

Thank you very much.

NOTE: The President's 46th news conference began at 2:41 p.m. in the East Room at the White House. Prime Minister Hosokawa spoke in Japanese, and his remarks were translated by an interpreter.

Interview With California Newspaper Publishers
February 11, 1994

[*The President's remarks are joined in progress.*]

The President. ——workers who are helping the community, and their response has been one of the most timely, comprehensive, and effective in memory. And as I emphasized when I visited you a few weeks ago, while short-term disaster relief is absolutely necessary, I want to assure you that we'll be there over the long run as well.

The latest information on the status of the disaster assistance is this: The conference on the supplemental appropriation has just concluded. With luck, I'll be able to sign this legislation tomorrow morning. I was in Los Angeles within 48 hours of that quake, and your needs were clear to me and overwhelming. The following week, as soon as Congress returned from its recess, I transmitted to them a formal request for funds prepared by our OMB Director, Leon Panetta, from California. I'm pleased that Congress, led by the California delegation, has acted so quickly and so responsibly. In total,

this legislation will bring the entire amount of Federal disaster assistance to southern California to about $10 billion.

I know there's been a little public debate about whether States have an obligation to match 10 percent of these funds. I think they should; everyone must take some responsibility and do their share. It's what we did in the terrible 500-year floods in the Midwest, and it's what we should do here.

These funds will help meet the immediate need. But California and all America, as you know, face a larger challenge: creating jobs and creating growth in a tough global economy, restoring the American dream for middle class people, and bringing our whole country together as a nation again. That's why I came to office with a comprehensive economic strategy designed to get the deficit down, lower interest rates, keep inflation down, free up investments, and create jobs. It's working.

Of course, there are still too many who haven't benefited and too many regions that have not really felt movement yet. But before our plan took effect last year, the 1995 budget was projected to be $302 billion. Now it's expected to be $176 billion, a 40 percent reduction. Core inflation and long-term interests rates are at historic lows. Home sales are up, car sales are up, and last year this economy created almost 2 million jobs, 90 percent of them in the private sector. That's more than in the previous 4 years combined.

But in creating a national strategy, we tried to be exceedingly mindful that California faces very serious problems different from and greater than any other State; especially southern California faces these problems. And as I have said repeatedly, in every region of the country we can't hope to rebuild the American economy until we also restore your economy, which accounts for one-eighth of all America's output. We've worked hard to do that.

Many of the elements of our economic plan will benefit California, including the national information superhighway, our efforts to develop new environmental technologies. NAFTA was a huge win for California and so was the GATT agreement and the reduction in export controls on communications equipment and computers. And nearly a quarter of the grants awarded for defense conversion and technology reinvestment have gone to California-led projects.

We are doing better, but our economic problems didn't come overnight, and they won't go away overnight. We need continued discipline, especially in the budget.

The budget I just introduced is the toughest budget Congress has seen yet. Adjusted for inflation, we'll cut more than 60 percent of the major accounts in the budget. We cut more than 300 specific nondefense programs, 115 of which we eliminate outright. Half the Cabinet departments take budget cuts. We slash the Federal bureaucracy by 118,000 people. If the Congress adopts this budget, it will keep the deficit coming down, interest rates coming down, the investment climate will continue to improve, we'll continue to create jobs, and we'll be able to invest in the things that make us strong and secure.

That includes investing over $350 million in new funds for border security to control illegal immigration, which will allow us to increase by 40 percent the number of border patrol officers on the San Diego border this year. These funds are in the new budget. The budget adds hundreds of millions of dollars in additional funds to offset California's cost of providing medical services to indigents and to providing educational services to disadvantaged children. Both will help you to respond to the needs of the immigrant population. We've added these funds and specifically redesigned spending formulas precisely because States like California have had special demands placed on them. And this budget includes $1.6 billion that are new for new highway and transit projects in California, above and beyond the emergency funds which are desperately needed in the wake of the earthquake.

All these are new funds. All are new investments in California's future. You need them, and I'll fight for them. In addition, continued budget discipline means that we can do things like lift the standards of every school in America and create a reemployment system to offer new skills for our displaced workers, replacing our old unemployment system which doesn't offer those skills.

If this budget passes, we'll be able to put 100,000 more police officers on the street including thousands and thousands in California, lock up career criminals for life, and we can get serious about drug treatment and prevention. We can begin to change the welfare system as we know it, and we can reform health care. Unless we do that and guarantee every Amer-

ican private health insurance that can never be taken away, we'll never be able to control this deficit in the long run, never have the money we need to invest in the future and our jobs, and never provide real security to America's working families.

The Congressional Budget Office pointed out last week that our health care plan saves an enormous amount of money over the next decade, will not cost jobs in the American economy, and can be done in the way we have proposed it. We can do this health care reform as our proposal does by simply building on what works best in the present system. Our current proposal retains private insurance, retains the freedom to choose plans and doctors, and retains the employer-based system that 9 out of 10 working people already use. We stress primary care and preventive care. We increase medical research and provide drug benefits and long-term care to the elderly. And our plan will save money in the long run.

As I said, if you review the Congressional Budget Office study just concluded, it says our plan reduces the projected growth of health care costs, reduces the deficit over time dramatically, improves wages, and could benefit all small businesses. Small businesses now are in a pickle. Seventy percent of the small businesses in this country cover their employees, but they pay 35 to 40 percent more for insurance premiums. The other 30 percent don't cover their employees, and when those folks get sick, the rest of us pay the bill because their costs are passed along through higher hospital and insurance costs.

Now, what will happen if we don't take these steps? We'll go on charging older people more than younger people just because they're older. Three out of four of us will continue to have lifetime limits on our coverage so that just when we need it most, we'll lose health insurance coverage. Small businesses will continue to spend 35 to 40 percent more for premiums than big business. One hundred thousand Americans a month will continue to lose their coverage permanently. Eighty-one million Americans with so-called preexisting conditions will continue to be denied coverage or charged more or feel that they can never change jobs without losing their coverage. And sometime every year, 58 million of our fellow citizens will have no insurance at all. And the cost of health care will keep destroying the Federal budget. There will be no money left for more police or better schools or newer technology or for any of the things we need to get your economy coming back.

Your nonpartisan legislative analysis recently estimated through its office that our plan will save California, and I quote, "hundreds of millions of dollars in the early years and more in later years." They concluded that our plan should enhance California's long-term economic prospects, encourage people to move off welfare, and save California approximately $700 million a year in care for the indigent.

I am enthusiastic about the health care debate. It's exciting because it's about the future, about facing up to our challenges. This ought not to be a partisan issue. We can differ over the specific prescriptions for what should be done, but this year proves that we can differ and still get the job done for America.

As I said in the State of the Union Address, our Nation is growing stronger, but it must be stronger still. We've begun to make it stronger. We've begun to solve our problems. But we must stay together and stay focused on the future so that we can move forward with the hopefulness that is at the core of the California spirit and at the heart of the American dream.

Thank you very much.

Public Libraries

Q. Mr. President, my question goes to the crisis in our library system. If my information is correct, during our recession we've been closing libraries in this country at the rate of one a day. And by contrast, during the Great Depression, I don't believe one library was closed. This is a natural question from a group of people that love the printed word more than most, and many of us are involved in private initiatives to help our city and country libraries. But I wonder what you might do, sir.

The President. Well, given the problems we have in the Federal budget and given the fact that we need to use as much money as we can for education and training and new technologies, I would think that any Federal help to libraries would have to come in the form of some initiative that we have in furtherance of that, like an adult literacy initiative.

I do think the library system in this country will be dramatically helped by being able to hook into the information superhighway, and we've already made that commitment. I think

that will make a difference. But I'm afraid that the lion's share of that work will have to be done at the State and local level.

I know when I was a Governor in my former life, we really worked hard to get more State help for libraries because we knew that local government simply could not afford to do it. In the 1980's, when so much Federal spending was cut back and so many new responsibilities were put on local governments, it was very tough. I have found that most voters, when given the chance, if they know they're dedicating the money to do it, will vote to save their local library. And what we did at home was to give them the opportunity to do that.

I will look into it. If you have any other specific ideas, I'd be glad to look into them. But I think the literacy mission of libraries and the information superhighway are the two main areas in which the Federal Government can probably be of help.

Q. Thank you, sir.

The President. Thank you. Thank you.

Information Superhighway

Q. Mr. President, as you might imagine, we've been spending a bit of time talking about technology and the future here in the last couple of days, and my question relates to that. Newspapers present issues with a certain amount of depth that other media don't often attempt. Is there something there that you'd like to see or think ought to be preserved in the new information superhighway?

The President. Absolutely. One of my staff aides, when we were coming over here, and I had a conversation about this very issue and about how the information superhighway needs to be both wide and deep, deep in the way that newspapers are. I can understand how you might have some concern that it might become a nationalized version of E-mail or something and be too narrow. Our view of it is that we ought to incorporate the kind of in-depth information that newspapers provide in the information superhighway.

Q. Thank you.

Immigration

Q. Mr. President, you referred to—with the obligation of the Federal Government to meet California—to match and pay for California's obligation—California's payments to and for care and service of illegal immigrants. You referred to that in your remarks about your budget. Will that fully cover that obligation?

The President. Well, it's hard to know exactly because it's hard to know what the figure is. The estimates vary rather dramatically. But I can tell you this: Last year, in our first round of budget cuts, we still included several hundred million dollars in more money to deal with the cost of immigration, especially immigrant health care and immigrant education. This year, we have much more money in there yet again. And this year we have in addition to that enough money, as I said, to drastically increase border patrols across the country, including a 40 percent increase along the San Diego border.

So we're getting closer; that's all I know. Frankly, we don't have a very good way of estimating what those costs are, and I agree that we need more. But because I have heard for years the Governors of California and Texas and Florida, particularly, talk to me about this problem, we made a commitment when I came in that each year we would try to do as much as we possibly could to help cover these costs that are imposed on States because of immigration. And we have certainly made more progress in the last 2 years, even with tough budgets, than have been made in a long time. And we'll continue to try to find more exact ways of measuring what the costs are, because I do think that if we had them measured, it would be easier to know whether we're meeting our target.

Defense Conversion

Q. Mr. President, I think you touched on my question in your remarks, but I'd like you to expand on it a bit if you could. Given the cuts in defense spending and the resulting impact on aerospace jobs in California, what plans do you have to help our State replace those jobs and regain economic viability?

The President. Well, we're doing a number of things. First of all, I have been very aggressively involved with our major aerospace companies in trying to increase exports of all kinds to try to build the job base. And I expect you'll be seeing a whole series of announcements about that over the coming year.

Secondly, we have worked hard with a lot of the aerospace companies to try to get them involved in dual-use technologies, to make sure they were engaged in the technology reinvestment project, where we take a significant por-

tion of the money by which we reduce defense spending and make it available for commercial research and development. Rockwell International, for example, which I visited in California recently, has been quite aggressive and active and successful in that regard in trying to find new ways to put people to work.

And thirdly, in our conversion plans we've been very aggressive at working with local communities to try to help them make the most of the facilities they have and the human resources they have to try to attract new investment for new jobs.

We believe that since we started doing this last year, and we spent over $500 million on this last year and will spend more money this year than we did last year, that we will be able to substantially accelerate the rate at which people either find new work in the same industry or find comparable jobs in other industries, if we can get the technology reinvestment going.

So that's my commitment. One of the things that we dramatically increased in this budget was the technology reinvestment. I'd also like to point out that last year, because of the combination of low interest rates and new incentives, we had an all-time high in venture capitalizations for new corporations in the high-tech area. And I hope we're going to break that record again this year. Those companies, as you know, are disproportionately located in California. And if we can keep those new companies starting, then they will begin to provide other totally different employment opportunities for a lot of those folks.

Health Care Reform

Q. Mr. President, I have to admit I'm a little confused, and I hope you can help me on this. You made your comments in your earlier remarks about your judgment of the impact of your health plan on businesses. And of course, the critics of your plan suggest that the costs of this expanded medical care will be borne largely on the shoulders of businesses. And I'm wondering if you could give us an idea of what your judgment is of what this impact will be on businesses, particularly relatively small employers like publishers represented in this room.

The President. Well, first of all, let's go back. If you look at all the studies, there was a study by the Lewin Group, which were mostly health care folks who had been in and out of Government, many of them were in the Reagan and Bush administrations. And the Lewin study said that a majority of American employers and employees would pay the same or less money for the same or greater health care, that people who do not have any health coverage at all or people who have very, very limited, like catastrophic policies with very high deductibles, would pay more. But under our plan, we put a ceiling of 7.9 percent of payroll for full-time employees on all employers and then lowered that all the way down as low as 3.9 for smaller businesses with average payroll below $24,000 a year. So there are a whole series of discounts available for private insurance there.

Let me just say, the flip side is that if you look at how much America as a nation is spending on health care, we spend 14.5 percent of our income on health care. Canada spends 10; Germany and Japan spend less than 9. Now, about half of that gap is due to the fact that we spend more on medical technology and medical research than other countries, and we wouldn't change that for the world, I don't think. About half of it is due to the fact that we are more violent and have higher AIDS rates than other countries. We would change that if we could. But we can't in this health care bill.

Now, if you take that out of the way, the rest of this system's costs that are out of line with any other country in the world are solely due to the crazy way we finance health care and the fact that not everybody has coverage, so you've got massive cost shifting in it. So I just refuse to believe that we're the only advanced country in the world that can't figure out a way to provide health care for all of its citizens. Germany has absorbed Eastern Germany, taken that enormous burden, kept health care costs under 9 percent, and their unemployment rate is still almost exactly what ours is.

So we know that this can be done. And the congressional process is started now. There's been an awful lot of misinformation about this plan, but as I said, the nonpartisan Congressional Budget Office just issued a report which estimated that there would be no net loss in jobs, in fact, would probably be a net gain in jobs, if our plan passed.

So I would urge you to read it carefully, if you have suggestions about what you think is wrong with it, to let us know what you think is wrong with it. And we'll be glad to look at those things. The only bottom-line commitment I have is that the United States should

not go on being the only country in the world with an advanced economy that can't figure out how to give some form of guaranteed private health care to all of its working people. Poor people get it, and other people get it. Most people who don't have it are the working poor. And so I think that we have to find a way to do that. And I believe that our plan is the most cost-effective, most reasonable way to do it.

But we're going to have 4 or 5 months of congressional debate. And as I said, what I wish you would do if you have a concern about this is get someone to analyze it who particularly—maybe a doctor or someone who has no necessary ax to grind, tell us what you think is wrong with it or how you think it can be improved, and that can become part of the ongoing debate. I mean, California has an enormously large congressional delegation that will be in a position to have a big impact on how this ultimately comes out.

I don't want to do anything I thought would cost jobs. I think this will gain us jobs. I think that if we pass this bill, the percentage of our income going to health care 5 years from now will be markedly less than it will be if we don't. And I think, therefore, we will have more jobs in America as a result of controlling health care costs and providing guaranteed health care than we will if we don't do it. And my evidence is all the other countries in the world that have done it are spending less money on health care.

Q. Thank you.

Q. Mr. President, I do have a couple of specifics on the health care plan I'd like to ask you about. I have had health care for my employees for 10 years, and I support your universal health care plan with two exceptions. One, when both parents work, both employers must pay 80 percent of the health care for the family. This overlap makes the plan onerous. Two, also with specific regard to the newspaper industry, we have many distribution people and freelancers who choose to work just a few hours a week. We can't make full-time jobs of those because the distribution has to be done in such a concentrated fashion. Paying the full employer's share of those people's health care really becomes quite staggering to the newspaper industry, specifically. What can be done about that?

The President. Well, first, for part-time workers who work over 10 hours a week, the full share would not be due unless people worked 30 hours a week. If it's between 10 and 30, it's less than the full share, but some contribution would be required.

This is a general problem, by the way. We had to find a way to cover part-time workers. But some employers, perhaps not in the newspaper industry, but some employers, let's say they have a permanent payroll of more or less 500, they may have 6,000 part-time employees coming in and out, and they're worried about the bookkeeping problems with this. So we're, frankly, looking for a way to deal with this that is fair, but we know we have to find some way, given how many part-time workers there are in this country, to find the coverage for part-time workers. And so we asked for a pro rata contribution from the employer but not a full contribution for the part-time workers.

On the other issue, we had a lot of debates about this because a lot of families have been in the situation over time—our family has been—where you have fairly decent health insurance policies that you can access at either place, but if you choose, you only buy one at one place. And I understand what you're saying there.

The problem that we run up against is if you require all employers to make a contribution and employees to match, or at least you give them the right to require their employees to pay the match, which most people do anyway, then will it be fair to one small business as compared to another if just by the luck of the draw the families always choose to use one plan over another? We're trying to work through that. And the reason we adopted the plan that the idea that everybody was paid we thought under those circumstances, one would pay as an individual so that the premiums would be quite a bit lower, but it would avoid putting some businesses at a dramatic competitive disadvantage to others.

Again, that was one of the tough issues in this whole debate. If you have an idea about it, I would urge you to get in touch with our health care task force. We tried to work through it in a way that wouldn't put any group of businesses or individual business at a disadvantage compared to others. And that's why we wound up with that approach, giving people the option to, in effect, pay lower rates at each place and pay something, than pay a much higher rate at one place and nothing at all at another.

Q. Mr. President, we appreciate you taking time out from your busy schedule to address us. You'll always have a special place in the history of this organization since you've, today, become the first President of the United States to ever address the leading State newspaper organization in the U.S.

Once again, thank you very much.

The President. Well, I've enjoyed it very much. And I thank you all very much. I just want to try to encourage you. You know, I know California has been through so much. You went through an earthquake in the north a couple of years ago, the fires, the earthquake in the south, the riots in L.A., and all the incredible economic problems because of the defense downsizing going back to the late eighties. But fundamentally, the health, the strength, the diversity of California is staggering. And the future is bright. And I am committed to doing everything I can to make sure you get fair treatment and a genuine partnership and a better chance at a tomorrow from our administration.

And I thank you, and I thank you for your probing questions. Thank you very much.

NOTE: The President spoke at 3:33 p.m. via satellite from Room 459 of the Old Executive Office Building. The press release issued by the Office of the Press Secretary did not include the complete opening remarks of the President. A tape was not available for verification of the content of this interview.

Statement on the Executive Order on Environmental Justice
February 11, 1994

All Americans have a right to be protected from pollution—not just those who can afford to live in the cleanest, safest communities. Today we direct Federal agencies to make environmental justice a part of all that they do.

NOTE: This statement was included in a White House statement announcing the signing of the Executive order, which is listed in Appendix D at the end of this volume.

Memorandum on Environmental Justice
February 11, 1994

Memorandum for the Heads of All Departments and Agencies

Subject: Executive Order on Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations

Today I have issued an Executive order on Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations. That order is designed to focus Federal attention on the environmental and human health conditions in minority communities and low-income communities with the goal of achieving environmental justice. That order is also intended to promote nondiscrimination in Federal programs substantially affecting human health and the environment, and to provide minority communities and low-income communities access to public information on, and an opportunity for public participation in, matters relating to human health or the environment.

The purpose of this separate memorandum is to underscore certain provision of existing law that can help ensure that all communities and persons across this Nation live in a safe and healthful environment. Environmental and civil rights statutes provide many opportunities to address environmental hazards in minority communities and low-income communities. Application of these existing statutory provisions is an important part of this Administration's efforts to prevent those minority communities and low-income communities from being subject to dis-