Weekly Compilation of

Presidential Documents

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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Remarks on the Economic Plan in St. Louis, Missouri

February 18, 1993

Thank you. I love these signs: ''Our children's future starts today.'' ''Health care for all.'' ''No guts, no glory: Stop gridlock.'' ''The Devil's in the details.'' That's right, too. [*Laughter*] ''Divided we'll go down the tubes.'' ''We want real recovery.'' I love these signs, and I thank you all for being here today.

Let me begin by saying how much I enjoyed flying down here with Congressman Clay and Congressman Gephardt and with Congressman Volkmer and Congresswoman Danner; they're here, too. They are part of the engine for change that you're going to see move through our Congress. I thank Bill Clay for hosting us in his district, and I want to congratulate him on the passage and this time the signing, not the veto, of the Family and Medical Leave Act.

I want to say how glad I am to be back in St. Louis with your Governor, my longtime friend and early supporter. And I know that he will be a great success, and I'm going to do what I can to be his partner in Washington. I know from clear experience that we don't have all the answers, and I'll do what I can to see that we make as many decisions as possible out here in the Governor's offices where the rubber meets the road. And I thank him for being here.

I want to recognize two of the groups that performed: the Fox High School Band and Harris-Stowe College Choir.

Let me say a word if I might about our majority leader, Dick Gephardt. There is no way that I can convey to the people of St. Louis and Missouri how important he is to the Nation. But I can tell you this: I'm not sure we could do any of the things we have to do if it were not for his leadership. If you knew all the times that he had brought together the other Members of the House of Representatives on the Democratic side and told them they were going to have to cut spending as well as raise money, told them we were going to have to change our priorities, told them we were going to have to stick together to turn this country around, and been a force for moral leadership within the United States Congress, the heart of every person not just in his district but this whole State would swell with pride to know that you're represented by somebody like that.

If you knew all the times that I heard him stick up in private for the men and women who build the cars and build the airplanes and brew the beer and provide the backbone of America, you would know that he doesn't just say things in public and then behave differently in private. He is the same everywhere. And I am very glad that he is my full partner in this crusade to change our country.

You know, St. Louis is a special place for me. It's here where we ended the first of our wonderful bus trips across America and where we had a rally of about 40,000 people. It was the biggest crowd we'd had at that time in the campaign. And we started our second bus trip over in east St. Louis. And then we had the first Presidential debate here. So I think it's only fitting that I would come to my neighboring State in the heartland of America to start day one of America's new direction.

I was in Missouri on the other side of the State on Labor Day, and I went to Harry Truman's home town. I guess in some ways the talk I gave to Congress last night was like one of President Truman's talks. Some of it was just off the top of my head and from the bottom of my heart. It was sort of plain spoken, and I couldn't figure out how else to say what I think is the plain truth about where we are.

This is a country of enormous promise, of unlimited potential, of a great future burdened by big problems. I think everybody

knows that. And we also know, I think, that some mistakes have been made in the course we have taken. The fundamental problems we have are because of big, sweeping changes in history: America being pushed into a global economy, all of us being subject to changes at a far more rapid rate than ever before.

But we know that the responses we have taken have not worked. There are too many people who are unemployed. There are too many people who are underemployed. There are too, many people who have lost good jobs, that cannot get jobs at that income left. There are too many people with no health insurance and too many others terrified of losing it. There are too many people who don't have access to the education over a lifetime that they need to continually be retrained. There are too many places where we are not investing in the future. There are too many industries, like the aerospace industry in Missouri and throughout the country, that we know will produce a huge portion of the high-wage jobs of the future all over the world, and yet, they're dying on the vine here in America. These things don't make sense.

What we have been doing has not worked. We need to take a new direction that will build a high-wage, high-growth, secure future where people can be educated, where there is affordable health care for all, and where Americans have a fair chance to compete and win. That's what this is all about.

I want to repeat to you what I said to the Congress last night. I remember in 1981 when President Reagan said, ''If you stacked one thousand dollar bills on top of each other, our national debt would go 67 miles into the sky.'' If you did it today, it would go 267 miles into the sky. I say that not to blame him, not to blame my predecessor, not to blame anybody. Goodness knows, there's enough blame to go around, both parties and the Presidency and the Congress, but what good is it going to do us? Let us forget about blame and take responsibility for our future. Let's do it together. I don't care who gets the credit, I just want us to go forward.

There are already people who are saying that we really can't make fundamental changes. There are people who are saying, ''Well, you can't bring the deficit down,'' or ''Well, nobody will hang in there and make these tough budget cuts the President's proposing,'' or ''Well, you can't really reform the health care system,'' even though we're paying more and getting less for ours than any country on the face of the Earth. I'm tired of all the nay-sayers. I think we can make some changes. But we need your help.

We need your help in two ways: Number one, we need you to show up like this, and we need you to tell your Members of Congress that we will support you if you make the honest, tough, hard decisions. We know we didn't get into this mess overnight. We're not going to get out of it overnight. But we cannot keep doing the same old thing. The price of doing the same thing is higher than the price of change.

The second thing you can do is to support your Members of Congress by demanding real political reform that will protect them in making courageous changes. Tell them you want a campaign finance reform bill that will limit the cost of congressional campaigns, limit the influence of special interests, and open this process to all people.

Tell them you want something done to make sure all of the lobbyists in Washington have to register and report on their activities; two-thirds of them don't. Tell them you support our bill to remove the tax deduction for lobbying activities. You are subsidizing interests that together undermine your future. Individually they've all got a good story to tell, but collectively they help to paralyze the political process. And you, at least, should not subsidize it with your tax dollars because you don't have comparable deductions.

My fellow Americans, last night I tried to lay out to the Congress and to the American people a plan that will change the direction of this country and give us a genuine economic strategy, a plan to produce more jobs, higher income, deal with the health care crisis, provide a lifetime system of education, and reduce the national debt. We have to begin with the Government, and at the top with the President.

So I have tried to set an example. I have cut the White House staff by 25 percent. That will be in my budget for the White House. I have cut the administrative costs of the executive branch in my budget 14 per-

cent over the next 4 years, over and above the cuts in the White House, and we'll reduce employment, not by firing people but by attrition, by 100,000 over the next 4 years. That will save $9 billion. And yesterday the leaders of the House and the Senate announced that the Congress would follow our lead and cut their budgets by that much, which I think is good.

There are 150 other specific cuts in this budget, including some that were very tough for me to recommend, some in programs that don't make any sense anymore. For example, do you remember when we had the Bicentennial celebration in 1976? There is still a Bicentennial Commission. [*Laughter*] Our Government's great at starting things and not very good at stopping things. So we eliminated a lot of things that ought to be stopped.

The second thing we did was to reduce our investment in programs that have done a lot of good, but where the amount you're spending can't be justified anymore, including one that was really close to my heart. We recommended a reduction in the Federal subsidy to the Rural Electric Administration, something that serves a lot of people in my State and yours. But America is 100 percent electrified now, and we ought not to have the full subsidy continued from all of the rest of the people who get their electricity from someplace else.

We recommended some unwarranted subsidies be eliminated because the need for the work is much less or nonexistent anymore. For example, we recommended a big cutback in a lot of programs related to the nuclear industry and the elimination of a nuclear research program that is inconsistent with our new energy future.

We recommended some big changes in the environmental Superfund program: one, to make the polluters pay more and the taxpayers pay less and the second, to get the money freed up so that we can use the money to clean up pollution. It's all going to lawyer fees now, because people don't want anything to happen. We're going to try to make it work.

Finally, I recommended—and this was difficult for me, because I can't do anything as your President in the end without the support of the fine people in the Federal work force—but we recommended a freeze on Federal pay raises for a year, and modest pay raises for the next 3, because that saves billions of dollars that we don't have to take out of the rest of the people in taxes to reduce the deficit.

So there are 150 tough cuts. Now, let me say I've already heard some people on the other side of the aisle say, "Well, he should have cut more." And my answer is: Show me where, but be specific. No hot air. Show me where, and be specific.

And since I am here in Missouri, I think I will repeat that. Show me. And I say that not in the spirit of partisanship but in the spirit of genuine challenge. I know there is more that we can eliminate. I am honestly looking. I've just been there 4 weeks and a day, and I'm nowhere near through. And I want you to help me, and I want them to help me.

Let me say also, the burdens in terms of taxes I think are imposed in a fair way. The rates of 98.9 percent of Americans will not be raised. Late in the last election, the New York Times carried a front-page story showing that 70 percent of the gains of the 1980's had been reaped by the top one percent of the people. This plan asked the top 1.2 percent of the people to have an income tax increase. This plan asked companies with incomes of over $10 million to match that income tax increase.

This plan raises over 70 percent of the funds from people with incomes above $100,000. This plan raises no money from people with incomes below $30,000. And indeed, because we increased the refundable income tax credit, this plan, if it passes, will enable us to do something I would think every American would be proud of. For the first time ever, if this plan passes, we can say to the people of this country, "Look, we are rewarding work and family." If you work full-time and you've got a kid in your house, you won't live in poverty because of the changes we're going to have in the tax system.

People making $40,000, $50,000, in that range, will pay about $17 a month under this plan. But let me tell you, a lot of those people, many of whom are in this station today, may wind up not being out any more money

for this reason: Just since the election, since I said we're going to have a tough plan to reduce this debt, long-term interest rates have gone down. If you take only the reduction in interest rates which have occurred from the election day until this day, for everybody who gets the benefit of those lower interest rates in a home mortgage, a car payment, consumer credit, you will make more in lower interest rates than you'll pay in the energy tax if we can show that we're serious about cutting spending and cutting this deficit. We've got to do it.

One final thing—which you'll also hear about from people who oppose this plan, I do propose to spend some more money but not in the old way. Look at what we spend it for. We have reduced Government consumption. We have reduced inessential programs. But we increase spending on jobs, a jobs program to create a half a million jobs starting right now, in building roads, repairing streets, fixing airports, cleaning up the environment with water systems and sewer systems; a million summer jobs for young people, if I could get the private sector to contribute to the 700,000 we're going to create in the Government.

This program invests in opening the doors of college education to all people and giving them a chance to pay the loan back on favorable terms or to pay it back with service to our country. This plan will put 100,000 police officers on the streets of America over the next 4 years. This plan will give us a chance to invest in the new technologies that will create jobs for the people who have lost their jobs in the defense industries and in other big industries that have been downscaling.

We have got to create some new jobs in this country, for goodness sakes. You can have all the other programs in the world, and unless we do it, we're going to be in trouble.

And this plan will reduce the deficit by hundreds of billions of dollars over the next 5 years. And I ask you, I ask you to support it not just for you but for us, not just for narrow interest but for the national interest. I believe it will be good for virtually every American.

Today, as we speak, a lot of big corporate executives are endorsing this plan, even though their income tax bills will go up, their companies' bills will go up, because they want a healthy, strong, well-educated, vibrant America with an investment climate that's good, with stable interest rates, with a declining deficit, with a health care issue addressed, and with a country that can grow into the 21st century. So a lot of the people who are paying this bill are going to support it because they trust us.

And let me say this: We need you to hold our feet to the fire. No raising taxes unless we cut spending.

We've got to do this in a package, and we've got to do it together. I need your help. I'm delighted to see you here today. With your help we can make the spirit of St. Louis the spirit of America.

Thank you, and God bless you all.

NOTE: The President spoke at 2:59 p.m. at Union Station. In his remarks, he referred to Gov. Mel Carnahan of Missouri. These remarks were not received in time for publication in the appropriate issue.

Remarks and a Question-and-Answer Session on the Economic Plan in Chillicothe, Ohio

February 19, 1993

The President. Thank you very much. Let me say, first of all, what a wonderful time I have had in your community since I arrived last night. I have seen a lot of your fellow citizens who did not win the lottery. [*Laughter*] They were out by the Comfort Inn where we stayed last night, and they were around the city park where—the Mayor and I went jogging this morning around the city park. It was 3 degrees, which I suppose means I don't have enough sense to be President. [*Laughter*]

But we had a wonderful time. We ran around the park three times and saw a lot of—saw some students from the school and we saw some city employees and others. I flew in here with Congressman Strickland last night, and we had a great visit on the way in. I'm glad to see him over here.

And so between the two of them I know a lot about this congressional district and a

good deal about this community. I know it has a lot of beautiful old buildings—I saw them this morning—and was the first capital of Ohio. I also know it has a nice new McDonald's—[*laughter*]—because I went there this morning. Good to see you. How embarrassing.

Let me say, too, I want to thank your school officials: Superintendent Cline and your principal, Rod Jenkins, and Melissa Hagen did a good job, don't you think? I thought she did a really good job. Maybe she'll be coming back here someday to hold a town meeting like this; you can't tell.

I also want to say—I just have a couple of notes. Normally, I don't use them, and I want to put them down, but I asked for some notes about some people in the crowd because they illustrate what to me this effort that I have undertaken as your President is all about.

Is John Cochran here? Is he here anywhere? John, are you here? Stand up there. Now, my notes say that he has 16 children—and you're one of them—[*laughter*]—that he has the largest family-owned farm in town. And important to me, he owns the bowling alley. [*Laughter*] And I want to thank him. He was unable to come to the inauguration.

I want to say—is 8-year-old Tiffany Sexton here? Stand up here, Tiffany. Now, these are her parents, Sgt. Anthony and Jerry Sexton; is that right? All of you stand up. I want you to see them. Now, she invited me to dinner and promised to cook. So I had to take a raincheck, and I asked them to come today.

Is Cindy Baker here? Stand up. Cindy Baker has three children, one of whom is a student in this school. She wrote me a half a dozen times in the election, pleading with me to come to Chillicothe. So I thought since she was the first person who invited me, she should be here at this meeting.

I also want you to know, you know, we had those famous bus tours, you remember Hillary and I and Al and Tipper Gore. What you may not know is the people who owned the bus company that we used all during the bus tours all across America are from Ohio. They're from Columbus, and they are here: Barbara and Tom Sabatino and Kerwin and Regina Elmers. Would they stand? They're here somewhere I think. Yes, in the back. There's Tom, my bus driver. Give him a hand. [*Applause*] Thanks. If it hadn't been for them, we might not have won the election. [*Laughter*]

Now, let me just make a couple of introductory remarks, and then we'll get right to the questions, because I want to just restate very briefly how I came to the plan that I announced to the Congress a couple of nights ago.

First, let me say that I was Governor for 12 years of a State with a lot of towns like this one, a lot of counties like Ross County, a lot of manufacturing facilities like the Mead Paper facility here that worked our people and a lot of people who worked on the farm. And we had a pretty tough time in the eighties. We lost a lot of manufacturing jobs, a lot of farm jobs. A lot of our small towns got in trouble. And I was forced to spend a lot of time trying to figure out how we could change things to make a better future for the hard-working good people of my State. So a lot of what I believe about all this goes directly to the experience that I've had for many years working with people like you.

If I might, let me just mention one or two things. A lot of our problems stem from all the pressures we're having now in a global economy and stem from the fact that we've got some problems here at home which make it difficult for us to compete in that economy. We have a higher percentage of poor children. We have much more diversity than many of the countries with which we compete. And historically, we have never had the kind of partnership between Government and business and working people that some other countries have. So, for example, if you read yesterday Boeing is laying off a lot of employees in the airline manufacturing business—not affecting Ohio, but it's a big thing for America—in part because of defense cuts but in part because Europe put $26 billion into the airbus project, a direct taxpayer investment, to make sure they could make airplanes that would compete with Boeing, something that we haven't historically done.

So we have a new global economy in which there are great opportunities but new challenges. We have some problems here at home that make it hard for us to compete. We have to educate a higher percentage of

our people at a higher level. We have to provide basic health care to everybody but control health care costs. All of our major manufacturers are spending 30 percent more for health care than all their competitors around the world, and that puts them in a real bind. And we have many other challenges of this kind that we have to face.

Now, for the last 12 years we have followed a certain approach there. We have said as a nation our policy is to keep taxes low on the wealthiest Americans in the hope that they will invest in our economy and make it grow. And that worked. In the last 12 years, the tax burden basically went up on the middle class, went down on the wealthiest Americans, and according to a study released last year, about 70 percent of the economic gains of the last decade went to the top 1 or 2 percent of the people in the country. That was a deliberate decision that was made to try to free up that money in the hope that it would be invested to create new jobs for everybody else.

Also, our theory was that the Government should not be too active. So we didn't deal with a lot of the issues that other Governments around the world were dealing with, in Japan, in Germany and other countries, for example. And we actually reduced our investment of your money in a lot of things that make jobs, like the Community Development Block Grant program, which cities in Ohio like because they provide funds not only to do things like repair your parks but also to build roads and rail networks and other support systems for new industry, if you're trying to get them into a community. We sort of held the lid on that on the theory that we should just put a big bind on the Government, and all Government spending was bad, and all Government activity should be discouraged, and we'll just see what happens.

Well, there have been some not-too-bad years in the last 12. But overall, we've still got a lot of problems. Unemployment's too high. Most people are working harder for lower wages. Health care costs are exploding, but fewer people have health care coverage in this country than any other major country in the world. And the insecurity of losing health insurance is one of the major problems for many, many American families. And we are not educating a high enough percentage of our people at very high levels to compete in this global economy. And because we lowered taxes a lot on the wealthy but could not control the health care costs the Government was spending, we starting running bigger deficits; so that, even though we reduced our investment in things like aid for small cities to create jobs, the cost of health care and the cost of interest on our debt exploded. So we've got a huge Government deficit. Our national debt is now 4 times as big as it was in 1980.

So when I got elected President I did it with a conviction that we needed to do the following things. We needed to emphasize investment for jobs and for incomes. That means investments in new technologies, investments in things like highways and bridges and airports and water systems and sewer systems, investments in the areas that will create jobs for the future, and investments in education of our children all the way from Head Start, to college loans, to investments for adults to become retrained if they lose their jobs. Second, that we needed to provide affordable health care for all Americans and bring the cost in line with inflation before it bankrupts the country with nothing to show for it. Third, that we had to bring down the national debt. And fourth, that we needed a national economic strategy where the American people could work in partnership again to try to grow this economy.

Now, we have a lot of tough decisions to make to try to pursue all these objectives at once. The plan I announced to the Congress relies on the following things.

Number one, we cut spending—150 different, specific spending cuts—putting a lid on Federal pay increases, cutting the White House staff by 25 percent, cutting the administrative costs of the Federal Government by 14 percent over 4 years, saving billions and billions of dollars.

Number two, we raise funds in taxes in a way that I think is fair, with 70 percent of the money coming from people whose incomes are above $100,000, and with a broad-based energy tax that would affect a little bit on oil, a little bit on natural gas, a little bit

on coal, so we wouldn't hit any region of the country too much.

Thirdly, we increase dramatically something that a lot of you may not know about is one of the best things in the Tax Code—it's called the refundable earned income tax credit—so that no one with an income of $30,000 a year or less would pay any new money under this plan, and so that people who work 40 hours a week and have children in their home would be lifted above poverty for the first time for working, not for welfare, but for working.

The other thing that you will hear from some of my critics and so I want to tell you it's true, is that we did actually increase some funds: in the short run, with a plan to jump-start the economy by creating a half million new jobs; and over the long run, with increases in education programs from Head Start, to worker retraining, to apprenticeship programs for high school grads who don't go on to college, to increased access to college loans, to retraining for workers who lose their jobs when there are defense cuts or other cuts in our industry.

We have to do that because that's what determines what people's incomes are and whether you can keep people working. We also did increase funds in direct aid to things that create jobs: new technologies and investments to put people to work.

So it's a balanced program: deep spending cuts, tax increases fairly applied, and new investments in the areas that create jobs. That's what I'm trying to do. The Congress will decide to vote for it in part based on whether people in towns like Chillicothe all over America think it's a good deal.

I can tell you this: The price of doing the same thing is higher than the price of my program. And I'll just give you one example and open the floor to questions. Just since the election, since we made it absolutely clear that we were determined to bring down the deficit, interest rates, long term, have begun to drop. If you look at the difference in long-term interest rates on election day and where they were after I made my speech to Congress, a lot of the people who might have spent $10 or $12 or $15 more per month in energy costs, directly and indirectly, will save much more than that if they're paying a home mortgage, a note on a car, they've got consumer credit, or they otherwise have to borrow money.

That's because if you bring the deficit down, you not only free up tax dollars to spend on education and other things, you free up money in the private sector to borrow at lower interest rates. So an awful lot of people are going to save a lot of money on this program immediately. It will create jobs immediately. And the price of it, I am confident, is lower than the price of doing the same old thing.

So I thank you for being here. I want to say a special word of thanks to all these Ohio elected officials who are here. I presume they've all been introduced, but I saw Senator Glenn and Senator Metzenbaum, and Speaker Riffe, a lot of others here. I thank them for being here. And we're here for you. So thank you very much, and I'll take questions.

Social Security

Q. I get Social Security disability, a little over $6,000 a year. And if that is willing to help bring the economy up to shape, I am willing to let some of my Social Security go for that economy. And I was wondering if that will affect my Social Security disability any.

The President. The short answer to that is it depends on whether you pay any tax now on your income. Let me explain what that means.

The only people on Social Security who will pay any more tax are those who pay some tax on it now. That is, in America today, if you drew a Social Security check, and in addition to the Social Security check, you have an income of $25,000 a year or more, or if you're a married couple, $32,000 a year or more, one-half of that income is subject to income tax at whatever rate your total income is.

We propose to go from half of that to 85 percent, because that is about the amount that the average Social Security recipient should pay taxes on if they get the rest of it for a lifetime. The rest of it, that is, that 15 percent, will equal about what they paid in plus interest. So they get back what they paid in plus interest without taxation on aver-

age, and the rest of it would be subject to tax.

So the answer is, if you draw Social Security and you pay some tax now, you would pay some more. If you don't pay any tax now, you won't pay any more because your income is too low to be subject to it.

Student Loans

Q. Hi. My name is Greg Gilmore, and I'm a senior here at Chillicothe High School. How will the new program for college loans and community service be handled? And, to clarify, what process will students have to go through to receive the college loans?

The President. Well, we're working out the details now. But let me tell you how I want it to work, okay? And it will be pretty close to this, I think. First of all, let me tell you how it works today. You know, there is a student loan program today, and the more you borrow, the more you have to pay back in short order. And you get the money through your bank, and there's a Government guarantee.

Today, that program costs the taxpayers about $4 billion a year: $3 billion in busted loans where people don't pay back the money they owe and $1 billion in transaction fees to the bank. What I hope to be able to do is to have people borrow the money directly from the Government and pay it back at tax time so they can't beat the bill. That will save a huge amount of money. And I want to take the savings and do two things:

One is to say to young people, you must pay the money back, but you can pay the money back as a percentage of your income. So that if you make less money, you pay less, and we'll string it out over longer periods of time. So we'll never discourage anybody from being a teacher or working in some other kind of public work just because the salary is low.

The second thing we want to do is give people the option either to earn credits against this loan before they go to college, or to do community service after they get out, as teachers or police officers or in other public service. And the way I'm trying to set it up, if you borrowed the maximum amount of money we'd make available and then you worked for 2 years at roughly half pay as a teacher or police officer, that would wipe off your obligation. And you'd pay your loan back by giving something back to your country. And so that's how it's supposed to work.

Now, that's more Government spending all right, but see, that's a direct investment in you. That's not expanding some Government program. That's putting the money direct into you. That's cutting the cost of a program and increasing investment in your future.

Youth Apprenticeship Program

Q. Mr. President, I'm a student member from Pickley Ross Vocational Center. Since there is a critical need in this country for skilled workers, I'm excited about your youth apprenticeship program. My question is what role will public vocational education play in your youth apprenticeship program?

The President. The short answer is, a big one. The longer answer is, here's how I want to set it up. What we're trying to do at the national level is to come up with enough funds to match with local funds and to encourage private sector people to get into an apprenticeship program which will be an American version of what the Europeans have done for years.

I've asked the Labor Secretary——

[At this point, the microphone malfunctioned.]

Is that me? No. I've asked the Labor Secretary, Bob Reich, to work with the Education Department, the vocational people in the private sector, to try to set up a framework within which every State in America would be able to design a program that a person, a young man or woman could enter in high school if they wanted, and they would continue for at least 2 years after high school.

Let me tell you why we have to do that very quickly. If you look at the income charts on American earnings from, oh, let's say for the last 20 years, for the last 20 years, you see a bigger and bigger and bigger gap every year between the earnings of young people with college degrees and young people who drop out of high school or young people who had only a high school diploma. However, if you look at the earnings of young people who get at least 2 years of training after high school in a vocational institution, the commu-

nity college, in the service or on the job, if it is high-quality training, a great deal of that job gap is closed and the young person, moreover, acquires the ability to continue to learn new things throughout a lifetime.

The best programs are those which start in the high schools and run with some continuity for 2 years thereafter. And so there is no magic answer. We're going to have to design these sector-by-sector in the economy, and the National Government can't do it. We can just set up a framework and standards and provide some of the funds, but we're going to have to do it on a State-by-State and sector-by-sector basis.

But that's what we have to do. We need to get—my dream would be for 100 percent of—first of all, my dream would be no high school dropouts. And then for 100 percent of the high school graduates to have at least 2 years of some kind of very high-quality training that is approved by both education and the private sector. Some would be delivered in schools; some would be delivered in the job place.

Health Care

Q. My name is Karen Ritinger. Mr. President, once reimbursement for Medicare is reduced, what actions will be implemented to prevent health care providers from shifting costs to the private sector?

The President. Well, first of all, that is a bigger problem with Medicaid than Medicare, as you know, I'm sure. The budget that I introduced to do that, to cut down on Medicare reimbursement, is a budget that assumes we're not going to do anything else about health care. Within 100 days of my taking office, we're going to present a plan to the Congress to try to deal with the cost shifting problem.

The question she asked indicates a real understanding of the problem. If all you do is to cut what the Government pays to doctors and hospitals, if you cut it below their real costs, then the medical providers will find a way to recover their real costs from people who pay directly or through private insurance, and the insurance premiums will go up more.

So what we have to do is to do what every other country in the world but America has done and develop some sort of all-payer system where the reimbursement levels are pretty much the same, and where you have real efforts to eliminate unnecessary duplication and waste and paperwork that benefit the private sector along with the public sector, and that's what we're going to do.

In other words, I just presented the best budget I could with the system we've got, but what we need is a comprehensive system which eliminates the cost shifting from the Medicare and Medicaid to the private sector and has some cost reduction mechanisms that benefit everybody.

Let me say—I don't know, there must be some people that work at the factories in town or work in other manufacturing facilities. Our program has some significant tax incentives over the next 5 years for businesses big and small to reinvest, to create jobs, and to become more productive. But the best thing we could do, better than an investment tax credit, better than the tax changes for big manufacturers, the best thing we could do is to find a way to get health costs in line with inflation and still take care of everybody in America. If you did that, you'd free up hundreds of billions of dollars to make America compete again. And so that's a very good question.

Yes, let's take one over here. We haven't taken any over here.

NAFTA

Q. Mr. President, as a member of the UAW and local union president, I'm concerned about the loss of American jobs to foreign countries. What impact will the North American Free Trade Act have on the economy and the budget deficit?

The President. The North American Free Trade Agreement, in my opinion, will help the economy and reduce the budget deficit if, but only if, it is implemented in a way that protects us from unfair practices.

What I want to do is to get the North American Free Trade Agreement ratified, if we can also get an agreement that requires the Mexican Government and private sector to invest in environmental investments to get their environmental cost up to ours so we don't have people just running down there so they can evade all the Clean Air Act and

all those other acts in America. And I want to have some labor standards agreements that will reassure us that the Mexican Government will enforce even their own labor laws.

One of the things that—I don't know if you all remember the—one of the television ads I ran in the last campaign about an American program where we were actually subsidizing companies that would move their plants overseas, and some of them went to Central America and lowered wages. They didn't raise wages down there; they went down there and lowered wages. So what we have to know is that we are actually strengthening the Mexican economy so they will buy more.

Now, let me say this in defense of President Salinas. In the last 5 years, our trade deficit with Mexico has gone from a huge deficit to a slight surplus, and our volume has gone way up. So they bought a lot more from us than we sold to them relative to where we were 5 or 6 years ago.

But this agreement, I'm convinced, needs some strengthening in order to avoid hurting the American work force. I do think, if you look at it over the long run, a country like ours can only get wealthier by selling more to other countries. And it's easier to sell to your neighbors than it is to people far away. And so far, Mexico has not been wealthy enough to buy a significant volume of our goods.

Let me give you an example. Our biggest trading partner by far is Canada, even though it's a tiny country. It's a big country geographically, but in terms of population they only have about 30 million people. But they buy a huge amount of our stuff, by far our biggest trading partner.

So we would be better off—one of the reasons the Japanese and the Germans have gotten so much richer so much quicker in the last 10 years is that they've been selling more stuff overseas. So I've got to try to make that a market. It's good for us over the long run, but I'm going to try to do it in a way that builds up the American manufacturing base, not tears it down.

Abortion

Q. I know the discussion so far has been centered around the economy, but personally I feel I must address a different issue. The Senate Report, 97th Congress, S. 158, concludes that, "Physicians, biologists and other scientists agree that conception marks the beginning of the life of the human being." And it goes on to say, "There's overwhelming agreement on this point in countless medical, biological, and scientific writings." The Constitution of the United States guarantees life, liberty, and the pursuit of happiness. My question for you, Mr. President, is deep down inside do you believe that life begins at conception? And if so, why are we denying the right to life for the 4,400 human beings a day and 1.6 million human beings a year in the murder of an abortion?

The President. Wait a minute. Okay. My question for you is do you believe that women who have abortions should be tried for first degree murder?

Q. Yes, I do.

The President. Good. At least you have a consistent position. He said yes. That was his answer. His answer was yes.

Then that brings me to the question—there are two different issues here, not one. One is the biological question: Is a cell a living thing? Answer: If two cells join, in the process that begins to make a human being, are they living? Answer: No one disputes that. That's not the issue.

The issue is a much deeper one, and one over which people have argued for a long time. One over which Christians have argued for a long time: When does the soul enter the body so that to terminate the living organism amounts to killing a person? That is the question. It is a deep, moral question over which serious Christians disagree.

I have heard—you may smile with all your self-assurance, young man, but there are many Christian ministers who disagree with you. And the question is—and let me say, I honor your convictions. I worked very hard in my State to reduce the number of abortions. I don't like abortion. The question for policymakers on the issue of whether *Roe* v. *Wade* should be repealed is the question of whether we really are prepared to go all the

way and make women and their doctors criminals because we believe we know that.

Now, you are. But here's the problem. In a great democratic society, you have to be very careful what you apply the criminal law to. For example, we make drugs criminal, right? And we throw a lot of people in jail, and our jails are full and they're just doubling all the time because they're so full. And 90 percent of us agree that drug use should be criminal, and we've still got the jails full. You have to be very careful when you know that there is a difference that splits the American people right down the middle.

Very few Americans believe that all abortions all the time are all right. Almost all Americans believe that abortion should be illegal when the children can live without the mother's assistance, when the children can live outside the mother's womb. There is about a 50–50 split in our country of honest conviction about whether terminating a baby in the mother's womb before the baby can live outside the mother's womb amounts to what you say it does, which is first degree murder.

So the reason I support *Roe* v. *Wade* and the reason I signed a bill to make abortion illegal in the third trimester is because I think that the Government of this country should not make criminal activities over which even theologians are in serious disagreement. That's how I feel.

Employment

Q. My name is Melissa Zangree. Mr. President, I'm a sophomore here at Chillicothe High School. Will there be jobs for me when I graduate college?

The President. There will be if my economic program has a chance to be put in, I think. But let me say this: The most maddening thing in the world for me as a public servant is to see people who want to work, who don't have jobs.

A year ago yesterday we celebrated the first anniversary of the first primary in our Presidential campaign in New Hampshire. And so I made a few calls there, and I was reminiscing yesterday about going into New Hampshire, a State that tripled the unemployment rate in 3 years, and listening to young people like you tell me that the worst thing about their lives was going home at night when their parents, who had lost their jobs through no fault of their own, and they couldn't even bear to talk at the dinner table anymore.

But it is the big challenge. What is happening is all these big companies are restructuring. They're trying to be more competitive in a global economy, and they're laying people off. And small companies have to make up the difference, and a lot them can't borrow money from the bank, and there aren't markets there.

All I can tell you is I'm doing the very best I can to make sure that there will be jobs available for you. That is the issue. If we cannot maintain America's position and the American dream unless we are able to create a higher number of jobs every year. This is amazing. We're supposed to be coming out of this recession we've been in, and unemployment's higher now than it was at the bottom of the recession. So the answer to your question is, I honestly believe that if my program is given a chance to work, it will create jobs for young people like you. That's what I honestly believe. I believe that.

Taxes

Q. Welcome, Mr. President. My name is Barbara Smith, and I'm a concerned citizen. And my question is, instead of imposing an energy tax which would unequally affect consumers, why not develop a national sales tax which would be equal to all consumers, or even a national lottery, to help with the deficit?

The President. A lottery is a different issue. I doubt it would raise a great deal of money, and I've always been opposed to them, because lotteries tend to have an unequal effect, taking a disproportionate amount of money from lower-income people. So I've always been opposed to that.

But let's talk about the national sales tax. Almost every country that I know of that we compete with, advanced countries, all the European countries and Japan and Canada, have a national sales tax. They call it a value-added tax. Most of them—if you go to Canada you see it on your bill—you know, they separate it out, just like the sales tax.

But most countries just put the value-added tax into the wholesale price, and you don't even see it on your bill. And a lot of those countries like that because what they do is they tax things sold in their country. Now, what's good about that? That means that let's take, again, your plant here. If Mead Paper makes, let's say, stationery and sells 15 percent of its products overseas, those products would not be subject to the VAT tax. Or, you're in the UAW, if you make an automobile, and any automobile you sold in another country would be subject to no tax at all. Then, when another country's car came in here, it would be subject to the tax.

So a lot a people in manufacturing like this national sales tax because it helps your exports, and it puts a burden on imports coming in, supports the job base of the country. It's perfectly legal; all our other competitors do it.

Now, here's why I didn't propose it right now. That is a radical change in the tax system of the United States. It is something I think we may well have to look at in the years ahead. But I did not want to confuse two different things: One is the imperative of getting the deficit down with the need to maybe change our tax system. I mean, there's only so much change a country can accommodate at the same time. Also, the energy tax equals about 1.5 percent of total Federal revenues, or 1.6 percent. And it will have a very modest impact on energy, and it is pretty equal throughout the regions of the country, actually.

If you take a farmer, you might argue that a farmer might pay a little more directly or indirectly because if you buy fuel it's about 2 cents a gallon. But then, if you buy fertilizer, that's got a lot of fuel in it. So the only people who will be unevenly affected are people who buy things that have a lot of fuel component.

But I thought, and by the way, we still have the lowest energy cost by far of any of our competitors, and our energy taxes are very low. If it were to put us out of compliance, I might have thought of that. But I do believe that America, at another time, and maybe not too long in the future, will debate whether we want to shift the nature of our tax system because we're in a global economy.

But let me say one other thing. If you do a value-added tax, if you do a national sales tax, you have to be really careful to be fair to people. You have to exempt food; you have to exempt maybe clothing or a certain amount of allowance. You've got to be careful how you do it so you don't make it a regressive tax. But they can be designed that way, and we're the only major nation without one.

Prescription Drug Costs

Q. Mr. President, my name is Cathy Dunn. My mother's monthly prescription drug costs exceeds her monthly income on retirement. What, if anything, can be done about the rising cost of drugs in this country?

The President. Well, one problem is that older people who are eligible for Medicare, but not poor enough to be on Medicaid, don't have their prescription drugs covered. So you have this ironic development that older people who have serious medical problems and require expensive medicine who are on Medicare might actually have lower incomes—real incomes—than some people on Medicaid. And it's a big gap in our health care system, and it's one that I'm going to try to see that we address now.

Let me say—you may have seen on the other end of the age spectrum—I've been in somewhat of a dispute with some of the drug companies, because I want to immunize all the children in our country. But only about half of our 2-year-olds are immunized against serious diseases. That's a very serious thing. And I'm coming back to the drug problem. Let me bring you back around to this, because it's very important that you understand this. And we save $10 later for every $1 we invest now in immunizations of children for preventable diseases. And yet, a lot of vaccines made in America sell for lower prices overseas than they sell in America.

Now, if you look at the price of vaccines—for a lot of these vaccines, the most expensive price goes to the family doctor who buys them. That's why the cost of getting your shots has gone from about, oh, $10, to over $200 if you just go to a family doctor and get all the baby's shots. Right?

Next cheapest is the State government can buy vaccines in bulk. The next cheapest is the Federal Government can buy even bigger vaccines. If we buy through a Federal Agency about 40 percent of the vaccines in the country and then we give them out to the States, and then the States would have good public health networks. They give them out, and those shots are the cheapest of all. But even cheaper than that are some of these same vaccines made by American companies sold in foreign countries.

Now, that all sounds terrible. Let me say one or two things, since I've been fighting with the drug companies, in defense of them. They're a very important part of our economy. They do a wonderful job in finding new drugs to solve problems. They have to spend a fortune to do all the research and development. The problem is that to sell those vaccines in other countries, these other countries are tougher on them, and because they want everybody immunized, they drive down the cost of the vaccines. So Americans are paying the whole research and development costs for people who benefit from these drugs all over the world, because the companies can't collect other places.

Another problem is that we have more lawsuits in this country, so we add about $4 a vial to the vaccines to put into a fund against the possibility that some child might have a reaction. So they would always be somewhat more expensive.

But we have got to find a way to work with the drug companies. They do very well, I want to emphasize. They are some of our best companies. But we've got to find a way to deal with these two huge problems. One is older people, particularly, paying huge prices for drugs that have been developed for some time, that are not experimental drugs. I think we'd all admit we should pay more for experimental drugs. That's got all the research cost in it. And the second is, children in America paying more for vaccines than children in other countries, even though they were made here. And we're trying to work through that, and I think we're going to make some progress on it.

Health Care Reform

Q. Mr. President, I am one of those family doctors who you were speaking about, and I have a couple of questions. One is, in your address to the joint session of Congress, nothing was mentioned about tort reform. And I'm very concerned about that, because of the malpractice crisis and the liability costs in malpractice insurance. The second thing is, our local medical society has reviewed at least four plans put forward by organized medicine: the American Academy of Family Physicians and so on. Are you going to look at those programs and incorporate physicians' ideas as you're formulating the policies?

The President. Absolutely. And we will also bring doctors into the process. But let me answer the second question first. Last year there were two major suggestions made for health care reform by physicians groups: the American College of Physicians and the American Academy of Family Practice. A more modest, but still significant program, was offered by the American Medical Association. And the American Nurses Association put out a very interesting plan. And I think all of those things should have a big influence on what we do, because in the end it's the doctors and the other health care providers that have to live with whatever system we put out. So the answer to your question is yes, those suggestions, and in particular the two you mentioned, are being taken very seriously.

Second, on cutting the cost of malpractice, that's a big issue with me. I'm proud of the fact that my State had the second lowest malpractice rates in the country. And one of the things we did was to pass a law enabling the court to fine anyone who brought a frivolous tort suit, if it was judged to be frivolous. That the lawyer himself or herself could actually be fined. Not a big fine, but it had a real impact.

The other thing I think that has real promise is an experiment that I believe is now being tried in Maine and one or two other places, which really relates to family practitioners, because we cannot get medical reform in this country unless family practitioners, family doctors, feel freer to set simple

fractures, to get back into the business of delivering babies, to do that whole range of things. The thing that a lot of people are working on now is being able to say to doctors in small towns and rural areas, for example, here are a set of accepted practice guidelines for this procedure or that procedure. If you can show that you have followed these guidelines, that will raise a presumption against malpractice for you. I think that has real promise.

The third thing in really expensive areas is—we might all look at what's been done in the vaccine area—that really worked, where people just pay a fee into a fund and a big national fund is set up. And if there's a problem you go against that fund, you don't have to go through a whole prolonged lawsuit with an insurance company, a lawyer, a doctor, and all the lawyers and all that. That's something else that I think we need to look at to see if that might have more general application.

Economic Plan

Q. During the campaign, Ross Perot spoiled me with flip charts, pointers, and poster board. I'm a simple woman. What I need to hear from you is, over the next 4 years, how much spending cuts, dollar-wise, will we see? How much total revenue will be brought through our taxes, through the increase in our taxes? And what percentage of that is going towards new programs. In other words, we're hearing tax and spend, the old Republican motto about the Democrats. I want you to show me in a simple manner exactly the dollar figures that we'll look at over the next 4 years.

The President. I don't know if I can do the math in my head right now for 4 years, but I will tell you, basically, the tax bill goes from about $20 billion to about $75 billion over the next 4 years; the spending cuts go up to more than that in the fourth year. In the early years there are more tax increases than spending cuts; in the later years there are far more spending cuts than tax increases. At the end, they're about the same. The net aggregate reduction in the deficit over 4 years is about $320 billion, over 5 years is at $475 billion less debt than we would otherwise have.

In the fourth year of the budget, which is the one that we all target on under the Federal system, the deficit will go down $140 billion a year in that year. Essentially, there will be a net increase in that fourth year in spending of about $26 billion a year. That is, there's about $40 billion more in spending, net new spending, all targeted toward things like the college loan program, Head Start, new technologies, and jobs and about $15 billion in additional tax incentives to businesses to reinvest in new jobs. So that's what the net new spending is. But if you look at it total in the first 4 years, the spending cuts and the revenue increases are about equal. If you string it out for 4 more years, if we really change the spending habits of the country, the spending cuts are far greater than the tax increases. And I've got a little chart. I'll send it to you, and you can see exactly how much year by year in each of the three categories.

Let me just make this point on the spending cuts. I have spent a month during which we have worked almost around the clock trying to get a handle on this budget. The Federal budget is put together in a way that I don't think is very good, and it doesn't resemble any business budget or any State or local budget you have ever seen.

Let me give you an example. I wrote a letter to the Agency that is supposed to be helping me put together the budget—a memo—and I said, here are about 30 questions I want answered. One question was, how much more money are we collecting a day than we were 5 years ago in tax money, and how much of revenue has grown in each of the last 5 years? You know what the answer was that I got back from the Agency? "Federal revenues as a percentage of our gross national product are slightly smaller than they were 5 years ago." So help me, that was the answer I got back, I promise.

In other words, just to your point, we were taking more money in and tax revenues had grown less fast than the economy. But what difference did that make; we had more money. They didn't even answer the questions. I'll send you the exact chart. But it's basically 50–50 spending cuts, revenue increases for the first 4 years, spending cuts swamped revenue increases in the second 4

years and will go much more if we adopt a new health care control plan. And the investment increases are significant but modest. They reflect a big change in the spending priorities.

One of the things I'm trying to do is change; Government is great at starting things and bad at stopping things. So we're still, believe it or not, you're still paying for a bicentennial commission. That was over in 1976. And there are lots of things. It's a little bit of money, but you can't justify it. It's just terrible. And there's a lot of stuff in there like that. So what I'm trying to do is to flush that out, reduce consumption, and increase investment so that we can put some people to work. That's what I'm trying to do. And I'll send you the chart.

When I spoke on Thursday night I tried to give the exact numbers in the last, but I will be glad to—I mean, that chart was in the book that we presented to the Congress. And I was hoping that it would be run in all the newspapers in the country, because there is a chart in the book we released to the press on Thursday morning. Anybody who wants that chart, I'll be glad to give it to you.

Let me make one final point about that: I have no interest in raising a penny in taxes if we're not going to do the cuts. I don't want to get a deal where we're going to raise the money and not do the cuts. Not a penny.

The second point is, I don't have any pride of authorship in this. I've been working on this like crazy for 4 weeks. There must be people who know more about some of these things than I do. And I have invited all the people in the Congress, Republicans as well as Democrats, and all the people in the country to help us find more. I'm more than open to it.

But I have to say, too, there are some tough decisions involved in the cuts. As you know, there is a uranium enrichment facility in this congressional district not far from here. And one of the things we've concluded is that there are only two in the country, and both are running at about half capacity—with the projected need going down—is that we will have to close one of those. So there are tough decisions involved in this. There are a lot of tough decisions that have to be made in this cut area. But if anybody's got any more ideas about how we can cut more, I'd like to have them.

And then the young man in the turtleneck next to you.

Health Care Reform

Q. Mr. President, I'm Mayor of a small town. We have two employees. About the last 8 years, health insurance went from $400 a month to $1,500 a month for two employees. If you can have Hillary get this health insurance in line, it will help our little village. Plus, I'm on economic development in our country, and our biggest employer makes television sets. And if that health care comes down, it will sure help those stay in business, too. So tell Hillary to keep on it. And if you get that down, we'll send her a big thanks.

The President. Thank you. Let me say, this is a subject, probably a whole subject for another town meeting. But let me say that one of my biggest problems with a lot of you will be—in dealing with health care, is this. If you ask the American people a question about health care—are we spending too much or too little—a lot of people will say we're spending too little. Why? Because they feel insecure about losing their health insurance. Or because, like your mother, they're spending too much out of pocket. So if you ask the American people are we spending too much or too little, a lot of people say too little. That's wrong. We're spending too much and on the wrong things.

That young doctor that stood up here, I'll bet you anything more than 30 percent of his gross income goes to paperwork. Right? We are the only country in the world where you have 1,500 separate health insurance companies writing thousands of policies with every doctor's office and every hospital in America having to keep up with them.

Just for example, the average country we complete with of every dollar people spend on health care, 95 cents on the dollar goes to health care, a nickel to run the administrative programs. In America, it's more like 86 cents. You figure out what 9 cents on the dollar is—or 11 cents on the dollar—for an $840 billion health bill, or if you take the Government out of it, about $600 billion. You just figure it out. It's lots of money.

Tuition Tax Credits

Q. Yes, Mr. President. I'm John Cooper, and I go to a private school. And in years past we have not had any support from the Government with funds. And I was just wondering if you had a plan that will help pay for some of the taxes that we have. And I was wondering, if you don't have one, why not?

The President. I'll tell you why not. I don't, and I'll tell you why not. When I was a boy, I went 2 years to a private school, to a wonderful Catholic school. And we paid tuition. And my folks were not wealthy. They were working people when we did it. And I was living way out in the country and we moved to a new community and we just didn't know anything about the school. And I've always treasured that experience. But I don't believe, particularly right now, that we can afford to give tuition tax credits or other breaks to fund private schools, even though I support the competition private schools give to public schools. And I'll tell you why.

Q. Mr. President——

The President. Let me tell you why. Even though I'll bet you anything you've raised more money in this State to put into this school system we're in right now, the United States today is behind at least eight of its major competitors in the percentage of our income we spend on kindergarten through 12th grade education. And we have more problems in our schools than most of our competitors, because we have more income diversity and more racial and ethnic diversity, and a lot of our schools are located in places where there are a lot of tough economic problems. So I don't think we can afford to do that now. I wish I could tell you what you want to hear, but I just don't agree with it.

Mayor Joe Sulzer. Mr. President, I'm sorry, but we have time for only one more question over here. And then we'll have a special presentation. And then we would ask everyone to remain seated as the President leaves. Thank you.

Participation in Government

The President. May I ask a question? May I ask you something before we get off, Mayor? These things always work like this. We could stay here till the cows come home to do this. And I love this. And you've been great. But I want to—[*applause*]—I want to say—wait a minute. I want to make two points, and then I'll answer the last question, whichever, whoever the Mayor designates to be the last question.

The first is that one of the things I've been really proud of in the last month—it proved the election worked, it proved all the town meetings worked, it proved the Ross Perot charts worked, it proved the whole thing worked—is that the volume of our mail and telephone calls is running at historic highs in the White House. That means the American people—a lot of its people who disagree with me, a lot of its people who agree, a lot of its people who are just asking honest questions—but my point is, it means people believe maybe their Government can be made to work for them again, and maybe we can be accountable again.

So a lot of you have questions you haven't gotten answered today. I would encourage you to write to us. I have reorganized the White House Correspondence Office. I've tried to put a number of people there who really understand the issues that I believe in and the things that we care about. We're trying to minimize the number of just formal responses we give unless people send us a form letter; that's different. But, I mean, people that really write us. So I would encourage you to do that.

The second thing I want to do is to say that I want to encourage you to continue to hold me and everybody else accountable and ask the tough questions. I don't think it was all that easy for that young man to stand up there and ask the question he asked on abortion because he knew he had a different position than I did, and I was proud of him for doing that, and I think you should be, too.

And believe me, none of us have all of the answers. This is a new and uncharted time. And I want to encourage you to continue to believe in your country and to participate in this. Hold our feet to the fire, but try to make it a constructive thing. This is an exciting time for this country and it's sort of a make-or-break time, I think, and I'm doing the best I can and I think you are,

too. And if we keep doing that, I think the chances are we're going to come out okay.

I think I can say for the other elected officials here, I'll bet you they're pretty proud of their constituents in Ohio after this town meeting.

Who is last, Mayor? Who did you select, Mayor?

Mayor Sulzer. Right over there, Mr. President.

Education Reform

Q. Mr. President, I'm a sixth grader at Smith Middle School, and I'm wondering, do any parts of your education plan deal with children my age?

The President. Good for you. Okay. The answer is, yes, but most of them don't. And let me tell you why—the answer is yes, they do. We emphasize more funds and more efforts in math and science education, for example. And I have asked the Congress to give the Education Department some funds that will enable us to target learning strategies in elementary and junior high and high school that work, and try to get schools to repeat them.

Do you know that every problem in American education has been solved by somebody, somewhere? I mean, this is not like looking for a cure for some disease we haven't found a cure for yet. What we are not good at in American education is taking what works in one place and putting it in place of another. So the two major things are, we're trying to repeat education strategies that have given young people in the sixth grade great performance in some places, we want to try to put them in all the schools in the country. And secondly, we're going to make a special effort on math and science education.

Now, let me answer the other question. Most of the funds that I have recommended in education, most of the effort will be going to try to make sure kids get off to an equal start in school: fully funding the Head Start program, supporting schools and their preschool programs, trying to make sure that child nutrition and child health care is good, and then when children leave school, trying to make sure that they have a vocational program, a job training program, a college program to go to.

Why? Because over 90 percent of the cost of the public schools, kindergarten through 12th grade, comes from the State and local level. I can have an impact on your education only if we focus on a few issues where we can really help, like: How do you get more computers in schools, how do you do better with math and science? But most of the money comes from the State and local level. Whereas, a lot of what we have to do for children before they start school and after they graduate from high school has to come from the national level, and that's why we do it that way.

Thank you very much. You were great.

NOTE: The President spoke at 9 a.m. at Chillicothe High School. In his remarks, he referred to Mayor Joe Sulzer; Richard Cline, superintendent of schools; Vernal G. Riffe, Speaker, Ohio House of Representatives, and Melissa Hagen, student council president. These remarks were not received in time for publication in the appropriate issue.

Remarks on the Economic Plan in Hyde Park, New York

February 19, 1993

Thank you very much, my good friend, James Roosevelt, who has likewise been an inspiration to me over the years, and who knows and cares a great deal about a subject that we must all come to grips with this year, the crisis in health care; to Senator Pat Moynihan, one of the most productive people in public life in the 20th century in America.

And Mrs. Cuomo, I'm delighted to see you here, and we wish Governor Cuomo good health. He might have thought to himself on deciding whether to do the responsible thing and take to his sick bed today that he's probably heard this speech before, and he's probably given it before. [*Laughter*] I can't tell you how grateful I am to your Governor for his support and his wise counseling. We had a delightful time in the White House, Hillary and I and Governor and Mrs. Cuomo, not very long ago. It's something I will treasure for a long time.

I'm glad to see Lieutenant Governor Lundine and attorney general Abrams and Mem-

bers of the Congress, and members of both parties from the New York Assembly and State senate, and people here who are here because you are Americans. You're Republicans, Democrats, independents. I am glad to see you all here in this monument to America's possibility.

I wanted to come here for a thousand reasons; some of which are obvious. During the New York primary, which was successful in its conclusion but rather rough in its prelude on me—[*laughter*]—I was absolutely enthralled by a book about President Roosevelt called ''The First Class Temperament'' written by a man named Jeffrey Ward. And I read a lot about Hyde Park. And the thing that moved me most was the way President Roosevelt came to grips with the fact of his polio and learned to live with it and learned to triumph over it and learned to use it to make himself stronger inside and not to be defeated by it. And ever since, I have been transformed from someone who had a mild interest in coming here to someone who had a burning passion to see this place. And I am honored to be here today.

I want to say one more word, if I might, about Senator Moynihan because we've worked together over the years on a lot of things. I helped him to rewrite the welfare laws of our Nation in the late eighties and what he said was the most significant social welfare reform in 30 years, if only we could implement it. And one of the reasons I ran for President is to try to change the welfare system as we know it. I have watched him over more than two decades personally warn us about the decline of America's families, the development of a new and possibly permanent underclass in America, the importance of restoring the value of work to our social programs, a decade ago warning about the breakup of what was then the Soviet Union when most people thought that he was speaking a foreign language. And I can tell you that with leadership like his we can solve the problems this country faces today.

I think of that because—[*applause*]—yes, you can give him a hand. That's good. We were about 45 or 50 minutes away from here when we landed in the airplane, and all along the way there were people, school children, hundreds of them, lining the way with their signs; and the young people at Marist College having even printed signs; many people were young; some were older. A lot of them were terribly young. Most of them were I'd say between 20 and 50, anyway. [*Laughter*] That's young to me, you know. I find myself redefining that word every year. And there are all kinds of incredible things: ''Get the U.S. fit,'' one sign said. ''I want to give something to my country,'' another said. One I might have to give a trip to the doctor. It said, ''I want to pay more taxes.'' I couldn't believe that. [*Laughter*] One sign said, ''Shake 'em up, Bill.'' One sign said, ''Give Bill a chance.'' One said, ''Turn my country around.'' Another said, ''I've got a B.A. and no job; I'm ready to change.'' Another said, ''Just do something.''

Then, of course, there were a few that weren't so favorable, but that's all right. That's what this country's all about, too. But I couldn't believe the number of people who were there. And I say that because as much as anything else, I think our country now is infused with a new sense of possibility.

One of the things that really used to depress me as I crossed America last year was the look I saw in so many people's eyes of skepticism, almost a painful unwillingness to believe that we can make things better, that we could change, that we could come to grips with the challenges of our time and overcome them and move forward.

One of the things that I think—perhaps the most important thing that was achieved in the last election year was we had a huge increase in turnout, an even bigger increase among younger people, and now every day the White House switchboard and the mailroom are fuller than they have been in decades and decades because people believe that it matters again.

This country has been kept going through two centuries now because of the peculiar mix of the energy of its people at the grassroots level and the vision of its leaders. But if you have one without the other, the country can't go forward. There have been times in the past when leaders have foreseen the future and known what needed to be done, but there was no connection with the people and so nothing could happen. There have been many times, I'm convinced, when the

people have been ahead of their leaders. But if they had no visionary leaders, nobody to put all that energy together with the levers of public authority, nothing happened. We all hope, I think, from whatever perspective we come, that we now have a moment in our history where we have the energy of the people and a direction we can take.

I ran for President because I believe this was a critical moment in our country's history. And there have been many over the last two centuries. I think of the Founding Fathers, who actually welded a Nation out of 13 independent colonies when many people—maybe if you'd even taken a poll, a majority of the people would have said, "Who wants one army? Who wants one currency? Who wants to really give up all this independence we have in New York or South Carolina? What do we have in common with those people down there?"

I think of Thomas Jefferson. Some people thought he was crazy when he ponied up $15 million to buy something then called the Louisiana Purchase, which most Americans could not even imagine and hardly anyone had ever seen. And if he hadn't done it, since I live on the edge of the Louisiana Purchase, you'd be listening to somebody from somewhere else give this speech today.

I think of Abraham Lincoln. We now take it for granted that the Union would be preserved, that the slaves would be freed, that all this would happen. The truth is that a great many people thought there was no way to hold this Nation together. And a great deal of what did it was his vision and his sheer will.

I think of President Roosevelt in the depths of the Depression, having gone through his personal journey, to cope with his personal problems, summoning interior strength and reserve to lift the Nation's vision and to make people believe again that by taking one step at a time, by coming and building a beautiful school like this with the WPA; that if you did enough things like this and you just kept trying long enough, sooner or later we would go forward, we would work our way out of it by what he called then bold, persistent experimentation.

Today, I think we need that kind of experimentation based on the plain evidence that we are in a rut. What we have been doing is not working to deal with the problems we face.

For about two decades, through administrations of both parties' Presidents, we've been steadily moving into a global economy which is much more competitive, where other countries have been growing more rapidly than we and moving toward our standard of living, where we have to compete in all forms of economic life in ways that can force us to endure real pain, as you folks in this part of the country have seen recently with the difficulties that a magnificent company, IBM, has been forced to come to grips with. This is not an isolated event. This is part of the passage of time and the economic realities in which we live.

That global economy abroad has presented us with a lot of challenges and a lot of opportunities here. But our ability to deal with it has been limited by a lot of the educational and training and social problems we have here at home, our racial and ethnic and income diversity, the high rates of violence, and the whole pockets of poverty we have in this country and lack of investment. We have seen that there are a lot of things that are just not quite fitting very well.

And now we've had two decades in which the wages of most Americans have been stagnant compared to inflation. And when you look at the rising cost of education, health care, housing, the tax burden, most Americans are working harder today than they were 10 year ago for real, disposable income that is less because of these sweeping trends.

For 12 years, we have tried a clear approach to our country's problems. When President Reagan was elected in 1980, he ran with a clear sense of what he wished to do. He said, "The Government is the problem here. It causes inflation. It causes middle-class people to have trouble. What we need is a very restricted role for Government. And we will also lower taxes on everybody, but most of all on the wealthiest Americans. Because if we give them their money back, they will invest it in America, create jobs, drive up incomes, increase jobs, and we will be the most prosperous country in the world."

Well, I believe that free enterprise is the engine of growth in America. We are fun-

damentally a conservative, private, capitalist free enterprise country. But every other nation with which we compete decided to take a slightly different course. They said to themselves in Germany and Japan: Well, we're in a global economy in which the government and the people in the private sector have to work together. We've got to work together to train and educate our people as well as possible. We've got to work together to have economic policies that encourage investment over consumption so we can always be competitive. We've got to have a good trade policy, and we've got to do things that make it possible to create high-wage, high-growth jobs so that all the students who go to school here will have a future, and so that America will be strong. That's what I think we have to do.

In other words, that is my vision. That is not what we have done. What we have done is to try for 12 years to cramp the role of Government. Now, look what's happened in practice. In practice, we have lowered taxes on the wealthiest Americans. Taxes on the middle class have actually gone up in the last 12 years. We have run a horrendous Government deficit. The deficit is now 4 times as big as it was in 1980.

We have seen spending go up in areas that the Government would have to move to control, mostly health care and then interest on the debt, because when the deficit gets bigger and bigger and bigger, you spend more money on the debt. So we have reduced investment, increased the debt, moved money upward so that there's been much more inequality of income distribution, but we have not seen the kind of investment that creates high-wage, high-growth jobs in the emerging technologies that guarantee a future for all the young people that live here and throughout our land.

So I ran for President because I really believe we ought to try a different course. Not to blame past Presidents. If you look at what's happened in Washington, none of it could have happened if there hadn't been bipartisan support for the course and support in Congress as well as in the White House. This is not about blame.

I want to simply take responsibility. And as I told the Congress the other night, if we turn this country around, I don't care who gets the credit for it, either. I just think the time has come to make a change. We have tried one thing 12 years. It obviously has problems. It is time to change.

Now, what does that mean? Change for change sake is not good. What does it mean? It means to me that we should do the following things. First of all, the Government should pursue a policy of increasing investment in those things which contribute to a growing economy. What are those things? We should invest more than we are now and more toward what our competitors do, in the infrastructure of the country, in transportation and communications, in environmental cleanup, in those things which increase productivity and put people to work.

It means we should do whatever it takes to educate people for a lifetime at very high levels, because the skill level of the work force is the single most important determinant of income and the capacity to grow new jobs rapidly as new areas of opportunity open up. It means that we should invest in partnership with the private sector in new technologies which will determine the future of the country. And it means we should not give up on those areas where we have a lead. And let me just give you two examples:

One is in computer technology and information technology. That's why what's happening to some of our big companies is very disturbing and why I'm going to California this weekend to announce a new technology policy to try to revitalize this whole sector of our economy.

I'll give you another example which doesn't affect New York much, but it affects our country desperately, and that is aerospace. Boeing just announced 23,000 layoffs when we know that aerospace jobs are growing in number worldwide, high-wage jobs. And we sat here for 10 years and let Europe put $26 billion into an airbus program, direct government subsidies, to throw Boeing workers, McDonnell-Douglas workers, and other aerospace workers in America out of work because we said, "Well, we don't practice those kind of partnerships." So we have got to face the fact that we've taken a new direction.

And finally, it means that we must reduce the Government's debt. Why? Because if the debt gets bigger and bigger and bigger, two bad things happen: Bad thing number one is the Congress spends more of your tax money every year paying interest on the debt rather than investing in your future. It's now up to 15 cents on the dollar. If we do not change present spending patterns—when you hear people oppose the program I outline, ask them what the cost of the status quo is.

If we behave for 4 more years like we have for the last 12, here's what will happen: By the end of the decade, the deficit will be $650 billion a year, and we'll be spending about 22 cents of every one of your tax dollars just paying interest on the debt. We'll be spending by then, because of the growth of health care costs, about 65 cents of your tax dollars on entitlements, and being in Congress will be a matter of how you spend 5 or 6 cents on every dollar. The rest of this will be just be rubber stamped. You can just have a computer instead of Congress.

I know what you're thinking. Please don't say that. [*Laughter*] So, forgive me, Senator Moynihan, I had to say that. [*Laughter*] But you get it. I mean, it's squeezing the life out of the money you're giving up in taxes.

The second reason, even more important, is the more money the Government borrows every year, the less money there is for people to borrow in the private sector and the higher the cost of the money is. Just since the election, since we made it clear that there was going to be a determined effort to lower the deficit, interest rates long-term have dropped considerably. I'll come back to this in a moment.

But if you think about it, this year if we pass this budget, everybody in America who borrows long-term to finance a business, to finance a car, to finance a home, to finance credit card purchases, everybody that has access to variable interest rates will have those interest rates go down. And in my judgment, virtually everybody who has credit will save more money in lower interest costs than they will pay in higher taxes. Now, that's very, very important.

Now, how are we going to do this? The first thing we have to do, and I mean the first, is to cut inessential Government spending. I've been President 4 weeks, and I've found things that I wouldn't have believed. The White House, when I became President, was running on Jimmy Carter's telephone system and Lyndon Johnson's switchboard. [*Laughter*] In this—true—high wage, this high technology era with a procurement system that would have broken Einstein's brain. [*Laughter*]

There were a lot of things that needed to be changed in the Federal Government, and there still are. But in 4 weeks, we have cut the White House staff by 25 percent, starting at the beginning of the next fiscal year, and reorganized the White House so it will work more efficiently; not just cut but serve better. We have authorized in this budget administrative cuts in every Government Department, totaling 14 percent over the next 4 years for a savings of $9 billion. And there have been 150 specific cuts in Government programs, including programs that help a lot of good people but that I don't think we can afford at the present level anymore, programs like the two uranium enrichment facilities we have when we now know we only need one. And I was in one congressional district where one of those two facilities are this morning.

You can say these cuts are not difficult, but when you look into the eyes of people who may be personally affected by them, they are, including reductions in the interest subsidies to the Rural Electrification Authority, something that brought electricity to my relatives in my State and which is still a very major force. Things that have some good in them, but we simply can't afford them.

We've cut things out that have no good purpose anymore as far as I can tell, including a whole slew of commissions. Do you remember when we had the Tall Ships come into New York Harbor for the Bicentennial? That was a long time ago. Remember that? There's still a Bicentennial Commission. [*Laughter*] That's just one example. It's the funniest, but not the most costly. There are a lot of others.

We have cut back on programs that involve subsidizing activities more than we should. The Superfund, for example, has, in my judgment, too much contribution from the tax-

payer, too little from those who are responsible for the problem, and none of the money is being spent right. So far it's all going to lawyers. It's all going to lawyers.

There is a program that I think helps a lot of wonderful people. It's a subsidy to sheep growers. You laugh. I asked Senator Moynihan if anybody in New York still raised sheep. We had sheep on the farm when I was a boy, so I'm more sensitive to this than some are.

But when I got to studying this, we started to subsidize the sheep growers in World War I because we needed plenty of wool for uniforms. But the program is still on the books exactly as it was, not designed to help the small farmers stay in business, necessarily, but an across-the-board subsidy of that kind. So I recommended cutting it back. All these things have constituencies. But I can tell you, we are going to have to prove that we can cut things.

When Roosevelt talked about bold, persistent experimentation, you know what an experiment is in science. It is trying out a new thesis. If it works, you incorporate it. You build on it. You go on to the next experiment. If it doesn't work, you quit. Government has a one-way experiment. We're very good at starting things and absolutely terrible at stopping them.

So what we're going to try to do is start some new things. I want to fully fund Head Start. I want a big, new technology initiative. I want a big, new technology issue. I want to make it possible for every student in this country to borrow the money to go to college and then pay it back on favorable terms or work it off in national service as teachers or police officers, or working with kids in trouble.

But we can't do that if we keep on doing everything we used to do. We have to stop doing some things we used to do to free up some money for things we should do. And we have to cut more in the past than we're going to spend in the future, because we have to use some of that money to reduce the deficit, too. So I ask you to support that.

Now, in 4 weeks we found 150 specific cuts. As I said to the Congress the other night, in all good conscience to both the Republicans and the Democrats, I've just been there 4 weeks. Some of them have been there a lot longer than I have, and if anybody's got any other ideas, I'd like to have them. I just got started. You can look forward to more.

I also think as I said in the campaign that we have to raise some more money. I now believe what I said might be true in the campaign, but I didn't think it was, that we have to raise it from a broader base than just people that make over $100,000, and I want to deal with that.

After the election in December, the Government increased its estimates of our deficit by about $50 billion a year over the next 4 years. Now, if I had stayed with exactly the same plan that I recommended in the campaign, the first thing my critics who now attack me for raising taxes would say is, ''Oh, he's going to increase the deficit. Oh, he's being too optimistic.''

I decided that when they revise deficit figures up one more time $50 billion a year, that somebody had to take this thing and shake it up and say, ''We are definitely going to have a plan of spending cuts, new investments, and revenue increases that will bring this debt down.'' And I plead guilty to doing that.

And I think almost any of you, if you had been in my circumstance, would have done the same thing if you were thinking about what was in the long-term best interest of the country. And you can see it by how much interest rates have come down just since the election. People who control these things desperately want to believe that our Government can exercise some discipline again, that we can have some focus, that we can show some restraint as well as some activity.

Now, the taxes that I propose to raise—let me just basically go through them—are essentially three. There are more minor ones, but the big-ticket items are as follows:

Number one, an increase in the income tax on the top 1.2 percent of income earners; an increase in the corporate income tax on corporations that have income in excess of $10 million a year.

Number two, an increase in the income subject to taxation of people who draw Social Security but also have other income in excess of $32,000 a year if they're couples, or indi-

viduals in excess of $25,000 a year. In other words, anyone who is not paying tax on Social Security now will not pay tax under my plan. That's 80 percent of the Social Security recipients. The upper 20 percent will be asked to pay taxes on a higher percentage of their income, but we will still leave enough of that income free so that almost all of them will get back what they put into the Social Security system plus interest without taxation. The rest will be subject to the income tax. I think that is fair.

Since 1985—I'm very proud of this—since 1985—as an American, you should be proud of it—the people of this country over 65 have had a lower poverty rate than people under 65. That's the good news. The bad news is that one in five American kids is living in poverty. So it seems to me that this is a fair thing to do under these circumstances.

And then the third thing I recommended was an energy tax that will raise $20 billion a year and will help us to clean up the environment, promote conservation, and make us more independent of foreign oil. It is a broad-based tax to try to be fair to every part of the country.

And I want to deal with this because I'm in New York now. There were some who said tax carbon, that's a fancy way of saying tax coal, which is very tough on West Virginia, Virginia, Ohio, Pennsylvania, coal States that have been very hard hit. So I said, no. There were others who said put a huge tax on gasoline, which is good for city dwellers but tough on people that live in the country and that live in those big western States where they have to drive very long distances and a carpool is not an option. So we said, no. And some said tax the value of energy, which sounds great, except whenever one source of energy goes up the taxes go up. So you reinforce price increases. So we decided the most environmentally responsible and regionally fair way to do it was to tax the heat content of energy, oil, gas, coal in a very modest way, and then to have an offset over the next 4 years where any disproportionate impact in the Northeast for home heating oil, and real incentives for conversion.

Now finally, let me say this program exacts no new taxes for the 40-plus percent of our income tax payers whose taxable income is under $30,000. About $20 a year for people at $30,000 goes up to something between $10 and $15 a month, depending on what your purchasing habits are for people at $40,000. Seventy percent of it comes from people whose incomes exceed $100,000.

There are also some other things here I want you to know about. This program has some tax incentives, which is a fancy way for saying tax cuts for people who invest their money: for the next 2 years, an investment tax credit for all businesses in America large and small who increase their rate of investment; then after that, some tax changes asked for by the manufacturing community for bigger businesses that will always encourage investment; and, for the first time, I think, ever, a small business investment tax credit that is a permanent 7-percent investment tax credit for the 90-plus percent of our businesses that operate on $5 million or less in revenues but create most of our new jobs.

This is a very significant thing that will encourage the private sector to invest in job-generating activities and very important, because in every year of the 1980's, big business lost employment and small business overcame it with more new jobs; but for the last 2½ years small business has not been creating enough jobs to offset the losses in big business. So we've got to reverse that.

There's one final point I want to make as strongly as I can about this. Our plan will bring the deficit down dramatically over the next 4 years. In the fourth year, it will be $140 billion a year lower than it would otherwise be. But unless we also tackle the health care crisis this year, the deficits will start going up after that no matter what we do, because the cost of health care is going to overtake every other thing in the budget and swallow it whole, and not for new health care. We will be paying more for the same health care. So there is no more urgent item on our national agenda than getting all the people involved in health care together and trying to hammer it out.

I asked the First Lady, as all of you know, to head a task force on this. She is increasingly less grateful to me for having asked her to do that. [*Laughter*] But she's very good at bringing people together on a complex matter and bringing them to conclusions and

coming to a clear plan. And we have got to do that, or we can't turn this country's economic health around.

You talk to any major manufacturer and ask them what their biggest problem is. Nine out of ten of them will tell you, ''my health care costs.'' You talk to the steel people and the auto people and ask them, and a lot of them will tell you, ''just paying the health care costs of our retirees.'' So we have to face that.

Now, that's all of the bad news. Now, what's the good news? What are you going to get out of this? A half a million new jobs in the next year and a half in a job stimulus program, and a long-term program to raise our levels of investment and our quality of education and training, to be fairer to the lower income working people and create an environment that moves people from welfare to work, to have policies that really support families who are working and trying to raise children, and to have an investment program that breaks the barriers of new technologies and actually tries to create more new jobs than we are losing every year.

No one can promise you, nobody, to stop anything bad from happening in this world. The world you're living in is so dynamic; there's going to be so many changes; no one can repeal the law of change. But change has been too many enemies for too many people. I seek to make change the friend of the American people. That's what this program does. It will make change our friend instead of our enemy. But we first have the courage. We must have the courage to seize control of our own destiny.

So I want to say to you, just as I said to Congress the other night, I need your help. I can't do this alone. If you think there's something wrong with my program, fine. Come up with an alternative. But I promise you, the cost of the status quo is the most expensive course of all. Staying with what we've been doing is plainly unacceptable. Every American ought to be able to see that. The price is entirely too high. The price of my program is far lower with far higher results.

I ask people of good will all across this country, just as I asked the Congress: If you can think of more things we can cut in spending that are really good for this economy and the American people over the long run, have at it. Let's go. I'm just getting started. I will not, I will not support any tax increase without the spending cuts. I'm not for that. I think we would also be very foolish to say that we don't need to invest more in our children and in our technology and in our economic future in putting the American people back to work. After all, the bottom line of all this is the chance that Americans need to have a dignified life.

We are here in this beautiful school building today. It still looks fabulous after all these years because President Roosevelt knew it was wrong to let all those energetic, hard-working, family-oriented, God-fearing craftsmen and people who could work, sit idle month after month, year after year, when they had a contribution to make that would be good for themselves and good for the country.

I ask you now to give me your support so that we can mobilize the energies of a whole generation of Americans. It will be good for you, but more important, it will be good for the country.

Thank you very much.

NOTE: The President spoke at 3:46 p.m. in the auditorium of Haviland Middle School. In his remarks, he referred to Lt. Governor Stan Lundine and Attorney General Robert Abrams of New York. These remarks were not received in time for publication in the appropriate issue.

Radio Address to the Nation on the Economic Plan

February 20, 1993

This is Bill Clinton. As you know, this week I sent Congress my economic plan to create new jobs and to lift the living standards of Americans and their children. This morning I want to talk with you directly about it.

Let's begin with the children. If you're on your way to soccer practice or to take your children to a grocery store, if you can see from the window of your apartment children riding bikes or tossing a snowball, you know why we care so much about our schools and our neighborhoods and why we feel so

strongly about being able to give our children what they need in life. We've always been a strong and caring nation where families worked hard to pass on something better to their children, and where government accepted the responsibility to support the efforts of families and the futures of our kids. But for too many years, our families have struggled without the help they need.

Our Federal Government in Washington has spent more than it had, run up huge deficits and, yet, done nothing during difficult economic times to help families and their children. We neglected our economy and those very efforts like education, health care, training, and nutrition, where national investments today pay big dividends in the future. Gridlock here in our Capital between the parties and among all the special interests has simply blocked progress, leading us to the politics of least resistance. A lot of people talked about change, but it never came. I hope those days of business as usual are over.

This year can be different with your help. I've presented a plan to grow this economy, a plan that takes America in historic new directions to improve the lives of our workers, our businesses, and our families. We can cut the deficit and increase investment if we have the courage to make changes.

Let's begin with investment. My proposal invests in infants and young children in programs that guarantee big returns for every dollar spent. For example, I've asked Congress to approve an immunization program to reach all children under the age of two with the shots they need to fight preventable diseases, like polio, measles, tetanus, and the mumps. Every $1 invested today saves $10 in the future in preventable childhood diseases. But today, of all the countries in our hemisphere, only Haiti and Bolivia have lower immunization rates than the United States. We can do better.

I've also recommended a maximum effort for nutrition programs to help pregnant mothers have healthy babies, and full funding for the Head Start program, the most successful early education program our country has ever seen. Again, we know now that $1 invested today will save $3 in avoidable health and education problems for these children in the future.

I believe our families must also again enjoy the rewards that come with productive work. Under our new direction, the working poor will rise out of poverty. Welfare recipients will be trained for work not welfare. And because families must also take responsibility for their own children, there will be tougher requirements for parents to pay their own child support, including stiffening our collection procedures and identifying parents when the child is born.

And to restart America's economic engine, our primary and principal goal, we'll take several historic steps. We'll reward investments in small business with a permanent tax credit and fund new research and development. We'll create new incentives for bigger business to always be investing in high quality equipment and the best training and jobs for their workers. We'll create a better environment for all of the private sector, both business and agriculture and self-employed people through deficit reduction, lower interest rates, and better-trained workers. We'll build enterprise zones and community development banks across the country so that investment capital can flow to people and to forgotten neighborhoods desperate for the chance to grow. And I'd like to put hundreds of thousands of idle people back to work right now, repairing our public works and building the new infrastructure of tomorrow. As our plan restores the economy to health, millions more jobs will be created. These are the values and goals our plan is designed to accomplish. They reflect an economy that puts people first.

But you must all be wondering how we'll provide the means to reach our goals. First, we'll cut wasteful or inessential Government spending. I've cut the White House staff by 25 percent and told the Federal agencies they must cut $9 billion in administrative waste and to reduce personnel slots by 100,000. I've asked Congress to freeze the salaries paid by Federal Government workers next year and to match the administrative cuts that I've proposed for the Government agencies. They've agreed to match those ad-

ministrative cuts, and I hope they'll agree to the other budget cuts, too. I don't like asking for these contributions, but I have to deliver to you a leaner Government and a more vibrant economy in return.

I do propose to raise income tax rates, but only for the top 1.2 percent of taxpayers, those taxpayers whose taxes went down in the 1980's while their incomes went way up. And our overall tax proposal will cost a family of four with an income of $40,000 less than $17 a month.

Finally, I will cut almost $250 billion from more than 150 domestic programs, many of them with some merit, and from the defense budget.

Now a lot of interests will argue that these cuts are too steep. Still others will say they're not enough or demand that we protect their pet projects while cutting someone else. To all, I say the same thing: Give me real cuts, don't waste the people's time anymore. I'm committed to cutting every bit of spending we can from programs we don't need or can't afford. And I won't raise taxes without cutting spending. But tell us exactly where you want to cut, and I'll gladly listen.

It's time to put politics aside and put America first. It's been years since our Government fought for working families and gave them a system where they could thrive and pass the American dream on to their children. It's time to include all Americans again, to build a new prosperity, not because we want new wealth for the Government but because we want to renew the dreams of our children, all of them.

I'm determined to take us in a new direction, and I ask you to join me in this fight for the future. Support your elected Representatives who are demonstrating the courage to change. If you do, we can write the next great chapter in the history of the greatest country the world has ever known. Thank you, and good morning.

NOTE: The President spoke at 10:06 a.m. from the Oval Office.

Remarks at the Children's Town Meeting

February 20, 1993

Peter Jennings. Mr. President, one of my first impressions here is that this is an awful lot bigger than what you were used to living in Arkansas.

The President. It's bigger than almost anybody in America lives in, but it's a beautiful house. You know it was started in 1792. President Washington authorized it to be built, and then before it was finished, actually, President Adams and his wife moved in here. So it's been here a long time.

Mr. Jennings. Right behind us here, of course, we can't go in this morning, but it's really one of the most beautiful rooms, the Blue Room, looking out onto the Jefferson Memorial.

The President. It's very beautiful. And upstairs, just above it, there's another big oval room which President Franklin Roosevelt used as his office during World War II. And now we use it for formal receiving of foreign dignitaries. And it also looks directly out on the Jefferson Memorial. And there's a porch there that President Harry Truman put on, so I can go out at night now and look at the lights shining down on Thomas Jefferson's head. It's a wonderful sight.

Mr. Jennings. You know the White House staff is very discreet. When I asked them if you sneaked around, sticking your heads in various rooms at night, they said, "Ask him." Do you wander around at night?

The President. I do a little, not so much down here but up on the second and third floor. And I spent a lot of time working, in this last month, over around the Oval Office, so I'm in the Cabinet Room a lot and in the Roosevelt Room, which is the President's big staff room. And I'm just trying to learn what all the pictures are and where all the things are and learn the history of the place. I'm very interested in it.

Mr. Jennings. I just have one question before we go and actually meet the children. There's the President's seal up there, the President of the United States, just above the door of the Blue Room. And it reminds me of Teddy White, the political writer, who said there is a moment when the man stops being the man and becomes the President. Was there such a moment for you, do you remember?

The President. I think there was a moment when I realized I was going to be President, and it was different after that. And it was not at the election. It was a couple of weeks after the election when I was planning the Inaugural and they asked me what I wanted to do. And we decided that I would start at Thomas Jefferson's home at Monticello and then go to the Lincoln Memorial, and then the next morning I would go to the graves of President Kennedy and his brother, Senator Robert Kennedy. And I realized, in describing that that's what I would do, that I was becoming a part of our history.

Mr. Jennings. Well, you indeed—and these young boys and girls, between about 8 and 15, from Washington and other parts around the country, are very interested in you and history.

Good morning, everybody. You welcome the President? Nice to have him, isn't it? Well, I think they have a lot of questions. Who wants to ask the first question?

School Integration in Little Rock

Q. I would like to ask you a question that goes back to about 30, 40 years ago, back in Little Rock, Arkansas. If you were in the same position that you are now, and during the time of the occurrence of the Little Rock Nine, how would you take forth the matters about them going into the school? Would you go with the community, or would you go with your heart?

The President. I would have gone with my heart and with the law of the United States, which was that the children had a right to go to the school without regard to their race. I would have done what President Eisenhower did. I would have sent troops there and done whatever it took to give the children the right to go to school.

One of the people who was part of the Little Rock Nine, Earnest Green, is now a business executive here in Washington and a good friend of mine. And I'm glad he had a chance to do that.

Mr. Jennings. Mr. President, excuse me, I don't think everybody knows who the Little Rock Nine were.

The President. Oh, what he's asking about—about 40 years ago, a lot of the schools, public schools, in our country were still segregated by race. Virtually all the schools in the southern part of the United States were segregated by race. Young black and white children went to different schools. Forty years ago, the courts ruled that we could no longer segregate schools by race. In my hometown of Little Rock, in the capital city, the Governor and the local school board tried to keep them separate. President Eisenhower then ordered troops there to open the schools so that the schools could be integrated. He was asking me if I would do the same thing, and I said I would.

Good for you. Great question.

Mr. Jennings. There's a stool behind you, Mr. President, if you feel like sitting on it. Who else had got a—we kind of broke it down into fun questions and serious questions. Who had a fun question they wanted to start with?

Chelsea Clinton

Q. Do you help Chelsea with her homework?

The President. I do. I do math with her quite often. I took a lot of algebra and advanced mathematics in high school, and then I didn't take any more after I went to college. So when Chelsea got into algebra, she started asking me to help. And so I've used it sort of to learn algebra again. It's been a lot of fun for me. I enjoy it a lot. We do it quite often at night or early in the morning.

Mr. Jennings. Now, Mr. President, people all over the country who I know want to ask you questions, we have an 800 number which we'll put on the screen. It's been up for a while, and people have been trying to call in. So take a look, 1–800–648–8094. And I know we have a call from Kim in Minnesota. Go ahead, Kim.

Women in Political Office

Q. My question is, why can't women be President? Why is it just men?

The President. Women can be President, Kim. No woman has been elected President yet, but we now have a significant number of women in the United States Senate. We've had a good number of women Governors. We have a large number of women in the House of Representatives. And I think that there will be a woman elected President in the not-too-distant future.

I think that the American people used to be prejudiced against women in public life, and women didn't even have the right to vote guaranteed until, well, less than a hundred years ago. But it's been done now in every other political office in the country. And I think you'll see a woman President before long. Maybe it will be you, if you work hard and do what you can to get involved in public affairs.

Mr. Jennings. I wonder if we can test the confidence level on that statement in here. How many of you girls, or young women, think a woman will be President in your lifetime? Oh, confidence level is very high.

Who's got the next question? How about you, Shannon?

Los Angeles Civil Disturbances

Q. Since the L.A. riots, we have a lot of empty buildings, and a lot of people in our neighborhood want to open businesses. I want to know how can we have low-interest loans to help minorities build shops and buildings?

Mr. Jennings. Mr. President, before you answer that question of Shannon's—I forgot for a second—would you like to see a little bit of where she comes from?

The President. Sure, I would.

Mr. Jennings. Shannon has come here to us from Los Angeles today. How many kids have come from different parts of the country? Just give the President some indications. We have a large contingent from other parts of the country. And Shannon comes from Los Angeles, and here's a little bit about the way she lives. You can look at the monitors.

[*At this point, a short film was shown in which Shannon explained what it was like to live in Los Angeles after the civil disturbances.*]

Mr. Jennings. Sir, her question about low-interest loans for minorities makes a lot of sense.

The President. Good for you; it does. Let me tell you the two or three things we're working on here. First of all, I'm trying to set up, in all the big cities throughout the country, a financial institution that will make low-interest loans to people who live in those communities. There is such a bank in Chicago that's done a very good job of rebuilding some of the poor communities through setting up businesses.

The second thing that I want to do is to get the Congress to pass a bill which will give people special incentives to invest funds in communities like south central Los Angeles, that you put money in places where there's a lot of unemployment, a lot of empty buildings, you get a special tax break for doing it.

And the third thing I have asked Congress to do is to pass a bill to benefit small-business people so that as long as they keep investing money to create jobs, they'll have their taxes lowered for doing that. And I think these things are very important, and I'm glad you asked.

Let me just mention one other thing. One of the provisions of the economic plan I sent to Congress would also permit us to create about 700,000 summer jobs this summer for young people, which would get them active. And then they could be used to clean up the area and to help people make the parks more attractive and to do things to make those areas better and make people want to invest in them more. We've got a lot of work to do, and I'm glad you asked the question.

Health Care Reform

Mr. Jennings. We have a question down here in the front row.

Q. I would like to ask, if we start health care programs, when we start them, who is going to pay for them? Who is going to fund them?

The President. First of all, we're already paying a lot of money on health care. Your country, believe it or not, has the most expensive health care system in the world. We

spend much more for health care than any other country, but a lot of Americans don't have health insurance. You know that, don't you? A lot of Americans don't have health care.

So what I think will happen is that we will have a health care system which will be paid for partly by the Government and partly by people who are employers and partly by the people who work for them. And we'll pay for it in three ways. But what we've got to do is to find a way to provide basic health care to all Americans, including people who have serious health problems—I know there are some people in this audience today who have members of your family with serious health problems—and to keep the cost down, more like what it costs in other countries. Because otherwise, we're going to be hurt very bad economically.

One of the reasons we're having trouble generating a lot of new jobs in this country is that our businesses are spending so much more money for health care than any other businesses anywhere in the world, that they have less money to invest to put people to work. So my job is to do two things that are hard to do: get health care for everybody, and then to bring the costs down.

The Presidency

Mr. Jennings. We have a phone call from Connecticut. Go ahead, Connecticut.

Q. I was wondering what made you have the burden to become the President?

The President. You mean, why did I want to become President?

Q. Yes.

The President. That's a good question, Andrea. I decided to run for President in 1991 because I was concerned that there were too many people in America who were out of work; there were too many people who were losing their jobs; there were too many people who had problems with health care; there was too much of an indication that we weren't building a future so that young people like you would be able to grow up and have a better life than your parents did. And I was afraid that the American dream was in danger. I thought I had some good ideas about how to turn it around and how to make life better for the American people, and that's why I ran. I asked the American people to listen to my ideas, and they were good enough to vote for me and give me a chance to serve.

The White House

Mr. Jennings. Now, I know a lot of you have questions about exactly how the President spends his day. Who's got a question about what the President does in the White House?

Q. I just wanted to know—I mean, you were just coming down the hall in the Oval Office showing us how nice, you know, everything around here is, just look around the room and—I don't know, personally if I lived here I would feel constrained to actually live, you know? I mean, it's just so nice, everything is so perfect, I would not—I mean, I don't know. So how do you feel about——

The President. I feel a little that way, too, sometimes. But let me say that upstairs, on the second floor, there are some nice formal guestrooms but there also is—Chelsea has a bedroom and a little room where she can study and do her work. And Hillary and I have a bedroom and a little family room, and they're not quite so formal. So the rooms that we have are much more like regular rooms in a house, and you don't have to worry so much about breaking an expensive piece of china or something like that.

Mr. Jennings. But it wasn't always so formal here, was it, Mr. President? The East Room, they used to hang laundry in the East Room.

The President. Oh, absolutely. It wasn't always so formal at all. It's probably as formal now as it's ever been, but there are some more informal rooms. And then there's a third floor, a floor two floors up from here, which has some other rooms and a little hallway where we have our rocking chairs and our family books and all kind of stuff like that, which is really much more homey. So we spend a lot of our time in places where we don't have to go on tiptoes all around.

Mr. Jennings. We said we were going to test you on some of the questions here. Do you know the children of which President roller-skated in here, in the East Room? Who remembers that?

Q. Roosevelt.

Mr. Jennings. Which Roosevelt?

Q. Teddy.

Mr. Jennings. Exactly. President Theodore Roosevelt's children used to roller-skate here in the East Room. And of course, maybe you'd like to point out to the kids the famous painting.

The President. Yes. That's a picture of who? Who is that?

The Children. George Washington.

The President. That's right. That's President Washington, painted by Gilbert Stuart. And it is an absolutely invaluable piece of art. Gilbert Stuart was a very famous artist. I think it was offered to the United States first for about $500. He painted it in 1797. That was a lot of money back then. It's worth millions of dollars today. It's a priceless picture.

Mr. Jennings. And who saved it?

The President. Excuse me?

Mr. Jennings. Who saved it?

The President. Who saved it?

Mr. Jennings. Dolley Madison, right?

The President. Yes, Dolley Madison saved it.

Mr. Jennings. When there was——

The President. ——from the fire.

Mr. Jennings. She wouldn't leave the White House until the——

The President. Yes, during the War of 1812 the British marched on Washington and tried to burn the city, and the White House caught fire. There's still some char marks actually out on the front of the White House. And Dolley Madison would not leave the White House until the precious treasures were preserved, including that.

There's also a picture back there of President Theodore Roosevelt, painted when he was a year younger than I am now. Theodore Roosevelt was the youngest person ever to become President. He was elected President at the age—well, he became President when President McKinley died; he was 42. And President Kennedy was elected when he was 43, and I was elected when I had just turned 46. So I'm the third youngest person to be President.

Mr. Jennings. But not—[*inaudible*]. You probably need a bit of rest for the moment, though, sir, as you're the third youngest, so we'll go away for a commercial and be right back.

The President. I feel like the oldest some days. [*Laughter*]

[*At this point, the television stations took a commercial break.*]

The President's Pastimes

Mr. Jennings. Welcome back to the East Room of the White House. Let's go straight to you, Jared, you have a question.

Q. What do you do for fun around here? [*Laughter*]

The President. I like to play golf. I've only gotten to do it one time since I've been President, but I like to do that. And I like to play cards and games with Hillary and Chelsea. We play pinochle; we play a game that Chelsea taught me called Hungarian rummy. I like to play Trivial Pursuit. That's pretty much what I do.

Q. Are you a good Trivial Pursuit player?

The President. Sometimes. I'm better on some subjects than others, but I like it a lot.

Somalia

Mr. Jennings. Way over there in the corner.

Q. About Somalia and the United States, are we going to help the United States or Somalia first? Because Somalia has been in trouble for years, but we haven't done anything. We've done something, but not that much. So are you going to start helping Somalia first or getting the United States their jobs back first?

The President. Well, my most important job is to try to help people in the United States get their jobs back, because I was elected first and most importantly to help the people here with jobs and education and health care.

But I think the United States has a responsibility in Somalia. And I supported it when we sent our troops over there to try to stop the fighting and to try to bring some safety and food and medicine and education back to the children there. And I think that what we will be doing in Somalia is trying to work with other countries to always keep enough soldiers there to try to keep the peace, but there won't be so many Americans there. And then we can support others and try to

make sure that we restore peace on a long-term basis and try to make sure that the people always had enough food and medicine and shelter to do well. I think we do have a responsibility there, but as President my first responsibility is to all of you.

The Presidency

Mr. Jennings. Behind you here, Mr. President. Jeannie has a question. Jeannie Lee.

Q. Hi. How do you feel, like, now that you're the President of the United States?

The President. It's an incredible honor. And every day I still get up and I feel a lot of gratitude just for having the chance to serve. I also feel a big sense of responsibility. I don't want to let you down, all of you and all the people all over the country, the people who voted for me and those who didn't. I hope I can do a good job to help solve our problems and move us forward.

Mr. Jennings. Jeannie, what do you think is probably the best thing about being President? If you were him, what would you guess?

Q. I think I would have a lot of responsibility, too, because I've got to take care of the whole United States and I've got to help others. And you've got to help the people of the United States fight their enemies and crime and riots and gangs.

The President's Education

Mr. Jennings. Right behind you, Willie.

Q. When you were in, like, our grade, what was your hardest subject in school?

The President. When I was in your—when I was your age? How old are you?

Q. Nine.

The President. Nine. You're in the fourth grade? I made my lowest grades in conduct—[*laughter*]—because I talked too much in school and the teachers were always telling me to stop talking. I did best in math. I did well in reading. I had some trouble spelling, interestingly enough, when I was young, because I'd get excited and I would go too fast. And sometimes I wouldn't spell so well.

Q. What are you going to do about the environment?

Violence in Schools

Mr. Jennings. Well, let me hold the President on the environment for just a second, if that's okay with you, because I think touching on education is really interesting.

Mr. President, I'd like you to meet Michael Cruz here. We met Michael out in the country, and we did a little film about him which I'd like you to see, because I know he has a question. And it's something I know that he cares a lot about and he'd like to ask you about. So let's, first of all, look at where Michael goes to school.

[*At this point, a short film was shown in which Michael explained how the violence in his school is affecting his education.*]

Mr. Jennings. Well, Michael goes to the Roberto Clemente High School in Chicago, Illinois. Have you got a question for the President, Michael?

Q. How are you going to make my school safer to get a better education?

The President. I have an answer to that, but let me ask you first so I won't prejudice your answer: If you were in my position, what would you do to make the school safer?

Q. I would try to get as much teachers and, mainly, security guards in there to keep the violence, because now there's not so many security guards and there's too many students. I would just try to control the school first. And then once they control the school, then I'll throw the education on their lap.

The President. Let me tell you what we're going to try to do. First of all, as part of the economic program I sent to Congress there is a safe schools initiative which, if it passes, would enable us to help schools with more security guards and with more, like metal detectors and things like that, to try to make sure kids don't come to school with weapons.

Secondly, I have offered a program that would permit us to put another 100,000 police officers on the street in America in the next couple of years, including people who could be stationed in around schools. The third thing I think we ought to do is to pass a bill which says that nobody can buy a handgun unless there's a waiting period, during which time you can check their criminal history and see if they've been in any trouble

before, because you don't have to sell them guns if they have been in trouble before. But if you don't check, you don't know. I think that's a good place to start.

But let me also say, you're from Chicago, right? I was in a junior high school in Chicago not very long ago called the Beasley Academic Center. It's a public school in Chicago. Do you know where it is? It's in a neighborhood with a very high crime rate. And they have police outside the school. Now, I know it's not a high school, it's a junior high school. There are police outside the school, but not in the school, because the teacher has to deal with—she's got 75 fathers a week coming to the school, 150 mothers a week coming to the school, and the kids have a whole strict code of conduct. They ask to go there, but there's no academic requirement. You know, if everybody asks to go and if there are too many who ask, then they do it by lottery. But the kids that go there really help to keep the peace in their own school, supporting the principal. And with the parents involved, I think that's real important, too.

I can provide extra help for law enforcement, but we've got to get more grassroots community people involved. I loved seeing you in that class. And I just hope that a year or two from now, all those other desks will be full, too. And don't you give up on your education, because—don't let anybody else, no matter what their problems are, take your future away from you. Only you can do that.

Mr. Jennings. You know, there's something else about Michael, which I'm not sure I'm right about. Michael, did I hear that some of the kids in your school teased you badly about coming to see the President?

Q. Yes.

The President. Why? Why did they do that?

Q. Because people don't believe that. People don't want to believe it.

The President. They don't believe that I care anything about them?

Q. Yes, in a way, you can say like that.

Mr. Jennings. Do you think the President's answer to you is—did it give you some satisfaction?

Q. Yes, it gave me a lot.

The President. Look, you know, when I was your age it was a lot easier to be young than it is now. We worried about liquor and cigarettes. Nobody worried about drugs and guns. And I know it's hard to be young now. But I also know that if you get a good education, nobody can take that away from you. You can still have a good life. And there are people there who care about your education. And I'm going to do what I can to support them.

Home Schooling

Q. I'm home schooled; I don't go to school. And I was wondering what you thought about home schooling and what you were going to do about it, or if there was anything you were going to do?

Mr. Jennings. Can you explain what home schooling is?

Q. Yes, my parents teach me at home, so I don't go to school. They don't really believe some of the stuff that's being taught and done in the schools.

The President. I can tell you what I have done about it. Let me tell all of you this, just by way of background. The public schools of our country are largely run at the local level by school boards and school administrators. And the money for them and the rules by which they are run are largely set at the State level, by the State governments throughout the country. So you're from Virginia, right?

Q. Yes.

The President. So the State government in Richmond largely makes the rules for the public schools. I was a Governor before I became President. And while I was Governor, I supported and passed a law through our legislature which made home schooling legal and which supported home schooling and parents and children making the decision to be educated at home, as long as the children were willing to take examinations every year and prove that they were learning what they should be learning for people their age. And that's the way I feel. I think that your parents and you, as a family, should have the right to do this as long as you're learning. And if you can demonstrate that you're learning, I think you should have the right to do it.

Mr. Jennings. Can I interrupt, sir, because I don't think people really understand

why many parents want to teach or insist on teaching their children at home. A lot of it has to do with sex education, doesn't it?

The President. It's different for different people. I think there—and Katie, you can interrupt me or say what you think—but I have talked to a lot of parents and children who have been in the home schooling movement, and normally they fall into two groups. There is one group, perhaps the smaller one, who believe that they just give their kids a better education, that their kids learn more and more quickly. Then there's a second set of concerns which revolve around values. A lot of parents are really upset by what Michael just said, that kids go to school, they have to worry about being exposed to violence, to premature sex, to drugs, to things that they may not agree with. So there are what you might call the values objections, to things that children are exposed to, and then the academic objections.

Is that a fair statement?

Q. Yes.

Mr. Jennings. Who has got—somebody's got some questions about the White House. I want to make sure that I don't lose who has got questions about the White House.

White House Meals

Q. Does Hillary ever cook for you?

The President. Does Hillary ever cook for me? Sometimes.

Mr. Jennings. Do you ever cook?

The President. Believe it or not, sometimes we cook for each other. But we've been so busy lately we haven't had a chance to do it since we've been here. But Hillary's actually a pretty good cook. And I like to cook, but what I like to do is to make things like omelets. I love to make omelets. And sometimes on Sunday nights, Hillary and Chelsea and I will go into the kitchen, and I'll make everybody omelets and we'll sit around and talk.

So both of us like to cook, but we've been—you know, I asked Hillary to take charge of the health care problem and try to come up with a solution to it. And I've been working real hard on the economic problems, so neither of us has had much time to cook. And they have wonderful cooks here. As a matter of fact, Chelsea can tell you there is a whole little kitchen where they don't do anything but make pastry and sweet things and desserts.

Mr. Jennings. They'd all hate that here, sir.

The President. Oh. [*Laughter*] So I've been mostly relying on those folks. But, yes, she does cook for me sometimes.

Mr. Jennings. What about Ellie, way at the back.

Q. My question is sort of serious.

Mr. Jennings. Well, if it's serious, let's hold it for one second, and we'll go to a commercial and come right back.

The President. Okay.

Mr. Jennings. Okay? My apologies.

[*At this point, the television stations took a commercial break.*]

Mr. Jennings. But you have to work on Omar here, because he told me he's a Republican. [*Laughter*]

When we were away for a commercial, some of these kids said you look a lot better in person than you do on television.

The President. Well, that's good news.

Mr. Jennings. You want to deal with that?

The President. Well, sometimes I have these big bags under my eyes when I don't get any sleep the night before if I work late, or when my allergies are bad. So I'm glad you think I look better. I feel better today.

Mr. Jennings. Carlos, what did you want to know? You want to know where Socks was?

Q. Yes.

The President. Socks is just around the corner and downstairs. He's here all the time.

DC School Closings

Q. Well, I also want to know something else. What are you going to do about what the school board is doing about closing 10 schools in every ward?

The President. Here?

Q. In DC.

The President. That's a different question because the Washington, DC, government does get some money directly from the Congress and the President. I can't answer that question today because I don't know whether they're closing down the schools because they don't have enough money to run them or because they have too many schools for

the kids that are there now. That is, a lot of school districts in America are losing school populations.

But I'll tell you what I'll do, I'll look into it. And I've got your address, and I'll write you a letter about it. Okay?

Q. There's a little more I need to tell you. Can you at least talk to them to not close the good ones? Because they might close my school, and my school is the only elementary school that's bilingual in all DC.

The President. You don't want them to do that, do you? Because we have a lot of bilingual kids in DC, don't we, now? Thank you. I'll look into that, and I'll get back in touch with you.

Proposed Handgun Legislation

Mr. Jennings. Okay. We have a phone call, Mr. President, and I think from Texas. Go ahead, Allison.

Q. What is the Brady bill?

Mr. Jennings. What is the Brady bill?

The President. Oh, what is the Brady bill? The Brady bill is the bill I was just actually talking about. It's a bill that would require people who want to buy handguns to wait for a few days while the people who sell the handguns check to see if they have committed a crime or if they have a mental health history or some other problem which would make it dangerous for them to get the handgun. And the Brady bill would require people to wait just a few days until that check is done.

I strongly support the Brady bill. Some people are against it. But I think it's a good idea just to wait a couple of days. I don't think it's much of an inconvenience for people who want to buy guns to ask them to wait so we can check their criminal history.

Gays in the Military

Mr. Jennings. I almost forgot you, Ellie. I'm sorry.

Q. The opposition to your recent attempt to lift the ban on the homosexuals in the military shows that as a society we're still very biased towards homosexuals. What are you going to do to help America as a nation accept them?

The President. Well, I think what's important about that issue to me is not that Americans agree with the lifestyle but that they accept the fact that there are citizens in the United States who are homosexual, who work hard, who don't break laws, who pay their taxes, don't bother other people, who ought to have a chance to serve. And I just say that at every chance I get. And I have also been involved in giving some people the chance to serve who are homosexual, and I think that's important. I think that there are a lot of people whose religious beliefs dictate that the homosexual lifestyle is wrong. I don't ask them to give up their religious beliefs but simply to accept other people as people and give them a chance to be citizens as long as they're not doing anything wrong. That's my position on it.

Special Education

Mr. Jennings. Anastasia, you've had your hand up a lot. Maybe, Mr. President, you'd like to come and sit down for a second.

The President. Hi, Anastasia.

Mr. Jennings. Excuse me for one second for reaching over you. Come and sit here. Sara, you come and sit here if you would and let the President sit down.

The President. Okay.

Q. I have a twin sister and we go to the same school. But she can't speak. So because she can't speak, they've put her in a special class. But she uses computers to speak. And I would like her to be in a regular class just like me.

The President. Wow. And you think your sister could do just as well as you in a regular class?

Q. Yes.

The President. As long as she can use her computer. And her computer is on a little top just like this, isn't it?

Q. Yes. Well, you can put it on here and you can put it on regular tables also if—because you can carry it around. It's a little computer.

The President. And she talks to you by using it?

Q. Yes.

The President. Why do you think they put her in the special education class?

Q. I think it's because she couldn't talk. And they thought—the principal thinks that she can't do it because she can't use her hands and she can't speak.

The President. But you think that she could learn just as quickly if she were in a regular class?

Q. Yes.

The President. Have your parents asked the principal to put her in a regular class?

Q. Yes.

The President. And they said no?

Q. The principal said no.

The President. Well, you know, as President I can't do anything about that except to speak about it. But I'll tell you this, I have a friend named Hamp Rasco whose mother works for me here. And he's now 18 years old. He has cerebral palsy. And he doesn't speak quite as well as you, but he can probably speak a little more than your sister. And I watched him go all the way through high school and graduate from high school and get his graduation degree. And he lives out on his own now. And I'm going to do what I can to help people let all Americans go as far as they can. And I think young people who are working hard to prove they can do this kind of work ought to be given a chance to do it. And I think your sister should be given a chance to show whether she can work in the class or not.

That's what you think then? You just want her to have a chance to prove whether she can do it or not, right?

Q. Yes.

The President. And if she tried and she couldn't do it, then would you support her being in another class?

Q. Yes.

The President. So you just want your sister to have a chance.

Q. Yes.

The President. Good for you. Maybe she'll get it because we were here talking about this.

Mr. Jennings. I have a feeling. Thanks very much.

Q. You're welcome.

The President. Give her a hand. Wasn't that great? Thanks for sticking up for your sister. That's wonderful.

The Environment

Mr. Jennings. We have a phone call from Ian. Go ahead.

Q. President Clinton, how will you stop pollution in the United States?

Mr. Jennings. Just like that. [*Laughter*]

The President. Well, it's not quite that simple because you know we make pollution every day, Ian. When we drive our cars, we make pollution; when we run our factories, we make pollution. But there are two or three things we can do. Let me just mention them.

Number one, we have a Clean Air Act in the United States, designed to reduce the amount of pollution that goes into the air in the first place. I want to enforce that. Number two, I want to support clean water. We put a lot of stuff in our water. I want to reduce that. Number three, I want to try to do things that will help preserve the quality of the environment in the first place, like planting more trees and reforesting the land and building up the soil of the United States. I think we want to clean up the things that are being polluted, but we want to stop things from being polluted as much as possible. And then, finally, I'm trying to promote more energy conservation and cleaner energy. Like natural gas, for example, is the cleanest form of energy that we can burn. So I'm trying to promote the use of natural gas. Those are the things that I think we should do in the beginning.

Mr. Jennings. I don't think anybody in the East Room, Mr. President, feels as strongly about that as Pernell does. And I know he has a question to ask you, but before you ask your question, let's show the President a little bit about where you live.

[*At this point, a short film was shown in which Pernell explained how environmental pollution has affected the health of his family.*]

Mr. Jennings. Pernell comes from Garyville, Louisiana, and it's about a hundred miles' trip between New Orleans and Baton Rouge, right, Pernell?

Q. Yes.

Mr. Jennings. Where there are about a hundred petrochemical plants.

Q. Yes, Garyville, the small town that I live in, is right between the chemical corridor, which is the area between Baton Rouge and New Orleans. And Mr. President,

I'd like to ask if restrictions can be put on the amount of carelessly handled hazardous waste and air pollution, such as smoke, and if the health care system can get into this somewhat and help the cancer victims, which this cancer may have resulted from this environmental contamination.

The President. Why don't you tell these folks how many relatives in your family have had cancer.

Q. Well, I'm not exactly sure, but I know my 10-year-old brother died of something that even the experts—experts across the country came over to Children's Hospital in New Orleans to look at this. They could not—they were just stumped. My brother, Charlie, was either the 10th or the 11th person in recorded history ever to catch this. Through all the other patients that caught this, the experts could never figure it out. And they checked into just about every condition that could have caused it, with the exception of the environment.

The President. Let me say that this young man lives in Louisiana, which is just to the south of my home State of Arkansas, so I know quite a bit about where you live and I've been in that alley between Baton Rouge and New Orleans many, many times. The cancer rate there is way above the national average.

I think there are two things we should be doing. One is, we should be doing a lot more medical research to try to find out what causes these cancers. And the second thing we ought to be doing is to invest more money there to do environmental cleanup.

In the election campaign that I went through to be elected President, I said many times that I thought we ought to take some of the money that we're reducing the defense budget by and putting it into cleaning up the environment here at home. Because I think there are now all kinds of health hazards that we never knew about before that we're now learning about in some of the things we've done. And we need to do a lot of environmental cleanup in that part of Louisiana where you live and throughout the country. And I'm going to do my best to do it.

Mr. Jennings. It's interesting, sir, that a lot of people were playing the budget game earlier, helping how to spend your money for you. And an awful lot of kids, both last night and tonight, all of them putting their money into cleaning up the environment.

The President. How many of you think we should spend more money on the environment, cleaning it up?

Q. We've only got one planet. If we don't preserve it, you know, there's no other place we can go to. And everyone from my area and the surrounding areas, most of them voted for you, you know. We all believe very strongly that you, as an individual, do have the know-how and the courage to go about and tackle this problem and many others, and we do have faith in you.

The President. We'll do it for your brother, okay?

Q. Okay. Thank you.

Mr. Jennings. We'll be back in just a moment.

[*At this point, the television stations took a commercial break.*]

Economic Legislation

Mr. Jennings. Well, I haven't had a chance to ask you kids this question yet, but how—you've all heard President Clinton—put down your hands for just a second—you all have heard President Clinton say many things he'd like to do. Now, he's a very powerful individual, as I think we all agree, but he can't do it all by himself. You have to get bill through Congress.

The President. That's right.

Mr. Jennings. Your budget bill's up there now. You're going to have a real tough time——

The President. A real tough time.

Mr. Jennings. Right. How many of you would like to know how to get a bill through Congress? Do you think that would be useful in order to find out how you get it done?

The President. I'd like to know that. [*Laughter*]

Mr. Jennings. Well, we've enlisted the help of Steven Urkel, who's a great, great pal, I guess, of all yours, to tell us how you actually get a bill through the Congress. Let's watch.

[*At this point, a short film was shown on the legislative process.*]

Mr. Jennings. Isn't that great?

The President. That was great.

Mr. Jennings. I have a present for you, Mr. President, the Urkel clean air act of 1993, like all Government bills today, on recycled paper.

The President. That's good. That's right. We use a lot of recycled paper.

Mr. Jennings. So you have a chance now to sign that bill or you can veto that bill, right?

The President. That's right. I have to act within 10 days of getting it, and I can sign it or veto it. I think I'd better sign, don't you?

Mr. Jennings. I think you'd better. Do you think he should sign it? Okay.

Let's go back to questions. Venus, you have a question.

Homelessness

Q. As a new President, how are you going to end homelessness, or what are you going to do to end homelessness in the world?

The President. Do you want to say anything about Venus before I answer the question?

Mr. Jennings. Yes, I do. I do. It's a tough question for Venus, and we told the President before that Venus had come to us from the west coast, and I think it would help if the rest of you kids here and the audience at home saw a little bit about the circumstances in which she lives.

[*At this point, a short film was shown in which Venus explained the difficulties of living in a homeless shelter.*]

The President. Good for you.

Mr. Jennings. What's your question then, Venus? Again, would you repeat it.

Q. As the new President, what are you going to try to do or how are you going to do—what are you going to do to end homelessness in our world?

The President. May I ask you a question? How did you become homeless?

Q. I came from New York around 5 months ago, and we didn't have an exact place to go to. So we went to social services and from there on, it was homeless until we can get an apartment.

The President. I think there are two or three things we should do. And I asked her this question because over one-third of the homeless people in America now are families with children. And a lot of them are people who moved from one town to another, and they have no savings; they have no money in the bank.

I met a homeless couple in my hometown about a year ago. It was kind of like you. They had come down from Chicago. And they actually had jobs, but they hadn't drawn a paycheck yet and they had no place to live.

So here are the things that we're going to try to do. First of all, we're going to try to build more housing for low-income working people. We haven't had much of a housing program for a long time. Secondly, I'm going to have an inventory done—an inventory means a list done—of all the housing in America which exists today that belongs to the Government which is boarded up or closed down, and see whether or not we can't give a lot of that housing back to churches or community groups or other groups and let people work on repairing it. And if they do work on repairing it, they should be able to live in it. I met a woman and her children in Philadelphia who were doing a lot of their own work on a home, an old home that had been boarded up. And they were going to get to move in it and live there because of the work they had done to do it.

The third thing we have to do is to create more jobs because a lot of the homeless people wouldn't be homeless if they had jobs.

Mr. Jennings. One of the things about all your answers, Mr. President—and I don't want to take time away from them—is that they all seem to be long-term. And Venus has a short-term problem, and Pernell has a short-term problem, and Shannon has a short-term problem.

The President. Well, I think to be fair, though, if you look at Venus' problem, it wouldn't necessarily be a long-term problem if we increase the capacities of cities throughout this country to move people directly into more stable environments. I know in San Francisco there was a real detailed homeless program that I saw there that the administration wanted to put in that they just didn't have the money to put in because there was no partnership with the National Government. And my feeling on the homeless issue is that a lot of Americans who have money

and homes really want us to do something about it and would really support our doing more about it. I don't think Americans like the fact that children like you, your mother are in homeless shelters just because you happen to move from one town to the other.

Now, on your problem——

Mr. Jennings. Pernell.

The Environment

The President. On Pernell's problem, it's a little different because you have to do a lot of medical research to find out exactly what's causing this. But I think you will see this year, greater efforts in environmental cleanup all over the country if our program passes this year. It's not too late.

But as Pernell probably knows, since you studied your brother's problem, a lot of times these cancers develop over 2 or 5 or 10 and sometimes even over 20 years. So they are long-term problems. And we did a lot of things to our environment in the past because we didn't know what it was doing. And I think now we just have to turn it around; we just have to start cleaning up more. And I think most Americans want to do that.

Mr. Jennings. We have an awful lot of questions, obviously. We're going to go away for just a minute.

[*At this point, the television stations took a commercial break.*]

Chelsea Clinton and Socks the Cat

Mr. Jennings. Well, Mr. President, I must tell you, as impressed as we all are to have you here, and as good as they think you've been so far, there's somebody else they'd like to meet more, and you know that. So we do have a bit of a surprise for you. Chelsea, would you come and join us for a second?

These are the two people that you've all been asking about. Do you want to sit on the stool?

Chelsea Clinton. Sure.

Mr. Jennings. Two people that the boys and girls have all been asking about this morning, Chelsea and Socks. You all had questions about Socks. Who wants to go?

Q. Why did you call your cat "Socks"?

The President. Who knows—guess? Why did we call him "Socks"? Hold him up, Chelsea. Why did we call him "Socks"? Because he has white paws. He's a black cat with white paws, that's right. Good for you.

Mr. Jennings. And he's very restless, right?

Chelsea Clinton. Yes, I had to wake him up.

Mr. Jennings. Does he really have the run of the White House?

Chelsea Clinton. Yes, basically, he can go wherever he wants.

Mr. Jennings. Who else has a question? Jamie in St. Louis has a question for Chelsea. Go ahead, Jamie.

Q. I wanted to know, does Chelsea have to take Secret Service guards to school with her?

Chelsea Clinton. Yes, I do.

Mr. Jennings. What's that like?

Chelsea Clinton. It's okay. They stay out of the way. They do. They have an office up on the third floor of my school, and they sit there most of the day. Or when I'm in gym, they come outside and just sit on the bleachers or just watch my soccer practice.

Q. What kind of cat food do you feed Socks?

Chelsea Clinton. What kind of cat food? Dry cat food. I don't know the brand.

Mr. Jennings. Nor should you, probably. [*Laughter*]

Q. How old is Socks?

Chelsea Clinton. Socks is almost 3 years old. He'll be 3 years old in July.

Q. Does Socks—who trains him? Is he trained?

Chelsea Clinton. Yes.

Q. Like, do you guys play? Also, do you ever have to talk to her about playing with her when she's supposed to do her homework?

The President. Never. She's very good about that. She does her homework pretty well.

Mr. Jennings. Christine in Fulton, Mississippi, has a question for you.

Q. Mr. President, how do you and Mrs. Clinton punish Chelsea when she doesn't listen?

Chelsea Clinton. I didn't hear that.

Mr. Jennings. How do they punish you?

The President. How do I punish you when you don't listen?

Chelsea Clinton. I always listen.

The President. Chelsea's a pretty good girl. We don't have much of that. Sometimes we have to—the number one thing we have to do is to make her go to bed earlier. She has a fault that her father has, which is that she would stay up too late at night if I let her do that. So the number one thing we have to do is to make her go to bed earlier.

Mr. Jennings. And one more question for Chelsea.

Q. Is Chelsea single? [*Laughter*]

The President. She better be. [*Laughter*]

Chelsea Clinton. Do you want to keep Socks?

The President. No, you take him.

Mr. Jennings. You're really nice to come by, Chelsea. Thanks very much.

Chelsea Clinton. Thank you very much.

Mr. Jennings. Isn't that nice to have her come by?

All right, now let's get back to you, sir. You got off the hook there for a few minutes.

The President. I loved it.

Health Care Reform

Q. I have a question about health insurance.

Mr. Jennings. Would you speak a little closer to your microphone, Kevin?

Q. I have a big brother named Jason, and he's 17 now and will be graduating high school soon. Will you have a health insurance program in place so that people like my brother and my twin sister can buy health insurance? If so, how will it work? Will we be able to afford it?

The President. Good for you. Is there anything you want to say about Kevin, Peter, before——

Mr. Jennings. Not just yet.

The President. Okay. The answer to your question is we're going to present a program to the Congress. And if they adopt it, then every Americaa will be able to get health insurance, either from the Government or from their place of employment. And they will be able to afford it because, for people with lower incomes, the premiums will be less. But everybody, pretty much, will have to pay something for it. And I think that's important. But we want to make it possible for people all over the country to have some health insurance. There are over 35 million people in America today that don't have any health insurance and many others who can't change their jobs because if they change jobs they would lose it.

Mr. Jennings. On Monday night, when you were speaking—or Wednesday night when you were speaking to the Congress, you ad-libbed; you took off talking about health care as if you think there's no more complicated problem in the country.

The President. It's the most complicated problem I've ever dealt with, but also the most important. I mean, American families, millions of them, are so insecure about their health care. And yet I say again, we're spending 30 percent more than any other country on Earth, and we have less to show for it. We can do better. We have to.

Homelessness

Mr. Jennings. Bernice. You had your hand up there, like, for a week. [*Laughter*]

The President. She wore her arm out, she's been up there so long.

Q. This is a question that refers to what Venus said. You said that instead of—the best way to end homelessness is to—you said to build houses. Well, you don't really need to build any houses, referring to DC and over the U.S., because there are more than 3,000 houses and apartments that are boarded up with no use. Do you plan to fix any of them up?

The President. Yes. I'm sorry, that's the second point I made: that in the places where we have a lot of boarded-up and vacant buildings, I think what we should do is to try to provide some funds to local communities to fix those up first because that's cheaper and quicker.

But we just don't invest as much money as we did 12 years ago. Twelve years ago we were investing more money on building homes for the homeless than we are now. And as I said, I think most Americans are really concerned that so many people—there are people who sleep on the sidewalk within two blocks of the White House every night. And I'd like to see us do something about it, and I think most Americans would. And I agree with you, we should start with the structures that are already there.

Antidrug Program

Q. Governor Clinton, I was just wondering—I come from a drug rehab over in Fort Pierce, Florida, and I was wondering how—why is it that we always spend all this money on the supply of drugs coming in, like trying to cut it down, you know? Like down in Miami, there's a $50 million operation down there that doesn't even work, trying to—like planes that fly in where the cocaine——

The President. Trying to stop the planes from flying in.

Q. Right. What are you going to do about the, like, the demand? How are you going to cut that down? You know, you can never cut down the supply, but you can always cut down the demand. How are you going to do that?

The President. You know that from your own personal experience, don't you?

Mr. Jennings. She does, yes.

The President. I appreciate—you're a brave girl, and I'm glad you're here. And the reason I said that is because my brother is also a recovering drug user. And I believe that's right. And I have a brother-in-law who is a defense lawyer in the drug court in Miami that keeps people out of jail if they'll go into rehab. And I think—I can tell you what we're going to try to do. We're going to try to shift some of the money that used to be spent on excessive expenditures in some kinds of enforcement and do more to do rehab and education and treatment for people because I believe that rehabilitation works.

I think that if we have drug treatment on demand, that is without delay for people who want it, we could cut down on the costs of the courts, we could cut down on a lot of our criminal problems, and we could rescue a lot of young people's lives. We don't invest enough money in that now. So we're trying to change the priorities a little bit to put some more money into rehab.

Health Insurance and Job Retraining

Mr. Jennings. In just a moment, Mr. President, I'd like you to meet Shana because we've done a little bit of filming out where she lives. But before that, I'd like to tell our stations all over the country that President Clinton has agreed to stay on for half an hour more and answer more questions, so we're going to go a half an hour longer. We thank you for that, sir.

Now, let's take a look at how Shana lives. Because I think you probably have as representative a problem in your family as almost anybody here today. Let's look.

[*At this point, a short film was shown in which Shana explained that her parents both have cancer, her mother has been laid off, and her father is worried that he will be, too.*]

Mr. Jennings. So Shana, what's your question?

Q. As you know, my mom was laid off, and my dad presently works for the same aerospace company. And they've both been treated for cancer, but now they're in remission, thank God. And I was just wondering, because due to her history with the cancer, she's having a hard time with finding a job. And I was wondering what your administration can do in regard to paying health coverage with their preexisting illnesses.

Mr. Jennings. One of the things you're doing—excuse me, sir, before you answer—is, you're cutting back on, you want to cut back on jobs in the defense industry, right—or, you'll have to cut back. Which is it?

The President. Can I ask you a question first? Does your mother—is she covered by your father's insurance policy at Rockwell?

Q. No, her own, I think. I'm pretty sure. I'm not sure.

The President. They paid individually, they were covered individually? Let me talk about the health insurance, and then I'd like to talk about your parents' jobs.

One of the changes we want to make in the health insurance system of America is to say that all Americans will be insured in huge, big pools of people, so that there are a large number of people insured. And if one or two of them get cancer, like your mother, that their cost of care will then be spread over a very large number of other people who don't have that problem. That will lower the risk of any insurance policy causing the company to go broke. And it will mean that we can pass a law which says that you can't refuse to hire somebody just because they've been sick before. In other words, I want to pass a law saying that you can't refuse to hire

somebody because they've been sick before, but first I have to make sure that the companies themselves won't go broke if they do it. So we're going to do that.

Now, let me make a comment about your parents' jobs. Your father still works for Rockwell, and your mother used to. We had to reduce the defense budget at the end of the cold war when the Soviet Union broke up because we were spending so much more money on the military than any other country. We had to invest it in other things here at home.

But we need people working in aerospace. There are about—I don't know what kind of lives you all want to have now, but there are about seven or eight major areas of technology which will produce a lot of the high-wage jobs of the future, and aerospace is one of them. The United States has not done a very good job of trying to build up aerospace jobs in nondefense areas. And next week we're going to start on a major effort, working with the Congress, to do that. I'm going out to California and to Washington State where Boeing is headquartered, and they just announced 23,000 layoffs, to talk about this. So we're going to start trying to figure out what we can do to save the jobs in the aerospace industry and maybe to start building them up again.

Spotted Owl Habitat Protection

Mr. Jennings. Oh, my goodness. Go ahead, Elizabeth.

Q. I live in northern California in a town called Hayfork. And we live in the forests. And my Dad, he had a logging business. And he had to shut it down because they're setting aside the forest for the spotted owl. And this is my school yearbook, and I've highlighted the names of the people—of the kids like me whose parents will lose their job because of the spotted owl. And I just wanted to know what you're going to do to try to help people get their jobs back.

The President. Can you all see this?

Mr. Jennings. It was not a set-up, I wish to assure you, Mr. President.

The President. No. Did you all see this, all the yellow names here highlighted? Does anybody else here know what she's talking about, the spotted owl controversy? David, do you understand it?

Q. Yes.

The President. What is it? What's the issue?

Q. Well, the spotted owl's natural habitat in the wildlife is being threatened by loggers who cut down the trees. It's like in the northwest of the United States. It's like—that's a lot of people's living. And they take the trees and produce timber that all of us use every day. And now since the owl's habitat was being threatened, environmental groups got the forest to be set aside as a preserve for the owl. But then when that happened, it hurt a lot of loggers who make their living off of that. So it's kind of a tough situation.

The President. Do you think that's a good description, Elizabeth, of what happened?

Yes? Let me say that in northern California and in Washington and in Oregon in the Pacific Northwest of the United States where Elizabeth lives and where her father works, a lot of people make their living in the forests. Part of the forests are called old-growth forests. They're very, very old trees. And most of the old-growth forest has all been cut down, but a little of it is left. And there's some logging in that. And then, as Elizabeth can tell you, there are forests sort of rimming the old-growth forest where the trees are newer where some of the land is being ordered to be set aside for the spotted owl.

We have a law in the United States called the Endangered Species Law which says that if an animal is placed on that list, then it has to be protected, even if it costs some jobs to protect it. So there's been a big fight going on for the last few years about how much land should be set aside to preserve the spotted owl and how much land should be left alone to log in the forest.

I want to make two points to you. First of all—and let me say, I live in—my State, Arkansas, has—over half the land is covered with timber, so I have a lot of personal friends who make their living the same way your father did. First of all, the problem has been made worse because the United States Government has not come up with a solution. So that as you may know, the courts have stopped logging all over northern California and Washington and Oregon, including some

places where people should be allowed to log. So I have committed myself to organize, along with Vice President Gore, a forest summit. And the Secretary of the Interior, Bruce Babbitt, in particular, is doing a lot of work on that now. We're trying to set up a forest summit out there to bring all the people together to try to come up with the best compromise that will permit us to save not just the spotted owl but this other point I wanted to make is the old-growth forest that remains, and still let people log.

Let me say it to you in another way: We could remove all the restrictions on logging tomorrow and even put more people to work; not only secure your father's business, but we could put more people to work. But then in a few years we'd have no trees at all to log. So the issue is, how can we have a stable logging environment and keep a significant number of people working and still preserve the old-growth forest, and by the way, the spotted owl.

I think we can do a much better job if we can just get this out of the courts and start—there is a lot of land available, that should be available for logging that's been tied up in the courts that our Government does not want to tie up anymore. So what I'm going to try to do is put a group of people together to come out to Washington, Oregon, and northern California and sit down and go through all this and see if we can't resolve it so we can keep the largest number of people working and still preserve the forests.

Q. But the land that they set aside, like there's lots of lightning up where we live, and there's lots of dead trees. And if we don't go in there and cut the dead trees down, it will start a fire and burn it all down.

The President. That's right, there are a lot of problems. I agree with you, there are a lot of practical problems with what has been done. And that's why I want to try to bring, now that there's been a change in the administration, I want to try to bring our people out there and sit down with all the parties involved and try to hammer this out and resolve it. Unfortunately, it's been all tied up in the courts. And a lot of things have been done which should not have been done.

I believe—all I can tell you, is I'm going to do the best I can to preserve the diversity of the forests, the old forests up there, because most of it's already gone, and we can't afford to let it all go and still provide a stable logging environment. As I said, we could build it up, but if we built it up too much, we'd cut all the trees down; and if we shut it down too much, we'll throw everybody out of work. So the question is, we have to find some way to find the right balance, and we're going to try to do it.

Mr. Jennings. We'll stay on the President's case and make sure that you know particularly when the forest summit comes——

The President. Yes, I'd like for you—will you come and bring your parents when we do it?

AIDS

Mr. Jennings. Mr. President, I know you feel the weight of problems in the country in this room, and there's one other person here I'd like to introduce you to and tell you a little bit about his life, because I know he's been wanting very much to ask you a question. His name is Joey. Meet Joey.

[*At this point, a short film was shown in which Joey explained how he contracted AIDS and how his illness has affected his family.*]

Mr. Jennings. So what's your question, Joey?

Q. That President Bush, he took $350 million away from AIDS research. I want to know if you're going to put that back.

Mr. President. Oh yes, and then some. Right now we're working on a bill for the National Institutes of Health that will increase funding for cancer research, for AIDS research, for health research generally. And I think you'll be pleased with that. In addition to that, in this budget that I have presented to Congress, I've asked them to fully fund the Ryan White Health Care Act so that we can deal with the health care costs of people with AIDS and the burdens that it puts on families.

Meanwhile, you hang in there. We'll keep working until we find a cure.

Mr. Jennings. Is that a good answer, Joey?

Q. Yes.

Mr. Jennings. Something else, Mr. President. Joey, do you ever feel discriminated against because you have AIDS?

Q. Not a lot anymore.

Mr. President. You think people are kind of over their fears, irrational fears of it now?

Q. They don't care about it anymore. No, I mean, they care about it, but it's like they're not afraid of people. I hope not.

Mr. Jennings. Okay, thanks, Joey. Thanks for coming.

Foreign Assistance

Q. A lot of people across the world are fighting and killing each other. I want to know if there's anything America can do to stop it?

Mr. President. The answer is, there are some things we can do and some things we can't. Let's just take some specific examples, and then maybe you can ask me some specific examples.

Somalia: a lot of people were fighting and killing each other. Our country led a group of forces, but most of them were Americans, into Somalia. And because the armies weren't big and the weapons weren't great and because a lot of the people wanted us to come there, we were able to stop a lot of the fighting and provide for safety for people.

Bosnia: you saw the young girl in Bosnia. A much tougher problem, because there were more weapons involved, the land is more difficult, the people have been fighting each other there for centuries, except when they have been stopped by government authority there. And we're trying to find ways to increase humanitarian aid to Bosnia and to push for a peace settlement which, if the parties down there will agree, the people who are doing all the killing, we could then come in and help to enforce.

Haiti: a country in our own hemisphere where the elected president was kicked out after he had threatened some of the people in the army and the government in Haiti. We're doing our best to try to stop any repression there and then to restore the elected government there. That might not be as hard for us because it's a smaller population, a smaller army, and because it's right here next to us, and we can do things with and for them.

So it's different in different places. But I think the United States has a responsibility to try to stop that. There are some places a long—I don't know if you saw the religious fighting in India recently—that's a long way from us, and it's very hard for us to have any influence there. So we're doing the best we can. Let me just say, it works better when the United Nations will do it, when other nations will go along with us. And it works better if there is some support for a solution short of war. So I'm going to do what I can to stop the fighting and killing.

Mr. Jennings. I read in the paper this morning, I think, Mr. President, that you are considering making air drops of food to people in Bosnia who can't get it. Do you think you'll go ahead with that?

The President. Actually, after I leave you today I'm going to go discuss it with our aides and consider that as one option. There are a lot of children in Bosnia who now can't get food and medicine because, I don't know if you've been seeing it on the news, but the trucks which have been delivering those supplies have been stopped. So we have an agreement tentatively to try to start the trucks up again, but we may have to go in and drop some aid into them.

Fast Food and Advertisements

Mr. Jennings. We have a question from Georgia.

Q. Hello. Mr. President, when you go to McDonald's, do you have to pay? Do they accept, or do they say you're the President so you don't have to pay?

The President. Usually I pay. I have—in my neighborhood McDonald's at home when I would go running every morning, they would often give me a cup of coffee. But if I go into McDonald's and buy food, I try to pay. I try not to have anybody give me food when I go in a place.

Mr. Jennings. We had a—is Basil here? Where's Basil? Basil, you wanted to say something to the President about junk food, you told me earlier.

Q. I'm Basil Jeheen. I'm vice president of Kids Against Junk Food. President Clinton, I know that you have received some bad press from an occasional trip to a fast food restaurant. My question is, how are you going to protect kids from being bombarded with

junk food advertisements during their TV shows?

Mr. Jennings. Whoo! [*Laughter*]

The President. I'm going to ask Mr. Jennings——

Mr. Jennings. I'm leaving.

The President. I'm going to ask Mr. Jennings not to take any more advertisement from junk food manufacturers.

Let me say, if you look at what the fast food chains—this is not McDonald's—if you look at Burger King, if you look at Wendy's, if you look at Taco Bell—look at a lot of these fast food places, in the last few years, a lot of them have made a real effort to reduce the junk food content of the food they sell. They're offering more lean chicken; they're offering more fish; they're offering more salads and vegetables. I think a lot of the fast food places are trying to increase the nutritional content of what they sell.

Let me just say this: About 40 percent of American food dollars are now spent in fast food places, because so many mothers and fathers work—parents work. And it's very important that you keep the pressure up, through Kids Against Junk Food, to keep the pressure up to say, ''Okay, a lot of people work. They're busy. They have to buy food at fast food places. But increase the nutritional content of the food.'' I think that's what you ought to do, and I think that's the position I ought to take.

Mr. Jennings. Go ahead.

Q. What I mean is, all right, say you're watching a cartoon and something—they interrupt and then they have an advertisement for junk food. I mean, they interrupt what you want to do, like——

The President. Let me tell you what the Government does and can do. The Government can require the people who sell this food to publish on a fairly large sign like the cereals do now what the real nutritional content of the food is and how much stuff that's not so good for you is in it. But right now we don't have the authority to stop it from being advertised at all. Do you think there should be a law saying you can't even advertise junk food?

Q. No. What I mean is there should be a limit. Like so many advertisements per hour, because they just throw in advertisements. And you pay for it, and throw in advertisements.

The President. What you need to do is to write the networks, ABC and CBS and NBC, and maybe all the other smaller networks that advertise, and tell them to reduce advertisements of junk food—limit to a certain number of hours on Saturday morning, especially.

Mr. Jennings. Basil, one of the things—I'll tell you two things. First of all, when you write to a network like that, if enough of you write they listen to you. And the other thing I'll tell you about the President which I think you'll find encouraging, though I hope it wasn't just a political statement, sir—the President very kindly had a number of reporters in the other day to have lunch with him, and he served us broccoli. [*Laughter*]

At any rate, we're going to go to a commercial now, which makes me just little nervous. [*Laughter*] We'll be right back.

[*At this point, the television stations took a commercial break.*]

Support for the President's Program

Mr. Jennings. We have a question from California on the telephone. Go ahead.

Q. I'd like to know, as children, how we can help you achieve your goals you have set?

The President. Oh, thank you, Byron.

Mr. Jennings. Paid political announcement.

The President. Thank you very much. Isn't that nice?

Mr. Jennings. Yes.

The President. Well, I'll tell you what you can do. You can, as a student you can write to your Congressman and to your two Senators and ask them to support the program that I've talked about today. You can try to get your fellow classmates and your schools, your teachers, and others to get in touch with the people in Congress and ask them to vote for this program. And then at home, in your communities, if we pass the program you can try to make sure that we do it right; that we actually spend some of this money, for example, to recover houses for homeless people, or that we put more young people to work in the summertime—that we do these things. But the first thing we've got to do is pass the program. So I would ask you, starting

Monday, try to get your classmates to write your Member of Congress and your Senators and ask them to vote for the program.

Mr. Jennings. On the other hand, they could also write you in the White House and tell you that they think you're wrong so far.

The President. Sure, they could. If you think I'm wrong, write me and tell me that.

Mr. Jennings. Now, a couple of kids who aren't here today but asked me before, which I think is on these kids' mind, are you going to keep your promises?

The President. I'm sure doing my best. The most important thing I can do, I think, is to try to give these young people a future by creating these jobs and dealing with their educational issues, and try to do all the things that I talked about in the campaign. Sometimes circumstances change and you can't do everything you want. I'm not investing as much money as I wanted to in jobs and I'm raising a little more than I wanted to in taxes because the deficit of our country is bigger than I thought it was. But, in general, I'm right on track to try to do what I wanted to do when I ran for President.

Endangered Species

Q. Well, I would like to know what are you going to do to help endangered species?

The President. Well, we were talking about that before, you know, with the spotted owl. There is a law which requires us to protect endangered species and I support the law. I don't want to see it repealed, but I want to see it administered in a way that doesn't throw a large number of Americans out of work. And I think most people feel that way. They feel we ought to have an Endangered Species Act, but there ought to be a procedure to try to have a balance between preserving those species and not hurting families too much. But I support the Endangered Species Act.

Hillary Clinton's Role

Mr. Jennings. Another telephone call. Go ahead.

Q. Do you feel uneasy about Mrs. Clinton taking such an active role in the Government because if something goes wrong both of you would be blamed?

The President. No, I don't feel uneasy about it at all. I think it's a good thing. She is a very able person. This is the first time since we've been married that she hasn't had a full-time job in addition to everything else, that she's got a lot of time. And she wants to be part of my administration. She's the most talented person that I've ever worked with on a lot of the issues that I care about. And I think she'll be great on this health care thing, and if it doesn't work, I'm going to be blamed anyway.

Native Americans

Q. Mr. President, I'm here today as a Lumbee Indian of North Carolina. Yet under the law, I'm not an Indian. What are you going to do to resolve this problem?

The President. Why is that? I don't understand it. You mean you're not a recognized Native American under the law?

Q. Exactly.

The President. Why?

Q. Because the rules and regulations say that if a tribe is not recognized, you're not an Indian.

The President. And why is your tribe not recognized?

Q. They're still trying to prove that we are Indian with the Department of Interior and the BIA process.

Mr. Jennings. Bureau of Indian Affairs.

The President. Yes.

Q. Yes.

The President. You've asked me a question I don't know the answer to. But I'll tell you what I'll do. If you make sure—I guess Peter's got your address—I will put somebody to work on it the first of the week and I'll try to figure out if there is anything we can do. I wish I could answer your question, but I didn't know that there were Native American tribes that hadn't been formally recognized.

Q. Yes, there are lots.

Mr. Jennings. Nor did I. We'll find out for you. Right next to you, Isaac.

The President. Thank you very much.

Teacher Furloughs

Q. President Clinton, what are you going to do about furloughs?

The President. About what?

Q. Furloughs.

The President. You mean from prisons?

Q. No, I mean from teachers getting out of work.

The President. Oh. You mean, teachers being laid off?

Q. Yes.

The President. Well, where do you live?

Q. I live in Washington.

The President. In Washington. This is a problem around the country because a lot of State and local governments haven't had enough money to fund their school budgets. I think you asked me about that, too, earlier.

There is nothing I can do about it directly, because the United States Government, the President and the Congress don't hire teachers; they're all hired at local school district level. But there are two things that I can do to help indirectly. One is to try to get the economy going again, because if people are working, they'll be paying taxes, and the school districts will have more money. That's the most important thing I could do.

The second thing is to try to have the National Government help our schools a little more than they have for the last 12 years, and the budget that I gave to the Congress does ask us to put more money into education. And that should help some of the school districts around the country.

The most important thing I can do is give them a healthy economy, because most of the money to run the school district comes from the local level. It doesn't come here to Washington.

Child Support Enforcement and Tax Reform

Q. Yes. I was just wondering: How can you help the families where there's a mom and she's taking care of a kid or kids, and the father isn't willing or isn't able to pay child support.

Mr. Jennings. And you have about 30 seconds, Mr. President.

The President. If he's not willing, we can have much tougher child support enforcement. I feel very strongly about it, and I've got a good program to strengthen it. If he's not able and the mother is working and taking care of the kids, I think the tax system should actually give the mother money back, if necessary. I think any parent that's working 40 hours a week with children in the home should not live in poverty. I think we should change the tax system so that people who work with children should be lifted out of poverty.

Mr. Jennings. That's a good question, Jordan. In fact, you know where you can watch for something on that? In the confirmation hearings for your new Attorney General.

The President. That's right.

Mr. Jennings. ——because she has quite a reputation in Florida on that particular subject.

We could go on. You've been very gracious to stay the extra half-hour.

Did you enjoy yourselves this morning? Was he good? Yes? He was okay?

The President. I loved it.

Mr. Jennings. Satisfied with all the answers?

The President. No. [*Laughter*] Thank you.

Mr. Jennings. Well, Mr. President, you know as well as I do it's a rare treat for any of us to be able to come in here and to see you. Thank you very much for having us. Thank you all.

The President. You're terrific; our country's in good hands, all of you. I feel good about our future just listening to you.

Mr. Jennings. Have a good weekend, everybody. Thank you very much, and goodbye from the East Room at the White House.

The President. Thank you.

NOTE: The town meeting began at 11:30 a.m. in the East Room at the White House. Peter Jennings, ABC News, was the moderator for the program. During the meeting, Mr. Jennings referred to Stephen Urkel, the character on ABC's television program "Family Matters" played by actor Jalleel White. Prior to the town meeting, the President conducted a brief tour of the White House.

Nomination of Mary Jo Bane To Be Assistant Secretary of Health and Human Services for Children and Families

February 20, 1993

President Clinton announced today that he will nominate Mary Jo Bane, New York

State's Commissioner of Social Services, to the position of Assistant Secretary of Health and Human Services for Children and Families.

Ms. Bane has been with the New York Department of Social Services since April 1992. She had previously served at that department as Executive Deputy Commissioner from 1984 to 1986. In between, she was a professor and Director of the Malcolm Weiner Center for Social Policy at Harvard's Kennedy School of Government.

Ms. Bane has also served as Deputy Assistant Secretary of Education from 1980 to 81, as an associate professor of education at Harvard University Graduate School, and as associate director of the M.I.T.-Harvard Joint Center for Urban Studies. She has also been a volunteer with the Peace Corps, and is the author of many books and articles on welfare and public policy.

Remarks on the Economic Plan in Santa Monica, California

February 21, 1993

The President. Thank you very much, President Moore, and ladies and gentlemen. This is a wonderful welcome on a Sunday afternoon, and I'm very grateful to you.

I was honored to fly out here today with two of your Members of Congress: Congressman Waxman and his wife, I know we're in Henry's district, he's here; Senator Barbara Boxer and her husband down there. And I think we have four or five other Members of Congress here. Where are they all? Here they are, Maxine Waters, Jane Harman, Howard Berman.

We have a lot of your State officials here and mayors. Mayor Bradley, I think is here. He met me at the airport. I resent Mayor Bradley. He looks 10 years younger than me. [*Laughter*] I see a lot of my old friends here, a lot of members of your legislature. If I start introducing people I will never quit. But I do want to say a special word of appreciation to Speaker Willie Brown and Senator Roberti and those who invited me. They sponsored, along with Governor Wilson, that economic summit for California, and they invited me to call in, and I appreciate that. And I am glad to see—I have to say a few things—I see your Lieutenant Governor, Leo McCarthy; and March Fong Yu here, secretary of state; and Gray Davies, your comptroller; Tom Hayden and Diane Watson; and Yvonne Burke. I'm pretty good at this, don't you think? I mean, just for a guy who walked in. And I still think John Garamendi's health care plan may wind up being the model for what we do in the country. It's got a lot to recommend it. Is the Mayor of Santa Monica here? Judy Abdo, stand up here. How are you? And we're in Terry Friedman's district. Is he here? There he is. Marguerite Archie Hudson, is she here? That's right. And we've got a lot of L.A. council members here. I see several here, Zev and others. Now we have—Santa Monica council.

Now, I'm leading up to something here which is that I want to introduce two other people. One is a good friend of mine, someone who helped me with higher education issues in the transition, and one of America's most distinguished educators, Dr. Johnetta Cole, the president of Spelman College is over here. Then I want to introduce someone who sort of played a hobo in my Inaugural gala and who makes me the second most famous person in the room, Mr. Bill Cosby, who just came in over here.

Ladies and gentlemen, I wanted to come out to California, which was so good to me and to Al Gore, a State that did so much to give us a chance to serve and to try to turn our country around, to talk about the economic plan that I have presented to the Congress, the challenge that it presents to the country, and the help that all of us need from you to have any hope of its passage.

I have embraced as my cause the idea that every person in this country ought to be able to live up to the fullest of their God-given potential. If it can happen anywhere, it must happen in California. Unless California is revived, the Nation cannot recover economically. And unless the people who live here in this State, indeed in this county, with all of its multiracial and multiethinic and multireligious implications, unless you can draw strength out of your diversity, the Nation cannot bring strength out of its diversity and out of the challenges we face today.

The problems you have here are familiar to you and, I guess, to the rest of the country. But since we are here in an event that is not only in Santa Monica but that will beam out to the Nation, I think it is worth reaffirming that for so many years California led the country in economic growth and now is having difficulties for some reasons that affect every American.

First of all, for two decades through the administrations of Democratic and Republican Presidents alike, the productivity rate of our country, the output per worker, has been slowing down. And that has led to diminished wages and more and more families being forced to have extra earners just to make ends meet. And some good things have happened. The enrollment at community colleges has exploded, simply because people recognize that they need more skills and they have to keep learning things over and over again. The average age here is now 27. Fifteen years from now I predict to you the average age here will be about 35, just because people will have to keep learning for a lifetime, in a global economy in which what we earned is a function of what we can learn.

But in addition to that, California has been especially hard hit by some other things: by reducing the defense budget, something we all celebrate as a move toward world peace at the end of cold war but something which has led to big dislocations, especially among high-wage factory workers, because our country began a few years ago to reduce defense with no plan to convert our massive human capital from producing instruments of war to using the technologies of peace to clean up the environment and to improve the quality of our lives and to go forward. And so we have to do that. But because we haven't, California suffers today.

California suffers because all big operations in this country, and indeed to some extent throughout the world, are undergoing a massive reorganization. But for the last couple of years, as big companies lay off people, small companies are not hiring because of the credit crunch, the cost of health care, the lack of a market, things that we have to face everywhere but that have been particularly painful here.

Finally, we find that a lot of the areas that are critical to our future, the high technologies of the future, are not being seized by this country because we don't have the partnership we need between the Government, business, and labor to break the barriers of the future. And other countries are doing better.

After I leave this State tomorrow, I'm flying on to Washington State to meet with representatives of Boeing. Boeing just announced laying off 23,000 workers. Now, part of that is defense cuts, but after all, Boeing makes a lot of other kinds of planes, too. And for the last several years, we have stood by while Europe invested $26 billion in taxpayer money to build the airbus to push American people out of work, not because they won any sort of free market competition but because Europe had a theory about how to get high-wage jobs going into the 21st century in aerospace. And we were in the grip of a theory that said, oh, that's industrial policy; we don't do that.

So this whole part of our country, which has been the beacon of hope for decades for Americans, is now under great stress. And the economic problems aggravate the underlying social difficulties that you find in every big city in America: more and more poor people, more and more single parent households, more and more children forgotten and left behind—things that we have to do.

Overhanging all of this is the idea which has dominated our Government for the last 12 years, which is that if we just kept taxes low on the wealthiest Americans and got out of the way, the economy would flourish. Well, what has happened is that because we had a theory of Government nonintervention, the deficit has exploded as taxes were lowered on the wealthiest Americans, but health care costs exploded; interest on the debt exploded; the cost of Government continued to increase, and now I find myself being elected President, knowing we have to invest more in the new technologies of the future, knowing we have to invest more in helping people to convert from a defense base to a domestic economy, knowing we have to invest more in early childhood health problems and early childhood education and the education of our people, and knowing

that we have a huge deficit that is going to be next year $50 billion bigger than we were told during the election. In December, the deficit numbers were revised upward $50 billion a year roughly for every year of my term.

So here is the dilemma: We have to do something no Americans have had to do before. We have to increase investment in our people and our future and reduce our debt at the same time. And to do it, we have to make some difficult choices, some that are more difficult even than I thought during the campaign because the debt has gotten bigger. And yes, those choices carry a pricetag. But if I have one message to you today it is this: The price of doing the same old thing is far higher than the price of change. And that is why we have to have the courage to change.

If we do not change, then the good things that are happening today will not translate into jobs and opportunity for America. Here's something good that is going on today. The productivity of American firms is rising at a rapid rate. All this global competition has forced many millions of our businesses to produce more with less and to generate more wealth. That's good. But it will only really be good if that money is then taken and invested in this country to put people to work or to raise people's wages.

And if we don't do something about the cost of health care, if we don't do something about the productivity of the work force, if we don't do something to make America a better place to invest money to generate jobs, if we don't have incentives that say reinvest your money here and put our people to work, if we don't help people control their health care costs, then all that increased productivity may result in opportunities elsewhere, but it won't result in bringing America back to where it ought to be.

If we don't change, if we just keep on doing what we've been doing for the last 8 or 12 years, by the end of the decade our Government's deficit will be over $650 billion a year. Over 20 cents of every dollar you pay in taxes will go to interest on the debt. About 65 cents of all the money you pay will go to entitlements in health care. The rest will go to defense. And every Member of Congress, all these people that I recognize, they'll be going to Washington to figure out how to spend 3 or 4 cents on the dollar. Because they will be paralyzed because we refused at this moment to face up to our responsibilities to change this country. And I don't think you want that.

If we keep on going like we've been going, by the end of the decade we'll be spending 20 percent of our income on health care, and yet, we'll have over 40 million of our people without any health insurance. We'll be spending twice as much by then as any country on Earth and have so much less to show for it because our Government refused to work with the people of this country to find a solution to the health care crisis. And so I say again, the price of doing the same old thing is a whole lot higher than the price of change.

What I have challenged the Congress, Republicans as well as Democrats, to do, is to join me in this crusade for change. And I said I will set an example. We have to cut spending, raise taxes, and then increase investment, the things that will make people better able to live and grow this economy. We've got to do both: cut spending, raise taxes. And then we have to increase our investment in the things that will grow the economy.

We should begin with the cuts. I set an example. I cut the staff of the White House by 25 percent below what my predecessor had. You know, it's one thing to talk like a conservative, and another thing altogether to live like one. And I'll tell you something, and I believe the White House staff will work better. I believe it will be more efficient. I believe we will serve more people. And I believe we'll be able to do what needs to be done.

We're going to cut $9 billion out of the administrative costs of the Federal Government. We're going to cut subsidies to programs, including some that I like that help people where I came from. I have recommended reducing the interest subsidies, for example, to the rural electric association. And that's something that's tough for me. I grew up in the South where a lot of my folks wouldn't have any electricity if it weren't for the REA. But most everybody's got electricity now, and I think it's fair to say we're

going to cut spending across the board, they should bear a share of that cut.

We're going to eliminate things that don't need to exist anymore, including a third of the Government commissions you're paying for. We celebrated the Bicentennial—listen to this—we celebrate the Bicentennial of the Constitution in 1987, right? Guess what? There's still a Constitutional Bicentennial Commission you're paying for—[*laughter*]—not to mention the Tea Tasters Board. Now, I say that not because there's a lot of money here, but when you add them all up, it's a whole lot of money. Not any one is a lot of money.

We're going to cut some subsidies that I think ought to be cut. For example, the Superfund was held up as the salvation of the American people for environmental cleanup. But if you look at what's happened to it, it's operated as a big tax subsidy to people who have polluted, and yet most of the money in the Superfund is going to lawyers for lawsuits and legal fees instead of to clean up pollution. We're going to make people pay their fair share and use it to clean up pollution.

I'll tell you something else that wasn't easy to meet or ask for. I know it's popular, and it's also the right thing to do under these circumstances, but I've asked all the Federal employees to take a freeze in pay for a year, and then for the next 3 years to have their pay increased by less than the cost of the living allowance they would otherwise get. And that will save billions of dollars.

I have offered 150 specific spending cuts, 150. And these aren't gimmicks. These aren't the kind of things that we used to have where the President will say, ''Well, I just want to cap expenditures, and I'll let the Congress figure out how to distribute the pain.'' These are 150 specific cuts. Now, that's not bad for 4 weeks on the job. I think we can do better. I think we can do better. But I think that what we ought to do is to do better and not talk about doing better. So I have challenged everybody who wants to say to me—everytime I go someplace they say, ''Cut more, tax less.'' I say, ''Tell me where.'' Starting in the Congress, tell me where. I'll be glad to listen.

Audience member. Star Wars.

The President. Everything—everything. We did cut Star Wars quite a lot, as a matter of fact, a whole lot.

I want you to know something else: I will not support a tax increase, even a tax increase, even a tax increase on the wealthiest 1.2 percent of the American people, who are the only people whose rates are being raised, I won't support that until I know we have the spending cuts, too. I don't think anybody should pay more until we cut more.

And I did ask a broad base of the American people to pay a modest energy tax, and I want to talk about that. I did it because the deficit was bigger than I thought and because I knew we had to bring down interest rates, and if we did, it would save money for the American people. And let me just tell you what's happened.

Since the election, just since the election, since it was clear we were going to finally tackle this debt, interest rates have dropped seven-tenths of one percent. If every one of you—I want you to think about it—every one of you who has a variable interest rate on a home mortgage, a car payment, a credit card payment, you're going to make more money in the next year than you'll pay in this energy tax if we can keep the interest rates down. So it's good in the short run but it will also be good in the long run for America.

But I want to talk a little about the energy tax, because that's what most of you will pay. People have been arguing for years that America ought to have a big increase in the gas tax, because we have the lowest gas tax in the world. Then they argue we ought to have a big increase in the carbon tax because we use a lot of coal, and that's polluting.

I concluded that we shouldn't do either one of those because it wouldn't be fair to the American people. A carbon tax would hit those States with high unemployment in the East, like Ohio and West Virginia, where people earn their livings in the coal mines that are around them. We've already got a tough Clean Air Act that's going to require them to pay more, and I didn't think that was fair. And I didn't want a big increase in the gas tax because I didn't think that was fair to people who lived in rural areas or people who had long commuting times and no

options for mass transit. It's great if you live in the city and get on the subway every day, but if you have to drive to and from work and you drive long distances, it can be very burdensome.

So we decided—and I might say I want to compliment him; the Vice President had a lot to do with this decision—that we ought to go with a BTU tax based on the health—excuse me, the heat component, the energy component of natural gas, of oil, and of coal, to spread it broadly across energy sources so that the whole thing would encourage conservation, would encourage renewable resources, would encourage less reliance on foreign oil, and would help us to bring down the debt. I think it is the fairest way to go, and it's a balanced thing to do.

Let me say, having done that, I also believe there are some things we must spend more on, because the only reason for reducing the deficit is not just to prove you can bring it down but because it's better for the people of this country. And if we reduce the deficit, it means we spend more of your money on education and jobs and less paying interest on the debt. And if we reduce the debt, it means that you'll be able to borrow more money privately and at lower interest rates. But we still have to spend some more money, and let me tell you where. The first thing we need to do is to adopt a jumpstart program that I have recommended that will create a half a million jobs in this country to try to take advantage of this economic recovery with new jobs over the next year.

The second thing we need to do is to focus closely on the cities and the problems they have with some specific efforts. And let me just mention a few. Our program will invest more money in the cities, in street projects, park projects, water projects, sewer projects, environmental cleaning projects. It will provide for the young people of this country who live in depressed areas, not just big cities but poor rural areas, 680,000 new summer jobs this summer, something that is needed here.

I am going to challenge the business community to join with me to create more than a million new summer jobs this summer so we won't have to worry about what the kids are doing. If we give them something to say yes to, we won't have to spend so much time telling them to say no to things.

We're also going to do some other things that we know work. There's been a lot of people talking about it. This budget, for the first time, fully funds the Head Start program that gives every child a chance to go to Head Start. It fully funds the nutrition program for women and infant children. It will give us the mechanism to immunize every child in this country against preventable childhood diseases.

Now, there will be those who say, "Well, just don't spend any new money." But let me say, we have been closing the barn door after the cow's out, as we say in my home State, for decades on these problems. You spend $1 on Head Start and WIC, you save $3 down the road in problems kids are going to have. If you spend $1 on childhood immunizations, you save $10 down the road in preventable childhood diseases. You tell me how we can defend having the finest pharmaceutical companies in the world in this country, still the richest on Earth, and yet, only Haiti and Bolivia have lower childhood immunization rates in this hemisphere than the United States. It's inexcusable, and we're going to change it. We can do better.

Education works. And I intend to follow through on my pledge to make college loans available to all Americans based on their ability to repay when they take a job and giving a huge number of Americans the right to earn their way out of their college loan, either before or after they go to college, with national service as police officers or teachers or in community youth programs. These are the kinds of things that can turn this country around.

Let me just mention two other things. The people of our country have elected politicians for years who have always talked tough about crime. It's sort of like being for motherhood and apple pie; you've got to be against crime. And I don't mean to trivialize this; no one is for crime. But there are some things, you know, that work. Drug treatment works. Jobs work. And there are law enforcement strategies that work. And unfortunately, most cities don't have enough money to implement them, because they require you to put police back in the same communities working with

their neighbors. One part of our plan will put another 100,000 police officers on the street in this country over the next 3 to 4 years, and that will make a difference.

There are some things in this plan that will be especially good for this State, one of which is full funding of the Ryan White Act to care for people with AIDS. Another is that we will spend almost $5 billion over the next 4 years retraining workers and reinvesting in communities who have been hurt by defense closings. It's time to stop talking about conversion and start doing something about it.

Last year the Congress—I have to say something to take up for your congressional delegation here—the United States Congress appropriated $1.7 billion for defense conversion, to go into communities that have been hurt, to educate people again who'd lost their jobs, to give communities incentives to find new kinds of peacetime investments to build for a better future. And the administration which preceded me released zero dollars of that $1.7 billion. I just talked to my Budget Director, Leon Panetta, who's up in northern California today, and confirmed that we will shortly release $500 million of that fund, a lot of which will go to the State of California to put people back to work.

Today when I leave you, I'm going to northern California, and tomorrow morning there I will announce a new technology policy. And I don't want to go through all of it now, but just let me say this: One of the things that I'm proudest of about this budget is that we reinvest more money than we cut in defense research in domestic research. We are trying to find answers to the profound environmental difficulties we face today. We believe we can create jobs in saving America's environment and the global environment. We believe they can be created in the most sophisticated research and our most advanced labs that used to worry about how to find new ways to destroy massive populations. And we believe we can create them in the national forests of our country and throughout the land with reforestation projects to clean up the air and put people back to work, and in all manner of ways in between.

I need your support for this program. The Members of Congress can only be expected to do what they think the people back home will stick by them in doing. We've got to cut spending. We've got to increase some taxes. We've got to invest some in America. We need an economic program that really recognizes that we live in a world where the capacity of our people and their ability to work together, their ability to learn new things, their ability to have access to investment capital, and their ability to live together so that they draw strength from one another is the critical element in our future. We cannot continue to go on with the kind of paralysis and division and just ignoring our problems that has ripped us for too long.

Nobody wants to talk about half the things that I tried to deal with in this budget because they're too painful. But if only you worry about what's happening today and tomorrow, you never really look beyond that. And I tell you, this is a historic moment for us. We have an inordinately great opportunity to fashion a whole new future for America if we have the courage to seize it. But let me say to all of you, I want to make two points to every one of you here. And since so many of you here are students here, at least one of these will be preaching to the choir:

Point number one, the President and the Congress, working with the people of this country, can create a framework of opportunity, but that is all. Seizing the opportunity depends upon the individual initiative of people in every community in this country. And making it really work depends upon decisions made by people at the grassroots level. You have to make these things work by taking advantage of them. If we pass these programs, for goodness sakes, seize them; make them work. Rededicate yourselves to the proposition that you'll do your part to solve the problems of your community and your country.

The second point I plead with you to communicate to the Members of the House and the Senate is that you understand you can't just have the sweet parts of this program; you've got to have the tough parts too. You know, if you, for example, are feeling pretty good and you're in a business that's doing pretty well, it's easy for you to say, "Well, the only thing I care about is the budget cuts.

Just let them cut the budgets.'' Or if you're not doing very well, you might say, ''The only thing I care about is the spending increases and taxing those rich folks, because I don't have that kind of money.'' Or if you're sort of in the middle, you might say, ''I like the budget cuts and the taxes, but I don't want the spending. I'd just as soon have the deficit down, and then I wouldn't have to pay the energy taxes.'' In other words, every one of you, if you look just at your own interests, could find one part of this program that is not in your interest today.

So we have to ask ourselves the question I put to the Congress and to you, the American people, on Wednesday night. You can't just say, ''What's in it for me?'' You have to ask, ''What's in it for us?''

Let me close with just this story. I left my wife and my daughter at the White House this morning, and I walked across the lawn to get on the helicopter to come to the plane to come out here, and it was snowing and cold. And I said, boy, am I glad to be in California, when I got off the plane. But at least it was 20 degrees or 30 or whatever it was this morning. But a couple of days ago, I got up in the morning in Chillicothe, Ohio, the first capital of the State of Ohio, and I went running in the city park with the Mayor. It was 3 degrees, 3. But all along the road coming in there, there were hundreds and hundreds of people standing out there in the dark when I'd come in the night before in 3-degree temperature, saying, ''We want our country back. We want our country to work again.''

And then I flew to New York and I had a 50-minute drive to Franklin Roosevelt's home in Hyde Park, New York, where we went to a school that was built during the WPA which is still a functioning school, a beautiful school, proving that work is better than idleness when you can put people to work. And all along the way it was 8 degrees, and all along the way hundreds and hundreds of people along the way with their signs up. They weren't all friendly, but—[*laughter*]—and by the way, that's good, too. That's another thing we've done: People are debating these issues now and at least participating. But 9 out of 10, 9 out of 10 of them were favorable. And there was this incredible sign standing there in the cold. I mean, 8 degrees; we were in single digits and out there on the highway. Nobody was going to stop—these people—and in the middle, there was this one guy on this sign that says, ''Do something. Just do something.'' [*Laughter*] Let's do something, and we'll all win.

God bless you, and thank you.

NOTE: The President spoke at 1:25 p.m. at Santa Monica College. In his remarks, he referred to Richard Moore, president of the college; David Roberti, president pro tempore, California State Senate; Willie Brown, speaker, California State Assembly; Lt. Gov. Leo McCarthy of California; March Fong Yu, California secretary of state; Tom Hayden and Diane Watson, California State senators; Yvonne Burke, former U.S. Representative; John Garamendi, California insurance commissioner; Terry B. Friedman and Marguerite Archie Hudson, California State Assembly representatives; and Zev Yaroslavsky, Los Angeles city councilman.

Remarks and a Question-and-Answer Session With Employees of Silicon Graphics in Mountain View, California

February 22, 1993

The President. First of all, I want to thank you all for the introduction to your wonderful company. I want to thank Ed and Ken. We saw them last night with a number of other of the executives from Silicon Valley, people, many of them with whom I've worked for a good length of time, many of whom the Vice President's known for a long time in connection with his work on supercomputing and other issues.

We came here today for two reasons, and since mostly we just want to listen to you, I'll try to state this briefly. One reason was to pick this setting to announce the implementation of the technology policy we talked about in the campaign, as an expression of what we think the National Government's role is in creating a partnership with the private sector to generate more of these kinds of companies, more technological advances to keep the United States always on the cutting edge of change and to try to make sure

we'll be able to create a lot of good new jobs for the future.

The second reason—can I put that down? We're not ready yet for this. The second reason I wanted to come here is, I think the Government ought to work like you do. And before that can ever happen we have to be able to get the people, the Congress, and the press, who have to interpret all this to the people, to imagine what we're talking about.

I have, for example, the first State government in the country that started a total quality management program in all the departments of government, trying to figure out how we could reinvent the government. And I basically believe my job as President is to try to adjust America in good ways so that we can win in the 21st century, so that we can make change our friend and not our enemy.

Ed said that you plan your new products knowing they'll be obsolete within 12 to 18 months, and you want to be able to replace them. We live in an era of constant change. And America's biggest problem, if you look at it through that lens, is that for too many people change is an enemy, not a friend. I mean, one reason you're all so happy is you found a way to make change your friend, right? Diversity is a strength, not a source of division, right? Change is a way to make money, not throw people out of work, right?

If you decentralize and push decisions made down to the lowest possible level, you enable every employee to live up to the fullest of their ability. By giving them a 6-week break every 4 years, you don't force them to make these sharp divisions between your work life and your private life. It's sort of a seamless web. These are things we need to learn in America and we need to incorporate even into more traditional workplaces.

So I'd like to start—we'll talk about the technology policy later, and the Vice President, who had done so much work, will talk a lot about the details at the end of this meeting. But I just want to start by telling you that one of our missions—in order to make this whole thing work we're going to have to make the Government work differently.

Example: We cut the White House staff by 25 percent to set a standard for cutting inessential spending in the Government. But the work load of the White House is way up. We're getting all-time record telephone calls and letters coming in, and we have to serve our customers, too. Our customers are the people that put us there, and if they have to wait 3 months for an answer to a letter, that's not service.

But when we took office, I walked into the Oval Office—it's supposed to be the nerve center of the United States—and we found Jimmy Carter's telephone system. [*Laughter*] All right. No speaker phone, no conference calls, but anybody in the office could punch the lighted button and listen to the President talk, so that I could have the conference call I didn't want but not the one I did. [*Laughter*]

Then we went down into the basement where we found Lyndon Johnson's switchboard—[*laughter*]—true story—where there were four operators working from early morning till late at night. Literally, when a phone would come and they'd say, "I want to talk to the Vice President's office," they would pick up a little cord and push it into a little hole. [*Laughter*] That's today, right?

We found procedures that were so bureaucratic and cumbersome for procurement that Einstein couldn't figure them out. And all the offices were organized in little closed boxes, just the opposite of what you see.

In our campaign, however, we ran an organization in the Presidential campaign that was very much like this. Most decisions were made in a great big room in morning meetings that we had our senior staff in, but any 20-year-old volunteer who had a good idea could walk right in and say, "Here's my idea." Some of them were very good, and we incorporated them.

And we had a man named Ellis Mottur who helped us to put together our technology policy. He was one of our senior citizens; he was in his fifties. And he said, "I've been writing about high-performance work organizations all my life. And this is the first one I've ever worked in, and it has no organizational chart. I can't figure out what it looks like on paper, but it works."

The Vice President was making fun of me when we were getting ready for the speech I gave Wednesday night to the Congress; it was like making sausage. People were run-

ning in and out saying, ''Put this in, and take this out.'' [*Laughter*] But it worked. You know, it worked.

So I want to hear from you, but I want you to know that we have hired a person at the Office of Management and Budget who has done a lot of work in creating new businesses and turning businesses around, to run the management part of that. We're trying to review all these indictments that have been issued over the last several years about the way the Federal Government is run. But I want you to know that I think a major part of my mission is to literally change the way the National Government works, spends your tax dollars, so that we can invest more and consume less and look toward the future. And that literally will require rethinking everything about the way the Government operates.

The Government operates so much to keep bad things from happening that there's very little energy left in some places to make good things happen. If you spend all your time trying to make sure nothing bad happens, there's very little time and money and human energy left to make good things happen. We're going to try to pare away a lot of that bureaucracy and speed up the decisionmaking process and modernize it. And I know a lot of you can help. Technology is a part of that, but so is organization and empowerment, which is something you've taught us again today. And I thank you very much.

We want to do a question and answer now, and then the Vice President is going to talk in more detail about our technology policy later. But that's what we and Ed agreed to do. He's my boss today; I'm doing what he —[*laughter*]. So I wonder if any of you have a question you want to ask us or a comment you want to make.

Yes, go ahead.

Export Control Policy

Q. Now that Silicon Graphics has entered the supercomputer arena, supercomputers are subject to very stringent and costly export controls. Is part of your agenda to review the export control system, and can industry count on export regulations that will keep pace with technology advances in our changing world?

The Vice President. Let me start off on that. As you may know, the President appointed as the Deputy Secretary of Commerce John Rollwagen, who was the CEO at Cray. And he and Ron Brown, the Secretary of Commerce, have been reviewing a lot of procedures for stimulating U.S. exports around the world. And we're going to be a very export-oriented administration. However, we are also going to keep a close eye on the legitimate concerns that have in the past limited the free export of some technologies that can make a dramatic difference in the ability of a Qadhafi or a Saddam Hussein to develop nuclear weapons or ICBM's.

Now, in some cases in the past, these legitimate concerns have been interpreted and implemented in a way that has frustrated American business unnecessarily. There are, for example, some software packages that are available off the shelf in stores here that are nevertheless prohibited from being exported. And sometimes that's a little bit unrealistic. On the other hand, there are some in business who are understandably so anxious to find new customers that they will not necessarily pay as much attention as they should to what the customer might use this new capacity for. And that's a legitimate role for Government, to say, hold on, the world will be a much more dangerous place if we have 15 or 20 nuclear powers instead of 5 or 6, and if they have ICBM's and so forth.

So it's a balance that has to be struck very carefully. And we're going to have a tough nonproliferation strategy while we promote more exports.

The President. If I might just add to that, the short answer to your question, of course, is yes, we're going to review this. And let me give you one example: Ken told me last night at dinner, he said, ''If we export substantially the same product to the same person, if we have to get one permit to do it, we'll have to get a permit every time we want to do the same thing, over and over again. They always give it to us, but we have to wait 6 months, and it puts us behind the competitive arc.'' Now, that's something that ought to be changed, and we'll try to change that.

We also know that some of our export controls, rules and regulations, are a function of

the realities of the cold war which aren't there anymore. But what the Vice President was trying to say, and he said so well—I just want to reemphasize—our biggest security problem in the future may well be the proliferation of nuclear and nonnuclear, like biological and chemical, weapons of mass destruction to small, by our standards, countries with militant governments who may not care what the damage to their own people could be. So that's something we have to watch very closely.

But apart from that, we want to move this much more quickly, and we'll try to slash a lot of the time delays where we ought to be doing these things.

Scientific Visualization

Q. Mr. President, Mr. Vice President, you've seen scientific visualization in practice here. As a company we're also very interested in ongoing research in high-performance computing and scientific visualization. Can we expect to see a change in the national scientific agenda that includes scientific visualization? Right now I don't see the scientific visualization as being represented, for example, on the FCCSET committee.

The Vice President. It is a good question. One of the people who flew out here with us for this event and for the release of the technology policy in just a few minutes is Dr. Jack Gibbons, who is in the back of the room, the President's science adviser and head of the Office of Science and Technology Policy. And he will be in charge of the FCCSET process. That's an acronym that—what does it stand for, Jack—the Federal Coordinating Council on Science and Engin—what is it?

Jack Gibbons. Federal Coordinating Council for Science, Engineering, and Technology.

The Vice President. Right. And visualization will play a key role in the deliberations of the FCCSET.

We were actually, believe it or not, talking about this a little bit with Dr. Gibbons on the way over here. I had hearings one time where a scientist used sort of technical terms that he then explained. It made an impression on me. He said, "If you tried to describe the human mind in terms applicable to a computer, you'd say we have a low bit rate but high resolution." Meaning—this is one of the few audiences I can use that line with. [*Laughter*]

But he went on to explain what that means. When we try to absorb information bit by bit, we don't have a huge capacity to do it. That's why the telephone company, after extensive studies, decided that seven numbers were the most that we could keep in short-term memory. And then they added three more. [*Laughter*] But if we can see lots of information portrayed visually in a pattern or mosaic, where each bit of data relates to all of the others, we can instantly absorb a lot of information. We can all recognize the Milky Way, for example, even though there are trillions of points of light, stars, and so forth.

And so the idea of incorporating visualization as a key component of this strategy is one that we recognize as very important, and we're going to pursue it.

The President. Let me just add one thing to that. First of all, I told the crowd last night that the Vice President was the only person ever to hold national office in America who knew what the gestalt of the gigabit is. [*Laughter*] But anyway—and now we're going to get some very funny articles out of this. They're going to make fun of us for being policy wonks. [*Laughter*]

Let me say something to sort of take this one step further. This whole visualization movement that you have been a part of in your line of work is going to merge in a very short time with the whole business in traditional education theory called applied academics. We're now finding, with just sort of basic computer work in the elementary schools of our country, dramatic differences in learning curves among people who can see the work they're doing as opposed to people who are supposed to read it. And we're now finding that the IQ's of young people who might take a vocational track in school may not be all that different from kids that would stay in a traditional academic track and wind up at Stanford, but their learning patterns are dramatically different. And there are some people—this is a huge new discovery, basically, that's coming into the whole business of traditional educational theory.

So someday what you're doing here will revolutionize the basic teaching in our schools, starting at kindergarten and going forward, so that the world of work and the world of education will begin to be merged backwards all the way to the beginning. And it's going to be, I think, the most important thing we've ever done and very important for proving that in a diverse population all people can reach very high levels of achievement.

Ed McCracken. The President and Vice President have also come here today to present a new national technology policy for the country. Do you want to——

The President. We'll answer some more questions. I'm going to forego my time and just let him announce the policy, so we can hear some more questions. Got to give the man equal time, I know. [*Laughter*]

Economic Plan

Q. I'd just like to say, I didn't vote for you; I wish I had. [*Laughter*]

The President. I hope you feel that way 4 years from now. [*Laughter*]

Q. Well, that's actually why I'm standing up. I really see a possibility in what you stand for, and I really think this is why you were elected, that you say you stand for change. You said that during your campaign. I think the company believed that. They're counting on you—I'm nervous—and I just want to say we're really, as a country, behind you. I think that's why the statistics are saying that we're willing to have our taxes increased; we're willing to have cuts, because you say you're really going to do it this time and decrease the deficit. I hope to God that you do. We need it not just for this present time, but by your actually fulfilling on this it will make a major change in how we feel about Government; that when Government says they're going to make a difference and they really come through, it will make a huge impact for the future. And I'm really personally behind you all the way. I wish I'd voted for you.

The President. Thank you. I really appreciate that. Let me make one comment in response, if I might. I think it's important, and you can help others understand this, to understand why we have to reduce the deficit, which is something that is normally not done when unemployment is high. And unemployment is still too high. Even though we're in an economic recovery, most of our recovery is due to higher productivity from firms that, in turn, this time are not hiring new people for all kinds of reasons.

And we have to reduce the deficit for two reasons: Number one, we're already spending 15 percent of your tax money just to pay interest on past debt. If we don't change present patterns, we'll be over 20 cents by the year 2000. That's money we should be spending on education and technology in the future.

Number two, the more money we take out of the pool of funds for borrowing, the more expensive it is for companies like this and other companies that have to go into the markets and borrow to borrow. Just since the election, since we made it clear we were going to try to bring the deficit down, long-term interest rates have dropped seven-tenths of one percent. That is a huge savings for everybody that is going to borrow money or that has a variable interest rate on a loan, whether it's a home mortgage or a business loan or a car loan or whatever. That's important.

The second thing we're trying to do that I know you will also appreciate is to shift the balance of the money we do spend more away from consumption toward investment, investments in education, technology, environmental cleanup, and converting from a defense to a domestic economy. One of the bizarre things that happened to us in the eighties is that we increased the deficit first through defense expenses and then through exploding health care costs and increasing interest payments. But we reduced our investments in the future and the things that make us richer.

So those are the changes we're trying to effect. Let me just make one other point. I will not support raising anybody's taxes unless budget cuts also pass.

Foreign Trade

Q. One of the things that Silicon Graphics has been really successful in is selling into the international markets. Approximately 50 percent of our revenues come internation-

ally, including a substantial market in Japan. What types of programs does your administration plan to help the high-growth companies of the nineties sell to the international markets?

The President. Two things. First of all, we intend to try to open new markets and new markets in our region. That is, to keep America growing, I believe high-growth companies are going to have to sell south of the border more. And to do that we have to negotiate trade agreements that will help to raise incomes in those countries even as we are growing. That's why I support, with some extra agreements, the NAFTA agreement and why I hope we can have an agreement with Chile and hope we can have an agreement with other countries like Argentina that are making a serious effort to build market economies: because we want to build new markets for all of you.

With Japan, I think what we have to do is to try to continue to help more companies figure out how to do business there and keep pushing them to open their markets. I don't want to close American markets to Japanese products, but it is the only nation with which we have a persistent and unchanging structural deficit. The product deficit with Japan is not $43 billion, which is our overall trade deficit, it is actually about $60 billion in product, in manufactured production. So we've got a lot of problems we have to work out there.

With Europe, we sometimes are in surplus; we're sometimes in deficit. But it's a floating thing, so it's more or less in balance. With developing nations like Taiwan and Korea, those countries had big surpluses with us, but as they became richer they brought them down, so that we're more or less in balance. We have our biggest trade relationship with Canada, and we're more or less in balance.

So we have to work on this Japanese issue while trying to help more of you get involved. Let me make one final comment on that. I think we should devote more Government resources to helping small and medium-size companies figure out how to trade, because that's what the Germans do with such great success and why they're one of the great exporters of the world. They don't waste a lot of money on the real big companies that have already figured it out, but they have extra efforts for small and medium-size companies to get them to think global from the beginning of their endeavors. And I think we're going to have to do more of that.

The Environment

Q. In addition to concerns about the economy, Silicon Graphics employees are also concerned about the environment. Your economic plan does a great job of promoting R&D investment. Are there any elements that are specifically targeted to promote the application of Silicon Graphics technology to environmental-friendly initiatives such as the electric car or the mag-lev train?

The President. I think I should let the Vice President answer that since it's his consuming passion. And if I do it, his book sales will go up again. [*Laughter*]

We devoted a lot of time and attention to that for two reasons. One is the environment needs it. Secondly, we think it's wonderful economics, because I believe that all these environmental opportunities that are out there for us represent a major chunk of what people who used to be involved in defense technologies could be doing in the future if we're going to maintain a high wage base in America.

So I'd like for the Vice President to talk a little about the specifics that we're working on.

The Vice President. That goal is integrated into the technology plan as one of our key objectives. The Japanese and the Germans are now openly saying that the biggest new market in the history of world business is the market for the new products, technologies, and processes that foster economic progress without environmental destruction.

Some have compared the drive for environmental efficiency to the movement for quality control and the quality revolution in the sixties and seventies. At that time, you know, many companies in the United States felt that the existing level of product quality was more or less ordained by the forces of supply and demand and it couldn't be improved without taking it out of the bottom line. But the Japanese, taking U.S. innovations from Dr. Deming and others, began to

introduce a new theory of product quality and simultaneously improved quality, profits, wages, and productivity.

The environmental challenge now presents us with the same opportunity. By introducing new attention to environmental efficiency at every step along the way, we can simultaneously reduce the impact of all our processes on the environment, improve environmental efficiency, and improve productivity at the same time. We need to set clear, specific goals in the technology policy, in the economic plan.

And you know, both the stimulus package and the investment package focus a great deal on environmental cleanup and environmental innovation. And whereas we've talked a lot about roads and bridges in the past, and they're a big part of this plan also, we're putting relatively more emphasis as well on water lines and sewer lines and water treatment plants and renovating the facilities in the national parks and cleaning up trails, taking kids from inner cities and putting them to work cleaning up trails in national parks, for example, as part of the summer jobs program.

So you'll find when you look at both the technology plan and the economic plan an enormous emphasis on the environment.

The President. Go ahead, sir. They say we have to quit in a minute. I'll take one more question after this.

The Economy

Q. Mr. President, Mr. Vice President, the news stories and articles that the public has access to regarding the budget and the economy are very often confusing and contradictory. I might explain it in the same terms that you used: The information is delivered low bit rate, but the problem is huge and requires the high-res view. So my question is: I wonder if you're using Lyndon Johnson's computer to analyze the budget and the economy, or whether or not you might be open to using some of the things you've seen here to get the bigger picture and also communicate that to us?

The President. Thank you. There are two things I'd like to respond to on that, and I'd like to invite you to help. [*Laughter*] I'd like to invite you to help, and I'd like to invite you to help on two grounds: One is the simple ground of helping to decide which visual images best capture the reality of where we are and where we're going.

Senator Moynihan and I went to Franklin Roosevelt's home in Hyde Park, New York, just a couple of days ago. You may have seen the press on it. And on the way back he said to me that the challenges that we face are different from those that Roosevelt faced but just as profound. Unemployment was higher and America was more devastated when he took office, he said, but everybody knew what the problem was. Therefore, he had a lot of leeway working with the Congress in the beginning to work toward a solution. Now, he said, we are facing severe challenges to a century of economic leadership, and it's not clear to every American exactly what the dimensions of the problem are. The capacity you have to help me help the American people conceptualize this is quite significant: showing the trends in the deficit, showing the trends in the investment, showing how the money is spent now and how we propose to spend it.

The second big problem we have you can see if you look at the front page of USA Today today, which shows a traditional analysis, yesterday's analysis—of the business section—of the economic program. It basically says, "Oh, it will bring unemployment down a little and it will increase economic growth a little if we do this, but not all that much." Now, why is that? That's because traditional economic analysis says that the only way the Government can ever help the economy grow is by spending more money and taxing less. In other words, traditional Keynesian economics: Run a bigger deficit. But we can't do that. The deficit's already so big, I can't run the risk to the long-term stability of this country by going in and doing that.

This analysis doesn't really make a distinction between investment and consumption, doesn't take any account of what we might do with a technology policy or a trade policy to make the economy grow faster, has no way of factoring in what other good things could happen in the private market if you brought long-term interest rates down through the deficit. So you could also help us to reconceptualize this. A lot of the models that

dominate policymaking are yesterday's models, too.

I'll give you just one example. The Japanese had a deficit about as big as ours, and they were increasing spending at 19 percent a year, government spending, back in the early seventies when the oil prices went way up and they were more energy-dependent than we were on foreign oil. And they just decided they had to change it, but they couldn't stop investing. So they had a budget which drew a big distinction, a literal distinction, legal distinction, between investment and consumption, and they embarked on a 10 or 11 year effort to bring the budget into balance. And during that time they increased investment and lowered unemployment and increased growth through the right kind of spending and investment.

And I want to lead in, if I might, and ask the Vice President before we go to give you some of the specifics of this technology policy, by making one more pitch to you about this whole economic plan. This plan has 150 specific budget cuts. And I'm welcome to more. I told the Republican leadership if they had more budget cuts that didn't compromise our economy, if they helped us, I would be glad to embrace them. I'm not hung up about that. But I did pretty good in 4 weeks to find 150, and I'll try to find some more on my own.

It also has the revenue increases that you know about. It also has some spending increases, and there will be debate about that. There will be people who say, ''Well, just don't spend this new money. Don't immunize all the kids. Don't fully fund Head Start. Don't pay for this technology policy. Don't invest in all these environmental cleanup things, and that way you won't have to raise taxes so much.''

The problem is, if you look at the historic spending trends, we are too low on investment and too high on the deficit, and both are problems. And secondly, we've got to have some of these economic cooperations in order to move the economy forward.

So I want you to listen to what the Vice President says in that context. Because what you will hear is, we don't need to do what we think we should do in this area. If we don't, I think we'll be out of competition. People like you will do fine because you've got a good company here, but the country as a whole will fall behind. And you can help on both those points.

So would you proceed?

NOTE: The President spoke at 10 a.m. at Silicon Graphics. In his remarks, he referred to company officers Ed McCracken, founder and president, and Ken Coleman, senior vice president.

At the conclusion of the question-and-answer session, Vice President Al Gore set out the new technology policy as follows:

I want to give you just a few of the details of this technology policy. There will be a printed copy available, and you will be able to see for yourself all of the goals and all of the elements of it.

But I want to start by describing how it fits into the President's economic plan. You know, some of the special interests who oppose the President's plan are saying to the American people, ''Don't pass this plan because everything's fine just the way it is.'' Well, anybody who says everything's fine with our economy hasn't been to California lately. We need some change. We can't stand the status quo.

California has to participate in the recovery in order for America to have a recovery that is worth the name ''recovery,'' so that we can start creating new jobs. And many of the high-skill, high-wage jobs of the future are in technology areas. And that's why a key component of the President's economic plan is the technology policy that we're announcing here today.

It starts with an appreciation of the importance of continuing basic R&D because that's the foundation for all of the exciting products that this company and others like this company come up with. It continues with an emphasis on improving education because in order for companies like this one to survive and prosper in the world economy, we as a nation have to have highly educated, well-trained young men and women coming out of colleges on to campuses like this. You call it a campus, right? That's the term that's very common now.

We also have to pay attention to the financial environment in which companies like this have to exist. In order for this company to attract investors for the kind of products that you are building here, you have got to be able to tell them that the interest rates are not going to be too high if they're borrowing money to invest; you've got to be able to tell them, look, President Clinton is making permanent the R&E tax credit, for example, and there are going to be specific new provisions in the law to encourage investment in high-

risk ventures that are very common in the high-technology area.

And then this plan makes specific investments in something called the national information infrastructure. Now, infrastructure is a five-dollar word that used to describe roads, bridges, water lines, and sewer lines. But if we're going to compete in the 21st century, we have to invest in a new kind of infrastructure.

During the Industrial Revolution, the nations that competed most successfully were often ones that did the best job of building deep-water ports, those that did the best job of putting in good railway systems to carry the coal and the products to the major centers where they were going to be sold and consumed. But now we are seeing a change in the definition of commerce. Technology plays a much more important role. Information plays a much more important role. And one of the things that this plan calls for is the rapid completion of a nationwide network of information super-highways so that the kind of demonstrations that we saw upstairs will be accessible in everybody's home. We want to make it possible for a school child to come home after class and, instead of just playing Nintendo, to plug into a digital library that has color moving graphics that respond interactively to that child's curiosity.

Now, that's not the only reason to have such a network or a national information infrastructure. Think about the importance of software. If we could make it possible for talented young software writers here in Silicon Valley and elsewhere in the United States to sell their latest product by downloading it from their desk into a nationwide network that represented a marketplace with an outlet right there in that person's home or business, we would make it possible for the men and women who are interested in technology jobs here in the United States to really thrive and prosper.

In keeping with one of the questions that was asked earlier about how we can export more into the world marketplace and how we can be more successful in world competition, one way is by making our own domestic market the most challenging, most exciting, with the most exacting standards and levels of quality of any nation in the world. And then we will naturally roll out of our domestic marketplace into the world marketplace and compete successfully with our counterparts everywhere in the world.

Now, there are some other specific elements of this package which you can read for yourself when you see the formal package. Let me just list them very briefly: A permanent extension of the research and experimentation tax credit; completion of the national information infrastructure; specific investments in advanced manufacturing technology. And in response to one of the questions that was asked over here, there is a specific program on high-speed rail to do the work necessary to lay the foundation for a nationwide network of high-speed rail transportation, and a specific project to work cooperatively with the automobile companies in the United States of America to facilitate the more rapid development of a new generation of automobiles that will beat all the world standards and position our automobile industry to dominate the automobile industry of the future in the world.

We also have a specific goal to apply technology to education and training. Dr. Gibbons and others have given a tremendous amount of thought to this because, after all of the dashed hopes and false expectations for computers in schools, ironically, we now have a new generation of educational hardware and software that really can make a revolutionary difference in the classroom, and it's time to use it.

And we are going to save billions of dollars each year part way through this decade with the full implementation of environmental technologies and energy efficiency technologies, starting with Federal buildings. We're going to save a billion dollars a year in 1997 just in the energy costs of Federal buildings around the United States by using off-the-shelf technology that has a 4-year payback on the investment. And then we're going to encourage the use of those technologies around the country, and we're going to invest in the more rapid creation of new generations of that technology.

Now, the other details of this technology program will be available in the handout that's going to be passed out here. And any of you who have ideas on how we can improve it and make better use of technology, we invite you to contact us and let us know how we can improve this program as we go along.

But one final word: The President's economic program is based, as he said, on cutting spending; reducing the deficit over time, including with some revenue increases that are progressive and fair; and also investing in those things which we know will create good, high-wage, high-skill jobs here in the United States. You all are pioneers in a sense, showing how that can be accomplished. We want to make it easier for working men and women throughout this country and other companies to follow your example and to create more jobs in high technology. And that is the focus of this technology policy, which is part of the overall plan to create more jobs for the American people and get our economy moving again.

The White House Press Office also released a summary of the technology initiative.

Remarks in a Telephone Conversation With Larry Villella

February 22, 1993

The President. Larry, it's President Clinton. How are you?

Larry. Great. Nice to talk to you.

The President. It's nice to hear your voice. I just heard about you sending me this $1,000 check on CBS Radio. We just heard it over the radio this morning, and I really appreciate it.

Larry. Okay. I hope that you can use it towards the economy.

The President. Well, I think we can. One of the things that I've asked our staff to do, since citizens are not in the habit of sending money like this, is to see whether we can legally receive it and spend it just the way you want. And I'm going to also see whether or not your suggestion can be carried out in terms of involving other people doing the same thing you did.

But I think it's a remarkable thing for a 14-year-old young American to do. And it's very impressive that you have a business that's so successful that you can afford to do this.

How long have you been doing that?

Larry. I've been doing it for 3 years now.

The President. And do you do it year-round?

Larry. It's pretty much year-round, except during the wintertime we have a few less sales of the sprinkler.

The President. And what's your annual—what's your sales, your volume of sales? How much do you sell every year?

Larry. Well, so far we've sold 3,000, and it's been divided between the 3 years since I'm just starting out.

The President. I think that's pretty good.

Larry. Thank you.

The President. Pretty impressive. What do you want to do when you get out of high school?

Larry. I want to go to college and then medical school.

The President. Do you want to be a doctor?

Larry. I'm hoping to be a cardiologist.

The President. That's great. Well, by the time you can get out of medical school and be a cardiologist the American people will be living much longer, but they'll all be worried about their hearts. There will be a big demand for what you do.

Larry. I hope so.

The President. Well, I certainly hope that I get to meet you sometime. And I'm really, really impressed that you did this. I think you're really a symbol of what's best in this country, and I'm proud of you, and I thank you for doing this. And I'm going to be back in touch with you about exactly what we can do with your money and whether we can adopt your suggestion.

Larry. Okay. Thank you. I'd really like to meet you, too.

The President. That's great. Tell your family hello, and you have a good day, okay?

Larry. Okay. Thank you.

The President. Bye-bye.

Larry. Bye.

NOTE: The President spoke at 12:52 p.m. aboard Air Force One while he was en route to Everett, WA.

Remarks to Boeing Employees in Everett, Washington

February 22, 1993

Thank you very much, Chairman Shrontz, Speaker Foley, Senator Murray, Governor Lowrey, and Member of the congressional delegation, and most of all to the men and women of Boeing. I have looked forward to coming here for a long time. And I guess what I ought to begin by saying is, thank you for Air Force One.

You know, everywhere I go in that airplane, I am the second most important celebrity. People really just want to see the plane. [*Laughter*] And I know I can make all my friends and supporters happy, even my mother, just by taking them on the plane and letting them look at your magnificent work.

You should also know that it enables me on these flights across the country and going across the world to continue to work with a full staff almost as if I had never left the office. And it is a real tribute to all of you, and a magnificent set of planes—you know,

there are two of them. I know a lot of you made them both, so you know that. But I'm grateful to you for that.

I also think you may know, but I should say that after this meeting with you, I'm going to go to another room and meet with a lot of folks who have come here to meet with me and with our national leaders about the health of the airline industry, about the commercial airline companies themselves, and about the airline manufacturers, the chief of which obviously is Boeing, but including other companies as well. So when I leave you, I'm going to go and meet with them for about an hour to talk about where we're going from here.

I want to begin by saying that there's an interesting book, which has been written by a very famous economics writer named Lester Thurow called "Head to Head." And Thurow's argument in this book is—it affects your lives, so I'm going to tell you about it—his argument is that there may be a limited number of highway jobs available over the next 20 years, and that seven major technologies will provide most of the growth in those jobs, a lot of them are, as you might suspect, in the computer and electronics field.

I was just down in Silicon Valley before I came here at a magnificent little company named Silicon Graphics that does some work for you, to talk about a technology policy to accelerate the growth in areas where we're doing well. But one of those seven areas is aeronautics and the manufacturer of airplanes and in the provision of airline services to commercial travelers.

It is indeed ironic that the United States which, for so long has led the world in the production of airplanes and in the development of sophisticated consumer-oriented services through commercial carriers, has had 3 years in which more money has been lost than was made in the previous history of the airline industry. And I can tell you from my study, very little of that is your fault. A lot of it has to do with the fact that other nations follow targeted strategies of partnerships to pierce markets which you had dominated under a free market system but with which you could not compete in Europe's subsidized airbus to the tune of $26 billion, for example.

I want to talk to you today about the whole economic plan, the tough parts as well as the good parts. But I want you to know that one big part of my economic strategy is to try to identify all those areas that can really provide high-wage, high-growth futures for Americans and their families and make sure that we are there, competing and winning, that people have a chance to work and make a living. And we can't begin by giving up on the production of aircraft, which is what we have come dangerously close to doing by sitting by and letting our competitors do things that we did not do to meet the competition. And I believe we can do better. I hope this meeting today is the first step in that regard.

I also want to say a special word of appreciation to the Speaker and to the leaders of Congress. In the next few days, the Congress will produce a bill establishing a national commission on the condition of the airlines industries in America; one that will require the House and the Senate to appoint five members each and the President to appoint five members; and unlike a lot of commissions, will require them to report back within 90 days with a tight time table with a specific set of recommendations to take to the country to preserve and promote the economic health of the industry that you've done so much to make the world's best.

The second thing I want to say is that my trade ambassador, Mickey Kantor, will be closely monitoring the agreement which was made finally last year with regard to limiting European subsidies to airbus to allow a level playing field. We'll be seeking tough new discipline on those subsidies, both in our attempts to get an agreement on the general agreement on trade, as well as the specific aircraft code.

You know, I've seen these agreements made for years. I've seen people promise us they'd do this, that, and the other thing, and then nothing ever happens. And I think you and I know deep in our heart that most of these layoffs—maybe not all, because the airline industry itself has problems which are bleeding back on to you, the commercial carriers—but a lot of these layoffs would not have been announced had it not been for

the $26 billion that the United States sat by and let Europe plow into airbus over the last several years. So we're going to try to change the rules of the game.

I can't promise you overnight miracles. We didn't get into this fix overnight. But I can say that we have to turn the direction of this country around, and we need a commitment, not to shield ourselves from competition but to reward ourselves when we fairly compete and win.

We need a commitment to meet the competition around the world in a global economy in which the things that really pay off are high levels of education and skills, high levels of investment in appropriate technologies, a very close amount of cooperation within each workplace among workers and between workers and management, and in the national sense between Government and business and labor. The countries which do that win; those which don't are punished. And we can no longer afford to wait for 10 years while someone does something to us that we do not respond to. And I want to turn that around, not with overnight miracles but with a disciplined approach to put the American people and their economic future first in the policymaking of the United States Government. It's your country, and I'm doing my best to give it back to you.

I ask each of you to express to your Congressmen and your Senators support for the national economic plan which I announced to the Congress on last Wednesday. It is a plan which seeks to do two things that we've never done in the history of America before at the same time. It seeks to reduce this awful Government debt and to increase investment in our future at the same time. And it's hard to cut your debts and increase your investment at the same time. It's hard if you're Boeing. It's hard if you're the United States Government.

But we have no choice, because in the last 12 years, we have quadrupled the debt of the Government, which means we're spending 15 cents of every dollar you give us in taxes right now just paying interest on yesterday's debt, 15 cents of every dollar you pay in taxes that we can't put into an investment incentive for an airline company, for an education for your children, for better health care for America.

It also means we're taking so much money out of the pool of money available that if Boeing or a small business or somebody wanting to buy a car or a home has to borrow money, their interest rates are higher than they otherwise would be. So we've got to bring the debt down, but we also have to look over the last 12 years. Your country has reduced its investment while our competitors have increased their investments in critical areas of education and training and new technologies and in building the kinds of things that put people to work and make a country rich. So to do it, we have to cut spending, raise some more tax money, and target some new investments, not in consuming things but in things that will build jobs and incomes in the years ahead.

I have offered the Congress in good faith an honest spending cut program with 150 specific reductions in spending cuts, including a 25 percent cut in my own staff, the biggest, as far as I can tell, in the history of the Republic, certainly in the 20th century, and a $9 billion cut in the administrative costs to the Federal Government, and asking the Federal employees who work for you to have a pay freeze this year and to have their pay go up at less than the rate of inflation for the next 3 years, which will save that much again. We are cutting spending where we can.

I have also made it clear that I don't want to raise one penny of tax dollars until I know those cuts are in effect. We shouldn't raise money until we cut spending. We should do them together.

Seventy percent of the burden of this tax program will fall on people whose taxable income, not net income, taxable income is above $100,000. But some of it will fall on people with incomes of between $30,000 and $100,000, and I want to level with you about that. For years there have been those who say we ought to reduce the deficit by raising the gas tax a whole lot. That's fine if you live in the city and ride mass transit to work. It's not so good if you live in the country and drive yourself to work. There are a lot of working people in America today that have

no access to mass transit and can't carpool; so I rejected a big gas tax.

Then there were people who said, ''Well, the best thing to do environmentally is to tax carbon.'' That's a funny way of saying coal. The problem with that is, there's a lot of people just like you in Pennsylvania and West Virginia and places like that who make their livings in and around the coal mines. And it didn't seem fair to me to put such a burden on them that they would be in trouble.

So we decided to pick what seems to be the environmentally best thing that doesn't hurt so many people, and that is a tax on the energy capacity of all forms of fuel, of gas and oil and coal, called a BTU tax, which amounts to about 2 cents on a gallon of gasoline, and will cost the average family with an income of $50,000 about 15 bucks a month at the outside if they have a family of four and drive a lot. And I think that is a fair way to go.

I didn't want to even do that, but after the election I was told that the Government deficit was going to be about $50 billion a year bigger than we had been told before the election. And so my choice was not to ask for an additional contribution from the middle class, let the deficit get out of hand, and have your interest rates go up, or try to deal with this debt and try to face the fact that we need to invest some more money too. I hope you'll support that.

But I also hope you will support spending some more money in the areas that will create jobs. And let me just mention two or three. This plan contains tax incentives to business and direct investments in things like roads and environmental cleanup and airport construction that will create a half a million jobs in the next year and a half. This plan contains $8 billion in new investments in aeronautics, in technology, in research and development, the development of new products over the next 5 years. It contains a major new general technology initiative that the Vice President and I announced today in Silicon Valley to create high-wage jobs. It contains $9 billion in new investments in high-tech products all across the Government, including the attempt to develop an environmentally clean car and new high speed rail technology that could dramatically alter the economics of living on the Pacific Rim of our country. It contains new incentives to businesses to create jobs and especially to small business.

Let me tell you that all the big companies in the country together reduced jobs all during the 1980's, but little companies created more jobs than big companies lost until about 2 years ago when the cost of health care, the unavailability of credit, and the decline of the economy stopped small business in its tracks. So we have to not only help big manufacturing operations; we've got to have a climate where people can start small businesses and keep them going. Because we know that even if we do very well in the aerospace industry, for example, there will be other very big companies that will have to downsize and restructure. And we've got to do something for small business to try to help them to go and to grow.

These things are very important. And let me say one other thing that affects Boeing, at least a little bit, and that is we propose to put a lot more money into the space program, but to restructure it so that we not only have a space station but we also have a lot of new investments in other kinds of aeronautics research that will generate even more jobs in America in the years ahead. And we've proposed to spend more money on domestic research and development than we reduce in defense research and development.

These are the things that made your company great, and these are the kinds of things that will make America great again. And so I ask you to support not just the spending cuts, the revenue increases, and the deficit reduction but also these very targeted investments in our future.

I also ask you to support immunizing every child before the age of 2 in America, for a change, Head Start for the kids that need it, and making college loans available to all middle class, as well as low-income people, and letting them pay those loans off as a percentage of their income.

Now, a lot of people will say—there's a lot of ways you can debate this—a lot of people will say, I didn't cut spending enough. To them, I say give me more spending cuts. I've just been there 4 weeks, and I'm sure there are more, and I'll find more. Then

there will be those that say we cut too much. Some will say we didn't raise enough money. Some will say we've raised too much. And then some will say you shouldn't spend any new money.

But remember what I said: A country now is like a big company in the global economy. If you don't invest in the right things, you don't grow. So we not only have to reduce this deficit; we've got to turn our spending priorities on their head. We've got to invest more and consume less so the country can grow, just like you want this company to grow.

I believe with all my heart that the years ahead can still be the best years this country ever had. But you know what you're going through now. Just look at it. We are living in a world where change is the law of life, where the average 18-year-old will change work eight times in a lifetime. And we will be judged harshly by our children if we permit the kinds of things to go on that are happening today, which make change our enemy and not our friend.

My whole goal in this economic program is to try to change the priorities of this country so people can pursue what the Founding Fathers wanted, life, liberty, the pursuit of happiness, by making change our friend. I can't promise you and no politician can, to repeal the laws of global competition. I can't promise you that you won't have to work not only harder but smarter than ever before. Nobody can do that.

But I think you know that your Government has been inadequate to the task of preparing you to win if you play by the rules, if you do your part, if you're highly productive. That's my job. That's what this plan's designed to do. I hope you will support it. I think it will secure the American dream for you and your children.

Thank you very much, and God bless you all.

[*At this point, the President was presented a gift.*]

Thank you.

I want to say two things. First of all, it was very diplomatic of you not to give me a bigger shirt than you gave Vice President Gore. [*Laughter*] And secondly, I don't think anyone who sees me running in this will really believe I'm about to fly. [*Laughter*] But I will wear it and enjoy it every day.

Thank you very much.

NOTE: The President spoke at 2:02 p.m. in Hanger 40–23 at Boeing. In his remarks, he referred to Frank Schrontz, president and chief executive officer of Boeing.

Announcement of Nomination for 21 Sub-Cabinet Posts

February 22, 1993

President Clinton today announced his nomination of an Under Secretary of Policy at the Department of Defense along with his intention to nominate 20 other men and women for sub-Cabinet posts in the Departments of Defense, Energy, Health and Human Services, Interior, Labor, and Treasury.

The list of those individuals announced today follows:

Department of Defense

John Deutch, Under Secretary for Acquisition

Frank Wisner, Under Secretary for Policy (nominated)

Department of Energy

Thomas P. Grumbly, Assistant Secretary for Environmental Restoration and Management

Susan Fallows Tierney, Assistant Secretary for Domestic and International Energy Policy

Department of Health and Human Services

Walter Broadnax, Deputy Secretary

David Ellwood, Assistant Secretary for Planning and Evaluation

Jerry Klepner, Assistant Secretary for Legislation

Avis LaVelle, Assistant Secretary for Public Affairs

Harriet Raab, General Counsel

Fernando Torres-Gil, Commissioner on Aging

Department of the Interior

Robert Armstrong, Assistant Secretary for Land and Mineral Management
Jim Baca, Director, Bureau of Land Management
Bonnie Cohen, Assistant Secretary for Policy, Management and Budget
George Frampton, Assistant Secretary for Fish and Wildlife and Parks
John Leshy, Solicitor
Elizabeth Rieke, Assistant Secretary for Water and Science
Leslie Turner, Assistant Secretary for Territorial and International Affairs

Department of Labor

Geri Palast, Assistant Secretary for Congressional and Intergovernmental Relations
Thomas Williamson, Jr., Solicitor

Department of the Treasury

Peggy Richardson, Commissioner of the Internal Revenue Service
Jeffrey Shafer, Assistant Secretary for International Affairs

Remarks to the National Business Action Rally of the U.S. Chamber of Commerce

February 23, 1993

Thank you very much. Chairman Gorr, President Lesher, Vice Chairman Marcil, ladies and gentlemen, I thank you for that warm welcome. And I welcome you to your Nation's Capital and to this magnificent old hall.

I was glad to be here early enough to hear at least some of the Marine Band warming you up. That should put us all in a better frame of mind.

I thank you all for your concern for your country and for the contribution you make every year and every day to make America work. I want to say a special word of appreciation for the people from my native State who even hung a sign up there so I could find them.

As you know, if you've been following the news, I have been out on the road discussing with the American people the economic plan I have presented to the Congress. Yesterday I had a particularly amazing day, seeing everything that is best about our economy and some of the most profound challenges we face. I began at an interesting firm called Silicon Graphics in California's Silicon Valley, where I spent a goodly amount of time visiting with the employees and watching what they do.

The Vice President and I went there to outline our technology policy. But afterward we just talked to the employees and listened to them. I was amazed to see that this company, as so many others in this country, has really succeeded in making the changes going on in our world friendly to the company, its employees, its owners, and its customers, not the enemy. As I have said so many times across this country, I think one of my primary jobs as President now is to try to figure out a way to make these turning changes in the global environment our friend and not our enemy.

Silicon Graphics have unleashed the creative energy of their most talented people. They've made a strength of the diversity that is so prominent throughout the State of California. They reduced bureaucracy to make it virtually nonexistent, pushed decisions down to the lowest level, and succeeded in creating products that are displaced every 12 to 18 months with their own products.

Then I flew up to Washington to meet with the employees at the Boeing Corporation, our Nation's largest exporter, a company that, as you know, is in some trouble now. It just announced 23,000 layoffs. And after I met with several thousand of the employees there, I had an hour private meeting with the heads of all the major American airplane companies: with Boeing, then with McDonnell-Douglas, with Pratt-Whitney, those who manufacture the airplanes and the component parts that are an important part of our economy.

They're facing some very tough competition. They have some structural problems in the market here, and I think have been subjected to some fairly unfair competition abroad, principally from airbus, a consortium of European efforts that has benefited from

$26 billion in direct Government subsidies in the last year few years.

I spent a lot of my adult life dealing with large organizations in times of challenge and change. I had the great privilege to be Governor of my State for a dozen years. And I have acquired an enormous respect for people in the private sector and what they've had to cope with in this country over the last 12 to 15 years, some of you over the last 20 years, as we have moved inexorably into a very different global economy.

I came here today to ask for your support for my economic plan to take this country in a new direction because I believe it will make business more competitive and workers more productive and will help us to deal with some of the principal problems that we have faced over the last several years: high levels of unemployment periodically, stagnant wages among workers, lower levels of overall productivity than many of our major competitors.

In the news today, there are things which are good news. We know that in the last quarter, American productivity jumped to almost a 20-year high as more and more American businesses have come to grips with the challenges they face. We know that the housing markets are beginning to pick up, and that's good news. We know that in the last 2 months of the last quarter, consumer confidence took a big jump, and that's good news.

But we also know that there are still very serious problems in this economy with creating new jobs, serious problems with stagnant incomes, and enormous problems that have led to dampening the growth of new jobs in the small business sector. The restructuring of big business, which has been going on now for more than a decade, led to a reduction in employment in every year of the 1980's in larger businesses. But in most of that decade, the reduction in employment in big business was more than offset by the creation of new jobs in small businesses. In the last couple of years, that trend has not been able to continue.

There are lots of reasons why. Clearly, the exploding cost of health care is one. The credit crunch that exists in much of our country is another, and we're trying to address that. And there are many other reasons. But it is plain that the lack of a clear national economic strategy to deal with our long-term problems has played a central role.

My goal in this economic program is to follow a strategy which will, short- and long-term, increase jobs, increase incomes, and increase productivity. That means, in my judgment, we have to increase investment, both public and private; we have to do more to educate and train our people so that they can produce at high levels; we have to take far better advantage of technology in the world, especially in the commercial sector.

In the 1980's, the most successful industrial strategy we had was our defense budget which kept our lead in international defense technologies while we were losing our lead in many commercial technologies.

We have to have a strategy for preserving our environment that makes that an engine of economic growth, not a burden on business and a drag on the economy. We have to reduce our inordinate Government deficit. We have to deal with the health care crisis. And we have to change the way Government operates and relates to the private sector in very fundamental ways.

There has not been a serious reexamination of the structure, the role, and the function of the Federal Government in some sort of comprehensive way in a generation. And because we have guaranteed claim on revenues and guaranteed claim on some customers, we have not been under the same pressures that many of you have to undergo, the kind of searching reexamination that the international economy has imposed on all of you. And I am committed to doing that.

I ask you before we get into the details to look at just two things: First of all, if we do not think to change the fundamental pattern of the way your National Government works, if we just keep on doing what we've been doing and argue around the edges, the Republicans winning a little here, the Democrats winning a little there, everybody chipping around, but basically we keep on the same course, here is what will happen. By the end of the decade the annual deficit will be $653 billion. About 22 cents of every dollar you pay to the United States Government will go to pay interest on past debt. We'll

be up to about 60 cents on entitlements by then because of the exploding cost of health care and more people retiring. We will be spending a certain amount of money that we have to spend on the national defense, and people in the Congress will come to this city having made great campaign commitments to all of you out in the country and without regard to their party, they'll be arguing over how they're going to spend 3 or 4 cents on the dollar because we will be paralyzed in the expenditure of the public money, and we'll have less money to spend on investment in our future.

We'll be spending 20 percent of the gross national product on health care. And no other country, if present trends continue, will be above 10, which means every productive enterprise in the country will be spotting its international competitors 10 cents on the dollar in health care alone. If we continue the present patterns, that is what we have to look forward to.

We have no alternative but to change. We should begin with a program that increases public investment in technology and education and in people and bring this deficit down at the same time. That's hard to do. This country has never tried to do that before. We've had times past when times were good and the deficit was brought down. And in times past when things were tough, the deficit has been increased to increase investment. Our Nation has never before tried to increase investment and reduce the debt at the same time. It is not easy to do.

I have offered a plan to do that that cuts spending with real specific cuts, not rhetoric about overall caps; with tax increases that I believe are progressive, although none are free of pain; and with targeted, specific investments to grow this economy.

Now, already we're beginning to see some impact. Just since the election, since the Secretary of the Treasury and other people on our economic team and the President have been able to send clear signals to the market that we are going to bring down this deficit, there has been a seven-tenths of one percent drop in long-term interest rates.

Just yesterday, due to increased confidence in the plan in the bond market, long-term interest rates fell to a 16-year low. As a result, over the last several days mortgage rates have begun another significant decline. The serious drop in interest rates is already providing a major stimulus to economic growth and major savings to millions of American families.

As interest rates fall more people will be able to save money on business loans, home loans, car loans, credit card transactions; all these things will free up cash to get the economy moving again. If we do it right and deliberately, the vast majority of Americans will save more money on lower interest rates than they will pay in the higher energy tax. Many businesses will save more money on lower interest rates than they will pay in the other tax increases. By increasing the pool of available investments through debt reduction, we can free up tax money away from interest on the debt to invest in education in our future, and we can free up major sources of funds in the private sector.

We have to do this together. The reason the debt portion of the package is important is that many of the changes which happen in America that are good, by definition, have to happen outside Washington. Generations of experience has taught us that the private sector functions best when the Government supports it but does not direct it; frames environment but does not intrude upon it; when the climate is stable and sustaining but when you can create jobs and grow the economy through your own enterprise.

For many years I was charged with being the chief advocate for the business community of my State. I went around the world trying to sell our products and increase investment in our State. We worked on a long-term strategy under the most difficult imaginable circumstances. When I took office in 1983, our unemployment rate was in double digits and most of our counties had unemployment rates not only in double digits but in the high unemployment counties in the State we had several counties with unemployment rates in excess of 20 percent. And we set about to increase investment, increase competitiveness, improve the education and training of our work force. Last year we ranked second in the country in job growth, and for the last 5 years have been in the top

10, not because of anything I did but because of what we did.

There has to be a clear partnership here that empowers the private sector to grow jobs by having the right kind of environment, the right kind of incentives, and the right kind of long-term commitments. This is the sort of commitment that I seek to bring to the Nation with this national economic program.

I think it is impossible to underestimate the importance of any particular element although there are those who will. If we don't reduce the deficit, long-term interest rates don't go down, and the Government spends more of your money paying interest. If we don't cut spending, the deficit reduction package has no credibility. And besides that, a lot of this spending really needs to be cut. If we don't raise some revenues, we won't really cut the deficit as much as we should. And if we don't have some targeted investments, we will ignore the fact for the last 12 years, while other countries have been putting more into infrastructure, into technology, and into education and training, relative to the efforts of our competitors, we have been declining. And in absolute dollars, our Federal effort has declined in many critical areas.

So I would argue that we need a comprehensive approach. But let me be clear again: This administration understands clearly that the private sector is the central engine of economic growth. I have tried to put together a plan that will enable you to succeed.

I hope that this plan and this speech, frankly, is just the beginning of a continuing dialog between us. I don't accept the conventional wisdom that a President has about 6 months, and after that everybody's running for reelection and everything's over and the political climate takes over. The truth is that we have been going in a certain direction economically for 2 decades, and we have been in the grip of a partisan and interest-dominated gridlock for a long time, and it is not going to turn around overnight. And a lot of the things that I have to do here with our business cannot be done overnight. And so we need a dialog, a set of continuous changes.

If it is true that business has to manage change on a constant basis, surely it must also be true of Government. We can no longer afford the luxury of being told that the President has a year to work and after that everybody just waits around until the next election. That is a highly unproductive way to spend your money. And I believe we can do better.

Every one of you who's ever run any sort of enterprise knows that there comes a time in the life of any organization when the person in charge has to face facts and change or just let the thing drift into decline, maybe sudden loss. I sought this office because I became convinced that the classic American idea of progress, the idea that if we worked hard, played by the rules, made the necessary adjustments, we'd all do a little better, and we could certainly leave a better life to our children. And that idea had been imperiled by our failure to face many of the fundamental realities about which I have already spoken.

Our Government has responsibilities which have been too long neglected: to run a balanced economy, to invest in our people, to support business ability, to create wealth. In this city, people are very good at blaming one another for who did the wrong thing and pointing the finger at one another, but we've not been very good in the last few years at forgetting about blame and assuming responsibility.

Last Wednesday when I gave my State of the Union speech to Congress, I said to the Republicans and the Democrats in the audience, and I say to you, that I don't much care anymore whose fault our problems are. I do think we should all be willing to assume responsibility for improving the situation. And if it gets better, I could care less who gets credit for it. But the time has come to go to work.

I think that, to be fair, before I ask any of you to change anything, I need to set an example with the Federal Government. Let me begin by saying there are an awful lot of good people who work for you everyday in the Federal Government, people of astonishing dedication. And like any other business, there are a lot of people who are out there in the Federal Government who know a lot more than I do about what we could do to change it, to save you money, and to

make it work. But as an institution, our system has become too large, too slow, too unresponsive.

The Government accepts, even when it's doing things that you would all agree with, is often locked into a style of management and outmoded priorities on spending and regulation and rulemaking that hamper even the best of intentions. Really, if this Government were a business, it would have gone under a long time ago. And again I say, not because of the people working here—most of the people who work for you decided to do this because they love their country, and they believe in public service—but because we have simply not been forced to undergo the discipline of reexamining how we do our business.

And so it is time to take stock of Government, not just from the point of view of cutting but from the point of view of how it can be made to work. We have to look through every program and ask if it works. I've said this before, but I'll say it to you in case any of you missed it, I felt enormous sympathy for all my predecessors when I walked into the Oval Office and found that I had Jimmy Carter's phone system operating with Lyndon Johnson's switchboard. [*Laughter*] It was a metaphor for how business is done: when you call into the White House, there's someone actually there picking up a wire and hooking it into the extension. [*Laughter*] And I might say, they're some of the most valuable people we have, because they do something that every modern organization needs: They can find anybody in the country when they need to. [*Laughter*] And we certainly need those operators to do that. But the point is that that really is a metaphor for the fact that Government often feels that it doesn't need to reexamine it.

I found that I could not have a conference call as the President of the United States in the Oval Office—[*Laughter*]—except for one: anybody in the central office who wanted to hear what I was saying could punch the lighted button and listen. [*Laughter*] We also found, interestingly enough, that while it cost money to change the technology on telephones, we were actually spending more money than we should be on monthly service charges and operating charges because we had an antiquated system. It was amazing.

Well, anyway, I think the Government has to set an example. So I have submitted to the Congress a budget that, in the coming fiscal year, will cut the White House staff by 25 percent below what it was when my predecessor left office, and not only cutting it but reorganizing it so that it will function better. We'll have a smaller drug policy office with more influence and more impact. We'll have an Economic Policy Council for only the second time in our country's history to go with the Domestic Policy Council and the National Security Council so that we can bring all the people who have an influence on economic policy together and focus on every aspect of it so that the right hand knows what the left hand is doing, and so that, hopefully, we can do a better job of anticipating the real consequences of any decisions which are made.

I've also asked the Congress to cancel next year's pay raise for Federal employees and to reduce their raises in each of the following 3 years, not because I want to hurt those people—they make this Government go—but because we have to tighten our belts before we ask Americans to tighten theirs.

I have submitted a budget that reduces the administrative costs of every Federal Agency in the next 4 years by 3 percent, 3 percent, 3 percent, and 5 percent, a total of 14; and which will reduce by attrition, not by firing, the Federal work payroll by 100,000, for savings in excess of $9 billion.

I was pleased the other night when I went up to the Congress to deliver my talk that the leadership told me they were going to reduce the staffs of Congress by the same amount that we reduced the administrative budget of the Federal Government, which is a real change and a welcome one.

We have also tried to reduce a lot of the executive perks to set an example. A lot of our Secretaries are now eating in the dining room with their employees, and they're finding they're learning more during the lunch hour about how we can improve the Agency than they could have in all the meetings that have been scheduled.

But these things are the tip of the iceberg. We have really got to find a way to reinvent

the way the Government works, to bring modern technology and modern management practices to the workplace, to speed the flow of information, streamline decisions, and empower people at the grassroots level. I want you to be able to look at your National Government a couple of years from now as a model for customer service, not a bureaucratic monstrosity.

As an indication of that commitment, I have appointed as the Deputy Director of the Office of Management and Budget for Management, my friend Phil Lader, a remarkable businessman from South Carolina, who understands these concepts and will be able for the first time to make the management part of the Office of Management and Budget as important as the budget part. It's not just important to cut the spending; it's important that whatever you give us we spend right. And I think we can.

Let me just give you one example. We have contributed an inordinate amount of money to the Superfund to clean up sites which need to be cleaned up. The money is being used to pay lawyers' fees instead to clean up the sites. We might as well have just have been crass and said, ''We don't care about the environmental consequences. We're not going to raise this money. We're not going to have a fund.'' Then we could pat ourselves on the back and say, ''We're really concerned about this environmental problem of toxic waste sites, and so we raised the Superfund.'' Except the Fund's not being spent to clean up the sites. We're going to find a way to spend that money cleaning up pollution not paying for lawyers. That's the kind of thing we have to do if we're going to run this Government right.

There are also 150 very specific budget cuts in this budget. And to people who say to me, ''Well, you ought to be able to find more, ''I say, ''that's right, but there's 150 I found in 4 weeks that haven't been there in 12 years.'' So I feel that we're doing pretty good.

I'm more than happy to do more. But since the first budget President Reagan submitted in 1981, which did have a lot of very specific budget cuts, this budget is the one that has the most specific cuts. Not saying to the Congress, ''Well, lets put a cap on this or a lid on that and you all figure out how to distribute the pain,'' but saying, ''I'll take responsibility for angering these constituencies by cutting this spending.''

Can we do more? Of course we can. But we had to get off to a fast start. And I have made a good-faith offer to Republicans as well as Democrats, and to the Congress, and to people around the country to talk about how we can do that. It is very, very important.

The second thing I want to say to you, however, is that there is a big structural deficit which it is difficult to overcome by budget cuts alone, for this reason: Every year we grant cost-of-living increases to people on Social Security, and we should. There is a surplus in the Social Security tax fund which is being used to make the deficit look smaller. And that is very hard on small business in America, by the way, that we finance so much of our Government through the payroll tax. We'll need those payroll taxes later, but not now.

We have increases in health care for the same reasons you do, that is, the cost of health care is rising faster than the rate of inflation. That drives up the cost of Medicare for the elderly and Medicaid for low-income people.

And then we have another problem aggravated by the flaws in our system, which is that every month in this country 100,000 Americans lose their health insurance and some of them are eligible for the Medicaid programs for the working poor. So our costs go up as private sector folks can't afford to cover people with health insurance anymore, and they get pushed onto the Government payroll. So those increases occur and will continue to occur until we reform structurally the health care system. And I'll come back to that in a moment. So those increases are there.

Then there are some programs that I think are quite central to our economy that require us to continue to fund them. Many are controversial with those who don't benefit from them, but I believe in some of them. I'll tell you a couple I believe in. I think that we should continue to fund the superconducting super collider because I think it's good science, even though it's expensive. We are going to create a lot of jobs in the future

through investments in technology and science.

I believe that we cannot afford the space station design we have been operating on. And it hasn't been properly funded for years, and it's having huge costs overruns. But I think there should be a space station program that supports our shuttle program and supports the kinds of technological benefits that space has produced for the American economy here down on the ground over the last several years. And so I will support that, though we will not increase that spending as rapidly as it would take to support the old design. But we will do enough to keep all the people that are working, working in this area that I think is important. And that means we'll spend more money on that, and I think that's significant. But there still will be net budget cuts that are very deep, and I'm looking for more.

I also want to say that I intend to make reports to you on that, and before we get to any tax increases I want to know that the spending cuts are going to be there. I will not sign a tax increase without the spending cuts.

The tax problem, as you know, is highly progressive. And some say that it is so progressive that it will discourage people from reinvesting. I would just ask you to study the whole thing. We provide for the first time in the history of the country a permanent investment tax credit for small businesses for 90 percent of the employers who have 40 percent of the workers but create a majority of the jobs in this country.

We provided alternative minimum tax relief for the big capital-intensive businesses of this country, who have told us repeatedly that the alternative minimum tax treatment in the present Tax Code actually discourages people from making investments. We have provided some relief from the passive-loss provisions of the income Tax Code for people who are in the real estate business, because I think that has aggravated the condition not only of real estate but of some of our banks and contributed to the credit crunch. So I think there will be both direct benefits to real estate and indirect benefits to people who had to get bank financing by changing this passive-loss provision.

There are lots of other things in this bill which I think are important to the creation of jobs. So I ask you to look at it as a whole package and to recognize that we have to, again, move away from a tax system that is based too much on fixed-rate taxes, like excise and payroll taxes, more toward income taxes that have also offsetting incentives to invest. I believe that that is the proper direction to go.

I know there is also some controversy over the energy tax. And I'd like to talk about that for just a moment. If we are to find more revenue, I would rather not tax work and effort of working people. I would instead rather have some tax that operates on consumption and promotes energy efficiency in the development of alternative energy technologies. We have the lowest energy taxes in the world by far. And there was an enormous consensus among the deficit-reducing folks all over the country that there ought to be an energy tax but a big difference about what kind it ought to be.

There were those, principally in the East, who said we needed a huge gas tax. I can hear the groan from my folks up there in the gallery. It's tough on people who live in the West or who have to drive long distances to work where there's no public transport, where there's no practical carpooling. It really could have an adverse impact on sectors of our transportation economy.

Then there were those who if you want only to clean up the environment, you should have a carbon tax. The problem is, that's pretty rough if you're from Pennsylvania or Ohio or West Virginia or someplace where coal is important to the economy and where you're already bearing the enormous burden of the enforcement of the Clean Air Act.

So this BTU tax, taxing the heat content of energy, seemed to be a fair way of spreading the burden in a limited way across all energy sources, in a way that would still do what I think needs to be done, which is to promote conservation and not undermine something else that I strongly support, which is the increased production of natural gas in America. It's our fuel. It's clean, and it will create enormous economic opportunities in the future.

I want to say again, I don't want to raise one penny of this money unless we have the spending cuts. Not a penny. And I am sure, after now almost 5 weeks in office, that there are more cuts coming. I can tell you I will find more. And I think we have gotten everybody in the National Government interested in finding more. And I encourage you to give us more. Nothing is off the table, except those things that reflect the fundamental interest of the American people.

But remember, we don't want to do anything that will further erode our investment in our children and their future in programs that are working. Indeed, we need to do more there. And we cannot afford to break the fragile bond of responsibility we have with elderly people who live on Social Security for all their income and who need Medicare for their health care. We can reduce further health care expenditures of the Government but only in the context of an overall resolution of the health care crisis.

The plan I have presented will reduce the deficit substantially and fairly. And if we do, it will mean lower interest rates. You can see that already by this historic low in long-term interest rates coming out today.

I also want to say, however, that in my judgment, there are some things we should invest in, not just the things I've mentioned for business: the permanent investment tax credit for small business, the targeted capital gains tax, the technology extension center, the manufacturing changes in the alternative minimum tax, the incremental investment tax credit that will be available to every business in America over the next couple of years. But there are also some things that we need to invest in our people. And I'd like just to mention one or two of them.

Another change in this tax system is one that I will hope you will all support, and it is the one that enables us to hold harmless to 40-plus percent of the taxpayers with incomes of $30,000 or less. This is a dramatic increase in the refundable-earned income tax credit for working people. This mechanism in this plan will enable us to say for the first time in the history of the country, ''If you are a full-time worker with a child in your house, you will not live in poverty.'' Let me say why I think that is so important.

One of the things we have to deal with in America to make ourselves more productive is how we can reduce the volume of the large underclass we have: the people who are permanently trapped in poverty, the children living in the big cities. And we have to think of strategies to deal with that. Some of those things are things that I think you can do. I have proposed, for example, urban enterprise zones which give huge incentives for private sector investment in depressed areas.

But we have to break the psychology of poverty and dependence on the Government. I will come forward later this year with a welfare-reform proposal that will literally end welfare as we know it, will say we'll have education and training and child care and health care. After two years you've either got to go to work or do public service work to draw an income tax from the Government.

But consider this: We also need to build in incentives. You know as well as I do from the people you work with that an incentive system is better most of the time than a rulemaking system. So we can have a welfare rulemaking system, but you've got to change the incentives. How many working women are there in America today who barely make ends meet because of the cost of child care? I mean, an enormous number.

So what this refundable-earned income tax credit will do is to change the economic system. It will say: We are going to reward work. You put in your 40 hours; you've got a kid in the house. If we need to, we will refund money through the tax system, but we're going to lift you above the poverty line so no one will ever have that as an excuse not to be a productive citizen. If everybody in this country were working, we wouldn't have half the problems that the Government wrestles with here all day, every day. And I hope you can support that.

Now, let me just make another couple of comments that relate to this. In the next few days we will be announcing some initiatives that we're going to take from a regulatory point of view to try to deal with the credit crunch, to try to make it possible for banks to loan money to businesses again, to try to release the energies for the old-fashioned character of small business loans, to try to reduce the fear that a lot of banks have that

if they make sensible loans, the Government will come down on them.

I think that the improvement in the books that will come from changing the passive-loss provision, plus the regulatory changes we make, will really make a dent in this credit crunch problem, especially in the areas of our country where it has been so profound. And if it isn't, you let me know about it in a few months, and we'll do something else. We have got to deal with this problem for small business to grow again.

Now, let me talk just very briefly about what I think will become very quickly a controversial part of this program. There will be those who want to cut spending and wish we didn't have to raise any taxes, who will say, "You wouldn't have to raise so many taxes if you didn't spend any new money on anything." And that is absolutely true. I admit that is absolutely true. I want you to know what I propose to spend new money on and why, in addition to the tax incentives I've already discussed.

First of all, I want to increase research and development in new technologies that will create new jobs and new economic opportunities, dramatically. Not only by making the research and experimentation tax credit permanent, but by increasing commercial R&D by more than we reduce defense R&D, and by emphasizing dual-use technologies in defense research and development.

It is killing me to look at the numbers when you compare the percentage of our income we're spending on research and development in America compared to our competitors. Five years, 10 years, 20 years from now, that means more high-wage jobs somewhere else and fewer high-wage jobs here. And we cannot tolerate it. We must again achieve competitive levels of R&D, and that is a worthy expenditure of your tax money. We have good people who will do that right and spend it efficiently, and I would hope you would support it.

There is no way the private sector can equal the aggregate efforts in Germany, Japan, or any other rich country, provided there by enormous public sector investment to support the private sector. So I hope you'll be for that.

Secondly, I think we have to invest more in our infrastructure, in our roads, our bridges, our airports, in high-speed rail, in water projects, in sewer projects, in environmental cleanup. We are again spending a much lower percentage of our income on that than all of our major competitors. And that bears a direct relationship to productivity, to wealth generation, and to the cost of doing business in the private sector. So we propose to fully fund the surface transportation act and to do a lot of things in this area.

Third, we propose to really invest some money in targeted people investments that will increase productivity. Let me just mention three or four. Number one, we want to spend some new money to set up a network that will permit us to immunize every child in America by the age of two for preventable childhood diseases. For every dollar we spend on that today, we will save $10 in the future in preventable diseases. We are dangerously at risk of new outbreaks of diseases because our immunization levels have fallen so low.

Most of the controversy you've seen in the press is about the price of vaccines, and that's a legitimate issue. But it is also true that we don't have the delivery network in this country we need. And as a result, we have the appalling statistic that in America, which produces vaccines for the world, we have the third-lowest immunization rate in this hemisphere. Only Bolivia and Haiti are lower. It is unconscionable. We can't justify it. For a little bit of money today we can save big bucks tomorrow.

Secondly, we ought to fully fund the Head Start program, because it is a proven success that will save us $3 tomorrow for every dollar we spend today.

Those are among the things that I think we should do. Let me just mention two others. We ought to have an apprenticeship program in America that guarantees every high school graduate access to 2 years of further quality education in the workplace, in a community college, in a vocational institution. The Federal Government's responsibility here is basically to help States in the private sector create networks and to fill the funding gap. For next to no money we could bring

our 2-year education program up to where it is universally accessible to all Americans and it is at a level of quality comparable to our competitors. We are not there today. For not very much money, we can do that.

The next thing I think we really ought to do is to open the doors to college education to all Americans. Not just open them, but keep them open. The college drop-out rate today is two and a half times the high school drop-out rate. And one reason is that a college education is about the only thing that increased more rapidly than health care costs in the 1980's.

Now, all of you need to think about this as this is something you can do that I can't since all these colleges—none of them are Federal institutions. Something needs to be done to contain the rising costs of those colleges. But in the meantime, we need to make sure that young Americans are not dropping out just because they can't afford to go.

The student loan program today is wildly expensive. It costs $4 billion a year, $3 billion in defaulted loans alone. And what we need to do is to set up an income-contingent repayment plan so everybody can pay back as a percentage of their income, which will reduce the incentive to default; really stiffen the collection measures, including involving the IRS in it. I'm tired of people making money and defaulting on their loans; that's not right. But we also should make available the opportunity for many young Americans to pay back their student loans by serving their country, by going home and working as teachers or police officers, or doing things that need to be done in the community.

We can rescue a lot of these kids out of inner cities by letting them work before they go to college and put in time in building up credits so that they then turn their loans into scholarships before they even go. These are things that ought to be done.

You know, when President Kennedy started the Peace Corps, it shaped the imagination of a whole generation. We need a peace corps here at home to deal with our problems here at home, and it needs to be much bigger than the Peace Corps ever was.

Finally, let me just make this point: If we cut spending, increase revenues, target investments, we'll have a Government that will go in the right direction for the next 4 years with real discipline. If you want to get to the end of the decade with a healthy American economy, we have to do something else. We've got to reform the health care system.

In 5 years, projected Government expenditures on health care would go from $210 billion to $350 billion, a two-thirds increase, annualized increase of 12 percent per year. We are already spending, as of the end of 1992, 14 percent of our gross domestic product on health care. No other nation in the world except Canada is over nine, and they're just barely over nine. And our health indicators are not all that much better. In fact, they're quite worse in some areas.

Now, this is not a simple problem. This is the most complex issue with which I have ever tried to come to grips. But one thing is pretty clear: If present spending trends continue, we'll be bumping 20 percent of GDP by the end of the decade, and you can forget about our being competitive in manufacturing.

At our economic conference in Little Rock, Red Poling, the chairman of Ford Motor Company, pointed out how Ford's health care costs had risen by 800 percent in the last 20 years, and now they spend as much on health care for workers as on steel for cars. Almost $1,100 of the price of each American car is in health care. Our competitors in Japan have only $550 in a car; hard to be price competitive and make money.

Small businesses are hit even harder by health care costs. And for many self-employed people and farmers, it's impossible to get health care. As I said earlier, 100,000 Americans a month are losing their health insurance. Seventy percent of the small businesses in this country are still providing health care to their employees, but they're hurt very badly by insurance-rating practices in most States. And workers are terrorized by the fact that if they or someone in their family has ever been sick, they have a preexisting condition which locks them into a job.

I had dinner the other night with a high school friend of my wife who is a wonderful

small-business guy with four employees. And one of his employees just had a child with Down's syndrome. And he told me, he said, "You know, that guy and I, we're partners for life now." And he said, "He really can do better. He's a gifted person. I want him to be able to go on and move, and he can't."

And more and more businesses are having to give up their health insurance every year or run the co-pay so high they might as well be giving up on it. And that, as I said earlier, is driving some people back down into the Federal Government's and the State government's health care system.

What I want to do is to find a way to preserve what is best about American health care—the right to choose your doctor, the technology that we have—and stop the incredible waste on paperwork, which means that clerical workers are being hired at 4 times the rate of health care providers in hospitals and doctors' offices, on unnecessary technology, on the absence of preventive and primary care, on all the things that we know that are wrong.

And some time in the next several weeks, within 100 days after the time I took office, we'll be presenting a plan to the Congress and the American people to deal with that. But I want to be up-front about this. The economic plan I have presented will bring that debt down for 4 years. If we don't deal with the health care crisis, it's going to turn around and go right back up in the next 4 years, just like your costs are going to.

We have got to face this. Every other advanced country in the world has devised some system which works better than ours does to keep costs closer to inflation while providing a basic package of benefits to all Americans. We cannot fix this economy over the long run unless we do that. It is inhumane. It is also very bad business to let the status quo persist.

Let me close just by saying that if every American looks at my proposal in terms of what is best for him or her, at least one-third of it will seem unattractive. That is, if you're an upper-income person who has to pay the income taxes, you would say, "Give me the budget cuts and don't increase spending." Unless you're in a technology-related business in which you might say, "Give me the budget cuts and the new investments, but forget about the tax increases." Or if you're an educator, you might say, "Fund Head Start." A middle-class person might say, "Tax the rich and spend the money on new jobs. Cut the budget, but forget about the energy tax." A lower-income person might say, "Tax the wealthy. Give me the new spending, but forget about the budget cuts."

In other words, if everybody looks at this just through the prism of how it will immediately affect you, it's a nonstarter, because there's no way you can bat three for three. We can't get there.

And that's why I say to all of you what I have asked the American people to do; I invite your efforts to improve this, to say what's wrong with it, to say how we can make it better. That's fine. But ask the question, not just what's in it for me, but what's in it for us. This country has got to change. We know we cannot stay on the present course. We know we cannot stay on the present course.

We also know if we look ahead to the future that the next 20 years could be the best years this country ever had. But we've got to increase productivity. We've got to increase job generation. We've got to increase income, and we've got to increase our ability to rely on all the American people. We do not have a person to waste. I believe this program achieves those objectives, and I ask for your support.

Thank you very much, and God bless you.

NOTE: The President spoke at 11:15 a.m. at the DAR Constitution Hall. In his remarks, he referred to Ivan Gorr, chairman of the board; Richard Lesher, president; and William Marcil, vice chairman of the board, U.S. Chamber of Commerce.

Exchange With Reporters Prior to a Meeting With United Nations Secretary-General Boutros Boutros-Ghali

February 23, 1993

Aid to Bosnia-Herzegovina

Q. Mr. President, is an airdrop enough to relieve the suffering? Will that do the job of getting food to people?

The President. Well, if we can reach an agreement, it will help, I think.

Q. How close are you to an agreement, Mr. President?

The President. I don't know. We can't talk until you leave. [*Laughter*]

Q. Do you think that there is some risk, though, of this being the first step to an engagement that we won't be able to get out of?

The President. Not necessarily, no. Not at all.

Q. Why not?

The President. Because what we're discussing is very different. It has no combat connotations whatever, and it's purely humanitarian and quite limited.

Q. Isn't there a risk of people being shot at by antiaircraft artillery?

The President. Well, if we do it, we'll have an announcement that deals with that. We think the risks are quite small.

NOTE: The exchange began at 4:10 p.m. in the Oval Office at the White House.

Statement by the Press Secretary on the President's Meeting With United Nations Secretary-General Boutros Boutros-Ghali

February 23, 1993

During their meeting on February 23, the President and the Secretary General of the United Nations discussed the role of the U.N. and the support of the United States, Somalia, Haiti, and a wide range of other issues.

They also discussed the tragic situation in the former Yugoslavia. They agreed on the urgent need for an end to the fighting and the violations of international humanitarian law.

In this regard, the President and the Secretary General urge the leaders of the parties involved in the peace talks on Bosnia and Herzegovina to come to New York immediately to resume discussions in pursuit of an agreement to end the conflict.

In view of emergency humanitarian needs in Bosnia, the Secretary General welcomed the President's explanation of the possible use of airdrops into isolated areas that are in critical need of relief and cannot be reached at this time by ground. They agreed that such drops would be temporary and supplemental to land convoys in accordance with existing procedures. The President stressed the United States intention to coordinate such operations closely with the United Nations relief effort.

Proclamation 6530—American Wine Appreciation Week, 1993

February 23, 1993

By the President of the United States of America

A Proclamation

The wine industry in this Nation has a heritage dating back to our Founding Fathers. Today it continues as a proud tradition, nurtured by thousands of family-owned farms, in every region of our country. From generation to generation, grape growers have helped sustain and preserve our agricultural resources, keeping 850,000 acres of American land as open space for active agricultural production.

More than 8,000 grape and other fruit growers work together with more than 1,300 wineries to produce 85 percent of all wine consumed in the United States. This $8 billion industry strengthens the American economy by supporting more than 200,000 jobs and contributing $1 billion a year in government taxes and fees.

The history of wine grape growing in the world spans more than 7,000 years. In our own history, wine has continually played an important role in a wide variety of American

cultural, religious, and familial traditions. Vineyards and wineries across the Nation are scenic tourist attractions, drawing millions of foreign and American visitors each year.

In gratitude to those who contribute to the high quality of agricultural products produced in the United States, and in recognition of the role of agriculture in our daily life and our life as a Nation, the Congress, by Public Law 102–468, has designated the week of February 21–27, 1993, as ''American Wine Appreciation Week'' and has authorized and requested the President to issue a proclamation in observance of this event.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim the week of February 21–27, 1993, as ''American Wine Appreciation Week.'' I call upon the people of the United States to observe this week with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this twenty-third day of February, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and seventeenth.

William J. Clinton

[Filed with the Office of the Federal Register, 5:01 p.m., February 23, 1993]

NOTE: This proclamation was published in the Federal Register on February 25.

Exchange With Reporters Prior to a Meeting With Prime Minister John Major of the United Kingdom

February 24, 1993

Bosnia

Q. Mr. President, are you going to make an announcement on Bosnia today? On the airdrop?

The President. I don't think we'll have a final announcement today. But the Prime Minister and I certainly are going to discuss that along with a number of other things.

Q. Mr. Prime Minister, are you concerned that American airdrops might endanger British troops on the ground, put them subject to Serbian——

Prime Minister Major. No, I'm not remotely concerned about that. We'll discuss the airdrops. I think, as a humanitarian initiative that's very welcome. And it'll have our support. I don't think it is going to endanger British troops.

Q. What is holding you up, Mr. President, in your decision?

The President. Just going through the procedures we have to go through to discuss this with our allies.

News Conference

Q. When are you going to announce a press conference?

The President. You know, I didn't realize it had been so long since I had one. I really didn't, Helen [Helen Thomas, United Press International], until you mentioned it the other day. I need to give you one. I'll get——

Q. When?

The President. I'm going to take it up with our folks. I didn't even know it had been a long time, since I answer these questions all the time.

The Vice President. It seems like there is a press conference everyday.

Q. That's not a press conference.

The Vice President. Oh, I know. I know.

The President. I'll do better on that.

Q. You promise?

[*At this point, one group of reporters left the room and another group entered.*]

Prime Minister Mulroney of Canada

Q. Do you gentlemen have anything to say about Brian Mulroney in his resignation today?

The President. I wish him well. I talked to him. We had a nice visit. And I don't think that I can add anything to the statement that was made. But I was very appreciative of the conversation we had, and I wish him well.

Relations With the United Kingdom

Q. Can we ask how the special relationship is, Mr. President?

The President. Excuse me?

Q. Can we ask how the special relationship between the U.S. and Britain is?

The President. Absolutely.

Prime Minister Major. You have got the British press. [*Laughter*]

The President. Absolutely. It's special to me personally, and it's special to the United States, and I think it will be as long as I'm sitting here in this office.

NOTE: The exchange began at 3:10 p.m. in the Oval Office at the White House.

The President's News Conference With Prime Minister John Major of the United Kingdom

February 24, 1993

The President. Good afternoon, ladies and gentlemen. I want to formally welcome Prime Minister Major to the White House and to the United States. We are delighted to have him here. As I'm sure you know, he has already met earlier today with people on the Hill and with members of my Cabinet. We have just finished the first of two meetings. We talked for about an hour, and then this evening we'll have a working dinner.

About the conversations we've had so far, I'd just like to make two points. First, we covered a wide range of topics. We talked about Bosnia, as you might imagine we would. We talked about the Middle East. And then the rest of our time was spent virtually exclusively talking about economic matters, about the upcoming meeting of the G–7; about the importance of trying to get an agreement under GATT and my commitment to that; about the absolute necessity of the United States, Europe, and Japan working together during this difficult time to try to prevent a contraction of the global economy and instead to hopefully promote growth, not only here at home but throughout the world. And we talked about that at some considerable detail.

The Prime Minister, as you know, has been in office a lot longer than I have. And I asked him for his advice about a number of things and his opinion about others. And we had a very, very good meeting. And I'm looking forward to our dinner tonight.

A second point I would like to make is to reaffirm something that some of you asked me during the photo op, and that is whether the United States will continue to have a very special relationship with Great Britain. The answer to that from my point of view is an unqualified yes. I think that only two Presidents ever lived in England. I think I'm one of only two. There may have been more somewhere in the past centuries. But this is a very important relationship to me, and I think it's off to a very good start. And I would like to say again how much I appreciate the candor with which the Prime Minister has approached the issues, with which we've discussed our mutual interests.

Mr. Prime Minister.

Prime Minister Major. Mr. President, firstly, thank you for your welcome today. And I've found our meeting extremely useful, and I look forward to continuing it this evening. And I certainly had some very useful meetings this morning on the Hill and with other members of your Cabinet earlier this morning, with Lloyd Bentsen, and of course over lunch as well with some of your colleagues.

It's nice, having had a number of telephone conversations over the last few months, to actually see a face across the table rather than just hear a voice across the phone. And I look forward to continuing that dialog this evening.

You set out some of the things that we were able to discuss over the last hour or so. I was particularly pleased we were able to reach such a meeting of minds on the importance of reaching an agreement to the Uruguay round as speedily as possible. I think we share the view that for a raft of reasons it's important to get a satisfactory and fair agreement to the GATT round, not just because of the impetus that will give to trade growth and hopefully to prosperity and job growth as well but also because of the very remarkable advantage that will give not just to the industrialized but to the nonindustrialized world with the many difficulties that are faced economically at the moment. So I was particularly pleased at our meeting of minds on that particular subject.

We found also a complete agreement about the need for the Security Council resolutions that have been imposed in respect to Iraq to be fully met and to be fully honored

in the future. I had the pleasure of being able to welcome the President's initiative, humanitarian airdrops in Bosnia. The United Kingdom—we've got a number of thousands of troops actually delivering humanitarian aid in central Bosnia. They've been doing that for some time. I think as a result of their activities, many people who otherwise might not have lived through this winter have done. And I think this new initiative by the President is thoroughly welcome. So it's been a very worthwhile and a very enjoyable meeting thus far, and I look forward to continuing it this evening.

The President. Thank you.

Northern Ireland

Q. Mr. President, do you still want a U.S. envoy—Northern Ireland——

The President. Well, let me answer the first question. If the United States can in some way make a constructive contribution to a political settlement, of course, we'd be interested in doing that. But that is not a subject we have discussed in any way so far. And I think I'd rather wait to make further comments until after we have a chance to discuss it.

As far as the campaign, the campaign is over. You're a good one to ask that question, since you know that compared to previous campaigns I've been in, this was just sort of another day at the office. And once you achieve the responsibilities of office, that's what you have to do. I told the Prime Minister today that I was just grateful that I got through this whole campaign with most of my time in England still classified. [*Laughter*]

Bosnia

Q. ——on Bosnia. I'd like to ask both you and the Prime Minister, what do you think can be accomplished in the airdrops, since many in the military believe that it will not be terribly effective or efficient? And what other steps do you think need to be taken, military steps, in particular, such as some that were discussed during the campaign, in order to inflict enough pressure on the Serbs?

The President. Let me deal with the airdrops first. General Powell came over here last weekend, and we talked for a very extended period of time about this operation and about how we can maximize the safety to United States pilots and other personnel on the planes who'd be involved in this and minimize the prospect that any humanitarian relief operation could be drawn into the politics and the military operations of this area.

We know that if we are high enough to virtually assure the complete safety of the people who will participate in the airlift, that a percentage of the packages we drop will be outside the more or less half-mile circle that we would be trying to hit. We also know that if we leaflet the area in advance, if we notify the people about what we're dropping and how to use the medicine and what kind of food will be there, to whatever extent people need it, they'll be on the lookout for it. And if they have to walk a mile instead of a half-mile for it, we think they will. So we believe that, A, there is a need in some of the remote areas, and B, we can do this with quite an effective but safe mission.

Now, insofar as other actions, I think there are a number of things that we're looking at. I'm encouraged by the United Nations interest in the war crimes issue. I'm encouraged by the conversation the Prime Minister and I had about the importance of trying to make the sanctions that are now in force actively be more effective.

But I would remind you that our policy is that we want to try to have a good faith in negotiations with all the parties there. We are committed to doing what we can to encourage the Bosnians to engage in negotiations within the Vance-Owen framework. And President Yeltsin has been very forthcoming on his part in trying to help get the negotiations back on track, too.

So, I think we should look at it just from that point of view. It would be a great mistake to read this humanitarian relief operation as some initial foray toward a wider military role.

Prime Minister Major. Can I just add something to that, as you requested. We're able, at the moment, to deliver a substantial amount of aid in central Bosnia by land. But the natural terrain of Bosnia, as a whole, means that isn't practicable for a raft of reasons, not least geographical reasons, at the moment in all parts of Bosnia. I think, therefore, you do have to look at imaginative ways

of actually getting food aid and medicine aid through. And I think the prospect that the President is exploring is an imaginative one, and I hope it will prove successful. There are a number of logistics to be worked out.

On sanctions, one of the things we have been discussing in the last half an hour or so is the prospects of enhanced sanctions, and I think there clearly are opportunities there that we'll need to examine.

Q. Such as?

Prime Minister Major. Well, I think we can improve the sanctions over the Danube, for example. I don't think they're being enforced very effectively.

Russia

Q. I would like to direct my question to both of you. Do you think that Yeltsin, President Yeltsin, is so politically weakened that his days are numbered? Also, what can the U.S. and the allies do to prop him up, to prevent another Communist takeover that could lead to another cold war? And are you going to meet President Yeltsin in March at any point?

Prime Minister Major. I don't think President Yeltsin is weakened by his present conflict to the extent that he's not going to continue. Clearly there are difficulties in the disputes he's had with Congress and, in particular, the Speaker. But I expect President Yeltsin to be there and to continue. I think he's the best hope for the Russians, and I think the policies and the movements towards reform that he has in mind and continues to have in mind are the right ways forward.

I think there are two things we can do to help Russia in general and President Yeltsin. One is the economic assistance that's been provided, and there's a great deal of discussion to be had about whether we're directing that in the right way and in the right volume.

And secondly, I think also there's the political messages of support to the reformers and to the reform policies, personified at the moment in the person of President Yeltsin. But the underlying purpose of the assistance is to assist the reformers and to assist the reform policies in Russia. I think we ought to give them political support as well as the practical and economic support that we've been giving them.

The President. I believe that President Yeltsin has not been paralyzed by what's happened. I support him and his role and what he's trying to do. I have not established a definite date for a meeting with him yet, but I do hope to meet with him soon personally.

I know he's having some trouble with his Congress, but that's part of being in a democratic society with an elected President separate from the Congress. He may just be learning what it's like in our system. I don't want to minimize that, but I think it is a grave error to assume that he cannot continue and do well. I believe he can.

And I think that in terms of what we ought to be doing about it, I think the Prime Minister has pretty well laid out the kind of political and economic support we ought to be giving. But let me say that as all of you know, I have placed a great priority on this.

The State Department will now have an ambassador at large whose job it is to coordinate a response not only to Russia but to all the Republics of the former Soviet Union. And we have a very distinguished American, Thomas Pickering, nominated to be our Ambassador to Moscow. We are putting a lot of effort into trying to support democracy and trying to support economic recovery there.

The Uruguay Round

Q. ——I don't have a word count, sir, but—seen Prime Minister Major here may have said more about the importance of the Uruguay round than you have—the White House. I wonder—take away from your meeting with him any renewed sense of importance in that round, and if so, how you plan now to approach it?

The President. Well, we're going to ask for an extension of fast track authority. And we're going to really put a real effort into a successful conclusion of the round. I advocated that in 1991 at the beginning of my race for President, and I still feel very strongly that it's important.

I think if you look at the press response around the world to the economic plan I've presented to Congress, it's been very positive because our trading partners have been ask-

ing us for years to make a real effort to reduce the debt. And so we're doing that. And I think that sparks hope not only here at home but around the world. And I think if we were to successfully conclude the Uruguay round, that would also spark hope that we will be expanding trade on terms that are fair to everyone. So I'm very hopeful that we can get a trade agreement.

Northern Ireland

Q. ——Northern Ireland—and did you get—discuss it with him——

The President. We haven't discussed Northern Ireland at all. And after we do, I'll be happy to answer your questions.

Bosnia

Q. Mr. Prime Minister, you expressed earlier—you are not remotely concerned that the British troops, that they will be in any danger because—[*inaudible*]—and the President has said—[*inaudible*]. And I'm wondering, beyond your—both of you could give some idea of why you're—so confident there will be no attempts to stop—[*inaudible*]. There's been a lot of effort to block——

The President. Well, all I can tell you is General Powell has been—let me answer, and then he'll answer—has been asked to design the mission in such a way that we would minimize risk to our folks. And we have obviously engaged in an extensive consultation, which is not over. Helen's [Helen Thomas, United Press International] been asking me every day when I was ready to make this announcement. The consultations aren't over. And one of the things that we want, we want everybody to know that this is a humanitarian mission, that we're prepared to help anybody who needs the food and medicine. And we want the broadest possible support for this. And we want all the people on the ground in the various factions to know that this is not a political issue with us. We're very encouraged by the responses we've gotten so far to all the elements with whom we have discussed this plan. That's all I can tell you.

Q. Mr. Prime Minister, could you answer, please?

Prime Minister Major. I don't think there's a great deal to add to it. As I indicated earlier, there's a twin-track approach. We're providing aid by land. The President has in mind aid delivered by air to areas where we can't reach it by land. I've no reason to suppose that that is going to put at risk the lives of the British soldiers in central Bosnia.

Q. But you're in an area where they have a fighter capability and an anti-aircraft weapon. If they don't want this—delivered, they have to use that.

Prime Minister Major. Well, you asked the question. I've given you the judgment I make.

Middle East Peace Talks

Q. Mr. President, you said you discussed the Middle East. Did you reach any conclusion, and do you favor returning to the peace talks even if the Palestinians do not?

The President. We talked mostly about the importance of adhering to the United Nations resolutions as they apply to Iraq and the aftermath of the Gulf war and about our general support for the peace process continuing. We didn't deal with that issue, and I think I ought to wait until the Secretary of State returns from his mission before I discuss it further.

Bosnia

Q. You talk about consultations on Bosnia. Is there any realistic expectations at this point that any other country except for the United States will be involved in this airdrop?

The President. Yes, we might have some other countries involved in it. I don't think it would be—I believe the Prime Minister made his statement. I think he's done his part. His troops are on the ground there. But I think there is a chance that we will have support from other nations.

Q. ——ask Great Britain to participate in the airdrop as well?

The President. No.

Q. ——question to both leaders. Do you think that the current Vance-Owen map forms the fair basis for a settlement of the crisis in the former Yugoslavia?

Prime Minister Major. Well, that's the matter that has to be negotiated between the parties. And I don't think I'm going to express a view on whether that is the right map. I think the process of seeking a negotiated settlement and trying to reach by agreement between the three parties, an agreement on the map that will enable a political settlement

to be reached is the right way. But I don't think it's for me to judge whether the map is right.

Clearly, the views of the participants at the moment is that the map isn't right. But that is the purpose of negotiations. That is why I was delighted to hear this morning that Karadzic and Izetbegovic will be joining talks again with Boban so that they can actually talk to Cy Vance and David Owen and see if they can reach an agreement. The first prize is clearly an agreement that is reached voluntarily and willingly and as speedily as possible.

The President. The only thing I would say, just to add to that, is that I agree with what the Prime Minister has said. As you know, the United States feels very strongly that this agreement must be just that, an agreement that must not be shoved down the throat of the Bosnians or anyone else if it's going to work. We also feel strongly that all the parties should negotiate in good faith.

And therefore, I agree with what he said about the map. I would make this further point: The United States has made it clear in our statement of policy that if an agreement is reached in good faith, that we would be prepared to be part of a NATO or United Nations effort to monitor or support the agreement, and that map would be difficult to monitor and support, I think.

But I think we're going to have to—before we make any final judgments, we need to give the parties a chance to reach their accord.

Spending Cuts

Q. Mr. President—economics, you indicated you will find more spending cuts. Will you give a sense of when? And are you really talking about a new round of cuts or just——

The President. Oh well, what I said was, I have invited the Members of the Congress to present them to me and instructed our people to continue to look for them. And I presume as we define things that we're willing to put on the table, we will continue to do it. We don't have any orchestrated theory about how to do that now. But I'd be surprised if there aren't some more coming.

Airbus

Q. Mr. Prime Minister, were you disappointed or taken aback by what the President said the other day about the airbus, and were you reassured by your conversations today?

Prime Minister Major. There's an agreement over the degree of subsidies for projects like airbus. And that agreement continues into July, and I think there is no proposition in what the President said to change that particular agreement.

Northern Ireland

Q. Mr. President, you said you may discuss Northern Ireland this evening. Would you expect to discuss both—issue and the human rights issue? And do you share the view expressed by some Members of Congress, Senators and Representatives, that there are abuses to human rights in Northern Ireland that need to be addressed? And perhaps the Prime Minister would like to address that allegation.

Prime Minister Major. Well, I'll address that point first. The real abuse of human rights in Northern Ireland is the abuse of human rights of people who find bombs in shopping malls when they're going about their ordinary, everyday business. I think that is the abuse of human rights that is overwhelmingly the concern of everybody in Northern Ireland on both sides of the sectarian divide.

Over the past 2 or 3 years, the British Government with the Taoiseach and with the political parties in Northern Ireland, have been engaged on talks to try and find a political settlement to a problem that has existed in Northern Ireland for generations. We are seeking that agreement. Those talks, I believe it is fair to say, have made more progress than most people believed was possible.

Talks came to a halt with the general election in the Republic of Ireland and the forthcoming local elections in Northern Ireland. But it is the policy of my government to resume those talks, to resume those talks with all the parties in Northern Ireland and try and reach a satisfactory political settlement and remove many of the disputes and hatreds that have existed for generations.

Those disputes and hatreds are worsened by violence, whether it is the IRA violence or whether it is the response to IRA violence which has also been prevalent over the last year or so. I condemn both unreservedly and without any distinction.

Q. Mr. President—respond to that.

The President. I believe that obviously there has to be a political solution there, or there will be no solution at all, and that the human rights issues will have to be addressed in that context. Whether the United States can play any sort of constructive role is something that we want to discuss later this evening.

Press Secretary Myers. Last question.

The Economic Plan

Q. Mr. President, here just one week after your speech announcing your budget and economic plan, Senator Bob Dole is pronouncing it in trouble. What's your read on that, and do you think this is the start of a war of words that's going to slow down the whole process?

The President. Well, I think you have to expect that there would be some trouble. And the Senate Minority Leader can say that. But he was here during the last 12 years when other Presidents and the Congress quadrupled the national debt. I'm trying to do something about it and turn it around and go in the opposite direction. The surveys show that a big majority of the American people support my initiative. The response from people and governments around the world, it's been almost uniformly positive that America's trying to change the nature of its economic policy, reduce its debt, increase investment in high growth items. And I never expected this to be easy. This is a fundamental change. I don't expect it to be easy. But I hope that I'll be working with Senator Dole and with others to bring it to a successful conclusion.

Q. Can I follow up on that, Mr. President?

Prime Minister Mulroney of Canada

Q. ——Canada? Have you spoken to the Prime Minister?

The President. Yes, I spoke to the Prime Minister of Canada. We had a very nice conversation, which was mostly personal. And I thanked him for his kindness to me. And he assured me that his country would continue to work with me and that he would personally until his tenure in office was over. I wish him well. He seemed to be a person who had worked through this and was very much at peace with himself today.

Prime Minister Major. Can I just answer that point as well? I regard Brian as an old friend and a good friend. I shall miss him. He's been a very good friend to the United Kingdom and a very good friend to the Commonwealth. So I'm sad to hear of his decision today. It must be his decision. I wish him well in the future, and I look forward to seeing him in the United Kingdom in a few weeks' time.

Northern Ireland

Q. Mr. Prime Minister, do you think—role the United States can play—Northern Ireland——

Prime Minister Major. I think from time to time distinguished visitors from the United States in Northern Ireland have come back to the United States, and they have actually explained the remarkable changes that have taken part in Belfast. There was a delegation that was there recently. And the reality is that anyone who knew the place 10 years ago and knows the place today will see there is an absolute and total sea change. And I think the fact that there is a great knowledge about the willful peace amongst people in Northern Ireland and especially the ordinary people of Northern Ireland of both sides of the sectarian divide, the more that is understood, the better. And what is actually needed in Northern Ireland to help speed that is more understanding of the process, more support for the talks, more investment for job creation, and less money to fund terrorism. And the more people know about that, the nearer we come to a solution.

Press Secretary Myers. Thank you.

NOTE: The President's fourth news conference began at 4:32 p.m. in the East Room at the White House. In his remarks, the Prime Minister re-

ferred to Lord David Owen and Cyrus Vance, Cochairmen of the International Conference on the former Yugoslavia; Alija Izetbegovic, President, Republic of Bosnia-Herzegovina; Radovan Karadzic, leaders of the Bosnian Serbs; and Mate Boban, leader of the Bosnian Croats.

Statement on the Planned Resignation of Prime Minister Brian Mulroney of Canada

February 24, 1993

Prime Minister Mulroney and I had a good conversation following his announcement that he is stepping down as Prime Minister of Canada. Prime Minister Mulroney has been a good friend and partner of the United States, and I wish him well. The Free Trade Agreement, the NAFTA, and Canada's voice in helping to move the world into a more hopeful era are all testimony to his leadership and courage.

It was a pleasure to meet with the Prime Minister earlier this month and to speak with him several times since my election. I greatly appreciated the Prime Minister's insight and wise counsel in tackling the common challenges of promoting world economic growth and peace. My meeting with him reinforced my conviction that Canadian engagement in world affairs remains as vital as ever. That our meeting was my first as President underscores the close relationship between our two countries. Our enduring friendship is based on the common vision we share of peace and democratic principles. From peacekeepers in Bosnia and Somalia to partnership in the G–7 and in NATO, Canada has been a true global ally. Both our people benefit from our important trading relationship, with $200 billion in goods and services alone exchanged each year.

Our steadfast relationship with Canada is an indispensable element in the essential continuity of American foreign policy. As the Prime Minister and the people of Canada prepare for the road ahead, I want them to know that the United States is and will remain their friend and partner. Our cooperation will continue to grow in the years ahead.

Remarks to Business and Labor Leaders on Support for the Economic Plan and an Exchange With Reporters

February 25, 1993

The President. Thank you very much. To all the business and the labor leaders who are here, and to Representative Clayton and the many Members of the House whom she represents so ably. Let me begin with a simple thank you to all of you for your support of our common efforts to turn our country around and put our Nation on the right track.

For too long we have seen business and labor divided over more issues than we see them united on. Part of that has been occasioned by the incredible difficulties of our economy. When people believe there is a shrinking pie, they're more likely to be fighting over that. Part of that has been occasioned by the fact that we have not been on a great national journey together in which we could all feel that we were a part, making our equal contributions, reaping our equal rewards.

I'm very encouraged by the business-labor partnership that we see manifested here today, by the fact that it represents a commitment to ending gridlock and to beginning change, and deeply impressed by the letter which Representative Clayton has brought here today by the people whom I think in many ways are most representatives of the American people: this new big class of freshmen Congress men and women who are out there, just as Vice President Gore and I were last year, criss-crossing the country in a beginning effort, listening to people and their concerns and their hopes. So I'm very, very happy about that.

If I might, I'd like to close just by emphasizing three or four of the critical elements of this economic plan and why I think they are worthy of the support of this distinguished group of Americans. Everyone knows we have to bring the deficit down; it has become the dominant fact of all the budgeting of the Federal Government. But there are those who say, "Well, how can you

do that. You're just coming out of a recession, and traditional economic theory holds that the last thing you want to do is to slow down a recovery by closing a deficit."

That is, ever since the Depression, our country has operated on an economic theory that said when times were slow, there should be more Government spending; when times were great, then you could bring our accounts into balance. The problem is that for more than 20 years we have been building in a structural deficit into our Government, one that robbed the National Government of that flexibility, the flexibility to tighten up in good times to slow down inflation, and to invest more in bad times to put people back to work.

And our strategy now, I think, is actually supporting an economic recovery in bringing this deficit down because you can see the decline in long-term interest rates which means that borrowing is cheaper and which means that millions of Americans in their personal capacities and as business persons are going to refinance their debt which will free up cash to be reinvested in economic growth. So I believe this strategy is expansionary.

I also would make a couple of other points if I might. We are changing fundamentally the direction of Government spending itself, moving away from spending for consumption towards spending a higher percentage of the people's tax dollars on investment. It is simply not true that all Government spending is equal. Some investment will have a much bigger reward in terms of jobs and incomes than spending more money on the same program.

Finally, we are looking at ways to basically make the Government itself work in a very different and more efficient way. One of them has already been alluded to by Kathryn Thompson. We will be announcing in the near future some efforts by this administration to ease the credit crunch on small business. We are also trying to change the way the Government itself operates and the regulatory framework to do things that will achieve objectives in a better way.

We believe we can promote a clean environment and economic growth with the right kind of regulatory and investment climate. We believe by changing the way the Government itself does business, we can give the American people a much leaner Government. We think that the White House staff cuts and the reorganization are simply an example of what we can do throughout the Government, given time.

So I appreciate the support for this program. And let me reiterate, I am not simply interested in raising more revenues. I don't want new taxes unless we're going to have spending cuts, unless we are going to change the nature of Government spending toward more investment, and unless we're going to change the way the Government itself operates.

This is a whole program that will fundamentally give us an end to gridlock and the change we need. And I thank these people who are here. They are reflective of the kind of unity we need in America to move this country forward. Thank you very much.

The Stimulus Package

Q. How committed, sir, are you to the stimulus part of your package? It's now been delayed another month, perhaps; your budget is not even going up until April 5th. A lot of economists say that if it gets delayed much longer, it won't even help the economy. Only one of the preceding speakers even mentioned this stimulus package. Just how important is this?

The President. Yes, that's not true. At least one of them did mention it first. And secondly, I think it is quite important. I think it would be a big mistake—let me just give you—it will do what it's designed to do later in time for everything except those things that have to be in place this summer. And I'm hoping that we can get the kind of—a lot of the Members of Congress are looking for a way to demonstrate to the country that they don't want to raise more taxes without cutting spending. And we're working on giving them an opportunity to do that. I agree with that. I think that's fine.

But there are some things that are time-sensitive in this stimulus package. The most obvious and apparent one is the summer jobs program. Nearly every person I know, including an enormous number of business people who are in and around cities like Los

Angeles or Chicago or New York or other cities, believe that the prospect of being able to provide nearly 700,000 summer jobs in a framework in which we can then get business people together to work to provide more jobs—and one of the people here on this platform today has already told me that he wanted to get involved in that—could be a major statement this summer that we are trying to turn some things around in the more depressed areas of our country.

There are some other things that are somewhat time sensitive, but the main thing is we need to be investing more money at the same time that we are bringing down this deficit so that we'll be creating some jobs. The traditional economic theory is that if you reduce the deficit, you're going to slow down the economy and undermine the ability to create jobs. I just can convince—that's wrong now because of the vast accumulated debt. If you can keep interest rates down, you're going to speed up the economy by putting more money out there.

But I think the stimulus is important, and I intend to continue to support it.

Support for the Economic Plan

Q. Mr. President, I was struck by the fact that of all your speakers here, they all said, "We support the package, but we'd like changes in the area that affects us." Isn't that what you've been warning against? That the tax increase——

The President. That's not what they said. That's not what—only one of them said that, I think. And I think that, for one thing, the very fact that they're here supporting it, knowing that they'd all like changes in something that affects them, is the very point I've been trying to make to the American people.

If you look at this, if you look at this, if every person looks at this through the mirror of what is best for you today, there will always be something in here that doesn't quite work. The thing that makes this work is that it is a package in which everybody forgoes something they would like and gets something that they would like, but that in the main it moves the country in the right direction.

The Vice President. Could I add something to that?

The President. Yes.

The Vice President. You know, Lod Cook started off by singling out the two provisions which you would expect him to oppose in the old model. And he singled those out as things that he supported. And many of the others have said, privately and publicly, that they strongly support the package in spite of the fact that it contains elements that they would not like to necessarily single out by themselves but as part of a package it makes sense for the country.

Spending Cuts

Q. Would you be willing to put forth more spending cuts before your budget goes up? I know you called for the Republicans——

The President. Like what? Like what? I mean, unlike a lot of these other people, I worked for weeks and weeks and weeks on this budget. What I said was, if they had more spending cuts they thought were good ideas, I'd be happy to embrace them, that I intended for the entire duration of my term here to continue to look for more spending cuts. If I find more that I think are worthy, I'll be glad to incorporate them.

But let me just say, I have a difficult time taking these people seriously, who say we should have more spending cuts, who were here for the last 12 years. Where were they? I don't mind; anybody can say whatever they want about more spending cuts, but why are you asking me? Why don't you ask them? They're going around saying, "I have the list of spending cuts that I will discuss with somebody at some later date."

Q. They're saying that you're suggesting many spending cuts which have been up on the Hill for years and that these aren't any new cuts and these are——

The President. If we pass them, it will be new. [*Laugther*] They've been up there. If we pass them, they will be new.

Taxes

Q. You said earlier you obviously don't like to raise taxes. Are you ready to acknowledge at this point that you will have to go back to Congress and ask for more tax increases for the health care reform package? And would you also comment on a report that you've dropped the idea of taxing benefits?

The President. I haven't picked any tax up, so how could I drop—you can't drop

something you didn't pick up. So I won't comment on something—if I pick something, I'll tell you.

I can say this: I'm not ready to admit that I think that the people who have paid the bill for health care in the 1980's should turn around and pay more right now. We're spending 14 percent of gross national product. You do have to find some way to recover some revenues to cover people who now don't have coverage, if the Government pays for the coverage. And that's an important part of stopping the cost shifting, which has led to so much increase in private insurance.

But there are lots of options we are looking at now which wouldn't necessarily increase middle class tax burdens. There are a whole range of options for dealing with this, which is why I asked you to let us finish this process of review before we try to pick it apart.

There was a huge transfer of wealth in America in the 1980's away from everything else to health care, to pay more for the same health care. Most of it went into paperwork, insurance costs, extra procedures by providers, and duplication of expensive equipment, and emergency care, partly due to the absence of primary and preventive care. If you correct all those things and you don't change the present spending patterns, that will create a huge windfall to people whose pricing structures have all that built in. There are all kinds of things that we might be able to do to solve this problem, short of having health care become even more expensive for people who are paying 30 percent more for it than anybody else on Earth.

Q. ——that burden middle class. Does that rule out sin taxes then?

The President. I think health-related taxes are different. I think cigarette taxes, for example, are different.

Q. Why?

The President. Why? Because I think that we are spending a ton of money in private insurance and in Government tax payments to deal with the health care problems occasioned by bad health habits, and particularly smoking, which is costing us a lot of money.

Spending Cuts

Q. ——you stand on the cuts? What kind of cuts would be considered? I know you're hearing a lot of input. You stressed the importance of input. In that input——

The President. I haven't really been getting a lot of input. That's the thing. A lot of people keep talking about it; I haven't been getting a lot of specific input. A lot of folks say they want overall caps. Overall caps are another way of saying, let's take Social Security benefits away from people even though Social Security is producing a $70 billion—$60 billion-plus surplus in taxes. Or let's take Medicare benefits away from middle class Medicare beneficiaries instead of reforming the health care system.

That's basically the only things I've heard since then. If somebody wants to come forward with something else specific—now, there are some people who—let me just be also fair. Some of the people in my party have been somewhat more specific about some of the cuts they want that I honestly disagree with, and there ought to be a debate on that in Congress. Some of them want me to cut defense more. I've already had to cut defense more than I pledged to do in the campaign because it appears that the last budget which was adopted by Congress had defense cuts in it which weren't real. So I don't think I can cut any more right now. The Congress will be free to debate that.

Some people think that we should abolish the superconducting super collider or end the space station program, but I honestly don't agree with that. I thought about those programs and I debated them, but at least those are specific, and they can be debated on the floor of Congress. But these general ''cap this, blanket that,'' I think people ought to say what the cut is and who will be affected by it and be very specific.

Thank you.

NOTE: The President spoke at 11:02 a.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to Representative Eva M. Clayton, who represented the newly elected Democrats in the House of Representatives; Kathryn G. Thompson, chairman and chief executive

officer, Kathryn G. Thompson Development Co.; and Lodwrick M. Cook, chairman and chief executive officer, ARCO.

Statement Announcing Airdrops Providing Humanitarian Aid to Bosnia-Herzegovina

February 25, 1993

The war that has raged in Bosnia-Herzegovina over the past year has taken a staggering toll: Thousands have been killed or imprisoned, thousands more are at risk due to hunger and exposure, and over 2 million people have been forced from their homes. The humanitarian need is particularly great in eastern Bosnia, where areas have been denied basic food and medicines.

In view of the emergency humanitarian need, I am announcing today that in coordination with the United Nations and UNHCR, the United States will conduct humanitarian airdrops over Bosnia. The airdrops are an extension of the airlift currently underway into Sarajevo. Their purpose is to supplement land convoys. This is a temporary measure designed to address the immediate needs of isolated areas that cannot be reached at this time by ground. Regular overland deliveries are the best means to ensure that the long-term needs of the Bosnian population are met, and the United States calls on the parties to guarantee the safe passage of the humanitarian convoys throughout Bosnia.

The priority for air deliveries will be determined without regard to ethnic or religious affiliation. These airdrops are being carried out strictly for humanitarian purposes; no combat aircraft will be used in this operation. The Department of Defense will be working with the UNHCR to determine the timing and locations for the airdrops.

I am grateful for the considerable international support given to this initiative.

Exchange With Reporters During a Meeting With Close-Up Foundation Students From Arkansas

February 25, 1993

Aid to Bosnia-Herzegovina

Q. Mr. President, do you care to say any more about the operational details of the airlift?

The President. No.

Q. How about explaining to the American people why it's an important issue for the United States to undertake?

The President. What?

Q. Why is it an important mission for us to put people at risk for that?

The President. Well, I'll say again, General Powell believes the risk is quite limited and not appreciably more than many training flights that our airmen do every year. It's important because we believe if—number one, there are a lot of people over there who need the food and can't get it by road, so it's a humanitarian gesture. And secondly, we think if we do it, we will be able to create a somewhat better climate for negotiations, and we're pushing to try to have good-faith negotiations. So we're hoping it works out.

NOTE: The President spoke at 4:01 p.m. in the Oval Office at the White House.

Proclamation 6531—National FFA Organization Awareness Week, 1993

February 25, 1993

By the President of the United States of America

A Proclamation

America's roots run deep in agriculture. We have long prospered through the twin blessings of our natural resources and the productivity of the American farmer. Agriculture has contributed heavily to the economic and social progress of the United States, making our Nation the world's largest

exporter of food products and a generous provider of food aid around the world.

For more than two centuries, our food, agricultural, and natural resource system has been nurtured and sustained by dedicated people committed to providing safe and abundant food and fiber products. About 20 percent of the Nation's work force is engaged in jobs related to agriculture, and annual employment openings in this industry are expected to outpace the supply of trained workers.

The education and training of agricultural workers have, therefore, long been a national priority, leading to the development of a comprehensive system of agricultural education in our public schools. The National Future Farmers of America was founded in 1928 to serve the needs of secondary students preparing for leadership roles in the science, business, and technology of agriculture. Chartered by Congress in 1950, the FFA is an integral part of public instruction in agriculture and today provides premier leadership, personal growth, and career development to its 401,574 members. Local, State, and national activities as well as award programs provide opportunities for students to apply knowledge and skills acquired through agricultural education. FFA members strive to develop agricultural leadership, cooperation, and citizenship.

The National FFA Foundation, which raises funds in support of FFA programs, represents an exemplary partnership between business and education. The National FFA Alumni Association provides support to these young men and women on local, State, and national levels.

The strategic importance of our food, agricultural, and natural resource system will grow during the coming decade. This will require even stronger leaders, more creative scientists, greater international business understanding, and increased sensitivity for consumers and the environment. These skilled professionals will chart the course of U.S. food, agricultural, and natural resources in the 1990s and beyond. The National FFA Organization, by attracting young people to agriculture and preparing them for future careers, contributes greatly to an important sector of the national economy. It is proper that we should honor the accomplishments and achievements of this fine organization.

The Congress, by House Joint Resolution 101, has designated the week of February 21 through February 27, 1993, as "National FFA Organization Awareness Week" and has authorized and requested the President to issue a proclamation calling upon the people of the United States to observe this week with appropriate ceremonies and activities.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim the week of February 21 through February 27, 1993, as National FFA Organization Awareness Week. I encourage all Americans in rural, urban, and suburban communities to join in recognizing the achievements and contributions of the young men and women of the National FFA Organization and to observe National FFA Organization Awareness Week with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereunto set my hand this twenty-fifth day of February, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and seventeenth.

William J. Clinton

[Filed with the Office of the Federal Register, 3:17 p.m., February 26, 1993]

NOTE: This proclamation will be published in the Federal Register on March 2.

Remarks on the Global Economy at American University

February 26, 1993

Thank you very much, President Duffey, distinguished members of the board of trustees, and faculty and patrons of American University, and Members of Congress, members of the diplomatic corps, and my fellow citizens, and especially to the students here today. I am very honored to be here today at this wonderful school on the occasion of your centennial, at the dawn of a new era for our Nation and for our world, and deeply honored to receive this honorary degree, al-

though I almost choked on it here. [*Laughter*]

My mind is full of many memories today, looking at all of you in your youthful enthusiasm and your hope for the future. I'd like to say a special word of thanks to all of you for the warm reception you gave to the person to whom I owe more than anybody else in this audience, Senator Fulbright.

When I was barely 20 years old, Senator Fulbright's administrative assistant called me one morning in Arkansas and asked me if I wanted a job working for the Senate Foreign Relations Committee as an assistant clerk. Since I couldn't really afford the cost of my education to Georgetown, I told him I was interested. And he said, "Well, you can have a part-time job at $3,500 a year or a full-time job at $5,000 a year." I said, "How about two part-time jobs." [*Laughter*] He replied that I was just the sort of mathematician they were looking for and would I please come. [*Laughter*] The next week, literally a day and a half later, I was there working for a person I had admired all my life, and the rest of it is history. But Senator Fulbright, now 88 years young, taught me a lot about the importance of our connections to the rest of the world, and that even in our small landlocked State of Arkansas, we were bound up inextricably with the future, with the passions and the promise of people all across this globe. And it is about that which I come to speak today.

I also want to say a special word of thanks to your president, Joe Duffey, and to his wonderful wife, Anne Wexler, who have been my friends for many years. When I was a young man at Yale Law School, I went to work for Joe Duffey in his campaign for the Senate. His wife was then his campaign manager. I enjoyed working for a woman. I learned a lot about equal opportunity, which I have tried to live out in my own life. Well, Joe Duffey didn't win that race for the Senate. And 4 years later I went home to Arkansas, and I ran for Congress, and I lost my race, too. And I thought how ironic it is that our failed efforts to get to Congress made us both President. [*Laughter*]

Finally, let me say that in my senior year at Georgetown, in the winter, on a day very much like today, I had a date with a girl from American University. I didn't think about this until I got in the car to come up here today, but it was snowing like crazy that night, just like it was today. And I creeped along in my car from Georgetown to American with this fellow who was in my class. And we picked up these two fine women from American University. And we went to the movie, and then we went to dinner. We went to a movie, we took them home, and then we were driving home. As we were driving home it was very slick, just like it is today. And I put my brakes on when I was almost home, and my car went into a huge spin. And it missed this massive pole on which the stoplight was by about 2 inches. And I couldn't help thinking after my speech last week how many more people would have been happy in America if I'd been a little bit closer to that pole 25 years ago. [*Laughter*]

Thirty years ago in the last year of his short but brilliant life, John Kennedy came to this university to address the paramount challenge of that time: the imperative of pursuing peace in the face of nuclear confrontation. Many Americans still believe it was the finest speech he ever delivered. Today I come to this same place to deliver an address about what I consider to be the great challenge of this day: the imperative of American leadership in the face of global change.

Over the past year I have tried to speak at some length about what we must do to update our definition of national security and to promote it and to protect it and to foster democracy and human rights around the world. Today, I want to allude to those matters, but to focus on the economic leadership we must exert at home and abroad as a new global economy unfolds before our eyes.

Twice before in this century, history has asked the United States and other great powers to provide leadership for a world ravaged by war. After World War I, that call went unheeded. Britain was too weakened to lead the world to reconstruction. The United States was too unwilling. The great powers together turned inward as violent, totalitarian power emerged. We raised trade barriers. We sought to humiliate rather than rehabilitate the vanquished. And the result was instability, inflation, then depression and ultimately a Second World War.

After the Second War, we refused to let history repeat itself. Led by a great American President, Harry Truman, a man of very common roots but uncommon vision, we drew together with other Western powers to reshape a new era. We established NATO to oppose the aggression of communism. We rebuilt the American economy with investments like the GI bill and a national highway system. We carried out the Marshall plan to rebuild war-ravaged nations abroad. General MacArthur's vision prevailed in Japan, which built a massive economy and a remarkable democracy. We built new institutions to foster peace and prosperity: the United Nations, the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade, and more.

These actions helped to usher in four decades of robust economic growth and collective security. Yet the cold war was a draining time. We devoted trillions of dollars to it, much more than many of our more visionary leaders thought we should have. We posted our sons and daughters around the world. We lost tens of thousands of them in the defense of freedom and in the pursuit of a containment of communism.

We, my generation, grew up going to school assemblies learning about what we would do in the event a nuclear war broke out. We were taught to practice ducking under our desks and praying that somehow they might shield us from nuclear radiation. We all learned about whether we needed a bomb shelter in our neighborhood to which we could run in the event that two great superpowers rained nuclear weapons on one another. And that fate, frankly, seemed still frighteningly possible just months before President Kennedy came here to speak in 1963. Now, thanks to his leadership and that of every American President since the Second World War from Harry Truman to George Bush, the cold war is over.

The Soviet Union itself has disintegrated. The nuclear shadow is receding in the face of the START I and START II agreements and others that we have made and others yet to come. Democracy is on the march everywhere in the world. It is a new day and a great moment for America.

Yet, across America I hear people raising central questions about our place and our prospects in this new world we have done so much to make. They ask: Will we and our children really have good jobs, first-class opportunities, world-class education, quality affordable health care, safe streets? After having fully defended freedom's ramparts, they want to know if we will share in freedom's bounty.

One of the young public school students President Duffey just introduced was part of the children's program that I did last Saturday with children from around America. If you saw their stories, so many of them raised troubling questions about our capacity to guarantee the fruits of the American dream to all of our own people.

I believe we can do that, and I believe we must. For in a new global economy, still recovering from the after-effects of the cold war, a prosperous America is not only good for Americans, as the Prime Minister of Great Britain reminded me just a couple of days ago, it is absolutely essential for the prosperity of the rest of the world.

Washington can no longer remain caught in the death grip of gridlock, governed by an outmoded ideology that says change is to be resisted, the status quo is to be preserved like King Canute ordering the tide to recede. We cannot do that. And so, my fellow Americans, I submit to you that we stand at the third great moment of decision in the 20th century. Will we repeat the mistakes of the 1920's or the 1930's by turning inward, or will we repeat the successes of the 1940's and the 1950's by reaching outward and improving ourselves as well? I say that if we set a new direction at home, we can set a new direction for the world as well.

The change confronting us in the 1990's is in some ways more difficult than previous times because it is less distinct. It is more complex and in some ways the path is less clear to most of our people still today, even after 20 years of declining relative productivity and a decade or more of stagnant wages and greater effort.

The world clearly remains a dangerous place. Ethnic hatreds, religious strife, the proliferation of weapons of mass destruction, the violation of human rights flagrantly in al-

together too many places around the world still call on us to have a sense of national security in which our national defense is an integral part. And the world still calls on us to promote democracy, for even though democracy is on the march in many places in the world, you and I know that it has been thwarted in many places, too. And yet we still face, overarching everything else, this amorphous but profound challenge in the way humankind conducts its commerce.

We cannot let these changes in the global economy carry us passively toward a future of insecurity and instability. For change is the law of life. Whether you like it or not, the world will change much more rapidly in your lifetime than it has in mine. It is absolutely astonishing the speed with which the sheer volume of knowledge in the world is doubling every few years. And a critical issue before us and especially before the young people here in this audience is whether you will grow up in a world where change is your friend or your enemy.

We must challenge the changes now engulfing our world toward America's enduring objectives of peace and prosperity, of democracy and human dignity. And we must work to do it at home and abroad.

It is important to understand the monumental scope of these changes. When I was growing up, business was mostly a local affair. Most farms and firms were owned locally; they borrowed locally; they hired locally; they shipped most of their products to neighboring communities or States within the United States. It was the same for the country as a whole. By and large, we had a domestic economy.

But now we are woven inextricably into the fabric of a global economy. Imports and exports, which accounted for about $1 in $10 when I was growing up, now represent $1 in every $5. Nearly three-quarters of the things that we make in America are subject to competition at home or abroad from foreign producers and foreign providers of services. Whether we see it or not, our daily lives are touched everywhere by the flows of commerce that cross national borders as inexorably as the weather.

Capital clearly has become global. Some $3 trillion of capital race around the world every day. And when a firm wants to build a new factory, it can turn to financial markets now open 24 hours a day, from London to Tokyo, from New York to Singapore. Products have clearly become more global. Now if you buy an American car, it may be an American car built with some parts from Taiwan, designed by Germans, sold with British-made advertisements, or a combination of others in a different mix.

Services have become global. The accounting firm that keeps the books for a small business in Wichita may also be helping new entrepreneurs in Warsaw. And the same fast food restaurant that your family goes to or at least that I go to—[*laughter*]—also may well be serving families from Manila to Moscow and managing its business globally with information technologies, and satellites.

Most important of all, information has become global and has become king of the global economy. In earlier history, wealth was measured in land, in gold, in oil, in machines. Today, the principal measure of our wealth is information: its quality, its quantity, and the speed with which we acquire it and adapt to it. We need more than anything else to measure our wealth and our potential by what we know and by what we can learn and what we can do with it. The value and volume of information has soared; the half-life of new ideas has trumped.

Just a few days ago, I was out in Silicon Valley at a remarkable company called Silicon Graphics that has expanded exponentially, partly by developing computer software with a life of 12 months to 18 months, knowing that it will be obsolete after that and always being ready with a new product to replace it.

We are in a constant race toward innovation that will not end in the lifetime of anyone in this room. What all this means is that the best investment we can make today is in the one resource firmly rooted in our own borders. That is, in the education, the skills, the reasoning capacity, and the creativity of our own people.

For all the adventure and opportunity in this global economy, an American cannot approach it without mixed feelings. We still sometimes wish wistfully that everything we really want, particularly those things that

produce good wages, could be made in America. We recall simpler times when one product line would be made to endure and last for years. We're angry when we see jobs and factories moving overseas or across the borders or depressing wages here at home when we think there is nothing we can do about it. We worry about our own prosperity being so dependent on events and forces beyond our shores. Could it be that the world's most powerful nation has also given up a significant measure of its sovereignty in the quest to lift the fortunes of people throughout the world?

It is ironic and even painful that the global village we have worked so hard to create has done so much to be the source of higher unemployment and lower wages for some of our people. But that is no wonder. For years our leaders have failed to take the steps that would harness the global economy to the benefit of all of our people, steps such as investing in our people and their skills, enforcing our trade laws, helping communities hurt by change; in short, putting the American people first without withdrawing from the world and people beyond our borders.

The truth of our age is this and must be this: Open and competitive commerce will enrich us as a nation. It spurs us to innovate. It forces us to compete. It connects us with new customers. It promotes global growth without which no rich country can hope to grow wealthier. It enables our producers who are themselves consumers of services and raw materials to prosper. And so I say to you in the face of all the pressures to do the reverse, we must compete, not retreat.

Our exports are especially important to us. As bad as the recent recession was, it would have gone on for twice as long had it not been for what we were able to sell to other nations. Every $1 billion of our exports creates nearly 20,000 jobs here, and we now have over 7 million export-related jobs in America. They tend to involve better work and better pay. Most are in manufacturing, and on average, they pay almost $3,500 more per year than the average American job. They are exactly the kind of jobs we need for a new generation of Americans.

American jobs and prosperity are reason enough for us to be working at mastering the essentials of the global economy. But far more is at stake, for this new fabric of commerce will also shape global prosperity or the lack of it, and with it, the prospects of people around the world for democracy, freedom, and peace.

We must remember that even with all our problems today, the United States is still the world's strongest engine of growth and progress. We remain the world's largest producer and its largest and most open market. Other nations, such as Germany and Japan, are moving rapidly. They have done better than we have in certain areas. We should respect them for it, and where appropriate, we should learn from that. But we must also say to them, "You, too, must act as engines of global prosperity." Nonetheless, the fact is that for now and for the foreseeable future, the world looks to us to be the engine of global growth and to be the leaders.

Our leadership is especially important for the world's new and emerging democracies. To grow and deepen their legitimacy, to foster a middle class and a civic culture, they need the ability to tap into a growing global economy. And our security and our prosperity will be greatly affected in the years ahead by how many of these nations can become and stay democracies.

All you have to do to know that is to look at the problems in Somalia, to look at Bosnia, to look at the other trouble spots in the world. If we could make a garden of democracy and prosperity and free enterprise in every part of this globe, the world would be a safer and a better and a more prosperous place for the United States and for all of you to raise your children in.

Let us not minimize the difficulty of this task. Democracy's prospects are dimmed, especially in the developing world, by trade barriers and slow global growth. Even though 60 developing nations have reduced their trade barriers in recent years, when you add up the sum of their collective actions, 20 of the 24 developed nations have actually increased their trade barriers in recent years. This is a powerful testament to the painful difficulty of trying to maintain a high-wage economy in a global economy where production is mobile and can quickly fly to a place with low wages.

We have got to focus on how to help our people adapt to these changes, how to maintain a high-wage economy in the United States without ourselves adding to the protectionist direction that so many of the developed nations have taken in the last few years. These barriers in the end will cost the developing world more in lost exports and incomes than all the foreign assistance that developed nations provide, but after that they will begin to undermine our economic prosperity as well.

It's more than a matter of incomes. I remind you: It's a matter of culture and stability. Trade, of course, cannot ensure the survival of new democracies, and we have seen the enduring power of ethnic hatred, the incredible power of ethnic divisions, even among people literate and allegedly understanding, to splinter democracy and to savage the nation's state.

But as philosophers from Thucydides to Adam Smith have noted, the habits of commerce run counter to the habits of war. Just as neighbors who raise each other's barns are less likely to become arsonists, people who raise each other's living standards through commerce are less likely to become combatants. So if we believe in the bonds of democracy, we must resolve to strengthen the bonds of commerce.

Our own Nation has the greatest potential to benefit from the emerging economy, but to do so we have to confront the obstacles that stand in our way. Many of our trading partners cling to unfair practices. Protectionist voices here at home and abroad call for new barriers. And different policies have left too many of our workers in communities exposed to the harsh winds of trade without letting them share in the sheltering prosperity trade has also brought and without helping them in any way to build new ways to work so they can be rewarded for their efforts in global commerce.

Cooperation among the major powers toward world growth is not working well at all today. And most of all, we simply haven't done enough to prepare our own people and to produce our own resources so that we can face with success the rigors of the new world. We can change all that if we have the will to do it. Leonardo da Vinci said that God sells all things at the price of labor. Our labor must be to make this change.

I believe there are five steps we can and must take to set a new direction at home and to help create a new direction for the world. First, we simply have to get our own economic house in order. I have outlined a new national economic strategy that will give America the new direction we require to meet our challenges. It seeks to do what no generation of Americans has ever been called upon to do before: to increase investment in our productive future and to reduce our deficit at the same time.

We must do both. A plan that only plays down the deficit without investing in those things that make us more productive will not make us stronger. A plan that only invests more money without bringing down the deficit will weaken the fabric of our overall economy such that even educated and productive people cannot succeed in it.

It is more difficult to do both. The challengers are more abrasive. You have to cut more other spending and raise more other taxes. But it is essential that we do both: invest so that we can compete; bring down the debt so that we can compete. The future of the American dream and the fate of our economy and much of the world's economy hangs in the balance on what happens in this city in the next few months.

Already the voices of inertia and self-interest have said, well, we shouldn't do this or this, or that detail is wrong with that plan. But almost no one has taken up my original challenge that anyone who has any specific ideas about how we can cut more should simply come forward with them. I am genuinely open to new ideas to cut inessential spending and to make the kinds of dramatic changes in the way Government works that all of us know we have to make. I don't care whether they come from Republicans or Democrats, or I don't even care whether they come from at home or abroad. I don't care who gets the credit, but I do care that we not vary from our determination to pass a plan that increases investment and reduces the deficit.

I think every one of you who is a student at this university has a far bigger stake in the future than I do. I have lived in all probability more than half my life with benefits

far beyond anything I ever dreamed or deserved because my country worked. And I want my country to work for you.

The plan I have offered is assuredly not perfect, but it's an honest and bold attempt to honestly confront the challenges before us, to secure the foundations of our economic growth, to expand the resources, the confidence and the moral suasion we need to continue our global leadership into the next century. And I plead with all of you to do everything you can to replace the blame game that has dominated this city too long with the bigger game of competing and winning in the global economy.

Second, it is time for us to make trade a priority element of American security. For too long, debates over trade have been dominated by voices from the extremes. One says governments should build walls to protect firms from competition. Another says government should do nothing in the face of foreign competition, no matter what the dimension and shape of that competition is, no matter what the consequences are in terms of job losses, trade dislocations, or crushed incomes. Neither view takes on the hard work of creating a more open trading system that enables us and our trading partners to prosper. Neither steps up to the task of empowering our workers to compete or of ensuring that there is some compact of shared responsibility regarding trade's impact on our people or of guaranteeing a continuous flow of investment into emerging areas of new technology which will create the high-wage jobs of the 21st century.

Our administration is now developing a comprehensive trade policy that will step up to those challenges. And I want to describe the principles upon which it will rest. It will not be a policy of blame but one of responsibility. It will say to our trading partners that we value their business, but none of us should expect something for nothing.

We will continue to welcome foreign products and services into our markets but insist that our products and services be able to enter theirs on equal terms. We will welcome foreign investment in our businesses knowing that with it come new ideas as well as capital, new technologies, new management techniques, and new opportunities for us to learn from one another and grow. But as we welcome that investment, we insist that our investors should be equally welcome in other countries.

We welcome the subsidiaries of foreign companies on our soil. We appreciate the jobs they create and the products and services they bring. But we do insist simply that they pay the same taxes on the same income that our companies do for doing the same business.

Our trade policy will be part of an integrated economic program, not just something we use to compensate for the lack of a domestic agenda. We must enforce our trade laws and our agreements with all the tools and energy at our disposal. But there is much about our competitive posture that simply cannot be straightened out by trade retaliation. Better educated and trained workers, a lower deficit, stable, low interest rates, a reformed health care system, world-class technologies, revived cities: These must be the steel of our competitive edge. And there must be a continuing quest by business and labor and, yes, by Government for higher and higher and higher levels of productivity.

Too many of the chains that have hobbled us in world trade have been made in America. Our trade policy will also bypass the distracting debates over whether efforts should be multilateral, regional, bilateral, unilateral. The fact is that each of these efforts has its place. Certainly we need to seek to open other nations' markets and to establish clear and enforceable rules on which to expand trade.

That is why I'm committed to a prompt and successful completion of the Uruguay round of the GATT talks. That round has dragged on entirely too long. But it still holds the potential, if other nations do their share and we do ours, to boost American wages and living standards significantly and to do the same for other nations around the world.

We also know that regional and bilateral agreements provide opportunities to explore new kinds of trade concerns, such as how trade relates to policies affecting the environment and labor standards and the antitrust laws. And these agreements, once concluded, can act as a magnet including other countries

to drop barriers and to open their trading systems.

The North American Free Trade Agreement is a good example. It began as an agreement with Canada, which I strongly supported, which has now led to a pact with Mexico as well. That agreement holds the potential to create many, many jobs in America over the next decade if it is joined with others to ensure that the environment, that living standards, that working conditions, are honored, that we can literally know that we are going to raise the condition of people in America and in Mexico. We have a vested interest in a wealthier, stronger Mexico, but we need to do it on terms that are good for our people.

We should work with organizations, such as the Asian-Pacific Economic Cooperation Forum, to liberalize our trade across the Pacific as well.

And let me just say a moment about this: I am proud of the contribution America has made to prosperity in Asia and to the march of democracy. I have seen it in Japan after World War II. I have seen it, then, in Taiwan as the country became more progressive and less repressive at the same time. I have seen it in Korea as the country has become more progressive and more open. And we are now making a major contribution to the astonishing revitalization of the Chinese economy, now growing at 10 percent a year, with the United States buying a huge percentage of those imports. And I say, I want to continue that partnership, but I also think we have a right to expect progress in human rights and democracy and should support that progress.

Third, it is time for us to do our best to exercise leadership among the major financial powers to improve our coordination on behalf of global economic growth. At a time when capital is mobile and highly fungible, we simply cannot afford to work at cross-purposes with the other major industrial democracies. Our major partners must work harder and more closely with us to reduce interest rates, stimulate investment, reduce structural barriers to trade, and to restore robust global growth. And we must look anew at institutions we use to chart our way in the global economy and ask whether they are serving our interest in this new world or whether we need to modify them or create others.

Tomorrow, our Treasury Secretary, Secretary Bentsen, and the Federal Reserve Board Chairman, Alan Greenspan, will meet with their counterparts from these Group of Seven nations to begin that work. And I look forward to meeting with the G–7 heads of state and the representatives of the European Community at our Tokyo summit in July. I am especially hopeful that by then our economic package here at home will have been substantially enacted by the Congress. And if that is so, I will be able to say to my counterparts, you have been telling us for years that America must reduce its debt and put its own house in order. You have been saying to us for years we must increase investment in our own education and technology to improve productivity. We have done it. We have done it for ourselves. We have done it for you. Now you must work with us in Germany and Japan and other nations to promote global growth.

We have to work with these nations. None of us are very good at it. America doesn't want to give up its prerogatives. The Japanese don't want to give up theirs. The Germans don't want to give up theirs. There are deep and ingrained traditions in all these nations. But the fact is that the world can't grow if America is in recession, but it will be difficult for us to grow coming out of this recovery unless we can spark a renewed round of growth in Europe and in Japan. We have got to try to work more closely together.

Fourthly, we need to promote the steady expansion of growth in the developing world, not only because it's in our interest but because it will help them as well. These nations are a rapidly expanding market for our products. Some three million American jobs flow from exports to the developing world. Indeed, because of unilateral actions taken by Mexico over the last few years, the volume of our trade has increased dramatically, and our trade deficit has disappeared.

Our ability to protect the global environment and our ability to combat the flow of illegal narcotics also rests in large measure on the relationships we develop commercially with the developing world.

There is a great deal we can do to open the flow of goods and services. Our aid policies must do more to address population pressures; to support environmentally responsible, sustainable development; to promote more accountable government; and to foster a fair distribution of the fruits of growth among an increasingly restive world population where over one billion people still exist on barely a dollar a day. These efforts will reap us dividends of trade, of friendship, and peace.

The final step we must take, my fellow Americans, is toward the success of democracy in Russia and in the world's other new democracies. The perils facing Russia and other former Soviet republics are especially acute and especially important to our future. For the reductions in our defense spending that are an important part of our economic program over the long run here at home are only tenable as long as Russia and the other nuclear republics pose a diminishing threat to our security and to the security of our allies and the democracies throughout the world. Most worrisome is Russia's precarious economic condition. If the economic reforms begun by President Yeltsin are abandoned, if hyperinflation cannot be stemmed, the world will suffer.

Consider the implications for Europe if millions of Russian citizens decide they have no alternative but to flee to the West where wages are 50 times higher. Consider the implication for the global environment if all the Chernobyl-style nuclear plants are forced to start operating there without spare parts, when we should be in a phased stage of building them down, closing them up, cleaning them up. If we are willing to spend trillions of dollars to ensure communism's defeat in the cold war, surely we should be willing to invest a tiny fraction of that to support democracy's success where communism failed.

To be sure, the former Soviet republics and especially Russia, must be willing to assume most of the hard work and high cost of the reconstruction process. But then again, remember that the Marshall plan itself financed only a small fraction of postwar investments in Europe. It was a magnet, a beginning, a confidence-building measure, a way of starting a process that turned out to produce an economic miracle.

Like Europe then, these republics now have a wealth of resources and talent and potential. And with carefully targeted assistance, conditioned on progress toward reform and arms control and nonproliferation, we can improve our own security and our future prosperity at the same time we extend democracy's reach.

These five steps constitute an agenda for American action in a global economy. As such, they constitute an agenda for our own prosperity as well. Some may wish we could pursue our own domestic effort strictly through domestic policies, as we have understood them in the past. But in this global economy, there is no such thing as a purely domestic policy. This thing we call the global economy is unruly. It's a bucking bronco that often lands with its feet on different sides of old lines and sometimes with its whole body on us. But if we are to ride the bronco into the next century, we must harness the whole horse, not just part of it.

I know there are those in this country in both political parties and all across the land who say that we should not try to take this ride, that these goals are too ambitious, that we should withdraw and focus only on those things which we have to do at home. But I believe that would be a sad mistake and a great loss. For the new world toward which we are moving actually favors us. We are better equipped than any other people on Earth by reason of our history, our culture, and our disposition, to change, to lead, and to prosper. The experience of the last few years where we have stubbornly refused to make the adjustments we need to compete and win are actually atypical and unusual seen against the backdrop of our Nation's history.

Look now at our immigrant Nation and think of the world toward which we are tending. Look at how diverse and multiethnic and multilingual we are, in a world in which the ability to communicate with all kinds of people from all over the world and to understand

them will be critical. Look at our civic habits of tolerance and respect. They are not perfect in our own eyes. It grieved us all when there was so much trouble a year ago in Los Angeles. But Los Angeles is a county with 150 different ethnic groups of widely differing levels of education and access to capital and income. It is a miracle that we get along as well as we do. And all you have to do is to look at Bosnia, where the differences were not so great, to see how well we have done in spite of all of our difficulties.

Look at the way our culture has merged technology and values. This is an expressive land that produced CNN and MTV. We were all born for the information age. This is a jazzy nation, thank goodness, for my sake. It created be-bop and hip-hop and all those other things. We are wired for real time. And we have always been a nation of pioneers. Consider the astonishing outpouring of support for the challenges I laid down last week in an economic program that violates every American's narrow special interest if you just take part of it out and look at it.

And yet, here we are again, ready to accept a new challenge, ready to seek new change because we're curious and restless and bold. It flows out of our heritage. It's ingrained in the soul of Americans. It's no accident that our Nation has steadily expanded the frontiers of democracy, of religious tolerance, of racial justice, of equality for all people, of environmental protection and technology and, indeed, the cosmos itself. For it is our nature to reach out. And reaching out has served not only ourselves but the world as well.

Now, together, it is time for us to reach out again: toward tomorrow's economy, toward a better future, toward a new direction, toward securing for you, students at American University, the American dream.

Thank you very much.

NOTE: The President spoke at 10:44 a.m. at Bender Arena. In his remarks, he referred to Joseph Duffey, president of American University. A tape was not available for verification of the content of these remarks.

Announcement of Nomination for Two Sub-Cabinet Posts

February 26, 1993

President Clinton today announced his intention to nominate Jamie Gorelick to be General Counsel of the Department of Defense and Jean Hanson to be General Counsel of the Treasury Department.

"Jamie Gorelick and Jean Hanson are two of the most qualified people in the country for these important positions," said the President. "Each of them combines impressive legal expertise and private sector experience with a demonstrable commitment to public service."

Ms. Gorelick has been a partner in the Washington law firm of Miller, Cassidy, Larroca & Lewin since 1980. Her previous Government service includes a position as Counsellor to the Deputy Secretary and Assistant to the Secretary of Energy from 1979 to 1980, during which time she also served as Vice Chairman of the Task Force on Evaluation of the Audit, Investigative and Inspection Components of the Department of Defense.

Ms. Hanson has been a partner in the law firm of Fried, Frank, Harris, Shriver & Jacobson, since 1983, and has been with that firm since 1976. She had previously served as a clerk in the Office of Minnesota State Public Defender and as probation officer in Hennepin County, MN. She has been active on corporate finance and securities regulation issues and has been profiled in various publications as a "rising star" in the legal field. Ms. Hanson, a native of Rochester, MN, is a graduate of Luther College and the University of Minnesota Law School. She lives in Bronxville, NY.

NOTE: Secretarial sub-Cabinet appointments attached to this announcement are listed in the Digest.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

February 21

In the morning, the President traveled to Santa Monica, CA.

In the afternoon, he traveled to Los Angeles and San Jose, CA.

In the evening, the President had dinner with chief executive officers of California-based companies in Los Gatos, CA.

February 22

In the morning, the President went to Silicon Graphics in Mountain View, CA, where he toured the facility.

In the afternoon, the President traveled to Everett, WA, and returned to Washington, DC, in the evening.

February 24

In the evening, the President had a working dinner with Prime Minister John Major of the United Kingdom.

February 25

In the morning, the President met at the White House with:

—Representative Eva Clayton;

—representatives of the Business Council.

In the afternoon, the President met at the White House with:

—the crew of NASA's Space Shuttle *Endeavour*;

—members of the Wine Institute;

—members of Future Farmers of America;

—congressional leaders.

February 26

In the late morning, the President attended a reception at American University.

The White House announced that the President has invited a number of world leaders to the White House for working visits: NATO Secretary General Manfred Woerner (March 2), French President Frančois Mitterrand (March 9), Israeli Prime Minister Yitzhak Rabin (March 15), Haitian President Jean Bertrand Aristide (March 16), Irish Prime Minister Albert Reynolds (March 17), German Chancellor Helmut Kohl (March 26), and Egyptian President Hosni Mubarak (April 6).

The White House announced the following Secretarial sub-Cabinet appointments: Diana Josephson to be Deputy Under Secretary for Oceans and Atmosphere, Department of Commerce; Stephanie Solien Assistant to the Secretary for Congressional and Intergovernmental Affairs, Department of Interior; and Judy Feder, Deputy Assistant Secretary for Planning and Evaluation, and Anne Lewis, Deputy Assistant Secretary for Public Affairs, Department of Health and Human Services.

Nominations Submitted to the Senate

Submitted February 23

William J. Perry,
of California, to be Deputy Secretary of Defense, vice Donald J. Atwood, resigned.

Frank G. Wisner,
of the District of Columbia, to be Under Secretary of Defense for Policy, vice Paul Dundes Wolfowitz, resigned.

Submitted February 26

Peter Tarnoff,
of New York, to be Under Secretary of State for Political Affairs, vice Arnold Lee Kanter, resigned.

Janet Reno,
of Florida, to be Attorney General.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released February 22

Statement by Press Secretary Dee Dee Myers announcing the President's meeting with United Nations Secretary-General Boutros Boutros-Ghali

Outline of the President's comprehensive new technology initiative

Released February 23

Biographies of Nominees for 21 sub-Cabinet Posts

Transcript of two press briefings by Press Secretary Dee Dee Myers

Transcript of a press briefing by Director of Communications George Stephanopoulos

Transcript of a press briefing by John Gibbons, Assistant to the President for Science and Technology Policy, and Bowman Cutter, Deputy Assistant to the President for Economic Policy, on the new technology policy

Released February 24

Transcript of a press briefing by Press Secretary Dee Dee Myers

Transcript of a press briefing by Director of Communications George Stephanopoulos

Released February 25

Transcripts of two press briefings by Press Secretary Dee Dee Myers

Transcript of a press briefing by Director of Communications George Stephanopoulos

List of Philadelphia and Houston business and labor leaders endorsing the President's economic plan

Statement on the President's plans to meet with astronauts of the Space Shuttle *Endeavour*

Released February 26

List of American business and labor leaders endorsing the President's economic plan

Statements by American business and labor leaders supporting the President's economic plan

Transcript of a press briefing by Director of Communications George Stephanopoulos

Acts Approved by the President

Approved February 25

H.J. Res. 101 / Public Law 103–5
To designate February 21 through February 27, 1993, as ''National FFA Organization Awareness Week''