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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Remarks in a Roundtable Discussion on the School-to-Work Program in Nashua, New Hampshire

February 2, 1996

[*Marie Devlin, director, Southern New Hampshire School-to-Careers Partnership, opened the roundtable by describing the nature of the coalition.*]

The President. I just have a few brief remarks I'd like to make. First of all, let me thank all of the people at Sanders for making us feel welcome today and for the good work that they do for our country, and I congratulate them on all of the many things they do, as well as their participation in this program.

As Marie said, I have been interested in this whole concept of how we move young people from school to work for years and years, going way back before I ever even thought about running for President. Many years ago, my wife actually served on a commission that was funded by the Grant Foundation in New York to look at the movement of young Americans from school into the workplace, and particularly those who did not go on to and finish 4-year colleges.

This group found that our country was really the only advanced economy in the world that didn't have a systematic cooperation between the education system and the workplaces of our country to move young people into the workplace in a seamless way that continued their training and guaranteed that they had a much better chance to get a good job with a growing prospect of success, both in terms of pay and promotion and stability of work.

This was about 10 years ago. So for about 10 years I have been really concerned about this, and when I became President, I asked the Congress to pass this law—and it passed with overwhelming bipartisan support—to provide funding for a few years to give every State the chance not to set up a program but to set up a partnership, a network that would build systematic linkages between workplaces and schools and colleges and community colleges and other training systems so that every young person in our country who finishes high school would be able to go into some line of work which would also carry with it future education and training. I think it's going to make a big difference.

I was very alarmed—I think every American is—by the dramatic divergence in the earnings capacity of young Americans based on the level of education they have, and it happened because we simply did not have a system, particularly for taking care of the young people who didn't go on to the 4-year colleges and into the degree programs. And that's what the School-to-Work program is designed to do, to kind of let people like all of you form partnerships to fill that big vacuum. And I hope we can keep the funding up, but we never intended to fund it forever, but I hope we can keep the funding up long enough to get every State in the country to have the kind of network New Hampshire does.

I can say this—in only a year and a half, we now have about 42,000 employers and 116,000 young people participating in this program nationwide, and more will come quickly. So I congratulate you on what you've done in New Hampshire, and I'd like to spend the rest of my time just hearing from all of you about how this actually works for you and how you relate to it.

[*At this point, Ms. Devlin introduced two students who described their experience in a Sanders Lockheed program called Women in Technology, which allows young women to meet women engineers and to see the types of opportunities available in the engineering field. Ms. Devlin then introduced a student intern at Parkland Medical Center and a student intern at the Salem Police Station, who described their experiences.*]

The President. It's different from television, huh?

Q. Yes. And my mentor, Eric Lamm's here——

The President. Where is he? Stand up there, Mr. Lamm. Thank you.

Q. I just want to thank Salem Police Station a lot for opening the doors and having the opportunity for me to go in and experience what a lot of other kids don't get to experience.

The President. And did it change your view of law enforcement then?

Q. I always wanted to do it since I was a little kid, so I just wanted—I wanted to go in there and see if this is what I really wanted to do. So yes and no. It didn't, but it did.

[*Ms. Devlin introduced a student who described his experience at Brooks Automation where he served as a mechanical assembler.*]

The President. That's terrific.

[*Ms. Devlin introduced the father of a student intern who described both the opportunities and the real work experience the program had given to his son and thanked Brooks Automation and Nelson Shaw for the opportunity.*]

The President. Are they here?

Q. Nelson is here.

The President. Who's here? Stand up. Thank you very much, sir.

[*Ms. Devlin introduced the participant from an electric company who described his company's experience with taking student interns and how much he had come to depend on his current intern, Jeremy deGagli.*]

The President. Is he here?

Ms. Devlin. Jeremy, could you stand up, please? This is Jeremy deGagli.

The President. Good for you.

Mr. deGagli. Thank you.

The President. That's great. Thank you for doing it.

[*Ms. Devlin introduced a participant from Sanders Lockheed who described her experience as a mentor to several of the young women participating in the program.*]

The President. Diana implied that a lot of the benefit was just for young women to see if there were careers that there are actually women involved in and succeeding in that they might not have even imagined beforehand. Do you find that?

[*The mentor explained that there are few women in the engineering field, and expressed her hope that the school-to-work program may encourage more women to become engineers.*]

The President. Let me ask you one other question. This is just related to that. Can you be a little more specific in telling me what the educational benefits are of working here and how you can continue your education, what the company does?

[*The mentor explained that Sanders Lockheed fully reimburses tuition for higher education.*]

The President. The reason I asked you that is one of the issues we are now debating in the context of the balanced budget amendment and what any tax cut should look like and whether there should be one is—I've been urging the Congress to focus on things that will generate higher incomes and greater stability among working people and reward companies for really investing in their people.

The old deduction that companies got for paying for their employees' tuition I think is about to expire, plus which it had certain limits in it. One of the things that I've been urging them to look at is whether or not we ought to have a more generous tax break, both not only to companies but to employees.

There's a general rule in the Tax Code that anything that's deductible to a company is taxable to an employee over and above a certain amount. And it seems to me that we have a huge interest in the United States in seeing that people who are already in the work force continue their education and that the tax system ought never to penalize that, I mean within reasonable bounds.

Anyway that's what we're—one of the things we're looking at as we try to put this whole budget agreement together. I don't think there's a big partisan difference on it. It's not like we're fighting about it; we're more trying to figure out what the right thing to do is and what the best way to encourage

employers and employees to take whatever opportunities the employer can possibly afford in terms of time off and the costs of education to go forward. That's why I ask you about it. It's a big issue, folks.

The head of United Technologies gave a speech the other day in which he said he thought that the most urgent economic issue in the country today was the question of educating the people who are already in the work force, because we couldn't go on as a country where half our people were doing pretty well and half our people never got a raise. And so we had to change the whole—he was arguing that we ought to change the whole tax system so that there would always, always be an incentive for employers to help their employees get more education. Anyway, that's why I asked.

[*Ms. Devlin described the Teacher in the Workplace program which gives teachers experience working in local companies. The teachers then came back and tailored the curriculum to help students see the meaning and relevance of what they're learning. She then introduced a teacher who participated in that program, and he described his experience.*]

The President. Thank you very much for that testimonial. [*Laughter*] He was great, wasn't he? You know, I was just sitting here trying to—one of the things that I have to concentrate on all the time is how to explain things in simple, fairly quick terms, because usually I don't get to communicate with all of you like this. Usually I get eight or nine seconds through them. So if someone were to ask me, say in a sentence what does all this amount to? You just sort of said it.

Let me just—because I think it's important—for 50 years, more or less, after World War II, for most of that time, there was a clear distinction between the school and the workplace. And within schooling there was a clear distinction between academic programs and vocational programs. What this is really about is erasing those distinctions, merging the school and the workplace, and merging the academic and the vocational.

For one thing we have no choice, because a lot of these vo-tech programs require now—a vocational program—a high level of technical sophistication, and they are academic in the best sense. And for another we now know that there are a lot of people who learn by doing, not because they have a lower IQ, but because that's the way their minds work. And there are a lot of people who just learn by doing better than they learn by reading, hearing, and speaking.

And I couldn't help but be moved by what Josh said here when he was describing his own experience, that through a series of work experiences he came to think of going to college. It used to be always the other way around. No telling how many people we deprived of the opportunity to develop themselves because we had this artificial barrier between school and work, and an artificial barrier between what was academic and what was vocational.

And really that's what this school-to-work program is designed to give every State a chance to set up this kind of network to get rid of those barriers. And you said it very well, sir, and I thank you.

[*A teacher advocated more in the way of communication between the companies and schools and advocated tailoring the curriculum to advance those goals in the classroom.*]

The President Let me just echo that. I wanted to say a special word of thanks to Mr. Ahearn and the other companies who are doing this who don't have hundreds and hundreds of employees. Most new jobs in America are being created by people like you. The Fortune 500 companies have reduced employment in every year—aggregate employment in every year since 1980, every year. But to give you an idea—this is another role model issue—last year there were more new jobs created by businesses owned by women alone than were reduced by the Fortune 500 companies.

So people like you, we can grow our economy on small- and medium-size businesses and on doing work to support bigger operations like this one. But that means that, for this program to work, we can't depend only on the Sanders and only on the big medical centers and only on the large employers to participate. We have to have the city police departments and the other—the more moderate-size and small-size employers participating too.

[*A participant discussed the opportunities that the construction business and skilled trades offer to young people.*]

The President. Absolutely. And, of course, the constructions have the best and deepest tradition in our country of taking people in as apprentices. But let me say, based on my own experience, anybody who thinks that construction doesn't require some intellectual capacity has never built a house. [*Laughter*] I did once, and it was quite a challenge.

Q. Also, just sitting here today, I mean, probably 99 percent of the people look up at the ceiling and don't get excited. But I'm in this room, I'm excited about this ceiling. [*Laughter*]

The President. You might have lost your mind on the higher floors up there it's so exciting. [*Laughter*]

Ms. Devlin. I wonder if we could hear a little bit more from the students. I imagine they were a little nervous with some of their opening remarks.

The President. They did well, though, didn't they? Didn't all the students do well? They spoke well.

[*Two students discussed their experiences as interns at Sanders Lockheed and how it made their school experiences seem more practical.*]

The President. Is anybody here of your family?

Q. Yes. Both my parents are here.

The President. Where are they? So they must have been pleased by that. [*Laughter*] Would either one of you like to say anything about the program?

[*A student's mother, stated that the initiative was an excellent opportunity.*]

The President. That's great. Thank you.

[*One student explained how her experience as an intern at the hospital had broadened her view and how she was now considering the full range of medical possibilities from pediatrics to geriatrics to just regular middle-aged people.*]

The President. We're getting used to it, all us regular middle-aged people. [*Laughter*]

[*The student then described her experience as an intern in the maternity unit and said that it convinced her that she wanted to go into obstetrics.*]

The President. And you said you saw triplets born?

Q. No, I didn't see triplets—they were born in Massachusetts, and they were transferred to New Hampshire, and I took care of them and I really liked it.

The President. How much did they weigh when you got them?

Q. Two of them were three, and one of them was four pounds.

The President. That's pretty good for triplets.

[*A student further described his experience as an intern with the Salem Police Station and said that he started by doing paperwork but later got to ride in the police cruisers.*]

The President. It's important, I think, that when you do these things to learn the parts of the job that may not be so exciting. Because, if you think about it, all police work could ultimately be futile except if you were protecting somebody in that moment, if they didn't keep records. Because any action they take that ultimately may have to be validated in a court of law requires some records. I don't mean just crimes, even if it's an accident, just for an insurance company to pay off.

So, I think it's important to learn, you know, no job can be one constant cheap thrill from morning to night—even mine. [*Laughter*]

Ms. Devlin. We would like to take an opportunity now to let those of you in the audience, if you have questions of the President, or of any of us at the table to please stand and ask a question.

The President. Or, if you want to say anything about your program. I know there are a lot of other employers out here. Anybody else? Anyone want to say anything?

Q. Mr. President, we have another program where we've worked with high school and technology, and that U.S. First, and I think you know about that.

The President. I do.

Q. It's been very active and it's been wonderful working with the high school students and——

The President. Thank you for doing that.

Q. Mr. President?

The President. Yes. Sorry, sir. [*Laughter*]

[*A participant from a marketing company described his experience with student interns and said that he thought it was a very good thing for the students to learn technology, problemsolving skills, and to deal with real-life situations.*]

The President. Thank you. Anyone else?

Ms. Devlin. A young lady over here.

[*A participant from a chemical company said that her organization worked with young people who are working while going to school and said that this part of the School-to-Careers program helped motivate young people just to get through high school.*]

The President. Thank you.

[*A participant asked if the school-to-work program would be affected by the budget and how.*]

The President. The answer is that it could be affected, because there is a big debate in Washington now, and let me—between the position I've taken that we ought to be doing things like this. Let me state fairly the Republican congressional position, or at least some of them. And I'll try to state their position as strongly as I could. Their view is that this is something everybody ought to do anyway, and we're up to our ears in debt, and therefore, the Federal Government shouldn't spend any money on it. That's essentially their argument.

But my counter is that this is precisely the sort of thing the National Government should be doing. That is, we're not telling anybody how to run a school system; we're not telling anybody how to run a training program; we're not telling anybody how to do anything. We're saying what we can do at the national level better than anyone else can do is to identify what—that is, we can see if there is a national problem, a national challenge, a national need, we can see it. And all we've done is to give a little seed money to States like New Hampshire and then to big community programs so that you can set up the infrastructure to try to put these partnerships together.

So my view is, this is precisely the thing we ought to be doing, helping people to make more of their own lives and helping people to solve their problems at the community level, not setting up a Government bureaucracy but trying to be a catalyst to help people solve a problem at the grassroots level that is nevertheless a national problem and therefore needs a national response.

I'll give you another example that we're going to be talking more about tomorrow in New Hampshire; that's the crime bill where we have a program that provides matching funds to communities to hire 100,000 more policy officers. We did that because even though there are a lot of people like you who want to be police officers, the violent crime rate tripled in 30 years, and the number of people on the beat only went up by 10 percent. That had the perverse impact of actually taking police off the beat. Why? Because as population goes up, as crime goes up, you need more people in cars covering a wider territory. And as it got more dangerous, you had to put two people in cars, instead of one.

So we said, "Okay, we're not going to tell people do they hire Juan or George, or how to train them, or where to deploy them, but there is a national need for this." That's the debate we're having. That's why I have tried to say that I would support a balanced budget plan, but we shouldn't cut any educational investments. Because we know, as a practical matter, that the level of incomes Americans enjoy and their ability to have a stable workplace environment and a stable career depends upon the level of education with which they come out of high school, whether they can go on after high school, and whether, later in life, if they need it, they can get further education.

So my view is, we shouldn't cut these things. But I think I've given you the fair argument on the other side. The fair argument on the other side is, "We have to have a national defense, and that's something only the Federal Government can do. So if there's anything else we're doing, we have a debt, you ought to cut it all." I mean, that's basically their argument. I think we can find a happy middle ground here, and we're working on it.

Now, you should know also—I don't want to bore you with a lot of details here. The balanced budget debate is over a 7-year balanced budget plan. In addition to the 7-year balanced budget plan, we actually have to pass an annual budget every year. So both of us now are trying to reach agreement on the remainder of this year's budget in a way that would be consistent with the overall balanced budget plan that we both presented. That is, we haven't reached agreement on the plan, but both of us say we've got to balance the budget in 7 years now.

I have argued for an increase from their position in investments in education, training, technology, research, and the environment, and saving money in some other ways so we can stay on the same budget project. But that's just so you'll know—the reason I said that is I want all of you, as this debate unfolds, whenever there's a debate about anything that we do in Washington, you should ask yourself the question and debate it just the way I debated it. And think I gave you a fair statement of the Republican congressional position.

Sometimes you might think they're right, sometimes you might think I'm right. But that's the kind of debate we're having in Washington about what we should and shouldn't do with the money you send us up there.

Thank you.

[*A participant supported the Goals 2000 program for what it offered both teachers and students and praised the school-to-work program for giving a very practical aspect to education.*]

The President. Thank you, Actually, the Goals 2000 program grew out of work that the Governors did before I became President. It started in 1989 when the Governors met with President Bush at the University of Virginia in Charlottesville. And at that time, I was the designated representative of the Democratic Governors. And along with the designated representative of the Republican Governors and a couple of other people, we stayed up all night long, hammering out these national education goals.

So the idea was, we should have national goals, they should be—in as far as possible, they should be measurable goals, then every State should agree to a recognized and accurate system of measuring whether we're meeting the goals so they would know how all of the students were doing, and school districts should as well, but that the Federal Government should in no way be involved in telling schools how they should meet those goals. And any of the funds we put out, we should put out at the grassroots level to support all kinds of experimentation.

The maximum level of flexibility and creativity for people, let's say, now, what is high standards in math and science, for example, or a dropout rate not to exceed 10 percent in the aggregate of any given class. And then you say, "Well, how are you going to measure that?" And you agree on how you're going to measure it, and then all the rest is up to the local school districts, the schools, working with the States. That's what I believe the system ought to be, and that's what we've tried to design, and I thank you for that.

[*At this point, Ms. Devlin thanked everyone for coming and asked the President for closing remarks.*]

The President. The only thing I'd like to say in closing is, I would like to thank the employers who participate in this, very, very much. I would like to thank the educators who support it and make it work. And I would like to thank the students and their parents who participate in it.

And if I could just say one thing, I hope that all of you will continue to support this program, and I hope there will come a time when every student in the State of New Hampshire and every student in the United States who would like to be a part of this program has a constructive opportunity to do so. It's not a program; it is a partnership. I will say again: We have got to abolish the line between what is academic and what is vocational and learning, and we've got to abolish the line between school and work.

Learning is now going to be a lifetime endeavor, and learning should be seen as a dignified form of work, and we should all get together and help each other to do it, and you have set a superb example here, and I am very grateful to you.

Thank you very much.

NOTE: The roundtable discussion began at 4:40 p.m. at the Sander Lockheed Co. This item was not received in time for publication in the appropriate issue.

Statement on the Circuit Court Decision on Replacement Workers

February 2, 1996

The right of workers to strike has long been one of America's envied freedoms. Last year, I signed an Executive order prohibiting Federal contractors from permanently replacing workers who exercise their legitimate and historic right to strike.

This Executive order—which furthers the economic and efficient administration of Federal contracts—signals the kind of productive labor-management relationships that are needed in today's economy.

I regret today's decision by the DC Circuit Court overturning this order. I strongly believe that this Executive order is economically sound, fair, and legal, and accordingly I am instructing my Justice Department to take all appropriate steps to have this decision overturned.

NOTE: This item was not received in time for publication in the appropriate issue.

Remarks to the Community in Salem, New Hampshire

February 2, 1996

Thank you very much. I don't know about you, but I think Larry's got a real future in this speaking business. [*Laughter*] I thank him and Joe and Mike and Cheryl for welcoming me here. I thank your superintendent and your high school principal for making me feel welcome, and your students. And I thank the Salem band for playing. They did a very good job. I thought it was the Marine Band playing when I first heard. They did a terrific job.

You know, it is true that 4 years ago when I first came here I walked into a room with Larry and six other people and I thought I had a crowd. We spoke to about 120 people then and I was overwhelmed by the multitude. Tonight there are 3,000 people here and 2,000 more, apparently, who wanted to come and couldn't. And I can only say to all of you, thank you from the bottom of my heart. I am very grateful to you.

Just before I got off the plane today, when I was flying up here, my staff gave me a list of all of the scheduled stops I made in New Hampshire just from January the 1st until February the 18th, 1992, not counting the ones in October, November, and December, just the ones in those 6 weeks. There were 75 different stops on that list.

I'd like to say something to all of you as this campaign season begins again that I have said repeatedly to people in the White House for the last 4 years. The New Hampshire primary serves two purposes, not one. The obvious purpose that you think about and like and your leaders without regard to party have worked so hard to protect is that you have the first primary in the Nation. You get the first say. You have a disproportionate impact on who is nominated by each party.

But what you should not underestimate is the other purpose that you serve and perhaps in the long run, an even more valuable one for the United States because New Hampshire is a small State with a lot of communities, and because it is the first primary. When I came here and went to town after town after town, to school after school after school, to business after business after business, and I sat across tables and I sat around coffee shops and I listened to people, and they asked questions and they told me of their experiences and I heard what they had to say, I learned more about my country than I ever could have learned in any other way.

No one ever runs for President knowing enough about America to be President. New Hampshire helps people learn that if you go out and you listen and you reach out to the people and you give them a chance to share with you. And that happens for people whether they win this State or not. The people always here are unfailingly courteous to the candidates and give them a chance to learn about America. You taught me a lot about America, and I thank you for it.

Let me say, when I came here in 1991 and 1992, the focus in our country and certainly in this State was overwhelmingly on the condition of the economy, on the long

recession, on the fact that the unemployment rate was so high, on the fact that so many businesses were going bankrupt and so many people were looking to the future without hope. And I asked the American people, as well as the people of New Hampshire, to give me a chance to serve as President because I had a very clear idea that in order to move into the 21st century the strongest country in the world, we had to provide economic opportunity to everyone, we had to expect more responsibility from all our citizens, and we had to pull together.

And whether we liked it or not, even though the cold war was over, we had to continue to be the leading force for freedom and for peace in the world. I believed that then, and I believe it tonight, and that is the path we have taken.

Tonight I would like to do, in an abbreviated fashion, what I attempted to do in the State of the Union Address last week. I want to give you an account of where we have come in the last 3 years, and where I believe we have to go.

Compared with 3 years ago, our economy is stronger, as Larry said. We have, combined, the lowest rates of unemployment and inflation we've had in 27 years. We have almost 8 million new jobs in this economy. We have a million new jobs in autos and construction alone. We have a 15-year high in homeownership. For 3 years in a row, we have broken records in the number of new businesses started in America. Each successive year has been a record high.

All those things are good things. In New Hampshire, the unemployment rate has dropped from 7.6 percent to 3.2. For the last 3 years businesses have been growing in number at 8 percent a year instead of shrinking, as they did before. Business failures are down. New Hampshire has 40,000 new jobs. That is a good record. We should all be proud of it. We have implemented the economic strategy I talked about here in every community: to cut the deficit in half, to expand trade to all-time highs, to invest in education and research and technology, and to sell American products all around the world. That strategy is working. We are moving forward with it. It is expanding opportunity for the American people.

We have also been a stronger force for peace and freedom, even than I had imagined we might be, in the last 3 years. You can look at the Middle East, at Northern Ireland, at Haiti, at Bosnia, and you see the work of America standing up for peace. You look at the fact that we now have almost 180 nations committed not to get involved in the nuclear arms race, at the fact that the Russians and others have detargeted their nuclear missiles so that now there are no more nuclear missiles pointed at any American homes for the first time since the dawn of the nuclear age. That is encouraging.

And perhaps most important of all, there is a real sense that Americans are becoming more responsible and are coming together more. The crime rate, the welfare rolls, the food stamp rolls, the poverty rolls, the teen pregnancy rates, all these are lower than they were, and that is a good thing. They're going in the right direction.

Now, having said all that, all of us know that this country still faces some stiff challenges. It is an amazing thing to consider that in the last 3 years, we have produced in the United States in each year the largest number of self-made millionaires our country has ever produced—not people who were given their money, people just like you who earned it.

And that's something we can be proud of. But we have to face the fact that in each of those 3 years most Americans worked harder and harder and did not get a raise. Even with 8 million new jobs nearly, most people still are working harder just to keep up. In this global economy with all of this technology, the pressures operate to hold people's wages down and many big companies keep laying people off so that there is a greater sense of insecurity.

A lot of people don't feel that their employer would treat them the way the employer at Methuan mills did if something bad happened. A lot of those employees are here today, and I thank you for that. And as you know, the Feuersteins were guests of Hillary at the State of the Union Address. I was honored to have them there.

But a lot of people feel that, even at work, they're not important like they used to be, that maybe they could just be discarded. Mil-

lions of American families still work harder and harder, and they don't have access to health care. That's one thing I tried to do that I didn't get done, and I'm not ashamed that I tried, and neither is the First Lady.

Millions of Americans work hard and don't have access to a pension, or they can lose it if they move from job to job. There is a lot of anxiety out there, as well as all this opportunity. And even though the crime rate is coming down, we know it's still too high. Even though these other indicators I mentioned are coming down, we know we still have serious social problems.

So I say to you as you look ahead, the issue is: What should we do now? I would argue we should build on the successes of the last 3 years and keep going in the right direction until we have dealt with these problems in an adequate fashion, until we have seized our opportunities, until we make maximum use of what is before us. That is what we ought to do. What we should not do is take a change of course and follow a direction that we know has no chance of working. What we need to do is bear down and go forward.

There are those who say that this is a question of should we solve these problems through big Government or not. That, my fellow Americans, is a myth. When I came here 4 years ago, I said if you will vote for me, I will reduce the size of the Federal Government by 100,000, and put another 100,000 police officers on the street. Well, we're putting another 100,000 police officers on the street but we reduced the size of the Government by 200,000, and it will soon be 300,000, and it's the smallest Government we've had in 30 years. There is not a big Government issue out there anymore.

The real issue before us, as I have seen as I've traveled around New Hampshire today—and I have gone into factories; I've looked at apprenticeship programs; I've been in an elementary school and looked at a computer program. I've seen the Concord schools hooked up to the Internet this week. In March, 20 percent of the schools of California at one time will be hooked up to the Internet. By the end of this decade we are going to see every schoolroom and every library in this country on the Internet and the information superhighway. I know that.

And big Government is not doing these things. The question is not whether we should have big Government or not. The question is whether we are going to go forward by working together, in which every part of our country and every element of our society, including your Nation's Government, does its part, or whether we're going to go back to a time when people were told to fend for themselves.

If you look at this room tonight, if you think about this community, if you think about any endeavor you have ever been involved in that really worked, what works is when people work together, when everybody has a chance to fulfill their God-given abilities. When everybody works together, we all do better individually. That is the issue before the American people: Are we going forward together as a community to solve our problems?

When I came in they gave me a cap for your football team, State champion. It had 12 and 0 on it. And I imagine like every good team, the team has some stars. But let me say this: There's not a halfback in America that can run without a line. You can't do it. If you watched the Super Bowl, it was a great football game. There were some great stars out there. It was a contest of teamwork.

And that's the way nations are. You've got to get all of your players on the field. Then you've got to make sure they're properly trained. Then if they do what they're supposed to do, there has to be some kind of reward. And the only way it ever works is if they're all working together. That is the issue for America today.

Whenever a country goes through a period of sweeping change and all of the balls get thrown up in the air, there will be winners and losers. But for a nation to be everything it ought to be, everyone has to have a chance to win. And that can only happen if we go forward together. That is what I want you to believe.

First of all, this country has one big piece of unfinished business. We have cut the deficit in half in 3 years, and that is good. We never had a permanent deficit at a high level until the 12 years before I became President. We are turning that around. We are coming

down. But we have to finish the job. We have to adopt a credible balanced budget plan.

What will happen? Just think what happened in 1993 when we cut the deficit in half. What happens? If people know you're going to balance your books, interest rates go down. Car payments go down. Home mortgage payments go down. Credit card payments go down. Businesses find it easier to borrow money. They invest. They create jobs. Families find it easier to make ends meet. This is an important thing to do, and we must do it.

What I want you to know is that after more than 50 hours of negotiations, after weeks and weeks among the Republican and Democratic leaders in Congress and the Vice President and myself, we have identified more than enough savings that are common to both of our approaches—more than enough—to balance this budget in 7 years, according to Congress's own scorecard. More than enough.

There are differences which remain. Most of those differences, in my view, relate to what our obligations as a Nation are to bind our community together. But those differences are not an excuse not to balance the budget. They are not an excuse for a work stoppage between now and the November election. We are all paid to work every day between now and November, and our first job is to finish the job of balancing the budget. We ought to do it.

I can assure you that we can do this while maintaining our obligations to our parents, to our children, to the truly poor and the families with children with disabilities, and to the future, in terms of our investments in education and in protecting the environment. We can do that.

We could even do that by taking the savings we have in common and, in addition to doing all that, we could have a modest tax cut. But we have to do it. The time has come to say, look, we've got enough in common to do this one big job, balance the budget. We have differences over the shape of the Medicare program. We have differences over the shape and obligations under the Medicaid program. We have differences about our obligations to protect the environment. We have differences about what the Nation's obligation is to open educational opportunity for all. But we have agreed upon enough savings to balance the budget. It is unconscionable not to do it. We must do it, and we ought to do it right now and not wait.

But let me say to you, even if we do that, this country clearly has challenges as we move into this new age. Why do we have these challenges? First of all, because any time you have a big upheaval in the way people work and live, the established patterns of life will be disturbed. And a lot of people will seize new opportunities, but others will be dislocated. Go home and pick up any history book and look what happened in America when we moved from farm to factory, when we moved from being a rural country to a more urbanized one. Vast fortunes were made. People who had nothing did very well. But a lot of people were uprooted and despairing. This always happens when you change the way people live.

We are now moving into a world dominated by technology and information. It is exploding. And the good news is, as I saw today—I was in Nashua at the Sanders Lockheed plant. It's unbelievable. You know, they're making satellites that are going to be put up in the sky for literally 10 percent of what it cost us to put a satellite up just 3 or 4 years ago. And within a matter of a year or so you'll be able to have a portable telephone and, literally, you can talk to anybody anywhere on the face of the Earth. In the remotest jungle, in the remotest desert, in Antarctica, you'll be able to pick up the telephone and call somebody. This is incredible.

But we also know that with all of these open borders and with all of this competition, it keeps the pressure down on prices, but it also makes it hard for people to get a raise. And we also know if more people can do more and more and more and more work because of technology, it means that big units can do the same amount of work with fewer people. That means we've got to create more jobs with small businesses. It means we have to be more attentive to what it takes to get people's incomes up and to give them health care, pensions, and access to education for a lifetime. That is what we have to do.

So it also means that when things are changing and people are being subject to just

literally thousands and thousands and thousands of messages bearing down on them every time they turn the television on, every day when they wake up, every night when they go to bed, we have to work harder to preserve our most essential values and our most important institution, which is the American family. We have to work at that. We have to make conscious efforts to do it.

And so I ask you to look with me ahead. This country has made a decision that we've got to eliminate the deficit. We're going to keep the deficit coming down regardless. We ought to pass a plan that clearly balances the budget because of the confidence it will give the American people, and because it will drive interest rates down and keep growth going. We ought to do that.

But let's look ahead. First of all, we have got to make a national commitment to renew our efforts to improve childhood and strengthen families. That's what we did when we passed the Family and Medical Leave Act, and I am very proud of that. I believe that's what we did when I insisted that the telecommunications bill which was passed just yesterday in the Congress, a piece of legislation which also will create tens of thousands of high-wage jobs in America, require that all new cable TV sets be equipped with a V-chip so that parents can decide which programs their young children should watch and they won't be exposed to excessive violence and other things they believe are destructive.

I believe that we have to make a commitment as a Nation that every young person will have access to the educational opportunities necessary to compete and win in the global economy, every young person. There are many things involved in that, but beyond hooking up all of the classrooms and the libraries to the Internet, we need to give teachers and parents and people who operate our local schools the flexibility and the options they need to make whatever changes are necessary to meet high standards of excellence.

And frankly, our schools need more support from our parents. They ought to be willing to turn the television off, get the homework done, and see that the work is done in the schools. Then we have to make it possible for every young person in America who gets out of high school to go on to college or to further education, every one. Every one. In the last 3 years, we have overhauled the college loan program so that now it is easier to get a college loan. And as I pledged here in '92, much, much easier to pay it back as a percentage of whatever you earn. No one can be bankrupted by borrowing money to go to college because of that.

Now, I have asked the Congress to increase work-study opportunities so that a million young people can work their way through school every year. I have asked Congress to provide a merit scholarship of $1,000 a year to the top 5 percent of every graduating class and every high school in America this year. I have asked Congress not to abolish the AmeriCorps program which in New Hampshire and so many other States are giving our young people a chance to do good things.

And finally, if there is to be a tax cut, we ought to cut taxes in a way that will grow the economy and increase opportunity for people, and the best way to do that would be to give the families of America a tax deduction for the cost of college tuition. That is what we ought to——[*applause*]

Now, our third challenge is to face the biggest economic problem we have, to give more economic security to those families that are working harder and harder just to keep up. How can we do that? First of all, we ought to raise the minimum wage. It is too low. If we do not raise it this year, within one year the minimum wage will drop to a 40-year low in terms of its purchasing power, even though there are millions of people out there, principally single mothers, who are raising children on the minimum wage. It is hard to raise a family on a modest income today; it cannot be done properly on $4.25 an hour. There is no excuse for not raising it, and we should raise it.

Secondly, we should protect our workers' pensions and we should make it much easier and less expensive for small businesspeople to take out pensions for themselves, their families, and their employees. It's important. The next thing we ought to do is to recognize that it's not just young people who need an education; it's older people as well. The aver-

age education of our American people in 4-year colleges is 26 now. The average age of people in the 2-year institutions is much higher than that.

We need a system which enables people every time they're out of work, or grossly underemployed, to go back and get education and training—every one. The tax deductibility of tuition will help, but it would also help if the Congress would adopt my GI bill for America's workers, which gets rid of all these tens and dozens of programs, little programs for training, collapses them all, puts them in one big pot, and gives every person in America when they lose their job a voucher worth $2,600 a year for 2 years to get an education and training worthy of this new economy.

Finally, let me say I will never forget the stories I was told in New Hampshire 4 years ago of the families that had no health care because they lost their jobs or because they had to change jobs or because the husband or the wife or the child got sick. That's what we all thought insurance was for, for sick people. Turns out, for a lot of people it's only good if you're well; if you get sick, you can't have it anymore. Now, you know that's true. Maybe I asked the American people, through the Congress, to do too much in trying to give health care coverage to everybody. But I'll tell you something: It is wrong at least not to make affordable health care accessible to every family. And we can do that.

There is a bill before the United States Senate today, a bipartisan bill with 43 Democrat and Republican sponsors. The chief sponsors are Senator Nancy Kassebaum of Kansas, Senator Ted Kennedy of Massachusetts. And let me tell you what this bill does. This bill does about three simple things. It says you can't lose your health insurance just because you changed jobs. It says you can't be denied coverage and your family can't be dropped just because you or your family has a preexisting condition, somebody has been sick. And it says that self-employed people and small business people ought to have the opportunity in every State to go into bigger pools so that they can buy health insurance on the same competitive terms that people who are in large employer units can do. That's what it says.

And we ought to pass it. We ought to pass it now. It was voted out of the Senate committee with not a single opposing vote, unanimously out of the committee in the Senate, and we cannot get it to a vote on the floor because people are trying to delay it because the health insurance industry is against it. The national chamber of commerce is for it. The National Association of Manufacturers is for it. Business and labor are for it. Real people are for it. Let's pass it. No other country would permit this to happen, and we shouldn't either.

The fourth thing we have to do is to maintain our fight against crime and gangs and drugs until crime is the exception, not the rule. It's not enough for the crime rate to go down. It must become the exception, not the rule again, in America. I told you in 1992 when I came here that I would attempt to put 100,000 more police officers on the street, that I would support the Brady bill, that I would support limits on assault weapons, and protect other weapons.

Now, I know that New Hampshire is a big hunting State, just like the State that I was born in and spent most of my life in and was Governor of for 12 years. But I want to tell you, it has now been one year and then some since we passed the crime bill with the assault weapons ban. And we just had a big deer season in New Hampshire, and there was not a single, solitary deer hunter that lost his weapons. We told the truth about that. It was an assault weapons ban, not a gun control operation. We told the truth about that.

We took some dangerous weapons off the streets of our cities. We protected the police. We protected innocent citizens. Forty-four thousand people with criminal records have been unable to buy handguns because of the Brady bill, because we did the background check. It was the right thing to do. But the most important thing of all is the crime rate is coming down and crime is being prevented because of the community policing strategies adopted with our help, putting 100,000 police on the street, and we need to finish the job. We need to keep going for two more, three more years, until we've got them all out there. It is the right thing to do.

Our fifth challenge, and you've been talking about it a lot lately in New Hampshire, the Vice President was just here, is to maintain our commitment to preserve and enhance the natural environment. I had thought that there was a general consensus in our country in both parties, including all political independents, number one, that there were still problems out there; and number two, that we had to find a way to grow the economy while protecting the environment. We could no longer sacrifice the environment and say that's the only way we can create jobs.

Let me just remind you of the facts. I know this is the 1990's. But when I became President, immediately I found that we had people dying because they ate food contaminated by the *E. coli* virus. And I discovered that in the 1990's, we were still testing meat in the way we've been testing it for 60 years, the same way dogs do. We were sniffing the meat and looking at it. It sounds funny until you think about what it could be if it were you.

So we changed the meat requirement standards and the meat testing standards, and we got new technology coming in to make sure the American people are safe. In Milwaukee just a few years ago, 100 people died drinking water contaminated with cryptosporidium. If you think about the weather that our people have endured, the bitter snowstorms, the deep floods, the summer fires out West, and one of our major news magazines had a cover story just a couple of weeks ago saying that the snowstorms were due in part, believe it or not, to global warming. Why? Because when you upset the climatic balance, you have more extremes in weather, including harder winters, as well as hotter summers. 1995 was the hottest year in the Earth's history, as long as we've been measuring it with this way of temperature.

So I tell you, my friends, the jobs of the future and the incomes of the future and the high-tech opportunities of the future are going to go to those who can find a way to work to preserve what God has given us, not to tear it up. That is a fact; we've got to do it.

Our sixth challenge—I won't say a lot about this, but I know I have to mention it, because I know I have so little popular support for this. The United States at the end of the cold war, especially since the Russians have now detargeted their missiles and they don't point them at us anymore, and because we have so many challenges here at home, is often tempted to think, well, we don't really have to get involved with our friends and neighbors. We don't have to be involved in Bosnia. We don't have to be involved in Haiti. We don't have to even take our time with the Middle East, or in trying to solve the Irish problem. We don't have to really work on all of these other things, getting a comprehensive test ban treaty, which I believe we'll get this year, to end nuclear testing forever. Why do we have to do that?

Well, let me just remind you of something. First of all, we do have security threats. We have all of these terrorists from overseas that can come into this country, as we have seen. Do you want the countries they come from to give them up and send them here for justice? Don't you want countries to say there's no place you can hide if you're a terrorist; if you come to America and blow up a building and kill innocent people you can't go back home and hide?

Well, if we want those countries to cooperate with us, we have to cooperate with them. When people bring all this cocaine into this country or heroin into this country, it's not grown here in America. It comes from somewhere else. If we want those countries to literally—their leaders to put their lives on the line to go after those drug cartels, we have to work with them in other ways.

The gentleman I just named our new drug czar, General Barry McCaffrey, a four-star general, has been commanding our Armed Forces south of the border. He has been protecting our national interests in all kinds of traditional ways, but he's also been very identified in a fight to stop drugs coming into the country, working with our civilian law enforcement agencies and with foreign governments.

Do you know in the last year we have seen arrested seven of the eight top bosses of the Cali drug cartel, the biggest drug cartel in the world. But right next door to Colombia, when Ecuador and Peru got in the fight, who did they want to help come mediate it? The

United States. I just had 10 soldiers down there and we had lots of people from other countries and a lot of you may have never read about that, but if I had said to them, oh, I'm sorry, we can't be bothered with that, that's not our problem, then they might say, well, the drugs on your street are not our problem.

The security threats of today and tomorrow are worldwide problems. The organized crime, the drug trafficking, the terrorism, the weapons of mass destruction, the people that broke open that vial of poison gas in the Japanese subway, these are worldwide problems, so I ask you—we should be preoccupied with solving our problems at home, but I ask you at least to support me when I make a judgment that it is in your interest and our children's future's interest to have America lead the cause for freedom and peace in the world.

And there is one last challenge, and it may be a work that will never be done. But we have to keep working to give you a Government that you feel you can trust and have confidence in. You know, when I came here running for President, I said there are at least four things we ought to do to make the Government more responsive. And believe it or not, two of them have been done. And this Congress did them, and I applaud them, and they did it on a bipartisan basis.

I said we ought to make the laws that Congress applies to the private sector apply to Congress. They did that. Congress ought not to accept these lavish gifts from lobbyists, and they should have to disclose—lobbyists should have to disclose how much money they spent, where they get it from, what they spent it on, and what they're trying to do with it. They did that, the lobby vote. That's a good thing.

We have two down and two to go. The third is the line-item veto. Where is it? I want it. And they say we're going to get that this year. I certainly hope so. And the fourth is campaign finance reform.

So I ask you to join me in embracing those challenges. And I ask you to think about one other thing. This country is in better shape than it was 3 years ago but this country still has a lot of challenges. This country needs the right President. I'm glad you think I am the right President but this country is around here after 220 years, still the great hope and shining beacon of the world because of the values embedded in the Constitution, because of the values embedded in the hearts of the American people, because of the character and strength and determination and plain, old-fashioned good citizenship of the American people.

And I tell you, cynicism is a luxury you cannot afford. Pessimism is unwarranted based on the evidence. And not participating in the public life of your nation is a cop-out that will become a self-fulfilling prophecy.

Sometimes I think the greatest moments of my life now are when I am able to represent you when I go overseas. Because when I get in Air Force One and go to another country as a force for peace in Northern Ireland when all those people—you saw it on the television—were in the streets screaming, they weren't screaming for Bill Clinton. They weren't even screaming for the President of the United States. They were cheering the United States. They were cheering America and everything we stand for.

And when I go other places and I talk to foreign leaders they sometimes say to me, "I read all these surveys in America about how pessimistic people are, about how they don't have faith in their institutions," he said. And foreign leaders all over the world, they say, "How could this be? Your country has a lower unemployment rate than other countries, your country has created—" all the jobs that have been created in the seven biggest economies in the world, net, in the last 7 years is the number that have been created here. The rest—some created a few, some lost a few, they're net out zero. We have all the jobs, net.

Our deficit today is a smaller percentage of our income than any of our major competitors. Our country is admired and trusted. Just a few years ago we thought we might go to war with Russia. When this issue in Bosnia came up, I met with the President of Russia, and he said—the President of Russia said—he looked at me and he said, "Bill, I will send as many Russian soldiers as you want to serve under whatever American general

you name." That is a great gift. That is a gift.

And so I leave you with this challenge. You live in a great country. Sure, we've got some problems. We're human beings. Yes, we make some mistakes. We're human beings. We are not a superhuman race of people. But there is no country on Earth where so many diverse people get together and work together so well, no country on Earth with more resources to deal with the challenges it faces. And we cannot afford to be cynical or skeptical or pessimistic about our future.

I am moved by you being here more than any words I can say, just because you're here and you're enthusiastic and you're full of energy. And what I want you to do is to leave this place tonight, and when you wake up tomorrow and the next day and the next day and the next day, you tell your fellow Americans: You don't have a right to be cynical, you don't have a right to be pessimistic. This is the greatest country in human history, and we're going to make it greater.

Thank you, and God bless you all. Thank you.

NOTE: The President spoke at 7:38 p.m. in the Back Gymnasium at Salem High School. In his remarks, he referred to Larry Belair, Salem town moderator; Joe Keefe, Mike Garofalo, and Cheryl Breton, Democratic Party chairs of New Hampshire, Rockingham County, and Salem, respectively; Henry LaBranche, superintendent, Salem School District; Patrick Cobin, principal, Salem High School; and Aaron and Louise Feuerstein of Malden Mills Industries, Inc., whose Methuan, MA, textile factory burned in December 1995 and who continued to pay its employees. A portion of these remarks could not be verified because the tape was incomplete. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

February 3, 1996

Good morning. I would like to talk to you this morning about how we can meet one of the challenges I outlined in my State of the Union Address: providing greater economic security to Americans who work hard, and especially how we can ensure that those Americans have access to health care, because millions and millions of working Americans and their families don't have access to health care.

There can be no doubt that we do live in an age of great possibility, a time of exploding technology and information, a time that will enable more Americans than ever before to fulfill their dreams. But this new economy, with so much opportunity, also has very stiff challenges, as most Americans know. Our news is not all good. While this new economy has produced a record number of new businesses in each of the last 3 years and nearly 8 million new jobs, too many of our fellow citizens are still working harder and harder just to keep up. They are rightly concerned about the security of their families. They are worried about job security. They are worried about never seeming to get a raise. They are worried about access to education, the security of their pensions, and access to health care.

Our challenge is to make sure that all Americans can be winners in this time of change. How are we going to do it? First, we have to keep our economy growing. That's one reason we should balance the budget: It will keep interest rates coming down, bringing in more investments, generating more jobs. After many weeks of negotiations, the Republicans and I already have agreed on more than enough cuts that are common to each of our plans: to balance the budget in 7 years and still provide a modest middle-class tax cut; to maintain our obligations to parents and children and to the future through the Medicare and Medicaid programs and through our investments in education; and to protect the environment.

I urge the Republicans in Congress to keep working with me so that we can actually pass a balanced budget. We have the savings in common, we can do it, and we owe it to the American people to do it.

Second, we have to work together to create more new high-wage jobs in the new industries of the future. That's why I was very pleased that just this week Congress passed landmark telecommunications legislation, legislation we have been working on for more than 3 years. It will create a lot of high-wage jobs. It will give consumers more choices in communications and in entertainment. It will

help to unlock the power of the digital revolution. This legislation was passed the way we should deal with all our challenges, with Members of both parties working together and working together until they got it right.

The third thing we should do is raise the minimum wage. Millions of people are raising children on the minimum wage. But if we don't raise it within a year it will be at a 40-year low in its purchasing power. We can't build a new economy with that kind of income to raise children on.

And fourth, we must make sure that every working American has the personal economic security to make the most of his or her own life and to support a family. That means lifetime access to education and training. It means portable, secure pensions. And above all, for people with families especially, it means access to health care.

Our Nation is the only leading economy in the world where insurance companies are allowed to deny you coverage or raise your rates just because you're sick. If you have a preexisting condition, like diabetes, high blood pressure, or heart disease, an insurance company can simply turn you down. If you are healthy but your child has asthma, your child can be denied coverage. And in some cases, if you're pregnant and you move to a new job, that can be enough to turn you away.

Many millions more people simply lose their health coverage as they move from one job to another. Believe it or not, between 1991 and 1993 some 64 million people went without health insurance for some period of time. For working families that's like walking on a tightrope without a net below.

We shouldn't put obstacles in the way of people who want to move to better jobs. We certainly shouldn't put additional burdens on people who lose their jobs that they want to keep. At the very least, our first step should be to make sure that working people who have health insurance can take it with them from job to job.

The State of New Hampshire, where I am today, is one of 42 States to take some action to try and solve this problem. But only if we take national action will we truly be able to give working people access to health care. There is bipartisan legislation that would protect these working families, sponsored by Senator Nancy Kassebaum, a Republican from Kansas, and Senator Edward Kennedy, a Democrat from Massachusetts. The bill would require insurers to cover men and women who have lost insurance because they change or lose their jobs. It would limit the ability of insurance companies to exclude you from coverage if you have a preexisting condition. And it would help small businesses and individuals pool their resources to buy insurance at cheaper rates.

It could help as many as 25 million Americans each year to have or to keep their health insurance. It's good common sense, and it's the right thing to do. The Kassebaum-Kennedy bill has 43 cosponsors from both parties in the Senate. It passed through its committee unanimously. It has the support of the National Association of Manufacturers, the chamber of commerce, and the national small business union. It is supported by doctors as well as consumer groups. It should pass easily.

When I challenged Congress to pass this bipartisan health care reform in my State of the Union Address, nearly every Member of Congress jumped to their feet and applauded, but now the bill is stalled. It turns out that some Senators have quietly been working to keep this bill from coming up to a vote even though it passed out of the committee unanimously. Why are they doing it? Because that's what the insurance industry wants them to do. And the insurance industry is lobbying hard against the Kennedy-Kassebaum bill.

This health reform, however, is sensible. It's straightforward. It's fair. It is genuinely bipartisan. It will help to give peace of mind to literally millions of American families. I call on every Member of Congress who stood up for this bill when the cameras were on to stand up for it now, to pass the Kassebaum-Kennedy health reform bill and to pass it without delay.

If we believe that hard-working people deserve a chance to better their lives without sacrificing their health insurance, then we must pass this bill now. If we believe it's wrong to deny health coverage to a person just because he or she is sick, then we must pass this bill now. If we believe a sick child

should not be denied health care while her healthy brothers and sisters are still covered, we must pass this bill now. This bill is an example of what we can do when we put aside partisanship and work together for the common good. Millions of lives will be changed for the better when it becomes law. We shouldn't let any special interest get in the way now. Let's work together and pass the Kassebaum-Kennedy bill, and let's do it now.

Thanks for listening.

NOTE: The address was recorded at 5:45 p.m. on February 2 at the Sanders Lockheed plant in Nashua, NH, for broadcast at 10:06 a.m. on February 3.

Remarks at St. Cecilia's Social Hall in Manchester, New Hampshire

February 3, 1996

Thank you very much. Hello. Thank you very much, Sergeant Robidas, for your introduction and for your fine work. Thank you, Nancy Tessier, for your work at the Beech Street School and for your support of community policing. Chief Favreau; to the Concord Police Chief, Dave Walchak, who is a great honor for New Hampshire, he's the president of the International Association of Police Chiefs, and we're glad to have you here.

I want to thank the others who have been with me today. Your United States Attorney, Paul Gagnon; your U.S. Marshal, Ray Gagnon; the Hillsborough County Attorney, Peter McDonough. And I thank Father Adrian Longchamps, who met with me today. I want to thank the police officers in particular who visited with me just a moment ago at the community station, Tyron Guice and Nick Willard. And I want to say to Mr. Byron, the police officer who is standing here to my right—right before I came up here he said, "Mr. President, this is the best job I ever had. I love doing this work."

I want to thank two others who are in our group today: Pauline Coat, the executive director of the Manchester Neighborhood Services, and in some ways the linchpin of this whole experiment, Alice Septin, who is the head of the Take Back Our Neighborhood Corporation. Let's give her a big hand. Thank you, Alice. I thank all the community police officers who are here, all those who participated in Operation Street Sweeper. I thank the D.A.R.E. students and the people in the D.A.R.E. program who are here. Let's give them a big hand. And I thank the AmeriCorps members who are here from Salem, for their work and their progress. Thank you very much.

It is wonderful to be back in New Hampshire, great to be back in Manchester, and great to be talking about an issue that I discussed a great deal with the people of New Hampshire back in 1992 which is now a reality on the streets of Manchester and throughout the United States.

Let me begin by saying that, as all of you know, in my State of the Union Address I tried to outline for our country what I believe the challenges are that we face today and those that we will face in the years ahead, and what I think we all have to do to meet those challenges and how I see the Nation's Government's role in working with the American people to meet them. This is an age of great possibility. There are more good things available to more people here than ever before. But it is also an age of very stiff challenge. More and more people have to work harder just to keep up in this new economy. We still have too much crime and violence. We still have a lot of other problems.

So the great challenge for us is how to expand opportunity to more Americans, how to bring this country together around our core values, how to maintain our country's leadership for freedom and for peace. The first thing we have to do is to finish the work of yesterday. That means we have to pass the right kind of balanced budget plan that eliminates the deficit but also protects our obligations to our parents, to our children, and to our future through our investments in the programs of Medicare, Medicaid, environmental protection, and educational opportunities. And let me emphasize again, with all the work that I have done with the Republican congressional leaders and the Democratic congressional leaders there are now more than enough savings that are common to both our plans to pass that kind of bal-

anced budget plan, and I hope we will do it, and do it soon.

After we do that we will still be left with the challenges we face. And I have identified seven that I think are the greatest challenges for our country, of which taking back our streets and making America safe is one and, in some cases, the most fundamental. We have to do more to strengthen our families. We have to do more to provide educational opportunity for all. We have to do more to provide economic security to people who are working hard but aren't getting raises and don't have access to health care and stable pensions and lifetime education and training opportunities. We have to do more to clean our environment and protect it and to grow the economy while cleaning up the environment instead of destroying it. We have to do more to fight the problems we face to our security: terrorism, weapons of mass destruction, working in concert with others for peace. We have to change the way the Government works to increase your sense of confidence in it.

When I ran here in 1994, I identified four things I thought ought to be done to reform the way the Government works. The Congress has done two of those things this year, and I applaud them. They passed a very tough reform bill on lobbying to limit what Congress can take from lobbyists and to require lobbyists to disclose how much money they spend and on what. That was a good thing. They passed a bill to require Congress to live under the laws that are imposed on the private sector. That was a good thing.

I believe your former Congressman was one of the original sponsors of that legislation, Dick Swett. That was a good thing. Now, there are two other things we need to do this year. We need to past the line-item veto that they have pledged to pass for me, and we need to pass meaningful campaign finance reform. It is very important. It can be done. It ought to be done.

But there's one other thing I want to say. A great part of this debate in Washington is about what the national Government's responsibility is. And the way you've heard this debate over the last 15 years has often been big Government is getting in the way of the American economy; big Government is undermining the independence of the American community; big Government is weakening, not strengthening, the American family.

I have to tell you that I think that is the wrong debate. The era of big Government is over. Our administration has eliminated 16,000 pages of Federal regulations, hundreds of programs, thousands of unnecessary offices. The Government is over 200,000 people smaller today than it was the day I took the oath of office as President.

But the issue is not big Government versus small Government. The issue is what is your responsibility through the national Government to work to help people make the most of their own lives, to work to help communities solve their own problems and meet their own challenges. That is the issue.

And if you look at the challenge we have to take our streets back, to make them safe again, I am very gratified at what we are doing, but we've got a long way to go. I'm gratified that the crime rate is down here. I am gratified that the crime rate is down all over America. I think it's wonderful that New York City had the biggest drop in crime since 1972. I think it is wonderful that Houston has the lowest murder rate it's had in 19 years. I think these are good things.

But we all know that our job will not be over until crime and violence are the exception, not the rule, until every neighborhood can say what I heard the people in this neighborhood say to me a few moments ago: that people now can walk outside and walk down the street and they don't have to be afraid; that the police are there at the play yard talking to the kids, and they know them by name; that people feel secure.

You can't eliminate the darkness that lurks in human nature. There will never be a time when there is absolutely no crime in America, when there is absolutely no violence. But we can go back to the days when it's the exception, not the rule, and people have their freedom on the streets of this country.

Now, my philosophy has been all along that if we could identify a national challenge and an idea that works, it was a legitimate thing for the Government in Washington—your Government—to define the ''what,'' what is the challenge; and then to help people to meet that challenge. But the people

at the grassroots level should define how to do it; that people in Washington should not be telling people how to do it. That's what we do here. In our education reforms we said, okay, here are some national standards we ought to meet, you figure out how to do it. In welfare reform we said we want to move people from welfare to work, we want people to be better parents and effective workers and break the cycle of dependence; but any State that's got a better idea about how to do it, we ought to give you permission to try.

We did it in health care. We said if you can find a way to slow health care costs and expand health coverage to people who are working through the Medicaid program, we'll give you a chance to determine how to do that. And we've given more permission to more State and local governments to do more things in the last 3 years than the previous administrations did in 12 years before me. I believe in giving States and localities and private citizens the right to determine the how.

But the "what" in the case of crime is a national problem. Crime and violence is a national problem. And we know that community policing, which you celebrate here in Manchester, is what is working everywhere. Just a couple of weeks ago one of our major national news magazines had a cover story on turning the corner in the war against crime. And the police commissioner from New York City was featured on the cover as a stand-in for all the police officers everywhere and their community supporters who are working to make projects like this work.

Consider what has happened. The streets of New Hampshire are safer today because under the crime bill that we passed providing for community policing, there are 132 new police officers in communities all across this State. But they aren't just there as police officers, they're also changing what they're doing. They are working with community groups, like the community groups in this neighborhood. They are working not just to catch more criminals, but to prevent crime from occurring in the first place and to make streets inhospitable places for the return of crime and drugs and gangs and violence. And it is working. We need to do more of it.

I heard the story of a 9-year-old girl who told an officer working in one of your community substations that her mother now allows her to play outside because the police had made it safe. Isn't that the story you want every child in America to be able to tell? Shouldn't every child in America be able to tell that story?

I was very moved by the grit and the determination of the people that I saw in the community substation today, and by their sense that they could make a difference. One of the things that I constantly battle as your President is the feeling too many Americans have that their efforts won't make a difference anymore. Too many people seem to believe that we can't do better. And if one message comes out of this trip I took to Manchester this morning, should go out all over America is, when it comes to crime and violence we can do better. You have done better in Manchester. People are doing better all over this country.

We can take our streets and our neighborhoods back, but it will require a partnership between people in law enforcement, community leaders, and grassroots citizens. We have to do it together. No one can do it alone, but together we can all do it. And that is the central lesson the United States has to face today.

I want to be absolutely frank in saying that while I think it would be a disastrous mistake for the Congress to reverse course on the crime bill and not to continue until we have put the full complement of 100,000 police officers on our streets—in just a little over a year-and-a-half we're already a third of the way home—Congress must not turn around. I want to be frank in saying to you that we could put all these police officers out in departments all across America, and if we didn't have community leaders who were prepared to take their streets and neighborhoods back, if we didn't have schools that were prepared to support the police, if we didn't have parents like those that help this substation here get decorated for Christmas and support them, we could put the police officers out there and we still wouldn't succeed.

It requires both a commitment to putting the police back on the street and in the neighborhoods, and a commitment from citi-

zens to win the war against crime. Every American should be challenged to join a neighborhood watch group; if you see somebody in trouble, to pick up a phone and call for help; to spend a few hours every week helping out young people who need a helping hand from a caring adult through a Boys Club, a Girls Club, a D.A.R.E. program, or some other constructive way to get our kids off to a good start in life.

Neighbors helping neighbors, friends sticking up for friends, parents teaching children the difference between right and wrong, establishing bonds of trust between police officers and people in the communities, all these things must also be done. But the good news is it can make a difference. And what we celebrate today, I believe, is a model of the kind of partnerships we need in America.

You have a President and a national Government that says, here is the problem: There is too much crime and violence. We know something that works everywhere it's been tried and done right, community-based policing. So we will pass a bill to provide incentives to help communities hire these police officers. But they must decide—we said the what; they have to decide the how. We make no judgments about who gets hired, about how they get trained, about how they're deployed, and we can't begin to say whether or not there is a community group supporting or working with them.

So it never works unless you supply the how. You fill in all the blanks. You take your communities back. You make the most of the potential. You give your children a chance to live up to their God-given abilities. That is the model America must adopt for dealing with all the great challenges we face today; partnership, working together. There is no more issue of big Government.

But I am telling you, we cannot afford to say we're going to go back to the time when everybody just fends for themselves. The only way we're going to solve the problems we've got today is to work together, where everybody plays their role. We do it, and we make a difference.

And let me just say, a critical component of this is building some trust again between law enforcement officers and people in the community. One of the most painful experiences I've had as President was the loss of trust I felt in a lot of places like New Hampshire and my home State of Arkansas, when the law enforcement officers came to us and they said, "If you want us to do the job you have got to pass the Brady bill, and you've got to give us the ability to get these assault weapons off the street where people can't be sprayed innocently while they're walking up and down the block." We've got to do it.

But then when we tried to do that we found that in a lot of States, like New Hampshire and Arkansas, where half the people have a hunting or a fishing license or both, there were a lot of people who said, "Well, this is going to take away my gun. This is going to be a terrible thing. This is going to erode the right to keep and bear arms. This is going to undermine our hunting culture." And, frankly, it's hard, with as much distrust of Government as there was out there, to break through that. But now, I've been here in New Hampshire, this is my second day, and I've heard all of these fellas bragging on the deer season we just had, and not a single person lost their deer rifle. But we've got 44,000 people with criminal records who did not get handguns last year because of the Brady bill.

So we are trying to help our police officers be safer and keep these assault weapons out of the hands of gang members, but no one has lost a weapon—a sporting weapon, a hunting weapon. And maybe now that time has passed, we can rebuild the bonds of trust there, too. Because the overwhelming majority of sportsmen in this country—sportsmen and women—are honest, good, law-abiding people, and we need everybody working together to whip this problem of crime and violence.

And now—I saw it today and I heard all of you talking about the bonds of trust increasing in this community; that's what we need more of in America. You know, most people are good people. Most people get up every day and do the best they can to do the right things. And we all look at each other sometimes with too much distrust. Again I say if we can overcome that, we can solve any problem.

But I hope all Americans will look to Manchester, and we'll look to other communities where the crime rate is going down. And I hope they will say, number one, we don't have to put up with this anymore. We don't have to put up with streets where our kids can't walk safely. We don't have to put up with neighborhoods where good, decent people don't want to live anymore. We don't have to move away to feel safe in our own homes. There is another way and a better way. But, secondly, that better way requires both more police officers in my community and my neighborhood walking my streets, and my personal involvement and my trust, and our sense of partnership and community.

If we have that, we can not only take our streets back and make our country safe, we can deal with any other challenge the American people face. If you look at our whole history, there has never been a single, solitary time when America failed when America worked together. And that's what we have to do today.

Thank you, and God bless you all.

NOTE: The President spoke at 12:20 p.m. In his remarks, he referred to Sgt. Red Robidas, community policing commander; Nancy Tessier, principal, Beach Street School; and Peter Favreau, Manchester police chief.

Remarks in a Roundtable Discussion on Small Business in Merrimack, New Hampshire

February 3, 1996

[*Tony Halvatzes, president, New Hampshire Hydraulics welcomed the President and briefly described how the Small Business Administration had helped him expand his business.*]

The President. Tony, I'd say you've seeded this crowd pretty well. That's what all of us politicians try to do, we try to go to crowds where the people are going to cheer for us. You did a good job.

Mr. McGowan, do you want to say anything?

[*Patrick McGowan, Regional Administrator, Small Business Administration, welcomed the President, discussed making the SBA program more user friendly, and introduced the first participant.*]

The President. Tell all the people here about your business, first.

[*The participant described her business and how the Government shutdown had affected her SBA application. Another participant indicated that small businesses are often financially unable to provide all they would like for their employees and said a national health care bill would help small business. A third participant said that he had to turn some business away because of the limited size of SBA loan guarantees for small businesses.*]

The President. So, it would help you if the SBA could guarantee a larger size loan?

[*The participant responded that the current SBA limit is $750,000 which is aimed at a very small business but that when a small business begins to grow, the owner is left wondering whether they will receive help.*]

The President. And what would be the size loan that you think that we ought to look at? Let me back and say—you know how the SBA program works, the SBA loan guarantee program works, and one of the things that I'm proudest of about our administration and all this work we've done to try to give the American people a Government that costs less and does more is that we have reduced the budget of SBA by about 40 percent and we've doubled the loan volume.

But one of the things that we were compelled to do, given the budgetary situation we were in, is to go from a maximum loan of—I think it used to be $1 million down to three-quarters of a million. But what I gather you're saying is that you need a bigger one even than that. You think there should be some sort of a program for non-bankable loans for a modest-size business that goes up to, what, $2 million?

[*The participant said that $2 million would serve to get small businesses over the hurdle to the point where they would be bankable without an SBA guarantee. Mr. McGowan indicated that SBA limitations were partially a result of success, because SBA had gone from 26,000 loans to 56,000.*]

The President. But I think, you know—again, this is the sort of thing that I hope will come out of this budget debate. That is, it seems to me that you can conclusively demonstrate that the SBA has done what the taxpayers wanted. We've cut the cost of operating the program. We have now more than doubled the loan volume, you just heard him say that. And the only reason we had to change the ceiling is because we wanted to accommodate as many people as possible. So, it may be possible now to go back and say we ought to have a bigger loan volume ceiling because our administrative costs are very, very low. And we have—the form used to be an inch thick and it used to take 5 or 6 weeks to approve. And now with the Lowdoc program it's just one page, either side, and we try to give just a couple days' turnaround, and it's been very well received.

[*The participant noted that, though the SBA fees had increased, the higher fees are not a problem as long as the program continues.*]

The President. By increasing the fees, what that's enabled us to do is to run the program and continue to maintain a high volume of loans while we're reducing the deficit. And by charging—getting a little more of the fees we can still fill that gap between the banks, you know, where you can't get the bank loans, and still the borrowers come out ahead in it, financially.

So we went out and sampled, sort of, the small business community and asked them, how about this, because this way we can keep volume up even as we're bringing the budget deficit down. And I'm glad you said that, because you're the first person I've had a chance to ask since we did it. I didn't know if I'd be dodging hydraulic equipment or not. [*Laughter*] Thank you.

[*A participant said that she wished that the SBA could assist small businesses when they were just starting up and when capital is hard to find.*]

The President. If I could just interject here. The general title of what she's talking about, getting very small loans to start businesses is microenterprise loans. For many years our Government—which believe it or not only spends one percent of your tax dollars on foreign aid, contrary to popular belief, we have the smallest foreign aid program as a percentage of our budget of any advanced Government in the world, but we have gotten a lot out of it—because, among other things, there's a country in Central America where, a few years ago, in cooperation with some American religious groups that were operating development programs, we put $1 million into a small loan program. The average loan program was $300.

Now, in that country, in terms of the per capita income it would probably be about, say, a $2,000 loan here, that would be about the equivalent. But anyway, over the next few years that $1 million generated enough business loans to create 43,000 jobs, which is one percent of the total employment in that country. Everybody paid the loans back with interest. There's now $4 million in that account that started off at $1 million. My premise is, if we can do that in another country, we ought to do that in our country, and that in the inner cities, in these very isolated rural areas where the per capita income is low and the unemployment rate is high, I believe we should be making those kinds of loans.

So we have—another part of our economic outreach to small business was a fund called the Community Development Financial Institutions Fund, CDFI. And if it survives this budget round, what we're going to try to do is to get banks to establish themselves with branches in areas where there's very high unemployment, low per capita income, and make these kinds of loans to try to set up businesses. They can also make conventional small business loans as well.

But I think for a little bit of money, you can do a huge amount. We established a bank like that in a rural part of my State when I was Governor, and my wife went on the board of the bank, and we modeled it after the only American project I know of, which was a bank in Chicago which helped to redevelop the south side of Chicago by making small loans to individual carpenters, individual electricians, individual builders, and then they went in and took all this decrepit housing, rebuilt it, and got middle class people and poor people to live together, and totally turned around a neighborhood. So I'm glad

to hear you say that, because there's not enough Government money to rescue the inner cities and the isolated rural areas, but free enterprise could do it if we did it in this way.

You're the first citizen that had never had a direct contact with this program overseas that ever suggested it, but it looks to me like if we're financing small businesses in another country like—we ought to do it here in our country. We ought to give the Americans the same break that other people have.

Thank you.

[*A participant voiced her concern that the States and local businesses cannot afford to support the arts and asked if the Federal Government could help.*]

The President. Well, you making that argument to me, you're preaching to the choir, because I agree with you. But I would like to put it—just briefly, I'd like to put this in proper context. Let's just take this as an example of the budget debate we're having in Washington everywhere. You should know, first of all, that the deficit has been cut in half in the last 3 years. What makes the deficit go down in a hurry is if you have a combination of real discipline on the money you spend and a growing economy, because if you have a growing economy, then unemployment's less, the Government has to make fewer payouts. For example, in the last 3 years the welfare rolls are down; the food stamp rolls are down; the poverty rolls are down. We're not paying out as much money because the economy is in better shape, more people are working. And we have pretty tight controls on the spending.

We have reduced the size of the Government by 200,000 since I've been in office. Your Federal Government is now the same size it was in 1965. We have cut 16,000 of the 86,000 pages of Federal regulations, including half the Federal regulations in the SBA—50 percent have been slashed. So we're trying to get rid of all of the inessential things and all of the waste.

Now, there's a big debate now of what should the National Government do. And you can make an argument, once you get beyond national defense—defending the country, you can argue that nothing else should be done, or you can argue that it should be done. How do you decide? I believe we have to ask ourselves: What should be the role of the Federal Government? My view is, when you move beyond national defense, our role ought to be to focus on problems that are national in scope, but if they have to be dealt with at the local level we should focus on helping individuals and families make the most of their own lives or enabling communities to address these challenges.

Now, the reason I have favored continued Federal funding of the arts is that once you get out of the really big cities where there is a massive amount of wealth and a huge population base to attract the orchestra, the art gallery, the you name it, once you get out of that where they don't have a big population base, isn't it still a good thing nationally for people in small rural towns in North Arkansas or Northern New Hampshire to have a traveling artist or to hear musicians directly or to be exposed to these things. I think it is. It's a tiny part of our national budget; so what I have proposed is sort of a split in your position and theirs.

I said, we can't increase this right now until we get the deficit under control. So let's just flat fund it, but let's keep it flat for several years so at least we can tell the local arts council in Merrimack, okay, this is what New Hampshire will get next year, the year after, and the year after, and you can plan accordingly. And that's what I hope we will do, and I think there's a fair chance that's what will happen.

Q. I understand, Mr. President, that only 68 cents per family, per year, is spent on the arts by the Federal Government?

The President. That's right. Most of your money—let me just say where most of the money goes. Most of the money goes to Social Security, national defense, Medicare, interest on the debt, you know, from accumulated debt. In the past, we quadrupled the debt in the 12 years before I became President—we didn't have to make interest payments on the debt that was run up in the 12 years before I took office, the Federal budget would be in surplus today, not balanced, in surplus. So we've got to get the deficit down. You've got to get the debt down, because otherwise the interest pay-

ments eat you alive, just like your home mortgage payments or anything else.

Those things are the lion's share of the budget. Everything else you think about being in the Federal budget—I mean, the National Parks, the highway system, you name it, everything else, the Labor Department, Small Business—is only about a third of the budget, actually, slightly less. So, you're right, the arts funding, it's quite small.

[*A participant thanked the SBA for helping her business become a success.*]

The President. Tell them a little about your company. This illustrates another point I've been out here on the stump making in New Hampshire and around the country.

There is still a huge debate in Washington that I believe we should have resolved by now about whether you can grow the economy without hurting the environment. There are a lot of people who still assert that you have to have a certain amount of environmental degradation to have an acceptable amount of job creation.

I think you can argue that—I think you can argue that your business is good for the environment, right? Because what you're doing here is you're recycling, you're repairing, you're minimizing the use of raw resources. I think that—my own view is that in the United States and every other advanced country in the world, we have to find ways to try to grow the economy while we nourish the environment. That's what her business is about. So, just give them a couple of minutes about that. I think that's important.

[*The participant described her company which produces tote bags, made of natural materials to replace plastic bags which would otherwise go to landfills. She then asked if welfare could be reformed in a way to provide the kind of semi- and unskilled workers she needs for her business.*]

The President. I agree with that. Let me give you one—first of all, now that the New Hampshire unemployment rate is down to about 3.2 percent, all the economists say that at any given time in a country like ours 3 percent of the people will be walking around somewhere. That will be—you know, they'll be moving home with their parents; they'll be moving to another State, something will be happening.

So, when you get an economy down to 3 percent or a little below—there are two or three States that have unemployment rates below 3 percent, but it's very difficult to get below 3 percent, so the labor markets get very tight. So, then the question is, how do you move people from welfare into the work force? I think the rules have to be changed to put time limits on welfare for anybody that can go to work that has access to a job. I think they are entitled to some support. I think that the problem is, if you take a job and you have very low wages and there is nobody giving you any child care help, you may actually lose ground. Or, if your child loses Medicaid health insurance coverage because you go to work, that's tough.

But one of the things that—this started in Oregon—we have given 50 experiments—freedom from Federal rules and regulations in 35 States to try to move people from welfare to work. One of the things that I think all of the low unemployment States should consider doing is what Oregon has done. We gave them permission to do this. They have the right to take the cash value of the monthly welfare check and the food stamps and give it to the employer for 6 to 9 months as an income supplement to hire people off welfare. So, people have to work for the money. They're going to get the money anyway but now they have to go to work for it, and it's recycled through the employer.

You have to give them, I think, a little more than that. But you would have to anyway, just to meet the minimum wage requirements. But still, it's a subsidy that you get for 6 to 9 months, than you can decide whether to keep the employee or not. But then by that time, the employee's acquired work experience, the confidence of going to work every day, something you can put on a résumé. And I think it is probably the quickest, easiest way to move people from welfare to work in areas that have low unemployment.

In areas with high unemployment, it won't work, and people would be upset because they'd be, you know, you'd be picking employees over another. But once the unem-

ployment rate gets pretty low in a given area, I think it's one thing that would really make a huge difference. And I think we've got four or five States that are trying it now, and I'm trying to urge everybody to do it. When I spoke in Vermont last year, I spoke to the Governors, and I said, there are five things that if you will do with your welfare proposal, these five things will give you immediate approval. And that's one of the things that I'd like to see done. And that would give small-business people like you the opportunity to deal one-on-one with people who are moving from welfare to work, you'd be able to teach them things about the work force, you'd be able to—you know, even if at the end of the period you decided you couldn't keep them, it could make a big difference in their lives. So that's one of the things.

And if the version—if what I'm asking the Congress to do or some variation thereof passes in welfare reform legislation, then the States would automatically be able to do this. They wouldn't even have to ask us for permission. I wish they didn't today, but under the present law they have to.

[*A participant explained that one of her employees, who is an unwed teenage mother, was told that she had to go on welfare in order to receive health care insurance for her baby. She asked if the programs could be split.*]

The President. Yes. As a matter of fact, this is—ironically, again, these are just glitches in the law, that's why I'm trying to pass a law, because otherwise you have to do it State-by-State. If that same woman had gone on welfare for 30 days and then come to work for you, she could have kept her Medicaid for, depending on what the State does here, but for a minimum of 9 months, a transitional period—because we never want to discourage anybody.

You can't ask anybody to hurt their children. In the perverse world we live in, a lot of small businesspeople can't afford health insurance. So if you're on welfare, your kid has Medicaid. And then if you go to work, you lose the health insurance for your kids and if you make $4.25 an hour—which is what the minimum wage is, I think it should be higher, but there it is—and your child gets sick and you don't have health insurance, then all of a sudden your income is much lower than it was if you were idle.

So under the law now, that young woman, had she drawn one welfare check, could have then come to work for you and in every State gotten to keep that Medicaid coverage for her children for some time, for her child for some time. And in some States over a year.

So what we're trying to do is—let me just give you—one of the things that we could give a State permission to do is to let someone immediately go to—you're the first person who has ever told me about this incident; I've never heard this example before—but we could give, easily give the State permission to just tell people like you, you can hire them before they ever have to go on welfare, but if they would have been on welfare otherwise, maybe their income level, we'll deem their income level to be what it would have been and for a few months they can be covered.

If our welfare reform legislation passes, then the Federal Government would be out of that and the State could just make a decision to do it, which is what I would like to see happen.

The real problem in all this welfare business is—besides developing sort of the self-esteem and sense of responsibility of people on welfare—most people on welfare would like to work. And most people on welfare are not better off financially not working. The problem is that welfare, real welfare payments in almost every State in America are lower in terms of what they'll buy than they were 20 years ago. Welfare, per se, is not a good deal. What helps you is the Medicaid for your kids and the fact that if you're home you don't have to hire anybody to do child care.

Those are the big barriers to moving people from welfare to work. And if we can overcome them, if we could have very tough requirements requiring people to work if they want to get any help. I think that's what we ought to do, but I see all your employees have got their kids here today, what we want for America is for everybody to be successful as a parent and successful in the workplace. And we don't want people to have to choose one over the other. We want people to suc-

ceed at home—that's the most important job any of us have—and to succeed in the workplace.

[*A participant stated the need for a program that would allow minimum wage employees to work and have child care.*]

The President. Let me just make a suggestion, all of you in this. This is something that you might—you don't have to have a specific answer, but if you feel this way and if the small business community in New Hampshire feels this way, one thing you could do is just write your Senators and your Members of Congress and tell them that. Because we're having two debates over tax cuts in Washington. One is: how big a tax cut can you afford if your first job is to balance the budget? But the second is: let's assume we agreed on how much we could afford, what kind of tax cut is best?

My belief is that the best kind of tax cut is the kind that helps people raise their children or educate them, or that helps businesses deal with the family-based problems or the education problems they have with their own employees. So I would—for example, I'd be more than happy to have a really significant increase in the financial incentives we give to small businesses to help their employees with child care. And I think most families with children would be better off having a tax deduction for the cost of sending their kids to college than having what would be a much smaller across-the-board tax cut.

But these are the decisions that we have to kind of grapple with. And let me give you another example. The White House Conference on Small Business said we ought to do something to make it cheaper and easier for smaller businesses to take out pension plans for themselves and their employees. So we've got a bill in Congress now that would make it possible for businesses with five, ten, six, fifteen employees less expensive and more reliable to take out pension plans, for the owners and the employees.

These are the kinds of things we're going to have to do if more and more jobs are going to be created by you and more and more jobs are going to be abolished by big companies.

Because big companies could do this on their own, they could have good health care, they could have a good pension, they could have continued education benefits. But people will still need them if they go to smaller companies. So if the big companies aren't going to be there to aggregate the money, then the government has to come in and help give some incentive or support to small business to do the same thing.

[*A participant suggested a low cost loan fund to help textile businesses adversely affected by NAFTA.*]

The President. You know, first of all, I'll look and see what the possibility of that is. That's a good idea.

NAFTA was the first trade agreement ever that actually required any country to meet certain labor standards or environmental standards. And one of the—we have slowed down some of the compliance with NAFTA, like on truck safety and all, because we think it's so important to see that these standards are met. And in fairness, they are very difficult to impose and enforce, as you know. I honestly believe that it's a good idea. I don't think we should be subsidizing people to live substandard lives there. What we want them to do is to raise—lift our standard of living.

[*A participant asked that the American workers get a fair share under NAFTA.*]

The President. Thanks. Give him a hand. [*Applause*]

Q. We are big supporters of you, Mr. President.

The President. Thank you.

Q. So you are not going to lose our vote over this but we think it's a critical issue.

The President. Thank you. I appreciate that.

[*A participant discussed the problems that small businesses incur in paying taxes on projected profits from long-term manufacturing contracts.*]

The President. Let me ask you something. Could you write that up for me, or have you written it up for me? I would be glad to look into that. [*Laughter*] You know exactly what happened. What happened was they had all these big companies with mul-

tiple, multi-year contracts so they were always rolling their costs over to look like they were complying with this contract and that one and the other one, and never paying the taxes on the profits they were earning.

Q. I understand, and that door should have been slammed shut, and I'm glad to see that it was.

The President. But what we ought to be able to do is to say that, at least in the years when you realize no net gain, in the early years of a contract, you shouldn't be subject to taxation.

[*The participant stated that when his business incurs 50 percent of their costs, they have to pay 50 percent of the tax on 50 percent of the profit that is years away.*]

The President. That's why people want to change the tax system. That's good. Thank you.

Let me ask you a general question, if I might, and get you to comment on it. When I was here in 1992, the biggest problem small businesses were having was that all the banks were shutting down, so nobody was making any loans. And you didn't have any bank failures last year, and that's good.

One of the reasons we really tried to turn up the capacity of the SBA to make loans is, we were afraid as the banks worked their way out of the last recession, with the particular impact it had on the banking industry, and more in New England than almost any other place in the country, if we could find a way to give more SBA loans and—even while doing our part to cut the costs of Government, that would make a real difference.

We also were asked to do two other things, one was to increase the expensing provision. I'd be interested to know if it has benefited any of you. You know, we—the expensing provision when I took office gave you the right to expense $10,000, now it's up to $17,500. The NFIB asked for $25,000, and I tried to get that in '93, and I think that may well come out of this present tax law. Would that make a difference to you? Is that important part of the Tax Code as for as you're concerned?

Is the bank loan situation, now measurably better than it was in 1992, and if not, what else can we do about it? I'd like to ask those two questions.

[*A participant stated that the bank loan situation has improved, and agreed that expensing would make a big difference.*]

The President. But it has—when we write——

Q. It hasn't yet——

The President. ——17, you haven't felt it?

Q. No, not just filing taxes—I mean——

The President. So you wouldn't—under the old system?

Q. Right.

The President. But for you, it's not enough money to make any difference; is it?

Q. For me, no. It's not.

The President. It's too small to make any difference one way or the other, isn't it?

Q. What I found definitely the banking industry is changed—and I'd just like to say one thing that I think we can forget is, SBA isn't a handout. We're paying back our loans.

The President. Absolutely.

Q. And we're keeping people employed to pay taxes and that type of thing, where without the SBA a lot of jobs could be lost and that type of thing. So I don't, you know, I just hope it's not a handout type thing.

The President. Yes. I think the taxpayers, including the taxpayers in this room, should know that at any given time nationwide we have under 10 percent of our loans in arrears and ultimate failures are under 1½ percent. So our record at the SBA for making loans that default is about the same as any conservative bank in America. But we take a chance on people with a new idea that can't quite get there.

Pat, what were you going to say.

[*Mr. McGowan stated that SBA has increased the number of loans to women-owned businesses in that region. A participant then praised the Boston office for increased productivity with a reduced work force.*]

The President. You know, when I tell people that the Federal work force is over 200,000 smaller than it used to be—just folks, you know, when I go home and tell people that, they have a hard time believing it. But the reason is—there are two reasons for that. One is, we had the money to give

humane severance programs to the people who left the Federal employment. That is, we gave them good early retirement packages or good early-out packages and time to work out a new education program or a new line of work.

The other reason is that the people that are left are doing a better job. I mean, there's a dramatic increase in productivity of these Federal workers that are left. And I know it kind of contradicts a lot of people's preconception about the Government, but I think it's interesting that you can cut the Federal work force that much and literally nobody knows it happened because there's been no undermining of the quality of service that these Federal employees have given. I think it's really—and I thank you for saying that about it.

[*A participant suggested a tax incentive for something other than a fixed asset.*]

The President. Let me just say, that's an interesting point. Small business people in America, particularly when they first start, is the only economic unit that's in the same position as most American families are—most American families now pay more tax on the payroll than they do on the income tax. And the problem with the payroll tax is you have to pay it whether you make any money or not.

Now, since it supports the Social Security system that, no matter what they tell you, is still solvent until the year 2019—we are going to have to make some changes in Social Security for when the people my age, the big baby boomer generation, retires because you'll have fewer people working and more people drawing. But we have to have some mechanism of keeping the system funded—but it really—I think that's a good point because the payroll tax is something—since you have to pay it whether you make any money or not is an extraordinary burden on both a lot of middle class families and small businesses.

Q. Mr. President, we want to thank you for coming here and sitting with this forum today. Tony has probably got another shift coming in the door here in a little bit, but we want to thank you for listening to the issues and it's been a great opportunity.

The President. Let me say too, I thank all of you for your support of the SBA. I thank you, Pat, and Administrator Phil Lader and his predecessor Erskine Bowles—I put two people in charge of the SBA, one of them, Erskine Bowles, spent 20 years starting small businesses. It occurred to me that for a change we ought to have somebody in there that had actually done that; and then Mr. Lader has spent most of his life running them.

And it makes a big difference if you have people that have actually lived with this and know what they're doing. I'm very proud of them and all the people that work at SBA. I thank you for your support. It looks to me like from your example that's money well spent.

Thank you. Thank you all.

NOTE: The roundtable began at 1:40 p.m. in the New Hampshire Hydraulics Co.

Remarks on Departure From Manchester, New Hampshire

February 3, 1996

I was deeply saddened to learn of the death of an American soldier this morning in Bosnia. This is the first fatality suffered by American service personnel in Operation Joint Endeavor. Hillary and I join all Americans in extending our deepest sympathies to his family and his friends. Our prayers are with you this afternoon and so is the pride of the Nation, for he gave his life in the noblest of causes, the search for peace.

I have been clear since before this operation began that our mission to secure peace in Bosnia would entail some risks. We have done everything we could to minimize those risks, and all Americans should know that we have provided our troops with the best training, the best equipment, to confront the challenges they face in Bosnia, and they are very well-led in a careful implementation of their mission. We will continue to take every precaution we can to protect our troops as they work to secure an enduring peace in Bosnia. And all of our troops should know that today our thoughts and our sincere gratitude are with them, especially on this difficult day.

Thank you very much.

NOTE: The President spoke at 3:30 p.m. at the Manchester airport. In his remarks, he referred to Sgt. 1st Class Donald A. Dugan, USA.

Statement on the Death of Donald A. Dugan

February 3, 1996

I deeply regret the death today in Bosnia of an American soldier who was killed this morning when he stepped on a landmine. This is the first fatality that U.S. forces have suffered in Operation Joint Endeavor.

Hillary and I join all Americans in extending our deepest sympathies to his family. They should know that he died in the noblest of causes, the pursuit of peace.

Since before Operation Joint Endeavor began, I have said it entails real risks. But our commanders have provided our troops with the finest training and equipment to confront the challenges in Bosnia. We will continue to take every precaution to protect American troops as they continue to perform this critical mission of securing an enduring peace in Bosnia.

Remarks at the National Governors' Association Dinner

February 4, 1996

Good evening. Governor and Mrs. Thompson, Governor and Mrs. Miller, ladies and gentlemen, welcome back to the White House. It's always a delight to have all of you here. I look forward to it every year, but I especially look forward to it this year.

As all of you know, we are living through a time of enormous change and great opportunity. I rather think the Founding Fathers would enjoy what is going on here today because we are debating a lot of first principles of American Government; what should Government do, which level of government should do it, what are our ultimate objectives. These are questions that Governors live with in a very practical and immediate way every single day. And they are questions that, frankly, I have relished being a part of this public debate in America.

We are obviously moving into a time that is very different from any the American people have ever lived in before. Our economy is changing. We are now clearly in a global village that will be dominated for the rest of our lifetimes by information and technology. That requires certain changes in government, as well.

I believed when I came here, and I believe more strongly today, that the great questions before us are how we can make the American dream available to all Americans who are willing to work for it, how we can come together to deal with our challenges and our problems as one community amidst all our diversity, and how we can maintain the leadership of our great country for peace and freedom throughout the world.

We have many challenges, and I tried to deal with those at some length in the State of the Union Address. One of our greatest challenges is to give the American people a Government that commands their confidence and that does its part in meeting our common problems. We have reduced the size of the Government in the last 3 years; it's now as small as it was in 1965. Next year it will be as small as it was when President Kennedy was living in this house. We have also given an unprecedented amount of power back to State and local governments and to individual citizens. We are about to do some more of that. And that is obviously what you are here to work on and try to reach common agreement among yourselves first, and then with the leaders of Congress and the White House. I am looking forward to this.

The thing I wish more of our citizens knew is how hard we are working to do the right thing over great issues of high principle. This is not a normal political debate. It is a profoundly important discussion of the direction our country will take and what all our responsibilities will be in seeing that that direction is achieved in a way that benefits all the American people.

I am looking forward to our discussion tomorrow morning, to all the times that we have together, and I know that all the members of the Cabinet and the White House are as well. To each and every one of you who has participated in trying to formulate the new policies and trying to reach across partisan and other divisions to reach common

ground, I thank you again for that. To each and every one of you who has had a good working partnership with our administration, I thank you for that.

I look forward to further progress. I do believe that the American people are now living and will move into a future which is characterized by greater possibilities for more people than have ever lived in this society. And what we have to do is to make sure that we can go forward together and that every single one of our citizens who is willing to do what it takes can realize those possibilities in his or her own life and that all of our children, without regard to their race, their income, their region, their station in life, have a chance to be a living embodiment of the American dream.

If we keep that as our goal we can bridge our differences. And when we leave here, and when the work of this year is done, we will be much better prepared to reap the benefits of that age of possibility. It is in that spirit that I ask you all to stand now as I offer a toast to Governor and Mrs. Thompson and to all the Governors and their spouses and to our beloved United States.

[*Following the President's toast, the dinner, and the entertainment, the President spoke again. His remarks are joined in progress.*]

The President. ——Gary Morris, thank you, Gary Hooker. We are doubly blessed tonight that Gary joined us because he just got married, and he's still here. And his wife, Elizabeth, is here. Thank you for coming. Please stand up. This man has a great gift, and I'm so glad he shared it with us tonight.

You're all welcome to stay awhile, music will be out in the foyer. It's been a wonderful evening for Hillary and for me. And again, you're welcome and I look forward to seeing you tomorrow.

Thank you. Thanks again, it was great.

NOTE: The President spoke at 8:57 p.m. on the State Floor at the White House. In his remarks, he referred to chairman of the National Governors' Association Gov. Tommy Thompson of Wisconsin and his wife, Sue Ann; and vice chairman Gov. Bob Miller of Nevada and his wife, Sandy.

Remarks Opening a Roundtable Discussion With the National Governors' Association

February 5, 1996

Good morning, Governor Thompson, Governor Miller, to all the Governors, welcome back to the White House and back to Washington for the annual meeting of the NGA. I know that you have been working very hard in a bipartisan fashion to try to reach agreement on a number of issues that are important to your people and to us here in Washington, including Medicaid and welfare, issues of education and training, and I look forward to discussing those.

I do want to say that all these issues have to be seen in light of the most important issue still facing us here today, and that is the Federal budget. As required by law, today I am submitting to Congress my proposed budget for fiscal year 1997. It balances the budget in 7 years, according to the Congressional Budget Office's economic estimates. I want the Governors now to work with us to balance this budget, and I am very hopeful that we can achieve a balanced budget this year.

The plan I propose cuts hundreds of programs, continues our efforts to downsize the Government, but it protects Medicare, Medicaid, education, and the environment and cuts taxes for working families. It reforms welfare and addresses our challenges to renew schools, provide economic security, and preserve the environment with the initiatives that I announced in the State of the Union, including those on the environment and the educational initiatives of a $10,000 deduction for college tuition, more merit scholarships and a million young people able to work their way through college in work-study. It includes the health care reforms that have historically received bipartisan support in the Congress, including requirements that people can't be cut off their insurance when they change jobs or when someone in the family gets sick.

As you know, the Republican congressional leadership and I have spent many months discussing this budget. We have spent well over 50 hours together in small meetings. Now in common, our plans have $700 billion in specific spending cuts. That

is more than enough to balance the budget in 7 years and to provide a modest tax cut. I hope we can set aside partisanship and divisions, as you often do in the NGA, and provide a balanced budget plan to the American people in the near future.

You know how important this is. You have seen some of what happens when we have Government by continuing resolution. It really leads to irresolution. We have Head Start programs all over the country now staggering from month to month, school boards across the country actually planning for some lay-offs because we do not have a final budget passed by the Congress.

I know you all have a stake in resolving this matter. I know we're going to discuss at least two issues today, that if they could be resolved would help us to pass a balanced budget. And I am looking forward to it, the discussion of Medicaid, which I would like to say just a few words about—more when our private discussion starts. We want to restrain the cost of Medicaid. Our budget proposal has a rate of increase for Medicaid, which is far below the projected rate of increase of overall health care costs. We know to achieve this we have to give the States far greater flexibility on how Medicaid will work.

We also know, in this administration, that we must maintain a commitment, a national commitment, to seniors, to pregnant women, to poor children, to people with disabilities, that they will receive the quality health care they are now receiving.

Second, I believe we're close, Congress and I, to an agreement on sweeping welfare reform that is very consistent with what the Governors have advocated for years. It would reward work, require family and responsibility strengthening. It would advance the values of the United States instead of undermining them. I know that you have some new proposals on that today, and I look forward to hearing them. I do believe we're quite close on welfare reform with the Congress. I do believe it is terribly important, and I hope we can do it, again, just in the next few weeks.

Third, I hope we have a chance to discuss how we should overhaul our Nation's job-training system. More and more business leaders I speak with around the country tell me that they believe that in order to break this cycle of stagnant wages and job insecurity that is gripping about half our work force, we are going to have to do more to upgrade the skills of the existing work force. We're going to have to do it in a more innovative way. The "GI bill" for America's workers that I proposed would provide a collapsing of these scores of Government training programs the Federal Government has into a voucher that workers could receive directly and take to their local community college or other approved institution. I know we have some differences of opinion on that, but I do believe that in this case people are most likely to know their own best interests as long as they are protected from fly-by-night operations by our common endeavors.

At any rate, it is clear to me that unless we do something substantial to upgrade the skills of the existing work force, it's going to be difficult for them to break out of the cycle of stagnant wages and job insecurity that has prevented a large number of American families from enjoying the economic recovery that our country has had for the last few years.

Now finally, let me say something that I think we can all agree on. This is President Reagan's 85th birthday. They're having a big party in California. And I think every American citizen, and I know every American Governor, will join the Vice President and me in wishing him a very happy birthday and sending our best wishes to his entire family.

Thank you very much.

NOTE: The President spoke at 9:45 a.m. in the East Room at the White House.

Executive Order 12988—Civil Justice Reform

February 5, 1996

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, and in order to improve access to justice for all persons who wish to avail themselves of court and administrative adjudicatory tribunals to resolve disputes, to facilitate the just and effi-

cient resolution of civil claims involving the United States Government, to encourage the filing of only meritorious civil claims, to improve legislative and regulatory drafting to reduce needless litigation, to promote fair and prompt adjudication before administrative tribunals, and to provide a model for similar reforms of litigation practices in the private sector and in various states, it is hereby ordered as follows:

Section 1. *Guidelines to Promote Just and Efficient Government Civil Litigation.* To promote the just and efficient resolution of civil claims, those Federal agencies and litigation counsel that conduct or otherwise participate in civil litigation on behalf of the United States Government in Federal court shall respect and adhere to the following guidelines during the conduct of such litigation:

(a) *Pre-filing Notice of a Complaint.* No litigation counsel shall file a complaint initiating civil litigation without first making a reasonable effort to notify all disputants about the nature of the dispute and to attempt to achieve a settlement, or confirming that the referring agency that previously handled the dispute has made a reasonable effort to notify the disputants and to achieve a settlement or has used its conciliation processes.

(b) *Settlement Conferences.* As soon as practicable after ascertaining the nature of a dispute in litigation, and throughout the litigation, litigation counsel shall evaluate settlement possibilities and make reasonable efforts to settle the litigation. Such efforts shall include offering to participate in a settlement conference or moving the court for a conference pursuant to Rule 16 of the Federal Rules of Civil Procedure in an attempt to resolve the dispute without additional civil litigation.

(c) *Alternative Methods of Resolving the Dispute in Litigation.* Litigation counsel shall make reasonable attempts to resolve a dispute expeditiously and properly before proceeding to trial.

(1) Whenever feasible, claims should be resolved through informal discussions, negotiations, and settlements rather than through utilization of any formal court proceeding. Where the benefits of Alternative Dispute Resolution ("ADR") may be derived, and after consultation with the agency referring the matter, litigation counsel should suggest the use of an appropriate ADR technique to the parties.

(2) It is appropriate to use ADR techniques or processes to resolve claims of or against the United States or its agencies, after litigation counsel determines that the use of a particular technique is warranted in the context of a particular claim or claims, and that such use will materially contribute to the prompt, fair, and efficient resolution of the claims.

(3) To facilitate broader and effective use of informal and formal ADR methods, litigation counsel should be trained in ADR techniques.

(d) *Discovery.* To the extent practical, litigation counsel shall make every reasonable effort to streamline and expedite discovery in cases under counsel's supervision and control.

(1) *Review of Proposed Document Requests.* Each agency within the executive branch shall establish a coordinated procedure for the conduct and review of document discovery undertaken in litigation directly by that agency when that agency is litigation counsel. The procedure shall include, but is not necessarily limited to, review by a senior lawyer prior to service or filing of the request in litigation to determine that the request is not cumulative or duplicative, unreasonable, oppressive, unduly burdensome or expensive, taking into account the requirements of the litigation, the amount in controversy, the importance of the issues at stake in the litigation, and whether the documents can be obtained from some other source that is more convenient, less burdensome, or less expensive.

(2) *Discovery Motions.* Before petitioning a court to resolve a discovery motion or petitioning a court to impose sanctions for discovery abuses, litigation counsel shall attempt to resolve the dispute with opposing counsel. If litigation counsel makes a discovery motion concerning the dispute, he or she shall represent in that motion that any attempt at resolution was unsuccessful or impracticable under the circumstances.

(e) *Sanctions.* Litigation counsel shall take steps to seek sanctions against opposing

counsel and opposing parties where appropriate.

(1) Litigation counsel shall evaluate filings made by opposing parties and, where appropriate, shall petition the court to impose sanctions against those responsible for abusive practices.

(2) Prior to filing a motion for sanctions, litigation counsel shall submit the motion for review to the sanctions officer, or his or her designee, within the litigation counsel's agency. Such officer or designee shall be a senior supervising attorney within the agency, and shall be licensed to practice law before a State court, courts of the District of Columbia, or courts of any territory or Commonwealth of the United States. The sanctions officer or designee shall also review motions for sanctions that are filed against litigation counsel, the United States, its agencies, or its officers.

(f) *Improved Use of Litigation Resources.* Litigation counsel shall employ efficient case management techniques and shall make reasonable efforts to expedite civil litigation in cases under that counsel's supervision and control. This includes but is not limited to:

(1) making reasonable efforts to negotiate with other parties about, and stipulate to, facts that are not in dispute;

(2) reviewing and revising pleadings and other filings to ensure that they are accurate and that they reflect a narrowing of issues, if any, that has resulted from discovery;

(3) requesting early trial dates where practicable;

(4) moving for summary judgment in every case where the movant would be likely to prevail, or where the motion is likely to narrow the issues to be tried; and

(5) reviewing and revising pleadings and other filings to ensure that unmeritorious threshold defenses and jurisdictional arguments, resulting in unnecessary delay, are not raised.

Sec. 2. *Government Pro Bono and Volunteer Service.* All Federal agencies should develop appropriate programs to encourage and facilitate pro bono legal and other volunteer service by government employees to be performed on their own time, including attorneys, as permitted by statute, regulation, or other rule or guideline.

Sec. 3. *Principles to Enact Legislation and Promulgate Regulations Which Do Not Unduly Burden the Federal Court System.*

(a) *General Duty to Review Legislation and Regulations.* Within current budgetary constraints and existing executive branch coordination mechanisms and procedures established in OMB Circular A–19 and Executive Order No. 12866, each agency promulgating new regulations, reviewing existing regulations, developing legislative proposals concerning regulations, and developing new legislation shall adhere to the following requirements:

(1) The agency's proposed legislation and regulations shall be reviewed by the agency to eliminate drafting errors and ambiguity;

(2) The agency's proposed legislation and regulations shall be written to minimize litigation; and

(3) The agency's proposed legislation and regulations shall provide a clear legal standard for affected conduct rather than a general standard, and shall promote simplification and burden reduction.

(b) *Specific Issues for Review.* In conducting the reviews required by subsection (a), each agency formulating proposed legislation and regulations shall make every reasonable effort to ensure:

(1) that the legislation, as appropriate—

(A) specifies whether all causes of action arising under the law are subject to statutes of limitations;

(B) specifies in clear language the preemptive effect, if any, to be given to the law;

(C) specifies in clear language the effect on existing Federal law, if any, including all provisions repealed, circumscribed, displaced, impaired, or modified;

(D) provides a clear legal standard for affected conduct;

(E) specifies whether private arbitration and other forms of private dispute resolution are appropriate under enforcement and relief provisions; subject to constitutional requirements;

(F) specifies whether the provisions of the law are severable if one or more of them is found to be unconstitutional;

(G) specifies in clear language the retroactive effect, if any, to be given to the law;

(H) specifies in clear language the applicable burdens of proof;

(I) specifies in clear language whether it grants private parties a right to sue and, if so, the relief available and the conditions and terms for authorized awards of attorney's fees, if any;

(J) specifies whether State courts have jurisdiction under the law and, if so, whether and under what conditions an action would be removable to Federal court;

(K) specifies whether administrative proceedings are to be required before parties may file suit in court and, if so, describes those proceedings and requires the exhaustion of administrative remedies;

(L) sets forth the standards governing the assertion of personal jurisdiction, if any;

(M) defines key statutory terms, either explicitly or by reference to other statutes that explicitly define those terms;

(N) specifies whether the legislation applies to the Federal Government or its agencies;

(O) specifies whether the legislation applies to States, territories, the District of Columbia, and the Commonwealths of Puerto Rico and of the Northern Mariana Islands;

(P) specifies what remedies are available such as money damages, civil penalties, injunctive relief, and attorney's fees; and

(Q) addresses other important issues affecting clarity and general draftsmanship of legislation set forth by the Attorney General, with the concurrence of the Director of the Office of Management and Budget ("OMB") and after consultation with affected agencies, that are determined to be in accordance with the purposes of this order.

(2) that the regulation, as appropriate—

(A) specifies in clear language the preemptive effect, if any, to be given to the regulation;

(B) specifies in clear language the effect on existing Federal law or regulation, if any, including all provisions repealed, circumscribed, displaced, impaired, or modified;

(C) provides a clear legal standard for affected conduct rather than a general standard, while promoting simplification and burden reduction;

(D) specifies in clear language the retroactive effect, if any, to be given to the regulation;

(E) specifies whether administrative proceedings are to be required before parties may file suit in court and, if so, describes those proceedings and requires the exhaustion of administrative remedies;

(F) defines key terms, either explicitly or by reference to other regulations or statutes that explicitly define those items; and

(G) addresses other important issues affecting clarity and general draftsmanship of regulations set forth by the Attorney General, with the concurrence of the Director of OMB and after consultation with affected agencies, that are determined to be in accordance with the purposes of this order.

(c) *Agency Review*. The agencies shall review such draft legislation or regulation to determine that either the draft legislation or regulation meets the applicable standards provided in subsections (a) and (b) of this section, or it is unreasonable to require the particular piece of draft legislation or regulation to meet one or more of those standards.

Sec. 4. *Principles to Promote Just and Efficient Administrative Adjudications.*

(a) *Implementation of Administrative Conference Recommendations.* In order to promote just and efficient resolution of disputes, an agency that adjudicates administrative claims shall, to the extent reasonable and practicable, and when not in conflict with other sections of this order, implement the recommendations of the Administrative Conference of the United States, entitled "Case Management as a Tool for Improving Agency Adjudication," as contained in 1 C.F.R. 305.86–7 (1991).

(b) *Improvements in Administrative Adjudication.* All Federal agencies should review their administrative adjudicatory processes and develop specific procedures to reduce delay in decision-making, to facilitate self-representation where appropriate, to expand non-lawyer counseling and representation where appropriate, and to invest maximum discretion in fact-finding officers to encourage appropriate settlement of claims as early as possible.

(c) *Bias.* All Federal agencies should review their administrative adjudicatory proc-

esses to identify any type of bias on the part of the decision-makers that results in an injustice to persons who appear before administrative adjudicatory tribunals; regularly train all fact-finders, administrative law judges, and other decision-makers to eliminate such bias; and establish appropriate mechanisms to receive and resolve complaints of such bias from persons who appear before administrative adjudicatory tribunals.

(d) *Public Education.* All Federal agencies should develop effective and simple methods, including the use of electronic technology, to educate the public about its claims/benefits policies and procedures.

Sec. 5. *Coordination by the Department of Justice.*

(a) The Attorney General shall coordinate efforts by Federal agencies to implement sections 1, 2 and 4 of this order.

(b) To implement the principles and purposes announced by this order, the Attorney General is authorized to issue guidelines implementing sections 1 and 4 of this order for the Department of Justice. Such guidelines shall serve as models for internal guidelines that may be issued by other agencies pursuant to this order.

Sec. 6. *Definitions.* For purposes of this order:

(a) The term ''agency'' shall be defined as that term is defined in section 105 of title 5, United States Code.

(b) The term ''litigation counsel'' shall be defined as the trial counsel or the office in which such trial counsel is employed, such as the United States Attorney's Office for the district in which the litigation is pending or a litigating division of the Department of Justice. Special Assistant United States Attorneys are included within this definition. Those agencies authorized by law to represent themselves in court without assistance from the Department of Justice are also included in this definition, as are private counsel hired by any Federal agency to conduct litigation on behalf of the agency or the United States.

Sec. 7. *No Private Rights Created.* This order is intended only to improve the internal management of the executive branch in resolving disputes, conducting litigation in a reasonable and just manner, and reviewing legislation and regulations. This order shall not be construed as creating any right or benefit, substantive or procedural, enforceable at law or in equity by a party against the United States, its agencies, its officers, or any other person. This order shall not be construed to create any right to judicial review involving the compliance or noncompliance of the United States, its agencies, its officers, or any other person with this order. Nothing in this order shall be construed to obligate the United States to accept a particular settlement or resolution of a dispute, to alter its standards for accepting settlements, to forego seeking a consent decree or other relief, or to alter any existing delegation of settlement or litigating authority.

Sec. 8. *Scope.*

(a) *No Applicability to Criminal Matters or Proceedings in Foreign Courts.* This order is applicable to civil matters only. It is not intended to affect criminal matters, including enforcement of criminal fines or judgments of criminal forfeiture. This order does not apply to litigation brought by or against the United States in foreign courts or tribunals.

(b) *Application of Notice Provision.* Notice pursuant to subsection (a) of section 1 is not required (1) in any action to seize or forfeit assets subject to forfeiture or in any action to seize property; (2) in any bankruptcy, insolvency, conservatorship, receivership, or liquidation proceeding; (3) when the assets that are the subject of the action or that would satisfy the judgment are subject to flight, dissipation, or destruction; (4) when the defendant is subject to flight; (5) when, as determined by litigation counsel, exigent circumstances make providing such notice impracticable or such notice would otherwise defeat the purpose of the litigation, such as in actions seeking temporary restraining orders or preliminary injunctive relief; or (6) in those limited classes of cases where the Attorney General determines that providing such notice would defeat the purpose of the litigation.

(c) *Additional Guidance as to Scope.* The Attorney General shall have the authority to issue further guidance as to the scope of this order, except section 3, consistent with the purposes of this order.

Sec. 9. *Conflicts with Other Rules.* Nothing in this order shall be construed to require litigation counsel or any agency to act in a manner contrary to the Federal Rules of Civil Procedure, Tax Court Rules of Practice and Procedure, State or Federal law, other applicable rules of practice or procedure, or court order.

Sec. 10. *Privileged Information.* Nothing in this order shall compel or authorize the disclosure of privileged information, sensitive law enforcement information, information affecting national security, or information the disclosure of which is prohibited by law.

Sec. 11. *Effective Date.* This order shall become effective 90 days after the date of signature. This order shall not apply to litigation commenced prior to the effective date.

Sec. 12. *Revocation.* Executive Order No. 12778 is hereby revoked.

William J. Clinton

The White House,
February 5, 1996.

[Filed with the Office of the Federal Register, 8:45 a.m., February 6, 1996]

NOTE: This Executive order was published in the *Federal Register* on February 7.

Letter to Congressional Leaders on the Comprehensive Trade and Development Policy for Africa

February 5, 1996

Dear Mr. Chairman:

I am pleased to submit the first of five annual reports on the Administration's Comprehensive Trade and Development Policy for Africa as required by section 134 of the Uruguay Round Agreements Act.

This first report examines the trade and development challenges confronting Sub-Saharan Africa, reviews the policies currently being pursued to address those challenges, and presents a policy framework for the United States as it seeks to support and facilitate African initiatives to address these challenges. With this first report, it is my intention to open a wider dialogue with the Congress, and with public and private sector representatives in Africa and the United States. This dialogue will sharpen the focus of the U.S. role in assisting Africa to meet its development challenges and, in the process, to promote U.S. trade and investment in the region. Subsequent reports to the Congress will highlight progress in implementing new initiatives and reflect the necessary evolution of U.S. policy.

The challenges facing Sub-Saharan Africa are difficult and varied. Solutions will not be easy or quick. The most critical element of any development strategy, upon which the success of all other elements depends, is the willingness of the people and their leaders to make the correct, and often difficult, policy choices. It is this point that gives us cause for optimism about Africa today. Increasingly, democratic governments in Africa are implementing market-based economic policies that are placing their countries on proven paths to success.

We must seize this opportunity for partnership with the countries of Africa because promoting trade and sustainable development in Africa is important for the United States as well as for Africa.

My Administration understands that, in a time of shrinking Federal funding, any strategy to support trade and development in Sub-Saharan Africa will need to rely heavily on increased U.S. commercial involvement in the region. American firms and workers stand to gain a great deal by doing business in Africa. By playing an active role, both in direct commercial relations in the region and in cooperation with the United States Government, the private sector will generate significant benefits for themselves and for the United States and Sub-Saharan Africa as a whole.

I invite the Congress to work closely with my Administration in forging a constructive partnership with the people and leaders of Sub-Saharan Africa to pursue the trade and development objectives that are so clearly in our mutual interests. The people of the United States have a vested interest in Africa's future, and I hope that this report will mark the first step toward a closer dialogue between the Administration and the Congress on this important issue.

I am also pleased to transmit the report prepared by the United States International

Trade Commission that my Administration requested on U.S.-African trade and investment flows and the potential for growth.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Jesse Helms, chairman, Senate Committee on Foreign Relations; William Roth, chairman, Senate Committee on Appropriations; Benjamin A. Gilman, chairman, House Committee on International Relations; and Bill Archer, chairman, House Committee on Ways and Means.

Remarks at the Democratic Governors Association Dinner

February 5, 1996

Thank you. Thank you for that wonderful welcome. Governor Caperton, thank you for that wonderful introduction. When he started all that business about Jefferson and Truman, I turned around to the guy next to me, I said, ''Who's he introducing now?'' [*Laughter*] I'm very grateful to you for your friendship. Thank you, Governor Dean and Governor Carnahan, the immediate past chairman; and all of my fellow Governors; and my colleagues, former Governors who are here tonight; to all the officers of the DGA and those of you who work so hard for them, Mark Weiner, Katie Whelan, and the other members of the staff; and most of all to all of you who have come here to support them. I thank you for being here, and I thank you for your support for the Democratic Governors.

If tonight's dinner and its success is any indication, after the 1996 election, there will be more than 19 people standing up on this stage. And let me just say, while there will be a great deal of focus in this election year on the President's race, as there should be, there will be a great deal of focus in this election year on the races for Congress, as there should be. And I hope and believe we will make some real progress there.

Remember that no matter what happens, there is an inexorable move to push more basic jobs of the public back to the State level. And if that is so, it matters more than ever before who is the Governor of each and every American State. And I can tell you, given the responsibilities the Governors will have for the foreseeable future, it is more important than ever before that we elect good Democratic Governors to the statehouses all across this country.

It was so cold in Washington for these last 2 weeks, I had to have a break last weekend, so I went to New Hampshire. [*Laughter*] Well anyway, I got outside the Beltway. For those of you who live here, you'll be happy to know that I not only got a good dose of old-fashioned American values, I saw in action the fine art of snow removal, and I—[*Laughter*]

To be fair to the people here in Washington, DC, who have that responsibility, Washington is still viewed by many people as sort of a Southern city. I mean, we have a half inch snow, they close every school within 50 miles. [*Laughter*] And the kids like it, but it's not so great for the economy.

Let me tell you, I also saw some very encouraging signs in New Hampshire that have more to do with what I want to visit with you about tonight. When I went back to New Hampshire, a place where I made 75 scheduled appearances between January the 1st and February the 18th, 1992, and countless unscheduled ones, I was profoundly moved to see the number of people who would still come out to an event where you just tried to talk sense and deal with the real challenges before the American people, people who did not want a 30-second sound bite and were tired of negative ads.

We had an event in New Hampshire surrounding the administration's community policing initiative, showing what happens when people in a neighborhood that had been riddled by crime and drugs and gangs decided to take their streets back and had some help from community policemen who had a little office in the neighborhood and rode bicycles and knew the schoolchildren by their names. We saw people telling us that they could walk the streets at night again for the first time in years, and they didn't worry about the safety of their children anymore. And they knew that there was a connection between what we do in Washington and what happens on their streets, in their neighborhoods, and in the lives of their children.

We saw a great State school-to-work program where we got all these people together, and they understood that you didn't have to have a big Government program to have the National Government play a helping hand in bringing employers and schools together so that young people could understand that in the world we're living in there can no longer be an artificial division between the world of work and the world of learning and that they had to be brought together.

I visited a fine company that, among other things, makes some defense equipment we use on *Marine One,* my helicopter, and other aircraft in the United States military fleet, and works on civilian communications satellites, bringing young women into this business so that they would understand that engineering is not just a job for boys but girls could aspire to be engineers, as well.

I went to a school in Concord, New Hampshire, that is on the site of a church where in 1788 the delegates from New Hampshire became the decisive ninth State to ratify the Constitution of the United States and to make this one United States of America. And on that very spot, this school, which now has an overwhelmingly moderate- to low-income student body, an elementary school—an elementary school was, along with all the other school rooms in the city of Concord, hooked up to the Internet. They showed me how they were putting out a newspaper, these fifth and sixth graders; they were selling ads for the newspaper; they wrote the editorials and the news stories, that it was so popular they had converted it from a school newspaper to a community newspaper, and they were circulating it in the entire area of their city from which they had any students, and they now had gotten themselves a home page on the Web for their elementary newspaper. And I saw how businesspeople had loaned them or given them computer equipment so that even the poorest kids could take something home at night and work with their parents and show them what they were doing—partnerships, solving problems, meeting the demands of today and tomorrow.

I met with a lot of small-business people who 4 years ago when I was there couldn't get loans. And each and every one of them had been helped at least once by a Small Business Administration that in this Democratic administration has cut its budget by 40 percent and doubled its loan volume and increased its loans to women businesses by 80 percent, to minority business by two-thirds, and is the best SBA in the history of this country.

I say that because I found that the people there, as always, are conservative, prudent, discriminating, but more and more are interested in real conversations about how we're going to take advantage of these opportunities before us and how we're going to meet our challenges.

And they understand that the choice is not the one that we have been shoveled up in election after election after election. It's not some big argument about big Government versus small Government or the horrors of the Government against the joys of the market. The real choice is whether we are going to meet our challenges together or go back to a time when everybody was left to fend for himself or herself.

I would remind you that the whole reason the American people started to live together in communities is because they knew they could do things together they could never do alone. Whenever we work as a team as a country, we do well. This country has never, ever been defeated by any problem abroad or within when we work together. Our only defeats come when we permit ourselves to be divided—when we permit ourselves to be divided. Therefore, we must reject any political message that says, vote for me because I'll make you so miserable you will be divided; you will put me in, but I will divide your country. We must say no to that.

After 3 years of working here for you and the American people, doing everything I could every day, not only to help advance the cause of our country and its people but also trying to come to grips with the phenomenal changes that are going on in American life, that is the single, simple lesson I bring to you tonight, that you can determine—every single thing we have done is to help the American people make the most of their own lives and work together to solve their problems. That is the great issue of the present day.

This is, to be sure, as I said in the State of the Union, a great age of possibility. Most of us have benefited from it. Otherwise, we wouldn't be able to afford to be here tonight. And it is literally true that there has never been a time in the history of our country or the world when there were so many different opportunities for so many different kinds of people to live out their own dreams and to bring their God-given capabilities to fruition. And that is the great joy of this time.

It is also true that, as with any time of great change, there is a lot of uprooting, a lot of upheaval, a lot of uncertainty. There is increasing inequality in income. There is stagnation of wages for those who are not able to take advantage of the age of possibility. There is greater insecurity among millions of working people. And it exists side by side with the lowest combined rates of unemployment and inflation in 27 years, highest homeownership in 15 years, an all-time high in trade, an all-time high in new business formation, an all-time high in each of the last 3 years in new, self-made millionaires, not people who inherited it but people who took advantage of the opportunities this country affords to make it.

And the great challenge we have today is to keep the good things going, to keep the dynamism of our country working in a way that will make us stronger, but to do it in a way that extends the American dream of opportunity for all the American people and that pulls our country together. You can be proud of the work that Democrats did in Washington to cut this deficit in half in the last 3 years. I met with the Secretary of Agriculture today and, as I try to do from time to time to keep up with how things are going on the farm—and I won't bore you with all the details, and some of you, it may not mean much to you—but corn is at $3.60, wheat is at a 15-year high, and soy beans are at an 18-year high because we have opened new markets for American agriculture all over the world. You can be proud of that kind of thing.

You can be proud of the fact that we have almost 8 million new jobs, and a million of them in automobiles and construction alone. You can be proud of the fact that your country has been able to be a leading force in the world for peace and freedom and democracy, from the Middle East to Haiti to Northern Ireland to Bosnia. You can be proud of the fact that the welfare rolls, the food stamp rolls, the poverty rolls, the teen pregnancy rolls, they're all down. You can be proud of that. The crime rate is down. You can be proud of that.

But you also must know that because of the way work is changing so that more and more work is dependent upon information and technology and knowledge, and not just what you know but your ability to continue to learn throughout a lifetime, because the nature of the workplace is changing as productivity gains that are unimaginable permit large, centralized bureaucracies and almost mandate them to slim down so that more and more jobs are being created in smaller units and bigger units are doing more with fewer and fewer people. And the nature of the markets are changing, the financial markets and the world markets for goods and services. All these things have caused the upheavals that have caused the anxiety that many American working families feel to exist right alongside of all this good news.

As Democrats we know in our bones that what makes this country great is our ability to hold out the promise of opportunity for everyone who is willing to work for it. And it is our understanding that when we all do well together, each of us individually does better than we otherwise would do; to understand that it is important to support families and childrearing, but that when all of our families do better it helps our family to be stronger.

And so I say again, the central question facing us is no longer big Government or small Government. There is no more big Government. This Government's the smallest it's been since 1965, and by the end of this year, it will be the smallest since the Kennedy administration.

And it cannot be that Government is bad and the market is good because we see now from what's happening to so many of our fellow Americans that the market is a wonderful thing, but it certainly doesn't solve all problems, and it creates some as it changes. We know that as well.

So what we have to do is to ask ourselves, what is it that we are going to do as Demo-

crats? To stand for the proposition that we believe in work and family and the future, we believe in opportunity and responsibility, and we know we have to do it as one community. That is what I tried to address in the State of the Union. That is the challenge I leave you tonight.

We clearly have to follow policies that will strengthen our families and raise our children better. We clearly have to do something to address this gnawing economic security. And we must begin by dealing with the conditions of changed work. We have to give people access to a lifetime of education, immediately when they need it. We have to make sure that everybody can afford to buy health insurance, and they don't lose it when they change jobs or when someone in the family gets sick. We have to make sure that people can get a pension, and they can carry it around with them if they're going to change jobs five or six times.

We have to make sure that working families have access to decent health care so they can succeed at work and at home. And if we want to, by the way, reform the welfare system, we have to make sure that we're going to have people succeed as independent workers and good parents. You can't be forced to make a choice in this country. If we have to choose between being good workers or good parents, the country will lose either way. It has to be both. And we can only solve this together.

For all the progress we've made in bringing the crime rate down—I talked to the mayor of my capital city and Governor Tucker's capital city the other day, and he was saying they had the lowest crime rate in 8 years there, and it was dropping like a rock because of community policing. For all of that, you and I know that this is still a country with inexcusable and unacceptable levels of crime and violence. And a big part of people's insecurity is the feeling that they are not free as Americans if they can't walk the streets, if they worry about their children, if they worry about their security in their homes.

And I tell you, the Democratic Party must be on the cutting edge of this until we reach our real goal. And our real goal should be to return to the time when crime is the exception, not the rule. That should be the goal in the United States.

The other great domestic challenge we face is to finally break this idea which still has too much of a hold on people here in Washington, that the only way we can grow the economy is to sacrifice the environment. The truth is, if you look at all the information, from brownfields in our inner cities, to cryptosporidium in the water supply of some of our cities, to the problems we had with *E. coli* in the Pacific Northwest, to what everybody knows global warming is doing now, which is making our winters worse, as well as our temperature hotter in the summer. We cannot sustain a strong and growing economy unless we find a way to do it while enhancing the quality of the environment, and the Democrats ought to take the lead in promoting that idea.

And finally, let me say I know that it isn't particularly popular to say, particularly at a time when people have so many of their own problems, but the United States must not withdraw from its world leadership. We must continue to be the world's leading force for peace and freedom, for democracy and prosperity.

The Secretary of Commerce is sitting out there. I don't want to embarrass him, but he is the finest Secretary of Commerce in my lifetime. But he would be the first to tell you that he could not take these trips and sell America's products and sell America's services and get investments for America all around the world if we were not perceived as being willing to lead the cause for peace and freedom; if we were not also working to continue to dismantle the nuclear threat until it doesn't exist anymore; to work with countries to end the threat of biological and chemical warfare; to work with countries to end the terrible scourge of these god-awful landmines that are in the millions in the ground, not just in Bosnia but Angola, in Cambodia, and throughout the world. We have to do that.

You may think it shouldn't be that way, but that is the way it is. Maybe there will come a time in the next few years when regional associations of freedom-loving people will be able to solve all their problems, and we'll just have to carry our own little bit of

the load. But for now, people look to the United States.

And if you believe that it matters, then I ask you to understand that we have to make difficult decisions still, and we have to invest some money still in our leadership for these causes. Our economic strategy is working in part because it is going hand in glove with our commitment to peace and freedom and democracy. And we cannot afford to walk away.

And finally, let me say, all of these challenges to be met will require us to generate a higher level of trust and confidence and common sense and civility among our people as they relate to each other and to our governments.

So I end where I began. That's why it's so important who the Governors are. It's why it's so important what is done. We have shrunk the size of Government. We are getting rid of 16,000 of the 18,000 pages of regulations. We have done all that downsizing, and we will do some more.

More importantly, we have dramatically increased child support collections, and we've cut the default rate in student loans. And as I said, we doubled the SBA loan volume. And I could give you a lot of other examples. But in the end, our ability to succeed consists in our ability to readjust the responsibilities of the National Government with the States, with the localities, with the private sector, with individuals, and to build a new partnership for a new era.

Part of that is some changes we still have to make here, like campaign finance reform and the line-item veto, which I'm sure this Congress will eventually give me. [*Laughter*] But a big part of it is learning to work together in a way that is affirmative, is positive, that lifts people up.

You know, when I go to other countries, if they're conversant with American politics, very often leaders of other countries will say to me, "I frankly don't understand why people in America could be so negative feeling. Your unemployment rate is lower than ours. Your growth rate is higher. You have the lowest deficit in the world of any advanced country. All the rest of us look up to you."

Well, we have to pierce that cynicism, because cynicism in the end is a lousy excuse for inaction. It's a lousy justification for failure. It's a lousy explanation for disappointment in life. And I am convinced that if we Democrats go out there in 1996 with a commonsense, compassionate, intense commitment to the family, to the work, to the future of America, to the idea that the Government can play a role as a partner in creating more opportunity, and people have to assume more responsibility, and to an uncompromising position that we must do this together—we have no intention of going back to the time when people were left to fend for themselves, because we believe the age of possibility is for all Americans—I believe that our efforts will be rewarded. They must be rewarded in the President's race and the races for Congress and in the races for the statehouses.

By being here tonight, you have shown that you believe this. My challenge to you is that it's a long time between now and November. Don't quit now. Go out and preach this message and make sure it's clear what we stand for and what we're trying to do.

Thank you, and God bless you all.

NOTE: The President spoke at 9:12 p.m. at the Omni Shoreham Hotel. In his remarks, he referred to Gov. Gaston Caperton of West Virginia, chair, Gov. Howard Dean of Vermont, vice chair, Gov. Mel Carnahan of Missouri, former chair, Mark Weiner, treasurer, and Katie Whelan, executive director, Democratic Governors Association; Gov. Jim Guy Tucker of Arkansas; and Mayor Jim Dailey of Little Rock, AR.

Remarks to the National Governors' Association Conference

February 6, 1996

Thank you very much. Thank you, Governor Thompson, Governor Miller, fellow Governors and friends. It is always good to be back here, and I very much appreciate what you said, Governor Thompson. I must say, I also enjoyed standing outside in the hall and listening to the last three or four speakers discuss the last resolution. It made me homesick and proud that I once was a member of this body.

Let me begin, Governor, by congratulating you on the work that you have done on Med-

icaid, on welfare, and on a number of other issues. And let me also thank the lead Republican and Democratic Governors who worked on the Medicaid issue. I see you around this table. You were good enough to work with us in the White House to keep us up with what you were doing, to enter into intense discussions with us, and I'll have a little more to say about it in a minute. But this is, in any case, a very impressive accomplishment that all of you have voted for a new framework that will preserve the guarantee of health care coverage to the people who need it, and give the States the flexibility they need to operate the program.

Let me also say, in general, this Governors' conference has, I think, been in the best tradition of the National Governors' Association, as people have worked together in good faith across party lines to find real solutions to real problems.

I'd also like to express my appreciation to Senator Dole for what he said earlier here today, and the genuine spirit of cooperation that he evidenced in his remarks, I must say, was also evidenced in the more than 50 hours we have spent together in discussing the budget. And, like him, I believe we will get a budget deal. I didn't like everything he said about wanting to spend some more time around the White House next year. [*Laughter*.] But then again, I was a little concerned the other night when Gary Morris was singing at the White House, and I discovered that Governor Thompson and Governor Engler and Governor Voinovich were checking out Al Gore's office. [*Laughter*]

But it's good for America, this kind of competition. I also want to say, Governor Branstad, I was encouraged to hear Senator Dole say he thought we'd get a farm bill pretty soon. We've got a 15-year high in wheat prices and about an 18-year high in bean prices, and corn is about 3.60. We need a farm bill, and we need to strike while the iron's hot so we can keep this going.

This has been a good meeting for you, and it's been a good day for me. And yesterday and the day before, when you were at the White House, were good days, because I always enjoy working with the Governors.

As I said at the dinner, I think the framers would be pleased by this great debate in which we are engaged in Washington and in which you are also engaged. It goes beyond the very important questions of what government should do in our society and what we should not do, to the question of which level of government should do certain things and how they should be done. This movement is part of the sweeping changes now going on in our society.

We see that the changes in how we work and live together in a world that is dominated by information technologies and the markets of the global village are changing the way everybody does business. And I'd like for you to take just a minute before we get back into the substance of the issues that you've been working on to step back and look at the context in which this debate is taking place.

We are living in a world that includes dramatic changes in the nature of work, principally defined by work becoming more and more identified by the content of ideas and information, and less with physical labor. We have changes in the nature of work organizations: they're more flexible, they're less bureaucratic, and often they're smaller. It's interesting in that all the new businesses that have been created—new jobs that have been created in our country, for the last 15 years the Fortune 500 companies have reduced their aggregate employment in each of those years. In the last 3 years, however, small businesses owned by women alone have created more new jobs than the Fortune 500 has laid off—changes in the nature of work organizations.

And finally, there are dramatic changes in the nature of markets, both financial markets and markets for goods and services. They are more instantaneous in their movement and more worldwide in their scope.

Now these changes have given our country, with a strong and diverse economy, what I called in the State of the Union a great new age of possibility. I believe that. I believe that more of our people will be able to live out their own dreams than ever before. But these changes have also done what fundamental changes always do. They have led to a great uprooting in the patterns of life and work in America. And there are new challenges to us to preserve the American dream for all citizens who are willing to work

for it, to maintain our cherished values and our leadership for peace and freedom.

This is the context in which this debate should be viewed. Look at the economic picture. America in the last 3 years has almost 8 million new jobs, the lowest combined rates of unemployment and inflation in 27 years, a 15-year high in homeownership, an all-time high in exports, which has in large measure led to those high prices for farm products that I mentioned.

The auto industry leads the world again. We've had 700,000 new jobs in construction. We're number one in the manufacture of telecommunication satellites, and each of the last 3 years our people have set successive records for the formation of new businesses and for the creation of new self-made millionaires, not people who were given their money but people who made it with the opportunities that were there for them in this country.

This is a remarkable thing. But it is also remarkable that, for the first time in our history, all this occurred while more than half of the American people didn't get a raise and felt increasing insecurity about job loss or the loss of health care or pension benefits or the ability to educate their children.

Yesterday I had a conversation with an old friend of mine from a Western state who is a marvelously successful person now in his own right. And by pure accident of history, 40 years ago and more, he and his brother and I attended the same little brick grade school in my hometown in Arkansas. He's a terrific success, he's had a great life. His brother made a great success of his life, but at the age of 49, he has already been laid off twice from two different companies simply because the companies were bought by other companies, not because he was unproductive, not because there was something wrong with him, not because he didn't do what he was supposed to do in life.

The other day I got a letter from a friend of mine that I keep in touch with, a man I went to grade school with. He came from a very poor family. He was the first person from his family who graduated from college. And he told me that after 9½ months of looking he had finally gotten another job. He was an engineer with a Fortune 500 company, who at the age of 49, along with two other 49-year-old engineers, was laid off. They had children to educate, things to do. And this is also a factor of this great churning economy. So we have to see this economy in terms of all of its possibilities and its continuing challenges, which presents a paradox.

You can imagine what the ordinary person feels going home at night after work and turning on the television and hearing how great the economy is and then filtering it through their own personal experience. It just depends upon whether their experience conforms to the statistics, whether they really buy it.

Our challenge is to figure out how to set and keep in motion all these wonderful changes, and shape them in a way that makes the American dream available to everybody again. It's a great challenge but we can do it. If you look at the world, you see the same thing. America has been very fortunate, not only in the trade numbers I mentioned but to play a role in leading the world toward peace and freedom and greater security, not only in the obvious places like Northern Ireland and the Middle East and Bosnia and in Haiti, where tomorrow for the first time in the history of the country they will have a peaceful democratic transfer of power, but in reducing the threat of nuclear weapons, extending the Non-Proliferation Treaty, passing START II, trying to get a comprehensive test ban treaty this year.

But at the same time we know, and we have seen in our own country, that there are new threats of our security that are a function of the age of possibility, where people can move around in a hurry, where people can get information on the Internet about how to build bombs, where anybody can be a neighborhood terrorist because of the high-tech information you can get as long as you've got a computer, where someone in Tokyo can break open a little vial of poison gas and kill hundreds of people.

So we have new challenges, even as we become more secure. And we see it in terms of what's happened to our ability to maintain our basic values. I am profoundly encouraged that the crime rate, the welfare and food stamp rolls, the poverty rate, and the teen pregnancy rate, and even the divorce rate,

are down in the last couple of years. I think that is a very good thing for America. But let's face it, we all know they're still too high. And we all know that we pay a price together because they are.

So I say to you that as we debate this great transformation of government, the question we really ought to keep in our mind is: Are the changes we're making going to contribute to making the American dream available to all our people? Are we going to accelerate all the wonderful things that have brought us this age of possibility and meet the challenge? Are they going to help people to solve their own problems? Are they going to help families to solve their own problems? Are they going to help communities to work together to solve their own problems?

That, it seems to me, is the great question of this age. Government should change just like all other big organizations that are changing because the demands are changing, the objectives are changing, we are doing what the framers intended us to do. And in the exercise you have performed here in the last 3 days, by getting together and working hard and dealing with these tough issues and always trying to consider what the human impact of the changes was going to be, you have done what the framers knew we would have to do from time to time if our great country was going to endure.

In the State of the Union, I tried to outline what I think our major challenges are, and let me just briefly recount from here. I think as a people—not the Government's challenges, our people's challenges—to build stronger families and better childhoods for all of our children, to open educational opportunity for every single citizen, for children and for adults for a lifetime, to develop a new economic security for all families that are willing to work for it in a way that supports the dynamism of this economy and doesn't undermine it, to make our streets safer and take them back from gangs and drugs, to make crime the exception rather than the rule in America again, to provide a cleaner and healthier environment for today and tomorrow in a way that grows and doesn't shrink the economy, to maintain our leadership for freedom and peace in the world, and especially for us to reinvent, to change our Government so that it works better and inspires more trust.

I believe the central lesson I have learned here in the last 3 years is that the genuine debate in America is not between big Government and small Government. We already have the smallest Government we've had since 1965. It's 205,000 people smaller than it was the day I took the oath of office. We're getting rid of 16,000 of the 86,000 pages of Federal regulations; we may get rid of more. It's not between Government and markets. We know there has to be a mix. We know the market can't solve all problems, and we know when the Government tries to solve them all it only makes it worse.

The central lesson I have drawn from the experiences of the last 3 years and from observing what is happening in our country and throughout the world is that what works in the world is what works around this table, that while we can't go forward with the idea that the Government can solve all of our problems, we must not go back to an era where people were left to fend for themselves.

We cannot solve the complex problems of the modern world unless we work together in a genuine spirit of community, where everybody does his or her part, and where we sharply define what the role of Government is and what the role of the Federal, State, and local governments are, what the role of the private sector is, what the role of people in their family lives is, where we all try to work together to enable people to make the most of their own lives and grassroots communities to rise up.

That is the central lesson that I draw from every experience I have had as President. And that is the perspective I bring to the work that you have done. We know that one-size-fits-all Government doesn't work. We know that the American people are not about to get rid of all Government, and they shouldn't. And we do know, I believe, that we can't go back to fend-for-yourself, winner-take-all society.

Our National Government shouldn't try to do everything. There are some things that we should do, that we do directly. National defense is the best and clearest example, and our military does it better than anybody else

in the world and better than they ever have. We do have, it seems to me, when we have national challenges, a responsibility to articulate a clear national vision, set goals, challenge people from every walk of life to meet the goals, and then do what we can to empower them to succeed.

In other words, sometimes what we have to do is define the what and let others, as much as possible, determine the how. That's what the crime bill does. It was clear to me when I became President that there was something terribly wrong when the violent crime rate had tripled in the last 30 years and the size of our police force had only gone up by 10 percent.

It was obvious, if you went to communities all over the country, that there were places where the crime rate was going down, and the one thing they all had in common was a clear, disciplined, operating community policing strategy. So we passed a crime bill that said we're going to have a goal of putting 100,000 police on the street. You apply for the money, and get it, but we're not telling you who to hire, how to train them, how to deploy them, what kind of community groups they have to work with. You decide.

So the Governor of Kentucky and I were in Louisville the other day looking at one of the community policing operations there driving the crime rate down. I was in Manchester, New Hampshire, looking at one of the community policing operations that's driving the crime rate down. Every State here has communities where the crime rate is going down. One of our major news magazines had a cover story with the commissioner of police of New York City talking about the crime rate going down. It said, have we found a way to turn the corner on crime? That is the kind of partnership we ought to have. I believe Goals 2000 fits that mold. The Federal Government's education programs are far less prescriptive now than they were in the years I served as the Governor before I came here as President.

Goals 2000 is consistent with the work done by Governor Romer. It says that we should have national standards; States should agree to meet them; but States and the school districts should decide the ''how''. And we should give people resources and help to let them decide how, not the Federal Government.

We have also tried to work with you in particular, as Governor Thompson said, with the unfunded mandates law, with the dozens of waivers, and with the common efforts we're now making not only to get rid of the Boren amendment but to get rid of a lot of other Federal requirements that cripple your ability to spend your time and your money helping your people to deal with their challenges.

We have tried to run this smaller Federal Government better, stepping up the fight against illegal immigration at the border and in the workplace, collecting record amounts of child support, cutting the student loan default rate almost in half, doubling the loan volume at SBA while we cut the budget by 40 percent, adopting customer service standards for every Federal agency. And I'm really proud of the fact that one of the major business magazines just last year which gives awards every year to corporations in America that serve the public the best—in the category for best service over the telephone, competing with L.L. Bean, Federal Express, and a lot of other things, the winner last year was the Social Security Administration. I'm proud of that. We are trying to give the American people a Government that is smaller, that costs less, that works better, and that works with you.

The first thing we need to do now is to finish the work of balancing the budget. We all know there's plenty of blame to go around for what happened in the years before we started working on this 3 years ago. I am proud that the deficit has been cut in half in the last 3 years. It is obvious that we need to finish the job. It is also obvious that this is a job that will never be finished, at least not in our lifetime, because when baby boomers, people my age and younger, begin to move toward their retirement years, the demographic changes in America will impose great new challenges on the budget, and this work of keeping our budget under control will have to be done year-in and year-out for a long time to come.

But we do know that based on the work we have already done, there are savings common to both the Republican plan, the plan

that I have put forward, that amount to about $700 billion, more than enough to balance the budget, and enough to meet my criteria of protecting the Medicare and Medicaid programs, our investments in education and the environment, and providing a modest tax cut.

We know that there are a lot of policy areas where we do agree, as well as some where we don't. I wish, on the whole, that the American people could have watched Senator Dole and Speaker Gingrich and Mr. Armey and Senator Daschle and Mr. Gephardt and the Vice President, Mr. Panetta and I, over these last 50 hours of discussions we've had, because we tried to do things the way you try to do them here. And we were able to identify significant areas of agreement.

Whichever Medicare program is passed, for example, it will be a program that estimates that we can slow medical inflation in the Medicare program below the projected rate of medical inflation in the private sector by aggressive incentives to seniors to move to managed care. With all the other differences of opinion, that is still there. However the final Medicaid program comes out—and I think you have gone a long way toward influencing that today in a positive and constructive way—we are going to slow the inflation rate in Medicaid well below the projected rate of health inflation in the private sector, because of giving you greater flexibility to move toward managed care and to do other things as well.

This is encouraging. So I believe the first thing we have to do is to finish this job. We cannot in good conscience, even though this is an election year, have a work stoppage between now and November. We have to go on and finish the work of balancing this budget. Let me say again, I was very encouraged by what Senator Dole said today. That is exactly my impression of where things are, and I believe we will get an agreement, and I look forward to continuing our efforts there.

I also believe we can get an agreement on Medicaid. You have done a lot of work which will help us immensely in that regard. You have always said that you could run this program better if you didn't have your hands tied and you didn't have to ask Washington's permission every time you wanted to do something.

We have known for a long time that the initial good impulse of supporting the Boren amendment was a mistake. We have known for a long time that you shouldn't have to ask the Federal Government every time you want to change your payment schedule to providers and every time you want to put in a new managed care program or make some other change.

You have come up with a proposal that enables you to have that kind of flexibility and still preserves the Nation's ability to guarantee medical care for poor children, for pregnant women, for people with disabilities, and older Americans. This is a huge step in the right direction.

As you know from our discussion yesterday, I still have some concerns. As you have acknowledged, we have to get any proposals scored by the Congressional Budget Office, we have to clarify—at least I need some clarification on some other issues which we discussed yesterday in terms of the definitions of disability and making sure that there will be someplace where a clearly enforceable right is held for people with regard to the benefits to which they're entitled.

And there are some other issues that we just didn't discuss because we didn't have enough time, like how the people who are now getting Medicaid help to pay their Medicare premiums will be able to continue that so they don't lose their Medicare coverage. But I am convinced we can work these out, and I am very encouraged by the work that you have done.

Let me also say that I think there is one other thing we ought to do on health care, and I'd like to ask for your help on that, even though it's something that has to be done here in Washington. If we cannot follow the other advanced economies of the world and ensure that everybody has health insurance, at least we ought to be able to ensure that everybody has access to health insurance. There is a bill in the Senate now, sponsored by Senator Kassebaum of Kansas and Senator Kennedy of Massachusetts, which would simply say that insurance companies cannot deny coverage for people because somebody in

their family has a pre-existing condition. And people can keep their insurance if they move from job to job; they can't be cut off.

The bill would also provide incentives for pooling operations to be set up so that more small businesses can buy insurance. I know that California and Florida in particular have had some very good results with efforts in this area already.

It is a good bill. It has 43 cosponsors, Republican and Democrat. It was voted out of the committee unanimously, and it has not been brought to a vote yet because of pressures against it. I think it is quite important that that bill be brought to a vote. It is one thing we could do, a simple bipartisan act we could take, that would increase the sense of security for millions of people in working families who are doing everything they can to do the right thing in this country.

Finally, let me say I applaud the work that you have done, again in a bipartisan fashion, on welfare reform. I know you haven't—I don't think you've voted on that policy yet, but we discussed it some yesterday. I've seen some of the changes you've made. I heard what Senator Dole said about child care, agreeing with you and me on that. That's a very good sign.

Let me just be as simple as I can about this: I think the objective of welfare reform should be to break the cycle of dependency in a way that promotes responsibility, work, and parenthood. I believe that our objective for all Americans should be to make sure that every family can succeed at home and at work, not to make people choose.

If a family has an adult that succeeds at work by sacrificing on the homefront, our country is weaker because our first and most important job, every one of us who has children, is to be good parents. If a family can only work at home when they fail at work, then our economy will be hurt and all of our efforts to promote independence will be undermined.

So everything I have done in this welfare debate has been designed with that in mind. How can we design a system that will be tough on responsibility, tough on work requirements, disciplined, but that will reward family and childrearing, as well as movement into the workplace?

And I think if we all keep that in mind, that we want a country where people succeed at work and succeed at home, then we'll come to answers in common, like the child care answer that the Governors recommended. We will do that.

In terms of the details of running the program and your not having to come to us every time you want a waiver, I could not agree more with that. I think there have been—a lot of the good ideas that have come out of this in the last 3 years, every one of them, as far as I know, has come from the States. If you just—look, let me just mention one that I have promoted relentlessly since Oregon and a number of other States started trying it—but in the areas where there are not enough jobs today, how are we going to get jobs for people on welfare? In the areas where the markets are tight, how will we give employers an incentive to hire people on welfare? One of the things that you can do now—but every one of you will be able to do if we pass meaningful welfare reform, is to make your own decision to cash out the welfare and food stamp benefits and give it in the form of a job supplement to an employer to hire somebody to go to work, instead of to stay idle and draw that same amount of money.

There are lots of things like this that can be done. You can do it. And I believe we're going to pass welfare reform legislation and I think when you take a stand here today saying that we ought to—that the Senate bill was a good bill, I thought, and I thought far superior on most points to the one that came out of the conference that I vetoed—but it had some problems and the biggest one for most States was the child care problem. You have addressed that here. And you have said, okay, be tough on people; make them go to work, but don't ask them to hurt their children. That's all any American could ever ask. And I think when you do that, you're going to give us a real chance to pass welfare reform, and I thank you for that.

So I would say, again, I think you've had a pretty good meeting here. I think you have contributed to the climate that will help us to balance the budget. You have contributed immeasurably to helping us to resolve the impasse over Medicaid. You have contributed

to the impulse to move to genuine welfare reform. We can do all these things if we do them together. Let me say again, every time this country works together, every time we reach across the lines that divide us, we never fail. We dissipate cynicism; we dissipate mistrust; we dissipate anxiety; we dissipate anger every time we do that.

Abraham Lincoln said this a long time ago: ''We can succeed only by concert. It is not 'Can any of us imagine better,' but 'Can we all do better.' '' The Governors always attempt to answer that question with a resounding ''yes.''

Thank you very much.

NOTE: The President spoke at 11:25 a.m. at the J.W. Marriot Hotel. In his remarks, he referred to Gov. John Engler of Michigan; Gov. George Voinovich of Ohio; Gov. Terry Branstad of Iowa; Gov. Paul Patton of Kentucky, and Gov. Roy Romer of Colorado.

Message to the Congress on Trade With China

February 6, 1996

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the CHINASAT project.

William J. Clinton

The White House,
February 6, 1996.

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The White House,
February 6, 1996.

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February 6, 1996

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William J. Clinton

The White House,
February 6, 1996.

Remarks to the National Association of Independent Colleges and Universities

February 7, 1996

Thank you very much. I assure you, when I was attempting to help Anne's institution get that foundation grant, I had not imagined that one day I would reap this benefit of that fine introduction. [*Laughter*]

Let me congratulate Mike Adams on his successful term as chairman and for his kind remarks and for recognizing the brilliant work of our Education Secretary, Dick Riley. I know of no person who has had that job who has done as much in so many areas to have a positive impact on the education of the American people. And we are all in his

debt, most of all the President, but all of us are in his debt for the fine job he has done.

And I do want to thank Anne Die again for that wonderful introduction and for the kind remarks she had about Hillary and about me and what we did together. I must say, as I said in the State of the Union Address, after 3 years the central lesson that I have learned as President is that in meeting our challenges we have to do what we did instinctively at home. We have to work together more. And the role of Government should be seen in the context of an instrument of helping us work together to meet our common challenges. I enjoyed doing that then, and when it's possible, I like doing it here. [*Laughter*]

I'm also delighted to see David Warren again. We first met, as he may have said publicly before, in 1970, about 26 years ago, when we both worked on the Senate campaign of Joseph Duffey in Connecticut. And neither one of us had any gray hair then. [*Laughter*] Now Joe Duffey is doing a fabulous job for the United States as head of the USIA, and he has less gray hair than either one of us. [*Laughter*] Our only consolation is he also has less hair than either one of us. [*Laughter*] Anyway, it's been a busy 26 years for both of us, and I'm proud of the work that he does for you.

For 20 years this association has given voice to the concerns of higher education. You have demonstrated something that America knows about itself but sometimes forgets, and that is that there is strength in diversity. You come from every corner of our Nation. You represent every field, from the sciences to the liberal arts to businesses and all kinds of institutions, from church-related schools to historically black colleges to women's colleges. You have shown enormous strength and perseverance in our common efforts to keep the doors of college education open to all Americans.

Your Alliance to Save Student Aid is doing wonderful work, and I may be preaching to the choir, but every now and then even the choir needs to hear that. It is doing wonderful work. I know how hard you have fought to save the right to choose the direct lending program. And I tell you what I have told the Members of Congress, this is no time, for whatever reason, under whatever circumstances, to cut back on any kind of student aid. We need more of it, not less of it.

If I might, I would like to take just a few moments today to try to put the struggles that you and I are engaged in, to not only keep open the doors of college for all Americans but to widen those doors, in a larger historic context. In my State of the Union Address I said I thought that America had entered a great age of possibility, and I believe that. I believe that the American people who are poised to take advantage of it will have more opportunities to live out their dreams than any generation of Americans ever has. We also know, perplexingly, that this is an age of great challenge in which huge numbers of Americans feel deeply frustrated and worried that not only they, but their children, will not have the chance to live out their dreams.

How could both these things coexist at the same time? How could there be so much good economic news and so much troubling economic news? How could there be good news on the social front and troubling news on the social front?

It is, I am convinced, endemic to the nature of this moment in our history, which I believe is most like what happened to us more or less a hundred years ago when we went through the transformation from being a rural and agricultural society into a more urbanized, more industrial society. And now we're moving into an age dominated by information and technology and the markets of the global village.

The nature of work has changed and that helps you in your enterprise because we now have—almost all work contains more mind and less body, more information and more technology, and is changing more rapidly so you not only need to know more, you need to be able to learn more. The nature of work is changing, and there is no sign that the rate of change and the direction of change will do anything but speed up.

The nature of work organizations are also changing. You have more and more people who are self-employed, more and more people who can now work at home because there are computer hookups. The largest and most

bureaucratic and most top-down organizations tend to be swimming down, pushing decisions down, and getting rid of a lot of people in the middle of the organizations that used to hand orders and information up and down the food chain of the enterprise. And again, that can be good, but it can be severely disruptive if you're 50 years old, and you've got three kids to send to college, and you've just been told that your Fortune 500 company doesn't need you anymore.

We see the change in the nature of work. The encouraging thing is that in the last 3 years, more jobs have been created by businesses owned by women alone than have been eliminated by the Fortune 500 companies. But they're different. They're smaller; they're more scattered about. They are less secure in a traditional sense. So work is changing and work organizations are changing.

And finally, the nature of our markets are changing. The markets for financing and the markets for goods and services are increasingly global, increasingly rapid, and on occasion, ruthless because of their ability to seek the area of greatest opportunity in a split second. And all of these things have opened up vast new opportunities but impose great new challenges on our ability to maintain old-fashioned values and to maintain a sense of national community as all these changes proliferate and put pressures on all of our institutions to pull apart and break down and leave people feeling more isolated.

You see, for example, in the United States right now in the last 3 years, we have enjoyed the lowest unemployment and inflation rates combined in 27 years. We have about 8 million new jobs. Homeownership is at a 15-year high. Exports are at an all-time high. As the Congress debates the farm bill today, we see soybeans at a 17-year high, wheat at a 15-year high, and corn is about $3.60—and I don't know how long it's been since it's been that high but a while—partly because of technology in agriculture and the sophistication of the markets by which agriculture is traded and moved around the world. We have in each of the last 3 years had the largest number of new businesses formed in our history, each year breaking a record, and the largest number of new self-made millionaires in our history, not people who inherited their wealth but people who lived the American dream, who went out by their own efforts and put something together in the private sector and made themselves a million dollars doing it.

And that is all very encouraging. And of course you have enjoyed it because knowledge is at a greater premium than ever before, and it's exciting for you.

Now the other side of that is, more than half the people in the workplace are working in real terms for the same or lower wages they were making more than a decade ago. The average working family is spending more hours on the job today than they were in 1969. That's very important. And as more and more people work for smaller and smaller units and more and more shifting patterns, and there's more and more downsizing, over and over and over again, more people feel insecurity about not only their job but their health care, their retirement, and their ability to educate their own children.

I went to the typical little red brick schoolhouse when I was in grade school in my hometown in Arkansas with a man who grew up in very humble circumstances, who was the first person in his family to go to college, who was an engineer with a Fortune 500 company, and when he was 49 the company came to him and two other 49-year-old white male engineers and said, ''We don't need you anymore,'' right when all their kids were ready to go to college. And the company was making more profits. And for 9 months he worked to try to find another position.

This story has a happy ending. He got another one; he's doing all right. And he had a lot of high-tech help. He had a sophisticated computer program where he had identified 250 contacts all across America of any possible employers who could hire someone like him, making about what he had made, doing about what he had done. And he churned that network with all of its high-tech glory for 8 or 9 hours a day, but it still took him 9 months to find a job. That is the other side of this.

The other day I had coffee with a friend of mine from out West who is an immensely successful man who by pure, blind irony was also in that little red brick schoolhouse with

me 40 years ago in Arkansas, along with his brother. His brother was also immensely successful, but he happened to work for two companies in a row that were bought out in one of these leveraged buyouts. And in the downsizing he lost his job. He didn't do anything wrong; he was perfectly productive. But he just was in the wrong place at the wrong time, not once, but twice.

So our big question here is how can we keep the dynamism of this new economy, how can we keep it going and growing and offering these opportunities but make the opportunities available to all Americans and give us a chance to preserve a sense of community in this country, that anybody who works hard and plays by the rules should have a chance to be rewarded for it?

You see the same thing on the social front where the American people really are beginning to get their act together, not only in terms of their values but in terms of adopting strategies that work. You see the crime rate down, the welfare rolls, the food stamp rolls down, the poverty rolls down, the teen pregnancy rate down for the last 2 years. That's the good news. The bad news is I could tell you the crime rate was down, and I could show you the statistics, and there is still a zillion streets in this country you wouldn't feel comfortable walking in after dark. So all those problems are still far too great for a great country like ours to tolerate. And we are wasting too many of our children's lives and too much of our fortune dealing with the fallout of our inability to organize ourselves in constructive ways so that we raise our children properly and we all behave right. And we are paying a terrible price for it.

We're not putting all of our players on the field. We still have whole chunks of areas of our cities and isolated rural areas which have been completely untouched by this economic recovery, but they have plenty of the dark side of our social fallout.

So the challenge, I will say again, is how can we make the American dream available to all Americans and how can we pull this country together when there are so many forces working to divide it? I believe the first thing we have to do is to get beyond the partisan bickering here and pass the 7-year balanced budget plan that protects education and the environment and Medicare and Medicaid. We have identified now, in common, common to both the Republican and Democratic approaches, $700 billion in savings. That is more than enough to pass a balanced budget plan in 7 years that meets the criteria I've laid out. There is no excuse for not doing it. We ought to just do it and put it behind us and stop having the newspapers filled with it every day. We ought to give the American people a balanced budget.

Then, as I said in the State of the Union—so then what? The question is, how are we going to meet these challenges? How are we going to help people to make the most of their own lives? How are we going to help families and communities to solve their problems at the grassroots level? I am convinced that we have to do it together. And I am convinced there are seven major things we have to do, and I will just repeat them briefly and then focus on education.

First and foremost, we have to enable ourselves, our friends, and our neighbors to do a better job raising our children and strengthening our families. Sometimes the time young people are old enough to go to college, it's already too late for too many of them.

And let me just mention one example. Today, a comprehensive scientific study is being released on the impact of television violence on young people. And it concludes what we all know in our instinctive selves, that television violence is pervasive, numbing, and can have a lasting and corrosive effect on young people if they're exposed to too much of it for too long. It distorts their perspective and later changes their attitudes and, for some of them, their behavior.

In my State of the Union Address, I called upon Congress to pass the telecommunications legislation, but to pass it with the V-chip requirement in it so that all the new cable television sets would give parents the right to select out programs with excessive violence or other objectionable content they didn't want their children to see. I am proud to say that tomorrow, at the Library of Congress, I will sign the telecommunications bill into law with the V-chip requirement in it. And I think it will make a difference.

It's an example of what we ought to do, though. The telecommunications part of this legislation, because of the changes there, would enable our country to generate tens of thousands of more high-wage, high-tech, exciting jobs, to offer consumers vast new opportunities in telecommunications. But we can do it in a way that still reinforces instead of undermines our basic values, that doesn't say anything goes, whatever looks like a market opportunity in this millisecond should govern and overcome whatever your enduring sense of values is. But that's what I like about it. And that's the sort of thing I think we need to be looking for in other areas of our lives.

Our second challenge, obviously, is to try to provide an educational opportunity for every American for a lifetime.

Third: to provide a new sense of economic security in a dynamic economy by giving people access to education for a lifetime, access to health care, and access to a pension you can take with you when you move from job to job.

Our fourth challenge is to continue the fight against crime and gangs and drugs until we meet what we all know instinctively is the real test. The real test is when all of us feel that crime is the exception, rather than the rule, we'll be back to where we ought to be in America again, and we can't stop fighting until that is how we all feel.

Fifth, we have a serious challenge still, as we see from all the weather we've endured just in the last few years, to deal with the fundamental and pervasive impacts of environmental degradation and to change the whole mindset in America away from the idea that you have to accept a certain amount of environmental despoliation to grow the economy to the idea that you can actually reinforce economic growth if you have the right kind of environmental protection policies. And unless we make a commitment as a Nation to do that, we and the rest of the world are going to pay a terrible, terrible price.

I told the Prime Minister of China—I mean, the President of China, when we were in our last meeting that the biggest threat to our security from China had nothing to do with what everybody reads in the paper all the time; it had to do with the fact that they might get as rich as we are, and they'd have the same percentage of their people as we do driving automobiles, and we haven't figured out how to deal with the greenhouse gases and the global warning, in which case they would present a real threat to our security because we wouldn't be able to breathe, since they have 1 billion, 200 million people and we only have 260 million. This is a very serious thing. And it needs to be a bipartisan or nonpartisan issue.

The sixth great challenge is to maintain our leadership for peace and freedom. This is a time when a lot of Americans think we can afford to be isolationist because we have so many challenges at home. We paid a terrible price to win the cold war and who is at our borders now? That's a very simple, but wrong, attitude. If we want people to buy our goods and services, we have to be willing to cooperate with them to advance peace and freedom. If we want countries to cooperate with us in stopping drugs from coming into our country, we have to work with them to get that done. And you'd only have to think about a few examples, the World Trade Center and the sarin gas breaking open in Japan, killing all those people in the subway, to know that high-tech terrorism is a global phenomenon that can only be engaged if you are involved with other countries.

Finally, we have to change the way our Government works so it inspires more confidence, does more good, and can still meet the demands of the modern era.

Now, having said that, if you ask me which one of these things is most likely to meet my objective, which is to help people make the most of their own lives and to give people the tools to solve their problems together, you would have to say that creating a system of excellent education with access to everybody for a lifetime is the most likely thing to do that, because the more educated people you have, the more they're likely to see these connections that I'm talking about and to make the right decisions community by community, State by State, and in our Nation as a whole. And unless we do that, we're going to be in real trouble.

But if we do it, then the age of possibility will be for everyone, and the 21st century

will probably be known as the American century, too. That's why higher education is so important. That's why I have worked so hard to protect these student aid programs, and indeed, to advance a lot of what we are doing.

You know these statistics, but I think a couple of them are worth repeating. In 1979 a worker with a college education earned about 40 percent more than a worker with a high school degree. Today the gap is about 75 percent and rising.

When I studied the 1990 census figures, I noticed that the only group of younger people that had incomes that were rising were those that had at least 2 years of post-high school education, as a group. Those with under 2 years or less had declining incomes from the beginning of their experience in the work force. They had committed themselves to a treadmill from the beginning which would get harder and harder and harder to stay on.

So I say, you know that. Now, if we all know that, why in the world would we ever do anything to make it harder to go on to college or to stay in college or to discourage people from taking out college loans? This is not rocket science. I may be talking to a lot of college presidents, but this is simple. This is a, b, c. This is first grade, second grade, third grade. Why would we do anything ever to make it harder to go on to college and to stay there?

On this issue we must all stand firm. And I know I can depend upon you to do it. This is not a question of what the Government does. The Federal student loan guarantee program, the Pell grant scholarships, all these things are—these are not big Government programs. These are programs designed to help individuals make the most of their own lives and to help you succeed in operating your institutions. That is the role of the National Government.

And this is not soft-headed. We have—I'm proud of the fact that since we've been here Secretary Riley and I have overseen almost a 50-percent reduction in the student loan default rate. I'm proud of that, and I know a lot of you support that.

It would seem to me that that would be evidence that we know also what we're doing when we say we ought to make more loan options available to more people. I like the direct loan program because it's less hassle for you and less hassle for the students. But I really like it because as long as you even have the option to do it, it'll be more pressure on all the competition to cut the costs and increase the quality of service. And I've seen that happen as well.

We've increased the Pell grants, and we should do that some more. We still haven't gotten back to where they used to be; we ought to do it some more.

This year 25,000 young people will earn some money to go to college by their AmeriCorps service in communities all across the country, and we ought to maintain that program. I feel strongly about it.

And I'm sure you remember that in the State of the Union I proposed three further steps. First of all, that we should award a $1,000 scholarship to every student in the top 5 percent of every graduating class in America; that's 128,000 graduating seniors we could give a little more money to go to college on. I think we ought to do it.

Second, one thing that I think that we have not done as good a job as we should have in the last 3 years—and we're trying to catch up in a big way—the Secretary of Education and I want to expand the work-study program so that by the year 2000, one million American students will be working their way through college with work-study.

And thirdly, and most important of all, we believe that families with incomes of under $100,000 should be able to deduct as much as $10,000 in post-secondary education costs from their taxes, including tuition and fees at any eligible institution, university or college, private or public, or vocational school. That would benefit 16½ million Americans, the best kind of tax cut we could have.

We give tax relief for businesses that invest in new plants and equipment. If we know we're running on brain power, why shouldn't we give tax relief to families that invest in education? We ought to do that.

I know that all of you agree with all this. I also know that all of you are trying to come to grips with your part of this equation, which is to do whatever you can to hold down college costs. I was reviewing in my own mind. Being the father of a high school junior, I

have to learn to think about this now. One of you will have a chance to make me much poorer before long, perhaps. [*Laughter*]

But I got to thinking about it. When I went to college, I had a job and a scholarship. And then I went to law school. I had a scholarship, a loan, and, in 3 years, six different jobs. And I enjoyed it all. I not only didn't mind working, I was grateful to have a chance to have the jobs, and I enjoyed being able to support myself, and I was proud when I was able to pay off the last of my loans.

But we know that from that time, when I was in school—nearly 30 years ago now when I finished—to this time, the cost of college as a percentage of a family's income has increased dramatically, that more and more people need more college aid. And I sometimes wonder whether colleges don't get more and more behind by raising tuition costs because you have to keep recycling it in scholarships and loans.

They're about double what they were 10 years ago, and of course, as I said, the most significant thing is that the college costs have gone up so much more than middle class incomes have and much, much more than lower middle class incomes have which—and that's evidenced in the fact that in the last 5 years you see a decline in enrollments among a lot of people in the bottom 20 percent of the income group in America, the very group that used to live the American dream with the greatest pride.

So that you've got increasing enrollments as you go up the income scale, which is good, but decreasing enrollment as you go down the income scale, which is bad. We—we will do what we can to keep up with the scholarships and loans, but anything that can be done to ratchet down the burdens on deserving students is a good thing to do.

I noticed that Muskingum College in Oklahoma—I mean in Ohio—actually lowered its tuition by $4,000. And these notes I have say that North Carolina Wesleyan cut its tuition by 23 percent. I don't know whether they did it by containing costs or praying to God or both. [*Laughter*] But I think it is a good thing to do wherever possible.

Again, I say to you, we cannot do what we ought to do for America if we increase college enrollment overall, but children who would be disproportionately minority children, but not all, in the bottom 20 percent—of the bottom 30 percent of our income families, are seeing their enrollments decline. Drake University in Des Moines is holding its increase to the rate of inflation. I know that others are giving discounts to certain people. The University of Rio Grande is giving free tuition to high school valedictorians and salutatorians.

This kind of innovation and leadership is something I think ought to be encouraged. But I would ask you all to think especially about those kids that are coming out of homes from the bottom 20 percent who are afraid that they can't make it.

The main reason I wanted the direct loan program has nothing to do with all the stuff that I just talked about about it. I wanted it because I thought that every person ought to have the option to borrow money for college and pay it back as a percentage of their income so that if they came from a poor family, or if they decided to do jobs that were public service jobs, for example, if they decided to be police officers or school teachers or do something else where they would never get rich, they would know that there would never be a single, solitary year when they would be in need because of the payment schedule of their college loans. And I think that's important.

But I say to you again, anything you can do to try to bring down the college burden, especially on that group of our young people, so that all income groups increase their enrollment again is something that we could do together that would make a real difference for America.

The last point I want to make is this: A lot of you have AmeriCorps projects on your campuses. A lot of you who don't have that have some sort of community service project. I think it is very important that the young people of this country have the opportunity to serve while they're in college in some meaningful community service. I think it is very important that when they leave their colleges and universities, they have the idea that they have an obligation to give something back to their country, and they understand that the only way we ever get anything done in America is to bridge our differences and

work together and to learn by doing in that way.

So I would urge you all to do everything you can to increase the involvement of your students in community service projects. We can change the character of America by changing the attitudes, the approach, the intuitive responses of this young generation, this brilliant, aggressive, intelligent, and energetic group of people toward the idea of community.

I see all these surveys that talk about how pessimistic or cynical people are, but the truth is, cynicism is an excuse for inaction and an awful poor one. It's a poor rationalization for believing that nothing you do makes any difference.

And so I ask you all to remember that. You have these people, even though the age of college students is getting increasingly higher, none of us are too old to give a little something back and to be given an opportunity to give something to our community. And you can do that in a unique way that opens up the way people think about America and its future.

I believe—I will say again—I believe that the younger generation today will live in a time of greatest possibility America has ever known. But in order to make it really work, those possibilities have to be available to all Americans who are willing to work for them. And they have to be available in a country that is coming together across its divisions, not drifting apart.

The changing nature of work, the changing nature of work organizations, the changing nature of markets are all putting pressures to divide, to split up, to splinter off an American community that still needs very much to move closer together, to open opportunity to everybody, to tackle our social problems, and to make this country what it ought to be.

There are no people in America better positioned to lead this country in the right direction than you are. Thank you for your fight for higher education, thank you for your fight for student aid. Please, please, take on these other challenges, and let's give this country the kind of future it deserves.

Thank you, and God bless you all.

NOTE: The President spoke at 2:28 p.m. in the Ticonderoga Room at the Hyatt Regency Hotel. In his remarks, he referred to Michael Adams, chair, board of directors, Ann Die, vice chair, and David Warren, president, National Association of Independent Colleges and Universities; and President Jiang Zemin of China.

Remarks in a Telephone Conversation With President Rene Preval of Haiti

February 7, 1996

President Preval. Good evening, Mr. President.

President Clinton. Hello?

President Preval. Good evening, Mr. President.

President Clinton. Good evening. I wanted to call you and offer you my congratulations on your inauguration.

As you know better than I, this is the first democratically elected transfer of power in Haiti in the history of your nation, and it's a real advance for democracy in our hemisphere and a great opportunity for your country, and I'm proud that the United States has been supporting you.

Translator. You can go on, Mr. President. He understands English.

President Clinton. Well, I just wanted to say those things and also to assure you that we are aware that you still have a lot to do, a big agenda ahead of you, but so much has been accomplished. You've had these peaceful elections. You have restored democratic institutions, including the Presidency and the Parliament. You have dismantled the repressive FADH. You have shown some economic growth last year. You have 5,000 people in the national police force, and there has been a dramatic decline in deaths due to political violence.

So for all those things, even as we look to the challenges ahead, I know you are proud, and you should be proud. And I'm very glad that Ambassador Albright and Deputy Secretary Talbott and others from the United States delegation were able to be there. General Sheehan was at your inauguration, and he's already back here visiting with me, and he brought me a new baseball made in Haiti with "Operation Uphold De-

mocracy'' on it. So it's my souvenir from your inauguration, Mr. President, and it's a great day for you and a great day for all of us who believe in freedom and who support you.

President Preval. Mr. President, on behalf of the Haitian people, I thank you very much for this call. I know that you are so much busy that I appreciate very much this gesture.

[*At this point President Preval spoke in French, and his remarks were translated by an interpreter*.]

I'm going to be more comfortable if I continue in French, Mr. President.

President Clinton. Please do.

President Preval. As you, yourself said, you played a very great role amid the U.N. effort to help restore democracy in Haiti, and we thank you for that. We have been independent for 193 years, and this is the very first time that one President transfers power to another democratically elected President.

But as you very well know, the challenges before me are enormous, because democracy cannot take place without economic development. And on the economic front, we are going to make every effort that we possibly can to give satisfaction to the Haitian people. And in particular, we would like to invite American investors to come to Haiti to invest.

Our police is yet weak, and we certainly want to strengthen it to consolidate it still further in order to safeguard security in Haiti.

Mr. President, I know how terribly busy you are, and as disappointed as the Haitian people were that you weren't able to be here, when they hear that you have called, they will, I am sure, be truly delighted.

Merci beaucoup.

President Clinton. *Merci*, Mr. President. You tell them that I'm still supporting them and their freedom, and the United States is still supporting them, and we will do what we can to encourage investment, to get the economic development going and, as you know, we want to continue to provide some support through civil engineering and infrastructure projects and some other things that we can do consistent with the ongoing partnership that we want to have with our two countries. So we will be there with you, and we're excited for this day and ready for the work ahead.

President Preval. Thank you very much, Mr. President.

President Clinton. Have a wonderful evening. It's a great day for you.

President Preval. And I hope that we'll have the pleasure to meet very soon.

President Clinton. Yes, I do, too. I'm looking forward to that.

President Preval. Thank you very much.

President Clinton. Thank you, and goodbye. Thank you.

President Preval. Thank you to your family.

President Clinton. Thank you.

NOTE: The conversation began at 4:16 p.m. The President spoke from the Oval Office at the White House.

Proclamation 6865—150th Anniversary of the Smithsonian Institution

February 7, 1996

By the President of the United States of America

A Proclamation

When James Smithson, an English scientist, died in 1829, he gave his entire estate ''to the United States of America, to found at Washington, under the name Smithsonian Institution, an Establishment for the increase and diffusion of knowledge among men.'' This extraordinary gift, amounting to one and one-half times the Federal budget of the day, led to passage of an Act of Congress establishing the Smithsonian Institution. Signed by President James Polk on August 10, 1846, this legislation created a Board of Regents to oversee the execution of Smithson's trust.

Today, 150 years later, the Smithsonian Institution is famed around the globe, and its collections are enjoyed by thousands of Americans and foreign visitors every day. Through dedicated original research, the preservation of an unequaled collection of artifacts, and the presentation of public exhibitions and programs, the Smithsonian truly embodies its benefactor's dream. As one of

the foremost repositories of American heritage and culture, the Institution provides unique insight into our history and the development of our vibrant national character.

As we celebrate the sesquicentennial of the Smithsonian Institution, let us recognize the work done by its many museums, research facilities, and educational endeavors and rededicate ourselves to the "increase and diffusion of knowledge" James Smithson sought to advance. In doing so, we can more fully explore the wonders of our world and continue to bring people together for the common pursuit of knowledge.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, and in honor of the memory of James Smithson and to commemorate the accomplishments of the Smithsonian Institution, do hereby proclaim August 10, 1996, as the 150th Anniversary of the Smithsonian Institution and urge the people of the United States to observe this anniversary with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this seventh day of February, in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 9:01 a.m., February 8, 1996]

NOTE: This proclamation was published in the *Federal Register* on February 9.

Remarks on Signing the Telecommunications Act of 1996

February 8, 1996

Thank you very much. Mr. Vice President, Mr. Speaker, Members of Congress, and ladies and gentlemen: I'd like to begin by thanking the Library of Congress for hosting us here. It's my understanding this may be the only time in American history a piece of legislation has been signed here, and perhaps the first time in three decades when one has been signed on Capitol Hill. If that is so, then this is certainly a worthy occasion.

I thank Lily Tomlin for reminding us that the Internet can be fun—[*laughter*]—and the students at Calvin Coolidge for reminding us that the Internet can do a world of good.

I thank the Vice President, who fought for this bill for so long on behalf of the American people. And I thank the Members of Congress in both parties, starting with the leadership, who believed in the promise and the possibility of telecommunications reform. I thank the vast array of interest groups who had sometimes conflicting concerns about this bill who were able to work together and work through them so that we could move this together.

This law is truly revolutionary legislation that will bring the future to our doorstep. In the State of the Union, just a few days ago, I asked the Congress to pass this law, and they did with remarkable speed and dispatch. Even the years that were spent working on it were a relatively short time given the tradition of congressional decisionmaking over major matters.

This historic legislation in my way of thinking really embodies what we ought to be about as a country and what we ought to be about in this city. It clearly enables the age of possibility in America to expand to include more Americans. It will create many, many high-wage jobs. It will provide for more information and more entertainment to virtually every American home. It embodies our best values by supporting the kind of market reforms that the Vice President mentioned, as well as the V-chip. And it brings us together, and it was passed by people coming together.

This bill is an indication of what can be done when Republicans and Democrats work together in a spirit of genuine cooperation to advance the public interest and bring us to a brighter future.

It is fitting that we mark this moment here in the Library of Congress. It is Thomas Jefferson's building. Most of you know President Jefferson deeded his books to our young Nation after our first library was burned to the ground in the War of 1812. The volumes that line these walls grew out of Jefferson's

legacy. He understood that democracy depends upon the free flow of information. He said, ''He who receives an idea from me receives instruction himself without lessening mine. And he who lights his paper at mine receives light without darkening me.''

Today, the information revolution is spreading light, the light Jefferson spoke about, all across our land and all across the world. It will allow every American child to bring the ideas stored in this reading room into his or her own living room or school room.

Americans have always had a genius for communications. The power of our Founding Fathers' words reverberated across the world from the moment they were said down to the present day. From the Pony Express to the miracle of a human voice over the phone line, American innovation and communications have broken the barriers of time and space to make it easier for us to stay in touch, to learn from each other, to reach for our highest aspirations.

Today our world is being remade yet again by an information revolution, changing the way we work, the way we live, the way we relate to each other. Already the revolution is so profound that it is changing the dominant economic model of the age. And already, thanks to the scientific and entrepreneurial genius of American workers in this country, it has created vast, vast opportunities for us to grow and learn and enrich ourselves in body and in spirit.

But this revolution has been held back by outdated laws designed for a time when there was one phone company, three TV networks, no such thing as a personal computer. Today, with the stroke of a pen, our laws will catch up with our future. We will help to create an open marketplace where competition and innovation can move as quick as light. An industry that is already one-sixth of our entire economy will thrive. It will create opportunity, many more high-wage jobs, and better lives for all Americans. Soon, working parents will be able to check up on their children in class via computer. Families heading off on vacation trips will be able to program the fastest route in their car computers, thanks to the work the Department of Transportation is now doing. On a rainy Saturday night, you'll be able to order up every movie ever produced or every symphony ever created in a minute's time. For those of us who like to watch too many movies and listen to too much music in a single sitting, that may be a mixed blessing.

This law also recognizes that with freedom comes responsibility. Any truly competitive market requires rules. This bill protects consumers against monopolies. It guarantees the diversity of voices our democracy depends upon. Perhaps most of all, it enhances the common good. Under this law, our schools, our libraries, our hospitals will receive telecommunication services at reduced cost. This simple act will move us one giant step closer to realizing a challenge I put forward in the State of the Union to connect all our classrooms and libraries to the information superhighway by the year 2000, not through a big Government program, but through a creative ever-unfolding partnership led by scientists and entrepreneurs, supported by business and government and communities working together.

We know the information age will bring blessings for our people and our country. But like most human blessings, we know the blessings will be mixed. We also know that the programming beamed into our homes can undercut our values and make it more difficult for parents to raise their children.

Children sometimes are exposed to images parents don't want them to see because they shouldn't. A comprehensive study released just yesterday confirms what every parent knows; televised violence is pervasive and numbing, and if exposed constantly to it, young people can develop a numbing, lasting, corrosive reaction to it. Televised violence in too much volume and intensity over too long a period of time may teach our children that such violence has no consequences and is an unavoidable part of modern life. Neither is true.

In my State of the Union Address, when I asked Congress to pass the telecommunications law, I mentioned in particular the V-chip designed to strengthen families and their ability to protect their children from television violence and other inappropriate programs as they determine. I am very proud that this new legislation includes the V-chip.

It's not such a big requirement, as you can see—here is one—but it can make a big difference in the lives of families all over America.

I thank the Congress and the Members of both parties for giving parents who want to take more responsibility for their children's upbringing an important tool to do so. I thank the Congress for reducing the chances that the hours spent in church or synagogue or in discussion around the dinner table about right and wrong and what can and cannot happen in the world will not be undone by unthinking hours in front of a television set.

Of course, parents now have to do their end of the job and decide what they do or don't want their young children to see. But if every parent uses this chip wisely, it can become a powerful voice against teen violence, teen pregnancy, teen drug use, and for both learning and entertainment. The responsibility of parents to do this is something they deserve and something they plainly need. Now that they have it, they must use it.

I want to acknowledge in this audience the activists, the parents who pushed for the V-chip and thank you very much for making it possible.

To make the V-chip as effective as it can be, I have challenged the broadcast industries to do what the movies have done, to rate programming in a way that will help the parents to make these decisions. I invited the entertainment industry leaders to come to the White House to work with me to improve what our children see on television, and I'm pleased to announce that exactly 3 weeks from today, on February the 29th, we will convene our meeting and get to work. I thank the leaders of the entertainment industry for coming, and I will look forward to working with them.

In 1957, President Eisenhower signed another important bill into law, another bill that was like this. It seized the opportunities of the moment. It made them more broadly available to all Americans. It met the challenge of change. It reinforced our fundamental values and aspirations. And it was done in a harmonious, bipartisan spirit. The Interstate Highway Act literally brought Americans closer together. We were connected city to city, town to town, family to family, as we had never been before. That law did more to bring Americans together than any other law this century, and that same spirit of connection and communication is the driving force behind the Telecommunications Act of 1996.

When President Eisenhower signed the highway bill, he gave one of his pens to the father of that legislation, Senator Albert Gore, Sr., of Tennessee. His son, the Vice President, in many ways is the father of this legislation because he's worked on it for more than 20 years, since he first began to promote what he called, in the phrase he coined, ''the information superhighway.''

You heard him say today that he always dreamed that a child from his little home town of Carthage could come home from school and be able to connect to the Library of Congress. I'm proud that the Vice President is able to be here today and to play the role he deserves to play in this. And I thank all the others who have done this. But 2 days ago, I asked him if he would give me the pen that his father got from President Eisenhower to begin the signing of this legislation. And so, that is the very nice pen you see.

Mr. Speaker, I don't know what we can do about this in a bipartisan manner, but I'm afraid that people would say that in the fifties, that's the time when people in Washington were real leaders and pens were real pens. [*Laughter*]

At any rate, I'm going to begin, in honor of Senator Gore, Sr., and Vice President Gore, the signing with that pen that President Eisenhower used to sign the Interstate Highway Act, and then go on with the signing.

And again, let me say to all of you, I wish every person here who has played a role in this could have one of these pens. I am very, very grateful to you. And then after I sign the actual bill, we're going to sign a copy of the bill over here and send it into cyberspace. I believe that this is the first bill that ever made that journey, and that will make me whatever it was Ernestine said, a cybernaut, or whatever she said. [*Laughter*]

Again, let me thank you from the bottom of my heart, every one of you, for making this great day for America possible.

Thank you.

NOTE: The President spoke at 11:34 a.m. in the Thomas Jefferson Building of the Library of Congress. In his remarks, he referred to comedian Lily Tomlin, who portrayed her character Ernestine the telephone operator in a dialog with the Vice President. S. 652, approved February 8, was assigned Public Law No. 104–104.

Statement on Signing the Telecommunications Act of 1996

February 8, 1996

Today I have signed into law S. 652, the ''Telecommunications Act of 1996.'' This landmark legislation fulfills my Administration's promise to reform our telecommunications laws in a manner that leads to competition and private investment, promotes universal service and open access to information networks, and provides for flexible government regulation. The Act opens up competition between local telephone companies, long distance providers and cable companies; expands the reach of advanced telecommunications services to schools, libraries, and hospitals; and requires the use of new V-chip technology to enable families to exercise greater control over the television programming that comes into their homes.

For nearly two decades, Vice President Gore has worked to spur the creation of a national information superhighway. This Act lays the foundation for the robust investment and development that will create such a superhighway to serve both the private sector and the public interest.

Over the past 3 years, my Administration has worked vigorously to produce legislation that would provide consumers greater choices and better quality in their telephone, cable, and information services. This legislation puts us squarely on the road to a brighter, more productive future.

In the world of the mass media, this Act seeks to remove unnecessary regulation and open the way for freer markets. I support that philosophy. At the same time, however, my Administration has opposed measures that would allow undue concentration in the mass media. I am very pleased that this Act retains reasonable limits on the ability of one company or individual to own television, radio, and newspaper properties in local markets and retains national ownership limits on television stations. My Administration will continue its efforts to ensure that the American public has access to many different sources of news and information in their communities.

The Act increases from 25 to 35 percent the cap on the amount of the national audience that television stations owned by one person or entity can reach. This cap will prevent a single broadcast group owner from dominating the national media market.

While the Act removes the statutory ban on ownership of a cable system and a broadcast station in the same local market, it does not eliminate the Federal Communications Commission's (FCC) regulatory ban on such cross-ownership. This ownership restriction continues to be very important in maintaining competition in local markets and should be maintained by the FCC. In addition, while certain regulatory cross-ownership bans are no longer necessary and have been eliminated, others that are critical to maintaining the diversity of local news and information sources have been retained. For example, the Act maintains the regulatory ban on common ownership of a newspaper and a broadcast television or radio station.

With regard to the ban on ownership of more than one television station in a local market, the Act directs the FCC to conduct a rulemaking to review its regulation and its waiver policy. Currently, the FCC allows ownership of more than one television station only in narrow and compelling circumstances, such as when a station would otherwise go dark, and where local diversity would not be reduced. Any changes in this policy should allow ownership of two stations only when doing so would clearly not reduce the diversity of independent outlets of news and information in a community. My Administration will continue to support a fair balance between economic viability and diversity.

Rates for cable programming services and equipment used solely to receive such serv-

ices will, in general, be deregulated in about 3 years. Cable rates will be deregulated more quickly in communities where a phone company offers programming to a comparable number of households, providing effective competition to the cable operator. In such circumstances, consumers will be protected from price hikes because the cable system faces real competition.

This legislation also places a strong emphasis on competition in both local and long distance telephone markets, making it possible for the regional Bell companies to offer long distance service, provided that, in the judgment of the FCC, they have opened up their local networks to competitors such as long distance companies, cable operators and others.

To protect the public, the FCC must evaluate any application for entry into the long distance business in light of its public interest test, which gives the FCC discretion to consider a broad range of issues, such as the adequacy of interconnection arrangements to permit vigorous competition. Moreover, in deciding whether to grant the application of a regional Bell company to offer long distance service, the FCC must accord "substantial weight" to the views of the Attorney General. This special legal standard, which I consider essential, ensures that the FCC and the courts will accord full weight to the special competition expertise of the Justice Department's Antitrust Division—especially its expertise in making predictive judgments about the effect that entry by a Bell company into long distance may have on competition in local and long distance markets. This Act also allows the Attorney General to use any available evidence, including evidence acquired under the Modified Final Judgment, and make a recommendation under any legal standard the Attorney General considers appropriate.

Further, when a regional Bell company establishes a long distance or manufacturing affiliate, the Act bars it from discriminating in favor of its own affiliates and against the interests of competing long distance providers or manufacturers, when such outside companies seek to do business with the regional Bell's local network.

The Act's emphasis on competition is also reflected in its antitrust savings clause. This clause ensures that even for activities allowed under or required by the legislation, or activities resulting from FCC rulemakings or orders, the antitrust laws continue to apply fully.

I am also pleased that the Act requires interstate telecommunications carriers to contribute to a fund to preserve and advance universal service. The fund would be spent to provide and upgrade facilities and services, as prescribed by the FCC. And carriers would receive credit toward their contribution by providing discount service to schools, libraries, and health care providers in rural areas. In addition, equipment manufacturers and service providers would be required to address the needs of individuals with disabilities if readily achievable.

I am especially pleased that the Act requires new televisions to be outfitted with the V-chip, which will empower families to choose the kind of programming suitable for their children. The V-chip provision relies on the broadcast networks to produce a rating system and to implement the system in a manner compatible with V-chip technology. By relying on the television industry to establish and implement the ratings, the Act serves the interest of families without infringing on the First Amendment rights of the television programmers and producers.

I do object to the provision in the Act concerning the transmittal of abortion-related speech and information. Current law, 18 U.S.C. 1462, prohibits transmittal of this information by certain means, and the Act would extend that law to cover transmittal by interactive computer services. The Department of Justice has advised me of its long-standing policy that this and related abortion provisions in current law are unconstitutional and will not be enforced because they violate the First Amendment. The Department has reviewed this provision of S. 652 and advises me that it provides no basis for altering that policy. Therefore, the Department will continue to decline to enforce that provision of current law, amended by this legislation, as applied to abortion-related speech.

The Telecommunications Act of 1996 will strengthen our economy, our society, our families, and our democracy. It promotes competition as the key to opening new markets and new opportunities. It will help connect every classroom in America to the information superhighway by the end of the decade. It will protect consumers by regulating the remaining monopolies for a time and by providing a roadmap for deregulation in the future. I am pleased to have signed this historic legislation.

William J. Clinton

The White House,
February 8, 1996.

NOTE: S. 652, approved February 8, was assigned Public Law No. 104–104.

Statement on Signing Temporary Debt Extension Legislation

February 8, 1996

A nation's financial integrity is a sacred trust. To preserve our creditworthiness, we must honor all obligations of the United States. Through the Civil War, two World Wars, and the Depression, America has paid its bill and kept its word.

Last week, congressional leaders acknowledged the importance of protecting our Nation's creditworthiness. They made a commitment in a letter to pass a mutually acceptable debt limit increase by February 29th to ensure that the United States does not default on our obligations.

Congress also took a constructive step by passing H.R. 2924 which I am signing today. This law provides temporary debt relief that allows us to meet all of our obligations and to pay Social Security and other benefits, military active duty pay, and other commitments at the beginning of March. Congress has promised to secure a mutually acceptable debt limit increase. Today, I call on Congress to pass a straightforward, long-term debt limit increase immediately so that we can get on with our shared goal of balancing the budget without the threat of default hanging over our Nation.

NOTE: H.R. 2924, approved February 8, was assigned Public Law No. 104–103.

Remarks in a Roundtable Discussion With Families on the V-Chip in Alexandria, Virginia

February 9, 1996

The President. First of all, I'd like to thank our host for welcoming us in, and to all the members of the press and our guests here. As you know, yesterday I signed into law the Telecommunications Act of 1996, which is the first major overhaul of our telecommunications laws in six decades.

That bill will do an enormous amount of good for our country. It will, for consumers, open up vast new opportunities for entertainment, vast new opportunities for information, vast new opportunities for different kinds of communications. It will create many, many thousands of high-wage jobs. But it will also bring a lot more images and messages into every home in America.

One of the things that the Vice President and Mrs. Gore and I like so much about this bill is that in addition to getting the benefits of the telecommunications revolution, it gives more power to parents to control what their young children see on television by requiring all new television sets to have a V-chip in them.

So we wanted to come here today to discuss with these folks how they feel about it and to give them and to give you a chance to see how this will work. So I'd like to turn it over to the Vice President and give him a chance to make a demonstration and to comment.

At this point, the Vice President demonstrated the technology, and the roundtable discussion then proceeded.]

The President. Let me just say one final thing about this. Maybe we ought to change the name from the V-chip to parent power chip. [*Laughter*]

One of the things that we talk about all the time, to go beyond this, is that all these technological changes that are going on in the world are so wonderful in so many ways. They're making opportunities for people to do things they never could do before. But if we're not careful, they also make the majority of the people feel that they're losing control of their lives in many ways, not just

this way, in many ways. And I think anything we can do to harness the power of new technology, to give people more control back over their lives, their family lives, the workplace, the community, that's a good thing. We don't want people to feel powerless.

One of the things that frustrates people in this country is they feel like there are all these forces out there running around working on their lives, and they have no control over them. And this is maybe just one small step, but it's a way of saying to people that new technologies can put you back in the driver seat in your lives, not take you further and further out of them.

Thank you. Thanks again for having me here.

NOTE: The President spoke at 11:05 a.m. at the residence of Ric and Jean Voigt.

Later in the day, the Office of the Press Secretary released a transcript of the complete roundtable discussion, which was not received in time for inclusion in this issue and will be published in next week's issue.

Remarks to the Louisiana Economic Development Brunch

February 9, 1996

The President. Thank you so much. Senator Johnston, I appreciate that, especially since you don't have to run for reelection, that you said such a nice thing. [*Laughter*]

Senator Johnston, Senator Breaux, Congressman Hayes, Chairman Livingston—that's a nice tie for you. You're going to change your whole image up here. [*Laughter*] Thank you. Lieutenant Governor Blanco, ladies and gentlemen. John Breaux told me I should come to this event. He said, this is the largest number of people in my State that you will ever see at one time when they're all in a good humor. [*Laughter*]

I'm really going to miss Bennett Johnston in the Senate. I always find it so helpful to have him there in getting my budgets passed. All I had to do was give 40 percent of all the discretionary money to Louisiana and—[*laughter*]—things went right through. It was easy.

The person in this audience that I really envy today is Buddy Leach. I'm a President, he's a king. [*Laughter*] I have to run for office, he doesn't have to get elected anymore. [*Laughter*] I have to persuade; everybody has to agree with him. [*Laughter*] Do you want to switch jobs? [*Laughter*]

Let me say to all of you—I want to, first of all, just kind of take my hat off to the State of Louisiana for coming up here and doing this event every year, and for the level of cooperation that you have throughout your State in trying to develop your economy. I know we've got people here from all over the State, from all the communities, and I really think it's a good thing to do.

I guess if I had to say the thing that surprised me most about becoming President when I was elected, as compared with being Governor of your neighbor to the north, it is that the atmosphere is much more partisan than I expected it to be, and that the way we were presented to the rest of the country was even more partisan than we are, the way that the story sort of spins out across the country. And I went home after I'd been President about 4 months, and we were sitting around with a bunch of my friends, and I said, "Shoot, if all I knew about me was what I saw on the evening news, I wouldn't be for me either." [*Laughter*]

And we have tried to sort of move away from that. Mr. Livingston and I tried. We played golf one day, and the course was so hard it took us 6 hours to finish the round. But by the end of it I completely lost any sense of partisan difference.

I want to say to you that yesterday we did something here that, to me, is the embodiment of what we ought to be doing as we look toward the future. I signed the telecommunications bill into law yesterday, a bill that was passed almost unanimously with overwhelming bipartisan support, the first significant reform of our communications laws in over six decades.

Everyone concedes that it will create tens of thousands of high-wage jobs, perhaps hundreds of thousands of high-wage jobs for America; that it will give vast new opportunities to ordinary citizens for communications, for information, for learning, and for entertainment. It also embodies some of our most sacred values. The Congress required that all new television sets, after a couple of years,

carry with it a V-chip so that parents will have more control over the content of the programs that their children watch, so you can get more information, but you can also filter it out for a change. And we're using technology not just to rush society ahead but to give basic fundamental control back to citizens and families.

And it was all done not only in a bipartisan fashion, but taking all these incredibly powerful and diverse interests—and they are powerful and very diverse—that have a stake in how this thing is going to unfold and somehow reconciling them.

And I just—I want to applaud the Congress for what they did and the way they did it and the way they worked with me, and it is the way we ought to conduct our business, especially now—especially now, because when times are changing, profoundly, and make no mistake about it, my fellow Americans, times are changing now as profoundly as they have in this country in a hundred years. The time through which we are living is most nearly parallel, in my belief, to the time in our history a hundred years ago when we moved from being a rural, agricultural country to an urban, industrial country.

Now we're moving into an economy dominated by information and technology and dominated by global markets and a global village, in which urbanization will still be important because people will want to live next to each other and work together but where people, no matter where they live, will be able to do almost any kind of work within a fairly short time, face to face with others, through the communications revolution.

And whenever you have a change of time like that, there is a great uprooting, so that a whole lot of people do terrifically well and other people are dislocated. And if you're not careful, the society, its values, its institutions, get dislocated. It's very important to see everything we do up here in that context.

What are the fundamental changes we're going through? First of all, the nature of work itself is changing; there is more mind and less muscle in work. You go in any new factory in Louisiana, it wouldn't be surprising to see a woman on the factory floor working a computer, doing work that 10 years ago was done by 10 big, burly people. Even in manufacturing you see more and more work being done by fewer and fewer people—more mind, less muscle.

What else is going on? The work organizations are changing. They're flatter, they're less bureaucratic, you don't need as many people in middle management passing information up and orders down. That's very good, unless you're one of the middle managers that isn't needed anymore. I want to say more about that in a minute. So that in every year—for 15 years now, in every year the Fortune 500 has reduced its total employment in America—every year.

For the last 3 years, in every year we have set a new record in the number of new small businesses being formed. In the last year jobs created by businesses owned by women only created more jobs than the Fortune 500 laid off. So there is a change in the nature of work organization.

And finally, there is a change in the nature of our markets, both our financial markets where money can move across the globe in a split second, and we sell goods and services in the global market, which you in Louisiana know very well because of the large size of your port at New Orleans and because of the nature of your economic base there. And all that means that there are a lot of good things happening but a lot of dislocation. And that's how we need to see what our work is up here.

Our job up here now is to create opportunities for all Americans to benefit in this economy, to give people the tools they need to make the most of their own lives and to work together to pull this country together instead of seeing it split apart, which means that the truth is that the nature of the challenges facing America today call on us to reach a new consensus, but the easy thing is, since we're all divided anyway because all this stuff is up in the air, the easy thing is to do the wrong thing, which is to find new ways to divide the American people for short-term political advantage. It may be good politics, but it's bad for the country, especially now.

And I want to say a word—I want to thank, again, Senator Johnston; he's leaving, and I'm going to miss him. But I also want to thank

my good friend, Senator Breaux, for trying to fashion this kind of consensus in the Congress as we deal with this budget issue.

This country needs to balance the budget. We need a balanced budget plan. It would be good for the country for two reasons: It would give us a sense of discipline up here. You would have a sense that we're getting our house in order. We're moving away from the 1980's, which is the first time in our history we ever ran a large, persistent, permanent structural deficit. We've cut the deficit in half in 3 years. We need to finish the job.

We also need to do it because it will keep the economic recovery going. It will inspire consumer confidence. It will lower interest rates. It will increase investment. We need to do this.

The good news is, we have identified in common to the President's plan, the Republican majority's congressional plan, and all of the various Democratic options that have been offered—we have now in common over $700 billion in budget savings over the next 7 years. More than enough to balance the budget and continue our commitments to our parents, to our children, to those with disabilities, to our environment, to our investments in education. And we should do it. I believe we will do it. I believe we will do it.

When Mr. Livingston was good enough to go to Bosnia with me a few weeks ago, we were talking about it, and I believe there will be—this is not the conventional wisdom at the moment, but I predict to you that there will be a coming together in the Congress and in the White House, and that we will do this. It is the right thing to do for America, and I hope you will support it.

And I think you have to ask yourself, well, then what? You still have to come up here every year; you still have to keep working to develop Louisiana's economy. How are we going to open the opportunities of this new age to all of our people? How are we going to bring the American people together around our basic values? How are we going to continue to lead the world as a source of peace and freedom?

Let me just mention—if you look at where we are, to try to illustrate the general points I made, this country in the last 3 years has produced almost 8 million new jobs, a record number of new small businesses. You know, there's been a huge increase in the stock market, more than a third; it's way over 5,000 now. We've got a 15-year high in homeownership, a 27-year low in the combined rates of unemployment and inflation, as Mickey Kantor told you earlier, an all-time high in American trade. For those of us from farming States, we've got $7 soybeans, wheat is over $5 and corn is through the roof, and we think that's pretty good. And a lot of it is bad weather, but an awful lot of it is we're selling it all over the world. This is a good thing.

Now, if I had told you 3 years ago these things could happen and more than half the American people still wouldn't get a raise, you'd have a hard time believing that. But that's true; that's the other side of this change. With low inflation, high productivity, intense competition, and a lot of people not well positioned for a world where the changing nature of work and the changing nature of work organizations is creating winners and losers, we've got to worry about those folks.

Then you've got a lot of people who are my age—I got a letter just the other day from a guy I grew up with who finally got another job after 9 months of looking—50-year-old white male, engineer, fixing to send three kids to college, and he lost a job with a Fortune 500 company because all of a sudden he wasn't needed anymore. Their stock price went up, but his life stock went down.

So we have to worry about that. And if you look at our social problems, the news is good. The crime rate is going down. The welfare, the food stamps, the poverty rate, the teen pregnancy rate, even the divorce rate, they've all gone down for the last 2 years. American people are getting their act together. That's the good news. The bad news is, they're still way too high.

And they will be—if you just take crime for an example, they will be too high until—the test for you—there will never be a time when there's no crime and violence. The test for you should be, the crime rate will be low enough when crime is the exception rather than the rule in your community again. When people are surprised when something bad happens, then the crime rate is about as low

as it can get. And that ought to be your test. And until it is the exception and not the rule again, we should keep working on it.

So if you look at it in that context, I believe there are seven things that we ought to be working on, not the Federal Government, we together. One is the most important job in this country is still to raise good children and support families. That's what we did with the Family and Medical Leave Act. That's what I hope we will do with any tax relief we give coming out of this budget battle. That's what I thought we were doing when we required the V-chip in the telecommunications bill, so parents can choose for themselves what their children are exposed to. We should be supporting good childhoods and stronger families.

The second thing we should be doing is recognizing that in a world where work is more mind and less muscle, you have got to have more education, and it's got to be better. And we all have to work on it. That's why I am doing my part to see that the Federal Government is a partner in making sure that by the end of this decade every classroom and every library in America is hooked up to the Internet with good computer equipment, and good software, skilled teachers, the kind of things we need to really make this work.

The third thing we have to do is to deal with this economic insecurity. If we're going to have work organizations changing, if people aren't going to be able to rely on the company the way they used to be able to, what do people need to be secure without wrecking the dynamism of this economy, whether it's in Louisiana or Seattle, Washington, or New York City. What do they need? How can we give families security without wrecking the dynamism?

Well, people have to have access to lifetime education and training. They have to have at least access to affordable health care. If the decision has been made that we will continue to be the only country in the world with a rich economy that can't figure out how to give every family under 65 health insurance, at least we ought to be smart enough to figure out how to give every family access to affordable health insurance that they don't lose.

And there is a bill in the United States Senate right now with 45 cosponsors that's been passed out of its committee unanimously, sponsored by Senate Kassebaum of Kansas and Senator Kennedy, which would basically say you won't lose your job—you won't lose your health insurance if you change jobs or if somebody in your family gets sick. Now, that may seem elemental, but millions of people lose their health insurance arising out of those two conditions. And I hope very much that the Senate will pass it and send it on to the House. It is a good thing. The National Chamber of Commerce, the National Association of Manufacturers have endorsed it. It has broad bipartisan and broad-based economic support.

The third thing we've got to do is to figure out what to do about people who don't have pensions anymore. One of the most important things that all sides have agreed to in this budget debate is a minor provision which would make it much easier for small-business people and self-employed people to take out pension plans for themselves and their employees. It doesn't cost a lost of money. It was one of the top three priorities of the White House Conference on Small Business, and we ought to do that. So we have to find a way to give people more economic security. We'll do our part, but you have to do yours. We've got to keep the economy growing in order for these other things to make sense.

The next thing we have to do, as I said, is to continue the fight against crime and violence, drugs and gangs. I am proud of the fact that the crime rate has gone down. In my hometown of Little Rock, we had the biggest drop in years and years last year. New York had the lowest crime they've had in years and the biggest drop they've had in 25 years in crime. New Orleans had a 20 percent drop in the murder rate in the last year in the first 6 months of '95. I haven't seen the last 6 months statistics yet. But you see this going everywhere. We know what works. We know that if you put more community police and they work with their neighbors, and you put them on the street and they're walking the blocks, and they know the school kids, we know you can do something about that.

Last weekend I was in Manchester, New Hampshire, where the chief of police and a

beat policeman stood there with community leaders and said, ''We have taken our neighborhoods back. The crime rate is down. The drugs are gone. The gangs are gone. People can safely walk the streets at night. The police know the names of the children in the schoolyard. This is our town again.'' That is the song I want to hear every American singing. And they said they were able to do it because the United States Government and the crime bill of 1994 gave them more police officers and the resources they need to do that. We didn't tell them how to do it, but we said, ''Here is a national problem, and we're going to help you.'' That's the sort of thing we need to do.

And in Louisiana and Arkansas, let me say, the next big challenge we have is we have got to continue to fight these environmental battles in a way that grows the economy. There is this idea still abroad in the land that we have to accept some environmental degradation in order to grow the economy. That cannot be the case. If you look—one of the major news magazines had a big cover story a couple of weeks ago saying that this horrible winter we've just gone through, which has paralyzed one-third of our economy for nearly 2 weeks, was the direct result of global warming. Last year was the hottest year on record ever. This is not some conspiracy. Guys won the Nobel Prize for proving how it is working.

I met with the—in the interest of Senator Johnston, I met—he cares a lot about our relationship with China—I met with the President of China in New York a few months ago, and we were talking about our differences. And I said, ''You think that I'm really worried about your politics?'' I said, ''You know what the biggest threat to our security is that you present?'' I said, ''You got 1.2 billion people, and you all want your folks to be as rich as Americans, and so do I. But if you get rich in the same way we do and every one of you drives a car, you're going to burn up the atmosphere. You won't be able to breathe, and that's a threat to our common security.'' And he laughed, and he said, ''You might be right,'' That's why we're working with Detroit to get a clean car, because I think it's important.

So I say to all of you, we can find ways to nurture the chemical industry, nurture the energy industry, nurture these industries in a way that creates more economic opportunity by figuring out how to use energy in a way that is good for the environment.

Let me say two other things very briefly—and some of you will agree with this, at least on the trade message, but one of my biggest challenges as President is convincing the American people that all these changes we're going through require us to be more involved with the rest of the world, not less.

And now that I've been here awhile, and we've been able to do some things in foreign policy, and people see that there are no Russian missiles pointed at our children for the first time since the dawn of the nuclear age, and we've got continued progress on that front and others, I get the feeling sometimes when I make a decision like Bosnia, the American people say something like, ''Well, okay that's your job. We hired you to make it. I wish you wouldn't fool with it, but if you're going to do it, we'll let you do it. But we're not very interested in that.'' Let me just say to all of you, if you could see this from my perspective, you would see that all the things we hope to gain from trade, for example, would be impossible if we were to withdraw from the world in other ways.

Let me just give you a few examples. We know that our safest big market for the future is everything south of New Orleans, is in Latin America. There will be a billion people there soon. It's the second fastest growing area of the world, next to Asia. Every nation but one is governed by an elected—democratically elected leader. Now, if we want them to buy our products and we want to have good relationships with them and we want them to try to help us stop the drug problem, we have to be a good neighbor.

You know that we have arrested in the last 2 years seven of the eight top leaders of the Cali drug cartel in Colombia. That's something we can be proud of, but I didn't have to put my life on the line to do it. The people in Colombia that helped us, they risked their lives to do it. You can't tell them to do that and don't put drugs in the veins of America's kids and not be a good partner. You can't do it.

We can't ask Pakistan and other countries to go arrest suspected terrorists when people come into this country and blow up buildings and kill innocent Americans—and I want to put them in jail—if we're not willing to be good partners with them in other ways and be engaged with them and help them to realize their dreams.

A lot of people thought that this Haiti thing was something we shouldn't be involved in. I heard a lot of people say that. Well, 2 days ago they had the first democratic transfer of power in the 193-year history of Haiti, and there are no illegal immigrants, full of boats, besieging the shores of the United States, because we were involved.

So I say to you, this matters. If you want the Europeans, which will soon be the biggest economy in the world collectively, if they all unify, to open their doors to our products more instead of become more protectionist, which is a big deal for farmers and a big deal for high-tech telecommunications people, then we must be prepared to be their partners in places like Bosnia.

So I ask you to go home and talk to your friends and neighbors about this. If we're going to have all-time high trade figures, if you want 4 or 5 more years where exports grow faster than imports, the United States cannot walk away from the fact that we are the only superpower in the world and people look to us to be leaders for peace and freedom.

The last thing I want to say is, we have big decisions to make about what kind of Government we're going to have in Washington. What are we supposed to do? What are you supposed to do in Louisiana? What should be done in the private sector? And I just want you to know that from my perspective, that the old debates are no good anymore. This is not about big Government and small Government. This Government here in Washington—you're sitting in the Commerce Department at a time when your Federal Government is the smallest it's been since 1965. Next year, it will be—by the end of this year, it will be the smallest it's been since 1962, and it's going to get smaller still. Two hundred and five fewer thousand—205,000 fewer people work here than they did the day I showed up. The big Government issue is not there.

It's not a question about Government versus the marketplace. We needed a Government action, the Telecommunications Act of 1996, to unleash the power of the marketplace. The issue is whether we're going to do this together.

Now we're trying to give you better Government here, not just smaller but better. The SBA has doubled its loans and cut its budget. Last year—I'm really proud of this—in Forbes or Fortune, one of those business magazines—depending on the outcome of these primaries, I'll have to figure out which one—[*laughter*]—but anyway, one of those business magazines gives awards every year to the best performance by a business organization in a lot of categories. And one of them is telephone service to consumers. And this year, the nominees were Federal Express, Southwest Airlines, L.L. Bean, pretty distinguished group. Do you know who won? The Social Security Administration, not by a government determination, by a business magazine. I'm proud of that.

So we're trying to give you that. But let me just say, you have to decide, because you will determine the tenor of this election and more importantly, you will determine where we're going in the future—whether you believe what works to bring you here when you all get together and work together, is what should work in the country. This is not big Government versus small Government anymore. It is not the Government versus the private sector anymore. This is about whether we are going to work together to solve our problems or whether we are going to continue to treat politics like a sport which makes the people more and more cynical, and more and more divided. Those are luxuries we cannot afford.

The best days of this country are still ahead of us if we are willing to meet our challenges and if we're willing to meet them together. We are going through a period of great change which will give us the greatest age of possibility the American children have ever known. But we have to do it. And if we do our job up here in the way you that you are doing your job where you live by

working together, this country is going to be in great shape for the future.

Thank you very much.

The Moderator. We want to make the President an honorary Louisianian so he can properly celebrate Mardi Gras, so I'm going to give him my beads which I wear every day. [*Laughter*]

The President. When I am no longer President—and I have been making this little list of all of all the things I wanted to do in my life I never got around to doing, and if God leaves me healthy and I can do it—when I'm taking time off of paying my legal bills—[*laughter*]—I've got this list of things I want to do. And one of the things I want to do is go to the Mardi Gras and play my saxophone with a group like that. If I live long enough, I'll wear these beads.

Thank you. Thank you.

NOTE: The President spoke at 12:10 p.m. in the auditorium at the Department of Commerce. In his remarks, he referred to Lt. Gov. Kathleen Blanco of Louisiana and Claude (Buddy) Leach, king of Washington Mardi Gras.

Statement on the Terrorist Attack in London, United Kingdom

February 9, 1996

All Americans join Hillary and me in our outrage at the bomb explosion today in London. I condemn in the strongest possible terms this cowardly action and hope those responsible are brought swiftly to justice. Our hearts and prayers go out to those injured in this terrible blast and to their families.

I am deeply concerned by reports that the Irish Republican Army has announced an end to the cease-fire. For a year and a half, the people of the United Kingdom and Ireland have enjoyed living in peace, free to go about their daily lives without the threat of the bomb and the bullet. As was clear during my visit to Northern Ireland last year, the people want peace. No one and no organization has the right to deny them that wish.

The terrorists who perpetrated today's attack cannot be allowed to derail the effort to bring peace to the people of Northern Ireland—a peace they overwhelmingly support.

The United States stands ready to assist the two Governments in continuing their search for negotiations and peace. Today's action underscores the urgent need for all sides to join in the fight against terrorism and to press forward in that search.

Statement on the Floods in Oregon and Washington

February 9, 1996

Our hearts and prayers go out to the thousands of people in Oregon and Washington who have been inundated by the devastating floods and those who are waging a brave fight to keep the water from pouring over the river banks.

In an effort to provide quick action in their urgent time of need, today I have signed Federal disaster declarations for Oregon and Washington. These declarations will give help to individuals, including temporary housing, family grants, and low-interest loans. We are also providing funds to help rebuild the State and local infrastructure.

I have asked FEMA Director James Lee Witt to go to both Oregon and Washington, survey the damage, and lead the Federal response and recovery efforts.

The people of Oregon and Washington have demonstrated a remarkable amount of courage and resilience in this difficult time. I know they cannot recover alone. We are with them for as long as it takes.

Finally, let me take a moment to express my deepest sympathies to the families and friends of those who have lost their lives during this natural disaster. Our thoughts and prayers are with them.

Memorandum on Benefits for Military Personnel Subject to Involuntary Separation

February 9, 1996

Memorandum for the Secretary of Defense, the Secretary of Transportation, the Secretary of Veterans Affairs

Subject: Benefits for Military Personnel Involuntarily Separated from the Armed Services as a Result of HIV

The National Defense Authorization Act for Fiscal Year 1996 (S. 1124) contains a provision I strongly oppose, which requires the discharge of all military personnel living with the Human Immunodeficiency Virus (HIV), regardless of whether there is any medical necessity for such discharge. This provision is clearly discriminatory and wholly unwarranted. It is also highly punitive. Service members discharged pursuant to this provision would not receive the benefits to which they would otherwise be entitled had they continued to serve until it became medically necessary for them to retire.

Consequently, I will give my full support to legislative efforts to repeal this provision.

In the meantime, I am committed to ensuring full benefits to these service members and their families to ameliorate the unfair burden this legislation will place on them. I am therefore directing you, in consultation with the Office of Management and Budget and such other agencies as may be appropriate, to take all necessary steps, consistent with applicable law, to ensure that these service members and their families receive the full benefits they are entitled to, including, among other things, disability retirement pay, health care coverage for their families, and transition benefits such as vocational education.

This memorandum is for the internal management of the executive branch and does not create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any person.

William J. Clinton

Message to the Congress on Organizations Which Threaten to Disrupt the Middle East Peace Process

February 9, 1996

To the Congress of the United States:

I hereby report to the Congress on the developments concerning the national emergency with respect to organizations that threaten to disrupt the Middle East peace process that was declared in Executive Order No. 12947 of January 23, 1995. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c).

1. On January 23, 1995, I signed Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process" (the "order") (60 *Fed. Reg.* 5079, January 25, 1995). The order blocks all property subject to U.S. jurisdiction in which there is any interest of 12 terrorist organizations that threaten the Middle East peace process as identified in an Annex to the order. The order also blocks the property and interests in property subject to U.S. jurisdiction of persons designated by the Secretary of State, in coordination with the Secretary of the Treasury and the Attorney General, who are found (1) to have committed, or to pose a significant risk of committing, acts of violence that have the purpose or effect of disrupting the Middle East peace process, or (2) to assist in, sponsor or provide financial, material, or technological support for, or services in support of, such acts of violence. In addition, the order blocks all property and interests in property subject to U.S. jurisdiction in which there is any interest of persons determined by the Secretary of the Treasury, in coordination with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of, any other person designated pursuant to the order (collectively "Specially Designated Terrorists" or "SDTs").

The order further prohibits any transaction or dealing by a United States person or within the United States in property or interests in property of SDTs, including the making

or receiving of any contribution of funds, goods, or services to or for the benefit of such persons. This prohibition includes donations that are intended to relieve human suffering.

Designations of persons blocked pursuant to the order are effective upon the date of determination by the Secretary of State or his delegate, or the Director of the Office of Foreign Assets Control (FAC) acting under authority delegated by the Secretary of the Treasury. Public notice of blocking is effective upon the date of filing with the *Federal Register*, or upon prior actual notice.

2. On January 25, 1995, the Department of the Treasury issued a notice listing persons blocked pursuant to Executive Order No. 12947 who have been designated by the President as terrorist organizations threatening the Middle East peace process or who have been found to be owned or controlled by, or to be acting for or on behalf of, these terrorist organizations (60 *Fed. Reg.* 5084, January 25, 1995). The notice identified 31 entities that act for or on behalf of the 12 Middle East terrorist organizations listed in the Annex to Executive Order No. 12947, as well as 18 individuals who are leaders or representatives of these groups. In addition the notice provides 9 name variations or pseudonyms used by the 18 individuals identified. The list identifies blocked persons who have been found to have committed, or to pose a risk of committing, acts of violence that have the purpose of disrupting the Middle East peace process or to have assisted in, sponsored, or provided financial, material or technological support for, or service in support of, such acts of violence, or are owned or controlled by, or to act for or on behalf of other blocked persons. The Department of the Treasury issued three additional notices adding the names of three individuals, as well as their pseudonyms, to the List of SDTs (60 *Fed. Reg.* 41152–53, August 11, 1995; 60 *Fed. Reg.* 44932–33, August 29, 1995; and 60 *Fed. Reg.* 58435–36, November 27, 1995). Copies of the notices are attached to this report. The FAC, in coordination with the Secretary of State and the Attorney General, is continuing to expand the list of Specially Designated Terrorists, including both organizations and individuals, as additional information is developed.

3. The expenses incurred by the Federal Government in the 6-month period from July 23, 1995, through January 22, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the national emergency with respect to organizations that disrupt the Middle East peace process are estimated at approximately $2.6 million. (The expenses for the previous period, incorrectly stated in the report of July 27, 1995, to be approximately $55,000, were about $2.5 million.) Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Justice.

4. Executive Order No. 12947 provides this Administration with a new tool for combating fundraising in this country on behalf of organizations that use terror to undermine the Middle East peace process. The order makes it harder for such groups to finance these criminal activities by cutting off their access to sources of support in the United States and to U.S. financial facilities. It is also intended to reach charitable contributions to designated organizations and individuals to preclude diversion of such donations to terrorist activities.

In addition, the Congress has pending before it comprehensive counterterrorism legislation proposed by the Administration that would strengthen our ability to prevent terrorist acts, identify those who carry them out, and bring them to justice. The combination of Executive Order No. 12947 and the proposed legislation demonstrate the U.S. determination to confront and combat those who would seek to destroy the Middle East peace process, and our commitment to the global fight against terrorism.

I shall continue to exercise the powers at my disposal to apply economic sanctions against extremists seeking to destroy the hopes of peaceful coexistence between Arabs and Israelis as long as these measures are appropriate, and will continue to report peri-

odically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

William J. Clinton

The White House,
February 9, 1996.

Message to the Congress on Iraq

February 9, 1996

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of August 1, 1995, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to $200 million apiece) representing Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders No. 12724 and 12817 (the ''Executive orders''). The report covers events from August 2, 1995, through February 1, 1996.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's Office of Foreign Assets Control (FAC) continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation* v. *Iraqi Ministry of Industry and Minerals*, No. 94–5390 (D.C. Cir. Dec. 15, 1995), the U.S. Court of Appeals for the D.C. Circuit issued its second opinion in this case, finding in FAC's favor on all issues presented to the court. The court ordered the district court judge to direct Consarc Corporation to restore the status quo by returning $6.4 million plus interest to the blocked Iraqi government account from which it was withdrawn after the district court erroneously held that these funds were not blocked Iraqi government property. The court also found that the unsold furnace manufactured for the Iraqi government and sales proceeds of a second furnace were blocked property. Finally, the court reversed the district court's ruling that

Consarc held a specific claim against a blocked Iraqi government account for $6.4 million, holding that any claim Consarc had against the Government of Iraq was as a general creditor only.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from prior reporting periods are continuing and recent additional allegations have been referred by FAC to the U.S. Customs Service for investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq. One *de minimis* penalty has been collected from an organization for unlicensed exports in violation of the prohibitions against transactions involving Iraq. Several other penalty proceedings are pending completion.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be Specially Designated Nationals (SDNs) of the Government of Iraq.

4. Pursuant to Executive Order No. 21817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On September 5, 1995, following payments by the Governments of Australia ($216,360.00), Denmark ($168,985.00), Japan ($4,075,000.00), The Netherlands ($4,168,745.47), New Zealand ($67,050.00), Switzerland ($265,108.20), and by the European Union ($647,463.31), respectively, to the special United Nations-controlled account, entitled "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $9,606,711.98 from the blocked account it holds to the United Nations-controlled account. Similarly, on October 30, 1995, following the payment of $1,504,000.00 by the European Community, and payments by the Governments of Germany ($355,871.89), The Netherlands ($2,698,348.13), Norway ($199,983.00), and the United Kingdom ($2,188,992.67), the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $6,947,195.69 to the United Nations-controlled account. Finally, on December 21, 1995, following the payment of $3,062,197.28 by the European Union, and payments by the Governments of the Netherlands ($1,922,719.00), Sweden ($4,223,178.20) and the United Kingdom ($208,600.44), the Federal Reserve Bank of New York was directed to transfer the amount of $8,313,066.13 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 now have amounted to $200 million, fully satisfying the U.S. commitment to match the payments of other Member States from blocked Iraqi oil payments, and its obligation pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 618 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq and the protection of preexistent intellectual property rights in Iraq. Since my last report, 28 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6-month period from August 2, 1995, through February 1, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about $1.6 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs

Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait, and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and ongoing widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north, and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States.

In April 1995, the U.N. Security Council adopted Resolution 986 authorizing Iraq to export limited quantities of oil (up to $1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humanitarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

William J. Clinton

The White House,
February 9, 1996.

Message to the Congress on Japanese Whaling Activities

February 9, 1996

To the Congress of the United States:

On December 11, 1995, Secretary of Commerce Ronald Brown certified under section 8 of the Fishermen's Protective Act of 1967, as amended (the "Pelly Amendment") (22 U.S.C. 1978), that Japan has conducted research whaling activities that diminish the effectiveness of the International Whaling Commission (IWC) conservation program. This message constitutes my report to the Congress pursuant to subsection (b) of the Pelly Amendment.

The certification of the Secretary of Commerce was based on Japanese research whaling activities in both the North Pacific and the Southern Ocean Whale Sanctuary. In 1994, Japan expanded its research whaling activities into the North Pacific by permitting the taking of 100 minke whales, 21 of which were taken. The IWC found that this North Pacific whaling failed to satisfy applicable criteria for lethal research and was therefore inconsistent with the IWC's conservation program. Nevertheless, Japan continued its whaling activities in the North Pacific, taking 100 minke whales in 1995. In addition, during 1995, Japan increased the number of minke whales to be harvested in the Southern Ocean Whale Sanctuary by 33 percent, despite a 1994 finding by the IWC that this lethal research program did not meet all applicable criteria.

In his letter to me of December 11, 1995, Secretary Brown conveyed his concerns not only over the whales that have been killed in this program to date but also over any further expansion of lethal research. While noting that the Japanese have informed us they have no plans for a further expansion of lethal research in the Southern Ocean Whale Sanctuary, he expressed particular concern over whaling activity in that area. I share these concerns.

At this stage, I do not believe that the use of trade sanctions is the most constructive approach to resolving our differences over research whaling activities with the Government of Japan. However, I have instructed the Department of State to convey my very strong concerns to the Government of Japan. We will also vigorously pursue high-level efforts to persuade Japan to reduce the number of whales killed in its research program and act consistently with the IWC conservation program. We hope to achieve significant progress on these issues by the beginning of the next Antarctic whaling season and will keep these issues under review. I have instructed the Department of Commerce to continue to monitor closely Japan's research whaling and to report promptly on any further inconsistencies between Japanese whaling activities and the guidelines of the IWC conservation program.

William J. Clinton

The White House,
February 9, 1996.

Message to the Congress Transmitting the Poland-United States Fisheries Agreement Extension

February 9, 1996

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Poland Extending the Agreement of August 1, 1985, as amended, Concerning Fisheries Off the Coasts of the United States ("the 1985 Agreement"). The Agreement, which was effected by an exchange of notes at Warsaw on December 15 and 20, 1995, extends the 1985 Agreement to December 31, 1997.

In light of the importance of our fisheries relationship with the Republic of Poland, I urge that the Congress give favorable consideration to this Agreement at an early date.

William J. Clinton

The White House,
February 9, 1996.

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 3

In the morning, the President traveled from Bedford to Manchester, NH. In the afternoon, he traveled to Merrimack, NH, and then to Manchester before returning to Washington, DC.

February 5

The President announced his intention to nominate Daniel Guttman to be a member of the Occupational Safety and Health Review Commission.

The President announced the designation of Harold J. Creel, Jr., as Chairman of the Federal Maritime Commission.

February 6

In the morning, the President met with Vice President Gore, Chief of Staff Leon E. Panetta, Secretary of Defense William J. Perry, Deputy Secretary of Defense John P. White, and Deputy National Security Adviser Samuel R. Berger to discuss the National Security Council's review of B–2 bomber acquisition options.

In an afternoon ceremony in the Oval Office, the President received diplomatic credentials from the following Ambassadors: Hugo Paemen, head of delegation of the Commission of the European Communities, Mooketsa Mogwe of Botswana, Fernando Cossio of Bolivia, Ferdinando Salleo of Italy, John McCarthy of Australia, Ljubica Acevska of the Former Yugoslav Republic of Macedonia, Juli Minoves-Triquell of Andorra, Kunihiko Saito of Japan, Nitya Pibulsonggram of Thailand, Mircea Geoana of Romania, and Miomir Zuzul of Croatia.

The White House announced that the President has appointed Ambassador to the United Nations Madeleine Albright to head the delegation to the inauguration of Rene Preval as President of Haiti in Port-au-Prince on February 7.

February 7

The President announced his intention to nominate David D. Spears as a Commissioner of the Commodity Futures Trading Commission.

The President announced his intention to appoint Wendell D. Garrett, Richard S. Lanier, Susan Keech McIntosh, and Lawrence L. Reger to the Cultural Property Advisory Committee.

The President announced his intention to appoint Thomas Buergenthal, Samuel DuBois Cook, Rositta E. Kenigsberg, Lynn Lyss, Ruth B. Mandel, Harvey M. Meyerhoff, and Elie Wiesel to the U.S. Holocaust Memorial Council.

February 8

In the morning, the President attended a meeting in the Vice President's office between Vice President Gore and Deputy Prime Minister Richard Spring of Ireland.

The White House announced that the President will meet with President Leonid Kuchma of Ukraine on February 21 in the White House.

February 9

In the morning, the President traveled to Alexandria, VA, and then returned to Washington, DC.

The White House announced that the President will meet with Prime Minister Ryutaro Hashimoto of Japan on February 23 in Santa Monica, CA.

The President announced his intention to nominate Joaquin (Jack) F. Otero as Assistant Secretary of Labor for International Labor Affairs.

The President announced his intention to appoint William J. Bratton to the National Commission on Crime Control and Prevention.

The President declared disasters in the States of Oregon and Washington and ordered Federal aid to supplement State and local recovery efforts in the area struck by high winds, severe storms, and flooding beginning January 26 and continuing.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted February 6

Terry Evans,
of Kansas, to be a member of the National Council on the Arts for a term expiring September 3, 2000, vice Wendy W. Luers, term expired.

Franklin D. Kramer,
of the District of Columbia, to be an Assistant Secretary of Defense, vice Joseph Nye.

Daniel Guttman,
of the District of Columbia, to be a member of the Occupational Safety and Health Review Commission for a term expiring April 27, 2001, vice Edwin G. Foulke, Jr., term expired.

Submitted February 9

J. Stapleton Roy,
of Pennsylvania, a career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

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 5

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Treasury Secretary Robert Rubin, Council of Economic Advisers Chair Joseph Stiglitz, and Director of the Office of Management and Budget Alice Rivlin on the 1997 budget

Released February 6

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Deputy National Security Adviser Samuel Berger on the Presidential delegation to the inauguration of President Rene Preval of Haiti

Released February 7

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the appointment of Sandra J. Kristoff as Special Assistant to the President and Senior Director for Asian Affairs at the National Security Council

Statement by Press Secretary Mike McCurry announcing a letter from White House Counsel Jack Quinn to William F. Clinger, chairman, House Committee on Government Reform and Oversight

Released February 8

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by NSC Senior Director for Defense Policy and Arms Control Robert Bell on B–2 bomber acquisition

Statement by Press Secretary Mike McCurry on the B–2 bomber review

Statement by Press Secretary Mike McCurry on the President's and Vice President's meeting with Deputy Prime Minister Richard Spring of Ireland

Statement by Press Secretary Mike McCurry announcing the upcoming visit of President Leonid Kuchma of Ukraine

Fact sheet on the deep attack weapons mix study

Released February 9

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Counsel to the President Jack Quinn and Assistant Attorney General Walter Dellinger on the Department of Defense authorization bill

Statement by Press Secretary Mike McCurry announcing the President's upcoming meeting with Prime Minister Hashimoto of Japan in Santa Monica, CA

Statement by Press Secretary Mike McCurry on the appointment of Eric Schwartz as Special Assistant to the President and Senior Director for Democracy, Human Rights, and Humanitarian Affairs at the National Security Council

Acts Approved by the President

Approved February 6

S. 1341 / Public Law 104–102
Saddleback Mountain-Arizona Settlement Act of 1995

Approved February 8

H.R. 2924 / Public Law 104–103
To guarantee the timely payment of social security benefits in March 1996

S. 652 / Public Law 104–104
Telecommunications Act of 1996