Remarks on Mayoral Support for the Economic Program and an Exchange With Reporters
March 5, 1993

The President. I want to thank all of the mayors who spoke, and all the ones who are here who have not spoken, for their strong support without regard to party or region or the size of the communities from which they come. As a matter of fact, when I heard the Mayor of York, Pennsylvania, speak, I was trying to decide whether his tie was a Republican or a Democratic tie. I think it is really an all-American tie. It’s a bold tie, the Vice President said.

[Laughter]

I want to say a special word of thanks, too, to the Secretary of the Department of Housing and Urban Development, Henry Cisneros, who is with us, who has worked very closely with the mayors.

I have just a few things I want to say about this. First of all, any mayor who has served for any length of time has been compelled to make the kinds of choices that are embodied in this economic program. If you look at the budgets of the cities of this country or the budgets of the States of this country over the last decade you will see the choices that have been imposed in order to balance books and keep the functions of our cities running, in order to deal with relative reductions in Federal assistance and all the economic crises that have ripped our communities. Mayors have learned to cut budgets and to shift funds away from inessential things toward investments in our futures.

I know that that is one reason that mayors intuitively and without regard to party have responded to my efforts to increase investment and reduce the deficit at the same time. We have to do both. Today there was a report that the unemployment rate in February dropped to 7 percent, one-tenth of 1 percent, and that 365,000 jobs were created, an estimated 365,000 jobs. That is good news. But if you look behind the numbers, it also reveals the stark challenges before us, for most of those jobs were part-time jobs, and we are still about 3 million jobs behind where we would ordinarily be in a recovery.

Indeed, we are, according to the aggregate economic statistics, in a recovery in which, ironically, the unemployment rate is still higher than it was at the very bottom of the recession. That shows you that there is a fundamental restructuring going on in the American economy which requires an extraordinary approach to the creation of jobs in the short and in the long term.

That’s why these investments in repairing our streets and bridges, renovating our housing, rebuilding our water and sewer lines, improving mass transit, retooling our industrial parks, and protecting our environment are important parts of the larger plan also to invest in our people and their economic, educational, and technological futures.

Through $3 billion in additional funding for highways, airports, and mass transit, $2.5 billion in community development block grants, which can be used to create new jobs and improve the quality of life, communities will be able to complete projects they’ve needed for years but haven’t been able to finance. They will create new jobs today, but they will also build the foundations for broader economic growth in the private sector tomorrow.

This plan also will create almost 700,000 new jobs this summer for unemployed young people, something that will be profoundly important again in sending the right signals. We all know, for example, that the financial markets, as Mayor Dinkins said, respond to the right signals. Interest rates are down almost one full point now. And if we can keep them down for several months, we may well put another $100 billion in refinancing back into this economy for investment and growth. Why? Because the markets have responded to a signal.

Well, people respond to signals, too. People in San Diego, where the unemployment has been so high, will respond to a signal. Will this stimulus program provide a summer job for every person in San Diego? Of course not, but it will send a signal that America is on the move again. Will this stimulus program provide a summer job for every young person in south central Los Angeles that Mayor Bradley is so concerned about? Of course not, but it will sure send a signal that America is on the move again and coming together again.
Will it in the beginning provide enough funds for everybody to do in every city what Mayor Lanier and Mayor Freedman and others have done in parts of their communities with community policing? Of course not, but it will provide a beginning, and it will send a signal that we are moving in the right direction. And it will actually have an economic impact that is positive. These things are very important.

I also don’t want to forget the fact that a significant percentage, almost half, of this stimulus package is as incentives to the private sector for private investment in these same communities. Small businesses have created virtually all of the new jobs in our country in the last 10 years. Their inability to create more jobs than larger employers have been shedding is the central cause of stagnant employment in America. So the small business tax credit that we offer, the new business long-term capital gains tax, and the other incentives for businesses, both small and large, to create new jobs is very important.

This plan is based on the idea that we all have to work together to build our future; the idea that we have to look at the long-run needs for the 365,000 or so kids that will be in Head Start, for the millions of young people who we want to provide for education and training, for all the people who have lost their jobs because of defense cutbacks or other industrial relocations; that they need intense efforts to reinvest in their community as well as to retraining opportunities; that we need to couple those long-term efforts with the short-term stimulus that will send the right signal, spark this economy, and get some job growth back into this recovery.

This is not, as so many have said, a partisan issue. It is not a small town or a large city issue. It is something that we all have to face to get the job done. And I’m very grateful for the support that’s been given.

Meeting With Russian President Yeltsin

Now, before I answer questions, I’d like to make just a very brief announcement that I think the press here already knows about. But I want to formally announce that in Vancouver, Canada, on April 3d and 4th, I will meet with President Yeltsin of Russia to explore what the United States can do to support his efforts to strengthen democracy and to create a vibrant market economy, and to support our common interests in solving crises around the world in maintaining a general march toward peace and freedom and democracy.

I will try to be rather specific at that time in terms of what the United States will be prepared to do, and we will try to offer some innovative solutions to the difficulties faced by the President and by the Russian people.

I hope that this will be a very productive thing. I look forward to it. I’ll be glad to answer a few questions about that, but I hope, too, that you recognize that the significance of this action today is that if we can have enough bipartisan support to pass an economic program in the Congress that will strengthen America. America, in turn, will be better able to deal with the problems that we face beyond our borders. Unless we’re strong here, it’s going to be very difficult for us to meet our responsibilities around the world.

Q. Mr. President, the Soviets or the Russians have made it clear that what they need most at this point is U.S. financial aid. Are you planning to bring anything like that to the Vancouver summit?

The President. There will be—obviously, money will be discussed, but it is not just a question of money, and it’s certainly not money alone. I don’t want to put a figure on it yet. We’ve made no decisions. But I can tell you we’ve discussed some rather innovative things that have not yet been on the table in these discussions in the past. This will not be a meet-and-greet meeting with President Yeltsin. We have met before, and we have talked several times since I have been in office. I am going there to try to have a very businesslike meeting. And as we get closer to the meeting, we’ll be able to discuss more specifics.

Stimulus Package

Q. Several economists already this morning were jumping on the unemployment figures to say that, no, in fact, the stimulus package isn’t needed, despite your interpretation of these numbers. What does this do to the political environment that you face in getting this through as quickly as you need to?

The President. That in part depends on whether the Members of the Congress listen to economists who have good jobs—[laughter]—and who have not had declining incomes, by and large, for the last 12 years, or whether they listen to people like the folks who are up here with me, without regard to party, who know
what’s happening on the streets out there.

The assumption is—look, nothing would make me happier than to know that just the efforts to bring interest rates down and the extraordinary efforts by American business-people in the private sector to increase productivity would generate 365,000 jobs a month for 2 or 3 years. That would be a wonderful thing.

But I would say again, the unemployment rate in this country is 7 percent. That is very high in our economy because it’s an open economy without the sort of huge support you have in some of the European economies that are built for higher unemployment rates in a way. And a lot of those jobs were part-time jobs. That, again, speaks to the need to address the health care issue because one of the reasons so many of these jobs are part-time jobs is that employers can’t afford to hire full-time employees because they can’t pay the health care bill.

But I just simply don’t agree. I mean, there are people who see one month of—the employment rate dropped one-tenth of a point. That is not an enormous drop. These jobs were not all, or even most, full-time jobs. I am very grateful for it, but it seems to me that, if anything, the continued persistence of relatively high unemployment is a good argument for the stimulus package.

Q. Politically, you are trying to buck a trend here, right? I mean, the political indicators are going the other way.

The President. The economic indicators are not. I think the political indicators are going the other way because I have challenged the Congress to cut spending. And so since there hasn’t been a response in terms of “Here’s our list,” the easiest thing to do is to say, “Well, let’s just don’t hire any kids this summer in Los Angeles or New York or Cincinnati or Cleveland or whatever.”

You know, this is about jobs. This economic recovery is about jobs. How anybody could go to any State in this country, and particularly to some of those in real duress, and say that we’re in the midst of a strong recovery is a mystery to me.

Aid to Russia

Q. One of the things that’s plagued the U.S.-Russia relationship when it comes to this aid question for the last couple of years has been this kind of chicken and egg situation: We want Yeltsin to make the reforms, and we’ll give him the aid. He says, “I need the aid first. Then I’ll make the reforms.” How can we get out of that situation? And is it time for the West to maybe consider lowering the goalpost a little bit in terms of the prior conditions he has to implement before we come through with our aid?

The President. Let me try to answer the question in this way. I believe that he is a man of real courage and real commitment to democracy. I believe, indeed, even his parliamentary opponents, who often say things with which I disagree, are engaged in the messy process of democracy which many other countries trying to move to a market economy, for example, have decided to postpone until they get the market reforms underway.

So I believe that they’ve made enough effort for us to try to engage them in specific actions that will produce economic results. Now, I don’t want to make any sweeping commitments that would indicate that I would disregard a move toward reform or disregard issues that have been at play before, proliferation issues and others. But I’m going there to this meeting with the intention of trying to more aggressively engage the United States in the economic and political revitalization of Russia. I agree, frankly, with the general thrust of President Nixon’s article in the New York Times today.

Mayoral Support

Q. Mr. President, why would you expect Members of Congress to be swayed by this event here today when big-city mayors would obviously support your package? It’s a veritable goody basket for them.

The President. A veritable what?

Q. Goody basket.

The President. Well, I disagree with that. It is not nearly as much money as most of them believe we should need. And not all of them here are big-city mayors.

The fundamental issue is really here whether you believe there is a distinction between investing in infrastructure and technology, in people, and just continuing present Government spending patterns and whether you really believe that 7 percent unemployment and another decade of stagnant wages is an acceptable economic course for America. I just think that this notion that—let me tell you what I really think is going on. [Laughter] Let me tell you what I really think is going on, and I say this to compliment
the Congress to some extent on this issue.

I think the American people liked it when I offered 150 specific spending cuts, and they said they wanted more. But if you do a poll, the people are still trying to come to grips with the reality of the budget. They’ll also say, do you want us to spend more on jobs, education, and health care? Eighty percent will say yes. Do you want Congress to find more budget cuts? Eighty percent will say yes.

So the issue is not whether there should be more budget cuts. Indeed, the process that I announced, the 6-month process that I announced for the national performance review that the Vice President is overseeing, will produce more reductions in spending. There is no question about it. The issue is whether under the general shield of saying we need to reduce spending, we’ll step away from investment. Just because a mayor wants to do it doesn’t make it wrong, doesn’t make it pork, and doesn’t make it useless. I mean, we have tried ignoring the cities for 12 years, and it has not been a very successful economic strategy for the country.

**Bosnia**

Q. Are you concerned, sir, at all by indications that your mercy flights to Bosnia are actually increasing the violence there, increasing the ethnic cleansing? And if so, what could you do about it, sir? Any thought of—

The President. Well, first of all, let me say, both at the national security meeting and again that morning at our morning briefing I asked and pressed this question that’s being asserted in the press. And it is true—I mean, we knew when we dropped food into a contested area in eastern Bosnia where there had been a buildup of fighting over time that we were dropping food to people who were at risk. That’s precisely one of the reasons that that’s an area we were asked to look at for airlift because the cars couldn’t get in there. I mean the trucks couldn’t get in there.

But all I can tell you is the people I have asked in the privacy of the Oval Office and the privacy of the national security meetings, frankly, just dispute that assertion. They do not believe that the airlift has exposed the Bosnians to any more danger than they otherwise would have been exposed to. And the surveillance we’ve done indicates that there has been actually slightly more accuracy in the drops from the altitude we chose for safety for our pilots than we thought there would be.

So would I reexamine it if I thought they were doing more harm than good? Of course, I would. But I can tell you that I have pressed that point very hard in our meetings, and our people simply dispute the proposition.

Q. Mr. President, following up on that, what more can be done to tighten the embargo on oil and other supplies? The leakage to the Danube is quite clear. Is a naval blockade the way to go?

The President. Let me say we are exploring and, indeed, are in the process of implementing ways to tighten the embargo, which we will announce very shortly. And I think there are other things we can do. There are two constraints on our field of action that I would ask all of you to remember. Apart from my concern that we not commit the United States to a quagmire where our efforts would be frustrated but where I could put a lot of Americans at risk, but apart from that, apart from the whole issue of ground forces which is not on the table at all, there are two other constraints on our action which I ask you all to consider.

One is the need to proceed with the cooperation of our European allies, who have been reluctant to do certain things because the French and the British actually have forces on the ground who would be at risk if there were a reaction to whatever else we did. And those forces have been superintending the delivery of humanitarian aid, and most people there believe that their presence has saved more lives than their absence and tougher action would have saved.

The other is, of course, the not insignificant difficulties that further confrontation might pose to the cooperation we have enjoyed so far in that region with the Russians, given the internal political conflicts in Russia based on their historic ties to Serbia.

Now, notwithstanding those two things, we want to find ways to tighten the embargo, and we are moving on that right now. Even as we speak we are moving on that. And we’re moving on some other options that might be available to us that I wouldn’t rule out. But I do need to proceed here. The United States cannot proceed here unilaterally. We need the support of the Europeans, who are much closer to the situation and who will be much more immediately impacted by any further adverse instability in the Balkans than we would.
Q. But does this 24-hour incidence indicate to you that the ethnic cleansing is succeeding, that the policy of the Serbs——

The President. I don’t think there’s any question that when the Serbs take an area and then run all the Bosnian Muslims out, then that means that they are succeeding. They have succeeded in running some people out of communities.

Now, the people on the ground, the United Nations, I think still have to be defended for trying to facilitate their escape, not for supporting ethnic cleansing but because it is below freezing, it is in the snow, those people are at risk, and the United Nations operation there is now simply trying to save their lives.

There is some indication that there may be some break in the negotiations and some willingness on the part of some of the parties to compromise in the Vance-Owen process. And I think it will be very interesting for the world to look and see if the Serbians are willing to negotiate in good faith in a process that they have embraced when it suited their short-term strategic interests. I hope that they will support it over a longer term. We’ll see.

Press Secretary Myers. Last question.

World Trade Center Bombing

Q. Mr. President, I’m wondering if you and perhaps Mayor Dinkins could update us on the investigation in New York of the World Trade Center bombing. Yesterday you indicated you’d have more to say after the arraignment of this one suspect.

The President. Anything else I can say is something I’ve already read in the morning press. You now know more about the profile of the person who was arrested, and you’ve seen the speculation about it. I do not want to feed that speculation. I will say again I am very impressed with the work done by the law enforcement officials. They got on this. They did it in a hurry. They would admit there was a break or two in their inquiry, but they also, I think, did a very commendable job.

I think it is very important not to rush the judgment here, not to reach ahead of the facts which are known to reach broad conclusions about who was behind this or what happened. When I know who was behind this and what happened, I will then determine what the appropriate course for the United States is, and I will say it. But I think it is very, very important, and this is a delicate matter, that we reassure the American people in terms of what law enforcement did in response to the incident.

But we ask them not to jump to conclusions. We have massive resources at work on this case, massive. And we are doing everything we can to get as many facts as quickly as we can. When we know the facts and when I can state them to you with real confidence so that it’s not conjecture or opinion, I will be glad to make a very forthright statement about it.

Thank you.

Dave, do you want to say anything else?

Mayor David Dinkins. The President has said it all. As a matter of fact, the Department of Justice has requested that the New York City Police Department and all others involved in this effort stay within the confines of the complaint. And while it is easy to go a little beyond that because you think it won’t be harmful, you really get to a slippery slope situation, and some unfortunate comment can impede an otherwise very successful investigation.

NOTE: The President spoke at 10:46 a.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to the following Mayors: Bill Althaus, York, PA; David Dinkins, New York City; Bob Lanier, Houston, TX; and Sandra Freedman, Tampa, FL.

Exchange With Reporters on Bosnia
March 5, 1993

Q. Mr. President, can you tell us any more about the Bosnian sanctions that you’re putting on today?

The President. No, we’ll have more to say.

Q. Are these going to be unilateral or through the United Nations?

The President. We’ll put it out—I’m not—even everything we’ve done on the sanctions so far