

Statement on Signing Legislation To Phase Out Wool and Mohair Subsidies

November 1, 1993

Today, in signing S. 1548, something unusual will happen: a Federal program is being abolished so that more than a half billion dollars can be saved. This is a departure from business-as-usual in Washington, where programs seem destined to live forever, and Federal dollars raised from average Americans are treated as if they were meant to be spent or squandered instead of saved. But to accomplish the change my Administration is seeking, for the economy and for our country, it is no longer adequate to conduct the business of Government bound by the old arrangements. The legislation, which phases out the wool and mohair program, eliminates an outdated program, reduces the deficit, and affirms for the American people our commitment to change.

In February of 1993, I sent to the Congress "A Vision of Change for America," the budget document accompanying my economic reform program. Among the recommendations were reforms in the wool and mohair program; subsidies provided for nearly 40 years to wool and mohair producers when materials for uniforms and gloves were deemed by the Federal Government as "strategic materials." Although the Department of Defense determined by 1960 that wool was no longer a strategic material, the subsidies continued. It would have been unthinkable to engage in an across-the-board effort to reduce the deficit—as we did in the beginning of our Administration—and not seek changes in this program.

The Congress responded well to our recommendations: first, by providing a phase-down of the subsidies in the budget reconciliation legislation I signed last August; second, in the appropriations process when the Congress provided for a moratorium for one year on wool and mohair payments. The Vice President's National Performance Review suggested that the program be terminated. This legislation does precisely that.

Since these products are no longer strategic materials; since the wealthiest producers receive the largest fraction of the payments; and since many program participants can focus their operations on other profitable sales, there is no jus-

tification for maintaining this program on the books. I therefore welcome the decision by the Congress to repeal the authority under which the program operates at the end of 1995, with payments reduced in the intervening years, so that the termination of the wool and mohair subsidy can occur in an orderly but final manner.

This legislation reduces the deficit by \$514 million over fiscal years 1994 to 1998.

In February, when we first asked the Congress to reform this program, we initiated a national debate on changing the economic direction of our country. Since then, we have seen the Congress adopt nearly \$500 billion in deficit reduction, and we have seen a marked and welcome change in our economic circumstances. We have seen positive changes in the deficit, and interest, inflation, and unemployment rates. Much, much more needs to be done. We need to do better in the creation of good-paying jobs. We need to make further reforms in spending by Washington, and we have proposed such reforms in the National Performance Review. We need to expand trade with adoption of the North American Free Trade Agreement. And, most of all, we must reform health care.

In the past, our citizens might well assume that Washington could not adopt this much change. But, in 1993, the American people have seen their Government fulfill its commitments on a wide variety of issues. It is my hope, as I affix my signature on S. 1548, that this additional, promised reform expands their trust for the work we must undertake in the weeks and months ahead.

WILLIAM J. CLINTON

The White House,

November 1, 1993.

NOTE: S. 1548, approved November 1, was assigned Public Law No. 103-130.