formed. I look forward to cooperating with the Congress in this effort to relieve human suffering.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Robert C. Byrd, President pro tempore of the Senate. This letter was released by the Office of the Press Secretary on August 2.

Remarks Announcing United States Shipbuilding Industry Initiatives

August 2, 1994

Thank you. Secretary Peña, Secretary Brown, Ambassador Kantor, Admiral Herberger, John Dane, and Doug Ballis. Thanks for saving the sign.

I'd like to introduce the Members of the House who are here who supported this initiative and who have made a major contribution to what we're doing and obviously will be needed in the months and years ahead and whose districts will be affected by the announcements we make today: Congressman Gene Taylor from Mississippi, Congressman Billy Tauzin from Louisiana, Congressman Bobby Scott from Virginia, and Congresswoman Lynn Schenk and Congressman Bob Filner from California. Thank you for your help. Would you stand? [*Applause*]

I'd like to begin by thanking Doug and Richard Vortman, NASSCO's CEO, who is also here, because they gave me one of those seminal experiences you have once in a while in life that takes an idea from your head to your heart. When you know something and you know you ought to do it, that's one thing. But when you feel it, it's another thing altogether.

They stopped work one day in May of 1992, before I was even the nominee of my party for President, so that I could speak to nearly 4,000 of their people and so that I could listen to them. I could see them working together, struggling together, trying to compete in the global economy, building the only commercial ship then being built anywhere in the United States of America. They made me feel welcome, but they also made sure I was aware of what the stakes were and what the issue was and how this was yet one more example of how we could compete and win in an area critical to our future if only we had the policies, the tools, and the drive to do it.

I wish all the people that I met that day could be in this room today. I'm afraid the fire marshal would evict us all if I had tried to achieve that. But they are the people who really taught me about this issue, and they are the people, they and the millions like them, for whom I fought both before I got here and for whom I try to fight every day in this office.

This is a great day for our American jobs, for our economy, for our shipbuilding industry. It's a great day for the idea that if we all work together we can figure out how to solve our problems even in difficult budgetary times.

Two years ago, every ship in America under construction except one was destined for defense, every one. And now we know that while our United States naval power is still unsurpassed in the world and must remain so, we cannot allow that one commercial vessel I saw under construction in San Diego become a symbol of the past.

We know that one of the things that we needed most in 1992 and one of the things we're trying most to do today is to have a strategy for restructuring our defense industries so that they can fulfill a dual purpose, let me say, not so they can get out of defense work, because we will continue to need major investments in defense technologies for the foreseeable future, but so that with defense being scaled back, those kinds of folks can stay in business by being successful commercially as well.

When I ran for this job, when the economy was going down and the deficit was going up, it was obvious to me that there were many reasons for that, but one of them was that the Government had no strategy. What was our strategy to preserve aerospace, our biggest export? What was our strategy when it came to the shipbuilding industry? What was our strategy to help support our automakers when they had made radical changes all through the 1980's so

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that they could be more competitive again? What was our strategy?

And the truth is, we didn't have one. Well, now we do have one. We have strategies for those industries and for others and for our economy. We've concluded trade agreements that expanded the barriers of world trade and enabled us to do more: NAFTA, the GATT we're trying to pass in Congress now, all designed to help hard-working middle class Americans get ahead because they'll have the economic opportunities to do it.

I've said this many times, but I want to repeat it again: The mission of the United States at the close of the 20th century must be to keep the American dream alive in the 21st century. And to do it, we have to restore the economy, rebuild our communities at home, empower individuals to take responsibilities for themselves, put Government back on the side of ordinary people, create a world of greater peace and prosperity. That is what we must do.

And that is exactly what we are celebrating here today, not just four projects for four worthy companies with several thousand worthy American workers. In the last 19 months, we have dramatically reduced the deficit. We're on the verge of getting 3 years of deficit reduction in a row for the first time since Truman was President. We have seen 3.8 million new jobs come into this economy, even as we are scaling back the Federal work force so that by the end of this budget cycle it will be the smallest it's been since President Kennedy was here in the White House. The unemployment rate has gone down by 1½ percent, and we are making real progress in bringing manufacturing back. Between 1989 and 1992, we lost 1.4 million manufacturing jobs. Now we have 104,000 more than we had on the day I was inaugurated.

I am proud of these accomplishments of the American people, getting the American economy in order by getting our economic house in order, by instituting lifetime education and training programs that will have to embrace all of our people from the first day of preschool to the last day they work.

Two years ago, Doug and a lot of other people in NASSCO said, "This has been a great day, but don't forget us if you're elected." And we haven't forgotten them, but we've got to keep following through. And we have to think of this as a permanent partnership. I believe that if you look at the America that we're moving toward, the Government will adopt a less regulatory role, the Government will become a smaller percentage of our gross national product in the amount of money we spend. But the Government will have to be there in the competition in the global economy of the 21st century in partnership with the private sector to make sure that our people, when they're doing the right things, have a chance to compete and win and have a chance to seize the technologies of the 21st century.

Let me just make a couple of other remarks about that. Secretary Perry could not be here today with our other Cabinet members. But I do want to say that the Defense Department, I think, has done an exemplary job in promoting defense conversion. Secretary Perry has recently awarded the first $30 million in matching grants out of a total of $220 million we'll invest over the next 5 years to apply advanced technologies to make our shipbuilding industry even more competitive. We're spending hundreds of millions of dollars more in other areas to promote defense conversion as well.

I also want to join Secretary Pena in complimenting our Trade Representative, our Ambassador, Mickey Kantor, for the work he did in the OECD negotiations with the European countries on shipbuilding subsidies. They dragged on for 5 years, and his work will bring an end to unfair foreign shipbuilding subsidies that has kept us out of world markets too long. He did a good job with that; he did a good job with the GATT; he did a superb job with NAFTA. And we're selling rice to Japan for the first time—[*laughter*]—which makes my people happy back home in Arkansas. And I thank you, sir.

I also want to say a special word of thanks to the Secretary of Commerce. He was here not very long ago when we announced $6 billion in aircraft exports. We had an announcement the other day of $4 billion in telecommunications exports, and there are more in other high-wage manufacturing industries.

The next step, as Secretary Pena said, in our comprehensive maritime reform is to sustain the U.S. flag merchant fleet. And this week, as the House considers that maritime and security and trade act, I hope that you all will help us see that the Congress passes a bill similar to the one the administration has proposed.

Let me say again, this is a partnership, and this is a good beginning. And we're going in

the right direction with the economy as a whole and with shipbuilding in particular, with Government and business and workers walking hand in hand into the 21st century. But we have to make this a part of the permanent process of doing business for America. I ask all of you to support that, to rededicate yourself to these objectives. This is a good day. As my daughter says, this is a big deal. [*Laughter*] But it is just a beginning. Let's keep it going.

Thank you very much.

NOTE: The President spoke at 11:36 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Adm. Albert Herberger, Administrator, Maritime Administration; John Dane III, president, Trinity Shipyards; and Doug Ballis, National Steel and Shipbuilding Co. (NASSCO) employee.

Teleconference Remarks Announcing Additional California Earthquake Assistance

August 2, 1994

Mayor Richard Riordan. Mr. President, we'd like to thank you for the very quick response you've given to our letter of last Thursday and the extraordinary effort that your A-plus team is still doing for our great city.

Mayor Judy Abdo. We also want to say how grateful we are for the people who have worked so hard together to find these solutions. And Santa Monica is particularly grateful for the quick and decisive response that you've made.

The President. Well, I just want to say that it's been a privilege for all of us here in Washington to work with you to help get southern California back on its feet again.

I visited Los Angeles a couple of days after the earthquake and saw that destruction, and I was terribly moved by it. And now, in some ways, it's more moving to hear about all the progress that's been made in just 6 months. I think the people of southern California have certainly showed a great deal of courage and resilience, and you have all shown strong leadership. And I very much appreciate that.

[*Mayor Riordan and Mayor Abdo discussed the extensive damage to housing and stated that Federal assistance was critical to the recovery effort in that area.*]

The President. What about the ghost towns in the areas, both in Los Angeles and Santa Monica? That's still a problem, isn't it?

Senator Dianne Feinstein. Well, Mr. President, may I say something here?

The President. Sure.

Senator Feinstein. Oh, I think it was—James Lee, was it a month ago we went to them, the ghost towns, with Richard Alarcon?

The President. I don't think he's on the phone.

Senator Feinstein. Oh, he's not on the line. Richard, do you remember when it was?

The President. I know you toured the areas.

[*Senator Feinstein discussed damaged and abandoned apartment buildings and expressed appreciation for increased HUD funding to alleviate the problem.*]

The President. Well, one of the things that we found out and that Henry Cisneros talked to me a lot about was that years after the natural disasters that struck the Bay Area in northern California and in southern Florida, there are still these ghost towns, and communities are still suffering. Now it's more expensive to fix it than if we'd done it right away.

And so, I thought maybe what I would do is let Secretary Cisneros just talk a little bit about what he's been working with you, Senator Feinstein, Senator Boxer, and the mayors and the other members of your delegation on.

[*Secretary of Housing and Urban Development Henry Cisneros explained that $225 million will be made available through the Community Development Block Grant Program to help rebuild abandoned neighborhoods.*]

The President. Thank you, Henry. I am really pleased with the idea that you came up with, and I identify with the solution a lot because it's a source of funds I'm familiar with and