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believed that ultimately in any democracy, all decisions were finally resolved in a political manner in a way that would permit the cycle of violence to be broken.

So that is our position. It is still our position. And we hope that it will become more possible now. But nothing—nothing—can justify this outrageous act at your hospital and innocent people being killed. It's just wrong.

I want to mention one other issue because it won't be in the headlines, but it's terribly important. When President Yeltsin and I were together in Moscow for the anniversary of the end of World War II, we talked about the problem of nuclear security. And I told him then I thought it was very important that we work closely together on the problem of nuclear security, not just in Russia but in other countries where this is an issue, and on the problem of nuclear smuggling, because with so many terrorist groups around the world, we don't want small-scale nuclear weapons being added to their already impressive arsenals.

So when he came to this meeting, President Yeltsin suggested that we have a summit next year in Moscow dealing with these issues and involving many, many countries that have this problem. And I think we all agree. We think it's a very constructive suggestion. And we believe that, together, by next year we can make some real progress in making the world more secure for this problem in reducing the likelihood of nuclear smuggling and, ultimately, the likelihood of these small-scale weapons being used to further the cause of terrorism.

So that is one of the positive things that came out of this summit, from my point of view, along with the agreement we all made to work together more closely in fighting terrorism and the agreement we made to try to prevent further Mexican crisis and continued reform of the international financial institutions.

So from my point of view, this has been a very successful meeting. I know that the problem in Chechnya is occupying everyone's attention. The gripping scene at the hospital must have a hold on the imagination of the Russian people, very much like the explosion in Oklahoma City had on our people. And we join the Russian people in condemning terrorism in the strongest possible terms.

But we hope that in the end all the people of Russia, including the people in Chechnya, can be reconciled so that your democracy can flourish everywhere and the cycle of violence can be broken. And that is our prayer, and that is our policy.

Thank you very much.

NOTE: The exchange began at 2:49 p.m. in the Cavalier Room at the Citadel Hotel. President Yeltsin spoke in Russian, and his remarks were translated by an interpreter. A tape was not available for verification of the content of this exchange.

Teleconference Remarks With the U.S. Conference of Mayors
June 20, 1995

The President. Thank you. Thank you very much, Mayor Rice. And I want to begin by congratulating Mayor Ashe on a great year as president. I have enjoyed working with you very much. And I look forward to working with you, Norm, in the year ahead. I also want to say hello to some of my old friends in Miami. I see Mayor Daley and Mayor Clark are there. I understand that Secretary Brown and Secretary Cisneros are also both with you today.

Let me say before I go forward that I noticed in one of the previous sessions you had that it was suggested that we don't need the Department of Housing and Urban Development anymore. Let me say that I think Henry Cisneros and his whole team have done a magnificent job, and I don't think we want to send Andrew Cuomo to the beach just yet. I hope you agree.

I also want to thank all of you for giving me this chance to speak with you today. I'm very proud that our administration has worked in an unprecedented partnership with our cities, our communities, and especially our mayors. You make real budgets. You deal with real problems. You know the real concerns of our people as we try to restore the American dream. I'm look-

ing forward to our continued cooperation. And I want to keep focused on the real problems our country faces.

You have heard, in the previous speakers who have appeared before you, strands of the great debates now going on in Washington and throughout our country. There are those who say that our primary problems are personal and cultural, not economic and political. There are those who say that the biggest problems we face are due to the fact that the Federal Government has too much authority and more ought to be given to the State and local level.

Well, I have to say to you that I'm glad to have these debates. I was making these arguments long before this Presidential election season, indeed, long before I became a candidate for President in 1992, when I was a Governor, working on the values problems we face, like teen pregnancy and youth violence and all kinds of personal irresponsibility in our society. You and I know that unless people do the right things themselves, that we can't solve the problems of our society. And I was calling for a devolution of responsibility back to local and State governments long before I ever ran for President. So these are not just issues of a political season for me.

But let's keep our eyes on what we have to do in terms of the real problems that you deal with every day. We do have a values crisis in this country. We need to exalt responsibility and work and family and community. We need to be less violent, less irresponsible, and less divisive.

We do have an economic problem in this country. We've got years of stagnant wages and people who are working hard and being punished for it. We need to grow the middle class and shrink the under class and empower people to make the most of their own lives.

We've got a governmental problem in this country. We need a Government for the 21st century that is less bureaucratic and more entrepreneurial and more oriented toward partnerships where more is done at the grassroots level.

Now, I believe all that. But the question is, what are we going to do about it? And if we use a lot of rhetoric to divide the American people again and to divide the problems we face in terms of values as against economics and national as against local, instead of recognizing that what we need is to face these issues and all their aspects and we need a real hard-nosed partnership, then we'll be in trouble. After all, the problems that you face every day are the very reasons I ran for President. I believed we had to empower our people and our communities to meet the demands of change at the grassroots level where people live.

Now, there are some in Washington who believe we can make Government work just by juggling programs from the Federal bureaucracies to the State bureaucracies. You and I know that the right way is to give local governments, community organizations, and individual citizens and their neighborhoods the tools they need, the resources they need to improve their own lives.

In 1992, I laid out an agenda to send power, capital, and, most important of all, hope to the people who are working hard to make the most of their communities and their own lives. We still have a good ways to go, but I am proud that we have kept that commitment.

Look at what we have already achieved together: We created the empowerment zones and the enterprise communities, awarding tax incentives and grants to spur economic growth in 105 communities that also supports good values. We're creating a network of community development banks and financial institutions to lend, invest, provide basic banking services in places that need the most to the people who can do the most to change the social conditions we all want to change. We passed final regulations for the Community Reinvestment Act to help our banks and thrifts make good loans and investments, to help people rebuild our troubled communities. The SBA established one-stop capital shops to distribute $3 billion in loans and investments for small and minority businesses over the next 5 years. We fought to save the community development block grants and our economic plan in the face of huge opposition.

Now, those are the things that we have done together—just some of the things we've done together. Now it's up to us to continue a partnership to create jobs, raise incomes, lift living standards, and improve the values and the strength of our communities. We can do that, and we have done that, working with the new Congress.

I have supported and signed into law, for example, the bill to minimize the unfunded mandates that tell you what to do without giving you the resources to do it. I was proud to do that. But I also want you to know that I vetoed

the rescission bill in part because of the cuts that affect you directly. For example, the Congress in this rescission bill would cut grants to cities that have already been obligated to make our water safer. These grants were already committed; the letters had gone out. To cut them now would be worse than an unfunded mandate; it would be a defunded mandate. And I don't intend to let that happen.

Another reason I vetoed the rescission bill is because the Congress had cut the community development financial institutions and added language which made it almost impossible for them to operate. I am proud that we've already awarded one large bank in Los Angeles, and we've got more work to do on that front. We shouldn't turn back now from a proven commitment that will bring free enterprise to the most distressed areas of our country.

Now we have to approach a new budget. And as we do it, I want to continue to work together with you to seize this opportunity to build a stronger future for all of our people, to do it in a way that supports our economic interests and our values and works to reform the Government and give you more responsibility.

For the first time in a long, long time, the leaders of both political parties now share the will to balance the Federal budget. That's an important issue, and I want to talk about it just a moment. We know that that requires some tough calls. But if we can balance the budget, it will mean in the years ahead there'll be more money to invest in our people, in our cities, and in our future, and less money that has to be spent just paying interest on yesterday's debt. The difficult task ahead is for us to have the will necessary to do it and to cast partisanship aside so that we can get the job done in a way that helps instead of hurts the long-term prospects of our people. We need a budget that balances debts and credits but also keeps our values in balance. That's what our responsibility as leaders demands.

We faced that challenge together in the first 2 years of our administration when we cut the deficit by $1 trillion in 7 years and still were able to invest in the tools that our communities and our people have to have to compete and win in the global economy. The work now has to go on.

Now, with that in mind, last week I outlined my plan to eliminate the deficit in 10 years. My plan cuts Federal spending by $1.1 trillion, on top of the $1 trillion in deficit reduction enacted in our '93 budget plan. This new budget does not raise taxes. It is disciplined, it is comprehensive, and it is serious. It won't be easy, but we need to do it, and we can. Our plan proves that you can balance the budget and still invest in things that will keep America strong and growing, like education, health care, research, and technology.

To accomplish these goals we have to focus on five basic priorities. First, we've got to help people make the most of their own lives. That means, while we cut the deficit, we should increase investment in education, not cut it.

Second, we have to control health care costs, but we should do it by strengthening Medicare, saving Medicaid, reforming them, not by slashing services for the elderly. We can maintain benefits by cutting costs through genuine reform, including cracking down on the substantial amount of Medicaid fraud and abuse and giving more incentives for more efficient and cost-effective ways of delivering care.

Third, we need to cut taxes, but for the middle class, not for the wealthiest Americans who don't really need it.

Fourth, we can save money by cutting welfare, but we have to do it in a way that saves enough for investment to move people to work. The congressional proposals are too tough on children and too weak on work. We need to be tough on work and supportive of children.

And in that regard, I want to thank all of you there who, in the spirit of bipartisanship, have come out in support of our efforts to achieve real welfare reform that moves people from welfare to work. The bill that was recently introduced in the Senate by Senators Daschle and others achieves that objective. And those of you who are supporting it, I am very grateful for that. We can save funds, but we have to save enough to invest in people, to empower them to end welfare as we know it, not just to cut people off and not worry about the consequence to the children.

The fifth principle is to balance the budget in 10 years, not 7. Now, we could do it in 7 as some in Congress want, but there's no reason to inflict the amount of pain that would cause or to run the risk of recession. A highly respected economic group out of the Wharton Business School recently estimated that one of the Republican budgets would actually cause a recession, driving unemployment to 8.6 percent

and delaying balancing the budget by 2 years anyway.

Now in spite of all this, don't let anybody fool you. Balancing the budget in 10 years will require real cuts; it will cause real pain. We can and we should discuss where those savings should be found. We have to decide about whether the savings should come out of programs like the community development block grants, which I know are very important to you and which I have strongly supported. I still believe in them very strongly. But let me be straight with you. If we don't cut the community development block grant, then there will have to be some cuts in some other programs that you and I care about.

We have to do that if we're going to bring the budget into balance. But let me say again, we should do this. We should do this. We never had a huge structural deficit before the 12 years before I became President, before the years between 1981 and 1993. And I'll tell you how big the problem is. Right now, today, our budget would be in balance today if it were not for the interest we have to pay on the deficit run up between 1981 and 1993 in January. So we have got to turn this around. We cannot continue something that we only started 12 years ago.

But I want to remind you there is a big difference between my plan and the congressional plans. It's the difference between necessary cuts and unacceptable pain. It's the difference between a deficit reduction plan that goes to balance budgets and still invest in our future and one that cuts off our future. It's the difference between one that will reduce the deficit in ways that will promote long-term growth and one that will reduce the deficit in ways that risk a severe, near-term recession.

I am going to fight to avoid cutting education, hurting people on Medicare, undermining critical investments in our communities. It would be wrong to sacrifice those investments just to meet a 7-year deadline when we can get the job in 10 years. It would be wrong to cut in those areas that will help our people restore the American dream, raise our incomes, so that we can give a tax cut to people who don't really need it.

One of our most important challenges is to make sure that the American people feel more secure in their homes and neighborhoods as well. And therefore, I thank you again for joining me in the fight against crime and the fight for the crime bill last year. Without your support, we could not have possibly passed it, especially given the bitter opposition of some Members of Congress to the assault weapons ban and to giving cities the flexibility that you need in the prevention funds.

I know some of you had conflicting opinions and different needs when it came to our plan to provide 100,000 new police officers. But I believe we have a national crisis on crime because we don't have enough police officers on the street. Over 30 years we watched as the violent crime rate tripled and our police departments only increased by 10 percent. Now we've found the funds to pay for police in the right way. We cut unnecessary Government at the national level and sent the savings to our communities for more police officers. That is the kind of bargain the American people deserve. The philosophy behind that was to do what could be done to reduce crime.

But I would also remind you, under our plan, we gave localities enormous flexibility in spending the prevention funds because you know what works at the local level. It is ironic today that there are those who are trying to dismantle our national commitment to put 100,000 police on the street in the name of giving you more flexibility when less than a year ago they were saying that giving you more flexibility would lead to widespread abuse in the spending of Federal money.

The truth is that a lot of these programs to give you more flexibility, from welfare to crime, are really just ways to cut spending that invests in our future and our economy and our security. If we'll adopt my budget plan, we can give you more flexibility and still do those things and balance the budget. Behind all of these initiatives are not just shuffling from Federal to State bureaucracy, but trying to empower our people directly—is the philosophy that we are using to help our people meet the demands of the global economy in their own lives.

Some still say, as I said—let me just give you one example, finally—that we ought to trust the Federal Government to train our workers. We've got about 70 or 80 different training programs. Then there are some that say, "No, let's give all these programs to State government." But I say, we shouldn't empower one bureaucracy over another. In the future, in every one of your cities, the ability of the American people

who live there to do well in the global economy will depend upon our ability to directly empower individual Americans, to directly empower them to make the most of their own lives, including having a lifetime right to constant reeducation and training.

So let me talk with you, finally, today about an effort that we're making now that would give people those most important tools they need to build better lives. It is central to the rebirth of your cities. If you have more people who can get good jobs and who can earn higher incomes, then so many of the problems that you face, so many of the problems you face will be lessened.

So here's how I want our people to get those jobs and to keep them in this global economy that is always demanding more and more of them. I want to do something that's modeled on the GI bill. Fifty years ago, as World War II was coming to an end, our country created the GI bill that gave a whole generation of Americans the education to create an unprecedented prosperity. What I have proposed today is a "GI bill" for America's workers, to help a whole new generation of Americans secure decent lives and decent incomes for themselves and their families.

The principle is simple: Education and training can no longer stop at high school. We've all got to keep on learning to keep pace with the dynamic global economy. And the best way to make it happen is to put the power directly in the hands of individual Americans who have to do the learning. Today there is a confusing maze of 70—at least 70—job training programs sponsored by the Federal Government. What we want to do is to consolidate them into a single grant, and that grant will have but one purpose, to put money directly into the hands of people who need it.

Through our school-to-work initiative, we'll continue to help high school students or graduates who want further training get that in order to compete. Through our skilled grants, we'll help the worker who has lost a job, who is grossly underpaid and underemployed to take the responsibility to get a new leg up in the global economy. We also want to make it easier and cheaper for workers to get loans to build on their education. That means expanding, not cutting, Pell grants and direct student loans. And it means the right kind of tax cuts, not tax cuts for people who don't need them but tax cuts for middle income Americans who can use the money to invest in their training and their children's education. We propose a tax cut for the cost of all post-high-school education.

Now, these things will make opportunity real for more Americans and make opportunity real for more of your cities. The "GI bill" for America's workers will make it possible for more and better jobs for people who live in your communities and will help attract jobs and expand your economic base.

You think about it: If everyone considering investing in your communities knew that every person who wanted a job could get the job training in a direct voucher from the Federal Government which could go to your community colleges, to get the kind of training they need, that would help us to do what you need to do. We want to make you a full partner in designing a system of adult education and job placement. That will mean that community colleges, which are the new lifeblood for so many of your citizens, will be even stronger and, more importantly, will mean that you will be able to use this as a tool to develop your own economies.

I believe this approach will play a major role in our goal, our common goal to restore the American dream. I'm pleased that this morning in the Los Angeles Times there was an article that I hope you've all had a chance to read, written by Al From, the president of the Democratic Leadership Council, a Democrat, and by Jack Kemp, the former Secretary of Housing and Urban Development, a Republican. Here's what they say about our "GI bill." They say, quote, it "offers an all-too-rare opportunity for Members of Congress of both parties to discard partisan squabbling and cooperate on a measure that can help hard-working Americans acquire the skills they need to lift their incomes. . . . The needs of this great country of ours demand that all of us, Democrats and Republicans alike, ask ourselves the question: 'Can we make it work?' The correct answer is: We must."

I could not have said it better. Al From and Jack Kemp, the Republicans and the Democratic mayors out there who are listening to me today, just remember, as we balance the Federal budget, as we help all Americans prepare for a bright future, we have got to seize this moment of great opportunity. We've got to put our national priorities above party politics and put the American people first. That's what I was trying to

do when I had that conversation in New Hampshire with the Speaker of the House the other day.

This is a moment of immense promise. We can renew the American dream. But we have to work together, and we have to avoid trying to divide our people by false choices. Good economics, sound values, strong communities, a Government that works: That's what we really need, and I will work with you to achieve it.

Thank you very much.

[*At this point, Mayor Norman Rice of Seattle, WA, president, U.S. Conference of Mayors, thanked the President and asked about welfare reform.*]

The President. I think the prospects for real welfare reform really depend upon whether the Senate Republicans, or at least the block of moderate Republicans who understand these issues, will work with the Democrats on something like the Daschle bill.

You know, there is a hard core in the Senate who are demanding that there be no welfare reform bill unless all aid is cut off to unmarried mothers and their children born out of wedlock, even though the Catholic Church, the National Governors' Association, your group, everybody I know says that that would be unfair to children.

If the rest of the Republicans will leave that block and join with Senators Daschle and Breaux and Mikulski and the others who are on this bill, we could work out a bill that would make a real difference.

And let me say, one of the important things, I think, about the Daschle bill is that it really heavily emphasizes the importance of child care. As I look back over the time that has elapsed since, as a Governor, I worked on the welfare reform bill of 1988, if you ask me what its single biggest shortcoming was, I would say that we should have done more in child care.

And if we do what I have suggested here—and I think a lot of the Republicans want to do this—and we take all these various training programs and put them into a big block and let unemployed workers access them, then that could help to provide the training money for an awful lot of people on welfare who want to move to work, so that if the Daschle bill itself or any future amplification of it that could have bipartisan support in the Senate, could really focus on child care, I think we could get a welfare reform bill that is tough on work and good for children, instead of the other way around.

So I would urge all of you—especially the Republican mayors; you have a lot of allies in the Republican Party in the Senate—welfare reform ought to be a bipartisan issue. If we could get a good bill out of the Senate, I feel confident that we could have a bipartisan majority in the House that would vote for it as well if we could get it out of the conference committee.

So that is what I would implore you all to do. This is a huge deal for the United States. And the Daschle bill is an opening, an outreach for a genuine bipartisan compromise that doesn't just dump a lot of money back on the States and localities—excuse me, a lot less than you used to have, in a way that would lead to people being cut off with nothing good happening.

[*Mayor Richard M. Daley of Chicago, IL, vice president, U.S. Conference of Mayors, asked what the mayors could do to ensure continued funding for policing and other crime prevention efforts.*]

The President. I think, Mayor, what you have to do is to, again, emphasize in the Senate where this is being debated and ultimately in the conference committee that we need to have more flexibility for the cities but that it is unacceptable, at least for me and I hope for many of you, to come off of our commitment on 100,000 police.

I have watched many panels, and I've seen a lot of your mayors on C-Span. You know, I actually get to watch you as well as you watching me, and I know that some of the mayors believe that we've been too firm on the police requirements, because some cities have already increased their police forces and can't take maximum advantage of this. But I have to tell you, I think there is a national interest in increasing the police forces of this country by about 20 percent. And after all, this crime bill was funded by a reduction in the national employment of people in the Federal Government.

On the other hand, I have been strongly in favor of absolutely maximum flexibility for you in other aspects of the crime bill and would be in favor of even more flexibility in other aspects of the crime bill as long as we don't undermine our commitment to 100,000 police. If we can get more flexibility in the other areas

of prevention and imprisonment, I would be in favor of it. I will work with you to do anything I can in that regard.

Mayor Rice. Thank you, Mr. President. The next questioner is Paul Helmke, mayor of Fort Wayne.

Mayor Helmke. It's good to have the opportunity to talk to you again, Mr. President.

The President. Thank you.

[*Mayor Helmke, chair of the advisory board, U.S. Conference of Mayors, asked the President what could be done to ensure that Federal funds to cities remain flexible so mayors can meet the needs of their citizens.*]

The President. First of all, Paul, let me say that I think that we have to do this. I didn't give you any specific numbers in my remarks, but let me tell you that even with a 10-year balanced budget plan, if you don't cut education and if you have a tax cut much smaller than the ones contemplated by either the Senate or the House, it would still require about a 20-percent overall cut in other discretionary spending because we're all at about the same place on where we think defense ought to be.

Now, that's over a 10-year period—for my budget at least. What I think we need to do here is, before this budget is actually passed in the fall or in late summer, but probably be in the fall, we need to know before the budget is passed what the new arrangements with our cities will be.

Let me just give you one example. I would like to preserve the community development block grant program, if we can. I have proposed it to be continued at the present level of funding in 1996. The Senate budget resolution proposes to cut it in half. What I think we ought to do—and I know—by the way, I wanted to compliment Secretary Cisneros. He has been waging a very strong fight within our administration to try to make sure that the cuts come in other areas and the community development block grant program is preserved at its present level. We could do that. You might argue that we could even increase it if some of the other categorical programs were folded into it so that if we are going to go forward here, maybe some new purposes should be added to it.

I am open to all that. I want to reduce regulation. I want to increase your flexibility, not just for the cities but for all local units. We just announced a 40-percent cut in the regulations of the Department of Education, for example. Most of you don't run your own school districts, but some of you do, and that will be important to you.

We are moving in the right direction here. But I think we have got to be willing, before this budget is passed, to sit down with the cities and, in fairness, also with the States and the counties, and try to design what the new agreement will be about this money and how it's going to be funded. And I think there are great opportunities for you to get some more flexibility and for you to determine how we ought to do it. And I am more than willing to go forward with you on that basis.

Mayor Rice. Mr. President, we thank you very much for giving us this opportunity, and we will take the challenge to respond and open up a dialog that really moves this country forward in the interest of cities and the people that we represent.

The President. Thank you. Mayor Rice, Mayor Daley, Mayor Helmke, thank you all. I appreciate your good work.

NOTE: The President spoke at 11:15 a.m. from Room 459 of the Old Executive Office Building to the meeting in Miami, FL. In his remarks, he referred to Mayor Victor Ashe of Knoxville, TN, immediate past president, U.S. Conference of Mayors, and Mayor Steve Clark of Miami, FL.

Statement on House Action To Lift the Moratorium on Oil and Gas Drilling on the Outer Continental Shelf

June 20, 1995

Today's vote by a House subcommittee to lift the moratorium on oil and gas drilling on the Outer Continental Shelf would overturn a longtime bipartisan consensus on the need to protect