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Treaty, is that U.S. investment abroad and foreign investment in the United States should receive national treatment. Under this Treaty, the Parties also agree to international law standards for expropriation and compensation for expropriation; free transfer of funds related to investments; freedom of investments from performance requirements; fair, equitable, and most-favored-nation treatment; and the investor's or investment's freedom to choose to resolve disputes with the host government through international arbitration.

I recommend that the Senate consider this Treaty as soon as possible, and give its advice and consent to ratification of the Treaty, with Annex and Protocol, at an early date.

WILLIAM J. CLINTON

The White House,
September 6, 1995.

Message to the Congress Transmitting a Report on United States Government Activities in the United Nations

September 6, 1995

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during the calendar year 1994. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 287b).

WILLIAM J. CLINTON

The White House,
September 6, 1995.

Remarks on the National Performance Review

September 7, 1995

Thank you very much. I have to tell you that those of you here who have the privilege of being seated probably missed what almost became the newest example of our reinvented, full-service Government. Just as the Vice President was becoming most eloquent about how we were providing a full-service, high-quality Government, the people who were suffering in the sun standing in the back almost got a shower along with their press conference when the garden spray came on there. [*Laughter*] I saw them moving closer and closer and closer; I thought, well, maybe they can't hear. And then I finally realized they were about to get a shower. [*Laughter*] You come back tomorrow, we'll start with a shower.

Let me begin by saying a special word of thanks to the Vice President for the absolutely extraordinary energy and discipline and dedication and quality of effort that he has put in over 2½ years now. This has been an exceptional achievement. There's nothing quite like it in the history of modern American Government, and it would not have happened had it not been for his leadership. And I am profoundly grateful to him for it.

I also want to join in thanking the supporters we've had among the Members of Congress, the people in our administration who have had to implement a lot of these recommendations. It's a lot easier to talk about than to do, and they have had a difficult job to do. And I thank the Cabinet especially and the agency heads for the embrace that they have given this.

I want to say a special word of thanks to the reinventing Government staff and especially to the Federal employees and to their representatives. They have worked very, very hard at this difficult job, and they have done it remarkably well.

Finally, I'd like to thank David Osborne and Tom Peters and Philip Howard for the books they have written and the inspiration they have provided. The Vice President and I and many

of our team have read them all with great care and have done our best to be faithful to the ideas and principles which they have espoused.

When we were running for office, the Vice President and I, back in 1992, we said that, if elected, we would do our best to give this country a Government that was smaller and less bureaucratic, that had a lower cost but a higher quality of service, that devolved more power to States and localities and to entrepreneurs in the private sector, that was less regulatory and more oriented toward incentives, that had more common sense and sought more common ground. We have surely not succeeded in everything we have tried to do, and I am certain that there are areas where people could say we have erred. But we have certainly been faithful to the effort and we have made, I think, a great deal of progress in keeping the commitments that we made.

I wanted to do this because I thought it was important for more than one reason. First of all, it was important because we had a huge Government deficit, we had quadrupled our debt in 12 years, and we still needed to invest more money in certain critical areas of our national life, in the education and training of our people, in research and development, in new technologies, in helping people to convert from a cold war economy to the 21st century global economy. So it was important; we needed to do it.

Secondly, we needed to do it because the level of anxiety and alienation about people's relationship to the Federal Government needed to be mended. We needed to make the Government work better.

Thirdly, we needed to do it because of this historic era in which we live. We, after all, have moved through a rapid transition now at the end of the cold war and at the end of the traditional industrial economy into a global economy with new challenges, new conflicts characterized by a high rate of change; rapid movement of money, technology, and capital; and revolutions in information and technology. In that environment, the model that we use to deliver Government services and to fill public needs was simply no longer relevant to the present and less so to the future. And so we began to try not only to cut the size of the Government, to cut the number of programs, to cut the number of regulations but to change the way the Government works and to develop new partnerships and to devolve responsibilities to others who could more properly make the decisions.

There are so many examples of that that are not properly part of this particular report now but that have been driven by the philosophy of the Vice President's reinventing Government. We've given every State in the country now the opportunity to reform it's own welfare system without waiting for legislation to pass. It's a dramatic thing. There's nothing like it in the history of modern American Government. And the philosophy of doing it grew out of the work we have done with reinventing Government.

When the Pentagon reformed its procurement procedures, America laughed when the Vice President cracked the ashtray on the David Letterman show, but the taxpayers are better off and the national defense is more secure because the money we're saving there can go into making our people safer and more secure and fulfilling the objectives of the United States all around the world.

And there are many, many other things. The Secretary of the Interior is not here, but he's done his best now to try to resolve some of the thorniest conflicts between the Federal Government and various groups in the western part of our country by pushing more of these decisions down to local councils of people who can make them a long way from Washington but very close to where everyone has to live with the consequences. And there's so many examples of this in every Department of every leader in the Government here present. And I thank them all for that.

Fundamentally, this is a question, though, about our values. If you go back and read the Declaration of Independence and the Constitution, you understand that the American people from our beginnings meant for the Government to do those things which the Government needs to do because they can't be done otherwise; meant for the Government to be an instrument of the public interest.

And we have a moral obligation to make sure that we do this right, that we take the money earned by the hard efforts of the American people and use it in ways that further the public interest. If we can't justify doing that, we can't justify being here, and we can't justify taking the money. And we have a moral obligation to prepare the future for our children and our grandchildren.

Now, this reinventing Government effort is much more important today in many ways than it was on the day I became President because of the choices facing us now in the great budget debate in the Congress. It is much more important now. If we are going to go forward and balance the budget, if we're going to cut spending even more, we have to be even more careful about how we spend the people's money and what we do with the time of public servants and the power that public servants have.

I believe very strongly that we have to balance the budget. I think we have to do it to take the burden of debt off of future generations. I think we have to do it to keep interest rates down and to free up capital for investment now so that we can achieve higher rates of growth. But I think that we have to do it in a way that will achieve our objectives.

And what are our objectives? Our objectives are to grow the American economy, to strengthen the American society, to free up investment so that the American people can live up to the fullest of their potential. That means that we cannot balance the budget in a way that will drive us into a prolonged recession, that will cut off our nose to spite our face, that will be a penny-wise and pound-foolish, that will aggravate the wage stagnation and the other problems that people have in this country today, which means we have to have the money that is left to invest in ways that really serve the American people and serve their larger purposes.

We've reduced the annual deficit from $290 billion the year I took office down to $160 billion this year. The total reduction is about a trillion dollars over a 7-year period. We have to finish the job, but we have to do it in a way that honors the purpose of a balanced budget, which is to strengthen the future of America. We have to decide, in other words, what is important for us today and what's important for our future.

Of course, the Federal Government was too large and needed to be cut back. Of course, there is still waste and duplication. Of course, there are still regulations that don't make a lick of sense, and they needed to be changed, and they still need to be changed. But we have to keep in mind there are still public purposes that as far as we know today cannot be fully discharged without the involvement of America's National Government: the health care of elderly citizens; protection of our environment; the safety of our food; the needs of the people whose triumph we celebrated in Hawaii last weekend who won the Second World War for us and paved the way for the last 50 years of the American Century, giving the poor a chance to work their way into the middle class and giving our children and now increasingly our adults access to the best possible education opportunities. Those are the values and priorities of the people of this country. They have to be reflected in the budget as well.

The Vice President's report that I received today has over 180 specific cuts in Government that will save over $70 billion in the next 5 years. One by one, these are not the kind of cuts that make headlines and, I guess, I don't expect them to make too many headlines tomorrow. But when you put them all together, as Everett Dirksen said once, "a billion here and a billion there, and pretty soon you're talking about real money." [*Laughter*]

These are kinds of cuts that will allow us to balance the budget without cutting the single most important investment we can make in our future: education. That's why I was able to give to the Congress a balanced budget plan that increases education. By contrast, the proposals of the congressional majority spend $76 billion less on education and training than I do in the next 7 years. They make deep cuts in education at a time when it's more important than ever before. That's why so many people estimate that that budget could actually slow the rate of economic growth over the next 7 years instead of increase it, which is the whole purpose of balancing the budget, to grow and strengthen the economy.

If the congressional proposal is passed, fewer children will go to Head Start, fewer schools will be able to teach their children to stay away from drugs and gangs or have the resources to use the best possible technology or have smaller classes or set up the charter schools when the existing system is not working. There won't be as many young people who get scholarships to go on to college, and the cost of the college loan program to ordinary students will go up dramatically in ways that will reduce the number of people going to college at precisely the time we need to see them increasing.

Now, that is really what this choice is all about. There was—I thought that chart was showing when it blew down, but you can see

here that we have to make these kind of choices. Should we balance the budget by reducing education spending by $76 billion, or should we cut $70 billion in Government waste and duplication? Do we want fewer people to go to college? Do we want larger classes in our schools? Do we want to scale back our efforts to keep our schools safer and drug-free? Do we want to say that having the highest standards for what we teach our children is not a proper objective for the education budget? I don't think we do.

And the point I want to make to you all is we do not have to do this. The sacrifice of all these people in Government to promote this reinventing Government project must not be in vain. We must take the money that is left and spend it properly. We must take the money that is left and spend it properly.

Let me give you some examples of the cuts in Appendix C of the Vice President's report. Like I said, a lot of them don't sound very interesting, but after you add them up, you got some real money there: $118 million by closing 200 weather stations with the National Weather Service, because computers do the job better and cheaper; $14 million in the Small Business Administration by consolidating their loan-processing operations. Let me just point out, the SBA, in the last 2 years, has cut their budget by 40 percent and doubled their loan volume. Don't tell me that we can't make Government work better—doubled their loan volume and cut their budget.

Secretary Cisneros has proposed a remarkable plan for the Department of Housing and Urban Development. They have three basic responsibilities: public housing, affordable housing, and economic development. Instead of running 60 programs to do three things, now they've proposed to run three programs to do three things and save $825 million in administrative costs alone, not money that would otherwise go to Mayor Rice out in Seattle or the other local leaders around our country but administrative costs. It is wrong, in a time when you have to balance the budget, for us to take one red cent in administrative costs that does not have to be taken when the money ought to be put on the streets of America to benefit the American people. And I thank you for that, Secretary.

The clean coal technology project was implemented to develop a way to burn coal cleanly, as cleanly as it could possibly be burned. Well, they did it. The project was started to do that job. It did the job, but nobody ever closed it down. Now, we're going to do that, not because it failed but because it succeeded.

The Naval Petroleum Reserve in Elk Hills, California, was created during World War I because America's new battleships needed oil. Well, I think World War I is over, and I know that the strategic need for the Navy to have its own oil fields has long since passed.

By eliminating the clean coal technology program, privatizing Elk Hills, and doing a lot of other cuts like this in the energy area, the Energy Department will save $23 billion over the next 5 years. That's a great tribute to the Energy Department's recommendations, and it's the right thing to do.

Believe it or not, the National Oceanic and Atmospheric Administration has a corps of 400 officers who command a fleet of less than 10 old ships. I think that we can be adequately protected by the Army, the Navy, the Air Force, the Marines, and the Coast Guard. So we're going to stop paying for those 10 old ships and use the money for better purposes.

Well, you get the picture. These are commonsense things. We've been working on this hard for 2 years, and we still keep finding these opportunities, and we will continue to do it.

How do people know this will work? How do they know that the savings on paper will become savings in the bank? Well, we have got a track record on that. The Vice President's first report predicted we could save $108 billion in 5 years by reinventing Government. After 2 years, $58 billion is already in the bank. That much has been implemented and saved, in law, in fact—more than half the savings promised in less than half the time.

Two years ago, we said we could shrink the size of Government by 252,000 positions. With the help of Congress offering us humane and decent buyout proposals, the Federal Government today has 160,000 people fewer on the payroll than it did on the day I took office. We are well ahead of schedule on the 252,000.

At the same time, the people who are left are doing their jobs better, and they ought to get credit for it. Last May, Business Week—not an arm of the administration—Business Week magazine ran an article about the best customer service in America on the telephone. They rank companies, great companies like L.L. Bean, Federal Express, and Disney World, people who, for different reasons, need to be very

effective on the telephone. But do you know who they said provides the most courteous, knowledgeable, and efficient telephone customer service in the country? The Social Security Administration of the United States Government. I am very proud of that, and you should be, too.

The operators at Social Security are some of the thousands of people who are proving the skeptics wrong, people who think Government can never do anything right. Because of their hard work, we know we can balance the budget without cutting education and risking our children's future. But I will say again, we have to make some decisions.

When I became President—I just want to mention one other—I asked the Secretary of State and the Secretary of Commerce to work together to make sure we started promoting America's economic interest overseas. I have had 100 business people in the last 2 years tell me that for the first time in their entire business lives, every time they go to another country, the State Department is working for them. I have never talked to a business person who has extensive dealings overseas who doesn't tell me that the Commerce Department is more effective in promoting the interests of American businesses and American jobs around the world than at any time in the past. That is also part of reinventing Government. We want you to get more for your money, not just reduce the size of Government.

This can happen, but we need to continue to do this. This has to be a continuous process. Our goal, the Vice President's and mine, is to build this into the culture of Government so that no future administration can fail to embrace this. Our goal is to make this a part of the daily lives, the breathing, the working habits of every manager in the Government, every Federal employee, everybody. We want them to think about it because, believe me, there are still things that go on every day in the Government that the President can't know about, the Vice President can't know about, but that will affect the lives and the interests and the feelings of the American people.

But we are making a difference. Now we have to decide in this budget debate how we're going to cut, how we're going to balance the budget. This is just like the productivity changes that many large American companies underwent throughout the 1980's. I know we can keep doing this. I know we can do more than even we think we can do. I know we can.

But this is the sort of thing we ought to be doing. And it would be a great mistake if in the next 90 days, in the desire to balance the budget, which I share fully and which we started and which has taken us from a $290 billion deficit to $160 billion deficit, we became penny-wise and pound-foolish. And we forgot that one of the reasons we're doing this is to make sure that the money left can advance the cause of America's economic interest and the basic values of the American people to give every citizen the chance to live up to his or her God-given capacity, to keep the American dream alive, and to give us a chance to come together in a prosperous, secure, and exciting future. That is ultimately, ultimately, the great benefit of this whole effort.

So I ask you to continue to support it and, as we come to this budget debate, to say, we do not, we do not have to make the wrong choices for the right objective. We can balance the budget and we can do it in the right way and reinventing Government proves it.

Thank you very much.

NOTE: The President spoke at 11:15 a.m. in the Rose Garden at the White House. In his remarks, he referred to Mayor Norman Rice of Seattle, WA.

Remarks at a Clinton/Gore '96 Dinner

September 7, 1995

Thank you very much. Thank you all for your wonderful welcome. What a way to come back from vacation. I want to thank Fred Baron and Larry Stewart so much for the work they did to help bring us all together tonight. I want to thank all of you for being here and for the