

ferred to Lord David Owen and Cyrus Vance, Cochairmen of the International Conference on the former Yugoslavia; Alija Izetbegovic, President, Republic of Bosnia-Herzegovina; Radovan Karadzic, leaders of the Bosnian Serbs; and Mate Boban, leader of the Bosnian Croats.

**Statement on the Planned
Resignation of Prime Minister Brian
Mulroney of Canada**

February 24, 1993

Prime Minister Mulroney and I had a good conversation following his announcement that he is stepping down as Prime Minister of Canada. Prime Minister Mulroney has been a good friend and partner of the United States, and I wish him well. The Free Trade Agreement, the NAFTA, and Canada's voice in helping to move the world into a more hopeful era are all testimony to his leadership and courage.

It was a pleasure to meet with the Prime Minister earlier this month and to speak with him several times since my election. I greatly appreciated the Prime Minister's insight and wise counsel in tackling the common challenges of promoting world economic growth and peace. My meeting with him reinforced my conviction that Canadian engagement in world affairs remains as vital as ever. That our meeting was my first as President underscores the close relationship between our two countries. Our enduring friendship is based on the common vision we share of peace and democratic principles. From peacekeepers in Bosnia and Somalia to partnership in the G-7 and in NATO, Canada has been a true global ally. Both our people benefit from our important trading relationship, with \$200 billion in goods and services alone exchanged each year.

Our steadfast relationship with Canada is an indispensable element in the essential continuity of American foreign policy. As the Prime Minister and the people of Canada prepare for the road ahead, I want them to know that the United States is and will remain their friend and partner. Our cooperation will continue to grow in the years ahead.

**Remarks to Business and Labor
Leaders on Support for the
Economic Plan and an Exchange
With Reporters**

February 25, 1993

The President. Thank you very much. To all the business and the labor leaders who are here, and to Representative Clayton and the many Members of the House whom she represents so ably. Let me begin with a simple thank you to all of you for your support of our common efforts to turn our country around and put our Nation on the right track.

For too long we have seen business and labor divided over more issues than we see them united on. Part of that has been occasioned by the incredible difficulties of our economy. When people believe there is a shrinking pie, they're more likely to be fighting over that. Part of that has been occasioned by the fact that we have not been on a great national journey together in which we could all feel that we were a part, making our equal contributions, reaping our equal rewards.

I'm very encouraged by the business-labor partnership that we see manifested here today, by the fact that it represents a commitment to ending gridlock and to beginning change, and deeply impressed by the letter which Representative Clayton has brought here today by the people whom I think in many ways are most representatives of the American people: this new big class of freshmen Congress men and women who are out there, just as Vice President Gore and I were last year, criss-crossing the country in a beginning effort, listening to people and their concerns and their hopes. So I'm very, very happy about that.

If I might, I'd like to close just by emphasizing three or four of the critical elements of this economic plan and why I think they are worthy of the support of this distinguished group of Americans. Everyone knows we have to bring the deficit down; it has become the dominant fact of all the budgeting of the Federal Government. But there are those who say, "Well, how can you

do that. You're just coming out of a recession, and traditional economic theory holds that the last thing you want to do is to slow down a recovery by closing a deficit."

That is, ever since the Depression, our country has operated on an economic theory that said when times were slow, there should be more Government spending; when times were great, then you could bring our accounts into balance. The problem is that for more than 20 years we have been building in a structural deficit into our Government, one that robbed the National Government of that flexibility, the flexibility to tighten up in good times to slow down inflation, and to invest more in bad times to put people back to work.

And our strategy now, I think, is actually supporting an economic recovery in bringing this deficit down because you can see the decline in long-term interest rates which means that borrowing is cheaper and which means that millions of Americans in their personal capacities and as business persons are going to refinance their debt which will free up cash to be reinvested in economic growth. So I believe this strategy is expansionary.

I also would make a couple of other points if I might. We are changing fundamentally the direction of Government spending itself, moving away from spending for consumption towards spending a higher percentage of the people's tax dollars on investment. It is simply not true that all Government spending is equal. Some investment will have a much bigger reward in terms of jobs and incomes than spending more money on the same program.

Finally, we are looking at ways to basically make the Government itself work in a very different and more efficient way. One of them has already been alluded to by Kathryn Thompson. We will be announcing in the near future some efforts by this administration to ease the credit crunch on small business. We are also trying to change the way the Government itself operates and the regulatory framework to do things that will achieve objectives in a better way.

We believe we can promote a clean environment and economic growth with the right kind of regulatory and investment climate.

We believe by changing the way the Government itself does business, we can give the American people a much leaner Government. We think that the White House staff cuts and the reorganization are simply an example of what we can do throughout the Government, given time.

So I appreciate the support for this program. And let me reiterate, I am not simply interested in raising more revenues. I don't want new taxes unless we're going to have spending cuts, unless we are going to change the nature of Government spending toward more investment, and unless we're going to change the way the Government itself operates.

This is a whole program that will fundamentally give us an end to gridlock and the change we need. And I thank these people who are here. They are reflective of the kind of unity we need in America to move this country forward. Thank you very much.

The Stimulus Package

Q. How committed, sir, are you to the stimulus part of your package? It's now been delayed another month, perhaps; your budget is not even going up until April 5th. A lot of economists say that if it gets delayed much longer, it won't even help the economy. Only one of the preceding speakers even mentioned this stimulus package. Just how important is this?

The President. Yes, that's not true. At least one of them did mention it first. And secondly, I think it is quite important. I think it would be a big mistake—let me just give you—it will do what it's designed to do later in time for everything except those things that have to be in place this summer. And I'm hoping that we can get the kind of—a lot of the Members of Congress are looking for a way to demonstrate to the country that they don't want to raise more taxes without cutting spending. And we're working on giving them an opportunity to do that. I agree with that. I think that's fine.

But there are some things that are time-sensitive in this stimulus package. The most obvious and apparent one is the summer jobs program. Nearly every person I know, including an enormous number of business people who are in and around cities like Los

Angeles or Chicago or New York or other cities, believe that the prospect of being able to provide nearly 700,000 summer jobs in a framework in which we can then get business people together to work to provide more jobs—and one of the people here on this platform today has already told me that he wanted to get involved in that—could be a major statement this summer that we are trying to turn some things around in the more depressed areas of our country.

There are some other things that are somewhat time sensitive, but the main thing is we need to be investing more money at the same time that we are bringing down this deficit so that we'll be creating some jobs. The traditional economic theory is that if you reduce the deficit, you're going to slow down the economy and undermine the ability to create jobs. I just can convince—that's wrong now because of the vast accumulated debt. If you can keep interest rates down, you're going to speed up the economy by putting more money out there.

But I think the stimulus is important, and I intend to continue to support it.

Support for the Economic Plan

Q. Mr. President, I was struck by the fact that of all your speakers here, they all said, "We support the package, but we'd like changes in the area that affects us." Isn't that what you've been warning against? That the tax increase—

The President. That's not what they said. That's not what—only one of them said that, I think. And I think that, for one thing, the very fact that they're here supporting it, knowing that they'd all like changes in something that affects them, is the very point I've been trying to make to the American people.

If you look at this, if you look at this, if every person looks at this through the mirror of what is best for you today, there will always be something in here that doesn't quite work. The thing that makes this work is that it is a package in which everybody forgoes something they would like and gets something that they would like, but that in the main it moves the country in the right direction.

The Vice President. Could I add something to that?

The President. Yes.

The Vice President. You know, Lod Cook started off by singling out the two provisions which you would expect him to oppose in the old model. And he singled those out as things that he supported. And many of the others have said, privately and publicly, that they strongly support the package in spite of the fact that it contains elements that they would not like to necessarily single out by themselves but as part of a package it makes sense for the country.

Spending Cuts

Q. Would you be willing to put forth more spending cuts before your budget goes up? I know you called for the Republicans—

The President. Like what? Like what? I mean, unlike a lot of these other people, I worked for weeks and weeks and weeks on this budget. What I said was, if they had more spending cuts they thought were good ideas, I'd be happy to embrace them, that I intended for the entire duration of my term here to continue to look for more spending cuts. If I find more that I think are worthy, I'll be glad to incorporate them.

But let me just say, I have a difficult time taking these people seriously, who say we should have more spending cuts, who were here for the last 12 years. Where were they? I don't mind; anybody can say whatever they want about more spending cuts, but why are you asking me? Why don't you ask them? They're going around saying, "I have the list of spending cuts that I will discuss with somebody at some later date."

Q. They're saying that you're suggesting many spending cuts which have been up on the Hill for years and that these aren't any new cuts and these are—

The President. If we pass them, it will be new. [*Laughter*] They've been up there. If we pass them, they will be new.

Taxes

Q. You said earlier you obviously don't like to raise taxes. Are you ready to acknowledge at this point that you will have to go back to Congress and ask for more tax increases for the health care reform package? And would you also comment on a report that you've dropped the idea of taxing benefits?

The President. I haven't picked any tax up, so how could I drop—you can't drop

something you didn't pick up. So I won't comment on something—if I pick something, I'll tell you.

I can say this: I'm not ready to admit that I think that the people who have paid the bill for health care in the 1980's should turn around and pay more right now. We're spending 14 percent of gross national product. You do have to find some way to recover some revenues to cover people who now don't have coverage, if the Government pays for the coverage. And that's an important part of stopping the cost shifting, which has led to so much increase in private insurance.

But there are lots of options we are looking at now which wouldn't necessarily increase middle class tax burdens. There are a whole range of options for dealing with this, which is why I asked you to let us finish this process of review before we try to pick it apart.

There was a huge transfer of wealth in America in the 1980's away from everything else to health care, to pay more for the same health care. Most of it went into paperwork, insurance costs, extra procedures by providers, and duplication of expensive equipment, and emergency care, partly due to the absence of primary and preventive care. If you correct all those things and you don't change the present spending patterns, that will create a huge windfall to people whose pricing structures have all that built in. There are all kinds of things that we might be able to do to solve this problem, short of having health care become even more expensive for people who are paying 30 percent more for it than anybody else on Earth.

Q. —that burden middle class. Does that rule out sin taxes then?

The President. I think health-related taxes are different. I think cigarette taxes, for example, are different.

Q. Why?

The President. Why? Because I think that we are spending a ton of money in private insurance and in Government tax payments to deal with the health care problems occasioned by bad health habits, and particularly smoking, which is costing us a lot of money.

Spending Cuts

Q. —you stand on the cuts? What kind of cuts would be considered? I know you're hearing a lot of input. You stressed the importance of input. In that input—

The President. I haven't really been getting a lot of input. That's the thing. A lot of people keep talking about it; I haven't been getting a lot of specific input. A lot of folks say they want overall caps. Overall caps are another way of saying, let's take Social Security benefits away from people even though Social Security is producing a \$70 billion—\$60 billion-plus surplus in taxes. Or let's take Medicare benefits away from middle class Medicare beneficiaries instead of reforming the health care system.

That's basically the only things I've heard since then. If somebody wants to come forward with something else specific—now, there are some people who—let me just be also fair. Some of the people in my party have been somewhat more specific about some of the cuts they want that I honestly disagree with, and there ought to be a debate on that in Congress. Some of them want me to cut defense more. I've already had to cut defense more than I pledged to do in the campaign because it appears that the last budget which was adopted by Congress had defense cuts in it which weren't real. So I don't think I can cut any more right now. The Congress will be free to debate that.

Some people think that we should abolish the superconducting super collider or end the space station program, but I honestly don't agree with that. I thought about those programs and I debated them, but at least those are specific, and they can be debated on the floor of Congress. But these general "cap this, blanket that," I think people ought to say what the cut is and who will be affected by it and be very specific.

Thank you.

NOTE: The President spoke at 11:02 a.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to Representative Eva M. Clayton, who represented the newly elected Democrats in the House of Representatives; Kathryn G. Thompson, chairman and chief executive

officer, Kathryn G. Thompson Development Co.; and Lodwick M. Cook, chairman and chief executive officer, ARCO.

Statement Announcing Airdrops Providing Humanitarian Aid to Bosnia-Herzegovina

February 25, 1993

The war that has raged in Bosnia-Herzegovina over the past year has taken a staggering toll: Thousands have been killed or imprisoned, thousands more are at risk due to hunger and exposure, and over 2 million people have been forced from their homes. The humanitarian need is particularly great in eastern Bosnia, where areas have been denied basic food and medicines.

In view of the emergency humanitarian need, I am announcing today that in coordination with the United Nations and UNHCR, the United States will conduct humanitarian airdrops over Bosnia. The airdrops are an extension of the airlift currently underway into Sarajevo. Their purpose is to supplement land convoys. This is a temporary measure designed to address the immediate needs of isolated areas that cannot be reached at this time by ground. Regular overland deliveries are the best means to ensure that the long-term needs of the Bosnian population are met, and the United States calls on the parties to guarantee the safe passage of the humanitarian convoys throughout Bosnia.

The priority for air deliveries will be determined without regard to ethnic or religious affiliation. These airdrops are being carried out strictly for humanitarian purposes; no combat aircraft will be used in this operation. The Department of Defense will be working with the UNHCR to determine the timing and locations for the airdrops.

I am grateful for the considerable international support given to this initiative.

Exchange With Reporters During a Meeting With Close-Up Foundation Students From Arkansas

February 25, 1993

Aid to Bosnia-Herzegovina

Q. Mr. President, do you care to say any more about the operational details of the airlift?

The President. No.

Q. How about explaining to the American people why it's an important issue for the United States to undertake?

The President. What?

Q. Why is it an important mission for us to put people at risk for that?

The President. Well, I'll say again, General Powell believes the risk is quite limited and not appreciably more than many training flights that our airmen do every year. It's important because we believe if—number one, there are a lot of people over there who need the food and can't get it by road, so it's a humanitarian gesture. And secondly, we think if we do it, we will be able to create a somewhat better climate for negotiations, and we're pushing to try to have good-faith negotiations. So we're hoping it works out.

NOTE: The President spoke at 4:01 p.m. in the Oval Office at the White House.

Proclamation 6531—National FFA Organization Awareness Week, 1993

February 25, 1993

By the President of the United States of America

A Proclamation

America's roots run deep in agriculture. We have long prospered through the twin blessings of our natural resources and the productivity of the American farmer. Agriculture has contributed heavily to the economic and social progress of the United States, making our Nation the world's largest