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In his remarks, he referred to Jeffrey Watson, Deputy Assistant to the President and Deputy Director of Intergovernmental Affairs, and Dante Caputo, U.N./OAS Special Envoy to Haiti.

Remarks in an Interview With the Connecticut Media

March 13, 1993

Winter Storm

The President. I'm sorry I'm a little late, but I'm trying to make sure we're doing what we need to do about the storm, which, as you know, is moving up the coast with winds very heavy now in the South Carolina area. And the center of the storm is projected to reach here as late as 7 o'clock tonight, so it will come to you sometime in the middle of the night. And we're working hard, but I wanted to get an update and see what FEMA was doing. And we're going to be talking today about what other resources we ought to make available.

I think the only thing I would say is that we have shared all the information we have with all the State governments involved, and I think people should simply exercise caution, because it's easy to go from what seems to be a nice big snowstorm to these very rapid winds. And the more you can keep telling people when the winds are coming, I think the better off we'll be. Once you get north of Washington, most people are fairly well-prepared for heavy doses of snow, even if it's the biggest they've had in years. But the winds are of great concern. Whatever you can do to make sure your people know that there are winds coming—and unless this storm dissipates, that can be serious; that would call for them to exercise great caution as the center of the storm approaches, which will be sometime late, late tonight for you—I'd appreciate it. Questions?

Defense Conversion

Q. Yes, sir. Can we talk about the defense cutbacks in Connecticut?

The President. Sure.

Q. You have a $1.7 billion plan for retraining and dual use technology. You've got $350 billion set aside for FY '93. I guess the bottom line is, when we hear in Connecticut, for example Pratt & Whitney, they're going to be laying off 7,000 people, sir, for people that are facing unemployment, the people who are unemployed, when are they going to see some of that money come to them this year? And is the infrastructure already in place to see that those industries are targeted that need it and the money gets there?

The President. Well, let's back up a minute. The Congress appropriated this money months and months and months ago. There was a big debate, and the previous administration basically didn't believe that this was a big problem, so they never released any of the money. In the last few weeks, we have worked very hard to put together a plan that would release over $1 billion this year in defense conversion.

In addition to that, let me just say, apropos of the Connecticut economy specifically, if the Congress passes the stimulus plan that I have recommended to try to jumpstart the economies of the States with high unemployment rates, Connecticut should receive about $118 million, just out of the stimulus package, in funds for community development block grants and Federal highway construction and clean water and clean drinking water efforts and urban transit money. So all that will be coming into the State, and obviously that will create a lot of jobs. Some of those jobs will be created in the same areas where the defense jobs have been lost.

Now, to go back to your original question, we're going to move the job training money, the community assistance money, and the new technology money as quickly as we can. By and large, in most States there is a retraining infrastructure which will accommodate it. The infrastructure we need to create, frankly, is to make sure there's a good partnership between the Defense Department, the Commerce Department, and all the other Federal Agencies and communities, so that communities can take money and begin immediately planning to generate new jobs. And we need a better partnership between the Government and the private contractors to make sure that they have as much lead time as possible to plan to put new technologies into effect or to take their defense technologies and convert them into commercial products.

I'm sure all of you saw the press when I went to Baltimore to the Westinghouse plant. To assist in that regard, we're going to do two things. First, we've got all the Federal Agencies involved to put together a book which can be made available to every defense contractor in America, which shows the resources and the efforts that can be made by the Advanced Research Products Agency, the Commerce Department, the Energy Department, which controls the Federal labs where a lot of this research is done, the Defense Department, NASA, and others.

Secondly, we're going to go out across the country now and hold meetings that are literal workshops for defense contractors to try to get them involved in this process before the contracts run out. The thing that has bothered me about this all along is that these contracts have been canceled, and then someone comes along and says, well, why don't you think of something else to do? So what we're going to try to do is to develop an ongoing relationship with defense contractors which will permit them to plan for conversion, even as they're still producing whatever products they're contracted to produce by the Defense Department. And this whole thing has to be coordinated in a much more disciplined fashion than it has been in the past. And that's why I've set up this defense conversion group, to do.

Let me just make one other point, since the Department of Defense yesterday announced another round of base closings and realignments, which would be modest compared to the contracting losses you've had. There would be a reduction of 2200 jobs in Connecticut around the submarine operations. Here is the dilemma for us—and I want to just put that out here so you will be able to evaluate what happens in the future. We've had two rounds of base closings so far. They've been fairly modest. And this announcement from the Pentagon was pretty big. And there will be another one in 1995. Keep in mind, all these bases that were on that list, even if the commission approves them for closing or realignment, they won't be closed for 3 to 5 years. That gives us real time to plan, if we do it. If we really have an aggressive plan, it gives us time to plan the futures of the men and women in uniform who may be mustered out. It gives us time to plan for the futures of the communities and the civilian employees.

Let me ask you to consider what happens when you don't do this. On the plan we're on now, if we don't close any more bases, we will have by 1997 reduced defense by 40 percent, personnel in uniform by 35 percent, overseas deployments by 56 percent, and base structure by 9 percent. Now, what does that mean to Connecticut? It means that if you—because of the incredible difficulty of closing domestic bases, it means if you don't close any of them and you have this defense budget going down, that means more reductions in contracts. It means it hurts the plants and where the high-tech production is done even more.

One of the reasons that we have to close some more bases is, with a reduced Armed Forces at the end of the cold war, we have got to maintain a very, very high level of technological superiority and military readiness, which means we still are going to have a very significant amount of military contracts out there in high technology areas. But you could argue that over the long run, the States that have a lot of the plants that do this work, like Connecticut, California, and others, would be better off if we can exercise the discipline to close the bases in a way that is humane and fair and economically advantageous. So that's what we're trying to do.

Sea Wolf Operation

Q. Mr. President, John Baxter from Associated Press. As you know, I'm sure, part of your reputation in Connecticut regarding defense stems from your comments during the campaign in support of the Sea Wolf, and I'm sure you know what an important program that is in terms of jobs up there. I wonder if I could ask you if you could tell us at this point what your plans are for the Sea Wolf, and more generally, what your comments to the people of Connecticut would be now that we're beyond the campaign and into the administration and defense spending is going down sharply?

The President. Well, you remember what my position was on the Sea Wolf, which is that I thought at least one more ship should be completed than the administration said,

and then we should, in effect, transform the operation to produce a smaller follow-on ship. That is what I believed, and interestingly enough, that's what I was advised by the people with whom I was consulting back in 1991 was the best policy. Contrary to a lot of the things which were written in and out of Connecticut, it didn't have much to do with the Connecticut primary. I didn't even know if I'd be politically alive in the Connecticut primary in November and December of 1991 when we were trying to evaluate these decisions. I see no reason in my own mind to change that position.

Now, what we are doing now with the Defense Department—let me tell you what we have to face. What we are doing now is to try to see what our options are for proceeding both with contracts and with personnel, with the new budget targets we're going to be required to meet. I'm hopeful that both the Senate and the House will adopt my defense budget cuts without cutting them anymore. And if so, then we may be able to pursue the course that I outlined in the campaign.

But let me tell you, there is one other problem. I just want to make you aware of this, and we won't know exactly what the end of it is until, oh, about 2 weeks from now. The budget that the Department of Defense has that was approved by the last Congress includes several billions of dollars in management savings in the Department of Defense which the Secretary of Defense, Mr. Cheney, offered and which the Congress accepted, which are now being questioned. That is, it's now being questioned about whether these management savings are real. And a special committee has been appointed to review the budget and to see whether or not, in effect, the Congress has approved a cut which can't be realized simply by reorganizing the Defense Department in management savings. We were advised to put another $10 billion in reduction on our defense budget at the end of this cycle, in fiscal year '97, as a hedge against the fact that as much as $30 billion of those management savings by FY '97 may not be real.

Now, let me tell you what that means practically since we're all committed to certain deficit reduction targets. What that means is that if these management savings which the Congress has already budgeted for from the previous administration don't turn out to be real, we'll have a very serious question to address. I am resisting further cuts in defense, apart from the $10 billion extra one I agreed to try to absorb at the end of this process. But I just want you to be aware of the fact that that is out there and that this is sort of an ongoing debate in-house here. We're trying to figure out—the Secretary of Defense is working with the services to see what they believe we should do and to work out the best possible result.

Q. But the Sea Wolf question relating to this upcoming budget remains an open question until notice——

The President. I think it is an open question, but I haven't changed my position on it. But I cannot tell you it's a lock-cinch deal because of what's happened, because of this—this is sort of a wild card for us—and because I'm obviously involved with the Congress now in trying to work through this.

Q. Brian Thomas at WTIC in Hartford. General Dynamics as a corporation, producer of the Sea Wolf, as you know, openly is not embracing the dual use concept. They are staying with defense as a livelihood. Is this kind of approach in your view something that's viable, given this situation we have now, or will they sign on to this eventually?

The President. Well, it depends. Let me say what I mean by that. It depends on what General Dynamics or any other kind of company in this position projects will be the future demand for defense products that they can produce. Let me give you an example. For example, Sikorsky in Connecticut and another one of your helicopter companies I think is up in employment. And a lot of our allies may well be buying more short-haul aircraft and may be buying more helicopters in the future for more limited and different kinds of military operations. So there's no question that some military contractors will be able to continue to fully—or almost all military contractors—and do well. And there will be some things where the demand for products will actually increase. We, the United States, will be buying some new military products and technology that we have not purchased in the past. So some people will be there.

On the other hand, with the overall budget going down and, therefore, with both the size of the Armed Forces and at least the guaranteed replacement of old products being less, a number of these defense contractors are going to have to look for alternative products. And I don't know enough about what General Dynamics' options are to know whether that's the right or the wrong decision. All I can tell you is that we're prepared to assist with joint research and development efforts and everything else in our power. We're prepared to assist those companies that are serious about converting. The Westinghouse plant—let me just tell you, the one in Maryland I visited—5 years ago was 16 percent nondefense. Today it's 27 percent nondefense. By 1995 it'll be 50-plus percent nondefense. And what I think you're going to see—I'll just make a prediction where I think you're going to see in many areas—is a kind of a blending where the defense-nondefense line is regularly crossed and where the technology is being used for both civilian and military purposes. For example, at Westinghouse we saw some things making full circle. We saw military technology producing a civilian product; then we saw civilian technology being marketed back to the military for the first time. So I think that this will become a blurry line.

Now, submarines have few uses other than military. I mean, it's hard to imagine—you know, maybe some weather uses there, maybe nonmilitary uses for submarines in the environmental area, particularly around the poles and other things. But I just think—I wish I could give you a yes or no answer, but I'd have to know more about what their options are and what they project the products to be.

Q. When you say completion of another submarine, are you talking about the third or the second, since the second hasn't really started yet? And if the submarine fleet is to be reduced to 40 to 45 submarines, when do you envision funding for the next generation and what would it look like?

The President. I can't answer that yet because that's one of the things we have under review. But I will be glad to try to get you an answer from the Defense Department as quickly as I can. The last time I had a conversation about this, there was a general consensus that the design of the Sea Wolf was not necessary in terms of its size, bulk, given a declining Soviet threat and breathtaking drops in production there for their own capacity, but that we still needed and, in fact, were quite dependent on submarine technology to maintain our overall military superiority, but that there ought to be one designed that was smaller and quicker and could do more different things. And so we're working on that. But I don't have—I can't answer the specifics you've asked.

Russia

Q. ——the developments in the former Soviet Union right now with Boris Yeltsin, and how does that fit into your accounting strategy for defense?

The President. Well, obviously, we're all concerned about it. But, you know, I don't think you could have ever predicted an easy ride for democracy and for a market economy in a country which had never had a market economy and which had the courage to try to seek democracy at the same time. So I view all these things with—I'm interested in it, I'm concerned about it, but as far as I'm concerned, he is still the only person who's been elected President of the country, and I believe he genuinely believes in economic reforms and political democracy. And I think we should support that. And I'm going to do what I can to be supportive.

I think that if the major countries, the G–7 countries that are in a position to support those movements would show a more coordinated and aggressive approach to the problems, it might be possible to build a consensus in Russia for how they would work with all of us. Every elected official has his or her political opponents. That's part of the way the system works. And an awful lot of the people that are in the Russian legislature were active members of the Communist Party. So you would expect it to be somewhat less reformist than he is. Plus a lot of them are responding to the cries of their own people for help. They're in deep trouble economically.

My own view is there are a lot of things that can be done, that that country can still have a bright future as part of a peaceful coa-

lition of nations in the world. And I just hope that we'll have the opportunity to do it. I was encouraged in my meeting with President Mitterrand that he seemed very willing to adopt an aggressive posture toward trying to do more. And I'll do the best I can to be ready on April 4th, which is just a few days from now, with my meeting with President Yeltsin.

Q. Would you support him still if he suspends the Parliament? And also, if he calls in military force, would you support him? Also, what would you say to those who are saying you're relying too much on his survival?

The President. Well, first of all, I don't think that it would serve any useful purposes for me to try to interpret the Russian constitution right now and what it does or doesn't mean or what we would or wouldn't respond to. The United States supports democracy and economic reform in Russia.

Now, in terms of whether we're putting too much reliance on Yeltsin personally, my answer to that is, we will work with what we have to work with, whatever happens. But I think we should support him because he has been elected, after all. I mean, there was an election; the people voted for him. And he represents a passionate commitment to democracy and economic reform. And he's gotten, frankly, in my judgment, from the major countries of the world who have a stake, not just a political but an economic stake in Russia, an inadequate response to date.

So I'm trying to do what I can to muster the support to do more, because I think it's very much in America's interests, and he's the person that I think I should work with. He is the elected President of Russia. That is a fact. And I hope he will continue to be the elected President of Russia. But the United States has an interest in a Russia that is not hostile to us, that is not a military enemy, and that, frankly, has a whole lot more economic growth than the Russia that we know does now. And I'm just trying to respond to that. I think that working with him is the best way to do it at this time, and I believe—I'll say again—no one knows what's going to happen. But the man is an honest democrat—small "d"—and he's passionately committed to reform. And I want to keep working with him.

Defense Conversion

Q. Mr. President, diversification is a goal, but what can you do about the fact that so many defense manufacturers have been reluctant to diversify?

The President. All I can do is to try to make sure that they have the maximum number of options. Let me give you an example of what happened yesterday, or the day before yesterday at the Westinghouse plant. I talked to one of the people, a woman there who was in charge of marketing these new products, and I said, "Tell me what the problems are." She said, "Well, it's not so much that we can't ever think of what we could do that might have a nondefense application, but most of us have never contracted in the private sector before. We have never marketed in the private sector. And we're not sure that what we think will work, will work." Basically, I think what I have to do for these defense contractors is to try to create, through the enormous resources that the Federal Government has invested in them over time and has invested in technology research, an environment in which they can at least visualize and imagine all the potential that might be there and then the opportunity they have to make the connections with the private sector on the civilian side. So that's what we're going to try to do. I just would say every defense contractor needs to think about it. The answer may be no in some cases, but everybody really needs to think about it and that the Government is going to be there in a consistent way to do it.

If you look at every projection of high technology, high-wage employment going well into the 21st century, the technologies that are there are things that have often been dealt with in defense; biotechnology, civilian aviation, computer software. Some of the most sophisticated imaging in the world is done by the Defense Department. Now, that's the only thing I would say. There may be some products which are not susceptible to civilian spinoffs, but most of them are.

Legalized Gambling

Q. I don't know if you're aware of it, but one of the things that's been talked about

in Connecticut, to fill the gap with defense leaving, is casino gambling. And I wonder if you'd just share your thoughts with us on how you feel about legalized gambling coming to a State like Connecticut, if we should do it?

The President. I'm not the best person in the world to ask about that because I grew up in a town that had the largest illegal gambling operation in America—[*laughter*]—when I was a kid, until it was shut down in the mid-sixties.

First of all, I strongly believe it should remain a question of State law. That is, I don't think I should decide for you one way or the other—or the Congress. I think that it ought to be a local question. The second thing I would urge is that before you do it, you analyze very carefully what the benefits and the costs are, because it is not a free ride. That's the only thing I'll say. It is not an unmixed blessing. You may decide that it is, on balance, worth doing, but it is not an unmixed blessing. If you look at Nevada, for example, the fastest growing State in the country, one of the reasons they're growing fast is that they're diversifying away from gambling toward more broad-based convention work and other kinds of economic activity. So that would be my advice. Don't just take it at face value. And really think about it before you do it.

Thanks.

Military Base Closings

Q. ——reviewing and tinkering with base closing list?

The President. No. The Secretary of Defense had the list, and he made the decisions. The only thing I asked him to do was to make sure that he had really evaluated the economic impacts of it all. And he said that he would do that. The only—he made a point to me that under the law, the Defense Department is required to do that, and it really couldn't be done by the services because they made their recommendations based on their needs within their services. So the Air Force and the Army and the Navy couldn't have foreseen the cumulative impact on any given State of what they recommended. And that's why the Secretary of Defense went through the process he did. But he did it. I think it's very important that we leave the process in that way. And so that's what we did.

NOTE: The President spoke at 11:42 a.m. in the Cabinet Room at the White House.

Remarks in an Interview With the California Media

March 13, 1993

Winter Storm

The President. Hello, everybody. Welcome to sunny Washington. [*Laughter*] I want to basically just answer questions. I brought Mr. Panetta so he could help with any details of any questions you might have. I'm sorry we're a little late, but as you might imagine, I've had to take some time this morning to try to calculate what our response should be to this severe storm that is sweeping the east coast and that will move over Washington in its center not until about 7 o'clock tonight. So that's what I've been working on. And I know it doesn't concern you except you're here.

Yes.

Military Base Closings

Q. Mr. President, you got some of your highest vote totals from the San Francisco Bay area when you ran for President: San Francisco 78 percent, Alameda County. A lot of folks out there are wondering how you're letting them take such a big hit to lose five facilities when they're watching southern California facilities also, some of them being taken care of. What do you say to the people in the Bay area who supported you so strongly and now are looking at themselves taking a pretty big hit?

The President. Well, first of all, those decisions were not made on a political basis, and I did not intervene individually in those decisions, nor do I think I should have. I'll tell you what I did do. I asked the Secretary of Defense to be sure that he fulfilled his legal responsibility to consider the economic impact of every State, including California, and because it's so big, all parts of California, before sending the list on to the Congress. And he did that to the best of his ability.