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Presidential Documents

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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Memorandum on Defense Assistance to Guyana

August 30, 1993

Presidential Determination No. 93–35

Memorandum for the Secretary of State

Subject: Eligibility of the Cooperative Republic of Guyana to be Furnished Defense Articles and Services Under the Foreign Assistance Act and the Arms Export Control Act

Pursuant to the authority vested in me by Section 503(a) of the Foreign Assistance Act of 1961, as amended, and Section 3(a)(1) of the Arms Export Control Act, I hereby find that the furnishing, sale, and/or lease of defense articles and services to the Cooperative Republic of Guyana will strengthen the security of the United States and promote world peace.

You are authorized to report this finding to the Congress and to publish it in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 3:48 p.m., September 13, 1993]

NOTE: This memorandum was published in the *Federal Register* on September 15. This item was not received in time for publication in the appropriate issue.

Memorandum on Nuclear Exports to Romania

August 30, 1993

Presidential Determination No. 93–36

Memorandum for the Secretary of State

Subject: Determination and Waiver of Romania's Ineligibility Under Section 129 of the Atomic Energy Act of 1954 to Receive Certain U.S. Nuclear Exports

Pursuant to section 129 of the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 (P.L. 95–242), I hereby determine that Romania has materially violated the Romania-IAEA safeguards agreement and the U.S.-IAEA-Romania supply agreement. I hereby further determine that cessation of exports as provided for by section 129 of the Act would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security.

You are directed to report this Determination to the Congress and to provide copies of the Justification explaining the basis for this Determination. You are further directed to publish this Determination in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 3:49 p.m., September 13, 1993]

NOTE: This memorandum was published in the *Federal Register* on September 15. This item was not received in time for publication in the appropriate issue.

Memorandum on the Bulgaria-United States Nuclear Cooperation Agreement

September 2, 1993

Presidential Determination No. 93–37

Memorandum for the Secretary of State, the Secretary of Energy

Subject: Presidential Determination of the Proposed Agreement Between the United States of America and the Republic of Bulgaria for Cooperation in the Field of Peaceful Uses of Nuclear Energy

I have considered the proposed Agreement Between the Government of the United States of America and the Government of the Republic of Bulgaria for Cooperation in the Field of Peaceful Uses of Nuclear Energy, along with the views, recommendations, and statements of the interested agencies.

I have determined that the performance of the agreement will promote, and will not constitute an unreasonable risk to, the common defense and security. Pursuant to section 123 b. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b)), I hereby approve the proposed agreement and authorize you to arrange for its execution.

The Secretary of State is authorized and directed to publish this determination in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 3:50 p.m., September 13, 1993]

NOTE: This memorandum was published in the *Federal Register* on September 15. This item was not received in time for publication in the appropriate issue.

Nomination for Members of the Overseas Private Investment Corporation

September 9, 1993

The President named his choices today for four positions on the Board of Directors of the Overseas Private Investment Corporation, announcing that he has nominated Gordon Giffin to serve on that board and that he intends to nominate John Chrystal, George J. Kourpias, and Lottie Shackelford.

"These nominations will strengthen this important foreign assistance Agency," said the President. "I look to these four individuals to provide leadership in helping American businesses compete more effectively overseas."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary. This item was not received in time for publication in the appropriate issue.

Remarks to the North Valley Job Training Partnership in Sunnyvale, California

September 10, 1993

Thank you very much, Mr. Vice President and Madam Mayor and ladies and gentlemen. It's a great pleasure for me to be here today. And we want to spend most of our time listening to you, but I'd like to take just a few minutes to explain what it is we're trying to do with this reinventing Government project and how it relates to the future of the California economy and the ability of this State to come back.

When I ran for President it was apparent to me that America had not done very well in dealing with all these terrific challenges and changes that are sweeping through our world. And you know from your own personal life when you're confronted with a change and a challenge, you basically have two options: You can kind of hunker down and deny it and pretend it's not there and hope it'll go away—and about one time in a hundred it will work out all right, and the other 99 times it's not a very satisfactory response—or you can take a deep breath and embrace the change and determine to make something good happen. And that's what we have to do as a country. We have to make change our friend again and not our enemy.

Of all the States in America, the State that's had the toughest time lately is California. Your unemployment rate's about 3 percent higher than the national average. Be-

cause you had 21 percent of the country's defense budget, you've taken the lion's share of the defense cuts, not only in base closings but costing even more jobs, I would argue, contract cutbacks, which have affected people in this part of the State in particular. And you've had a lot of other manufacturing job losses and other problems. And as a result of that, there have been other kinds of pressures forcing the society apart when we need to be coming together.

Now, I believe that in order to remedy that, there are a number of things we have to do. We know we've got—the Vice President and I always talk about all the deficits we have—we know we've got a budget deficit, but if you know anybody who's out of work, you know we've also got an investment deficit. And the Government has a performance deficit, which means we've got a trust deficit with the people. That is, people want me to do things all the time, but they're not sure they trust the Federal Government to do it, whatever "it" is, because people have worried so long.

So what I would say to you is that if you just look at it from the point of view of California, there are certain policies we need to change if we're going to generate more jobs and bring people together. We know that. We have an economic program, for example, that gives people big capital gains incentives now to invest in new high-tech companies like those that have generated so many jobs here. We have some changes in our economic program which will encourage other kinds of investments that will create jobs here. We've got a new defense conversion program, and this is an amazing story, where we put out bids on about, oh, $475 million of matching funds for people who had ideas to convert from defense technologies or convert businesses to domestic technologies. We received 2,800 proposals of a total of $8.5 billion, and one-quarter of them came from California.

Now the interesting thing is, one-quarter of all the unemployed people in America today live in California. Right? What does that tell you? That says there's a big mismatch. You've got all these people with ideas and brains and new technologies and ways to create jobs who are trying to close that gap. So just in the last 24 hours we have reached agreement with the United States Congress to put another $300 million into this program, because the demand was so much greater than the supply. It's great.

Now, so there's the policy aspect. Then there's the whole idea about how we from the top down can cut through the bureaucracy. One of the things that I did when I became President was to decide I needed to put one of my Cabinet members in charge of devising a strategy for California. And I asked the Secretary of Commerce, Ron Brown, to do it. And now thankfully he's got a Deputy Secretary who is from Silicon Valley, which won't hurt him any in making good decisions.

And so we thought a lot about what can we do for California. For example, by the end of the month we're going to announce a new policy, that we probably would not have done this fast if it hadn't been for the demands of the people right here in Silicon Valley, to change some of the old cold war rules that keep a lot of our high-tech companies from selling products overseas to countries that used to be our enemies but aren't anymore. So we did that. But we found over and over again that even if we had good policies and even if we tried to go around our own bureaucracy, until we made a commitment to make this Government work better, which means do more, cost less—and both are important—we could never really serve you as we ought to.

And let me just mention that the one specific thing that I want to talk about—I have been just overwhelmed by the work that's been done here in Sunnyvale basically to continuously provide more services at lower cost, but I want to talk just a minute about this job training issue. You told me you'd been on the job for 2 years, and you explained how your company closed down and moved to another State. That is unfortunately going to become a more typical experience for people.

The average 18-year-old will now change jobs about eight times in a lifetime, which means job security does not necessarily mean having the same employer. What it means is having the ability to always get a job as good or better than the one you've got today, which means that we have to make a commit-

ment to the lifetime education and training of everybody in our country. And people in our country have to make a commitment to be willing to have that lifetime education and training into their fifties, into their sixties, as long as they're in the work force, because nobody can repeal all of these sweeping changes that are going on. We're either going to face them and try to make the most of them or hope they'll go away. And like I said, that only works about one in a hundred times.

Now, here's the problem: Your Federal Government is not organized to help you very well. The NOVA program works because it is not like the way the Federal Government set the job training program up. It works in spite of the fact that it gets Federal money, not because of it. I mean, that's what you need to know. It works in spite of the fact that it gets Federal money.

Here's how the job training program of your country is organized. There are 14 departments spending $24 billion a year on job training, which is a pretty good chunk of money, in 150 separate programs. Now, if you're unemployed and you need a new training program, you don't give a rip which one of those 150 programs you fit into. And a lot of people fall between the cracks. The Vice President uncovered this incredible story of a person who was working for a company and he lost the job that he had because of foreign trade, lower cost competition from overseas. So he took another job with the same company instead of just quitting, you know, and going on unemployment. And then he lost that job because the defense budget was cut. At the time, there was a program to retrain people who lost their jobs for foreign trade, but not to retrain people who lost their jobs because of defense cuts. So the poor guy was punished for going back to work by losing funds to get his training. That's crazy.

So what we're going to try to do through the Secretary of Labor—he'll say more about that later—is to merge the unemployment system and the job training system, determine immediately who's not likely to get that job back or one just like it, and give you access to all the training opportunities that the Federal Government is funding. It is crazy. You're paying for this out of your pocket. I mean, you're paying for $24 billion worth of training, and I'm sure that there's not a person here who could name 10, much less 150, of the separate training programs available. Am I right? Not only that, you shouldn't have to know that. It is irrelevant.

So the reason we came here is because this NOVA program is what we want to do all across the country. Yes, we want to make the Government cost less, but if it doesn't work better, you still don't get what you need. And the people who are training who work in this fine company that we just toured are examples of what we want to provide for the whole country.

And I thank you for spending a little time with us today. Thank you.

NOTE: The President spoke at 2:55 p.m. in the courtyard of the Sunnyvale Community Center. In his remarks, he referred to Patricia Castillo, Mayor of Sunnyvale. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

September 11, 1993

Good morning. Today I'm in Houston with Vice President Gore. This week we've been talking with Americans in Ohio and California and Texas about our plan to reinvent Government, to make Government work better and cost less.

We're living in truly revolutionary times, with profound changes sweeping the entire world. On Monday, Israel and the PLO will come to the White House to sign a courageous and historic peace accord, the first step in replacing war with peace and giving the children of the Middle East a chance to grow up to a normal life. Here at home, we're trying to face the future with confidence and to face the changes that have confronted us by owning up to our problems and seizing our opportunities.

We've sharply broken with the past of trickle-down economics and huge deficits by adopting an economic program that drives down the deficit, increases investment incentives to small businesses and high-tech busi-

nesses, and helps our people to move from welfare to work.

We seek other fundamental reforms, including a new trade agreement with Mexico with historic protections for labor rights and improvements in the environment. And we're putting the finishing touches on a health care reform proposal that will restore peace of mind and financial security to homes and to businesses all across America by providing health care that's always there at an affordable price.

In this world of dramatic change, one of the biggest obstacles to our changing is the machinery of Government itself. It's frankly been stuck in the past, wasting too much money, often ignoring the taxpayer, coping with outdated systems and archaic technology, and most of all, eroding the confidence of the American people that Government can make change work for them.

Reforming, indeed, reinventing Government is essential to make our economic, health care, and trade efforts succeed. For the last 6 months, Vice President Gore has been studying the problems in the Federal Government. His National Performance Review has found more than $100 billion in savings that we can claim through serious and lasting management reforms over the next 5 years, reforms that will at the same time make the services we provide to you, the taxpayer, our customers, more efficient and more effective.

Now, I want to ask the Vice President to tell you more about what he's found in this historic review.

Mr. Vice President.

[*At this point, the Vice President discussed the findings of the National Performance Review.*]

The President. And thank you, Mr. Vice President, for the excellent National Performance Review. It is important for all the reasons you've said and for this one: We need to earn the trust of the American people. Until we do that, it's going to be hard to move on these other problems, for the Government has to be a partner in many of the things the American people need to do. We not only have a budget deficit and an investment deficit, we've got a real performance deficit in this Government. And that's led to the trust deficit that you're doing so much to help us overcome.

I am determined that these changes will come about. Where Executive action is recommended to bring change, I will take that action. Where legislation is needed to bring change, I will work with the Congress, with members of both parties, to win that legislation. Those of us in the business of Government owe the American people no less than making it the best it can be. Make no mistake about it, we've got a lot of work ahead of us. But we're all going to win on this.

Again, I thank you, Mr. Vice President, and I believe the American people do too, for a job very well done.

Thanks for listening.

NOTE: The President spoke at 9:06 a.m. from Room 810 of the Wyndham Warwick Hotel in Houston, TX.

Remarks and a Question-and-Answer Session on the National Performance Review in Houston, Texas

September 11, 1993

The President. Thank you very much. Mr. Vice President, Governor Richards, Mayor Lanier, and my good friend Gary Marrow and all the rest of you who are here.

The first thing we decided to do was to reinvent common sense by coming to Houston and having a meeting in a building that wasn't air conditioned. [*Laughter*]

When I heard John Sharp—I want to brag on ol' John Sharp—when I heard John Sharp saying that, you know, he had been involved in this program to promote humility in Texas and that we had ruined it by giving you so much credit, which is justly deserved, for what we're trying to do, I began to wonder if the cost benefit was worth it. And then I realized that there are some things that even a President can't do, and promoting humility among folks like John Sharp is one of them. [*Laughter*]

Let me tell you, I am very proud to be here today and deeply grateful to John, to Billy, to all the people who played a role in

this, and also profoundly grateful to the people that I have known over the years in State and local government who have done what folks wanted them to do. You can go all over America, you know, and take some surveys among people, and they'll tell you: I trust my mayor; I trust the Governor; I trust them to solve this, that, or the other problem, in various places based on personal experiences.

As soon as Bob Lanier got in office, he told me what he was going to do with police officers. He did it, and the crime rate went down. That's what people want to see happen. We talked the other day about a program he's got to promote more housing here, not just for people that can afford nice houses but for low-income people who were working, and he'll get that done. And when that happens, people will feel good about it without regard to their incomes, to know that people who are trying to play by the rules have a decent place to go home to at night.

But this country has a big trust deficit in the National Government. And that is a huge problem, because we're living in a time of profound change, and the American people absolutely cannot meet the challenges of the future unless the National Government can take initiative, can be partners with the private sector and partners with State and local government and seize by the throat some of these things that have been bedeviling us for so long.

You heard the Mayor talk about how much money the City of Houston is going to save because we passed the deficit reduction program that's driven interest rates to their lowest level in 25 years. Millions of Americans have gone out and refinanced their homes at lower interest rates or at shorter mortgage terms because the deficit's going down.

We are going to be able to do all kinds of things we couldn't do otherwise. But all over the country we found widespread cynicism, when I was trying to pass that economic program, that the Federal Government could do anything right; people didn't believe the deficit was going down, even though the interest rates are dropping like a rock, that "I cannot believe the National Government will spend my money to bring the deficit down and to really invest in long-term economic growth."

So what happens is, we're facing a time where we not only have a budget deficit and an investment deficit, but because of the performance deficit in the Federal Government, there is a huge trust deficit in the American people. And unless we can cure that, it's going to be very hard for us to face these other issues.

You know, I'll just say Texas is probably the only State in America right now where there's overwhelming public support for the trade agreement with Mexico and Canada, which I strongly support. But let me just give you an example. One of the problems we've got—that trade deal has two aspects that no other trade agreement's ever had. It's got a commitment on the part of both countries to dramatically increase their spending on environmental cleanup along the border, and it's got a commitment on the part of Mexico to raise their wages every time their economy goes up. Nobody has ever agreed to that in a trade agreement before. And it's a blip on the screen. Why? Because a lot of people in this country whose jobs are at risk do not trust the National Government to do anything right. So what Al Gore is trying to do here affects that.

We've got to fix the health care system in this country. Do you know that we are spending 35 percent to 40 percent more on health care than any nation in the world, and yet we're the only advanced country that leaves tens of millions of people uninsured? Do you know that we're spending about a dime on the dollar more in administrative costs for health care, blind paperwork, than any other major country? The only way it can get fixed is if we take initiative. But a lot of people say, "Oh, my God, can they be trusted to do anything right?" So what we have to do with this reinventing Government thing is not only save you money and give you better services but restore the trust of the American people that, together, through our elected officials, we can actually solve problems.

This is a big deal, and it goes way beyond just the dollars involved. I kind of backed into it when I was Governor, because we just started, just every 2 years to see if we could do it, we'd eliminate some government agency or department and see if anybody squealed, and no one ever did. It was amaz-

ing. We didn't eliminate the department of education or anything; we took a little something, but it was just interesting, just sort of an acid test to see if that ever happened.

Then, we were working with all of our businesses in the tough years of the eighties on quality management and improving productivity, and I realized after a while I was hypocritical, providing the services to the private sector if I didn't try to do that in the public sector. And one day, we found out we could give people their licenses that they ordered by mail in 3 days instead of 3 weeks. And we found out that the people that are on the public payroll badly wanted to do it. But there was nothing wrong with them except poor systems and poor management and a lot of political decisions that no one had ever thought through.

So we are doing this not to fill the trust deficit, and we are trying to do three things. And that's why I want to get back to the Texas report and why we wanted to come here today to wrap up this tour. When John Sharp issued that report, I got a copy of it in a hurry, and I sat down and read it. And I was exhilarated when I read it, and that was before I was a candidate for President, before I ever knew I'd be here doing this today, because it put together all the things I had been feeling as a Governor for a decade.

And so there is a way to save money, make people on the public payroll happier on the job, and improve the services you're giving to the taxpayers all at the same time. It can be done. And that's very important.

And I'm going to tell you one story—I'm going to announce what I'm going to do and we're going to spend the rest of the time listening to you. The other day I went out to Alameda, California, near Oakland, where there's a big naval base that's about to be closed. It's a very traumatic time for them. California has 12 percent of the country's population, 21 percent of the military budget, taken a 40 percent almost of the cuts in the last round of the base closings. It's a very difficult time. And their unemployment rate is over 9.5 percent.

And I'm sitting there talking to—I had lunch on the aircraft carrier *Carl Vincent* with one admiral and four naval enlisted personnel, wonderful people. And the guy sitting to my right had been in the Navy for 19 years, raised his two children, had a wonderful life, and told me why he'd stayed in the Navy. And I started asking him about the Government procurement process. And his eyes started dancing, you know, because we were there to cut a base and to short-circuit a lot of military careers that we had to do.

And this guy says to me, he said, "Let me tell you something." He said, "if I had to go through the Government procurement process to get a computer we were supposed to buy last week, I'd wait 1½ or 2 years to spend $4,500 for a computer that has half the capacity that I could buy for $2,200 at the local computer discount store." And he said, "You know something, Mr. President, I understand this defense downsizing. You have got to do it. But we've still got to have a defense. And it is wrong to ask people like me who are prepared to give our lives for our country to get out of the service if you're going to keep wasting money like that. Clean that up; then if we have to go, we'll go."

Now, that is the kind of thing that is out there that is confronting us every day. So, I say to you, we wound up our week on reinventing Government in Texas because we owe you a debt of gratitude, and we are grateful to you. And we want you to know we're determined to do this.

Let me just say one other thing. People ask me all the time, "Well, what's the difference in this report and all these other reports? The Government's just full of reports at the national level that never got implemented." I'll tell you why. Because there was never a system that the President was behind to push the thing through. If the Governor of Texas had been against John Sharp's report, could it have passed? I doubt it. Will there be opposition in Congress? Of course there will be. But there will also be a lot of support, won't there, Gene? And if the people make their voices heard and we stay at it, we can do this.

Now, what I've tried to do is to determine what I can do by Executive order or directive and what I have to have the Congress' help on. And I'm going to do everything I can possibly do by Executive orders. So today, basically as a thank-you to Texas, I'm going

to issue the first Executive orders here, and I want to tell you what they are.

The first order directs the Federal Government to do what successful businesses already do: Set customer service standards, and put the people that are paying the bills first. It tells the Agencies to go to their customers, analyze their needs, evaluate how well the Government meets the needs, and operate like a customer service center.

Now, the second order will respond to what you saw when we announced this report. Do you remember when the Vice President gave me the report, we had the two forklifts full of paper? Almost all those regulations were regulations of the Government regulating itself. They were intergovernmental regulations on personnel and things like that, costing you billions of dollars a year for things that happen just within the Government. Now, today, the Executive order I'm signing on that will make the Federal agencies cut those regulations on Government employees in half within 3 years.

Now, remember, these regulations don't guard things like the safety of our food or the quality of the air we breathe. They regulate the Federal Government in their walking-around time every day. We're going to cut them in half within 3 years, save a lot of money and a lot of folks. The Government employees can then spend less time worrying about rules and more time worrying about results.

And finally, I'm going to sign a directive today that tells everybody in my Cabinet that they have to take responsibility for making the personnel cut that I've outlined, and more than half of the personnel cut has to come from people who are basically in middle management, handing down rules and pushing up paperwork.

Today, the National Government, on the average, has one supervisor for every seven employees. There are some Government Agencies that have one supervisor for every four employees. And the directive I'm signing today directs the Federal Government agencies under the control of the President of the United States to slash that ratio, in effect, to cut in half the number of management for employees within the next couple of years. So we're going to go on average in the Government from one manager to seven employees to one to fifteen. I think we can do better than that. That'll be a good start, and that alone when it is done will account for more than half of the 252,000 personnel reduction we seek to achieve.

As we do these things, I hope you folks in Texas will take a lot of pride in the contribution you made. And I hope you will see that it will make it possible for us, then, to gain the confidence of the American people so that we can restore the economy, fix the health care system, expand trade, give opportunities to our people, and make people believe this country works again.

If we can do it, you can take a lot of credit for it. Thank you very much.

The Vice President. Ladies and gentlemen, we would now like to hear from you. And we call this approach a reverse town hall meeting because we want to ask questions about how you have done it here in Texas in the Texas Performance Review, other parts of the State government, the land office, and the city of Houston.

Let me ask a couple of questions here first. How many people here are from, or worked on, the Texas Performance Review? Could you raise your hands? All right. Very good. How many people here work in the land office? Raise your hands. How many people here work for other parts of State government? Could I see your hands? How many people here work for the city of Houston? Can I see your hands? Okay, all of you. There you go, Mayor.

The President. Good for you, Mayor. [*Laughter*]

[*At this point, a participant discussed the improved response time of the Houston police department and its impact on crime in the city.*]

The President. Thank you. Let me say, this is one message I hope goes out across the country today. Millions of Americans have given up on the ability of their law enforcement resources to get the crime rate down. You can walk lots of streets in lots of places. People don't think it'll ever happen. You can reduce crime if you have the resources and if you direct them properly.

And you heard the Mayor say, I'm trying to pass our crime bill which, in the crime bill alone, goes halfway toward the 100,000 more police officers on the street goal that I have set. But they also—the resources have to be properly deployed in every community in this country. When you do it, you can bring crime down. It is simply not true you can't do it. But you have to target the resources and have them. And I applaud you, and I thank you for that.

[*The Vice President and the participant discussed the advantages of the direct involvement of the people who do the work in increasing efficiency and identifying the goals that should be accomplished.*]

The President. Give her a hand. That was great.

[*A participant discussed how the Texas performance reviews led to State and local cooperation in efforts to keep criminals off the streets and in jail without raising taxes.*]

The President. I'll bet, too—you must have done this—but I'll bet you that you have—if you calculate how much money the people save by reducing the crime rate 20 percent in Houston, I'll bet it's a heck of a lot more than it costs you to hold the people.

Q. On just purely a cost basis, it costs us roughly $1,000 per major crime reduced here in the city. To put that in context, car theft costs $4,000 or $5,000; of course, murder and rape are just infinite, but $1,000 per major crime reduced is pretty much a bargain, I think, for the taxpayers.

The Vice President. Thank you. Could we hear from some of the employees of the Texas Performance Review? What lessons did you learn in going through your performance review work here in Texas that surprised you the most, and what do you think is the most important way to identify waste and inefficiency and cut it out? Anybody want to—there's one, there's a volunteer back there.

[*A participant discussed Texas initiatives in health and human services which focus on centralizing access to available services.*]

The President. I'd like to ask you a question; really, two questions. First of all, I'd like to ask you—my belief is that this is one of the biggest problems in Government, trying to reform the delivery of human services all over the country. And while the services are largely delivered at the State level or by private providers, a lot of the money comes from the Federal level.

So I would like to ask you two questions: Number one is, what do you think the biggest obstacles to doing what you want to do are? And, number two, how much of a problem has the Federal Government been through its rules and regulations?

Q. There's probably other folks who could answer that better, Mr. President, but I think for Texas, let me give you an example. For our 2-year spending budget right now in health and human services, $13 billion out of $23 billion is Federal money. We obviously have to keep on top of how we report to the Federal Government and how we use that money. I think there are probably some—I noticed in the summary of your report, Mr. Vice President, that there's talk about empowering the employees to make some decisions. There are some real boring kind of things that we have to get into in terms of cost accounting, in terms of how we account for the funds. And when we talk about one-stop connection, we're talking about collapsing funding sources, a lot of funding sources.

If you can give us a little trust, a little flexibility on how we account for those dollars, we'll account for them, but we may not be able to get down to each sticky pad in terms of which funding source it came from. We'll account for the money, we'll be able to provide the services, and I think we have some work going on in Texas which can provide you some examples of that.

So I guess in summary it would be, trust us and keep on keeping on, and I appreciate it.

[*At this point, the Vice President discussed one recommendation of the National Performance Review for a bottom-up grant consolidation program which would allow more flexibility at the local level and contribute to Federal, State, and local cooperation to achieve agreed-upon goals.*

Another participant then discussed a Harris County initiative to use prison labor to reclaim wetlands and suggested that the Fed-

eral Government use prison labor to create a corrections conservation corps.]

The President. Let me say before you sit down, first of all, we didn't really know who was going to stand up and what they were going to say, but I can't tell you how much I appreciate what you just said. The United States—I agree, by the way, with what Governor Richards and the Mayor said. You've got to keep more people in prison that you know have a high propensity to commit crimes.

The flip side of that is that we now rank first in the world in the percentage of our people behind bars. And we know who people behind bars normally are, right? They're normally young. They're normally male. They're normally undereducated. More than half of them have an alcohol or drug abuse problem. And they're wildly unconnected basically to the institutions that hold us together and conform our behavior, whether it's church or family or work or education. And it's the most colossal waste of human potential that in the Federal and the State systems, most prisoners—not all, there are some that do really useful work and get training—but a phenomenal number of prisoners either do useless work that they can't make a living at when they get out and don't feel good about and don't learn anything from, or don't do anything at all. And if you're looking for something the taxpayers are already paying for, we're already out that money. And you have just said something of enormous importance, and I thank you, sir.

[*A participant described the economic and social benefits of a Texas initiative using magnetic strip cards for transferring AFDC and food stamp benefits to recipients. The Vice President concurred and indicated that the National Performance Review incorporated a recommendation for electronic benefits transfer.*

Another participant discussed Texas initiatives to institute use of clean burning natural gas in innovative ways. A participant then discussed a Casey Foundation grant for local, State, and Federal cooperation to expedite services to the community.]

The President. Thank you. Let me just say one thing to you. Because I try to follow the work of the Casey Foundation, I'm a little familiar with what you're doing. One of the most frustrating things to me as a public official is that I have been a Governor, now President, having oversight of programs that people are supposed to fit their needs to. It is absurd. You've got a lot of poor people in this country who are absolutely dying to get out and get some job training, go to work, get off welfare, you name it. If they've got troubled kids or three or four different problems, they're liable to have three to four different programs, three or four different caseworkers. I mean, you feel sometimes like you're a laboratory animal almost if you get help from the Federal Government because you've got so many different people that are on your case. It is absurd.

Now, you should have, if you're in trouble, somebody to help you. But there ought to be one person to help you. You shouldn't be up there dissecting people the way these programs do. It is awful. And I really hope you make it and get it done. Thank you.

[*A participant discussed the need for a program for crime victims. A second participant asked about funding for education, and the Vice President discussed recommended reforms to education grant programs.*]

The President. Let me just say one other thing. I asked a couple of questions—he's told you, right? We're going to try to change the funding of Chapter 1, and if what you're saying is right, that you have an enormously high percentage of eligible people, your district and your school would benefit. But the problem is that this is—that's one of those things we have to pass through Congress. And when the dollars follow the child, that is, if a rich district that has poor kids—when that happens, then every Congressman gets a little of the money.

So I asked a couple of you what the biggest obstacle to implementing your changes are. We need your support when we come up here and we present these legislative packages. And we're trying to figure out now how—we want as few bills as we can in Congress. But we really need your support to ask the Members of Congress to do this in the national interest, to make some of these changes so that we can do this. I need your

help to do that. People in Washington need to think the American people want this. They don't need to think it's Bill Clinton and Al Gore's deal; they need to think it's your deal. And if they think it's your deal, then we can pass it.

[*At this point, the President signed the Executive orders and the memorandum.*]

NOTE: The President spoke at 10:39 a.m. at the Texas Surplus Property Agency. In his remarks, he referred to Mayor Bob Lanier of Houston, Gary Marrow, Texas land commissioner; John Sharp, Texas State comptroller; Billy Hamilton, Texas deputy comptroller and Deputy Director, National Performance Review; and Representative Gene Green.

Executive Order 12861—Elimination of One-Half of Executive Branch Internal Regulations

September 11, 1993

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, and section 1111 of title 31, United States Code, and to cut 50 percent of the executive branch's internal regulations in order to streamline and improve customer service to the American people, it is hereby ordered as follows:

Section 1. *Regulatory Reductions.* Each executive department and agency shall undertake to eliminate not less than 50 percent of its civilian internal management regulations that are not required by law within 3 years of the effective date of this order. An agency internal management regulation, for the purposes of this order, means an agency directive or regulation that pertains to its organization, management, or personnel matters. Reductions in agency internal management regulations shall be concentrated in areas that will result in the greatest improvement in productivity, streamlining of operations, and improvement in customer service.

Sec. 2. *Coverage.* This order applies to all executive branch departments and agencies.

Sec. 3. *Implementation.* The Director of the Office of Management and Budget shall issue instructions regarding the implementation of this order, including exemptions necessary for the delivery of essential services and compliance with applicable law.

Sec. 4. *Independent Agencies.* All independent regulatory commissions and agencies are requested to comply with the provisions of this order.

William J. Clinton

The White House,
September 11, 1993.

[Filed with the Office of the Federal Register, 11:35 a.m., September 13, 1993]

NOTE: This Executive order was published in the *Federal Register* on September 14.

Executive Order 12862—Setting Customer Service Standards

September 11, 1993

Putting people first means ensuring that the Federal Government provides the highest quality service possible to the American people. Public officials must embark upon a revolution within the Federal Government to change the way it does business. This will require continual reform of the executive branch's management practices and operations to provide service to the public that matches or exceeds the best service available in the private sector.

Now, Therefore, to establish and implement customer service standards to guide the operations of the executive branch, and by the authority vested in me as President by the Constitution and the laws of the United States, it is hereby ordered:

Section 1. *Customer Service Standards.* In order to carry out the principles of the National Performance Review, the Federal Government must be customer-driven. The standard of quality for services provided to the public shall be: Customer service equal to the best in business. For the purposes of this order, "customer" shall mean an individual or entity who is directly served by a department or agency. "Best in business" shall mean the highest quality of service delivered

to customers by private organizations providing a comparable or analogous service.

All executive departments and agencies (hereinafter referred to collectively as ''agency'' or ''agencies'') that provide significant services directly to the public shall provide those services in a manner that seeks to meet the customer service standard established herein and shall take the following actions:

(a) identify the customers who are, or should be, served by the agency;

(b) survey customers to determine the kind and quality of services they want and their level of satisfaction with existing services;

(c) post service standards and measure results against them;

(d) benchmark customer service performance against the best in business;

(e) survey front-line employees on barriers to, and ideas for, matching the best in business;

(f) provide customers with choices in both the sources of service and the means of delivery;

(g) make information, services, and complaint systems easily accessible; and

(h) provide means to address customer complaints.

Sec. 2. *Report on Customer Service Surveys.* By March 8, 1994, each agency subject to this order shall report on its customer surveys to the President. As information about customer satisfaction becomes available, each agency shall use that information in judging the performance of agency management and in making resource allocations.

Sec. 3. *Customer Service Plans.* By September 8, 1994, each agency subject to this order shall publish a customer service plan that can be readily understood by its customers. The plan shall include customer service standards and describe future plans for customer surveys. It also shall identify the private and public sector standards that the agency used to benchmark its performance against the best in business. In connection with the plan, each agency is encouraged to provide training resources for programs needed by employees who directly serve customers and by managers making use of customer survey information to promote the principles and objectives contained herein.

Sec. 4. *Independent Agencies.* Independent agencies are requested to adhere to this order.

Sec. 5. *Judicial Review.* This order is for the internal management of the executive branch and does not create any right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

William J. Clinton

The White House,
September 11, 1993.

[Filed with the Office of the Federal Register, 11:39 a.m., September 13, 1993]

NOTE: This Executive order was published in the *Federal Register* on September 14.

Memorandum on Streamlining the Bureaucracy

September 11, 1993

Memorandum for Heads of Departments and Agencies

Subject: Streamlining the Bureaucracy

Consistent with the National Performance Review's recommendation to reduce the executive branch civilian work force by 252,000, or not less than 12 percent, by the close of fiscal year 1999, I hereby direct each head of an executive department or agency to prepare, as a first step, a streamlining plan to be submitted to the Director of the Office of Management and Budget not later than December 1, 1993.

The streamlining plans shall be prepared in accordance with the following:

1. Each executive department's and agency's plans should address, among other things, the means by which it will reduce the ratio of managers and supervisors to other personnel, with a goal of reducing the percentage who are supervisors or managers in halving the current ratio within 5 years.
2. The streamlining plans should be characterized by (a) delegation of authority, (b) decentralization, (c) empowerment

of employees to make decisions, and (d) mechanisms to hold managers and employees accountable for their performance.

3. Each plan shall address ways to reduce overcontrol and micromanagement that now generate "red tape" and hamper efficiency in the Federal Government. Each streamlining plan should also propose specific measures to simplify the internal organization and administrative processes of the department or agency.
4. The streamlining plans should further seek to realize cost savings, improve the quality of Government services, and raise the morale and productivity of the department or agency.
5. All independent regulatory commissions and agencies are requested to comply with the provisions of this memorandum.

The Director of the Office of Management and Budget is authorized and directed to publish this memorandum in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 11:40 a.m., September 15, 1993]

NOTE: This memorandum was published in the *Federal Register* on September 16.

Appointments of Members of the White House Conference on Small Business Commission

September 12, 1993

The President today appointed 11 members to the White House Conference on Small Business Commission and designated New York businessman Alan Patricof to be the Commission's Chair. The Commission is responsible for developing recommendations for Executive and legislative action to encourage the economic viability of small business and for convening the 1994 White House Conference on Small Business.

"I am very proud to have put together this outstanding group of people to serve on this Commission," said the President. "I am committed to expanding opportunities for small business and look forward to receiving this Commission's advice."

In addition to the Chairman, the members of the Commission are: Merle Catherine Chambers; Rudolph I. Estrada; Clark Jones; Mary Francis Kelly; Peggy Zone Fisher; Larry Shaw; C. Hough Friedman; Brian Lee Greenspun; Josie Natori; and Gary M. Woodbury.

NOTE: Biographies of the appointees were made available by the Office of the Press Secretary.

Remarks at a Signing Ceremony for the Israeli-Palestinian Declaration of Principles

September 13, 1993

The President. Prime Minister Rabin, Chairman Arafat, Foreign Minister Peres, Mr. Abbas, President Carter, President Bush, distinguished guests.

On behalf of the United States and Russia, cosponsors of the Middle East peace process, welcome to this great occasion of history and hope.

Today we bear witness to an extraordinary act in one of history's defining dramas, a drama that began in the time of our ancestors when the word went forth from a sliver of land between the river Jordan and the Mediterranean Sea. That hallowed piece of earth, that land of light and revelation is the home to the memories and dreams of Jews, Muslims, and Christians throughout the world.

As we all know, devotion to that land has also been the source of conflict and bloodshed for too long. Throughout this century, bitterness between the Palestinian and Jewish people has robbed the entire region of its resources, its potential, and too many of its sons and daughters. The land has been so drenched in warfare and hatred, the conflicting claims of history etched so deeply in the souls of the combatants there, that many believed the past would always have the upper hand.

Then, 14 years ago, the past began to give way when, at this place and upon this desk, three men of great vision signed their names to the Camp David accords. Today we honor

the memories of Menachem Begin and Anwar Sadat, and we salute the wise leadership of President Jimmy Carter. Then, as now, we heard from those who said that conflict would come again soon. But the peace between Egypt and Israel has endured. Just so, this bold new venture today, this brave gamble that the future can be better than the past, must endure.

Two years ago in Madrid, another President took a major step on the road to peace by bringing Israel and all her neighbors together to launch direct negotiations. And today we also express our deep thanks for the skillful leadership of President George Bush.

Ever since Harry Truman first recognized Israel, every American President, Democrat and Republican, has worked for peace between Israel and her neighbors. Now the efforts of all who have labored before us bring us to this moment, a moment when we dare to pledge what for so long seemed difficult even to imagine: that the security of the Israeli people will be reconciled with the hopes of the Palestinian people and there will be more security and more hope for all.

Today the leadership of Israel and the Palestine Liberation Organization will sign a declaration of principles on interim Palestinian self-government. It charts a course toward reconciliation between two peoples who have both known the bitterness of exile. Now both pledge to put old sorrows and antagonisms behind them and to work for a shared future shaped by the values of the Torah, the Koran, and the Bible.

Let us salute also today the Government of Norway for its remarkable role in nurturing this agreement. But above all, let us today pay tribute to the leaders who had the courage to lead their people toward peace, away from the scars of battle, the wounds and the losses of the past, toward a brighter tomorrow. The world today thanks Prime Minister Rabin, Foreign Minister Peres, and Chairman Arafat. Their tenacity and vision has given us the promise of a new beginning.

What these leaders have done now must be done by others. Their achievement must be a catalyst for progress in all aspects of the peace process. And those of us who support them must be there to help in all aspects. For the peace must render the people who make it more secure. A peace of the brave is within our reach. Throughout the Middle East, there is a great yearning for the quiet miracle of a normal life.

We know a difficult road lies ahead. Every peace has its enemies, those who still prefer the easy habits of hatred to the hard labors of reconciliation. But Prime Minister Rabin has reminded us that you do not have to make peace with your friends. And the Koran teaches that if the enemy inclines toward peace, do thou also incline toward peace.

Therefore, let us resolve that this new mutual recognition will be a continuing process in which the parties transform the very way they see and understand each other. Let the skeptics of this peace recall what once existed among these people. There was a time when the traffic of ideas and commerce and pilgrims flowed uninterrupted among the cities of the Fertile Crescent. In Spain and the Middle East, Muslims and Jews once worked together to write brilliant chapters in the history of literature and science. All this can come to pass again.

Mr. Prime Minister, Mr. Chairman, I pledge the active support of the United States of America to the difficult work that lies ahead. The United States is committed to ensuring that the people who are affected by this agreement will be made more secure by it and to leading the world in marshaling the resources necessary to implement the difficult details that will make real the principles to which you commit yourselves today.

Together let us imagine what can be accomplished if all the energy and ability the Israelis and the Palestinians have invested into your struggle can now be channeled into cultivating the land and freshening the waters, into ending the boycotts and creating new industry, into building a land as bountiful and peaceful as it is holy. Above all, let us dedicate ourselves today to your region's next generation. In this entire assembly, no one is more important than the group of Israeli and Arab children who are seated here with us today.

Mr. Prime Minister, Mr. Chairman, this day belongs to you. And because of what you have done, tomorrow belongs to them. We must not leave them prey to the politics of

extremism and despair, to those who would derail this process because they cannot overcome the fears and hatreds of the past. We must not betray their future. For too long, the young of the Middle East have been caught in a web of hatred not of their own making. For too long, they have been taught from the chronicles of war. Now we can give them the chance to know the season of peace. For them we must realize the prophecy of Isaiah that the cry of violence shall no more be heard in your land, nor wrack nor ruin within your borders. The children of Abraham, the descendants of Isaac and Ishmael, have embarked together on a bold journey. Together today, with all our hearts and all our souls, we bid them shalom, salaam, peace.

[*At this point, Foreign Minister Shimon Peres of Israel and Mahmoud Abbas, PLO Executive Committee member, made brief remarks. Following their remarks, Foreign Minister Peres and Mr. Abbas signed the declaration, and Secretary of State Warren Christopher and Foreign Minister Andrey Kozyrev of Russia signed as witnesses. Secretary Christopher and Foreign Minister Kozyrev then made remarks, followed by Prime Minister Yitzhak Rabin of Israel and Chairman Yasser Arafat of the PLO.*]

The President. We have been granted the great privilege of witnessing this victory for peace. Just as the Jewish people this week celebrate the dawn of a new year, let us all go from this place to celebrate the dawn of a new era, not only for the Middle East but for the entire world.

The sound we heard today, once again, as in ancient Jericho, was of trumpets toppling walls, the walls of anger and suspicion between Israeli and Palestinian, between Arab and Jew. This time, praise God, the trumpets herald not the destruction of that city but its new beginning.

Now let each of us here today return to our portion of that effort, uplifted by the spirit of the moment, refreshed in our hopes, and guided by the wisdom of the Almighty, who has brought us to this joyous day.

Go in peace. Go as peacemakers.

NOTE: The President spoke at 11:15 a.m. on the South Lawn at the White House.

Interview With the Arab News Media on the Middle East Peace Process

September 13, 1993

Q. Mr. President, thank you very much for this chance to speak to the Arab nation and Arabic television through NBC television on this very historic day. What would you like to say to the Arab world at the——

The President. I would like to say that I hope all the people in the Arab world will support this agreement. It is the beginning of a new relationship not only between Israel and the PLO and the Palestinians, but I hope it will lead to a comprehensive peace in the Middle East. And if that occurs, it would mean a whole range of presently unimaginable opportunities for the nations of the Middle East to work together and for the United States to work with all of them and for us to work together to help people in other parts of the world who are troubled and need our help.

Q. You pledged during the signing ceremony your full support for the peace process in the Middle East. How involved are you prepared to stay in this process?

The President. Extremely involved. After the ceremony I met for a few moments with Mr. Arafat. And then I came back here and had a quick meal with Prime Minister Rabin. And I told both of them clearly that I wanted to begin immediately to help to implement the peace accord. I think the United States can help them in the practical ways to shore up the political decisions that have to be made. I think that clearly we can assist in raising funds necessary to carry this out. I believe that we can continually reassure the people of Israel about their security. And they must feel more secure in this in order to go forward. And again, I hope that over the long run we can fulfill the objective of a comprehensive peace.

Q. Mr. President, you spoke recently to President Asad of Syria and King Hussein of Jordan. Are you hopeful of any breakthrough on the Jordanian, Syrian tracks?

The President. Of course. As a practical matter, I think it's easier now for a breakthrough on the Jordanian track. And I would hope that would come quickly. But I believe we'll have continued and very serious nego-

tiations with Syria coming out of this process. And I believe that over time the parties will come together. We're going to have to focus now on getting this agreement implemented and on making sure that the parties affected by this agreement feel secure in it.

Q. Mr. President, any Palestinian entity that might come up as a result of this agreement is going to be pretty expensive to establish and even more expensive to maintain. How far can you help in the establishment of such an entity, and how do you plan to fund it?

The President. Well, first of all, there has to be an economic committee established under the agreement. And they will presumably be able to give us all some guidance about exactly how we should channel funds. But I have spoken and my Secretary of State has spoken with many nations. I think if you look at the foreign ministers who came today—the Foreign Minister of Japan came all the way from Tokyo to be here today. The Japanese, the Western Europeans, the Scandinavians, the Gulf states, all have expressed an interest in supporting this. King Fahd of Saudi Arabia told me in particular that he thought that the cause of peace required his nation to support this effort. And of course, the United States will support it.

Q. So you are satisfied with the support you got from leaders?

The President. So far, I'm eminently satisfied. But we have to work out the details, you know, how much money do we need when, for what purposes, who's going to give in what order. I mean, all these details still have to be worked out.

Q. Talking about King Fahd, how important is the Saudi role in the future of the peace process?

The President. Well, I think it's quite critical not only because the Saudis are willing to contribute financially but because they have been friends of the United States. They have been somewhat estranged from the PLO in the aftermath of the Gulf war. I think that their involvement is a part of the overall healing that I see coming out of this and what I hope will be an increasing solidarity among the Arab peoples.

Q. During these recent telephone calls with leaders of the Gulf, did you get any guarantees on lifting the embargo on Israel?

The President. No. But I didn't ask for them in this conversation. I told them I would be back to them on that. I have discussed it obviously with many of the leaders in the past. I do believe it is a logical step to take in the fairly near future. But I think the first and most important thing was to secure their support for this agreement.

Q. Arabs are asking, Mr. President, that the United States has been paying billions of dollars to Israel over the years; will you be willing to divert some of the aid to a new Palestinian entity?

The President. Well, I think that that's not the question. The real question is not whether we should divert from our support for Israel. Keep in mind, all the progress yet to be made depends upon the conviction of the people of Israel that they are secure and that making peace makes them more secure. So I don't think anyone in the Arab world should want me to do anything that makes the Israelis feel less secure. And I have no intention of doing that. But I do intend to support financially the development of an economic infrastructure for the Palestinians and their self-rule. And I also intend to ask many other nations to contribute. And I think the United States clearly will be taking the initiative on that.

Q. There will be even more Israeli security concerns when it comes to a deal with the Syrians, that's if the Israelis decide to withdraw from the Golan Heights. What security guarantees are you prepared to give both sides?

The President. Well, first of all, let's get this agreement implemented. Let's start on that. And let's see what the Israelis and the Lebanese and the Syrians decide to do in their continuing discussions. I think we should focus on and savor this moment. I have made it clear to President Asad, Prime Minister Harawi, to Prime Minister Rabin, to everyone that I was committed to continuing this process until we achieve comprehensive peace. But I don't think we ought to jump the gun. We are now in this moment, and we ought to focus on it and sort out our responsibilities to implement this agreement.

Q. During your meetings with Mr. Arafat and Mr. Rabin, how genuine did you feel their quest for peace was today?

The President. Oh, I felt it was quite genuine. Just before we walked out—you know, they had never spoken before—and they looked at one another and immediately got down to business, no pleasantries. One said, you know, "We have a lot of work to do to make this work," the Prime Minister. And Chairman Arafat said, "I know, and I'm prepared to do my part." I mean, that was the immediate first exchange. And I thought they were both serious.

Q. And the famous handshake?

The President. I was pleased by it.

Q. Mr. President, will Secretary Christopher be back in the region to try to push some progress on the Syrian, Israeli track?

The President. Well, I expect Secretary Christopher to be in the region aggressively on a whole range of issues. He's already been there twice, and I expect him to be there quite a lot more.

Q. In view of some of the financial programs that you have in your national development programs, how is the U.S. administration going to cope with any extra financial burden that the peace process might bring about?

The President. Well, for us, I think, two things will make it possible for us to contribute. First, as a practical matter, we'd been given so many assurances by other nations that they wish to contribute that ours will probably be a minority contribution to an effort that while it will be sizable, will not be overwhelming and as much as the number of people living in Gaza and in the Jericho area, however it is ultimately defined, will not be so great.

And secondly, I think most Americans expect us to do this. They understand how important to the United States making this peace might be with all of its possible future implications. And I think the American people also understand that this is a genuinely historic opportunity, one that comes along at most once in a century and that we have to seize it.

Q. Mr. President, your Russian aid bill went through some difficulties to pass through the Congress. There are lots of laws that prohibit any American aid to the PLO. Is there any plan of revoking these laws?

The President. Well, our dialog has just begun. And presumably that's one of the things we'll be discussing. The Russian aid program I expect to be successfully concluded. But we have, because our budget deficit has gotten so large, we have now very strict laws about how we spend money and how we account for it. So we take great care before we spend any new money. But there's a lot of support for the Russian aid package, and I expect it to pass soon.

Q. How do you see the relationship between the peace process and the spread of fundamentalism in parts of the Middle East?

The President. And beyond.

Q. And beyond?

The President. I think if we carry through the peace process in good faith and we give the Palestinian people a chance to enjoy a normal life with a sense of place, that it will remove one of the great causes of fundamentalism and political extremism. Doubtless there will be other causes. And a lot of the groups are very well organized and very well financed and are furthering political objectives that have no longer anything to do with the grievances of the Palestinian people. But still, that was at the root of it all in the beginning. I also believe if we can do it, it will show the Islamic peoples of the world that the United States and all of the nations which help us, respect and honor the religious and cultural traditions of the Muslims wherever they are and are prepared to work with and support Islamic nations as long as they are willing to adhere to the international rules governing human rights and peace and democracy.

Q. Mr. President, in your call with President Asad of Syria, you asked him for some more active role in the peace process. And you are negotiating and taking part in talks with the Syrians. Is it not a bit weird to still have Syria's name on the blacklist of states supporting terrorism?

The President. Well, the countries that get on that list are put on the list under American laws based on factual inquiries and evidence in certain particular cases. That is an issue which has to be resolved in the course of our common negotiations. I think

the important thing is that as an American President I have had several exchanges of letters with President Asad, and the Secretary of State has been to see him. I had a very good, long conversation with him on the telephone. And we are talking. And that is important.

Q. Mr. President, in your interview yesterday with the New York Times and today in the Washington Post, there were some implications that you were blaming the Palestinians for throwing stones at the Israelis. We have the whole Arab world watching us now that would say, is it not at least a two-way street? Why don't you blame the Israelis for also punishing the Palestinians?

The President. Well, the context of the Washington Post story this morning was quite different. It was with reference to the specific incidents. You know, yesterday, we had Israeli soldiers killed, we had one driver killed, we had the attempted destruction of the bus.

Q. And three Palestinians.

The President. And so—that's right—but what I was asked about were those incidents, those particular instances. So I expect both sides to keep the commitments they made in this peace agreement. But one of the things that Mr. Arafat did, to his credit, was to renounce terrorism and to recognize the existence of the state of Israel and to say that he would take responsibility within the areas of self-governance for promoting the law. And that's all I said, was I thought he ought to do that.

Q. Isn't there a difference, Mr. President, between terrorism and freedom fighting? I mean, someone, a terrorist in someone's eyes might be a freedom fighter in the other's. What is the defined line that divides between these two?

The President. Well, I suppose it's like beauty, it may be in the eyes of the beholder. But from the point of view of the United States, there are clear definitions of terrorism, and one of them clearly is the willful killing of innocent civilians who themselves are not in any way involved in military combat. That is what we seek to prevent.

Q. Mr. President, today has been an historical day with the signing of the agreement, with the very first interview by an American President on an Arabic television. Once again, we thank you very much for this interview and for this time, and we say congratulations on the agreement that's been signed today.

The President. I hope there will be more of these.

NOTE: The interview began at 3:30 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of this interview.

Interview With the Israeli News Media on the Middle East Peace Process

September 13, 1993

Q. Mr. President, thank you for granting this interview to the Israeli television. I wanted to ask you first, with your permission, after having Mr. Arafat and Prime Minister Rabin shake, reluctantly, sort of, each other's hand, did you manage to get them to talk to each other?

The President. Yes, indeed. They talked a little bit before they came out and before they had shaken hands. I understand the many decades of events which have divided them and the awkwardness of this moment for both of them. And I understand, I think, why this is different from the agreement reached by Israel and Egypt at Camp David. This was an agreement that will require not just the concurrence of two governments but tens of thousands of people who will literally be living in close proximity to one another. So it was a very challenging moment.

But before we came out, Mr. Rabin and Mr. Arafat were alone in the Blue Room upstairs with me, and we walked down together when everyone else had left. And they had not spoken during the time of the reception. But they looked at each other really clearly, in the eye, for the first time, and the Prime Minister said, "You know we're going to have to work very hard to make this work." And Arafat said, "I know, and I am prepared to do my part." And they immediately exchanged about three sentences, right to business, no pleasantries but went right to busi-

ness. But I thought they were both quite serious.

And you saw what happened on the stage. They did shake hands. A lot of people thought that would never happen. And I thought the fact that they did it and that they said what they did, each trying to speak to the people represented by the other, was an important gesture.

Q. How involved, Mr. President, do you plan to get in getting this accord off the ground?

The President. Very involved. I spent about 10 minutes with Mr. Arafat today after the occasion and made it clear to him that I was prepared to take a the lead in trying to organize the finances necessary to carry this through and to try to build the political support for it but that it was imperative that he honor the commitments made to Israel's security, to denouncing terrorism, to assuming responsibility within the areas of self-government for maintaining law and order.

And then I came over here to the Oval Office and went into my dining room and had lunch with the Prime Minister. And we had a good, long talk about what the next steps are. And I reaffirmed to him my determination to use the influence and the power of the United States and the resources of the United States to make sure that the people of Israel feel more secure, not less secure, by this agreement. And we talked a little about that, and we agreed that we would move immediately to begin to implement it.

Q. Were you disappointed with the contents of Mr. Arafat's speech, if I may ask, since many Israelis feel that he did not repeat those commitments that he was undertaking in writing. That is, to publicly denounce terrorism, say "no more violence," repeat what the late President Sadat was saying here during the ceremony of Camp David: "No more war, no more bloodshed." He was probably the only speaker who didn't say it explicitly. It is not the way we wanted to hear him say that.

The President. Well, he did say the time had come for an end to war and bloodshed, but he did not reaffirm the specific commitments he made in writing. And yes, I think I would have liked the speech better had he done so. But when I listened to it in Arabic, it seemed to be delivered with great conviction and passion, more than the translation would imply. And I think you have to have a certain discount factor really for both of the speeches because of the ambivalence of the supporters of both men about this agreement. I mean, Arafat, after all, did not get a unanimous vote in his council for this agreement. You know, what he was trying to do is to reach out to the Israeli people to establish his good faith without further weakening his position.

And by the same token, I think the Prime Minister did a terrific job of reaffirming to the Israeli people how difficult this was for him, how strongly committed he is to the welfare of the people of Israel and why, that he is doing this because he thinks it's better for them.

I wasn't perhaps as disappointed as you were, because I thought it was so important that Arafat came and spoke directly to the people of Israel, reaffirmed in general the commitments he had made, looked at me and thanked the United States in ways that he—I mean, he has to know, because I've made it so clear publicly and privately, that the United States is committed to the security of Israel and that therefore if he wants us to help him, he's going to have to honor every last one of the commitments he made, which in private again today I asked him to do, and he reaffirmed that he would.

Q. Do you feel, Mr. President, that in view of the new circumstances in the Middle East, the American commitment to Israel's security will have to take a different shape, other forms?

The President. Well, I think we may have to do some more different things. We may wind up doing more in terms of economic development; we may wind up doing more in terms of shared technology. I think we've agreed already, the Prime Minister and I have, in our previous meeting that we want to do some more joint strategic thinking just to recognize the fact that military technology itself has changed the dimensions of what Israel has to do to protect its security. But I would leave it with you this way: I have no intention of doing anything on my own which would in any way raise the question in the mind of any citizen of Israel that the United

States is weakening in support for the security of Israel. The only way we can make this work is if every day more and more and more Israelis believe that they will be more secure if there is a just peace. That's why I went out of my way not to try to impose terms in these negotiations but only to create the conditions and the process and the environment within which agreement could be made and why I have constantly, since it was announced, reaffirmed my commitment to the security of Israel.

Q. In a conversation with Mr. Arafat last night, he was asking me—he doesn't need me as an intermediary, of course—to ask you on this interview today whether the United States would be willing to help the Palestinians create those institutions and establish this police force which——

The President. Absolutely. Absolutely, I would be willing to help him do that. And I think that is very much in Israel's interest. And my clear impression from the Prime Minister and from the Foreign Minister and from our contacts back and forth is that that's what you want me to do, that's what Israel wants me to do.

There are all kinds of practical questions left unanswered by this agreement. This agreement has very specific commitments on Israel's security and sovereignty and right to exist, on denouncing terrorism, on the Palestinians being willing to assume responsibility for conduct within the areas of self-governance. But it doesn't say how is a police force going to be set up, funded, and trained. How are elections going to actually be conducted? How will the candidates be able to get out and campaign? All these things have not been worked out. These are areas where the United States can genuinely help the process to work.

Q. Is there any change in the U.S. position on the establishment of a mini-Palestinian independent state at the end of the road?

The President. No. Our position on that has not changed. That is something that the parties are going to have to discuss and agree to. The United States is not going to change its position. That is something to be left to the parties to make and discuss.

Q. Mr. Arafat was speaking last night about his wish to have some form of confederacy with Jordan. Mr. President, will the United States support moves in this direction, linking up whatever Palestinian entity will finally emerge into—West Bank and Gaza with the national kingdom of Jordan?

The President. Well again, let me say the first step there is for Israel and Jordan to make peace and to reach an agreement. And I think a general agreement is forthcoming very soon. Then the three of them can get together, and they can discuss those things, and we'll see whether there is agreement among the parties to the peace process. If all the parties agreed, then the United States would be supportive. We want to facilitate the debate. We want ideas to remain on the table. But we don't want to impose a settlement of any kind. And so we'll just see what happens.

Q. The agreement between Israel and the Palestinians was reached through Norway, as an honest broker, mediator. We could not hope, I believe, to arrive at any conclusion of our negotiations with Syria without your administration playing a major role in bringing the two sides together. Do you think the time is right now to embark upon a similar effort in getting the Israelis and the Syrians together?

The President. I think we have to keep the talks going, but I think first we need to focus on implementing this agreement. And if you look at what happened in Norway—I mean, I think it was quite important. But if you go back and look at how it fit with the talks going on here in Washington, the question of the relationship of Israel to the PLO is such a volatile one that I doubt seriously that this agreement ever could have been made in Washington with anybody's involvement because of the intense publicity surrounding everything that happens here.

The thing that Norway did that was so important was to provide a representative of Israel and a representative of the PLO a chance to talk over an extended period of time in absolute secrecy so that they were free to say things to one another and to explore ideas without having to read about it

in the paper the next day. And I think it was very important.

Our job during this time was to keep this process going, not to let the deportation crisis and the crisis occasioned by the raids in the Bekaa Valley or anything else derail this. And I was pleased with the agreement which came out which was very like the original principles the United States put on the table and that it included the Gaza-Jericho resolution which we were very pleased by.

Q. Finally, Mr. President, there are probably five million Israelis watching us now and five million Palestinians and who knows how many other Arabs across the border, whatever you would like to tell them on this day.

The President. I would like to tell them that this is a great day for the Israelis, for the Palestinians, for the Middle East, but it must be followed up. We must make good the promises of this agreement. And the United States has a terrific responsibility first to make Israel feel secure in making peace; second, to help the Palestinians to set up the mechanisms of self-government and of growth, of economic opportunity; and third, to keep the overall peace process going. And I intend to meet my responsibility. But in the end, whether it succeeds depends upon what is in the minds and the hearts of the people who live in the area.

I believe with all my heart that the time has come to change the relationships of the Middle East and that the future is so much brighter if we can abandon the polarization, the hatred, not just the war but the constant state of siege which prohibits and prevents both the Israelis and the Arabs from having anything resembling a normal life. I think the Middle East can bloom again. It can be a garden of the world if we can put aside these hatreds. And I'm going to do what I can to help.

NOTE: The interview began at 3:45 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of this interview.

Remarks on the Israeli-Palestinian Declaration of Principles

September 13, 1993

Thank you very much. I never thought I would enter what may well be the first meeting of its kind in the history of our country—[*applause*]—that I would enter this meeting hearing our erudite Vice President quote Lao Tse. But today, I think we could solve all our problems with China, too, and everything else. All things are possible today.

I do want to acknowledge the presence, also, of a person here who has done a lot of wonderful work on this and the other foreign policy efforts we've made since I've been President, my National Security Adviser, Tony Lake.

I want to thank all of you for the work that so many of you have done, many of you for years and years and years, to help make this day come. I know well that there were a lot of people—I couldn't help when I was looking out at that crowd today, I thought there were so many people I wish I had the luxury of just standing up and mentioning, because I knew of the things which have been done to help this day come to pass. And I thank you all.

I know that most of what needs to be said specifically has already been said, so let me just say this: I am convinced that the United States must assume a very heavy role of responsibility to make this work, to implement this agreement, and that means I must ask you for two or three things, specifically. First of all, this is a difficult time for our country and with our own borders, and a lot of our own people are very insecure in a profoundly different way than the insecurities about which we just talked today.

We simply cannot afford to sort of fold up our tent and draw inward. We can't afford to do it in matters of trade, we can't afford to do it in matters of foreign policy, and we certainly can't afford to do it when we have been given a millennial opportunity and responsibility in the Middle East. And so I ask you, together and individually, to do what you can to help influence the Members of

Congress whom you know, without regard to their party, to recommit themselves to the engagement and leadership of the United States in the Middle East.

I have been profoundly impressed by the broad, and deep bipartisan support in the Congress for this agreement. But everyone must understand that this agreement now has to be implemented. A lot of the complicated details are left. And frankly, even beyond the financial issues, the United States is perhaps in the best position of any country just to help with the mechanics of the election, with the mechanics of the law enforcement issue, with a whole series of complex, factual issues, which have to be worked through. And if we are leading, then we can send American who are Jewish or Arab to go there to work with this process. So the beginning is a sense that there is still the work to be done and a commitment to do it in the Congress.

Secondly, there is an enormous amount of work that can be done by private citizens. Many of you have been doing that and giving of your time and money for a very long time. Now, you'll be given the chance to do it in a different context, and I hope we will explore ways that this group can stay together, work together, and define common projects, because I think that that will help to shape the attitudes of the people who live in the region, what we do here as Americans together in specific terms as private citizens as well as through Government channels.

And finally, let me say that if there's one lesson I learned in my own life in politics here in America and one that I relearn every time I leave the White House and go out and talk to ordinary citizens in this very difficult time, it is that no public enterprise can flourish unless there is trust and security. Indeed, one of the reasons that I think the Vice President's work on the National Performance Review is so important—if I might just veer off and then come back to this subject—is that because our Government for so long has had not only a budget deficit and an investment deficit but a general performance deficit, there is this huge trust deficit in America, which makes it difficult for us to do what we ought to do. And when millions and millions of our people are profoundly insecure, it is even more difficult for them to restore their trust.

If that is true in America, how much more difficult must it be in the Middle East when the very issues of survival have been confronting people for a very long time now? On the other hand, unless the political leadership which made this agreement winds up stronger for doing it, we won't be able to succeed and move on to the next steps and ultimately conclude this whole process in a way that will really get the job done.

And so the last thing I want to ask you to do is, again, individually and collectively, to make as many personal contacts as you can with people in the region to tell them you support this, the United States is going to stand for peace and security and progress, and they should give their trust to this process. It is clear to me now that the major threat to our success going forward is not necessarily all those who wish to wreck the peace by continuing the killing of innocent noncombatants but the thin veneer of hope which might be pierced before it gets too deep and strong to be broken.

So we, you and I, we have a big responsibility to strengthen the support for the people who did this among their constituents, not to interfere in the internal affairs of Israel or the PLO but simply to make it clear that we are going to be there and that we believe in it, and that we believe it will enhance security and make trust more possible and make all the parties ultimately over the long run more reliable. I think this is a very big deal. Any many of you in some ways are in a unique position to manifest your belief in that.

So those are the things we must do. We have to have the support in the United States for our Government to take the lead in implementing the agreement. We have to have you and people like you, more of you, willing to undertake projects individually, as groups, and perhaps jointly as citizens, private citizens, that will reinforce what has been done. And we must begin immediately to make it absolutely clear that we support this decision and the people who made it for making it and that we will have more security for doing it.

If we can do those three things, then we can honor what happened here today, and we can validate the feelings we all had. And instead of just being a magic moment in history, it will truly be a turning point. That's what I think it is.

Thank you.

NOTE: The President spoke at 4:24 p.m. in Room 450 of the Old Executive Office Building.

Remarks at a Dinner Honoring Former Presidents

September 13, 1993

Ladies and gentlemen, may I have your attention please. The microphone's not on, so I'll just speak.

First, let me welcome you all to the White House and thank you all for being part of a great and promising day for the United States and for the Middle East and for the entire world.

I am so pleased that we could end this magnificent day with a gathering of many of the great American leaders who made this day possible. I want to salute all my predecessors who are here: President Ford, President Carter, President Bush, and especially acknowledge the contributions of President Carter at Camp David and President Bush in starting the peace talks in Madrid, President Ford for his wise leadership during a pivotal time in the history of the Middle East. I want to thank the Secretaries of State who worked tirelessly over many years for peace in the Middle East: Henry Kissinger, George Shultz, Cyrus Vance, James Baker, Larry Eagleburger, and of course, my own Secretary and good friend, Warren Christopher. I thank the Congress for the essential role that it plays in providing the guidance, the resources, and the bipartisan support. The Speaker is here and our majority leader, Dick Gephardt, the Senate and House whips, Senators Ford and Simpson, Congressmen Bonior and Gingrich. And I want to thank all the rest of you who are here who have made a contribution to the remarkable events that are unfolding today.

In this room we represent both political parties and, I think it's fair to say, a fairly wide array of views about public events. But we do have this in common: We agree that the United States must continue to exert its leadership if there is to be hope in this world of taking advantage of the end of the cold war, great hunger of people all over the world for democracy and freedom and peace and prosperity.

In the days ahead I ask you all to be willing to provide counsel to our administration and bipartisan support to sustain the role that the United States must pursue in the world. In the face of difficulties and dangers and in the pursuit of a better world, we must lead.

One of our efforts begins tomorrow when all the Presidents and former Secretaries of State who are here join me in the formal kickoff of our efforts to secure passage of the North American Free Trade Agreement. I know that will require great effort and bipartisanship, but I believe we will succeed because of the stakes for ourselves economically and politically in this hemisphere.

Tonight, however, let us for the moment rest on the laurels of the United States of America and toast peace and progress and the prosperity of the American people.

NOTE: The President spoke at 9:15 p.m. in the Blue Room at the White House.

Proclamation 6589—Commodore John Barry Day, 1993

September 13, 1993

By the President of the United States of America

A Proclamation

During its War for Independence, our Nation faced a great and proven sea power. The young Continental Navy, which had been established by the Continental Congress in October 1775, was only a fraction of the size of the British fleet. Nevertheless, the small American naval force not only achieved several key victories during the War but also established a tradition of courageous service that continues to this day. On this occasion,

we honor the memory of one of America's first and most distinguished naval leaders, Commodore John Barry.

After immigrating to the United States from Ireland, John Barry became a successful shipmaster in Philadelphia. He was also an enthusiastic supporter of American independence, and when the Revolutionary War began, he readily volunteered for service and became one of the first captains of the Continental Navy.

Captain Barry served bravely and with distinction throughout the course of the War. While commanding the brig LEXINGTON, he captured the British sloop EDWARD in April 1776. This victory marked the first capture in battle of a British vessel by a regularly commissioned American warship. Later in 1776, he led a raid by four small boats against British vessels on the Delaware River and seized a significant quantity of supplies meant for the British Army. Seven years later, Captain Barry participated in the last American naval victory of the War, leading the frigate ALLIANCE against HMS SYBILLE in March 1783.

Serving as a volunteer artillery officer in December of that year, Captain Barry participated in General George Washington's celebrated campaign to cross the Delaware River, which led to victory at the Battle of Trenton.

Captain Barry continued to serve our country after the end of the Revolution, helping to make the American victory a meaningful and enduring one. Active in Pennsylvania politics, he became a strong supporter of the Constitution, which was ratified by the State Assembly on December 12, 1787. In June 1794, President George Washington appointed him as commander of the new frigate USS UNITED STATES, one of six that were built as part of a permanent American naval armament. For the remaining years of his life, Commodore Barry helped to build and lead the new United States Navy, commanding not only USS UNITED STATES but also "Old Ironsides," USS CONSTITUTION.

Commodore John Barry died on September 13, 1803, but his outstanding legacy of service is carried on today by all the brave and selfless Americans who wear the uniform of the United States Navy.

The Congress, by House Joint Resolution 157, has designated September 13, 1993, as "Commodore John Barry Day" and has authorized and requested the President to issue a proclamation in observance of this day.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim September 13, 1993, as Commodore John Barry Day. I invite all Americans to observe this day with appropriate ceremonies and activities in honor of those individuals, past and present, who have served in the United States Navy.

In Witness Whereof, I have hereunto set my hand this thirteenth day of September, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:46 a.m., September 15, 1993]

NOTE: This proclamation was published in the *Federal Register* on September 16.

Proclamation 6591—Minority Enterprise Development Week, 1993

September 13, 1993

By the President of the United States of America

A Proclamation

The national observance of Minority Enterprise Development Week is a decade-old tradition in which Americans of all races and ethnic groups convene to recognize and promote the achievements of more than one million minority business owners and entrepreneurs who support this Nation's continued economic growth. During Minority Enterprise Development Week, Americans also honor the many diligent minority business advocates in government and the corporate sector whose constant pursuit of excellence keeps our economy strong.

Minority-owned businesses are valuable assets for America. Each year, minority business enterprises return valuable resources to their communities in the form of taxes and

provide wages and employment for thousands—particularly for minority workers. Each day, successful minority entrepreneurs fulfill an even more vital function by serving as teachers, mentors, and models for young Americans who are our business and civic leaders of tomorrow.

There is room in the free enterprise system for anyone who has the skill and the determination to compete. Therefore, it is fitting that we encourage all Americans to participate in business enterprise, create their own wealth, and promote the general welfare. Minority business women and men have proven time and again that they possess the talent and dedication required for success. By improving the availability of capital sources for business starts and expansions in the minority community, by increasing access to state-of-the-art information resources for minority business owners, by promoting the minority entrepreneur's entrance into new domestic and international markets, and by opening all doors to economic progress for minority citizens, all of American society will benefit.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim the week of October 3 through 9, 1993, as Minority Enterprise Development Week. I heartily encourage the people of the United States to commemorate this important event with appropriate ceremonies and celebrations.

In Witness Whereof, I have hereunto set my hand this thirteenth day of September, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:49 a.m., September 15, 1993]

NOTE: This proclamation was published in the *Federal Register* on September 16.

Executive Order 12863—President's Foreign Intelligence Advisory Board

September 13, 1993

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to enhance the security of the United States by improving the quality and effectiveness of intelligence available to the United States, and to assure the legality of activities of the Intelligence Community, it is ordered as follows:

PART I. ASSESSMENT OF INTELLIGENCE ACTIVITIES

Section 1.1. There is hereby established within the White House Office, Executive Office of the President, the President's Foreign Intelligence Advisory Board (PFIAB). The PFIAB shall consist of not more than 16 members, who shall serve at the pleasure of the President and shall be appointed by the President from among trustworthy and distinguished citizens outside the Government who are qualified on the basis of achievement, experience and independence. The President shall establish the terms of the members upon their appointment. To the extent practicable, one-third of the PFIAB at any one time shall be comprised of members whose term of service does not exceed 2 years. The President shall designate a Chairman and Vice Chairman from among the members. The PFIAB shall utilize full-time staff and consultants as authorized by the President. Such staff shall be headed by an Executive Director, appointed by the President.

Sec. 1.2. The PFIAB shall assess the quality, quantity, and adequacy of intelligence collection, of analysis and estimates, and of counterintelligence and other intelligence activities. The PFIAB shall have the authority to review continually the performance of all agencies of the Federal Government that are engaged in the collection, evaluation, or production of intelligence or the execution of intelligence policy. The PFIAB shall further be authorized to assess the adequacy of management, personnel and organization in the intelligence agencies. The heads of depart-

ments and agencies of the Federal Government, to the extent permitted by law, shall provide the PFIAB with access to all information that the PFIAB deems necessary to carry out its responsibilities.

Sec. 1.3. The PFIAB shall report directly to the President and advise him concerning the objectives, conduct, management and coordination of the various activities of the agencies of the Intelligence Community. The PFIAB shall report periodically, but at least semiannually, concerning its findings and appraisals and shall make appropriate recommendations for the improvement and enhancement of the intelligence efforts of the United States.

Sec. 1.4. The PFIAB shall consider and recommend appropriate action with respect to matters, identified to the PFIAB by the Director of Central Intelligence, the Central Intelligence Agency, or other Government agencies engaged in intelligence or related activities, in which the advice of the PFIAB will further the effectiveness of the national intelligence effort. With respect to matters deemed appropriate by the President, the PFIAB shall advise and make recommendations to the Director of Central Intelligence, the Central Intelligence Agency, and other Government agencies engaged in intelligence and related activities, concerning ways to achieve increased effectiveness in meeting national intelligence needs.

PART II. OVERSIGHT OF INTELLIGENCE ACTIVITIES

Sec. 2.1. The Intelligence Oversight Board (IOB) is hereby established as a standing committee of the PFIAB. The IOB shall consist of no more than four members appointed from among the membership of the PFIAB by the Chairman of the PFIAB. The Chairman of the IOB shall be appointed by the Chairman of the PFIAB. The Chairman of the PFIAB may also serve as the Chairman of the IOB. The IOB shall utilize such full-time staff and consultants as authorized by the Chairman of the PFIAB.

Sec. 2.2. The IOB shall:

(a) prepare for the President reports of intelligence activities that the IOB believes may be unlawful or contrary to Executive order or Presidential directive;

(b) forward to the Attorney General reports received concerning intelligence activities that the IOB believes may be unlawful or contrary to Executive order or Presidential directive;

(c) review the internal guidelines of each agency within the Intelligence Community that concern the lawfulness of intelligence activities;

(d) review the practices and procedures of the Inspectors General and General Counsel of the Intelligence Community for discovering and reporting intelligence activities that may be unlawful or contrary to Executive order or Presidential directive; and

(e) conduct such investigations as the IOB deems necessary to carry out its functions under this order.

Sec. 2.3. The IOB shall, when required by this order, report to the President through the Chairman of the PFIAB. The IOB shall consider and take appropriate action with respect to matters identified by the Director of Central Intelligence, the Central Intelligence Agency or other agencies of the Intelligence Community. With respect to matters deemed appropriate by the President, the IOB shall advise and make appropriate recommendations to the Director of Central Intelligence, the Central Intelligence Agency and other agencies of the Intelligence Community.

Sec. 2.4. The heads of departments and agencies of the Intelligence Community, to the extent permitted by law, shall provide the IOB with all information that the IOB deems necessary to carry out its responsibilities. Inspectors General and General Counsel of the Intelligence Community, to the extent permitted by law, shall report to the IOB, at least on a quarterly basis and from time to time as necessary or appropriate, concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive order or Presidential directive.

PART III. GENERAL PROVISIONS

Sec. 3.1. Information made available to the PFIAB, or members of the PFIAB acting in their IOB capacity, shall be given all necessary security protection in accordance with applicable laws and regulations. Each member of the PFIAB, each member of the

PFIAB's staff and each of the PFIAB's consultants shall execute an agreement never to reveal any classified information obtained by virtue of his or her services with the PFIAB except to the President or to such persons as the President may designate.

Sec. 3.2. Members of the PFIAB shall serve without compensation but may receive transportation expenses and per diem allowance as authorized by law. Staff and consultants to the PFIAB shall receive pay and allowances as authorized by the President.

Sec. 3.3. Executive Order No. 12334 of December 4, 1981, as amended, and Executive Order No. 12537 of October 28, 1985, as amended, are revoked.

William J. Clinton

The White House,
September 13, 1993.

[Filed with the Office of the Federal Register, 10:58 a.m., September 14, 1993]

NOTE: This Executive order was published in the *Federal Register* on September 15.

Memorandum on the Extension of the Exercise of Certain Authorities Under the Trading With the Enemy Act

September 13, 1993

Presidential Determination No. 93–38

Memorandum for the Secretary of State, the Secretary of the Treasury

Subject: Extension of the Exercise of Certain Authorities Under the Trading With the Enemy Act

Under section 101(b) of Public Law 95–223 (91 Stat. 1625; 50 U.S.C. App. 5(b) note), and a previous determination made by my predecessor on August 28, 1992 (57 FR 43125), the exercise of certain authorities under the Trading With the Enemy Act is scheduled to terminate on September 14, 1993.

I hereby determine that the extension for one year of the exercise of those authorities with respect to the applicable countries is in the national interest of the United States.

Therefore, pursuant to the authority vested in me by section 101(b) of Public Law 95–223, I extend for one year, until September 14, 1994, the exercise of those authorities with respect to countries affected by:

(1) the Foreign Assets Control Regulations, 31 CFR Part 500;

(2) the Transaction Control Regulations, 31 CFR Part 505;

(3) the Cuban Assets Control Regulations, 31 CFR Part 515; and

(4) the Foreign Funds Control Regulations, 31 CFR Part 520.

The Secretary of the Treasury is directed to publish this determination in the *Federal Register*.

William J. Clinton

Message to the Congress Transmitting the District of Columbia Budget and Supplemental Appropriations Request

September 13, 1993

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the District of Columbia Government's fiscal year 1994 budget amendment request and fiscal year 1993 supplemental budget amendment request.

The District of Columbia Government has submitted a request to decrease its fiscal year 1994 general fund spending authority by $36.968 million with a reduction of 832 FTE positions. In addition, the District's fiscal year 1993 supplemental amendment request includes an increase of $7.367 million in general fund spending authority. The amendments are needed to address a projected operating deficit for fiscal year 1993 and fiscal year 1994 that was not addressed in the District's original budget submission pending congressional action.

William J. Clinton

The White House,
September 13, 1993.

Proclamation 6590—Gold Star Mother's Day

September 13, 1993

By the President of the United States of America

A Proclamation

To become a parent is one of life's greatest joys. We devote ourselves to our children, investing our hopes and dreams in them and protecting them so that they may have a better life than we have had. There is probably no greater pain, therefore, than the loss of a child. None of us expects to outlive our children, and when mortal hands rob us of our posterity, the loss is devastating.

Every Gold Star Mother has experienced this pain. As much as the soldiers themselves, these brave women know the meaning of sacrifice for country. Long after a slain soldier is laid to rest, that young man or woman's mother will remember her loss every day for the rest of her life. When a mother bids farewell to a child in uniform, she begins to serve her country in her own private way, worrying that her child will be in harm's way and that this young man or woman, in whom she has invested so much love and care, may pay the ultimate price on the battlefield. And when the unthinkable does happen, the Gold Star Mother must carry the wounds within her heart forever.

We have a sacred duty to remember the devotion of Gold Star Mothers. Like the brave soldiers who have lain down their lives in defense of our freedoms, their mothers have earned our deepest honor and sympathy, having sacrificed so much for America, yet continuing to give of themselves to ensure that the ideals of freedom and democracy live on for future generations. Their losses and their contributions can be no greater, and our obligation to them cannot be measured.

To pay fitting tribute to these women, the Congress, by Senate Joint Resolution 115 on June 23, 1936 (49 Stat. 1895), designated the last Sunday in September as "Gold Star Mother's Day" and authorized and requested the President to issue a proclamation in observance of this day.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim September 26, 1993, as Gold Star Mother's Day. I call on all government officials to display the United States flag on government buildings on this solemn day. I additionally urge the American people to display the flag and to hold appropriate meetings in their homes, places of worship, or other suitable places, as public expression of the sympathy and the respect that our Nation holds for its Gold Star Mothers.

In Witness Whereof, I have hereunto set my hand this thirteenth day of September, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:48 a.m., September 15, 1993]

NOTE: This proclamation was released by the Office of the Press Secretary on September 14, and it was published in the *Federal Register* on September 16.

Remarks at the Signing Ceremony for the North American Free Trade Agreement Supplemental Agreements

September 14, 1993

Thank you very much. Mr. Vice President, President Bush, President Carter, President Ford, ladies and gentlemen. I would like to acknowledge just a couple of other people who are in the audience because I think they deserve to be seen by America since you'll be seeing a lot more of them: my good friend Bill Daley from Chicago and former Congressman Bill Frenzel from Minnesota, who have agreed to lead this fight for our administration on a bipartisan basis. Would you please stand and be recognized.

It's an honor for me today to be joined by my predecessor, President Bush, who took the major steps in negotiating this North American Free Trade Agreement; President Jimmy Carter, whose vision of hemispheric development gives great energy to our efforts

and has been a consistent theme of his for many, many years now; and President Ford, who has argued as fiercely for expanded trade and for this agreement as any American citizen and whose counsel I continue to value. These men, differing in party and outlook, join us today because we all recognize the important stakes for our Nation in this issue.

Yesterday we saw the sight of an old world dying, a new one being born in hope and a spirit of peace. Peoples who for a decade were caught in the cycle of war and frustration chose hope over fear and took a great risk to make the future better.

Today we turn to face the challenge of our own hemisphere, our own country, our own economic fortunes. In a few moments, I will sign three agreements that will complete our negotiations with Mexico and Canada to create a North American Free Trade Agreement. In the coming months I will submit this pact to Congress for approval. It will be a hard fight, and I expect to be there with all of you every step of the way. We will make our case as hard and as well as we can. And though the fight will be difficult, I deeply believe we will win. And I'd like to tell you why. First of all, because NAFTA means jobs, American jobs and good-paying American jobs. If I didn't believe that, I wouldn't support this agreement.

As President, it is my duty to speak frankly to the American people about the world in which we now live. Fifty years ago at the end of World War II, an unchallenged America was protected by the oceans and by our technological superiority and, very frankly, by the economic devastation of the people who could otherwise have been our competitors. We chose then to try to help rebuild our former enemies and to create a world of free trade supported by institutions which would facilitate it. As a result of that effort, global trade grew from $200 billion in 1950 to $800 billion in 1980. As a result, jobs were created and opportunity thrived all across the world. But make no mistake about it, our decision at the end of World War II to create a system of global, expanded, freer trade, and the supporting institutions, played a major role in creating the prosperity of the American middle class.

Ours is now an era in which commerce is global and in which money, management, technology are highly mobile. For the last 20 years, in all the wealthy countries of the world, because of changes in the global environment, because of the growth of technology, because of increasing competition, the middle class that was created and enlarged by the wise policies of expanding trade at the end of World War II has been under severe stress. Most Americans are working harder for less. They are vulnerable to the fear tactics and the averseness to change that is behind much of the opposition to NAFTA.

But I want to say to my fellow Americans, when you live in a time of change the only way to recover your security and to broaden your horizons is to adapt to the change, to embrace it, to move forward. Nothing we do, nothing we do in this great capital can change the fact that factories or information can flash across the world, that people can move money around in the blink of an eye. Nothing can change the fact that technology can be adopted, once created, by people all across the world and then rapidly adapted in new and different ways by people who have a little different take on the way the technology works. For two decades, the winds of global competition have made these things clear to any American with eyes to see. The only way we can recover the fortunes of the middle class in this country so that people who work harder and smarter can at least prosper more, the only way we can pass on the American dream of the last 40 years to our children and their children for the next 40 is to adapt to the changes which are occurring.

In a fundamental sense, this debate about NAFTA is a debate about whether we will embrace these changes and create the jobs of tomorrow, or try to resist these changes, hoping we can preserve the economic structures of yesterday. I tell you, my fellow Americans, that if we learned anything from the collapse of the Berlin Wall and the fall of the governments in Eastern Europe, even a totally controlled society cannot resist the winds of change that economics and technology and information flow have imposed in this world of ours. That is not an option. Our only realistic option is to embrace these changes and create the jobs of tomorrow.

I believe that NAFTA will create 200,000 American jobs in the first 2 years of its effect. I believe if you look at the trends—and President Bush and I were talking about it this morning—starting about the time he was elected President, over one-third of our economic growth and in some years over one-half of our net new jobs came directly from exports. And on average, those exports-related jobs paid much higher than jobs that had no connection to exports. I believe that NAFTA will create a million jobs in the first 5 years of its impact. And I believe that that is many more jobs than will be lost, as inevitably some will be, as always happens when you open up the mix to a new range of competition.

NAFTA will generate these jobs by fostering an export boom to Mexico, by tearing down tariff walls which have been lowered quite a bit by the present administration of President Salinas but are still higher than Americas'. Already Mexican consumers buy more per capita from the United States than other consumers in other nations. Most Americans don't know this, but the average Mexican citizen, even though wages are much lower in Mexico, the average Mexican citizen is now spending $450 per year per person to buy American goods. That is more than the average Japanese, the average German, or the average Canadian buys; more than the average German, Swiss, and Italian citizens put together.

So when people say that this trade agreement is just about how to move jobs to Mexico so nobody can make a living, how do they explain the fact that Mexicans keep buying more products made in America every year? Go out and tell the American people that. Mexican citizens with lower incomes spend more money—real dollars, not percentage of their income—more money on American products than Germans, Japanese, Canadians. That is a fact. And there will be more if they have more money to spend. That is what expanding trade is all about.

In 1987, Mexico exported $5.7 billion more of products to the United States than they purchased from us. We had a trade deficit. Because of the free market, tariff-lowering policies of the Salinas government in Mexico, and because our people are becoming more export-oriented, that $5.7 billion trade deficit has been turned into a $5.4 billion trade surplus for the United States. It has created hundreds of thousands of jobs.

Even when you subtract the jobs that have moved into the *maquilladora* areas, America is a net job winner in what has happened in trade in the last 6 years. When Mexico boosts its consumption of petroleum products in Louisiana—where we're going tomorrow to talk about NAFTA—as it did by about 200 percent in that period, Louisiana refinery workers gained job security. When Mexico purchased industrial machinery and computer equipment made in Illinois, that means more jobs. And guess what? In this same period, Mexico increased those purchases out of Illinois by 300 percent.

Forty-eight out of the 50 States have boosted exports to Mexico since 1987. That's one reason why 41 of our Nation's 50 Governors—some of them who are here today, and I thank them for their presence—support this trade pact. I can tell you, if you're a Governor, people won't leave you in office unless they think you get up every day trying to create more jobs. They think that's what your job is if you're a Governor. And the people who have the job of creating jobs for their State and working with their business community, working with their labor community, 41 out of the 50 have already embraced the NAFTA pact.

Many Americans are still worried that this agreement will move jobs south of the border because they've seen jobs move south of the border and because they know that there are still great differences in the wage rates. There have been 19 serious economic studies of NAFTA by liberals and conservatives alike; 18 of them have concluded that there will be no job loss. Businesses do not choose to locate based solely on wages. If they did, Haiti and Bangladesh would have the largest number of manufacturing jobs in the world. Businesses do choose to locate based on the skills and productivity of the work force, the attitude of the government, the roads and railroads to deliver products, the availability of a market close enough to make the transportation costs meaningful, the communications networks necessary to support the enterprise. That is our strength, and it will con-

tinue to be our strength. As it becomes Mexico's strength and they generate more jobs, they will have higher incomes, and they will buy more American products.

We can win this. This is not a time for defeatism. It is a time to look at an opportunity that is enormous. Moreover, there are specific provisions in this agreement that remove some of the current incentives for people to move their jobs just across our border. For example, today Mexican law requires United States automakers who want to sell cars to Mexicans to build them in Mexico. This year we will export only 1,000 cars to Mexico. Under NAFTA, the Big Three automakers expect to ship 60,000 cars to Mexico in the first year alone, and that is one reason why one of the automakers recently announced moving 1,000 jobs from Mexico back to Michigan.

In a few moments, I will sign side agreements to NAFTA that will make it harder than it is today for businesses to relocate solely because of very low wages or lax environmental rules. These side agreements will make a difference. The environmental agreement will, for the first time ever, apply trade sanctions against any of the countries that fails to enforce its own environmental laws. I might say to those who say that's a giving up of our sovereignty: For people who have been asking us to ask that of Mexico, how do we have the right to ask that of Mexico if we don't demand it of ourselves? It's nothing but fair.

This is the first time that there have ever been trade sanctions in the environmental law area. This ground-breaking agreement is one of the reasons why major environmental groups, ranging from the Audubon Society to the Natural Resources Defense Council, are supporting NAFTA.

The second agreement ensures that Mexico enforces its laws in areas that include worker health and safety, child labor, and the minimum wage. And I might say, this is the first time in the history of world trade agreements when any nation has ever been willing to tie its minimum wage to the growth in its own economy. What does that mean? It means that there will be an even more rapid closing of the gap between our two wage rates. And as the benefits of economic growth are spread in Mexico to working people, what will happen? They'll have more disposable income to buy more American products, and there will be less illegal immigration because more Mexicans will be able to support their children by staying home. This is a very important thing.

The third agreement answers one of the primary attacks on NAFTA that I heard for a year, which is, ''Well, you can say all this, but something might happen that you can't foresee.'' Well, that's a good thing, otherwise we never would have had yesterday. I mean, I plead guilty to that. Something might happen that Carla Hills didn't foresee, or George Bush didn't foresee, or Mickey Kantor or Bill Clinton didn't foresee. That's true. Now, the third agreement protects our industries against unforeseen surges in exports from either one of our trading partners. And the flip side is also true. Economic change, as I said before, has often been cruel to the middle class, but we have to make change their friend. NAFTA will help to do that.

This imposes also a new obligation on our Government, and I'm glad to see so many Members of Congress from both parties here today. We do have some obligations here. We have to make sure that our workers are the best prepared, the best trained in the world.

Without regard to NAFTA, we know now that the average 18-year-old American will change jobs eight times in a lifetime. The Secretary of Labor has told us, without regard to NAFTA, that over the last 10 years, for the first time, when people lose their jobs most of them do not go back to their old job; they go back to a different job. So that we no longer need an unemployment system, we need a reemployment system. And we have to create that. And that's our job. We have to tell American workers who will be dislocated because of this agreement, or because of things that will happen regardless of this agreement, that we are going to have a reemployment program for training in America. And we intend to do that.

Together, the efforts of two administrations now have created a trade agreement that moves beyond the traditional notions of free trade, seeking to ensure trade that pulls everybody up instead of dragging some down while others go up. We have put the environ-

ment at the center of this in future agreements. We have sought to avoid a debilitating contest for business where countries seek to lure them only by slashing wages or despoiling the environment.

This agreement will create jobs, thanks to trade with our neighbors. That's reason enough to support it. But I must close with a couple of other points. NAFTA is essential to our long-term ability to compete with Asia and Europe. Across the globe our competitors are consolidating, creating huge trading blocs. This pact will create a free trade zone stretching from the Arctic to the tropics, the largest in the world, a $6.5 billion market with 370 million people. It will help our businesses to be both more efficient and to better compete with our rivals in other parts of the world.

This is also essential to our leadership in this hemisphere and the world. Having won the cold war, we face the more subtle challenge of consolidating the victory of democracy and opportunity and freedom. For decades, we have preached and preached and preached greater democracy, greater respect for human rights, and more open markets to Latin America. NAFTA finally offers them the opportunity to reap the benefits of this. Secretary Shalala represented me recently at the installation of the President of Paraguay. And she talked to Presidents from Colombia, from Chile, from Venezuela, from Uruguay, from Argentina, from Brazil. They all wanted to know, ''Tell me, is NAFTA going to pass so we can become part of this great new market—more, hundreds of millions more of American consumers for our products.''

It's no secret that there is division within both the Democratic and Republican Parties on this issue. That often happens in a time of great change. I just want to say something about this because it's very important. Are you guys resting? I'm going to sit down when you talk, so I'm glad you got to do it. [*Laughter*] I am very grateful to the Presidents for coming here, because there is division in the Democratic Party and there is division in the Republican Party. That's because this fight is not a traditional fight between Democrats and Republicans and liberals and conservatives. It is right at the center of the effort that we're making in America to define what the future is going to be about.

And so there are differences. But if you strip away the differences, it is clear that most of the people that oppose this pact are rooted in the fears and insecurities that are legitimately gripping the great American middle class. It is no use to deny that these fears and insecurities exist. It is no use denying that many of our people have lost in the battle for change. But it is a great mistake to think that NAFTA will make it worse. Every single solitary thing you hear people talk about, that they're worried about, can happen whether this trade agreement passes or not, and most of them will be made worse if it fails. And I can tell you it will be better if it passes.

So I say this to you: Are we going to compete and win, or are we going to withdraw? Are we going to face the future with confidence that we can create tomorrow's jobs, or are we going to try against all the evidence of the last 20 years to hold on to yesterday's? Are we going to take the plain evidence of the good faith of Mexico in opening their own markets and buying more of our products and creating more of our jobs, or are we going to give in to the fears of the worst-case scenario? Are we going to pretend that we don't have the first trade agreement in history dealing seriously with labor standards, environmental standards, and cleverly and clearly taking account of unforeseen consequences, or are we going to say this is the best you can do and then some?

In an imperfect world, we have something which will enable us to go forward together and to create a future that is worthy of our children and grandchildren, worthy of the legacy of America, and consistent with what we did at the end of World War II. We have to do that again. We have to create a new world economy. And if we don't do it, we cannot then point the finger at Europe and Japan or anybody else and say, ''Why don't you pass the GATT agreement; why don't you help to create a world economy?'' If we walk away from this, we have no right to say to other countries in the world, ''You're not fulfilling your world leadership; you're not being fair with us.'' This is our opportunity to provide an impetus to freedom and de-

mocracy in Latin America and create new jobs for America as well. It's a good deal, and we ought to take it.

Thank you.

[*At this point, the President signed the NAFTA supplemental agreements.*]

I'd like to ask now each of the Presidents in their turn to come forward and make a statement, beginning with President Bush and going to President Carter and President Ford. And I will play musical chairs with their seats. [*Laughter*]

[*At this point, President Bush, President Carter, and President Ford made remarks in support of NAFTA.*]

I wanted you to welcome Mrs. Carter. [*Applause*] Let me again express my profound thanks on behalf of all of us to President Bush, President Carter, and President Ford and close the meeting by invoking a phrase made famous last year by Vice President Gore: "It's time for us to go."

Thank you very much.

NOTE: The President spoke at 10:39 a.m. in the East Room at the White House. In his remarks, he referred to William M. Daley, NAFTA Task Force Chairman, and Bill Frenzel, Special Adviser to the President for NAFTA. The President was introduced by the Vice President.

On September 14, Press Secretary Dee Dee Meyers issued the following statement:

Due to a staff error, the President incorrectly stated that NAFTA would create 1 million new jobs over 5 years.

The NAFTA will create 200,000 new export-related jobs in the first 2 years after it is passed. By 1995, 900,000 U.S. jobs will be dependent on exports to Mexico. NAFTA will help secure those jobs, and trade with Mexico will help create even more jobs in future years.

Remarks and an Exchange With Reporters Prior to Discussions With Prime Minister Paul Keating of Australia

September 14, 1993

The President. Good morning. First, I want to welcome Prime Minister Keating here and his colleagues from Australia. We're looking forward to having a very good discussion, and we'll have some comments later, as you know.

I also want to applaud the announcement today of the common agenda established between Jordan and Israel, as well as the historic stop that Prime Minister Rabin and Foreign Minister Peres have made in Morocco, seeing King Hassan. I applaud King Hassan, and I hope that other Arab leaders will follow that example. And we will continue now rapidly to break down the barriers between Israel and other nations. And I'm looking forward to beginning work immediately on the United States part of implementing this agreement.

NAFTA

Q. Do you agree, sir, with President Carter and President Bush in their characterization of Ross Perot as a demagog?

The President. I'm going to try to pass NAFTA. And they're perfectly capable of speaking for themselves. I don't agree with Mr. Perot on this, and some of the assertions are not accurate that he has made. But, you know, I'm going to be out here. My job is to try to pass this. And I don't want to overly personalize it. I'm just trying to pass it. I think it's good for America; it's good for jobs.

Q. Are you going to work as hard for health care as you are for NAFTA, or vice versa?

The President. I'm going to try to pass them both. I'm going to try—you know, I work at everything I do. I just get up in the morning and go to work. I think that's what I got hired to do.

[*At this point, one group of reporters left the room and another group entered.*]

The President. As you know, we're going to have a joint statement afterward, and we'll answer your questions then. But I do want to welcome the Prime Minister and his colleagues here. I want to say to all of you how very important the relationship that the United States has with Australia is to me and to our administration. And I look forward to discussing a whole wide range of things, especially the upcoming APEC conference in Washington State in November. And I want to thank the Prime Minister publicly for his leadership in helping to put that together and helping to bring the leaders of the other

countries there. We'll have more to say about it later, but I'm anxious to get on with the meeting.

Q. Will you get a chance to visit sometime, perhaps for the Olympics in Sydney?

The President. Why, I hope so. I've always wanted to come. I had one other chance to go to Australia, and I had to turn it down because of when I was a Governor. And I've been jealous of every friend of mine who ever went there. So I sure hope I can come.

NOTE: The President spoke at 12:48 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

The President's News Conference With Prime Minister Paul Keating of Australia

September 14, 1993

The President. Good afternoon. It's a great pleasure for me to welcome the Prime Minister of Australia, Mr. Keating, to Washington and to have this opportunity to make a couple of statements and then answer some of your questions.

Despite that vast ocean which separates us, Australia and the United States share essential values and interests rooted in our frontier heritages, our shared commitment to democracy, our status as Pacific trading nations, and our efforts across the years to ensure and strengthen our common security. It's a pleasure for me to have the opportunity to personally reaffirm those bonds today.

The Prime Minister and I exchanged views on a wide variety of issues. I'd like to emphasize the importance of one in particular, the Uruguay round of multilateral trade negotiations. We agreed that strengthening GATT's trade rules is a top priority for both our countries. As a founder of the Cairns Group of free trading agricultural nations, Australia is working closely with us to bring the Uruguay round to conclusion this year. So that we can achieve agreement this year, the Prime Minister and I strongly urge the European Community not to reopen the Blair House accord on agricultural trade as has been suggested. We need to move forward, not backward, to complete the round and to give the world economy a much-needed boost.

We also discussed the importance of economic relations in the new Pacific community that both our nations are committed to help build. We discussed the building blocks of that community: bilateral alliances, such as the one we share; an active commitment to supporting the spread of democracy; and support for open and expanded markets. We discussed the important role of the Organization for the Asian Pacific Economic Cooperation, APEC. Both the U.S. and Australia are members. Both of us have been active proponents of regional trade liberalization. And I look very much forward to working with Prime Minister Keating to make the November APEC ministerial meeting and the leaders conference in Seattle, Washington, a big success.

Australia and the United States also share mutual security interests. Australia has been our ally in every major conflict of this century. Today we share an interest in bolstering the region's security and in supporting its movement toward democracy. I expressed my particular admiration for the crucial role Australia has played in fashioning and implementing the international effort to promote reconciliation in Cambodia. I told the Prime Minister that we look forward to many similar partnerships in the years ahead.

This meeting was to have occurred yesterday, but Prime Minister Keating and I agreed that we should delay it because of the signing of the Israeli-Palestinian peace agreement. That historic breakthrough reminds us that we live in a momentous time when the old walls of division are falling and new vistas are opening. Our success in seizing these opportunities will depend in large measure on how well the community of democracies can respond to work together towards shared goals. Today this meeting with the Prime Minister reaffirms that our two nations will continue to work together closely to turn the promise of this era into reality.

Mr. Prime Minister.

Prime Minister Keating. Thank you, Mr. President. Well, I'd like to say firsthand that our meeting was most worthwhile, from my point of view and Australia's point of view,

for the quality of our discussions. And our close agreement on a wide range of issues I think demonstrates the vitality and the relevance of the Australia-U.S. relationship at a time of great change internationally. Let me say, I'm very favorably impressed by the vigor and imagination with which the President and his team are addressing the new challenges we now face in the world.

Australia is a country which puts great importance on its relationship with the United States. Our longstanding friendship which the President has just referred to is based on shared values of democracy and freedom. And as he remarked, we fought in five major conflicts together over the course of this century. And in the post-cold-war period, I'm happy to say that our alliance remains very strong, indeed. In commerce and diplomacy we do a great deal together.

I was impressed in our discussions today by the priority which now attaches to fundamental questions of international trade structures. I welcome the strong support that President Clinton has given to APEC as an organization for promoting trade and investment in the Asia-Pacific area. I congratulated him on his truly historic initiative of inviting other APEC leaders to join him at an informal meeting in Seattle this November. This will allow APEC leaders to discuss ways of moving towards an Asia-Pacific community which brings benefits of closer economic integration to all members. This step also recognizes the increased importance of the Asia Pacific in world affairs.

We agreed on the importance of achieving a successful and balanced outcome of the Uruguay round by the mid-December deadline. No other joint action by governments this year could do more to boost the prospects of world growth and jobs, both subjects which the President and I are intensely interested. We agreed that any move by the European Community to reopen the Blair House accord on agriculture seriously risks jeopardizing the whole Uruguay round. The Blair House accord already represents a minimum outcome acceptable to those countries seeking to establish fair rules of trade for agriculture.

Finally, I should like to thank the President for his gracious hospitality and to congratulate him on the leadership he is showing on the United States international and domestic agendas.

Mr. President, thank you very much for having us in the White House from Australia. And we appreciated the arrangements, particularly the difficulties of the—the opportunity presented by signing the Middle East accords and the arrangements today. It's been great to be here with you.

The President. Terry [Terence Hunt, Associated Press], I'd like to call on you first, and then if we could, I'd like to alternate between one question from an American journalist and one question from an Australian journalist. So we'll have to go on the honor system, although I think most of the Australians are here on the right. Okay, Terry, go ahead.

NAFTA

Q. Mr. President, you said today that you don't want to personalize the NAFTA fight, but I'd like to ask you about remarks made today in this room by Presidents Carter and Bush. They both spoke about demagoguery in NAFTA, and President Carter spoke about a demagog with unlimited financial resources, obviously Mr. Perot. Do you think that Mr. Perot is playing loose and fair with the facts?

The President. Well, I'm going to reiterate what I said before. I am for this agreement because I think it will create more jobs. I think anyone who wants to enter the debate should do so. I think we should be very careful that if we make an assertion, that we know that it has some factual basis. And if any of us make a mistake we ought to say so.

You know, my office has already put out a statement because I inadvertently made a factual error today, not a big one, but it was an error, and we corrected it. And I just think that the people of this country and of most of the wealthier countries in the world have seen such enormous pressure on the middle class—our folks have really been hurt—that they want this to be an open debate. But we don't need to prey on their fears, we need to really work through all the various arguments and the issues and the facts. And I'm going to do my best to do that, and I'll be glad to argue, debate, or discuss with anyone

who has a different opinion. But I think, as President, I should take the position that I'm going to try to bring this country along with this and leave that other business to others to fight.

Someone from Australia. Yes?

Pacific Community and Human Rights

Q. Mr. Clinton, could you comment on Australian concerns that the U.S. push on human rights in countries such as China and Indonesia could threaten Asia-Pacific economic cooperation? Could Mr. Keating also comment on that? And Mr. President, could you also flesh out exactly what you want to see coming out of the leaders summit in Seattle in November?

The President. Let me mention, first of all, the United States does have a very strong position on human rights, and I think we should. I also think your government has a good position on human rights, which it has not been reluctant to express in dealing with other nations. But that has not undermined our relationships, commercial relationships and political relationships with countries that we think are making an honest effort to shoot straight with us and to work with us.

You mentioned Indonesia. I went out of my way to ask President Soeharto to come to Japan and meet with me when I was there, because he's the head of the nonaligned nations. Indonesia, I think, is one of the most underestimated countries in the world. Most people have no idea how big it is, that 180 million people live there, that it is a vast, enormous potential partner in a global economy. We have questions about the issues of East Timor, as you know, and I think you do, too—your country does, too. But we have had good contact with Indonesia.

With regard to China, the United States has, after all, an $18 billion trade deficit with China. It would be hard to say that we are not doing our part to aid the Chinese economic revival. We have very strong commercial relationships with them. But it is our responsibility in the world in which we live, I think, to try to restrain the proliferation of weapons of mass destruction, to try to stand up for human rights, and to try to engage the Chinese across a whole broad range of issues, so that we can't simply have a commerce-only relationship.

I am going to do what I can to build the Pacific community and not to undermine it, and that's what your Prime Minister spoke so eloquently about today.

I think you wanted him to comment on this, too.

Prime Minister Keating. Neither the United States nor Australia will ever compromise its shared sense of democracy, its commitment to human rights and the respect of human values. And we put them forthrightly wherever we see those values under threat or seeking to be compromised. And this is true in Australia's case with Indonesia. It's been true in respect of China, as has been the case with the United States. But I think it's true for me and I'm certain for the President that we see these issues as part of a total relationship where we seek to have an influence on these countries and where the influence may be diminished if the totality of the relationship only involves the human rights questions, and beyond that, that is on these other issues like proliferation and other issues and commercial questions, where the relationship must be seen in its totality.

Middle East

Q. Mr. President, a day after the historic signing ceremony here on the South Lawn yesterday, the Israelis appear to be establishing a relationship with Morocco, a formal relationship, and there is this agreement between Israel and Jordan. What specifically are you doing now, to try to promote the establishment of formal diplomatic relations between Israel and other Arab nations, Saudi Arabia, Kuwait, good friends of the United States? And do you think that is in the cards in the immediate future?

The President. Well, let me first say that I am very, very pleased that Prime Minister Rabin and Foreign Minister Peres have been received by King Hassan in Morocco. When we learned of this development yesterday, and we talked about it in some detail—Prime Minister Rabin and I talked about it—I was very pleased, because I think that the King may have set an example, which I hope other Arab states will consider following now, to try to continue now to just establish dialog.

We are at this moment focusing on three or four aspects of what we can do to implement this relationship. One is, what about all the practical problems that are still out there? You know, elections have to be held. Economic endeavors have to be undertaken in the Gaza, and there are lots of things that just have to be done practically. So we have a team now looking at all these practical problems to see what can the United States do to facilitate this.

The second thing we're doing is looking at what we can do to try to organize an appropriate level of investment. And in that regard, we're looking primarily at maybe having a donors meeting and trying to bring in the interested European countries and Asian countries and Arab countries to talk about how we can put together the kind of package we ought to have. Yesterday I met with a couple of hundred American Jewish and Arab leaders from around the country, and I asked them to participate from the point of view and private sector and partnerships and helping to develop these areas so we could really move this relationship forward.

And then the third thing that we're going to do is to discuss on a political level what we should do to try to facilitate further political contacts. The announcement between Israel and Jordan today is very helpful. And I hope that will give further encouragement to other Arab countries.

Is there another—yes?

Agricultural Subsidies

Q. Mr. President, you made a very eloquent appeal for support for your NAFTA proposals today, asking for the middle class to understand what it could provide in jobs for your NAFTA initiative. Yet you're still providing massive subsidies, $90 billion a year, in the agricultural sector. When are we going to see some change in that? Because that is hurting free traders like Australia.

The President. I'm sorry, I didn't hear—change in what?

Q. Your agricultural subsidies, particularly the Export Enhancement Program.

The President. Well, perhaps the Prime Minister would like to comment on this, too, but what we are trying to do with the Export Enhancement Program is to have it run, if you will, only against or in competition with countries that have done things that we believe constitute unfair trade by governmental action. That is, we intend to do what we can to avoid using the program in ways that undermine Australia's interests. And we're going to work very hard on that because Australia basically is a free trading country in agriculture. And in a larger sense, if we could get a new GATT agreement that includes agriculture, that would be of enormous benefit to Australia, to the entire Cairns Group, and to the whole principle of reducing subsidies in agricultural trade and opening up more competition.

So I think if you will just watch the way that thing is applied, that program over the next year, you will see that we are going out of our way not to have it conflict with the trade targets and interests of Australia, which is a country that does practice what it preaches in terms of free trade and agriculture.

NAFTA

Q. Mr. President, what is your estimate now of how many jobs would be lost, net jobs lost, under the North American Free Trade Agreement? Can you better describe your proposal for reemployment? Is it job training? Are they subsidies? What kind of proposal——

The President. First of all, our administration is convinced that, net, more jobs will be gained than lost. If we didn't think that, we wouldn't be pushing it. But we know that some jobs will be lost. How many will be lost really depends upon things that are almost impossible to calculate. Let me just give you one example. We know right now that certain agricultural sectors will be helped and others over a period of time will lose some of their tariff protections in America over a period of several years. We know right now that certain manufacturing sectors, particularly high-end manufacturing sectors—higher wage, more sophisticated manufacturing will be helped. Other manufacturing will be subject to more competition and fewer import limits.

What we don't know, and this is why it's hard to answer your net question, is how many jobs will move to Mexico from some-

where else and will then use American products. Let me just give you one example. Someone told me yesterday about a company that's making toys now—no offense, Prime Minister—in China that intends to open a plant in Mexico because it will cost so much less to send the toys from Mexico to the U.S. than China to the U.S. And if they do, they will all of a sudden begin to buy all their plastic, which is over 80 percent of the component parts, from Du Pont or some United States company.

So it is hard to know how many jobs will be lost. Net, we believe, there will be a big plus. But there will be jobs lost. There are now jobs being lost in defense cutbacks. And what I want to do is to completely reorganize the unemployment system into a reemployment system in which people who lose their jobs who are not likely to get that same job back within a reasonable amount of time can get a wide range of training opportunities based on two things: What do they want to do, first, and secondly, based on the best information we have, what are they most likely to get a job doing? And so we are now—the Secretary of Labor is designing a program. We intend to present it to the Congress, and I think it will have broad bipartisan support.

Q. How will you finance it?

The President. We plan to finance it now through economies associated with implementing the reinventing Government report.

An Australian journalist. Yes, sir?

Q. You've just acknowledged that some of the gains of NAFTA might be at the cost of East Asia. How do you see NAFTA, which seems to be essentially a preferential arrangement within the North American context, being able to operate within that broader APEC framework, which is meant to be nondiscriminatory?

I would ask Mr. Keating to also respond, please.

The President. If you look at it from our point of view, what we're trying to do is to further lower our trade barriers against Mexico and against Canada. They're going to lower more of theirs against us. That's not inconsistent with what my overarching goal is, which is to get a freer trading system worldwide, which is why we're pushing the GATT round. But meanwhile, it is very much in the interest of the United States to have a stronger, more stable, more democratic, and more prosperous Mexico on our southern border, able to buy more of our products. And most of what we do there would have marginal or no impact one way or the other on anything that could happen, for example, in Southeast Asia in the next 4 or 5 years. I would also say that if this works, what I think you'll see is more open trading systems and fewer tariffs in many other Latin American countries which are changing politically and economically as well.

So I am not for a discriminatory system, but what I am trying to do is make those systems less closed in their relationships with us now in the hope that over the long run, the GATT round and the worldwide trading rules will really come to dominate the trading policies of all nations. And then, when we have regional groups like APEC, they'll be for the purpose of putting more arrangements together that create jobs rather than dealing with trade rules and regulations.

Yes, would you like to answer that?

Prime Minister Keating. I don't think that there is anything necessarily inconsistent between either the United States trading into the Asia Pacific, Canada trading with the Asia Pacific, or Mexico trading with the Asia Pacific individually or collectively as part of NAFTA. I think what is important in terms of the view of the Asia-Pacific economies of NAFTA is that there is perhaps more flesh on the bones of APEC before NAFTA goes beyond Mexico, perhaps into South America. But the concept of NAFTA integrating with the Asia Pacific is one where I don't think there is any conflict of concepts. And as the President has said, both things are going to increase the velocity of trade, both within the Americas and within the Asia Pacific.

APEC Meeting in Seattle

Q. Mr. Keating, could you tell us if you've determined who will represent China at the leaders conference that follows the ministerial meeting and if you've given the President any idea of other issues that might be discussed at that time and what the objectives actually are at that conference?

Prime Minister Keating. Well, I think the President naturally is the host of this conference, and therefore, the invitees and the acceptances are primary a matter for him. But I know that China is now considering who they might send.

The key thing about the conference is that it provides definition to a new world economic community, and that is the Asia-Pacific economic community. So by having a leaders conference, by the APEC member states attending at leadership level, it's providing a definition of that area that formerly wasn't so.

APEC, in terms of its intrastate trade, is in fact more integrated than is the European Community or even NAFTA. So there's a great naturalness about APEC, and I think the President's historic initiative of inviting the leaders together gives it form, substance, and as we ourselves adopt an agenda, a work program for the trade-liberalizing agenda of APEC. Not only is that body having form and definition, but it will actually proceed along the path of trade liberalization, the very thing that the President is committed to.

The President. If I might, let me just say, first of all, on the economic issues, Asia is the fastest growing part of the world. Latin America is the second fastest growing now. About 40 percent of our exports are now going to Asia. And more and more of our trade-related jobs are tied there. It is a very important thing that we are not only hosting this economic conference, that—and the Prime Minister has been too modest. He played a major role in convincing all these countries that their leaders should come to Seattle to be a part of this. But the fact that all these leaders are going to come here and we're going to have a chance to sit one-on-one and in groups with no sort of bureaucratic apparatus, no preset agenda, nothing to weigh us down, and talk through a whole range of economic and political issues, is an enormous opportunity for me to follow up on what we did at the G–7, where we reestablished clearly and publicly the dynamics of our relationship with Japan which we're working on now, our security obligations in Korea. Now we'll have a chance I'm not sure a United States President has ever had before, to talk to the leaders of all these countries at one time and to try to map out an agenda. But I don't want to prewrite what's going to happen there because it might get a little better as we go along.

Q. Who will represent China, sir?

The President. Well, we don't know yet. But I'm hoping that they'll be very well represented, and I kind of think they will be.

We owe the last question to an Australian journalist because we promised 50/50. Go ahead.

Q. I appreciate it. For both of you gentlemen, do you see that the NAFTA——

The President. He's not an Australian journalist. [*Laughter*]

Q. No, for the ABC, the Australian Broadcast Corporation.

The President. Oh really? Okay, go ahead.

Q. You talked a lot about——

The President. I thought we'd get an American trying to mimic an Australian accent. [*Laughter*] I didn't realize we had—go ahead.

GATT Process

Q. You've talked a lot about the NAFTA process and GATT. And for both of you, do you see any positive impact of having alternatives of NAFTA and APEC for the GATT process? Is there a certain political leverage that you get out of it? I believe Ambassador Kantor had talked about that during one of the congressional hearings. Is there a positive impact going back to the GATT process?

Prime Minister Keating. Well, I think APEC and NAFTA, too, end up being GATT-plus options. They are GATT plus. But in the event that GATT did fail, they do define themselves as freer trade areas, in the case of NAFTA, in the case of APEC, defining an area which has got enormous mass, an enormous weight—economic mass and economic weight and economic growth. So the United States locking into that, all of us locking into that, lifting the velocity of that means that in defining a new economic and trading community, in getting that growth up, this is at least some alternative than where we'd have been in the unhappy position of the GATT round failing.

Now, frankly, I don't think the GATT round will fail. I don't think the Europeans

can let the French decide that the world's trading round should fail. I don't think the French will want to carry the odium of the round failing at their expense. And therefore, I believe there's much in the GATT round succeeding. But I do see NAFTA and APEC as GATT-plus overlays or overlays to the GATT. But you can also see them in place thereof, in part, as discrete area communities where we can all benefit by freer trade.

Q. [*Inaudible*]

Prime Minister Keating. Well, I think you've got to say this, that APEC equals growth, equals jobs. I think NAFTA equals growth, equals jobs. And that's the point the President was making earlier.

The President. I couldn't give a better answer than that. Thank you very much.

NOTE: The President's 25th news conference began at 3:11 p.m. in the East Room at the White House.

Remarks and a Question-and-Answer Session on the North American Free Trade Agreement in New Orleans, Louisiana

September 15, 1993

The President. Thank you. I'm glad you didn't let a little rain and a change of venue dampen your spirits. You may all still be excited after the Saints game last week. But I'm glad to be here.

I want to thank Mr. Brinson and Senator Breaux and Congressman Jefferson for what they have said. I'm glad to be here again with your Governor, your Lieutenant Governor, your State treasurer, and others, and Mayor Barthelemy. And I want to thank the Members of Congress who came here from other States, took time out of their busy schedules in Washington just to travel down to express their support on a bipartisan basis and from States all across this country for the North American Free Trade Agreement.

It really is, I think, not only a job winner for the United States but the opportunity for us to get off the defensive in our economic policies and go on offense and try to build a world in which there are more opportunities for Americans not only for good jobs but for growing incomes.

For 20 years we have been buffeted by the fortunes of global competition and mechanization and all the things that you know about, and more and more working people have been pressured in their daily lives, finding it harder and harder to make ends meet. It is obvious that what we have been doing has not worked very well. We know what makes more jobs in a wealthy country: Expanding trade makes more jobs; educating your people better makes more jobs; providing more investment makes more jobs. These are the things that I am committed to.

There have been a lot of things said about the North American Free Trade Agreement. We came down here to New Orleans today to listen to people who know how the trade with Mexico works and who will be affected by it, talk about it. But I want to just say one or two general things to all of you today.

Three decades ago this port was dedicated by President Kennedy, a person who had a vision of America that knew no limits, who believed that we ought to face our challenges, that we ought to look outward to the world, that we shouldn't hunker down, that we could compete and win with any people anywhere on Earth. It is time that we reestablish that belief, that conviction, that commitment.

Today we come to New Orleans because I believe you face the rest of the world with confidence. We heard Senator Breaux and Congressman Jefferson talk about the Port of New Orleans. We heard Mr. Brinson say it's the most important thing in strategic planning for the future of this port to pass this new trade agreement with Mexico.

Well, yesterday I signed a couple of side agreements that strengthen that, agreements that do the following things: number one, that commit the Government of Mexico, as well as the Government of the United States to invest more money in environmental cleanup. Now, that means two things: number one, more opportunities for American companies who do that kind of work. Number two, it means that there will be less difference in the cost of production on either side of the border because of different environmental regulations.

The second agreement commits the Mexican Government to enforce its own labor laws. And you should know what that really means. It means that for the first time in history a government has committed itself to raise the minimum wage as its economy grows, thereby raising the wage structure throughout the country, because the President of Mexico has made a personal commitment to me, to the United States, and to this process that Mexico from now on will raise its minimum wage every time its economy grows on a regular basis, which means that more rapidly than before and much more rapidly than if we don't pass this trade agreement, the wage gap between their workers and ours will close, and there will be less incentive to move our plants to Mexico but more ability by the Mexicans to buy American products that we ship from places like the Port of New Orleans.

Why do I believe this will work? Well, for a couple of reasons. First of all, because in the last few years Mexico has begun to lower its tariffs and open their markets to more American products. You know that because you've been shipping more out of here. In 1986—these boxes basically represent where we are—but in 1986 our exports to Mexico were a little over $12 billion, represented by this first crate here. At that time we had about a $5.7 billion trade deficit with Mexico. Because they've lowered tariffs, already we've got a $5.6 billion trade surplus with them now. And we estimate that by 1995, just a couple of years after the pact goes into effect, we'll have about $60 billion in trade with Mexico, represented by this big crate. You don't have to be Einstein to figure out if you're an American it's better to have four crates than one. That's what this is all about.

Let me just say a couple of other things. It's not just Mexico, especially for the Port of New Orleans. If we can make this trade pact work, and we will, because keep in mind—I want to make one other point to all those people that say this is a job-loser—that tariffs in Mexico, in spite of our trade surplus, are still 4 times as high as the tariffs in America against Mexican products. The average Mexican spends $450 a year buying American products, more than anybody in the world except the Canadians, more than the Japanese, more than the Germans, more than a lot of countries where the people are much wealthier. This will work because their tariffs are still higher than ours. If you lower the tariffs down to where they're as low as ours and then we eventually eliminate them, again it just stands to reason that we're going to have more sales and more products and more opportunities.

What I want to say to you finally is that this is the beginning of this process, because I can tell you that I have heard from the leaders of countries all over Latin America. They are looking at the Congress; they are looking about whether we're going to adopt this trade agreement. And if we do, then Chile, then Venezuela, then Argentina, then many other countries that are becoming more democratic and more free-market, free-enterprise oriented are going to want to have more trade with the United States and have more of our products. And that means still more, more trade going out of the Port of New Orleans because there are hundreds of millions of people in Latin America committed to democracy now, committed to free markets, and hungering for the benefits of a free economy. We can help them to get it and put the American people to work as well. And we know that trade-related jobs pay, on the average, higher wages than jobs not related to trade. So I ask all of you to support this. Now, let me just say that—thanks. [*Applause*]

There was a time when all the working people in America were for more trade, when people realized that if you didn't expand trade you couldn't keep expanding jobs. I want to say as a word of respect and partial regret, as we're here, there's a funeral going on in New Orleans for a labor leader named Lindsey Williams who helped to build this port. And Lindy Boggs, your former Congresswoman, wrote me a note about it, because I think she is there today. But she was reminding me in this note about how New Orleans had always been a place that pushed for more trade and a place where labor and management and Republicans and Democrats, African-Americans and whites and Hispanics and everybody got together because they looked outward to the world.

I'm telling you, folks, we cannot afford to look inward. We cannot repeal the force that is driving the world economy together. We can run away from it and get beat by it, or we can embrace it, do what we have to do, and win with it to create more jobs, more incomes, and more opportunity. That's what I think we want to do.

And as I sit down, I want to thank these men and women who are behind us. They work for and run companies that benefit from trade with Mexico today and who would flourish even more if we pass NAFTA. They ship their products through this port every day. And I thank them for coming here. They're not professional politicians or seasoned speakers, but they're the people that really count. They're the people that really count. They're the people who represent the future of this economy. And all the people who are arguing around this thing in politics, a lot of them won't be affected one way or the other. You need to assess who is going to be affected. Are they going to win or lose? The answer is this is a good deal. It's a winner. We ought to take it. And these folks are about to tell us why.

Thank you very much.

[*At this point, a participant stated that NAFTA will create 15 to 20 more jobs in a local rice mill.*]

The President. So you'll put together 15 or 20 more people, and the rice farmers in my home State of Arkansas will send you rice down here to go out of the Port of New Orleans. That's what you're saying, right?

Q. Well, I'd like for it to be that way, but unfortunately, I'm sure your mills will benefit from it too in Arkansas.

The President. Thank you. I appreciate that.

Who's next?

[*An Amoco employee discussed the environmental benefits of exporting natural gas liquids to Mexico.*]

The President. I think we ought to talk about this a minute for people who don't know. One of the most closed aspects of the Mexican economy has been the whole energy sector. And the Mexicans, as you know, have their own oil company, and their own oil reserves, but they have flared off their natural gas. They never have saved it, distributed it. And as a consequence, they have a lot of problems, which you just mentioned, especially in Mexico City.

It may well be that in the short run the fastest growing economic opportunities will be in the energy area, particularly if we can figure out a way to get large volumes of compressed natural gas down there and get it into the stream of usage, as well as the other petrochemical products. So I thank you for talking about that. That's a huge issue and a big short-term winner for us.

Who's next?

Q. I am all for the idea of the NAFTA because it means more security for our jobs and our families.

The President. What do you sell to Mexico?

Q. Hot sauce, canned beans——

The President. That's pretty good, they sell hot sauce to Mexico. I think we ought to clap for that, don't you? [*Applause*] Canned goods?

Q. Canned beans.

Q. We have five factories that produce processed food products in America, several of them in Louisiana and Texas. We're vitally interested in NAFTA because basically it opens the Mexican market to our company and our products. We have a processing plant in El Paso, Texas, that virtually has been unable to sell any of our manufactured food products into Mexico because of their closed-market situation, which began to change some 4 years ago under the Salinas government. What we need now is we need that to change and that opening to be completed under NAFTA so that the market will be totally open to us, and we will be able to compete on an even basis with the Mexican industry that we compete with.

The President. Do you have any idea what it will do to your sales? Have you done any estimates on how much it will increase your markets?

Q. Yes, we are talking millions of dollars of increased sales. And we're talking hundreds of jobs, possibly thousands in time to come. But Mexico has 80 million people, 80 million consumers who have a natural affinity to our products. And we think it's a great

potential market for our products and will be enhanced greatly under NAFTA.

The President. Good for you. So you don't have—I want to get this straight—you have plants near the Mexican border on the American side; you don't have any intention of moving them. And in fact, you know you're going to hire more people to work there if this trade agreement is passed.

Q. That's exactly right.

The President. Thank you very much.

[*A participant explained how NAFTA will benefit companies that are helping to alleviate environmental problems in Mexico.*]

The President. What do you produce?

Q. We produce specialty polymers for water purification, wastewater treatment. We produce a lot of products and services to help our customers minimize pollution and to prevent pollution. And we produce superabsorbent polymers. We produce products that are used in the pulp and paper industry. All of these things would face a dramatic increase if the NAFTA agreement were ratified.

The President. Have you done any estimates on how much your sales might increase if it passes?

Q. I'm sure we do, but from the numbers I've seen, we know that for about every million dollars increase in sales resulting from NAFTA, that would generate about five additional jobs at NALCO, and most of those would be in manufacturing. And again, the Garyville plant here in Louisiana is our biggest plant, so it would have the most dramatic impact in that area.

The President. Thank you. Go ahead.

[*A participant expressed support for NAFTA because the reduction in tariffs would create more jobs.*]

The President. You know, I'm really glad that some of you are coming here who work for these companies, because we know that the only way a wealthy country like America can grow wealthier is if we have more customers, if we sell more. We know we can't just sell to each other. We have to open up our borders.

And the point I want to make to the working people who are worried about whether they are against this or not is that anybody who wants to move a plant to Mexico because wages are lower or because the environmental standards are low can do that today. They can do it tomorrow. They can do it if NAFTA fails. And in fact, if the NAFTA agreement fails, it will be easier to move a plant to Mexico because wages will be lower down there and environmental standards will be laxer. But it will be harder for them to buy our products because they won't be making as much money and because we won't be able to send as many products in there.

So I appreciate all of you being here, especially because in the end what my job is, is to find ways in a very tough world economy, where Europe's economy is not growing, where Japan's economy is not growing, I have to find ways to try to help our economy grow to create more jobs and higher incomes. Mexico's economy is growing. Latin America is the second fastest growing part of the world, next to Asia. And so I really appreciate the working people coming here because, in the end, the reason we're doing this is to provide greater security to the working families of this country.

I told the Members of Congress on the way down here, and I guess I ought to tell all of you, as many of you know I was the Governor of your neighboring State to the north for 12 years. I have known people whose plants shut down and moved to Mexico. I've seen that happen. Believe me, this agreement will not make that any easier. That's going to happen or not happen, regardless. This agreement will make it harder because it will change the economics in ways that benefit both sides of the border. If I didn't know that, I wouldn't be out here pushing for this agreement.

So I thank all of you for coming here today.

Ron, would you like to say something?

[*At this point, J. Ron Brinson, president and CEO, Board of Commissioners, Port Authority of New Orleans, stated that increased trade with Mexico will continue to produce jobs in Louisiana and that NAFTA may lead to a hemispheric trade agreement in the future. Gov. Edwin W. Edwards of Louisiana then endorsed NAFTA, stating that Louisiana industries would benefit from it.*]

The President. We are going to wrap up, but before we do, I would like to ask all of you to give all of these people who came up here and spoke a hand, because they are what this whole thing is about. [*Applause*]

In the weeks and months ahead we are going to try to do a number of events like this to highlight the importance of NAFTA. But I'd like to ask all of you who are here from Louisiana to write to Members of Congress and your Senators and tell them that you support this, it means more jobs for your State, and you would appreciate their voting for it. They need to hear from you. The people who are afraid of this agreement are quite well organized. Some of them have a dollar or two, as you may know, and they need to hear from you. We just tried to give these folks a chance to make a direct plea today. I want everybody within the sound of my voice to also make your opinion known to your Representatives in Congress. It is up to them now.

We need your help. It means more jobs for America. Thank you very much.

NOTE: The President spoke at 12:03 p.m. at the Port of New Orleans. In his remarks, he referred to Lt. Gov. Melinda Schwegmann, State treasurer Mary Landrieu of Louisiana, and Mayor Sidney Barthelemy of New Orleans.

Proclamation 6592—National Hispanic Heritage Month, 1993

September 15, 1993

By the President of the United States of America

A Proclamation

One of our Nation's greatest strengths is its vast diversity. The mosaic of races, ethnicities, and religious groups that comprise America provides us with a powerful energy and an ability to see the world from many viewpoints. Since our country's inception, Hispanic Americans have always been an integral part of this great mosaic. Indeed the history, culture, and traditions of America are greatly influenced by the contributions of those individuals who have their origins in Spain and Latin America.

While the impact of the Hispanic culture is manifest in our Nation's customs and traditions, this legacy continues on beyond the pages of history. Today, Hispanic Americans continue to make important contributions to our society. It would be impossible to think of American Government, business, industry, Armed Forces, agriculture, science, sports, and the arts without noting the presence and full participation of Hispanic Americans. Ellen Ochoa, who has served America proudly as our first Hispanic woman astronaut; Cesar Chavez, whose lifelong passion and commitment uplifted the lives of millions of agricultural workers; Secretary of Housing and Urban Development Henry Cisneros and Secretary of Transportation Federico Peña; Master Sergeant Roy P. Benavidez, who won the Medal of Honor for his service in Vietnam; and millions of other Hispanic Americans whose hard work keeps our Nation moving—all of these patriotic Americans draw their heritage from the rich Hispanic culture.

Many of the traditions that Americans hold so dear are deeply rooted in the Hispanic American values of a strong sense of family, devotion to religious beliefs, and dedication to liberty and democracy. Committed dearly to these precious ideals, Hispanic Americans are helping all of us to uphold the legacy of our democratic society.

America is an ongoing experiment—an unfinished work. There is much for all of us still to accomplish in order to ensure a brighter and more peaceful world for our children. I know that Hispanic Americans, always conscious of the traditions of their forebears, will continue to work with Americans of every racial, religious, and ethnic background to confront our Nation's health, housing, educational, and human rights concerns. The principles that are such a part of the Hispanic American tradition will serve all of our people well as we strive to address the challenges that the future holds for us.

To commemorate the Hispanic American contributions to our Nation, the Congress, by Public Law 90–498 of September 17, 1968, as amended, has authorized and requested the President to issue annually a proclamation designating the month begin-

ning September 15 and ending October 15 as ''National Hispanic Heritage Month.''

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim the month beginning September 15, 1993, and ending October 15, 1993, as National Hispanic Heritage Month. I call upon the people of the United States to observe this month with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereunto set my hand this fifteenth day of September, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 4:57 p.m., September 15, 1993]

NOTE: This proclamation was published in the *Federal Register* on September 17.

Executive Order 12864—United States Advisory Council on the National Information Infrastructure

September 15, 1993

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2) (''Act''), and section 301 of title 3, United States Code, it is hereby ordered as follows:

Section 1. *Establishment.* (a) There is established in the Commerce Department the ''United States Advisory Council on the National Information Infrastructure'' (''Council''). The Council shall consist of not more than 25 members to be appointed by the Secretary of Commerce (''Secretary'').

(b) The Secretary shall appoint from among the members of the Council officials to serve as chairperson(s) or vice-chairperson(s) of the Council as he shall deem appropriate.

Sec. 2. *Functions.* (a) The Council shall advise the Secretary on matters related to the development of the National Information Infrastructure. The National Information Infrastructure shall be the integration of hardware, software, and skills that will make it easy and affordable to connect people with each other, with computers, and with a vast array of services and information resources.

(b) The Council shall advise the Secretary on a national strategy for promoting the development of a National Information Infrastructure. Issues that the Council may address include, but are not limited to:

(1) the appropriate roles of the private and public sectors in developing the National Information Infrastructure;

(2) a vision for the evolution of the National Information Infrastructure and its public and commercial applications;

(3) the impact of current and proposed regulatory regimes on the evolution of the National Information Infrastructure;

(4) national strategies for maximizing the benefits of the National Information Infrastructure, as measured by job creation, economic growth, increased productivity, and enhanced quality of life;

(5) national strategies for developing and demonstrating applications in areas such as electronic commerce, agile manufacturing, life-long learning, health care, government services, and civic networking;

(6) national security, emergency preparedness, system security, and network protection implications;

(7) national strategies for maximizing interconnection and inter-operability of communications networks;

(8) international issues associated with the National Information Infrastructure;

(9) universal access; and

(10) privacy, security, and copyright issues.

(c) The chairperson(s) may, from time to time, invite experts to submit information to the Council and may form subcommittees of the Council to review specific issues.

Sec. 3. *Administration.* (a) The heads of executive agencies shall, to the extent permitted by law, provide to the Council such information as it may require for the purpose of carrying out its functions.

(b) Members of the Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law, including 5 U.S.C. 5701–5707 and section 7(d) of

the Act, for persons serving intermittently in government service.

(c) The Department of Commerce shall provide the Council with administrative services, facilities, staff, and other support services necessary for the performance of its functions.

Sec. 4. *General.* (a) Notwithstanding any other Executive order, the functions of the President under the Act that are applicable to the Council, except that of reporting to Congress, shall be performed by the Secretary in accordance with guidelines that have been issued by the Administrator of General Services.

(b) The Council shall exist for a period of two years from the date of this order, unless the Council's charter is subsequently extended prior to the aforementioned date.

(c) Members of the Council and its subcommittee shall not be considered special government employees for any purpose or for purposes of 18 U.S.C. 201–203, 205, 207–209, and 218–219.

William J. Clinton

The White House,
September 15, 1993.

[Filed with the Office of the Federal Register, 10:59 a.m., September 16, 1993]

NOTE: This Executive order was published in the *Federal Register* on September 17.

Remarks in Response to Letters on Health Care

September 16, 1993

Good morning. Please be seated. Welcome to the Rose Garden. I'm glad the rain has stopped, but we put up the tent just as a precaution.

Nine months ago, when I asked the American people to write to us to send their thoughts about the health care system and the need to reform, I had no idea what I was doing to our already overworked correspondence staff. Today, more than 700,000 letters later, I am happy to be able to join Hillary and Al and Tipper in welcoming a few of you here who wrote to us.

In the weeks and months ahead, health care will often be topic number one at dinner tables, at offices, at medical clinics, and in the Halls of Congress. But before we launch into the debate I wanted to invite you here to remind everyone that, as Hillary says, there are 250 million health care experts in our Nation, and everyone has a different story.

If you read some of these letters as I have, the picture very quickly becomes clear. Even the millions of Americans who enjoy health care coverage are afraid it won't be there for them next month or next year. They want us to take action to give them the security that all Americans deserve. Let's start then with four people whose stories speak volumes about our health care system.

In order, they are Jermone Strong, Nelda Holley, Stacey Askew, and Margie Silverman.

[*At this point, the participants read their letters.*]

These letters are representative of tens of thousands that we received telling stories like the ones you've heard: people who can't go back to work, people who can't take job advancements, people who have no coverage because they're young and they're unemployed, all the other things that you have heard here.

There is one particular problem in our health insurance system in America that I'd like to focus on by asking for two more people to read letters, something that's a part of the everyday vocabulary now of most working men and women in this country: the preexisting condition, the thing which if you have it you either can't get health insurance or you can never leave the job you're in. So I'd like to hear from two people from California and Illinois, Suzy Somers and Jean Kaczmareck.

[*The participants read their letters and Hillary Clinton responded.*]

Let me just say one thing about this to try to hammer home what I think is a very important point. All the stories you've heard today have nothing to do with the quality of American health care but everything to do with the system of insurance we have. And in the weeks and months ahead you may hear a lot of stories about that, but the bottom

line is this: If you lived in any other advanced country in the world, you wouldn't have this problem, none of these problems. But it's not a reflection on our doctors, our nurses, our health care providers; it is the system by which we insure against risk. It can be different.

I want to go on now to the next issue, because every time I say this, people say, ''Well, how are you going to pay for this? This is going to cost a fortune.'' I have an answer to that, but I want to hear from people who are talking already about the exploding costs of health care in this country. Next to the problem of security, we hear more about cost.

And of course, Miss Holley talked a little bit about costs, and some of the rest of you did, too. But we have some people here who want to read letters. They're from Georgia, Pennsylvania, and California: Karen Nangle, Mary Catherine Flyte, and Brigitte Burdine. Would you please read your letters to us, or say what you'd like to say?

[*The participants read their letters and Tipper Gore responded.*]

I wish I could say something to each of you, but I want to hear the other letters. But let me just say one thing to you, Karen. One of the things that really has upset me now that I am at least nominally in charge of the Federal Government—I say nominally—is how many programs, like the Supplemental Security Income program, were designed with the best of intentions, but because we have this crazy little patchwork health care system with a little done here, a little done there, a little done the other place, a system that was designed to help your family is actually wrecking your health care plan—and one that works—and costing the taxpayers more money to boot. That's one of the things that we think, just by rationalizing the system, we can handle.

One other thing I want to say to you, Brigitte. I want to make it clear, there will be some difficult choices in this decision. But let's not kid ourselves: There's a lot of waste in this system which we can squeeze out. But there will be some difficult choices, and your family represents one. And I want to just try to describe this to you.

Most countries that insure people either directly by tax dollars or indirectly, as in Germany, through employers—and more and more American States that are looking at this are looking at something called community rating. Hawaii has had it since 1974, where 98 percent of the people in the work force are covered and they have lower than average overall premiums. But it's because they put all people in big, big insurance pools.

Now consider this, in the case of your family, how much better off your family would have been if your sister could never lose her insurance, certainly as long as she was at work, and then if she wasn't she'd be picked up under a general system. Even though she got sick her employer would not have to worry about going broke by covering her under the insurance package because he or she and all the employees would be in a big, big pool, say, a couple of hundred thousand people. So if one person gets AIDS, it only adds marginally to the cost of this big pool. Same thing with you.

Now, I just want to tell you what the tough choice is. The tough choice is that someone like you in the same pool, because you're young and healthy and strong and unlikely to get sick, might have to pay a little bit more in insurance premiums so that everybody in the big pool could always be covered and no one would be kicked out. I think most young, healthy, single Americans would be willing to do that to avoid the kind of horror stories we've heard today. Same thing would have helped you.

But I do want to say, there are a lot of things that can be done to this system, but I don't want to kid you, the American people will have to be willing to make some changes. And this is one change that we think most young Americans would like to make, because they are all presumably going to be older some day or going to be sicker some day. And that is one thing that I think we've just got to do. If we were all in these big pools, then you wouldn't have had half the problems you had, and your family would be better off.

Let's go to the next issue that nobody in America understands this, the crisis of American health care, more than small businesses. Small business owners often have the worst

of both worlds. They want very much to cover their employees, but they can't afford the coverage, again because they can't buy into large pools. Their premiums are much, much more expensive. So you have this situation where a lot of small businesses don't cover their employees. Then when they get sick they don't get care until they are real sick, and they show up in the emergency room. Or they provide coverage but the deductibles or the co-pays are astronomical, often as much as $2,500 a year.

So I thought we should hear from a couple of people who can share their stories, Mabel Piley from Kansas and Karl Kregor from Texas.

[*The participants read their letters. Mr. Kregor concluded by thanking his wife for having the courage to support his career change.*]

I feel the same way about my wife. [*Laughter*]

First, let me thank both of you for coming. And let me say that this is another one of these areas where I think a change can offer enormous hope and deal with the problems that you have outlined, but where we'll also have to take some disciplined, different action that will require some people to do more. And let me describe that.

Most small business people, both employers and employees and people who are self-employed, do have some kind of health insurance. But it often provides inadequate coverage or has astronomical deductibles or, in any case, costs a fortune. You said that your premiums, I think, quadrupled in 3 years, from '89 to '92. Now, during that time the cost of health care was going up at about 2½ times the rate of inflation. But that would not lead to the amount of increase you had. You had that increase because you owned your own business and you were probably in a very small pool of people, probably 100, 200, 300, something like that.

Under our plan, two things would help you. You would be in a very large pool with a community rating—the same thing that would help your sister and family—and also as a self-employed person, because you'd still have to pay relatively more, you'd get 100 percent tax deductibility for your premiums instead of 25 percent today. So it is almost certain that your costs would go down. It is certain. Your costs would go down. Under our system, what would happen to you is if you developed your own consulting business, you would become like Mable. You'd have 100 percent deductibility for your premium, and you'd be able to buy into a very large pool, just as if you were an employee in a company that had 5,000 people insuring its own employees.

Now, the flip side of that is, the only way we can make that work is for the small business people today who don't provide any insurance coverage at all to their employees to make some contribution to the health care system and for the employees to do it.

Now, it will be better than the present system because we're going to lower premiums for small businesses by putting them in big pools. I just explained that. We also propose to provide a subsidy to keep the premiums even lower for several years for the employers that have low-wage employees and therefore are very low-margin businesses.

So we're going to try to help there. But you have to understand that all the employers in the country who don't provide any insurance to their employees, they basically are getting a free ride in some ways from the rest of you because if their employees or they show up at the hospital, it's there. It's just like driving on the road without paying a gas tax. I mean, the infrastructure is there. The clinics are there. The hospitals are there. The tests are there. The nurses are there. And until everyone is willing to make some contribution to his or her own health care, and until we get all the employers in the system even at a modest rate, we won't have a fair system where we can apportion the costs fairly, and we can keep everybody else from being overcharged.

So that's one of the most controversial parts of this program. But it is true that a lot of small businesses simply could not afford to get into the insurance market today without going broke. That's absolutely true. And since most jobs are being created by people like you who are starting small businesses, we know we can't afford to do that. But it's also true that a lot of big businesses can't afford to hire anybody else and always

work their people overtime or hire part-time workers because they can't afford health insurance premiums because they're paying too much. It's also true that a lot of people who work for employers that have health insurance never get a raise anymore because all of the money is going to the health insurance premiums.

I don't want to pretend that this is all going to be easy, but it seems to me that it is a fair thing to say: Everyone in America should make some contribution to his or her own health insurance. And all employers should make some contribution, but if they have a very low margin, we're going to subsidize them for several years while we work into this system. And if we do that and give you 100 percent deductibility and you 100 percent deductibility and put you in great big pools, then more Americans will live without the kind of blackmail that you just outlined. I think it is the only fair way to work it. It's the only way any other country has solved this problem. And I don't think we can reinvent this wheel.

You've heard a little about this already because of the so-called preexisting condition problem, but there are literally millions of Americans who are locked into the jobs they're in. This is a very tough thing in a country where job mobility is important, and the average young American going into the work force will change jobs eight times in a lifetime. To be locked into a job at a time when many people who've lost a job here can tell you, you don't get that same job back, you have to get a new job, is a very, very hazardous thing.

Judy Dion and Shelly Cermak are here to tell us about this problem with our health care system that's come to be known as job lock. They're from Maine and Maryland. Judy and Shelly.

[*The participants read their letters.*]

We agree. And we don't think taking care of your beautiful, young daughter should keep you from ever taking a better job, either.

The bottom line on this is that if we change the rules so that no one can be denied insurance coverage because of a preexisting condition, we also have to change the system so that no business goes broke for giving that insurance coverage. In other words, we can't afford to cut off our nose to spite our face. We have to make it possible.

So again, what we hope to do is to give you the protection of knowing you can always have health insurance; that if you change your jobs, you'll be able to get it; that no one will be able to turn you down; but that your employer won't go broke, either, because they will be in these large pools so that the risk will be fairly spread across a significant percentage of the American citizenry. And it seems so simple. You must wonder why it hasn't been done before. But it's wrong not to do.

And probably this and the cost issue will probably affect more Americans than any other single issue because a lot of you, even who have talked about other problems, are indirectly affected by this whole job lock issue. Also, it affects everybody in all kinds of different ways. So we must do this. We must do this.

And let me also say that it's bad for the American economy. Every healthy person in America is disadvantaged if you two can't take a better job. Because when Americans with talents and gifts can't fulfill their God-given abilities to the maximum extent, then that makes our whole economy less productive, less competitive. It hurts everybody. So it's not just all the people who have your life stories. All the rest of us are really disadvantaged if you get locked into a job. Also, somebody coming along behind you who would get that job, and that's a better job than they have, those folks are disadvantaged, too.

Let me just say in introducing the last set of letters that there are a lot of people in this system who are very frustrated by the incredible bureaucracy of the American system. It is the most bureaucratic health care system in the world of all the advanced countries. The expense is staggering. It probably costs at least a dime on the dollar more in sheer paperwork than all competing systems. That not only has financial consequences; it has terrible personal consequences. We've found some people here who have been lost in that maze, and I wanted you to hear their stories.

So let me ask now James Heffernan from Florida—I'm going to try to pronounce this right—Carol Oedegeest—close enough?—from California to read their letters, and the Vice President will respond.

[*The participants read their letters and Vice President Gore responded.*]

Let me say that I hope all of you are familiar with—at least have heard about the Vice President's brilliant report on reinventing Government, and he's given us suggestions that will save the taxpayers $100 billion over the next 5 years, if we can implement them all, and free up that money to reduce the deficit or invest it in needed programs. But the health care system needs that, too. And our strongest allies in this, I think, will be doctors and nurses.

To illustrate what he said, let me just give you two statistics with this nurse sitting here. The average hospital in America has hired clerical workers at 4 times the rate of health care providers in the last 10 years. Think about it. Another thing: In 1980, the average doctor took home 75 percent of the money that came into his or her clinic. They just took it home. By 1990, that figure had dropped from 75 to 53 cents on the dollar, the rest of it going to paperwork. You wonder why the bills are going up? So this is a huge deal.

I also want to thank publicly, I think—I've not had a chance to do this—I want to say a special word of thanks to Tipper Gore for being such an active member of the Health Care Task Force and being such a passionate advocate for the interests of the mentally ill and the interest that the rest of us have in dealing with it in a more sensible and humane fashion.

And I'd also like to thank the First Lady for the work this task force has done, not only for receiving 700,000 letters but for meeting with literally 1,500 different interest groups and involving thousands and thousands of people in the health care system itself.

In the months ahead, as we debate health care reform, you will hear numbers and arguments fly across America. I hope that this beginning will help us to remember that fundamentally this is about people, about all of you that have read your letters, about all of you who wrote us letters who are out here today whose letters couldn't be read. I invite all of you to speak to the members of the press who are here about your stories.

I just want to thank you for coming and for having, particularly these people, for having the courage to tell us their personal story and to tell America their personal stories. We can do this. We can do this if we recognize that even though it's complicated, we can work through it, if we will listen to the voices of the real people who know it has to be better and different.

Thank you very much.

NOTE: The President spoke at 8:10 a.m. in the Rose Garden at the White House.

Remarks and a Question-and-Answer Session With Small Business Leaders on Health Care

September 16, 1993

The President. Thank you very much. First of all, I want to echo what Erskine Bowles said. I thank you for taking some time off today to come in here and just visit with me about this whole health care issue and about what we're trying to do and about your personal situations and whether we're responding adequately to them.

Let me tell you that one reason we're a little late this morning is that I started the morning—some of you may have seen it on television—I started the morning with about 15 people of the 700,000 people who have written letters since I asked my wife to chair this health care group. Seven hundred thousand Americans have written us about their personal situation. A lot of them were small business people. Some of the people who were there today at our morning meeting in the Rose Garden were small business people. A lot of them were people with sick family members, people who were locked into jobs they could never change, all the things that you know about. But I wanted to leave that group—and we had another 100 people who've written letters who just were asked to come and be in the audience—I wanted

to leave that group and come straight here because it is the small business community that, as business people, will arguably be most immediately affected, although there will be an impact on larger businesses, too.

First, I'd like to thank our hosts, the Siegels, for letting us come to this great small business which goes back to 1866. Most of us weren't around back then. I really appreciate you doing that. I want to thank Mayor Kelly and so many of the DC City Council members for being here. And we're delighted to be here. Harry, I think we're in your district, aren't we? Your ward. We're glad to be here.

Let me just make a few opening remarks and then I'd like to hear from all of you. We have a lot of problems in this health care system. There are a lot of things that are right about it. Most all Americans get to pick their doctors. And we have high quality care if you can access it. But every month, hundreds of thousands of people lose their health insurance and over 100,000 lose it permanently, so that each year more and more people are without health care coverage. We're the only advanced country in the world that doesn't have a system to provide a basic health care package to all of its citizens.

The second thing that happens is that the cost of health care, particularly since 1980, but really before that, but especially since 1980 has being going up much more rapidly than inflation, 2 and 3 times the rate of inflation.

The third thing is it's hitting small businesses and self-employed people much harder than bigger employees now because they tend to be in much smaller insurance pools. So if one person gets sick in that pool or one person gets sick in the employment unit, it can rocket your costs. We were with a person today earlier who between 1989 and 1992 had their premiums quadruple, from something like $200 and some a month to over $900 a month.

The third thing is that very often small business people, to get any insurance coverage at all, have to have astronomical copays and deductibles, so that it becomes almost dysfunctional for their employees. And more and more small businesses every month are having to drop to their coverage.

Now, the flip side of that is that many big businesses have been able to maintain generous benefit packages but only at the expense of never giving their employees a pay raise. And we're looking at a situation that now for the rest of this decade we could, in effect, take away all the pay raises for the work force of this country to go into higher health insurance premiums, unless we do something. So it's a very, very serious problem.

You also have a health care system that is widely inefficient. None of you could run your businesses and stay in business with a system that had the administrative overhead and the paperwork burden and the bureaucracy that the health care system does. The average hospital is hiring clerical workers at 4 times the rate of health care providers. The average doctor in 1980 took home 75 percent of the money that came into the medical clinic; by 1990 it had dropped from 75 cents on the dollar to 53 cents on the dollar—going to bureaucracy paperwork, the way the insurance system is organized.

So what we tried to do is to come up with a plan that would require every employer and employee to contribute something; would have a cap of 7.9 percent of payroll as a maximum that anyone could be required to pay; would provide some subsidies for employers with under 50 full-time employees, which means you could have more if some of them were part-time, all the way down to 3.5 percent of payroll, depending on the wage rates; and would lower the cost increases of health insurance to all Americans.

The most controversial aspect of this is requiring all employers and employees to contribute some portion of the cost of health care. The problem is if you don't do that, it's going to be very hard to get costs under control because unless everybody contributes, there will always be a lot of cost shifting in the system. That adds a lot of administrative costs. It also means that the people who are paying for health insurance are paying more than they would otherwise pay, because they alone pay for the infrastructure of health care, the hospitals, the clinics, the people that are there. And they alone pay for the emergency rooms and the uncompensated care in that regard.

So we're trying to work this out in a fair way that's bearable. But I believe it will aid the American economy and will help small business growth if we do it properly. That will be a big point of controversy as we debate this over the next few months.

So I wanted to start on the first day right from the get-go, if you will, hearing from the small business community. And I'd like to—who wants to go first? Our host. And make sure that you've got the microphone close enough to you.

[*At this point, a participant asked if the new health care plan will force small businesses to raise their prices and further compound the economic situation in the country.*]

The President. It would be, except most small businesses under this system will actually have lower costs. Keep in mind, most small businesses are providing some health coverage to their employees now at astronomical costs. Many small business families are self-employed and insure themselves as self-employed. Self-employed people, under our plan, will get much lower premiums, much lower, because they'll be in big insurance pools. And they'll also get 100 percent deductibility for their insurance premiums, not 25 percent, for the first time. So those will go down. All employers who offer anything will have their employees go down now. Employees with groups under 50 will start out, most of them, paying less than $1 a day for employees for health insurance under our system.

[*Administrator Bowles stated the new plan will enable small business owners to provide comprehensive coverage at lower cost.*]

The President. I don't mean to minimize this, but let me tell you what the flip side of this is. Every year one of the things that adds to the cost of health care in America is cost shifting. So every time the Government doesn't pay for the people we're supposed to cover or somebody else doesn't pay and somebody shows up in an—somebody without health insurance normally won't get health care in a preventive and primary way where it's cheapest, but they'll get it when it's too late, when they're really sick, often showing up at the emergency room. All those costs get shifted onto someone else. And then their competitiveness is eroded, so they eventually drop their health insurance. And more and more people keep dropping it. It's just sort of in a death spiral every year where more and more people drop their insurance, more and more people are uninsured. And then the people who are insured are paying for all them when they finally access the system.

And as I said, we're the only country in the world that does it this way. We're the only country in the world with 1,500 separate health insurance companies writing thousands of different policies and trying to divide little small businesses up into smaller and smaller groups. Some of these groups are so small that the overhead, that is, the insurance company administrative costs and profit, is up to 40 cents on the dollar. We can't sustain the system.

I don't pretend that even a dollar a day per employer won't be more difficult for some small businesses. It's just that we can't figure out any other way to fairly apportion the cost of this system and keep everybody covered and finally get the cost under control. The costs are spiraling out of control.

The other alternatives are nobody gets coverage, or the taxpayers pay it. And if the taxpayers pay it then, in effect, we're raising taxes on people who are already paying way too much for their health care to pay for people who aren't paying anything.

So I think this is a fair way. And what I would ask you to do and everybody in your circumstances is when we produce the copy, the final copy of this health care plan, because we're still in extensive consultations on it, but in the next several days, I'd like to ask you to go over it, calculate exactly how it will affect you, and then draw a conclusion about how you think it will impact you. Look at the specific facts and get back in touch with Erskine Bowles and tell him how you think it will affect you.

[*A participant asked who will be responsible if the new plan is overutilized and costs begin to rise.*]

The President. I'll answer your question, but let me say first of all, you're much more likely to have overutilization and exploding costs if we keep on doing what we're doing

than if we adopt our plan. In other words, particularly for smaller employers, costs have been going up on average anywhere from 20 to 50 percent a year. Only the very biggest employers that are able, in effect, to bargain more toughly with their own insurance providers have been able to hold their costs in line, and they've been able to do a little bit better job in the last few years simply because of their size.

So under our system you would not only start out with a lower premium than you're paying now so you would get an immediate savings, you'd be part of a big alliance of employers and employees who would have some say over the governing of your big health care group. And if the evidence of every other country is any guide, if the evidence of the places which have started it in this country is any guide, the cost is going to go up much less rapidly under this system than if we stay with what we've got. In other words, the worst alternative that we can conceive is to continue to do what we've got for small business.

Now, in addition to that, we've proposed to have a backup budget cap so that if by pure competition you can't keep costs as low as we think that—you know, basically to inflation plus the growth in people participating, we'll still have a budget to limit it.

So the answer to your question is, there is no conceivable scenario, at least that I can conceive of, where you would wind up paying more under this plan than another. Also there are more incentives in this plan not to overutilize the system, not just for your employees but for the American people as a whole. Under our plan all the employees in the country would have to pay something towards their own health care up to 20 percent, which is something that many don't now. And if they wanted a more generous plan than we cover, which is quite adequate, they would have to pay even more. So there will be a lot of incentives not to overutilize the system and not to run the cost through the roof.

Let me also point out that over the next 5 years, since you mentioned the short-term period, that's the period over the next 5 years where we'll be realizing a lot of the administrative savings. Our country stands approximately a dime on the dollar more in paperwork than all of our competitors. That's a bunch of money in an $800 billion health care system. So if—let me just say this—if what we've tried to do in implementing this health care system is to phase it in over a period of years, to build in corrections so if something goes wrong, we will find another way to control the costs, not to increase your costs for this health care.

We are spending—let me say—I want to drive this home. Today, America spends 14.2 percent of its gross domestic product on health care. Canada spends 9.4 percent. No other advanced country in the world is over 9. None. Not Germany, not Japan. And in the German system, which is about 8.6, 8.7 percent of their gross domestic product, the benefits are as generous as the best plans, more generous than most, and contain a lot of primary preventive health care. So unless we just all go to sleep at the switch, this is—you know, there is no way that you can't be better off under this new system.

But there are protections. The way we've got it written, there are basically opportunities to recalculate, to avoid imposing undue burdens on employers 3 and 4 and 5 years down the road. The way it's written, we'll have to have opportunities to readjust it.

The bottom line is, sir, none of us are going to do anything which put more small businesses out of work than are already doing it now, because most of the new jobs in this country are being created in units of under 50. So I wouldn't be doing this if I didn't think it was not only better for the health care of the country but also would tend to stabilize the environment for small business so we could get back to generating new jobs.

[*Administrator Bowles reaffirmed that the new health care plan will be beneficial to small businesses. A participant then asked if the new plan will help businesses that employ people with catastrophic or preexisting illnesses.*]

The President. First of all, as you know, this is not an unusual condition. This has happened to millions of employers in America and millions of employees. For the employer, the burden is just what you suggested, you're put in this awful situation of having to fire

somebody who may be a good employee and making their lives miserable or paying enormously increased premiums.

For the employee, there's another problem for the American economy that's now come to be known under the rubric of job lock. We now live in a country where labor mobility is quite important. The average 18-year-old will change jobs eight times in a lifetime now. And we've got all kinds of folks who can never change jobs again because they or someone in their family's been sick. What we propose to do about it is to reorganize the insurance market so, first of all, nobody can be denied coverage or dropped from coverage because of a preexisting condition, and secondly, so that small business employers of people with preexisting conditions don't have undue rises in their premiums because they are in very, very large buying pools. So that the preexisting condition that one of your employees or a family member has, say you've got 30 employees—or how many employees do you have? So you've got 14. That could wreck you if you're in a buying group with a couple of hundred or even a couple of thousand. But if you're in a huge buying pool with 100,000 people or more, or 200,000, then each preexisting condition would only have a marginal impact on you.

We propose to go to what is called community insurance rating. It puts you in a large pool so that that will only have a marginal impact on the increased costs to the total people in the pool. All of them will be represented in bargaining for the package of health insurance benefits with the people who provide it. So it will provide a lot of protection for you, as well as protection for the employees. And it is, by the way, the way it is typically handled in other countries and the way it is generally handled in Hawaii, where 98 percent of the employees are covered by the requirement and where they have a community rating system.

[*A participant asked about the role of private insurance companies.*]

The President. Well, let me say that you have that in every country where you have universal coverage, because there are some people who may want a little extra coverage on this, that, or the other thing. But you also have that here, frankly. And a lot of even the better employer-employee plans here—there may be employers, for example, who go out and buy another policy. You see it in Germany also. You see it in nearly every country. But what you might call the customized insurance policy that covers an additional extra risk, you find everywhere. But that's mostly to guarantee more personalized care. Under our system, people who run out of that will have a Government back-stop, if you will, to take care of people and those kinds of problems.

One of the reasons, however, we elected not to try to go to the Canadian system, even though the Canadian system is administratively the simplest, that is, they have the lowest administrative costs of any system we studied; the Australian system may be about there, and the British system is, but it's all government-owned. No one wanted to get that. The Canadian system is a private health provider system, publicly financed system where all insurance premiums are abolished. Everybody pays a tax, and you just pay it out. It's like Medicare, but everybody's on it. And there's no administrative costs to speak of. It's very low. We decided not to do that for two reasons. One is we thought there would be a lot of aversion to canceling all the premiums and converting it into a tax. And people probably distrust Government about as much as they do big insurance companies. Secondly, if you look at the German system, for example, which is more similar to what we're trying to do, we have private insurance companies with bigger pools for small businesses. We thought that more likely you'd have lower costs and better service if you could put some competition in it and give the employers and the employees some leverage and in effect bargaining with the health care providers for the comprehensive services that will be provided. And that, I think, will tend to keep costs down and keep services more comprehensive.

But there is no country, including the United States, where there is not some what you might call third insurance market, over and above what the government does and what the employers do for speciality coverage. We expect that, in effect, there will

be less of that here under this plan than would otherwise be the case.

[*A participant asked if the employer contribution for Social Security will increase and asked what the role of the national health board will be.*]

The President. Will it take the place of insurance companies?

Q. Will the national health board take the place of insurance companies, private insurance companies?

The President. No. First of all, the answer to your first question is none of us can totally perceive the future. What I can assure you of—and that's what I've said to Barry before—is that under this system, costs will rise much more slowly than they otherwise would.

Let me tell you, we're at 14.2 percent of gross domestic product now. It is estimated that the United States will be at 20 percent of gross domestic product on the health care by the end of the decade and that no other country will be over 10. Canada might be a shade over 10. If we get to the point where we're spotting all of our competitors a dime on the dollar on health care, we're going to be in trouble sure enough. It's bad enough where it is.

So costs of health care will continue to rise. What we're going to try to do is to bring the health care system's cost in line with inflation plus additions to population. That is, if the population gets older and more people need different kinds of health care, of course, that will go up. But what we can't afford to do is to let health care continue to go up at 2 or 3 times the rate of inflation.

The answer to your second is, the national health board is not going to replace insurance companies, but insurance companies will—if the little ones want to continue to do this they'll have to find a way to join with one another to get into big bargaining units because we've got to let the small business people be in bigger units, otherwise they can't get their costs down. The national health board will be responsible for making sure that there is a reasonable budget to keep the costs in line and for making sure that we have developed reasonable quality standards to make sure that there is no erosion of quality of health care in the prescribed services.

[*A participant asked if small businesses should be limited to obtaining insurance from an alliance program only.*]

The President. Well, each State will have the right to certify how many alliances they approve, and my presumption is, given just what you said, is that most States will choose to certify a number of alliances and then you can choose whichever one you want. You'll have the three basic policies that you can choose plus however many alliances there are in any given State or the District of Columbia. You can pick the one that you think will provide the highest quality care and perhaps the one that gets the better price. Keep in mind, we're talking about ceiling on payroll costs, and if they get a better price you get a better price.

[*Administrator Bowles reaffirmed the importance of alliance programs in driving down the cost of health care and stated that businesses will still be able to choose what kind of alliance they want.*]

The President. But as an employer, if there are more than one alliance covering your State, you would choose the alliance you wanted to be a part of.

Q. Will those alliances compete with each other for prices, or will they——

The President. Absolutely. What we're trying to do is get the maximum amount of competition in the system for the services that have to be provided at——

Administrator Bowles. Harnessing the power of the marketplace to drive the price down, to put power in your hands instead of in the hands of insurance companies.

The President. We are trying not to turn this into a system where the Government has to regulate it all or the Government tries to just fix the prices. We are trying for once to get marketing power. What happens now is the Government doesn't do it, but the private sector doesn't do it either. There's no effective competition except for big buyers.

And let me just say, our estimated costs, which are dramatically less than the system's now but more than inflation, may be too high if you really get competition. The California public employees, for example, have a huge

buying unit. And they can bargain for themselves. They got a 3 percent increase this year or something like that.

Companies with over 5,000 employees that are in a position of bargaining for themselves have averaged 6 percent premium increases in the last 2 or 3 years. They've been able to do what we now want small business to be able to do by allowing them to join together. My own personal preference is you should have an option of different alliances to be in. But under the plan as it now is, that is this judgment that will have to be made on a State-by-State basis. And the reason we did that is that the States are in different circumstances. I mean, for example, the availability of the number of alliances may be quite different in Wyoming, our least populous State, than it would be in California, our most populous State. So we think it has to be a State-by-State decision.

[*Administrator Bowles added that businesses will save money because they will no longer have to take the time to negotiate with insurance companies.*]

The President. Yes, sir. I like your tie, ''Save the Children'' tie. I've got one just like it.

[*A participant asked if small business employees will have the same coverage as Federal employees, whether the Government can help small businesses receive credit more easily, and if employees are going to have to pay 20 percent of their salary on health care.*]

The President. First of all, let's start with your first question. We propose to put the public employee groups in buying alliances, just like people in the private sector. And in fact, we hope we'll have a lot of these alliances. We'll have both public and private folks within the same alliance.

In effect, the employees and the employers that have preexisting comprehensive health benefits, where the benefits equal or exceed what they're providing now, we don't propose to take those away from them, those that are paying more are good. But even many of them will be better off.

For example, General Motors—I don't think I'm talking out of school here. I believe it's General Motors—is now paying about 19 percent of payroll on health care costs, about two-thirds for existing employees, one-third for retirees. They will actually, over a period of years, have a very steep drop in their payroll costs, which will enable them to hire more people and also invest more money and do more business with their smaller contractors around the country. That's just one example.

The short answer to your question is, yes, we want the public employees to be in the alliances as well.

With regard to your second question, we believe that the credit system should be opened up. You may know, I've been trying since I first got in office to simplify the banks' regulatory system and to get them to be able to make more good faith loans again and to do a lot of that. I must say, we're trying to do a canvass of the country now. We're getting wildly uneven reports. I had three Congressmen, for example, from the heartland of the country the other day tell me they just had lunch together, and they were all three spontaneously talking about how much different it was and how banks were loaning money to small businesses again. But as I talked to most bankers and most business people in California, New England, Florida, just to give you three examples, I hear basically no difference. So maybe Erskine would like to address that. I do think that the general availability of credit to small business is still a big problem in this country.

The third thing I would say is that most employees with modest wages will not be paying a great deal for their health care. If they get sick and have to get health care without any insurance, they may face a much bigger bill. Meanwhile, all the people who are paying something for their health care are in effect paying to keep the infrastructure of health care there for them.

If I were to propose to you, for example, the following proposition, that it is unfair to make some people pay the gas tax because it's tough on them, there would be a riot in this country, because people think that we should all pay for the infrastructure of the highways. But there is an infrastructure of health care. And those of you who pay something for your health care have paid for it. You have paid just to have the hospitals there

and the emergency room there and the doctors there when someone else needs it.

It seems to me, if you want to simplify the system and control costs, one of the things that you've got to do is stop the cost shifting. So I would argue that even though it might be tough, that to ask employees to pay 20 percent of the cost of health care, if you're controlling the cost and—not only you're controlling it today and providing it to them cheaper than they could otherwise get it but also make sure that the cost goes up more in line with inflation instead of 3 or 4 times the rate of inflation, that that is a fair thing to ask people to do.

Do you want to talk about the credit issue for a minute?

[*Administrator Bowles added that there are caps in the plan to prevent employees from paying too much. He also stated that they are doing what they can to make credit more available.*]

The President. I guess I'd be remiss if I didn't say this. Most everybody in this room will be a net beneficiary from the fact that the recent economic plan increased the expensing provision from $10,000 a year to $17,500 a year. For people who don't have any insurance now and are going to provide some, that increased expensing provision will probably for many thousands of small businesses more than cover the increased cost of the premiums. They access it.

Administrator Bowles. Mr. President, I did promise that I would get you back very quickly, so we don't have much more time.

[*A participant asked how preventive care will be addressed in the new health care plan.*]

The President. Yes, wasn't that great? First of all, what I know about your situation, you will benefit, I think, considerably from this, from the premium cap. But secondly, one of the things that we built into this country was a preventive and primary care component.

I don't want to pretend that the only reason health care is more expensive in America is because of the insurance system and the administrative costs, although that's a big reason, and because you don't have any buying power. But another reason is, we go way heavy on specialty care and high-technology care, which is great if you need it. And it will keep us from every get down to what some other countries have. I think we're all willing to pay a premium because we know someday we or some loved one of ours may need that extra operation or that fancy machine.

But it's important to recognize that in America, for example, only about 15 percent of the graduates coming out of our medical schools now are general practitioners. In almost all the other countries with which we're competing, about half the doctors are general practitioners. They do primary and preventive care.

So we have done two things that I think are important. In this plan we will increase the money for medical research. But at the same time we will provide more incentives to the medical schools of our country to produce more primary care physicians, more family doctors, if you will. And in the health care plan, we will cover more preventive services, because it is just clear that the more you do preventive medicine, the more you lower the cost of health care and the healthier you keep your folks.

[*A participant expressed concern that the cost of the new plan will prevent some small businesses from competing in a global economy.*]

The President. Well now, I think the numbers do add up. Some small businesses will pay more, plainly. Those who aren't paying anything and those who are paying less than they would otherwise pay under the initial premiums set unless we are able to—our estimate unless in the bargaining power they'll even be able to bargain for lower prices, which is conceivable. But we had to start out with something.

But there's a lot of talk about these numbers not being—I'd just like to tell you what we've done over the last 7 months. Number one, for the first time we've got Government Departments that agree on the numbers, that the numbers are accurate at least, and we have run these numbers through 10 actuarial firms, private sector firms. So we have tried to get at least the first set of numbers that have ever been through this sort of vetting process from any private or public agency on health care. No one else has ever

done as much work as we have tried to do to make sure the numbers work out. Keep in mind, we proposed for the Government to cover the uninsured who are unemployed.

We believe you can't get costs under control and stop cost shifting unless you have some means of insuring everybody else. We believe employers should do something. There are those who may have to pay more because their premiums are quite low, and we're going to increase the coverage substantially. But all of our surveys show that is a distinct minority of the people who provide insurance now, that many people who provide insurance now will actually get, unbelievably enough, lower premiums and more coverage. But some will pay more. I don't want to minimize that; some will. What I think all of you are going to have to do is two things. You're going to have to read the plan when you get the details, when we finally produce it, and say, ''How's this going to affect me, and can I live with it?'' And then you're going to have to say, ''How will it affect the small business sector of the economy as a whole, and are we net better off?''

And more importantly, I would argue to you that even those of you—let's suppose there's an employer here in this group who will go from 6 percent of payroll to 7.9 percent of payroll. If you look at where you've come in the last 5 years, if we don't do something to bring these costs under control, you're facing one of two decisions. You're either going to have to drop your coverage altogether with all the attendant insecurities and anxieties and problems that presents for your employees, or your costs are going to go through the roof.

So my argument is—I really believe this, this goes back to the very first question Barry asked—my argument is that in 5 years from now, even the people who pay slightly more now will be better off because the overall assistance cost will be controlled for the first time, and we're not going to be strangled with it. That's why we tried to at least do a phase-in for the smaller employers.

[*A participant claimed the new plan will cause health care costs for small businesses to rise and as a result will eliminate jobs.*]

The President. How can it possibly triple your health care costs?

Q. We're paying currently about 2.9.

The President. To do what?

Q. For major medical benefits—of payroll costs.

The President. What does it cover?

Q. What are they covering?

The President. Yes.

Q. Major medical, 80/20. Catastrophic care.

The President. Well, we tried to have a catastrophic package, remember, a few years ago? And the whole country rose up against it.

All I can say to you, sir, is that if we don't do something like this, then everybody's going to be going in the same direction you are. I mean, we are looking at a situation now where we're going to give the pay raises of American workers to the health care lobby. That's where we are now. We are looking at a situation, if we don't do something—maybe Erskine's got a specific answer to you. But if we keep on doing what we're doing, more small businesses will go bankrupt, more people will do without health insurance. We're basically going to give our economic growth to health care for the next 7 years if we keep on doing what we're doing.

And if we don't require some uniformity of coverage, then everybody will want the lowest common denominator, and the Government will wind up picking up the bill for all the other health care costs. I mean, there is no way we can, I don't think, solve every problem. But if there is something we can do for people like between 50 and 100 employees, if there's something else we need to look at, we ought to do it. But I still believe—I will say to you—every study shows, the National Small Business United study shows, that the vast majority of small business people will come out way ahead economically on this. So the question is, are we going to lose more jobs doing what we're doing? Are we going to lose more jobs with the alternative? I argue to you that we have killed this economy now unconscionably for the last 12 years by letting health care costs go up as they have.

[*Administrator Bowles stated that the new plan will enable business owners to provide*

comprehensive, low cost coverage. A participant then asked about the fate of low-profit small businesses, as compared to his own highly profitable restaurant.]

The President. First of all, let's just take somebody's running a family restaurant and they make $20,000 a year. The following things will happen to them: First of all, they'll be capped at 3.5. Secondly, their expensing provision of the Tax Code went from $10,000 to $17,500. Thirdly, they're going to get a tax cut under the new tax bill because their family's working for a living and because of their low income.

So those folks are going to do fine. The people that I'm concerned about here are people who have—people like him, people who net between $50,000 and $100,000 income, have more than 50 employees, and aren't eligible for the cap the way the bill's now drawn. Anybody who is under 50 employees with anything like in the wage range we're talking about, I think will probably recover between the caps and the expensing provision, will probably be able to manage through this okay in the early years. The people that I'm most worried about are the people in the category of this gentleman here who spoke.

Q. Won't there still be a cash flow problem for these small businesses, though? And how will that be addressed? Is this a percentage of their salary that will be withdrawn every paycheck, or how will that work?

[*Administrator Bowles said that the cost increase per employee would not be appreciable.*]

The President. One of you asked a question about the employees, too, about how they could pay and whether they could pay. Don't forget that under this tax bill that just passed, most families, working people with children with incomes of under $27,000 a year, are going to get a tax reduction which will help them to deal—if they have no health care costs now—with the upfront cost of this. Most of them will have a tax reduction that exceeds what their 20 percent cost of the premium will be.

I think the real problem, by and large, there may be some—I can conceive of economic circumstances under which these problems will occur that you talked about. But I think the real problem here in the way the plan is drawn now is the people in his category.

Administrator Bowles. Can we close with one——

The President. Well, let's take two more. These folks in the back, and then our hosts ought to be able to close up.

[*A participant asked if this plan will address behavioral aspects of American society that cause health care to be more expensive.*]

The President. Yes, well, let me sort of reinforce what she said. I'm going to back off one step and then I'll come right back to your question. If someone asks me, is there any conceivable way America could get its contribution, that is, the percentage of our income we pay going to health care down to Canada's or Germany's, I would say no. And I would say no for some good reasons and then no for some not so good reasons.

One good reason, though, that we probably all agree on is that we spend more money on medical research, advanced technology, trying to break down barriers, trying to help people live longer and better lives than any other country. And I don't think any of us would want to give that up. Let's just say that adds 1 or 2 percent to our contribution to health care. It also employs a lot of people, by the way, who make basically high incomes and make our economy strong. So I don't think any of us would want to give that up.

But here, to go back to your point, are the down sides. We have a lot of people who smoke, a lot of people who are overweight. We also have a higher percentage of teenage births which are far more likely to be low birth weight births, far likely to be very costly, and far likely to lead to children with mental and physical limitations. We have the highest percentage of AIDS as any advanced nation, and that's extremely expensive. And as, thank God, we find drugs to keep people alive and their lives better longer, it will be more expensive. We have to have a preventive strategy there. And perhaps most important of all, and here in Washington I think I could say it and get a cheer from the Mayor, this is the most violent advanced country on

Earth. We have the highest percentage of our people behind bars of any country, which means that every weekend we've got more people showing up at the emergency room cut up or shot than any other country, and the rest of you are all paying for it.

So yes, we need a strategy to change those behaviors. We could start by passing the Brady bill and taking semiautomatic weapons out of the hands of teenagers. It would change the environment. Nobody ever talks about it that way, but if you did something about this, it would lower health care costs. I mean, if you could get a spreadsheet on the cost of health care in Washington hospitals, you would see that an awful lot of it goes to the emergency room.

So the answer to that is yes. One of the reasons I made the appointment I did to the Surgeon General's office is so that we could have a broad-based, aggressive, preventive strategy to change group behaviors as well as individual ones.

[*A participant asked what decisions still have to be made before the plan is implemented.*]

The President. Well, there are a lot of hurdles that exist. But I think some of those hurdles are good hurdles. That is, I have been working on this issue for 3 years, over 3 years. Long before I ever thought of running for President, I agreed to head a project for the Governors on health care. And I started off by interviewing 900 health care providers in my own State. I then interviewed several hundred business people and employees about their particular circumstances. This is the most complicated issue that the United States has had to face in a long time. It has a very human face when you deal with the human dimensions of it. But it's extremely complex.

So the first hurdle is to try to get everybody singing out of the same hymnal, as we say at home. For example, in the next few days, Congress is going to sponsor a 2-day health university for Republicans and Democrats just to try to get information and facts out, just to try to get the evidence so people will get a feel for all of your different circumstances and what are the problems, and how does the system presently work, and what are the costs, and where are we out of line, all things we've been talking about today. So getting the information out, I think it's significant.

Then I think the next big hurdle will be trying to make sure that we make decisions based on the real issues and not illusory ones. I've not tried to mask the fact today, and I won't in the debate, that there are some tough choices to be made and that in the short run we can't make 100 percent of the people winners. For example, if you want to end job lock and preexisting conditions and really smooth out things for small business, you have to go to broad-based community rating. That is plainly the best for small business and plainly the best for most Americans. If you do that, young, single, super healthy people may pay slightly higher premiums, because what you do is you merge them in with middle-aged people who get cancer but still can go back to work, for example. So there are tough choices to be made.

Then thirdly, if you really clean out the administrative waste in this system and you go to a more preventive-based system, you will shift the way you are spending money. You will shift the dimensions of the health care system, and you'll shift money drastically away from administration and insurance costs into the provision of basic health care. And so there will be people who won't favor that and will fight it.

You will also tend to favor either bigger providers of health care, and these big alliances are people who have joined together and do it jointly to provide an alliance. So then we'll fight through the winners and losers. That'll be the toughest part in the Congress. There is a real spirit of cooperation, I think, in the Congress now. A willingness to try to face this terrible problem, do something sensible about it, take our time and really listen to people, and do more good than harm. And I think that's very hopeful. We should all be very glad about that.

[*A participant asked how the Government can prevent the plan from becoming underfunded as the population ages.*]

The President. Well, the way you can—arguably, Medicaid is underfunded now, although the truth is that it's wrongly funded. That is we're spending money on the wrong

things. The Medicaid budget is still going up, over the next 5 years is projected to go up somewhere between 16 percent next year and 11 percent in the 5th year, in other words, over 4 times the rate of inflation next year.

Social Security, believe it or not, is now overfunded. That is, it got underfunded 10 years ago. If people hadn't made the right projections for the—it is now overfunded, but the overage is all being used to make the deficit look smaller. So we're going to have to stop spending Social Security on the deficit if you don't want the payroll tax for Social Security to bankrupt small business. Because when I, people my age—I'm the oldest of the baby boomers, people born from '46 to '64—when we start retiring in the next century, we cannot at that moment still be using the Social Security tax to make the deficit look smaller, which is another reason it's so important to get control of this deficit now. We just can't do it.

The answer to your question, sir, is Social Security is basically under control if we bring the deficit down. The problem with the Medicare and Medicaid system is that it can't control its membership since the system, the private system, is hemorrhaging. And it is based on a fee-for-service system where there is no regularization of benefits and where many of the beneficiaries don't assume any responsibility for themselves.

So what we're going to try to do is to increase the amount of personal responsibility in the system as well as put some cost controls. Then, instead of just paying a fee-for-service system, what we want to do is put Medicare and Medicaid—starting with Medicaid because Medicare actually works pretty well, it's adequately funded and well-administered—but Medicaid, we want to put those folks in the same kind of health alliances so they'll be in competition, to go back to what you guys said, so there will be some competition for the services.

Florida has started to do that, and their preliminary indications are there's going to be a big reduction in the cost of Medicaid if we do it. In other words, I think the mistake has been not to have Medicaid subject to the same sort of competitive environment that the bigger private sector employers are. If you put small business and the Medicaid in where a lot of the bigger employers are now and the public employees, you're going to see a real modification of the cost trends in the outer years in ways that will help you all as taxpayers as well as employers.

Thank you very much. They say we've got to go. I wish we could stay. You were great. Thanks.

NOTE: The President spoke at 10:15 a.m. at W.S. Jenks and Sons Hardware Store. A tape was not available for verification of the content of these remarks.

Remarks Honoring the All-American Cities Award Winners

September 16, 1993

The President. Thank you very much, please be seated—everybody except you. [*Laughter*]

I want to say first of all, whenever I am with a group from our Nation's small towns and cities, I always feel at home. I've just come from a number of meetings. Mayor Cisneros, you should have been with me. We just had a health care briefing with leaders from cities and counties and States around the country. And then I met with the Association of Black Mayors. But I'm especially glad to be here, because one of the cities represented here is from my previous hometown of Little Rock—and I'm glad to see Mayor Sharon Priest here and Lottie Shackleford from the City of Little Rock, Congressman Thornton, and a lot of my other friends are here—along with all the other cities who won in 1992 and who are being recognized in 1993.

Before he became the chairman of the Housing and Urban Development—or the Secretary of the Housing and Urban Development Department, Henry Cisneros was the chairman of the National Civic League. And as we recognize that League for this program today, I'd also like to thank the group for generously surrendering Mr. Cisneros to the administration. [*Laughter*]

Last week in Cleveland with Mayor Mike White, who's also here to be recognized, the Vice President and I announced how we want to change the way our National Government works and how we work with State and local government to encourage more of the kinds of successes we salute today. We believe if we can streamline Federal grant programs so that mayors can worry more about what works for their community rather than what works for grant administrators in the Federal bureaucracy, our country will work better, and we'll get more for our tax dollars. We believe that by cutting paperwork, we'll get the money to the local level more quickly and save the taxpayers money at the same time.

I also want to commend our mayors for the struggle to provide health care to the citizens of our cities in spite of the barriers to access, in spite of skyrocketing costs, in spite of underfunded public health clinics and overtaxed institutions and not very much leadership from this capital for quite a long time. With the mayors' help, we can bring about comprehensive, affordable health care for all Americans and free up more of our strapped State and local budgets to invest in jobs and growth and opportunity for our people.

I want to now congratulate the mayors and the delegations from each of our All-American cities. This prestigious award recognizes America's heroes who have taken responsibility for their communities, who form partnerships among citizens, local government, and private businesses to ensure that we meet the urgent needs of our people and open new opportunities for our neighbors.

The 1992 winners are here along with the 1993 winners because there was no ceremony last year. So very briefly I am going to recognize all the 1992 winners, and I think they are to my right, is that right? I will acknowledge the mayor and the city, and then if anybody is here from the city I call out, I want you to stand up, too.

First of all, Mayor John Williams from Kenai, Alaska. Anybody else here? How many people live there, Mayor?

Mayor Williams. Seven thousand.

The President. Seven thousand, that's a lot bigger than the town I was born in. [*Laughter*]

Mayor Sharon Priest from Little Rock, Arkansas. Would the group from Arkansas please stand? Thank you. Mayor Gerald Roberts from Delta, Colorado. Would the group from Colorado please stand? Mayor Charles Box from Rockford, Illinois. Mayor Joseph Steineger from Wyandotte County, Kansas City, Kansas. Mr. Charles Tooley—is that right?—from Billings, Montana. Anybody else here from Billings? Thank you. Beautiful place.

Mayor George Jones from Jacksonville, North Carolina. Mayor George Christensen from Minot, North Dakota. Mayor Gregory Lashutka—is that right?—from Columbus, Ohio. Great city. Mayor Bill Card from Harlingen, Texas. I've been there.

Now I want to recognize this year's winning communities in alphabetical order.

Cleveland, Ohio, wins this award for the fifth time for fostering cooperation between police and citizens, for addressing Cleveland's school system in the Cleveland Summit on Education, and for its innovative efforts, which I have personally observed, to direct investments to needy neighborhoods. As I said last week when we kicked off our reinventing Government campaign, the Vice President and I went to Cleveland because of the astonishing success Mayor White is having in moving property that has been abandoned or where the taxes haven't been paid into the hands of his citizens and into the hands of developers and putting jobs back into the inner city. Congratulations to you, sir.

Believe it or not, inadvertently somebody let me come out here without all the names of all the winners, so we're going to have to—Have you got the list of the names of the people who are here? Who else is here from Cleveland? Anybody else? Stand up there.

The next winner is Dawson County, Nebraska. Mr. Ed Cook, and who else is here from Dawson County? Thank you—an All-American county for countywide cooperation among seven separate communities on regional economic development, solid waste disposal and recycling, and for improving the

awareness of the diverse cultural backgrounds of the people of his county.

Next is Delray Beach, Florida, Mayor Thomas Lynch—anybody else here? Thank you. For community policing—thank you—increased public involvement in the local schools and for turning an underused former high school into a useful community cultural center for all the people of Delray Beach.

Fort Worth, Texas, Mayor Kay Granger. Who else is here from Fort Worth? Anyone else? That's good, a big delegation. Welcome. For its crime fighting program, Code Blue, for neighborhood planning efforts, and for the Vision Coalitions Town Hall Meeting. That must have been some gathering. I've been conducting town hall meetings for 2 years, and I never won an award for one yet. [*Laughter*] I guess I won an election for one, maybe that's just as well. [*Applause*] Thank you. One thing I will say, they work. They tell you what people think, and it gives people a chance to reestablish connections with their political leaders.

Laredo, Texas, for community-wide efforts for better health care, for the Poncho de la Garza Housing Development Program, and a new branch library to serve community needs. Who's here from Laredo?

Mayor Ramirez. Sol Ramirez.

The President. Oh yes, Mayor Ramirez. Who else is here? There they are. I've been there. I was with the Mayor over a year ago in Laredo. It's also a good place to jog in the early morning.

Oakland, California, Mayor Ellihu Harris, Congressman Ron Dellums, and others. Please stand up, all the people from Oakland, whose residents came together across the lines of race and class to rebuild after the fire of 1991. Its Safe Streets Now program has brought 3,500 people together to get tough with landlords responsible for 250 properties used to traffic drugs. They have also established a health center to meet the special needs of Oakland's American Indian population. And I can say, based on recent knowledge, it's a very good place to spend the night. Thank you very much. Congratulations.

Pulaski, Tennessee, Mr. Daniel Speer. Who else is here from Pulaski, Tennessee? Please stand up. For industrial development that attracts new jobs, for the rehabilitation of public housing, for Pulaski's annual Brotherhood Observance, which shows how people can take their city back and send a moving message of hope all across our Nation.

Washington, North Carolina. Mayor Floyd Brothers. How are you, Mayor? Good to see you. [*Applause*] Thank you. Anyone else here from Washington? Thank you for coming. For efforts to revitalize the West Fourth Street neighborhood, for addressing the quality of drinking water, for waste water treatment and protection of surrounding rivers, and for bringing more of the community together through increased cultural outreach programs.

Wichita, Kansas, Mayor Elma Broadfoot. Anybody else here from Wichita? [*Applause*] Thank you. For its Summer Youth Academy to get young people more involved in learning and less involved in gangs, for a partnership that encourages troubled youths to seek treatment for their problems and rewards them with improved self-esteem and for a project to restore the quality of life within a Wichita neighborhood.

Wray, Colorado, Ms. Roberta Helling. How are you? Anybody else here from Wray, Colorado? For the town's first rehabilitation center, a family counseling center and a new hospital, the only multiple-physician facility in a 100-mile radius, all this done by a town with a population of just about 2,000 people. If we had the people from this Colorado town here in the Nation's Capital, we'd probably lick our problems in no time. [*Laughter*]

While I have mentioned these places by name, the awards really belong to the people in the communities, even those who weren't able to come here today. To be an All-American City, it doesn't matter how big you are or how much money you have. It's not the racial composition or the region in which the community is located. What matters is the commitment of the people, the innovation of the leaders, and the cooperation of people across all the lines that too often divide us in America.

Now to say a few words on behalf of the All-American City program, is Mr. Wayne Hedien—come on up here—chairman and CEO of Allstate Insurance, representing the

Allstate foundations, whose generosity has made these awards possible.

[*At this point, Mr. Hedien made brief remarks.*]

The President. A generation ago, Robert Kennedy spoke of America's cities and towns and said, ''The time has come to bring the engines of government, of technology, of the economy fully under the control of our citizens, to recapture and reinforce the values of a more human time and place.''

We honor leaders who have done that. But I hope also we look at the challenges still facing all of us. I asked Henry Cisneros to join this Cabinet because I thought he was not only a brilliant and committed person but because I thought he understood how we could help instead of hinder the energies of people who live at the grassroots level. We're trying to reform a lot of our housing programs to help you do that.

I asked Bob Reich to come into the Labor Department because I thought he understood that cities and local groups committed to training our work force and helping unemployed people go back to work weren't doing very well with 150 separate education and training programs. We want to allow you to consolidate them and spend the money in ways that will best put your own people back to work.

I have done everything I could to support the brilliant work done by the Vice President to try to reconceive the whole relationship between the Federal and the State and local government. We have a lot of work to do.

And I just want to say one thing in closing. One of the things that we have to do is to impress upon the people who live here in Washington, and not just the United States Congress but also the people who run all of these Departments, that we don't have a day to waste. You see every day where you live what can happen if you do something right. You also see the enormous consequences of continued neglect, of continuing to do things the way they are.

And let me just say, there are a lot of things that I want to do as President that will just help you to do what I know you'll do anyway if we can find a way to give you the power to do it.

I hope you will help us to pass the kind of health care reform that will liberate you and make your citizens healthier. I hope you will help us to pass this reinventing Government program. I hope you will support the innovations of Henry Cisneros and Bob Reich and the other members of the Cabinet. I hope you will come up to this city and demand that we finally do something to help you get guns out of the hands of people who are behaving irresponsible with them. We need to pass the Brady bill. And we don't need to have a situation that we have in many of our cities where the average person committing a murder is under the age of 16 and has access to semiautomatic weapons. There's no reason children should have those in the cities of this country. We have work to do. We need your help. Bring your ideas, your innovation, your energy back to Washington and give us a chance to do it.

Thank you very much.

NOTE: The President spoke at 5:10 p.m. in the East Room at the White House.

Remarks to the Congressional Hispanic Caucus Institute

September 16, 1993

Thank you very much. Thank you all, ladies and gentlemen, for that wonderful welcome. And thank you, especially, my good friend Congressman Serrano, for that warm introduction and for not telling them that you are, after all, much faster than I am. [*Laughter*]

I also have to tell you, I just left my daughter at home. She's home working on her homework. Hillary's still working on health care. She summoned me. She said, ''Dad, when you get the monkey suit on, come in and let me look at you.'' [*Laughter*] She always checks to see if I've taken all the shaving cream off my face. I was so proud of her because she is working on her accelerated Spanish course. When I heard Joe up here introducing me, I thought I should go ahead and confess that I asked my daughter if she would let me learn along with her. And she

said, "I doubt if you can keep up, Dad, but you're welcome to try." [*Laughter*]

I am deeply honored to be here tonight with the Hispanic Congressional Caucus Institute. Since the time this institute was founded and I was Governor of Arkansas, I have admired your work. Your programs are helping to pass the baton to a new generation of leaders, grooming them in the halls of Congress and in Federal Agencies and encouraging them to pass along what they've learned to others. It's important work for young people and for our country. I want to say thank you for that. One day, it will produce a President of the United States.

I want to compliment the Institute's executive director, Rita Elizondo. Her hard work may help to inspire other children to pursue the lofty achievement of those whom you honor tonight: Ellen Ochoa, the first Hispanic woman in space, and Lucille Becerra Roybal, who has done so much to set an example for everyone in bringing urgent change to our country at the grassroots level. I would also like to honor and acknowledge Mrs. Roybal's husband, former Congressman Edward Roybal, and their daughter who has followed so well in her footsteps, Congresswoman Lucille Roybal-Allard.

There are a few people here from our administration tonight; I'd be remiss if I did not acknowledge them. First of all, our brilliant Secretary of Housing and Urban Development, Henry Cisneros, and his wife, Mary Alice. And I want to say a public and personal thank you to Henry Cisneros for what he did this week to prove that we're still behind the enforcement of civil rights in housing in this country. I want to acknowledge the presence of our outstanding Secretary of Transportation, Federico Peña, and his wife, Ellen. Unlike me, they may be faster runners than Congressman Serrano. Nelson Diaz, the General Counsel at HUD; Aida Alvarez, the Director of the Office of Federal Housing Enterprise Oversight at HUD; Norma Cantu, the Assistant Secretary for Civil Rights at the Department of Education; Fernando Torres-Gil, the Assistant Secretary for Aging at HHS; Maria Echaveste, who runs the Wage and Hour Division at the Department of Labor; Joe Velasquez, the Deputy Assistant to the President for Political Affairs; Isabelle Tapia, the Deputy Assistant to the President for Scheduling and Advance; Patti Solis, the Deputy Assistant to the President who directs the scheduling for the First Lady; Lillian Fernandez, my Special Assistant in the House Liaison Office; and Carolyn Curiel, who is with Communications and Speechwriting and helped me write all the things that I may not be able to say properly tonight. I want to say a special word of thanks, too, to a former member of our staff, the Assistant to the President for Intergovernmental Relations, Regina Montoya, who went home to Dallas. But she's here with us tonight. I thank her for her service.

The people now who serve in this administration, from the White House to the Cabinet departments to people who serve on Capitol Hill to people who are full-time public servants, have set an example that will be important to the whole country. All the people who are now in the unprecedently large Hispanic Caucus in the Congress can now honestly hope to represent the hopes, the dreams of the Hispanic people of the United States and equally important, perhaps, to ensure that we make Hispanic-Americans full partners so that we move forward and do it together.

I had an awesome experience earlier this week, as all of you know and some of you have already commented on, when I hosted the Prime Minister of Israel and the Chairman of the Palestine Liberation Organization in signing an historic peace agreement that, if you had asked just one month before, probably 90 percent of the American people and 90 percent of the informed opinion in the world would say could never come to pass.

It was an amazing thing, you know, once I realized it was going to happen. And they wanted to come here to Washington to consummate the signing and make sure that the President didn't forget that the signing was the beginning, not the end, of the process. And then, trying to work out how these two men who had fought each other literally for decades, who had put their whole lives into spilling the blood of one another's family and friends and allies, how they could somehow undergo this transformation to see each other as problems but not as necessary enemies. Someone said—I don't want to claim credit

for that phrase—that this whole thing happened because, for some reason, at this magic moment in our history, those people looked at each other and saw enemies no more, but only problems. Problems can be solved. Progress can be made. Enemies don't talk to each other.

Tonight, I want to talk to you from the heart for just a moment about possibilities. Because what that moment reminded me of, again, is that if we can imagine it, it can happen. If we can somehow engage the thorniest problems, if we can somehow unlock the ears and the hearts of the toughest adversaries, it can happen.

Tonight, I ask you, my fellow Americans, to think about what it is we would like our children and our grandchildren to say we did with this moment in history, a moment in which many, many good things are happening and many, many bad things are happening at a bewildering rate of speed. The cold war comes to an end when the Berlin Wall drops and the Eastern European countries abandon communism and Russia abandons communism, revealing their whole new set of problems, economic problems, social problems, religious and ethnic conflict but still, to be sure, taking away the threat of nuclear annihilation. We see people hungering in Latin America for democracy and seizing it and trying to build free economies where free people can work hard and be rewarded for their labors, trying to escape from the dark years of political repression and economic depression.

We see so much to be hopeful about. Here in this country, we see the wonders of technology opening up worlds we would never have imagined. That's all true. But we also see a world in which none of the rich countries can figure out how to create jobs, a world in which most Americans are working harder than they were 10 years ago for roughly the same wages in real dollar terms they were making 20 years ago to pay more for education and health care and in taxes, wondering whether ever they will be able to pass along to their children the dream that they had as children.

We have to face the fact that, in spite of the fact that people look to us all over the world to make peace, they wish us to go in and stop the starvation and the oppression in other countries, we of all the countries in the world have the highest percentage of people in prison because we are so violent. We have cities where the average age of murderers is now under 16, where teenagers carry weapons that are better than those police officers have. So we have this anomalous situation. If you are well-off in this country, you have the best health care in the world, but if you're one of the 35 million or so who don't have it, you're in a real fix. If you work for a living and you lose your job, you might lose your health care. If your child ever gets sick, really sick, you may never be able to change jobs without losing your health care.

We have a Government desperately needing more funds to grow the economy and to deal with the real problems we face at home and abroad, mired in the operating patterns of 60 years ago. And it is no wonder that so many of us are distrustful of our Government and afraid of our future and unwilling to take the kinds of changes that Americans have always taken in expanding trade beyond our borders, in reaching out to establish closer ties with our neighbors, in believing that the future belongs to us and can be bright and broad and deep if we do what we should.

So I ask you tonight not to take the shine off a perfectly wonderful and happy evening, to simply search your heart and say if Itzhak Rabin and Yasser Arafat could come here and sign away the legacy of the last four or five decades of hatred, to try to make a new beginning, can we not also make a new beginning in this time of sweeping change?

My dreams for this country are not very complicated. I believe that, in a time of change, you can do two things: You can hunker down and turn away from it and hope it'll go away, and that works about one time in 100. About once in 100 it'll work. Or you can say there has to be a way I can make this change my friend. There has to be a way that the most basic traditional values I harbor, to have a good family life, to live in a safe community, to see my work rewarded, to give my children a good education, there has to be a way for me to enhance those values and hopes and dreams in the face of all this change.

What is it I must do to do that? And if I ever do anything, whether you agree with it or not and you want to know why in the world did that fool do that, all you have to do is to remember what I just told you, because I believe in this time of momentous change, it is my job not to turn away from it and hunker down but to embrace it with gusto and figure out how to preserve those basic values by making the changes that will make all these trends our friend and not our enemy.

I do not pretend for a moment that I am always right or that I have all the answers. Indeed, sometimes I am so perplexed it is almost heartbreaking. But I know that the people who walk the dusty roads of south Texas or the hard streets of the South Bronx, the people who were in the Adelante Con Clinton army that got me 70 percent of the Hispanic vote in the last election, hired me to change things in this country.

And so I ask you to be part of that change. Everything that we have done is a part of that. The motor voter bill is important. Why? Because it makes it easier for more people to vote who aren't represented. Why should you trust people in politics to make changes if you're not a part of electing them?

The family leave law is part of that. Why? Because in a world in which more than half the mothers of children under 5 are in the work force, we have to make it possible to be a successful parent and a successful worker. We cannot force people to choose.

The economic program was part of that. Why? Because it is criminal for us to leave another decade where we quadruple the national debt and we load it onto our kids. And then the Congress, 10 years from now, comes to town, and they have no money to spend on education, no money to spend on the economy, no money to spend on new technology, no money to spend defending the country, no money to spend on anything except paying checks, more money for the same health care, writing checks for retirement, and writing checks on interest on the national debt. There will be no ability to create the future unless we do something to release the burden of the debt.

The economic program was also important because, for the first time in history, we changed the tax laws so that millions of families, including millions of Hispanic families, can be told, if you work 40 hours a week and you have a child in your home, you will no longer be in poverty. The tax system will lift you out of poverty, not drive you into it. That was a profoundly important thing.

But there is more work to be done. We began today the formal campaign to try to pass a drastic reform of the health care system. Look at the Americans without health care. Look at the Americans in peril of losing their health care. Look at the businesses going broke or at least not able to hire anybody else because they can't afford the cost of health insurance for extra employees, so they work their present employees overtime or work part-time people because they can't pay for health insurance. Look at the number of people who live in our cities who don't have access to public health facilities that ought to be open around-the-clock and that ought to be engaging in primary and preventive care. Look at the number of children who are born with low birth weight. Look at all these things, and ask yourself how in the world can we justify continuing a system which costs our people 40 percent more than any other people on Earth pay and does less with it because we insist on funneling money into things that have nothing to do with the health of the American people and everything to do with undermining the future of this economy. I tell you, we cannot do it.

We are spending more money every year on the same health care. And I'm having trouble preserving funding for the space station, something which provides high-tech employment to Hispanic-Americans from Texas to Florida to California and made possible future astronauts like Ellen Ochoa. Why? Because we have not faced our obligations. So I ask you to join me in this great effort to provide affordable health care to all Americans. We can do it, and we must do it.

Now, I ask you too, and I know, you know, one of the worst things you can do at a dinner is talk about something were people at the dinner disagree. But I have to do this on the NAFTA issue, and I want to tell you why. And I don't care if I change a single mind tonight, but I want you to think about this.

I want you to think about—now, wait a minute. Wait a minute. You all can all speak and argue with each other when I'm gone. That's what I want you to do. [*Laughter*] I want you to think about this: The argument against the treaty is that it will lead to the movement of American jobs to Mexico because their wages are lower than ours. That's true. That's the argument, right?

There are 2,100 companies now in the *maquilladora* area. I governed a State where people shut down and moved their plants to Mexico, and I knew the people who lost their jobs. The only thing I want you to know is I would not knowingly do anything to make more people like that. So you say, why is this nut doing this if he's had personal experience? I'll tell you why. Because if we beat this thing, they can keep on doing that.

I'll give you another thing that I think is important. Because of the immigration laws passed before I became President, 2½ million Hispanics will have the opportunity to become legal citizens of this country. I believe that immigration has enriched and strengthened America. But the rising tide of illegal immigration in States like California is sparking a disturbing hostility to the diversity that is clearly the future of America. And I hear people in California say "Well, I'm against this because of all this illegal immigration problem." What I want to tell you is anybody who wants to go to Mexico for low wages can go regardless of NAFTA. If we don't raise incomes in Mexico and incomes in America by strengthening our ties, the illegal immigration problem will get worse, not better. And then you will have more of this highly destructive, emotional, counterproductive feeling rifling throughout our political system. And I don't think that's good. I think America ought to revel in its diversity. We ought to embrace our diversity. When people go to Los Angeles County, they ought to be happy that there are 150 different racial and ethnic groups there, not worried about somebody else who might show up tomorrow. And we have to figure out—so we should pursue the policy, whatever it is, we should pursue the policy that will reduce illegal immigration, keep legal immigration going, and make Americans feel better about the diversity. Because without it, we'll never be what we ought to be moving into the 21st century.

And let me say one last thing. A rich country in the world we're living in only grows richer by expanding its economic contacts beyond its borders. And we do not have the option to do what our friends across the Pacific and Japan did to build their economy. They don't even have the option of doing it anymore, which is to sell everything to other people and not buy any of their stuff. We don't have that option.

So when I look at what's happening in the world and I see that Asia is the fastest growing part of the world and Latin America is the second fastest growing part of the world and Latin America is just here handy and starts on the south of our border with Mexico, the reason I want to do this over the long run is I want to keep the movement to democracy, I want to keep the movement for economic growth, I want Americans to prosper by helping our friends and neighbors in this hemisphere to build a stronger world. I think over the long run it will protect America's economic future.

You don't have to agree. You don't have to agree. But I ask you if you disagree, don't win just because people are scared today, because we all know they're scared of losing their jobs. We all know people are alienated. But somebody's got to explain to me how people would be more likely to move their jobs to a place where they can move their jobs now if all they want to do is chase lower wages when the wages will be coming up, the environmental standards will be coming up, and people will be buying more American products. I believe it is in the interest of this country, again, not to turn away from the change but to embrace it, not because it will be easy, not because nobody will be hurt but because on balance we'll be better. We can never make in a world in which we live, which is always imperfect—we cannot make the perfect solution the enemy of the better solution. That is why I have embraced this course and why I hope others will as well.

Now let me just say one or two other things. I am excited about the upcoming referendum in Puerto Rico. Whatever they're for, I'm for. And I hope you are. I am excited

about the prospects we have been given to promote democracy from Russia to the Middle East to Haiti. I am excited about the promise of change. I am profoundly disturbed about the problems we have.

The only thing I ask you to do is, even if you disagree with me, never run away from the problems. I don't understand why in the United States of America, when we've got the violence we've got in our cities, we can't pass the Brady bill in the Congress and take these assault weapons out of the hands of teenagers. I don't understand why we can't do that. I don't understand why we don't have an education and training system that from the moment someone loses their jobs—because now people don't normally get the jobs they lost back; they have to find another job—is no longer an unemployment system, but is a reemployment system, and from the get-go, from the first day, from the first week, people are told, here are the new jobs of the future and here are funds to train for them. I don't understand that. But if you will help me and you leave me in, I'll fix those two problems, because you will fix them, not me. We'll do it together.

And I could give you example after example after example of this. The thing I always love about being in the presence in any form or fashion of the Hispanic culture is that it is so life-affirming. It is so passionate. It is so real. It is so straightforward. I tell you, my friends, think about that event last Monday. Think about the passion, the feelings, the strength you have, what you worry about for your children and what you want for the future and say, if they can make peace, how can we in America walk away from our challenges? We're going to walk into them. We're going to conquer them. And the Hispanics in America are going to lead the way, lead the way in partnership with our administration and on every street and in every community of this country. I love what we can do, but I am troubled by the fact that we're not doing it. Let's seize every day we have to make the most of it. And always remember that peace agreement in the Middle East as a spur to us to make this country what it ought to be for our children.

Thank you, and God bless you all.

NOTE: The President spoke at 8:30 p.m. at the Washington Hilton. A tape was not available for verification of the content of these remarks.

Nomination for Assistant Secretaries of Commerce

September 16, 1993

The President today announced his intention to nominate Raymond E. Vickery, Jr., as Assistant Secretary for Trade Development and Charles Meissner as Assistant Secretary for International Economic Policy at the Department of Commerce. The President also nominated Lauri Fitz-Pegado as Assistant Secretary and Director General of the Office of the U.S. and Foreign Commercial Service at Commerce.

"These talented individuals, experienced in their fields and committed to hard work, will offer strong support to Secretary Brown's team at Commerce," the President said. "I am pleased to have their help."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Nomination for Deputy Director of the Peace Corps

September 16, 1993

The President today announced his intention to nominate U.S. Ambassador to the Republic of Djibouti, Charles R. Baquet III, a former Peace Corps volunteer, as Deputy Director of the Peace Corps.

"Like Peace Corps Director Carol Bellamy, Charles Baquet is a former volunteer who knows firsthand the possibilities and problems facing the Peace Corps," the President said. "I am confident his experiences both as a volunteer and as a Foreign Service officer will serve him well as he works to ensure the Peace Corps meets its mission of helping others around the world."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Remarks at the Children's National Medical Center

September 17, 1993

The President. Thank you. Well, Dr. Beard, I promise to free you of the paperwork if you will promise not to use your free time to run for President. [*Laughter*]

Mr. Brown and Ms. Freiberg, Dr. Beard, to all of you who helped to make our visit here so wonderful today, I want to thank this Children's Hospital for bringing us together this morning, for giving us a chance to see some of your patients and their parents and their friends and to witness the miracles you are working. I want to thank Ben Bradlee and Sally Quinn for calling Al and me and telling us to hustle more money for the hospital.

In my former life, when I was a Governor, my wife and I worked very hard for the Arkansas Children's Hospital. Some of you know it's one of the 10 biggest hospitals in the country, and every year we finished first or second in the telethon, even though we come from a small State. There's a lot of grassroots support for people who are doing what you're doing.

We built a tertiary care nursery at our hospital with State funds, the first time anything like that had been done. And I have spent countless hours in our Children's Hospital at home with my own daughter, with the children of my friends, sometimes their last day, sometimes their best day. And I am profoundly grateful to you.

I think the people in the press and maybe some others might have wondered today why in the wide world we would come to a children's hospital, with all of its gripping, wonderful, personal stories, to have an event about bureaucracy and paperwork. After you listen to a nurse say why she couldn't care for a sick child and a doctor plead for more time to be a doctor, maybe you know. There is an intensely human element behind the need to reform the system we have.

When we were upstairs and Dr. Grizzard and Ms. Mahan were showing us some forms, we looked at four case files that they said had $14,000 worth of work in them that were absolutely unrelated to the care of the patient. The doctor said he estimated that each doctor practicing in this hospital, 200 in total, spent enough time on paperwork unrelated to patient care every year to see another 500 patients for primary preventive care—times 200. You don't have to be a mathematical genius to figure out that's another 10,000 kids who could have been cared for, whose lives could be better.

People say to me, how in the world do you expect to finance universal coverage and cut Medicare and Medicaid? Let me say first of all, nobody's talking about cutting Medicare and Medicaid; we're talking about whether it doesn't need to increase at 16 percent or 12 percent or 15 percent a year anymore. And it wouldn't if we had some simplification so people could spend the time they have already got on this Earth doing what they were trained to do.

I've got a friend who is a doctor that I grew up with who happens to live in the area, who calls me about once every 3 months to tell me another horror story. And the other day, he called me and he said, "You had better hurry up and get this done." He said, "You know, I'm in practice with this other guy. We've got all of these people doing paperwork. Now we've hired somebody who doesn't even fill out any forms. She spends all day on the telephone beating up on the insurance companies to pay for the forms we've already sent in. We actually had to hire somebody to do nothing but call on the phone." He said, "I'm lost in a fun house here." [*Laughter*] He said, "I went to medical school to try to practice medicine. Now I've got to hire somebody who does nothing but call people on the phone to pay the bills they're supposed to pay, after I've spent all this time filling out these forms?"

People complain about doctor fees going up. I'll give you one interesting statistic. In 1980, the average physician in America took home 75 percent of the revenues that were generated in a clinic. By 1990, that number had dropped from $.75 on the dollar to $.52.

Where did the rest of it go? Right there. Most of it went to forms.

Now you know, when we were up in that medical records room, we saw all these forms. We were told that by the time the room was done, the room was already too small because the paper kept coming faster than you could make space for it in this hospital. A lot of you are nodding about that. Now they have records flowing on into a room that is beneath us in the garage, and these files are still growing at the rate of 6.5 feet a week.

We know, of course, from what Dr. Beard and Ms. Freiberg said that that's just some of the story. There are departments in this hospital that spend all their time trying to satisfy hundreds of different insurers. There are 1,500 in America, by the way. No other country has that many. This hospital I think deals with over 300. Each of them want a slightly different piece of information and in slightly different way; so that even if you try to have a uniform form, it's not uniform by the time you finish customizing it.

How did this happen? Hospitals like this one treat people who are most vulnerable, weak, ailing, and in pain. To make sure that sick patients were getting the best care, Government regulators and private insurers created rules and regulations, and with them came forms to make sure you were following the rules and regulations. To make sure doctors and nurses then didn't see the patients that were getting the best care too often, keep them in the hospital too long, or charge them too much, there were more rules and regulations and along with them, more forms.

As more and more insurance agencies and private companies got into the business of selling health insurance—and as I said, there are now more than 1,500 insurers in this country; no other country in the world has anything like that many—each of them had their own forms and their own different list of what they would cover. And so what are you left with? Instead of all this paper and all these medical forms assuring that the rules are followed and people get healthy, we're stuck in a system where we're ruled by the forms and have less time to make children and adults healthy.

When doctors and nurses are forced to write out the same information six different times in seven different ways just to satisfy some distant company or agency, it wastes their time and patients' money, and in the end, undermines the integrity of a system that leaves you spending more and caring for fewer people.

Just think about the patients. I don't know if you've read the stories in the morning paper about the people we invited to the Rose Garden at the White House yesterday. We invited about 100 people who had written us letters. We let 15 of them read their letters. They are part of the 700,000 letters that my wife and her group have received since we started this health care project. And they were all saying more or less the same thing: We want coverage. We don't want to be locked into our jobs, preexisting conditions shouldn't bankrupt families.

But there was one gentleman there from Florida, Jim Heffernan, who told us that he is a retiree on Medicare who spends his time working in hospice programs with people who are much sicker than he is. And he talked about how all the regulations, the reimbursement forms, all the complexities sap the energy and the morale and the vitality of the people that he was trying to help. He describes mountains of paperwork that older Americans face. He told how he now volunteers his time helping these patients to decipher their forms instead of helping them to feel better about their lives and think of something interesting to do every day to make every day count.

The biggest problem with all this, of course, is the waste and inefficiency. We spend more than 20 cents of every health care dollar on paperwork. And after about 4 years of studying this system, long before I even thought of running for President, I got interested in this at home, and I've tried to honestly compare our system with systems in other countries. And it appears to me that we spend about a dime on the dollar more than any other country in the world on bureaucracy and paperwork.

In a medical system that costs $880 billion, you don't have to be a mathematical genius to figure out what that is. What could we do in this country with that money? How

many people could we cover? How many things could we do? How much more preventive care could we do to lower the long-term cost of the system? How many more children could we care for?

In the last 10 years, our medical providers have been hiring clerical help at 4 times the rate of direct health care providers. That is a stunning statistic. They spend resources that should go into care on other things.

What we want to do with this health security plan is to do away with all of that, to streamline the rules, reduce the paperwork, make the system make sense, and do nothing to interfere with the private delivery of care system that we have now. And we believe we can do it. We think we can do away with the different claims forms, with all the confusing policies, and put the responsibility for measuring quality where it belongs, with you on the front-lines and not with examiners that work for Government or the insurance company thousands of miles away.

Here's how we propose to do it. First, we want to create a single claim form, one piece of paper that everyone will use and all plans will accept. We've already started moving in this direction now. There are some standard forms used by Medicare and others that are aimed at cutting back on all this craziness. But as you know here at Children's, a single form is no good if every insurer uses it differently. You might as well have different forms.

So we will now introduce a single form which we have a prototype of here today. I've got one here, or you can see one here: a single form which would go to every hospital, every doctor's office in the country, which would deal with the basic benefits package and which would replace that and worse. Think of what that will do. Think of how many hours it will free up for all of you.

Now, when we do this, that won't be enough. We'll have to standardize how the forms are used, building on what has been done in other contexts in private industry, building on what we know from the professional associations in health care. We'll ask doctors and nurses and health care plans to decide together on what information absolutely has to be given to guarantee the highest quality and most cost-effective care.

Secondly, in order to make this form work, we'll have to create a single comprehensive benefit package for all Americans. We'll allow consumers of the health care, the employees and others in our country, to make some choices between the packages. But it will essentially be one comprehensive package. No longer will hospitals and doctors have to keep track of thousands of different policies. No longer will they have to chase down who has which insurance and what's covered under what circumstances. If it's covered, it's covered no matter who you are or what plan you're in, no matter whether you have a job or whether you don't. It will simply be covered.

It will simplify your life. And it will also provide security to the American people who worry that if they switch jobs, they'll lose their health care coverage, or it will be so different it will take them 6 months to figure out what's covered and what isn't. They won't have to know—the American people won't—enough jargon to fill a phone book just to come down here and see you. It will mean that more of the money we all pay for health care will go for health care and not bureaucracy.

And finally, the Government will try as hard as we can, and I say that because I've found as President I have to work extra hard to change the culture of the Government when I want to get something done. But our rules are going to be that we are going to rebuild the trust between doctors and hospitals and patients and the Government that is funding some, but by no means all, of the health care.

Federal programs, let's face it, are a big part of the paperwork problem. We will simplify and streamline Medicare reimbursement and claims processes, and we'll refocus clinical laboratory regulations to emphasize quality protection. And we will reduce a lot of the unnecessary administrative burden that the National Government has put on them now.

If we do this right, those of you on the front-lines will spend less time and money meeting the paperwork requirements, and more time and energy treating patients. You'll face fewer crazy rules and regulations, worry less about which insurers cover what,

have better tools and information to help actually protect people and promote quality, rather than constantly having to prove you've done nothing wrong.

You'll hear a lot more about this proposal in the weeks ahead. As the debate evolves, I want to tell the people about these children, these brave children I met upstairs, about the wonderful people who are caring for them, and about how they deserve the opportunity to care more and spend less time with paper and forms.

I value what you do here at this hospital and what people like you do all over America. If the American people really knew what nurses and doctors have to go through today just to treat people, they would be up in arms, they would be marching on Congress, demanding that we do something to solve this problem.

I hope that, by our coming here today, we have made a very real and human connection between these magnificent children and all of the wonderful people who care for them and this awful problem represented by this board up here. If we move here, it means more for them. And that's why we came here.

Thank you very much.

NOTE: The President spoke at 10:20 a.m. in the Atrium. In his remarks, he referred to Lillian Beard, M.D., Washington, DC, pediatrician; Debbie Freiberg, R.N., pediatric cancer nurse; Michael B. Grizzard, M.D., vice president for medical affairs; Michelle Mahan, vice president of finance; Ben Bradlee, vice president at large, the Washington Post; and author and journalist Sally Quinn. A tape was not available for verification of the content of these remarks.

Exchange With Reporters Prior to Discussions With Prime Minister Carlo Azeglio Ciampi of Italy

September 17, 1993

The President. Hi, Helen [Helen Thomas, United Press International].

Somalia

Q. Hi. How are you? What do you think of Aideed's proposal, Mr. President, concerning Somalia and straightening out his position?

The President. Well, I think we have to—my main concern is not to allow Somalia to deteriorate to the condition which it was in before the United Nations went there. I look forward to talking with the Prime Minister about Somalia today.

Obviously, we would like it if some political initiative could be taken to stop the current violence, but we certainly can't afford to do anything that would permit the country, after all of the efforts the United Nations has made, to deteriorate to its former condition where hundreds of thousands of people are killed or starved at random. So we'll just see—we're discussing it. We're going to discuss it today, and we have it under active discussion here what we should do, and we're looking at our options.

Q. Have you resolved your differences between U.S. and Italy on the question of Somalia?

The President. Well, I hope we have, but we haven't had a chance to talk about it.

NOTE. The exchange began at 11:15 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

The President's News Conference With Prime Minister Ciampi of Italy

September 17, 1993

The President. Good afternoon. It is a great pleasure for me to welcome Prime Minister Ciampi to the White House and to see him again after our very successful meeting in Tokyo this summer. I deeply value the opportunity to exchange thoughts on all the challenges that we face today with one of Europe's most respected figures.

The domestic reforms which have been undertaken during the Prime Minister's tenure are truly impressive, and I salute him for that. And I congratulate the people of Italy on achieving greater financial stability and laying the foundations for future growth. Our two nations share a wealth of cultural, historical, and personal ties. From the voyage

of Columbus to the contributions that millions of Italian-Americans make today to our Nation, those ties form a foundation for a common understanding of common objectives.

I salute, too, the Prime Minister for the contributions Italy is making around the world. No country has stood more solidly for NATO or is doing more now to ensure the health and the vitality of our transatlantic alliance.

Italy is in the forefront of efforts to build an integrated Europe also, a goal the United States strongly supports, and to draw Europe's many nations, East and West, closer together. In places as far-flung as Somalia, Mozambique, Albania, Nagorno-Karabakh, and the Middle East, Italy shoulders major responsibilities. Over the coming year Italy will have an even more important role to play as the chairman of the G–7. Italy will host the 1994 G–7 summit in July and will soon assume the chairmanship also of the Conference on Security and Cooperation in Europe. I welcome the opportunity to work with Italy to promote our common values and interests while Italy upholds these important leadership positions.

Of the issues we discussed today, I'd like to underscore one in particular, the need to stimulate global economic growth and create jobs in all of our countries by concluding by year's end the Uruguay round of trade negotiations. I emphasized to the Prime Minister and asked him to convey the message to his partners in Europe that the European Community must uphold the Blair House accord on agricultural trade. When the EC meets in a few days' time, it must resist reopening this hard-struck bargain and avoid standing in the way of efforts to bring the round to a rapid and successful conclusion.

The Prime Minister and I pledged that our nations will continue to work closely together to enhance trade, as well as to enhance peace, stability, and democracy. In particular, we agreed on the critical need for a peace settlement in Bosnia and discussed plans for the implementation of such a settlement should it be achieved.

I expressed our appreciation for the important role Italy has played in our efforts to secure a just peace in Bosnia, especially the role of its air bases. We also discussed the prospects for peace in the Middle East following the historic events of last Monday. We agreed on the need to help all parties in the Middle East make steady progress toward a comprehensive peace settlement, and I discussed with the Prime Minister the possibility of having a donors conference among the major nations who will be asked to contribute to implementing the details of the peace accord. Italy and the United States will work together to raise the resources to assist Palestinian self-government, while in Somalia and Mozambique we cooperate with the United Nations to assist peacekeeping and to promote civil society. We also discussed Iran and Libya, and I stressed the need to continue to press these nations to abide by international law.

I want to say a few words, if I might, on the subject with which I began, the profound political changes now underway in Italy. America has historically been in the forefront of such change and has supported it. As a people, we have always believed our Nation had only one direction, forward. Change, a vigorous and healthy process, is now at work to an astonishing degree in Italy. I want to again commend the Prime Minister for successfully guiding Italy's impressive electoral and financial reforms, and I stressed that between democracies such as ours, change can never be a source of concern but instead always should be a source of reassurance that democratic renewal is at work.

I wish Prime Minister Ciampi, his government, and the Italian people success in their own endeavors at self-renewal. My nominee as Ambassador to Italy, Reginald Bartholomew, one of our finest professional diplomats, will help to maintain strong ties between our countries during this critical period. I want to assure the Italian people that as both our countries undergo domestic transformations, a key bond endures, the abiding friendship between our nations and our peoples.

Mr. Prime Minister.

Prime Minister Ciampi. Thank you, Mr. President. First of all I wanted to thank President Clinton for giving me the possibility to be here today. And the discussion with President Clinton will fully confirm the at-

mosphere of a deep and intense trust that emerged during our meeting in Tokyo last July. They were given new momentum by the event taking place just a few days after the historic event that on these very grounds opened a new chapter of dialog and hope in the relations between the people of Israel and Palestine, which Italy as a Mediterranean country has always advocated. Europe, too, stands ready to make its contribution to consolidating this position through political support and through an economic effort toward a reconstruction of the territories and development of the region.

During the course of our discussions, I briefed President Clinton on the deep process of transformation underway in Italy. I stressed that this process is taking place in an atmosphere of democratic order and a wide public consensus. The priority of the Italian Government is economic recovery and job creation. Our action will range from reducing the public debt and the public deficit and keeping inflation under control to reshaping the industrial system also by means of privatization.

Results have already been achieved. They are confirmed by the renewed confidence of domestic and international financial markets. While we are aware that this renewed confidence doesn't mean that our problems have been solved, it does indicate that we are on the right road. We must persevere. It is a long journey; this we know.

The Italian Government's strong commitment to its domestic affairs is sped forward also by its awareness that the changes in the international arena following the end of the cold war require it to play an operative role in the new set of common responsibilities of the largest industrialized economies of the Western World. Italy intends to proceed on the road toward European integration for the creation of the community that is a strong partner in an open system of international trade and a new system of international security, the excitement of the prospect for revolution of transatlantic relations in the area of security and of economic collaboration.

We brought one another up today and organized our perspective on the situation in the former Yugoslavia and in Somalia. On this last topic, my government, the Italian people harbor a legitimate and special concern heightened by the most recent tragic developments.

President Clinton and I recognize the problems of operating in a completely devastated institutional, social, and economic context, as is the case in Somalia. This very reality, unacceptable as it is, was the source of our common participation in Restore Hope. But the experience of these past months leads us today to recommend a concrete program to be proposed jointly to the United Nations for the revival of a political initiative in Somalia. It is a matter, in particular, of supporting the humanitarian and the security mission on the ground, with a more decisive management of the process of a national reconciliation among so many factions. This is the precondition for an effort to reconstruct the country, institutionally and materially.

I confirmed to President Clinton Italy's determination that the Uruguay round be brought to a global and equitable solution by December 15th. The GATT agreement is indispensable, not only because of its merits but also as a message of the confidence to economic operators. We both attach the utmost importance to the Atlantic summit of next January, and we hope that this alliance, which has proved so effective against the threats of the cold war will be capable of expressing a renewed vitality in this phase of a transition of a post-Communist system to democracy and to a worldwide market economy.

At the doorway to Italy and that of Europe, the dramatic events in the former Yugoslavia stand as an insult to our civil conscience and as a challenge to the leadership ability of the international community. In this framework, President Clinton and I both agreed that Atlantic solidarity must play a central role under the aegis of the United Nations. On my part, I confirmed to President Clinton that Italy's strongly committed to ensuring that the summit of the seven of the most industrialized nations, which will be hosted by Italy in July of next year in Naples, regain its driving force toward partnership on the broad themes of economic growth and international collaboration.

In closing, I would like to express the hope that, even before this event takes place, President Clinton will be able to visit Italy. And to this end, I was happy to convey a letter of invitation addressed to him from the President of the Italian Republic.

Somalia

Q. Mr. President, there is a growing feeling in Congress that you should declare a victory and pull out of Somalia. And also, are you any closer to a way to have a negotiated peace in Somalia as a result of your conversations today?

The President. Prime Minister Ciampi and I started this conversation in July in Tokyo, and we resumed it today. Both of us believe that some renewed political initiative in Somalia is important because in the end there has to be a political settlement that leaves the Somalis in control of their own destiny. The trick is how to do it without in any way rewarding the kind of behavior that we have seen that could spread among all of the other warlords, who have been essentially playing by the rules, and trying to work out a peaceful life for the people who they represented when everybody was fighting over there. So we're looking at what our options are, and we hope that we'll be able to see some sort of political initiative. There plainly was never intended to be nor could there be some ultimate military solution to Somalia.

Is there an Italian journalist here?

Q. He had to leave.

The President. He had to leave so we will go on.

Go ahead, Terry [Terence Hunt, Associated Press].

Health Care Reform

Q. You're just a few days away from announcing your health care legislation. Can you tell us at this point how you plan to finance this plan, how much you plan to increase cigarette taxes and other sin taxes, and whether or not you plan to raise taxes on beer and wine?

The President. No. [*Laughter*] I'll tell you why, though. Let me tell you why. The reason why is that I still have another round of meetings to attend that will go through one last time what our best estimates of costs are, what our options for phasing in those costs are, what our best estimates for the Medicare and Medicaid savings are. And we're working through that.

I will say this about the dollars, because I read in the press reports that others have questioned it: For the first time ever, at least, we got all the Agencies of the Government together to hammer out agreed upon costs. That had never been done before. Then we went to, I think, 10 outside actuaries, including big firms who represent major players in health care in America.

So we have done our best and certainly it is literally an unprecedented effort to try to come to grips with what the real costs are and what the real dollars are in potential savings. And when I make those final decisions, they'll be announced. You have to give me something to announce next week. I mean, everything else I've already read in the newspapers, the news magazines. I see it on the evening news. There has to be something.

Go ahead, Gwen [Gwen Ifill, New York Times].

Somalia

Q. Back on Somalia for a minute. As you talk with allies like the Prime Minister here about the renewed political initiative you're talking about, do you have any way of drawing lines or reassuring the people who Helen [Helen Thomas, United Press International] referred to on the Hill and elsewhere that this won't be a situation that America just can't get out of?

The President. Well, it's not going to be a situation we just can't get out of. But on the other hand, we don't want to leave under conditions that will cause things to immediately revert to where they were before the United Nations entered. And so there has to be some sort of political initiative. And the Congress worked with me on their resolution on Somalia, gave me a reasonable amount of time to come up with a renewed initiative in cooperation with our allies. And I think by the time, you know, the time comes to go back to Congress, I will be able to answer those questions.

Q. Can I follow?

The President. Sure.

Q. [*Inaudible*]—a commitment of troops?

The President. No. No, no. We have the troops there, and it certainly doesn't mean more troops there. It means what we can do to stop the fighting and enable the U.N. to continue or at least the U.S. to continue to reduce its troop presence without seeing the whole country consumed in the kind of violence we've seen in one small part of Somalia recently.

Andrea [Andrea Mitchell, NBC News].

Q. On the subject of——

The President. And then we'll take some Italian journalists afterward. Let's give the Italians a couple of questions after Andrea asks hers.

Health Care Reform

Q. On the subject of health care, do you think it will be necessary to phase out the small business subsidies after a decade or so, in order to prevent large corporations from gaming the system by spinning off their low-wage workers? And is it now your expectation that there would be a one percent payroll assessment on large corporations who opt to not be part of the health alliances?

The President. Well, the answer to your second question is I haven't decided yet, but there's a very good case for that, and there's a very good case for the fact that they will be still much better off financially having all this happen, because they have been having exploding costs dumped on to them. And we're also, under our plan, going to relieve them of a lot of the burden of carrying their own retirees. So they would still come out well ahead, even if we did that.

The answer to your first question is, I don't think it's possible to foresee what will happen 10 years from now, which is why I wouldn't think we should make a commitment. Mr. Magaziner was quoted in the press; he's often said we could do that if, in fact, people decided to game the system.

What I think will happen is that we will finally have some genuine control over cost. This is basically the only area of our national life where it's been taken as a given that it was okay for costs to go up to 3 or 4 times the rate of inflation. I think when that happens, that the system we have will become more widely accepted; it won't be gamed, and people will continue to think it's acceptable to give a break to the very small businesses and the ones with very low payroll costs. That's what I think will happen. I can certainly say that no decision has been made to do that. He just was saying in response to people who say, "Well, what are you going to do if someone starts to game the system," one option that we might pursue.

Italian journalists. Let's take a couple of questions.

Somalia

Q. Let me ask you to elaborate a little bit farther on this political initiative on Somalia. Is that an initiative you agreed with Mr. Ciampi right now? Does it have something to do with the letter by Aideed? Is that initiative a U.S. initiative, a U.S.-Italian initiative, a U.N. initiative?

The President. We discussed the letter that Mr. Aideed wrote to President Carter. And we discussed some of the options that we might pursue. And we agree that both of us would go back with our respective folks and see if we could come up with something to take to the United Nations. We did not reach agreement today on what to do. We agreed that we needed a political initiative but that the political initiative should further the original United Nations initiative and not undermine it.

The Prime Minister perhaps would like to respond also.

Prime Minister Ciampi. First of all, hearing the questions that have been asked to the President, I was wondering whether in Washington or in Rome, because leaving aside Somalia, which is a common problem to both of us, the questions on health care, which is keenly felt in Rome, too, and so I wasn't sure where I was, whether I was in Rome or in Washington, because our domestic problems obviously are very similar.

Having said this, concerning Somalia, what I meant to say was that, having discussed the issues alluded to by President Clinton, we have a full agreement on this, keeping in mind the original goals of the mission in Somalia. And we agree that we must promote with the U.N. a political and diplomatic initiative which would fully highlight the fundamental goals and reasons for it being in Somalia. The military presence must com-

plement the goals, the political goals, the humanitarian goals. This is what we agreed on. But what we must do must be done with a U.N. decision. What Italy does, or what the U.S. can do is to make proposals within the U.N.

Q. Are you contemplating an international mediation through, for instance, ex-President Carter? Are you going to make a proposal like that to the U.N.?

The President. We made no specific decision today, nor do I think we should speculate about them. I don't want to think out loud about them. We have agreed that there ought to be a political initiative, that it ought to be an initiative which furthers the original U.N. mission of enabling the Somalis to take control of their own affairs in peace, in dignity, and without starvation and murder. That is, we don't want to do something that rewards the very conduct we went to Somalia to put an end to. And that's the only decision that was made.

Unemployment

Q. I have a question for both of you, actually, on the jobs losses, because this is a problem for both countries on the road to economic reform or economic recovery. It seems to me that the two countries give two answers: The Americans lay off people; Italians keep subsidizing them, as in the latest accord in southern Italy on the chemical industry. Have you talked about it? Is there a way that this problem could be tackled differently from these two extremes?

Prime Minister Ciampi. If you are referring to the Crotone case, this has been resolved. Keeping in mind the principles of economics, all factories have their economic worth. This is the agreement that we have reached the other day, the other night in Italy at the Chigi Palace, with the leadership of Senator Maccanico, who is here with us today, who is one of my members of the staff and Under Secretary of the Council of Ministers.

So there was no implementation of measures which were not coherent with the respect of economic principles. So the companies that don't do well will be closed, and what we have to do is to give birth to companies that can make an economic contribution and to implement as appropriately as possible those measures which we call social assistance measures, which will help the unemployed so that we can alleviate the negative effects of unemployment until they are reemployed. But what I would like to emphasize is that we will not implement anti-economic solutions.

The President. If I might just comment briefly, I'm not in a position to comment on the specific Italian case which you mentioned, but I believe that if we want to create more jobs again—and I would point out that the problem of job creation is a problem for Europe, for Japan, for the United States, for all the wealthier countries—it is clear that each country who shares this goal among the wealthier countries must first of all be committed to increasing growth in the global economy. Unless there is global growth we cannot hope to see growth in our own countries because of all the competition from lower wage countries doing things that our people used to do.

Secondly, there must be increased trade in the context of global growth because that's the only way a wealthy country can grow wealthier.

Thirdly, within each country there must be economic policies that promote adequate investment, encourage people to hire new employees, and provide dramatic opportunities for continuous lifetime retraining since most people will change their work a lot of times over a lifetime. That is what we have to do to generate new jobs, and we have to do it together. You can protect this industry or that industry for a while, but in the end if you want to grow jobs, we have to have a lot of changes in the international network and a lot of changes within our countries. They're not easy ones to make but they have to be made.

Nuclear Testing by China

Q. Mr. President, China reportedly is preparing to conduct a nuclear test, and you have previously said that if the moratorium on nuclear testing is broken, that you would direct the Energy Department to resume testing. Will you do that if the Chinese proceed?

The President. Well, let me say first of all, let's wait and see what they do. I'm still very hopeful that the Chinese will not do that. And I have asked other nations that have relationships with China to also encourage them not to do it.

The Chinese are finding their strength today, their real strength, in the same way that any other country at the end of the cold war finds theirs, in economic growth. There is no reasonable threat to China from any other nuclear power. Every other nuclear power has forsworn the use of testing. The United States is certainly a major trading partner of China. We have our second biggest trade deficit with China. We are doing more than our fair share to contribute to their economic renewal. And I would hope that the Chinese would see their future in terms of their economic strength and step away from this. And until they make a final definite decision and it happens, I don't want to cross any more bridges. I want to keep trying to persuade them not to do it.

Yes, sir.

Somalia

Q. Mr. President, you said you don't want to discuss your methods until you go to the U.N., but you seem to be describing a goal of establishing a government, a functioning government in Somalia. Would you confirm that you're thinking in those terms and any timetable you might have?

The President. No, I won't, because our position is not well enough formed yet to be characterized fairly in the way that you just characterized it.

I've been very disturbed, frankly, as many Members of Congress, many Americans have, in the last several days by the turn of events in Somalia. Although I'm disturbed not only that our troops under the U.N. banner have been increasingly embroiled in conflict which have led to the deaths of Somalis, but I'm also disturbed that this is plainly part of a strategy by supporters of General Aideed to make the presence of the U.N. more unpopular there in all the member countries. And if that is all that is achieved, then when we leave, the chances that they will revert to exactly the same horrors that got us there are very large.

I have to remind my fellow Americans and all of the people in the world who have an aversion to the events of the last 2 weeks not to forget that over 300,000 people lost their lives there, were starved, were murdered, were subject to incredibly inhumane conditions because of the chaotic and lawless behavior of the people who had authority.

Now, many of those warlords have changed their behavior, have been cooperating with the United Nations, have enabled at least the conditions of orderly life to remain. On the other hand, it is plain to me that it was never an option for us to continue to pursue a military solution or to be obsessed with Aideed or anybody else, to the exclusion of trying to build a peaceful society.

So what the Prime Minister and I have recognized is that we have to do more to try to develop a political initiative that will enable not only the United States to withdraw but for the United Nations to remain as long as is necessary and in a more peaceful and constructive role. That is the only decision we have made to date.

Prime Minister Ciampi. I have nothing to add to what President Clinton said, and I already said before what the Italian position was, which is to give a new political dimension which prevails over a U.N. intervention of Somalia. Therefore, our action is with the U.N., and I am very happy that this coincides with the President's feeling and that is to promote this action. And without this, a purely military action would not make any sense.

The President. Thank you very much.

Bosnia

Q. Mr. President, on Bosnia——

The President. I will take one question on Bosnia.

Q. Mr. President, with the cease-fire agreement now apparent in the former Yugoslavia, will this lead to the sending of 25,000 U.S. troops there as peacekeepers? And what is your opinion of this peace agreement?

The President. Well, first of all, keep in mind what was agreed to. What is was agreed to was a cease-fire and the agreement to begin talking again. We are hopeful about this but also properly wary. I mean, there's been no territorial agreement, and that is the nub of the controversy. So we hope very

much that next week there will be real progress to provide a humane and decent life in the future for the Bosnians.

I have said all along that—going back to February—that the United States would be prepared to participate in a multinational peacekeeping effort there if there were a fair settlement, generally and freely entered into by the Bosnian Government, which we have supported. But while the signs of the agreement are hopeful, it is important not to overread them. There has not been an agreement in the major areas of contention yet.

So next week, or soon thereafter, if an agreement is reached that the United States can evaluate and act on, I can answer that question, but I can't answer that question until there is an agreement that we know is a full and fair agreement that we have some sense is enforceable.

Thank you very much.

NOTE: The President's 26th news conference began at 1:43 p.m. in the East Room at the White House. Following his opening remarks, Prime Minister Ciampi spoke in Italian, and his remarks were translated by an interpreter.

Proclamation 6593—Citizenship Day and Constitution Week, 1993

September 17, 1993.

By the President of the United States of America

A Proclamation

September 17, 1787, is one of the most important, yet ironically one of the least known, dates in American history. On that day the delegates to the Philadelphia Convention completed their work by signing and reporting to the Continental Congress their proposed Constitution of the United States. Despite the enormous growth of our Nation in terms of population, industry, culture, and technology since 1787, the document drafted by 55 patriots during that summer in Philadelphia remains the fundamental law of our land.

Chief Justice Marshall wrote that the Constitution was "designed to approach immortality as nearly as human institutions can approach it." Our Constitution is by far the oldest written framework for government in existence. The extraordinary longevity of the Constitution suggests that the British statesman William Gladstone was not exaggerating when he described our Constitution as "the most wonderful work ever struck off at a given time by the brain and purpose of man."

The Constitution's endurance is, or course, a tribute to the wisdom and statesmanship of the Framers. But it is also a tribute to our continuing commitment to the fundamental precept of constitutionalism. The Constitution has served us well, but the same document, if given to a people without an appreciation of and a commitment to the rule of law, would be worse than useless. Thus, as we mark the 206th anniversary of the signing of the Constitution, we celebrate not only the genius of the Founders, but also the fidelity of our people to the principles embodied in the Constitution.

If we are to maintain that commitment to government under law, we need to read and study the Constitution. Only by becoming familiar with its provisions can we understand and truly appreciate the Constitution's principles. Among the groups of Americans that have demonstrated their familiarity with the Constitution are naturalized Americans. As part of the naturalization process, persons seeking citizenship must pass an examination on the principles of American Government. That hundreds of thousands of people come to this country every year with the dream of becoming American citizens eloquently attests to the success of the venture in self-government launched by our Constitution. It is the duty of all Americans to understand this document and the rights and responsibilities it conveys.

In commemoration of the signing of the Constitution, and in recognition of all those who as citizens of this Republic share the responsibility for preserving and protecting our constitutional heritage, the Congress has designated September 17, 1993, as "Citizenship Day" and the week beginning September 17, 1993, as "Constitution Week."

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim September 17, 1993, as "Citizenship Day" and the week beginning September 17, 1993, as "Constitution Week." I call upon the people of the United States to observe these occasions with appropriate ceremonies and activities, and I urge them to devote themselves to the study and discussion of the Constitution.

I further call upon the officials of the Government to display the flag of the United States on all Government buildings on September 17, 1993, in honor of Citizenship Day.

In Witness Whereof, I have hereunto set my hand this seventeenth day of September, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 10:10 a.m., September 20, 1993]

NOTE: This proclamation was published in the *Federal Register* on September 21.

Appointment for Chair of the United States Commission on Civil Rights

September 17, 1993

The President today announced his appointment of Mary Frances Berry to be Chair of the U.S. Commission on Civil Rights. Berry is the first woman to be appointed to the chair since its inception.

Ms. Berry, the senior member of the commission, having served as Vice-Chair under President Carter, is currently the Geraldine R. Segal professor of American social thought and professor of history at the University of Pennsylvania.

"Mary Frances Berry is a civil rights scholar as well as an advocate," said the President. "I am proud to make this historic nomination, and I have every confidence in the commitment and abilities of Ms. Berry. Her distinguished life and career uniquely qualify her for this new leadership role."

NOTE: A biography of the appointee was made available by the Office of the Press Secretary.

Nomination for Secretary and Under Secretary of the Army

September 17, 1993

The President today announced his intention to nominate Togo Dennis West, Jr., a veteran of the Defense Department and a former Army officer, as Secretary of the Army. The President also announced his intention to nominate Joe R. Reeder Under Secretary of the Army.

"I am pleased today to announce my nomination of Togo West as our new Secretary of the Army," the President said. "Togo is a seasoned veteran of the Defense Department who knows firsthand the challenges facing our fighting men and women. I am confident he will do an excellent job of leading our Army as we adapt to the changes forced by the end of the cold war, while continuing to ensure that our fighting force remains number one in the world."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

September 11

In the afternoon, the President returned to Washington, DC, from Houston, TX.

September 13

In the morning, the President met with President Bush and President Carter in the Oval Office. In the afternoon, the President had lunch with Prime Minister Yitzhak Rabin of Israel.

September 14

In the morning, the President had breakfast with President Bush, President Carter, and President Ford. In the late afternoon the President had lunch with Prime Minister Paul Keating of Australia.

September 15

In the morning, the President traveled to New Orleans, LA, and returned to Washington, DC, in the afternoon.

September 16

In the afternoon, the President had lunch with the Vice President.

Later in the afternoon, the President met with the National Conference of Black Mayors

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted September 14

Daniel L. Spiegel,
of Virginia, to be the Representative of the United States of America to the European Office of the United Nations, with the rank of Ambassador.

Submitted September 15

Shirley Sears Chater,
of Texas, to be Commissioner of Social Security, vice Gwendolyn S. King, resigned.

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the 37th Session of the General Conference of the International Atomic Energy Agency:

Representative:
Hazel Rollins O'Leary, of Minnesota

Alternate Representatives:
Ivan Selin, of the District of Columbia
Jane E. Becker, of the District of Columbia

Submitted September 16

Kathy Elena Jurado,
of Florida, to be an Assistant Secretary of Veterans Affairs (Public and Intergovernmental Affairs), vice Edward T. Timperlake, resigned.

Robert W. Perciasepe,
of Maryland, to be an Assistant Administrator of the Environmental Protection Agency, vice LaJuana Sue Wilcher, resigned.

John Calhoun Wells,
of Texas, to be Federal Mediation and Conciliation Director, vice Bernard E. DeLury, resigned.

Lauri Fitz-Pegado,
of Maryland, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, vice Susan Carol Schwab, resigned.

Elliott Pearson Laws,
of Virginia, to be Assistant Administrator, Office of Solid Waste, Environmental Protection Agency, vice Don R. Clay, resigned.

Lynn R. Goldman,
of California, to be Assistant Administrator for Toxic Substances of the Environmental Protection Agency, vice Linda J. Fisher, resigned.

Submitted September 17

Theresa Anne Tull,
of New Jersey, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brunei Darussalam.

Corlis Smith Moody,
of Minnesota, to be Director of the Office of Minority Economic Impact, Department of Energy, vice Melva G. Wray, resigned.

Jon Ernest DeGuilio,
of Indiana, to be U.S. attorney for the Northern District of Indiana for the term of 4 years, vice John F. Hoehner, resigned.

Christopher Droney,
of Connecticut, to be U.S. attorney for the District of Connecticut for the term of 4 years, vice Stanley A. Twardy, Jr., resigned.

Peggy A. Lautenschlager,
of Wisconsin, to be U.S. attorney for the Western District of Wisconsin for the term of 4 years, vice Kevin C. Potter, resigned.

Thomas Paul Schneider,
of Wisconsin, to be U.S. attorney for the Eastern District of Wisconsin for the term of 4 years, vice John E. Fryatt, resigned.

Emily Margaret Sweeney,
of Ohio, to be U.S. attorney for the Northern District of Ohio for the term of 4 years, vice Joyce J. George, resigned.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released September 12

Transcript of a press briefing by Ira Magaziner, the President's Senior Adviser for Policy Development, and members of the Health Care Task Force

Released September 13

White House announcement on the renewal of the Trading with the Enemy Act and U.S. policy toward Vietnam

Transcript of a press briefing by Ambassador Dennis Ross, State Department Special Coordinator, and Martin Indyk, Special Assistant to the President for Near East Affairs

Released September 14

Statement by Press Secretary Dee Dee Myers on the violence in Haiti

Announcement of nomination of Daniel L. Spiegel to be U.S. Permanent Representative to the European Office of the United Nations

Released September 16

Transcript of a press briefing by Press Secretary Dee Dee Myers

Transcript of a press briefing by Erskine Bowles, Small Business Administrator, and Ken Thorpe, Deputy Assistant Secretary of Health and Human Services

White House statement on Senator Pryor's pharmaceutical restraint agreements

Statement by Dr. Arthur Flemming, former Secretary of Health, Education, and Welfare, on the President's health care reform proposal

Released September 17

Transcript of a press briefing by Tim Hill, chair, Administrative Simplification Group, President's Task Force on National Health Care Reform; John Silva, practicing physician specializing in information technology, Department of Defense; Rick Kronick, senior health analyst, and Lynn Margherio, senior policy analyst, President's Task Force on National Health Care Reform

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.