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to delegate certain authority to the Secretary of State, it is hereby ordered as follows:

Section 1. Section 1–201(a)(13) of Executive Order 12163, as amended, is further amended by

(a) inserting ", and sections 620G(b) and 620H(b) as added by the Antiterrorism and Effective Death Penalty Act of 1996, (Public Law 104–132)" before "of"; and

(b) inserting ", as well as section 573 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Public Law 103–87), section 563 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1995 (Public Law 103–306), section 552 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107), and similar provisions of law" after "Act".

Sec. 2. Section 1 of Executive Order 11958, as amended, is further amended by

(a) redesignating subsections (n) through (r) as subsections (o) through (s), respectively; and

(b) inserting the following after subsection (m): "(n) Those under Section 40A of the Act, as added by the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132), to the Secretary of State.".

Sec. 3. Section 1(a)(2) of Executive Order 12884 is amended by

(a) deleting "and" before "(3)"; and

(b) inserting ", and (5)" after "(3)".

William J. Clinton

The White House,
December 12, 1996

[Filed with the Office of the Federal Register, 8:45 a.m., December 16, 1996]

NOTE: This Executive order will be published in the *Federal Register* on December 17.

The President's News Conference

December 13, 1996

Second Term Transition

The President. Good afternoon. Please be seated.

As President, I have worked to keep the American dream alive for all those who are willing to work for it, to restore economic growth, and to put our Nation on the path to long-term prosperity. One of the accomplishments I'm proudest of since 1992 is the way our economic advisers have worked as a team to advance America's interests at home and abroad.

Working together, this team has helped to cut our deficit by 60 percent; increase our investments in education, the environment, and technology; expand America's exports to record levels; and to help our economy create nearly 11 million new jobs.

Today we see new results of that kind of teamwork. American negotiators have agreed with the other members of the World Trade Organization on a landmark information technology agreement, the pact that I worked so hard on at the APEC meeting in Manila recently. I am pleased that it will eliminate by the year 2000 all tariffs on computers, semiconductors, and telecommunications equipment. That's a $5 billion cut in tariffs on the American products exported to other nations.

America leads the world in these industries, and this agreement means that there will be extraordinary new opportunities for American businesses and workers, so the American people can reap the rewards of the global economy as we move into the 21st century.

Today I'm pleased to introduce most of the members of the team that will build on our work:

The Treasury Department has never been in better hands. Bob Rubin has been the captain of our economic team for 4 years, first as Director of the National Economic Council, and now as Secretary of the Treasury. And I am pleased that he will stay on.

Larry Summers will continue as Deputy Secretary of the Treasury, and we'll be calling upon his unique policy and analytic skills in an enhanced capacity. Today I am also naming him as a principal on the National Economic Council, which will benefit greatly from his expertise in domestic and international economic policy.

As we work toward a balanced budget, the Office of Management and Budget will play a critical role, because we have to do it in a way that reflects our values and the other

policy objectives of this administration. Frank Raines has been on the job there for several months now, working hard to reach a bipartisan agreement on a balanced budget plan. I am happy to say that after 4 months he has agreed to stay on the job, in a job that is often the biggest headache in town.

To prepare America for the 21st century, we must maintain a strong Commerce Department. In the last 4 years, two exceptionally gifted leaders, my friends the late Ron Brown and Mickey Kantor, have headed that Department and turned it into an economic powerhouse for the American people. It has promoted American business, created American jobs through exports and innovative technologies. I understand Mickey Kantor's desire to return to private life after 4 grueling years, but I regret it very much. He is a great talent, a great citizen, and I will miss him.

Today I am pleased to nominate Bill Daley of Chicago as the new Secretary of Commerce, a man of rare effectiveness, a longtime civic leader, a prominent attorney and business leader. As Special Counsel to the President for the North American Free Trade Agreement, he coordinated our administration's efforts to forge a broad, bipartisan coalition to pass that landmark trade agreement. He embodies the values of hard work and fair play, faith and family that will serve him in a very good stead as the Secretary of Commerce.

Second, I am pleased to announce my intention to nominate Charlene Barshefsky to be our United States Trade Representative, a job she has held on an acting basis for 8 months. She's a tough and determined representative for our country, fighting to open markets to the goods and services produced by American workers and businesses. Her skill is demonstrated by the information technology agreement I just announced. She has been negotiating it around the clock in Singapore for the last week. Indeed, I'm not sure she's had any sleep in the last week, but this is a remarkable achievement. I'm sorry she could not be here, but her husband, Ed Cohen, and her daughters are with us. I spoke to her last night in Singapore to congratulate her on this remarkable achievement. I know she wishes she could be here, and I'm very glad she'll be on the job for America.

Finally, when I took office 4 years ago, I established for the first time a National Economic Council, to coordinate economic policy, to make sure we get the best advice and a range of options as well as new ideas. Today, I am pleased to appoint Gene Sperling to be the Assistant to the President for Economic Policy and Director of the National Economic Council. Gene was my chief economic policy adviser in the 1992 campaign. He's been Deputy Director of the NEC since its creation. He has been central to the development of our budget, our tax, our education, our training policies. I rely on him heavily, on his knowledge and skill, his mind and his heart. As all of you know, he certainly shows that the work ethic is still alive and well in America. Indeed, I made him promise as a condition of getting this appointment that he would adopt a dramatic new idea in the next few years: sleep. [*Laughter*] I suppose if we were giving MVP awards for our economic team, Gene would have been there in each one of the last 4 years. And I'm very proud of his service and excited about his promotion.

We know that our economic future is increasingly dependent upon mastering the challenges of the global economy. Today I am pleased to announce that I am appointing Dan Tarullo to be Assistant to the President for International Economic Policy. In his job, Dan will report to the heads of both the NEC and the NSC bringing, thus, even closer coordination between our foreign and our economic teams. He's represented the United States around the world as we have negotiated trade agreements as Assistant Secretary of State and Deputy Director of the NEC.

I'm also pleased to announce the completion of our foreign policy team. Our Ambassador to the United Nations must be someone who can give voice to America's interests and ideals around the world, someone who can work to reform the United Nations so that it costs less and is prepared to meet its new challenges, someone who can not only talk but who can also act effectively.

All Americans have watched admiringly as Bill Richardson has undertaken the toughest

and most delicate diplomatic efforts around the world, from North Korea to Iraq. Just this week, Congressman Richardson was huddled in a rebel chieftain's hut in Sudan, eating barbecued goat and negotiating the freedom of three hostages. Today I am proud to nominate him to be our next Ambassador to the United Nations, to serve in my Cabinet and as a principal on our foreign policy team.

In addition to his already long list of foreign policy achievements, he has represented the people of northern New Mexico for 14 years now as a member of the House Democratic leadership, and as one of our Nation's most prominent and proud Hispanic leaders. He told me last night how much he loved the people of his district. He and Al Gore used to compete for who held the most town meetings in the entire Congress. I know he will serve those constituents and all the American people exceedingly well as the United Nations Ambassador.

I'm very proud of this team. We're making good progress in putting our new people in place, and in resolving all the other outstanding questions. I hope the Senate now will move as quickly as possible to confirm them. I was very pleased that in 1993, with only one exception, all the members of my Cabinet were confirmed the day after the inauguration, and I hope we can continue to push through that process.

Finally, before our new appointees have a chance to say a few words, I know you're all interested in a couple of other matters. I have been having talks with a number of other Cabinet members, as all of you know. I have not yet finished my conversations, but in the last several days I have spoken with Secretary of Health and Human Services Donna Shalala, Attorney General Janet Reno, and just this morning, our EPA Administrator Carol Browner. I have asked all of them to stay on in their current jobs. We will make those and some other announcements formally soon, when I finish my round of interviews, so that we can announce the rest of our domestic economic team.

And the last matter I want to mention is, as all of you know, Jack Quinn has announced that he will have to leave the White House as White House Counsel because of family obligations. Jack and I have known each other a long time. He and the Vice President have known each other a long time. I just want to say a word of thanks for the integral and invaluable work he has done as a White House staff member, the fine job he has done as Counsel to the President. He has really been a superb Counsel. I will miss him very much. We had a long talk about the reasons—I think the good reasons, indeed the best reasons anyone can ever have for leaving public service. I will regret that, but I wish him well, and I look forward to making an expeditious appointment of a replacement.

Now I would like to ask Bill Daley, Bill Richardson, Gene Sperling, and Dan Tarullo to make brief statements, and we will proceed to questions.

[*At this point, Secretary of Commerce-designate Bill Daley and United Nations Ambassador Bill Richardson made brief remarks. As Ambassador Richardson began his remarks, Secretary-designate Daley fainted.*]

The President. Where is my doctor?

I think he's fine. He fainted. I think he fainted. I think he's fine. We'll give you a report in a minute.

Go ahead.

[*Ambassador-designate Richardson concluded his remarks, and National Economic Adviser Gene Sperling and Assistant to the President for International Economic Policy Dan Tarullo made brief remarks. Secretary-designate Daley returned to the stage.*]

The President. Welcome back.

Secretary-designate Daley. Thanks.

The President. Mr. Fornier [Ron Fornier, Associated Press].

President's Accomplishments and the First Lady's Role

Q. Mr. President, looking beyond today's announcement to your second term, can you tell us how you hope history will judge your 8 years in office? What single accomplishment would you like to be remembered for? And along those lines, could you share your thinking with us on the specific roles, the specific roles, the First Lady will play in the next 4 years?

The President. That's enough for an hour. [*Laughter*]

You've heard me say that I believe this time is most closely paralleled in our history to about a hundred years ago when then we moved from the farm to the factory, from the rural areas to the city; we became primarily an urban manufacturing country. We are now a global leader and the basis of all economic activity is increasingly knowledge and information and technology.

I would like to be remembered as the President who prepared America for that future, who prepared America for the 21st century where we had opportunity available to all Americans who were responsible enough to exercise it; where we lived with the diversity of this country and the diversity of the world on terms of respect and honor, giving everyone a chance to live up to the fullest of his or her own ability in building a stronger sense of community, instead of becoming more divided, as so many countries are; and where we continue to be the indispensable nation in the world for peace and freedom and prosperity. That is my vision of America in the 21st century. And when I'm finished, I hope people will add up all of the things we did and say, that is what they achieved.

I have nothing to add to what I've already said about the First Lady, except that the State Department has asked her to undertake more efforts around the world, following up on the Beijing Conference, like the one she did in Northern Thailand recently, speaking out on behalf of human rights dimensions of women and young girls around the world. And I expect she will do more of that, and I expect she will continue her interests in children and families and related issues here at home. But I have nothing else to say beyond that.

Helen [Helen Thomas, United Press International].

Balancing the Budget and Protecting the Poor

Q. Mr. President, what is your response to the perception that you are willing to sacrifice the needy and compassion at the altar of a balanced budget and bipartisanship? I refer to the fact that you have not mentioned any remedy for the punitive parts of the welfare law recently, but you're reviewing children with disabilities with an eye to dropping them from benefits; that you may wipe out fuel—heating oil subsidy; that you may slash by $1 billion low-cost housing budgets; and a few other things.

The President. Well, first of all, let me say I have no intention of slashing the home heating oil budget as we come to the winter. That's one budget item I know something about.

We have—in the drive to balance the budget we have to make some tough decisions, and some of the housing issues will be brought before me, I'm sure, in the last round of appeals. But we've not made final budget decisions there.

If you look at the record of this administration, I think it would be very hard to make a case that we have been callous toward the poor. I mean, look what we did: We doubted the earned-income tax credit, raised the minimum wage, increased the availability of immunizations to poor children, dramatically expanded the number of poor children in Head Start, vetoed two welfare reform bills which revoked the guarantees of health care and nutrition to poor children because they did. And as a result, there are about a million fewer children living in poverty today. We had the biggest drop in poverty among children in 20 years, the biggest drop among poverty—among working single women in 30 years. the lowest poverty rate ever recorded in 1995 for African-Americans. That is the record of this administration. I think it is very hard to make a case that an administration with that record and those policies is insensitive to the problems of the poor.

Now, in welfare reform, there are two great issues before us in the welfare reform. Issue number one is, there are not now enough jobs available, particularly in a lot of urban areas, for all the able-bodied people on welfare when they run out of their 2-year time limit under the new law. I said that all along. That's why a big part of my campaign for the Presidency this time was the commitment to present to Congress and to challenge the States to do things like provide special tax incentives and wage subsidies and training subsidies to employers to help hire people off welfare and to help the cites with a lot of welfare caseload. That's the big welfare reform problem.

Number two, there are problems in the welfare reform bill, as I have repeatedly said, that have nothing to do with welfare that will hurt a lot of innocent people, principally, the way legal immigrants who get hurt, through no fault of their own, are treated and the way the nutrition programs, the food stamp programs are treated for single men who are willing to go to work and, most importantly, for working families. I have set aside several billion dollars in my balanced budget plan to fix those problems. And the budget I present to the Congress will address both of those within the context of a balanced budget plan.

On the question of the disabled children, I want to ask all of you to help all of us on this, because here's the issue: Nearly everyone who reviewed the law as it used to be said that the disability definitions were too broad and that it was very difficult to justify, given all the needs of the country, the coverage that existed under the old law. And we even proposed to the Congress that some changes be made to tighten the standards of disability coverage for children under SSI.

Now what we have to do is to define regulations under the new law. So the trick is going to be to do it in a way that does not hurt genuinely needy children and families and cause harm, instead of tightening up a program that virtually everyone who analyzed it thought ought to be tightened up. So we're all going to have to just watch that one and try not to mess it up. But the welfare reform bill I think is going to prove to be a good bill. I do not think it will increase job poverty if we create jobs. We need to fix the non-welfare parts of the welfare bill.

Brit [Brit Hume, ABC News] let me say before you leave, I know this is your last White House press conference; you'll be too important to mess with Presidents and other people before long. [*Laughter*] But over the last several years, I think all of us think you have done an extraordinary, professional job under Republican and Democratic administrations alike, and we will miss you. And we wish you well, and congratulations on your new position.

Independent Counsels

Q. Thank you very much, Mr. President. Thank you very much, indeed.

Sir, over the years Republicans have sometimes criticized the whole idea of having an Office of Independent Counsel as being subject to abuse, possibly raising the prospect of witch hunts. More recently, one of your chief political advisers seems to have joined in that thinking, and you, yourself, have even suggested that the current Independent Counsel may be, as I believe you put it, ''out to get you.'' I wonder if you could give us your current thinking on the whole independent counsel process and how this particular one is, in your view, doing its job?

The President. Well, on the second part of that question, I have nothing to add to what I said earlier on that.

But let me say there may be a few limited cases where this is appropriate. I was impressed by the comments made by Archibald Cox. I believe he wrote an op-ed piece in the New York Times a day or two ago. And what I think what we ought to do is to search out people like that. The American Bar Association recently had a seminar where a lot of people who have been involved in this work for years came and talked about what kind of cases ought to be covered, what kinds of time lines ought to be there, what kinds of limitations there ought to be.

And I think what we ought to do is to take people who aren't so personally involved in it but who understand the enormous costs of the present system, as well as whatever benefits might come to it, and reassess it. But I think, you know, we could start with what Mr. Cox had to say and analyze it and go from there. But I think—I have to focus my attention on trying to complete the agenda the American people elected me to complete, and that's what I intend to do.

I do think this is worth some study and thought, but I think you ought to refer to people who are not so caught up in it and don't have other things to do like I do. I need to not think about that. I need to think about my plans to grow the economy and improve education and other things.

Mr. Frisby [Mike Frisby, Wall Street Journal].

Capital Gains Tax Cut

Q. Mr. President, Republicans on Capitol Hill still want to cut the capital gains tax. Are there any conditions in which you would agree to such a cut if it would result in a budget deal?

The President. Well, I have always said that I was not inherently opposed to any kind of capital gains tax, and indeed, there was a capital gains treatment in my first budget in '93 for investments in new and small businesses that were held for a significant period of time. It is not part of my balanced budget because I had other priorities which I was trying to advance.

We are not going to get a balanced budget which the American people need, which our economy needs and which would do, I think, very good things for us not only economically but also psychologically as we move forward into this new century in the absence of bipartisan cooperation.

So as—when the 50-plus hours I spent with Senator Dole and Speaker Gingrich and Mr. Armey last year, I made clear to them in private what I have said publicly several times which is that, obviously, I had no right to say that was a show-stopper in a deal. I was perfectly willing to talk about it but only in the context of balanced budget negotiations.

District of Columbia

Q. Mr. President, I'd like to shift the focus to something that I think is equally as important, or at least many people think is important as some of the so-called national things we speak about, and that's the question about the Nation's Capital city—your city, sir. I wonder what you could tell us, what helps perhaps or comment you might offer on what many people think to be is a chaotic and failing District of Columbia government. Now, the financial control board does recommend a partial takeover. I wonder how you feel about that, or is it time for a complete takeover, sir?

The President. Let me, first of all, say, I have had several conversations in the last 2 months, leading up to and after the election, about what I believe is my responsibility and the responsibility of our administration to try to play a constructive role in making Washington the kind of city it ought to be.

In the last 4 years, first Alice Rivlin, and then Frank, have worked hard to coordinate what our administration was doing in Washington. Henry Cisneros, for example, has done a lot of good work on homelessness here in Washington. The Commerce Department has taken some community-based initiatives. Even my Secret Service detail adopted a school in response to my request for people to do more in Washington. But we have not done as much as we can, so that's the first thing I want to say.

The second thing I want to say is that the American people need to understand the unique challenges facing Washington. Washington, DC, is really not quite a State but not quite a city. It is not quite dependent and not quite independent. And I think that is the source of a lot of the difficulties we face today. There is sort of a series of purgatories in which Washington has found itself over the years, and very often when functions are divided in responsibility, they wind up being nobody's responsibility and easy for people to avoid, therefore, the tough decisions that have to be made.

So what—I have asked the Office of Management and Budget and Frank Raines in his capacity as head of this task force to review that. I was very impressed that the DC control board came out with a set of specific recommendations, and I want to review them and try to do two things: Number one, I want to respond to the financial recommendations that will come both from Frank Raines and from the DC control board. And number two, I want to think in a larger way about what kind of more systematic effort we can make to be a constructive force in the revitalization of Washington.

This is a beautiful city. This is a city full of talented people. It has problems, but so does every other city in America. And I am convinced that a lot of these problems have been aggravated over time by the fact that—what I would call ''not quite'' factor: not quite a State, not quite a city, not quite independent, not quite dependent, and so there has just been too much gray area. And we have to try to resolve this and work through it. And I promise you a more serious effort.

Q. Just to follow up, sir, will you be speaking with House Speaker Newt Gingrich, who has mentioned trying to work up a plan, and Senate Leader Trent Lott——

The President. Absolutely.

Q. ——will this be a——

The President. Again, I would say we have to do this on a bipartisan basis. When the control board was set up, Congressman Davis was a very constructive force in this, and of course, Eleanor Holmes Norton. So we know we have to do this together. And I think we have—those of us who live here and work here have a real obligation to try to resolve this. But I just want to make it clear that I think we need some serious fixes here that deal with this sort of ''not quite'' factor. You're got to resolve who is going to be responsible for what, how is it going to be done, where are we going to be over the long run?

Q. But you could do that as President, couldn't you, sir?

The President. Well, not unilaterally, but we've got to have some help from the Congress. We'll work on it.

Nomination Process and Government Service

Q. Mr. President, with it now revealed that there are Justice Department investigations ongoing about two members of your national security team, one nominee and one person who doesn't have to get Senate confirmation, I'm wondering if you could tell us why you decided to go ahead with people under Justice Department investigation, and whether, as Mr. Daley sort of alluded to, you worry that the level of scrutiny has become so high that maybe people feel that they are driven out of accepting jobs. It's also been reported that you're having trouble filling the White House Counsel's post because people don't want a job that is going to just be one problem after another—[*inaudible*]—questions on that.

The President. Well, there was a recent—let me answer two points of your question. Number one, I will take full responsibility for whatever happens here; I'm fully aware of the status of the issues relating to Mr. Berger and Mr. Lake, and based on the advice of Mr. Quinn, my White House Counsel, I decided to go forward because I am convinced that nothing they did was in any way disqualifying, and because the issues involved were very straightforward, but have been over at the Justice Department for some time, and we had to make a decision. I mean, the work of the people has to go forward.

So what we decided to do is to let the thing go forward. You know what the issues are; they've been fully disclosed; there's nothing there that has not been disclosed to the best of my knowledge. And I made a decision, based on the advice of my Counsel, that the best people that I wanted to appoint could in fact be appointed and that the issues outstanding were not disqualifying.

Now, to the larger question you asked, there is no question that the climate has changed to the point where a lot of people don't want to fool with it anymore. There's no doubt about it. In fact, I was sort of touched by what Mr. Daley said because I have to say that the truly moving thing is how many gifted men and women of all walks of life are still willing to serve, notwithstanding the fact that they know they may be subject to things that are excessive and unfair.

There was, a couple of weeks ago, a commission—I can't even remember who chaired the commission, but I know Lloyd Cutler was a member of it—on the whole appointment process. You know what I'm talking about, don't you? I'm—what was the formal name of the commission? Yes, the 20th Century Fund Commission. And they made a lot of recommendations there that I thought had a lot of merit.

Now, of course, the appointment process is largely controlled by the Congress and by the Senate, and it would require the Senate to, with some discipline, moderate its own procedures and change it. But I thought it was quite impressive, the thoughtfulness, the fairness and the balance of that fund's recommendation. So I couldn't add anything to the recommendations they made. I think that ought to be studied, and we ought to decide what to do about it.

Q. Just to follow up, sir, do you think that there's any possibility that mistakes made within your own White House, though, have contributed to this perception?

The President. But I don't think—when you're making millions and millions of actions, literally, over a 4-year period, everybody's going to make some mistakes. The question is, does the mistake amount to a violation of law? Does it amount to a dereliction of duty? Does it amount to some dark attempt to undermine the public interest?

I mean, there is a sense—what I think we need here is full disclosure, but reasoned judgment, and a certain balance here. You know, in order to get all of the information out, you have to have the information accompanied with balance. And I think everybody has to ask themselves what is fundamentally fair here. I think a lot of people who don't want to come in say, well, somebody raises a question, then there is a presumption of guilt, you have to prove yourself innocent of things you're not even sure of what the charge is. And that's what I think we have to avoid, which is why I thought the suggestions of this 20th Century Fund Commission bore some evaluation.

Again, I don't have time to think much about it, because I have to keep working on the agenda that I ran on, the agenda I've been working on, and the one I'm trying to implement for the next 4 years. But I do think that those of you in a different position might well evaluate it.

Wolf [Wolf Blitzer, CNN].

Legislative Agenda

Q. Mr. President, with Congress coming back into a new session, there seems to be indications they will take up two issues which are contentious which you have opposed in the past—an amendment to balance the budget, a constitutional amendment to balance the budget. You caused some, I guess, concern a few weeks ago among some of your aides by suggesting you could live with a constitutional amendment to balance the budget. And secondly, legislation that would ban a late-term abortion procedure known as partial-birth abortions. Could you tell us exactly what kind of language you could accept on both of those issues that would allow you to go forward and support those matters?

The President. Well, they're two different things there. First of all, what I said on the balanced budget thing, I don't think—let me try to be clear here so I won't be misunderstood. I do not believe it is good policy or needed to have a constitutional amendment to balance the budget. I do believe that it's good policy for America to pass a balanced budget plan now and to implement it. And I believe I have some credibility on that because we've cut the deficit by more in 4 years than anybody has in a month of Sundays. So everybody knows that—and my record as Governor was that of a fiscal conservative.

So this is not about fiscal conservatism. It is about whether you can design a constitutional amendment which in difficult and very different times than the ones in which we now live won't do more harm than good. That's my only concern there.

And so the only thing—what I was trying to say when I was asked about this before is, there have been changes in the composition of the Senate which at least apparently give them enough votes to pass this amendment. So what I was saying is I'm not for this, but if you're going to do it, try to do it in a way that gives you enough flexibility to deal with the kinds of things that can happen. We're passing this constitutional amendment in a very different environment than some of the environments in which we've lived in the last 30 years. That's the only point I was trying to make on that.

Now, perhaps changes in the House will make it more difficult to pass in the House, but I just don't know. You know, the President cannot veto a constitutional amendment. It gets passed and sent out to the States. So that's the point I want to make on that.

On the partial birth abortion issue, I would very much—I wanted to sign that legislation when I first heard about it; I thought I would sign it, since I am generally opposed to third-trimester abortions anyway and signed legislation to restrict them in Arkansas.

The problem is, I will say again, there are a few hundred women every year who have personally agonizing situations, where their children are born or about to be born with terrible deformities which will cause them to die either just before, during, or just after childbirth. And these women, among other things, cannot preserve the ability to have further children unless the enormous size of

the baby's head is reduced before being extracted from their bodies. This is a very painful thing to discuss. I have met six of these women. I will say again, three of them were pro-life Catholics. One of them was a pro-life evangelical Christian. This is not a pro-life, pro-choice issue. To me this is a practical problem. I believe that people put in that situation ought not to have Congress tell them that they're never going to be able to have children again.

Now, I know there are just a few hundred of them, and I know that all the votes were on the other side. And I am well aware that there were several places in this country where major political headway was made against the Vice President and me and against some of our candidates for Congress and against others running for other things because of this issue, because it sounds so awful when you describe it—that the politics is all on the other side. But one of the things the President is supposed to do is to look out for the few hundred against the many millions when the facts are not consistent with the rhetoric.

And I'm just telling you—Hillary and I, we only have one child. And I just cannot look at a woman who's in a situation where the baby she is bearing against all her wishes and prayers is going to die anyway, and tell her that I am signing a law which will prevent her from ever having another child. I'm not going to do it.

Now, I pleaded and I pleaded and I pleaded last time with the Congress to adopt highly restrictive language on this procedure which would make it clear that there had to be a very serious health problem for the woman involved before it could be adopted, in addition to having her own life at stake—a very serious health problem, like having the ability to have a child again. And they would not do it. And they would not do it. And they would not do it, I believe, because it was great politics. But it's bad policy.

So if we will—if we can have the right sort of language here—I don't like this procedure. I don't think anybody ought to just, you know, show up 8 months and 2 weeks pregnant and say I just think I'd like to have an abortion, and this is what I want to use. I think the States should have taken care of that. Eighty percent of the States have, but 20 percent haven't. But if they will help me with language here and do it in good faith, I will happily sign this bill.

But there are a few hundred people every year that are adversely affected by this, and I am the only person that's elected by all the people that feels, therefore, less pressure on this. I have to do what I think is right. I cannot take away from these women the right to bear further children. It would be wrong, and I will not do it.

Stock Market

Q. Mr. President, do you share Alan Greenspan's view that Wall Street is currently in the grips of irrational exuberance? And agree or not that the market is overpriced, when the inevitable correction comes, what is the degree of risk that it will throw the economy into a tailspin?

The President. Well, I don't comment on the Fed's decisions, and I don't comment on the market's movements, so I shouldn't talk about the Fed Chairman's comments about the market's movements. [*Laughter*] Nothing I say will produce any good.

I think the answer to your second question is the same—I'll tell you an interesting story. You know when the market fell in '87, by blind accident, when the market closed, the then wealthiest man in America, Sam Walton, was sitting in my office in Little Rock, in the Governor's office, just by pure coincidence. He was there on business. He came in to see me, and we were sitting there at 4 o'clock in the afternoon, or whenever it was, and the market closed in New York. So he called, and I said, Sam, "How much money did you lose today?" He said, "A billion dollars, on paper." And I said, "What do you think about it?" He said, "I think tomorrow I'm going to get in my airplane and fly to a little town in Tennessee where they're opening a new Wal-Mart, and if the pickups and the cars show up and people get out and buy goods, America's all right. This is a Main Street economy."

So I say to you, I'm very pleased that not only wealthy people, but a lot of middle class people have made a lot of money in the markets. A lot of people's retirements are more secure because of it. I'm proud of the vibrant

markets we have. They will change. They go up and down; they always do. My job is to keep the underlying fundamentals sound so that tomorrow in all those little towns all across America people can get up and go to work and go to the store and buy something. If that happens, I think we'll be okay.

Q. Mr. President, given the fact that people have invested in pensions, 401(k)'s, it really has become a middle class situation, isn't it almost inevitable that a correction would trigger a tailspin?

The President. No. I don't think we should over-conclude that. Look at '87. Look at everything since 1929. You've seen long-term—over the long term, if we have the discipline, all of us, to ride out the inevitable changes in the markets, the markets have produced a very steady growth over the long run, even with ups and downs and even when the downs were fairly significant.

Television Rating System

Q. Mr. President, as the country prepares to see its first television rating system devised, can you give us some of your thoughts about whether or not an American parent who feels particularly concerned about violence but perhaps not so concerned about exposing his or her child to sexual content or bad language—should that parent be able to know in advance if a television program has violent content?

The President. Let me try to answer you based on what I know now. Of course, that is the controversy about the proposed television rating system which the industry has come up with. They said that they would try to develop a television rating system which would more or less parallel the movie rating system. I have not yet had a report on it, but apparently that is what they have done. All I know is what all of you have reported about it, but apparently that is what they have done. Therefore, the big conflict now is whether the rating system should be more content-based instead of age-based. This is like the movie system except it has more age categories than the movie system, as I understand it.

I guess what I would say to you is that I believe that it's a good thing that on these cable movies you have—you get a sort of a sheet comes on the screen and checks the content issues. But it's a very different thing with all of these hundreds and hundreds of television programs that are on and everything. What I would say is, let's remember how far we've come. This has been debated for 10 years. We now have one; we're going to have one a year before televisions have to start including the V-chip.

The industry itself has promised to review where they are within 10 months. So what I think we should do, since I feel very strongly the Government should not do this; this must be an industry-based thing; the Government should not be involved in this—what I think ought to happen is that all of the parents in the country ought to look at these ratings, ask themselves the questions you've just asked, check the shows against the ratings, give it 10 months to work, and then if they're inadequate or there needs to be some more content in the rating systems, then after a 10-month test period we'll be able to make that argument. I think, all of us, and I think the industry has shown that they're interested in doing something here.

I believe that at this moment, we shouldn't say that the whole thing is not worth doing, I think, because it does bear rough parallels to what's been done in the movies, except there are more age categories, as I understand it.

Foreign Campaign Contributions

Q. Mr. President, our political system does not outlaw contributions by foreigners, and these legal contributions are made to both Democrats and Republicans. When foreigners give huge sums of money—$10,000 or $100,000 or $400,000—what do you think they think they will get in return?

The President. I think it's probably different for different people. You know, when—sometimes, according to reports that I've read in the press, they think maybe it may enhance their standing in their own countries. Sometimes they may think that it's something they ought to do because they have business operations in America, which they have to have—you know, they have to be somehow involved in America to give legally. They may think that it enhances their standing as citizens.

Sometimes there may be a specific issue. I suppose—and I don't begrudge this; this is perfectly legal—but when the British tobacco company, Brown and Williamson, made significant contributions to the Republicans, they did it because they agree with their position and disagree with my position on the regulation of tobacco and the restriction of the advertising, sales, and marketing of tobacco to children.

So there are different reasons. But let me reiterate what I said about this earlier. I believe that has been legal, and I can understand why it has—you know, if you've got a green card, you're paying taxes, you're working here, maybe you ought to be able to give. If you have a business here, maybe you ought to be able to give. I understand the argument. But I think that, as we've seen in the last few weeks, it raises more questions than it answers, and I personally believe that the campaign finance reform legislation should make contributions by adult non-citizens illegal. Now—and we shouldn't do it anymore.

Furthermore, I think we ought to go on and pass the campaign finance reform legislation. As I said Wednesday in my speech to the DLC, repeated reasonable bills have died by Senate filibuster. Let me tell you, there is always an objection to any bill. There has never been a perfect piece of legislation passed by the Congress. There is always a theoretical or actual objection anybody can raise to any bill. But the time has come to quit killing this by filibuster and to pass it. And I'm prepared to do my part. And we ought to start with the McCain-Feingold bill. It's a good bill, it's a reasonable bill, it's a bipartisan bill, and we ought to pass it. And we should amend it to make the foreign contributions not legal anymore.

Mara [Mara Liasson, National Public Radio].

Education

Q. Mr. President, when you begin your campaign to improve public education in this country, are you going to follow up on a suggestion that you made in the first Presidential debate, which is to encourage States and cities to offer vouchers for private school choice?

The President. I don't believe I made that suggestion.

Q. You said that States and cities should be allowed to do it.

The President. No—well, I've always thought they should be allowed to do it. I supported Milwaukee's right to do it. But I'm not going to encourage or discourage. I think it should be made based on the facts of the case. I am opposed to the Federal Government doing it. Our aid is too limited, and it is too targeted, and it is too much needed for what is done now. And if I were at the State and local level, I would not be in favor of it because I think the schools are underfunded. I don't think they're overfunded. But I do believe that they have the legal right to do it, and I don't support any action to take that legal right away from them. And if they think the situation is totally out of hand and they want to try what they did in Milwaukee, I think they ought to have the right to do it.

Q. This is along the same lines. You talked over the course of your Presidency a lot about college accessibility, affordability, tuition credits, et cetera, but there are festering problems at the secondary and elementary levels across this country probably nowhere more pronounced than in this very city. Do you have any initiatives or programs in mind that can reform, if not rescue, the public schools of America?

The President. Well, the rescue of the public schools of America will have to be done by the people who are in control of them. We do fundamentally have local control of our schools and under the constitutions of virtually every State in the country, the States are constitutionally responsible for them. So when you hear people say they want local control and they don't like all these Federal rules, the truth is, we do have local control.

The Federal contribution to public education is about 7 cents on the dollar; never been higher than 10 cents on the dollar. But there are things that we can do and that I believe we should do. First of all, I think we should support reform efforts. That's why I have supported things like public school choice and charter schools. We have in this balanced budget plan sufficient funds for

3,000 charter schools which would triple the number of schools created under the umbrella of local school districts but without a lot of the rules and regulations which I think make real learning more difficult, with more control for the parents and the principals and the teachers in each school.

Secondly, I think we should support the establishment in every State of national standards of excellence and means of measuring it. And one of the things I think we should do more of where I think we have not—let me back up and say, when we did the education summit in 1989 with President Bush and the Governors all came together and we stayed up all night and wrote the national education goals, if you read the document that goes with the goals we wrote, we were moving to deal with what was a really tough issue.

Keep in mind, this is now a 13-year effort in our country, starting back—going back to the ''Nation At Risk'' Report in early '83, when we said our schools are in trouble, we need more math, we need more science, we need more foreign language, we need higher standards, we need better paid, better trained, and more accountable teachers—all those things that came out in '83.

So then, all of the States worked on that. So about '89, we could see that the problem was, you can always have more and better of anything, but what is the goal here. And that's why the national educational goals were adopted, so we would have some way or measuring whether we were succeeding.

But we all understood that even though we wanted constitutional responsibility and local control, that our children were going to be judged by global standards. And the next step is plainly to devise not Federal Government but national standards of excellence. We got there in mathematics and science—there actually are pretty widely accepted mathematics and science standards at the high school level and, to some extent, at the junior high school level.

There was all the controversy over the history standards. Do you remember that, right after I took office? There were not developed in our administration, but they were presented then. I still think we can achieve standards in the arts. And then I believe there has to be a nationally recognized means of testing kids so that we know by some more or less universal standards whether our kids know what they're supposed to know. And I think that we should work very hard on that—not Government standards, but national standards. And I think unless we're prepared to hold all of our kids up to the light of real measurement, we'll never know and we'll never succeed in having a genuine national education system.

Campaign Practices

Q. Mr. President, in the last election the Democratic Party raised more money than it ever had before. Do you think you put too much pressure on your fundraisers, and do you take any sort of personal responsibility for the problems and the embarrassments that subsequently developed?

The President. Well, yes, I think any of us who were involved in it have to take some responsibility. I certainly do. But let me say that I did everything I could to make it clear that I wanted the law followed to the last letter. I wanted every ''t'' crossed, every ''i'' dotted.

In our campaign, Lyn Utrecht and others rigorously checked every check that came in. But I feel very badly that there were some funds received which should not have been received. Some of them were illegal. Some of them were not illegal, but on better judgment would dictate that they not be received. I also believe it's a disservice to the more—to the 99 percent of the people plus and the more than 98 percent of the contributions that the Democratic Party received that were perfectly legal and perfectly appropriate.

So, yes, I think that. And that's why I am pleased that the Democratic Party has contracted with a law firm and an accounting firm to review all this, to analyze what was done, get to the bottom of it, and make sure that it never happens again.

But I'll say again, the real answer, in spite of all of that, it is very difficult to raise that kind of money in that kind of way without some problem occurring. You remember back during the campaign, there was an official of the Dole campaign who actually had to plead guilty to a money-laundering operation. And I'm sure Senator Dole felt some-

what responsible for that, although I do not believe in any way he knew about it or condoned it.

What you see here is too much money being raised, raising too many questions, and taking too much time away from all the people involved. The answer to this—there will never be a perfect answer until we reform the campaign finance system.

So, yes, we should—the Democratic Party should investigate, evaluate what's done, make sure its house is clean, and should live within the rules. But even living within the rules, you're going to have—the amount of money it takes to communicate with the American people today, unless you make campaign finance reform—restrict spending limits, give people access to free media time in return for restricted limits—unless you do that there will always be questions raised, even when their contributions are perfectly legal.

The answer is to reform this system. We can do it now. If one good thing could come out of this whole issue, it would be shining the bright light on the larger issues of how campaigns are financed today and how we're the only country in the world that really does it like this—or at least in the Western world, I believe, and we ought to stop it and have some campaign finance reform.

Khobar Tower Bombing

Q. Can we get just one foreign policy question, sir? Have you seen any evidence to support Saudi Arabia's suspicions that Iran may be somehow involved with the Khobar Tower bombing? And if those suspicions do get played out, what kind of consequences might Iran face?

The President. As you might imagine, I have spent a great deal of time on the Khobar issue since it occurred, first of all, making sure that we redeployed our forces in Saudi Arabia, making sure that we strengthened our defenses, making sure that we analyzed very carefully what had been done, because all of us policymakers from top to bottom underestimated the degree of terrorist threat which could be presented to our men and women in uniform, and they don't deserve that. They deserve the best possible decision-making by us.

I have also exerted a lot of effort to make sure that we were cooperating and working with the Saudis in investigating the murder. The FBI Director has been there on more than one occasion. We have worked hard on this.

I think it is only fair, however, to say that the investigation is not completed. I have not reached any—been presented with any final conclusions. I have not reached any final conclusions myself. And because of that, anything I say about what we might do if we knew what had happened would only give rise to an inference that I had really concluded someone was guilty of something that I don't know they're guilty of yet. So I can't say more except to say that we are on top of this and we are going to stay on top of it.

Thank you.

NOTE: The President's 132d news conference began at 2 p.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to District of Columbia Financial Responsibility and Management Assistance Authority. A portion of this news conference could not be verified because the tape was incomplete.

Proclamation 6965—Wright Brothers Day, 1996

December 13, 1996

By the President of the United States of America

A Proclamation

Ninety-three years ago, on a windswept North Carolina beach, air travel by hot air balloon and gliders gave way to American ingenuity and the era of powered flight. Wilbur and Orville Wright—employing innovations like the wind tunnel and single component testing—designed, built, and ultimately flew the first powered, heavier-than-air craft on the dunes of Kitty Hawk. Years later, Wilbur was to say of this historic event, ''It is the complexity of the flying problem that makes it so difficult. It is not . . . solved by stumbling upon a secret, but by the patient accumulation of information upon a hundred different points.'' No longer would the ability to travel by air be bounded by the simple