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is not the only one. But it's a very important one, and I do believe, obviously, if we adopt a balanced budget plan in a bipartisan way, then we all have to take responsibility for the decisions, and we all have to take responsibility, therefore, for complimenting those in the other party who take the same decision we do. And so I'm just trying to create the conditions in which we can do that, and I think meeting them halfway on this and perhaps a number of other issues is the way to go.

Q. Mr. President—[*inaudible*]—will the cuts come from providers or beneficiaries?

The President. You'll be briefed on all that, I think, as soon as this is over. But we believe there are substantial savings to be made in the Medicare program, and we're going to offer our ways of doing it.

Campaign Finance Practices

Q. Mr. President, the Democratic National Committee has decided to stop taking even legal—what are now legal contributions from foreigners. Can we ask you—I assume you've had a lot to do that, and is it a sign that perhaps there were problems in the past?

The President. We're going over there in a few minutes, and I'll be addressing all that then.

White House Access

Q. What about the—Mr. President, you're making some new, tighter restrictions on access to the White House later today as well?

The President. Well' I'm going over there in a few minutes, so I'll have more to say about it.

Balanced Budget Amendment

Q. You heard Alan Greenspan—[*inaudible*]—constitutional amendment? [*Laughter*] He says he has reservations about that.

The President. Good for him.

Q. Is that a result of the meeting you had with him the other day?

The President. No, I think Mr. Greenspan makes his own conclusions.

Q. What about——

The Vice President. Everyone but Wolf [Wolf Blitzer, CNN] leaves. [*Laughter*]

The President. [*Inaudible*]—makes his own—[*inaudible*]—but I was very pleased to hear him say that.

Mr. McCurry. Wolf, Greenspan is still on the access list. [*Laughter*]

The President. We've got new rules on access to the press. You guys are staying here. [*Laughter*]

NOTE: The President spoke at 2:24 p.m. in the Cabinet Room at the White House. In his remarks, he referred to Alan Greenspan, Chairman, Federal Reserve Board. A portion of the remarks could not be verified because the tape was incomplete.

Remarks to a Democratic National Committee Meeting

January 21, 1997

Thank you. Please be seated. Thank you. You know, maybe the Vice President should stay up all night more often. [*Laughter*] He's on a roll today.

I received on Saturday, a day early, very courteously from the New York Times, a copy of the New York Times Sunday Magazine, just preceding the day of the Inauguration, and it had a lot of nice things in it—an article about whether I believed in anything. [*Laughter*] The conclusion was accurate: that I believed in civil rights and that I believed that Government can do good things for people that they can't do on their own.

But far more important, the Sunday crossword puzzle had as its theme "Inauguration," with several very clever clues like "Movie about Presidential aspirations;" "Hope Dreams," instead of "Hoop Dreams." You get it? But the most important clue in the whole thing was "Mathematical rules governing the Vice President's macarena." And the answer was "Al-Gore-rhythms." [*Laughter*] And it struck me that a major part of the history of this time will be the "Al-Gore-rhythms" that have reverberated across America.

Ladies and gentlemen, I come here more than anything else to thank you, to thank our outgoing leaders and our incoming leaders, to thank the members of the Democratic National Committee and all those whom you

represent who are active in our party, who were there in that vast crowd yesterday along the parade route and even more of them who were back home just watching and cheering on television.

I was asked many times yesterday how it felt the second time around. And I always said, ''Better. It feels better.'' Better because America is better than it was 4 years ago. And you should feel a great deal of pride in that.

Just before I left to come over here, one of my staff members told me that Newsweek is about to issue the book it puts out every 4 years on the Presidential election, and the title this year is ''Back From the Dead.'' [*Laughter*] Well, I have some mixed feelings about that, because I always felt the pulse. [*Laughter*] But for your role in bringing us back from whatever it was we were in right after 1994's election, I thank you, and I hope you'll always be very proud of it.

I want to say a special word of thanks, as the Vice President did, to Senator Chris Dodd for going all across this country and for being a powerful and eloquent voice and for proving that politics can be noble and can be fun and that we need not be ashamed of being Democrats or being involved in the American political system. I want to thank Don Fowler, who has toiled in our vineyards for decades, for being willing to leave his comfortable and encouraging surroundings and come up here and live in what is not always the most hospitable climate for 2 years to fight this battle.

Their efforts resulted not only in the first Democrat to be reelected in 60 years but to gains in the House and to gains in the statehouses across the country. We celebrate the election of the first Asian-American Governor in the history of America and the first woman Governor of New Hampshire in the history of America; one million small donors now, one million ordinary citizens sending in their money to support the Democratic Party; and a real revival of State parties throughout the country, a revival, which, I might add, we must continue and strengthen and build upon.

I want to thank the Democrats who helped in our Inaugural: Terry McAuliffe, Ann Jordan, Craig Smith, and Deb Willhite. And a special word of thanks to the man who oversaw it all, whom you honored earlier here today, Harold Ickes, for this Inauguration, for two brilliant national conventions, for the beginning of an organization in New York, which after 5 years of effort produced 1.6 million votes in plurality for the Clinton/Gore ticket in 1996.

I would like to say a special word of thanks, and I can't enumerate them all, but I would be remiss if I did not say a special word of thanks to the American labor movement for the support it has given to our efforts and to our progress. And a special word of thanks for their role in one of the still untold stories of the last 4 years—the teachers of this country for the advances we continue to make in investment and opportunity for education in the last 4 years.

I want to thank Roy Romer and Steve Grossman for their willingness to come into this great party and to build it and to go forward. Roy Romer and I have been friends for a very long time now. I think it would be no offense to any of our colleagues if I would say that, at least when I left the governorship in 1992—I think it was true then; I think it is true now—there is no Governor in America more respected or who has accomplished more than Roy Romer, not a single one in either party.

Today, he is recognized as being the person who knows the most about education and our national drive toward having high standards. He has proved in Colorado that you can be for restoring the environment and growing the economy. He has proved that you can care about families and children and do things that will help them along their way in life. He is an unreconstructed, clear reformer and a brilliant consensus builder and a great, strong voice, and I thank him for his willingness to do this.

I want to thank my friend Steve Grossman who has labored in our vineyard. He's been a State party chair and active in our finance operations. He's been a success in business and a success in running AIPAC. I told him if he could get everybody in AIPAC to get along, he could certainly get everybody in the Democratic Committee to get along. [*Laughter*]

He took the reins of the Massachusetts Party in 1991 and '92 after the '90 elections when they were at a low ebb and began the process of rebuilding, which led in 1996 to the first all-Democratic delegation for Congress in Massachusetts since 1872 and, just as an aside, a 62 percent vote for the Clinton/Gore ticket in the election.

Yesterday I said that I wanted us to build a land of new promise in America in the next century, with a new kind of Government, a new sense of responsibility, and a new spirit of community at home, in the world, and in our dealings with each other. I called for a spirit of reconciliation, and I think, to me, as much as anything else it means we have to give each other the benefit of the doubt.

I thank Reverend Jackson for his moving comments on the legacy of Martin Luther King in our church service yesterday. One person told me this morning that the spirit of reconciliation may have been represented more vividly yesterday than anything else by the fact that we had Christians and Jews and Muslims in the same house of worship, and we had white Pentecostals and African-Americans singing the same song and finding the same soul yesterday.

What I'd like to take a few minutes to do, because there is always some question about this, before we look forward to the future, I want you to be proud of the legacy you have made, and I want you to understand very clearly what it is in the last 4 years. Over the last 30 years, until the last two elections, our friends in the Republican Party were moving toward a dominance of the Presidency in the national political debate, and there were positive elements in their message. They stood for a strong defense. They stood for a strong economy rooted in free enterprise. They said that they would stand for the basic values of our country. But they also divided us in certain ways that at least we Democrats do not agree with. Beginning nearly 30 years ago, they began to subtly use, and then sometimes not so subtly use, rhetoric to divide our people one from another, first on race, and then later there were divisions based on religion and politics, which made it much more difficult for us to come together.

Then, starting in 1981, they advanced two other elements. One was supply-side economics; we Democrats called it trickle-down. And the argument was that there really is a Santa Claus, that the deficits don't matter, and that they'll go away anyway with supply-side economics if we just cut taxes, particularly for people in upper incomes. And in addition to that there was the clear, explicit, expressed argument that Government is the problem with America.

Now, I would argue to you that in the last 4 years, part of the historic legacy of our administration and our Democrats in Congress and in America is that we ended the illusion of supply-side economics, not until it had quadrupled our national debt, tripled our annual deficit, but early enough to stop it from causing permanent disaster. And we ended the notion that Government is the problem. It was very powerful rhetorically, but the American people never knew what it meant until the other party won the Congress in 1995 and had the Government shut down twice over the battle of the budget. But make no mistake, our view prevailed, and you should be proud of it.

And we have not ended, but we have at least eased this notion that we can advance our country by becoming divided one against the other. People know that as they become evermore multiracial, multiethnic, multireligious, that is a recipe for destruction. In fairness, I think the awful tragedy of Oklahoma City had a lot to do with our coming of age. We realized that we could not love our country and hate our Government, that the people who work for our Government were our neighbors and friends, they had children, too, in their child care centers while their mothers and fathers went to work every day.

But I think the fact that the Democratic Party was a clear and constant voice for reconciliation and for not permitting our racial or our religious or our political differences to consume us has made this country a better place and has dramatically changed the political debate forever as we look toward the future. That is a part of your legacy, and you should be proud of it.

I also want to tell you that there are at least six things that are a part of our positive legacy that I think we should go forward with.

They must be the basis of our mobilizing our State parties, of recruiting good, new candidates, of getting people to show up when you have these meetings back home, and of making people proud to be Democrats and of making people believe that they ought to send a small check to the Democratic Party on a regular basis. If they don't want big money and organized money to dominate the process, they have to give the little money. And they must do that for positive reasons.

Let's be candid. One of the most interesting things that happened in the last year was we had a huge upsurge of giving among ordinary Democrats when we were standing against the budget and reversing supply-side economics and reversing the idea that Government was the problem. And after the battles had been won against the negative forces, there weren't so many people that thought they needed to send the small checks again. They said, "Well, President Clinton and Vice President Gore are going to get reelected." But the question is, what are we going to do? So you need to know what the positive legacy of the last 4 years is so you will be ennobled and emboldened about what we can accomplish in the next 4.

One, we replaced supply-side economics with invest-and-grow economics, reducing the deficit, investing more in education and science and technology, standing for free and fair trade around the world. And that's what produced the largest number of jobs in any 4-year term in history, record small businesses, and declining inequality among working people for the first time in 20 years. That's a part of your legacy, and you should be proud of it.

Number two, we reversed the expansion of social problems which people thought were inevitable. The crime rate has dropped now in all 4 years. The crime bill is working. The welfare rolls have had their biggest reduction in history as people have moved from welfare to work. People are dying to go to work if the jobs are out there for them, if the training is out there for them, and if there is a system there to move people through. And that indicates what we have to do in the years ahead. Child support collection is up 50 percent. You should be proud of these things.

Just 4 years ago, most people thought the crime rate was going to go on forever. Now we can visualize a time when our children can walk safely from home to school, to play in the park across the street and not fear that somebody will come up to them and try to shoot them or sell them dope. We can do that now because that is what we have done in the last 4 years. We've turned these things around. That is a huge surpassing achievement, part of your legacy, and you should be proud of it.

We Democrats have restored the primacy of family and community to our social policies. That's what the Family and Medical Leave Act was all about. That's what the earned-income tax credit, which is now giving tax reductions to people with incomes up to $30,000 a year who have children in their home, was all about. That's what our reforms in retirement—we secured the retirement of 40 million people, made it easier for people in small business to get retirement. That's what it was all about, putting family and community in the center of our social concern. That's what the Vice President and Henry Cisneros were doing with the empowerment zone initiative, trying to let people and communities all across America seize control of their situation and make it better. That's what we were doing with the V-chip. That's what we were doing in trying to protect our children against tobacco advertisements. That's what we were doing with the zero tolerance for guns and drugs in schools, putting family and community back at the center of our concern, so that now no one thinks of family values as being the Government is the problem, the Government is the enemy.

Now, the question is, what can we do together to build strong families and strong communities. That's part of our legacy, and you ought to be proud of it.

The fourth thing we did, again I say, was not only to stand against the forces of division but to say that community is a good thing, that we'll be better off in the future in the global society if we can all work together and learn together and build new ties that bind us together—we'll be better off. You can see that in what we did with affirmative action. Mend it, yes, but don't end it until it's not needed anymore. You can see it with what

we did with immigration. Protect the borders, yes. People are in the criminal justice system, send them home. Be tough on the workplace. Don't let people go in and take jobs away from American workers because their employers want to bring in people to work for slave wages. But don't denigrate the immigrants who have made this country a great land. Except for the Native Americans, we're all from somewhere else.

You can see it in our response to the church burnings. You can see it in response to what we did with the Religious Freedom Restoration Act, trying to liberate people from the notion that there was never a time when they could express their religious convictions in a public forum. You can see it in what was done here after Oklahoma City or in response to the militias. We are affirmatively building an American community. It is part of the legacy of this administration and this party, and you should be proud of it. You can see it in the way we've reasserted the role of America's leadership around the world, and yes, you can see it in the way we have resolved in the fight over Government.

I was curious to see how people commented about that. Government is not the problem. Government is not the solution. We have to be the solution. Government is the instrument by which we give each other the tools to make the most of our own lives, which means that we have downsized the Government with the Vice President's reinventing Government initiative. But there are times when the Government should do more, more on family leave, more on helping people succeed at home and at work, more in opening the doors of college education to everyone, more in investing in early childhood education. And we can't rest until the people who are still shut out of the health care system, especially the children of poor working people, have access to it.

Now, you have to make this legacy apparent to the folks back home. And in order to do it, we have got to end the divisions in thinking in our mind. We all talk about how the so-called bipolar world is over—freedom versus communism—but the bipolar mind is still holding us back. We think you can balance the budget and invest in the future. We think we cannot only protect but improve the environment and grow the economy. We think we can be strong at home, and in order to do it we have to be strong abroad and vice versa. We don't believe that every issue has to go into a Democrat or a Republican or a liberal or a conservative box.

I think you can make a compelling case that balancing the budget in a proper way is a very liberal thing to do because otherwise we'll never have the political support in this country or the money to invest in the future of the people that are otherwise left out.

I think you can make a case that educating—investing in the education of our children and providing families decent health care when the kids are young is a very conservative thing to do, because otherwise you cannot conserve the basic strength and security and values of the country over the long run.

We're in a period of change. We've got to stop this. Who ever said the Republicans should own crime? I never met a Democrat who was happy to have his child mugged. Who ever said the Republicans own welfare reform? Those of us who've known people on welfare know how bad they want to get off. You have to help change the way people think about these things. And to do that, you have to help build a positive future.

Now, in the State of the Union Message, I will be talking more about the specific things that I want to do in the future. But I want to talk today about this whole issue of campaign finance reform for two reasons. One is campaign finance reform. Elections are too expensive, and they take too much money, and it takes too much time to raise the money, and it always raises questions.

But there's a bigger problem, which is the more that elections become the province of very expensive ad wars, the less people are likely to participate. I think the Democrats ought to be on record not only for campaign finance reform, but we need to find ways, Mr. Chairman, Mr. Vice Chairs, all the new officers here—we've got to find ways to encourage affirmatively the increase of participation of people at the polls.

Reverend Jackson's spent his whole life going around and registering people to vote. If young voters had voted in 1996 in the same

percentages they did in 1992, the election would have been even more dramatic in the outcome and the congressional results would have been different. We have to lift the participation of people. And we need to see campaign finance reform not only as restoring the trust of citizens in their Government but as one step of increasing the participation of people in our common affairs. You cannot have a national community if half the community doesn't show up. Everybody's got to be there.

But we, the Democrats, have to continue to be and intensify our efforts for campaign finance reform, and it has to be a bipartisan solution. Today Senator John McCain and Senator Russ Feingold and Representative Chris Shays and Marty Meehan, in the House and the Senate, a Democrat, a Republican, are introducing their bipartisan campaign finance reform legislation. It is tough. It is balanced. It is credible. It should become the law of the land. We know from experience—I went through this for 4 years—that all you have to do to kill campaign finance reform is just not do it. Nobody ever wants a vote up on the tote board, ''I killed this bill'', so they just keep letting it die in the Senate with the filibuster.

Delay will mean the death of reform one more time if it happens. So I ask Members of Congress in both parties to act now. While the public is watching, while the momentum is building, act now; don't delay. You've got a good bill. You've got a good forum. Resolve the differences and go forward.

I also ask that we not wait. Today, let us resume our call to our friends in the Republican Party. Together, let's stop accepting soft money, even before the reform becomes law. If you will do it, we will do it. We have offered our hand, time and again. Why not just say yes?

Today, as a first step, the Democratic Party has announced several changes unilaterally in the way we raise money. I thank the DNC for agreeing with the position that we took in the campaign not to accept contributions from noncitizens and foreign-owned businesses and for taking other steps to limit contributions that may otherwise raise questions about the integrity of the process. These are sound and necessary first steps in the reforms we need. We should go forward from there and take the next step.

Now, let me say again, let's be realistic about this. There have been problems with this all along the way. But there's a great deal of interest in this in the press, and in the spirit of reconciliation let me say that we need to be candid about this. On the other side, our friends may not think that they have any interest in campaign finance reform. Why should they? They raise more money. They raise more foreign money. They raise more money in big contributions, and we take all the heat. It's a free ride.

Secondly, let's be candid. Once you're in office, whether you're a Democrat or a Republican, if you've done a good job and you've got friends out there and they can relate to you, you at least know that maybe even if it's bad for your party or bad for your country, maybe you can protect yourself if some wave of hysteria comes along that threatens to wash you away, and at least if you can raise the money, you can have your own case heard. I say that to make this point: We hear a lot in America about the cynicism that exists between the public and the politicians or how cynical the press are about politicians. The problem with cynicism is that it always eventually becomes a two-way street. You cannot end cynicism unless all parties involved are willing to give each other the benefit of the doubt.

And so I ask now for an honest, open effort to pass this bill. And I ask for an honest, open understanding that the Supreme Court decision allowing all of these third-party expenditures will complicate our task. But we can make it better if we will suspend our cynicism and instead put our energies into getting something done for America. Will you help us do that? Will all of you help us do that? Stand up if you believe in it. Stand up if you'll fight for it. We can do this, and I want you to help.

Thank you, and God bless you.

NOTE: The President spoke at 4:14 p.m. at the Washington Hilton Hotel. In his remarks, he referred to Terence McAuliffe and Ann Dibble Jordan, cochairs, and Craig Smith and Debbie Willhite, co-executive directors, Presidential Inaugural Committee. A portion of these remarks

could not be verified because the tape was incomplete.

Notice—Continuation of Emergency Regarding Terrorists Who Threaten To Disrupt the Middle East Peace Process

January 21, 1997

On January 23, 1995, by Executive Order 12947, I declared a national emergency to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States constituted by grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process. By Executive Order 12947 of January 23, 1995, I blocked the assets in the United States, or in the control of United States persons, of foreign terrorists who threaten to disrupt the Middle East peace process. I also prohibited transactions or dealings by United States persons in such property. Because terrorists activities continue to threaten the Middle East peace process and vital interests of the United States in the Middle East, the national emergency declared on January 23, 1995, and the measures that took effect on January 24, 1995, to deal with that emergency must continue in effect beyond January 23, 1997. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to foreign terrorists who threaten to disrupt the Middle East peace process.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

William J. Clinton

The White House,
January 21, 1997.

[Filed with the Office of the Federal Register, 12:45 p.m., January 21, 1997]

NOTE: This notice was published in the *Federal Register* on January 22.

Message to the Congress on the Emergency With Respect to Terrorists Who Threaten the Middle East Peace Process

January 21, 1997

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the emergency declared with respect to grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process, is to continue in effect beyond January 23, 1997. The first notice continuing this emergency was published in the *Federal Register* last year on January 22, 1996.

The crisis with respect to the grave acts of violence committed by foreign terrorists that threaten to disrupt the Middle East peace process that led to the declaration of a national emergency, on January 23, 1995, has not been resolved. Terrorist groups continue to engage in activities with the purpose or effect of threatening the Middle East peace process, and which are hostile to U.S. interests in the region. Such actions threaten vital interests of the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to deny any financial support from the United States for foreign terrorists that threaten to disrupt the Middle East peace process.

William J. Clinton

The White House,
January 21, 1997.