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Remarks on Presenting the Malcolm Baldrige National Quality Awards

December 19, 1997

Thank you very much, Mrs. Baldrige, Robert and Nancy Baldridge, Harry Hertz, the examiners and judges and all those associated with the Baldrige Award Foundation, especially to the winners. We congratulate you all. We're delighted that the Chair of the District of Columbia Control Board, Andrew Brimmer, and Councilwoman Charlene Drew Jarvis are here.

And I want to thank Secretary Daley in spite of the fact that he was making fun of my penchant for animal stories of all kinds. [*Laughter*] I mean, I don't come from Chicago—[*laughter*]—I come from the country. But my wife comes from Chicago.

I want to thank Earnie Deavenport, too. Several years ago the Eastman Company loaned me an executive when I was Governor of Arkansas, and we established the first statewide total quality management program in the country. It was what gave me the idea to start what eventually became the reinventing Government project headed by the Vice President, which among other things has now given us the smallest Federal Government since John Kennedy was here. And I'll give $5 to anyone in the audience who can honestly say you have missed it. [*Laughter*] I say that because the Federal employees have done a very good job of increasing their output and the quality of their service while downsizing their numbers so that we can take advantage of technology, get the deficit down, get the economy going again. So we have learned from you.

And I've talked with Earnie many times about the importance of trying to apply these lessons to other areas of human endeavor. You mentioned the two most important, I think, are health care and education. I also think there are applications—if you look at the success in many law enforcement departments around the country, there are law enforcement applications here because the thing that—a belief in continuous progress through not only doing the right things, but doing the right things right, gives you is the conviction that you can repeat whatever you're doing right in one place somewhere else. And that is by far the biggest problem Government faces.

So I really am delighted to see you here. But I think, for me, because I have seen this work over and over and over again in the private as well as the public sector, that is what cries out for application to our public institutions, whether it's in education or health care or in law enforcement.

If the city of Boston could go virtually 2½ years without a single child being killed by a handgun, until—unfortunately, they had an incident last week, but they went 2½ years. No city in the United States that big has been able to do that. They did. It must therefore follow that if other people did the same thing in the same way and then you started the kind of contest you have here in the market system so everybody tried to keep continuously improving their process, that we would become a safer country.

In health care, we have all these—you know, managed care, on balance, has been a good thing for America because we've managed some inefficiency out of the system. But now people are genuinely worried about who's making the decisions about their health care and whether quality will continue to be the most important value in the health care system. I think all of us want it to be, even those of you who may have responsibility in your organization for holding down health care costs, the last thing in the world you want is for your employees not to have access to the health care that they need.

And goodness knows, in education—I've said this so many times, the poor people in the press who have to cover me get tired of hearing it, but the most frustrating thing about American education today is that every problem in education has been solved by somebody somewhere, and nobody's figured out how to have everybody else follow suit so that you launch the kind of competitive process that you come here to celebrate today.

So, for all these reasons, I love coming here. And I always feel that by the time I get up to speak, there's no point in my saying anything. [*Laughter*] I told Mrs. Baldrige I kind of hated to walk out here. You all were so enthusiastic, you should have been outside listening to all this energy being emanated

from this room. It's wonderful to be in a place where people don't think it's too corny or too embarrassing to be exuberant about what they do. Can you imagine what would happen in this country if everybody wanted to wave a flag for the place they work every day? [*Laughter*] Can you imagine that? I'm sure somewhere in this room there is some cynic saying, ''This is too hokey. I can't believe they're doing this.'' [*Laughter*]

Where do you spend more time than at work? Why shouldn't you want to wave a flag? Why shouldn't we want to cheer about where we work? We want to cheer about our families, cheer about the places we work, cheer about the clubs we associate with. This country would work a lot better if everybody felt like they could cheer about the place they work. That's why I always try to make these awards, and why I think it was a stroke of genius to establish them although I bet even when they were established the founders could never have imagined what the far-reaching impact would be—that most States would follow suit, that countries would follow suit.

There is this idea now embodied in our four winners today, in 3M Dental Products, in Merrill Lynch Credit, in Solectron and XBS, that you can always get better and that you can organize not only to do the right things but to do the right things right in a way that elevates the people who work for the enterprise, serves the general public better, and obviously supports the bottom line.

It's nice to think that. Otherwise, you would get bored if you didn't go broke. [*Laughter*] So it's sort of better, bored, or broke. [*Laughter*] If you get a multiple-choice question like that, it's not too easy to make an A. [*Laughter*] And yet we don't. None of us do all the time. But we come here to celebrate what we can do at our best.

I'd also like to thank the Department of Commerce, Secretary Daley, the National Institute of Standards and Technology for the support that they give to this endeavor. It has been a great partnership. But most of all, I just want to say, just think about where this idea was 10 years ago and where it is today. Think about how many of the groundbreaking reforms that have been recognized in Baldrige Award winners in the past that are now just standard industry practice.

Think about what it would be like if everybody would so shamelessly try to learn what their competitors are doing and do it at least that well and then figure out how to do it better, if in every area of human endeavor you did that. I think that this is something that is really worth focusing on. What do we celebrate? The stake the employees have in the company, the flexibility, the innovation, the creativity, the spirit of enterprise. It has brought America back.

When I became President, and even when I was running for President, I saw that the 1980's, while they had been very tough on American business, had also produced a remarkable understanding that was widely shared throughout the country about what had to be done to be internationally competitive. And I always saw a big part of my duty here as just to have Government policies that would reinforce what is right and get out of the way of what is right, so that we could create the conditions and give people the tools so that everybody could do what you're doing. And we've tried to do that.

I appreciate what Secretary Daley said about the turtle on the fencepost; that's one of the things I always say in the Cabinet meeting. It took us 3 months, and we didn't have to translate all my aphorisms to people who never had the privilege of living in rural areas. [*Laughter*]

We've tried to do three simple things to help you. One, get the deficit down and balance the budget so that we could keep interest rates down, improve interest rates not only for businesses but for individuals and on home mortgages, and two consequences of that are that we have an all-time high rate of homeownership—it's above two-thirds for the first time in the history of America—and we have record levels of business investment, which is becoming very important now because we're able to sustain a little higher rate of internal growth as you see a little turmoil around the world. I want to say a little more about that in a minute. But it's very important.

When the Congress adopted the balanced budget amendment—I mean act—in 1997, back in August, and I signed it, the deficit

had already dropped by 92 percent below its high in 1992. It went from $292 billion a year down to $23 billion a year. And I want to make a point about that because I'm sure you found this in your company. When you get this award, you can come here and celebrate, and you don't even have to think about how hard and often controversial some of the changes you had to make were to get to this point. Right? Well, when we decided we were going to bring the deficit down, it was like pulling fingernails out around this place. And the bill in 1993 passed by one vote in both Houses. Now all of us think we're geniuses. If it had gone wrong, half the people that live in town could have said, ''I told you they were fools.'' [*Laughter*] But it worked. And now we're going to balance this budget, and we're going to have a healthier economy. And that's very important because it frees you to do what you do best.

The second thing we've tried to do is to change the conditions in which you operate by opening more of the global economy to American companies. We've had over 200 trade agreements in the last 5 years, by far the largest number ever. And the Uruguay round, finished back in 1993, amounts to the largest tax cut on American goods in history. And now we're the number one exporter in the world again. I think it is very important that we continue to press ahead in that.

I believe very strongly that it was a mistake when we were unable to get enough votes in the House of Representatives to renew the President's fast-track trade authority to negotiate comprehensive bills. Why? Not because nobody ever loses in trade in America. There are some—in competition, there are by definition some losers and some winners. But most of the job loss in America comes from technological change and old-fashioned business failure. Some of it does come from change in the trading rules.

What is the answer to that? Well, there are only two answers: You can either say, ''Well, we're just not going to change any more rules and try to pretend that we won't be subject to these global forces,'' or you could say, ''We're going to change the rules, create more jobs, raise more incomes, and do a heck of a lot better job than we've been doing in the past with the people who are dislocated through no fault of their own.'' The second is the right answer, not the first.

We have 4 percent of the world's people and 20 percent of the world's income. And the developing economies are growing at roughly 3 times the rate of the advanced economies like the United States, Japan, and Europe. Now again, you don't have to be a mathematical genius to figure out if you have 4 percent of the people and you've got 20 percent of the income and you would like to stay roughly as well off as you are and maybe if you're very clever get a little better off, you have to sell something to the other 96 percent of the people in the world, especially if their growth rates are faster than yours.

Now, that does not mean that we should forget about the people who are dislocated from trade or from technology or even from old-fashioned business failures—people who have to start again.

That brings me to the third thing that I want to say, which is that in addition to balancing the budget and having sensible economic policies, having an aggressive trade policy, we must have a policy that invests in our people and recognizes that in every company here rewarded, you were rewarded in part because you recognized that by far the most important resources you had were the people who were working for the company. Right? There is no question about that.

With all respect, nobody was up here waving a flag for the Xerox machine back home—[*laughter*]—you know, or the whatever. Whatever the widget is, nobody was doing that. It's a great thing, whatever those machines are. You're waving the flags for yourselves and your colleagues that are here because you know that basically creativity and continuous improvement requires people who can think and then who are free to act along the lines that they think and work out things together.

The very intellectual processes that you are trying to make permanent and imbed in the daily work of your companies require a level of thinking and reasoning skills that mean that we have to be committed in America to universal excellence in education.

Now, not everybody needs a college degree in physics. But everybody needs more

than a high school diploma today, and everybody needs the ability to keep on learning for a lifetime. That's why we have tried to say—implement the national education goals and to oversimplify it by saying every 8-year-old should be able to read, every 12-year-old should be able to log on to the Internet, every 18-year-old should be able to go to college, every adult should be able to keep on learning for a lifetime. And we're trying to set up a system where that will be true for every American, because it will help more companies to do what you have done. And I think that's very important.

In this last balanced budget, I think 30 years from now when people look back on it, they'll say, ''Aside from the fact that we balanced the budget for the first time in a generation, the most important thing about that bill was it opened the doors of college to every American who would work for a college education, with a tax credit called the HOPE scholarship that virtually makes the first 2 years of college virtually tax-free to every American and other tax incentives and more Pell grants.'' That's very important that we are setting the stage for promoting a comprehensive reform of America's schools, kindergarten through 12th grade, based on national standards and accountability for them and real production so that all schools will be organized for performance for all the children.

And I want to compliment Secretary Daley's brother on the remarkable work that has been done in Chicago to try to totally change the culture of education there to make it more like a continuous quality operation, systematically in the way that all of you have achieved. So we're trying to do that. And as I said, we also have to do that for people who lose their jobs or who are drastically underemployed.

What else do we have to? We want to set up—we've doubled funds for dislocated workers in the last 5 years to invest in their training. The systems don't work very well or at least not nearly as well as they can. I'd like to see us consolidate all these Government programs and give the workers a skills grant. Most people who are out of work have got enough sense to figure out what they could learn to get a better job or to get a new job. And I'd like to see anybody that qualifies just get a skills grant that they can take to the nearest educational institution of their own choosing and get the education they need to become a productive member of society and have a great chance to get a good job in an organization like the ones we honor today.

I'd like to see us, when a community is hard hit by a big plant closing, go in there like we did when the military bases closed. What's the difference? People are out of work, and you have great capacity. They deserve a chance to have everybody work together to get them started again.

So we need to do more on that. But that's the right answer, not to run away from the global economy, not to say we're not going to trade. The right answer is to do more, more quickly for the people that are dislocated.

I guess what I'm saying is, we're still trying to get it right here. We're still trying to make our operation one that is continuously improving. But at least we know what the objective is. The objective is to give every American the chance to live up to their God-given capacity and live out their dreams. The objective is to give people the power they need to not only have successful careers but to build strong families and strong communities. The objective is to help people balance the demands of work and family, a problem that I hear in every place I go. The objective is to help our country balance our obligation to grow the economy and preserve the environment, something we have proved, repeatedly, we can do over the last 30 years. The objective is to reach out to the rest of the world and get the benefits of the global economy while meeting its challenges instead of pretending they don't exist. We are, whether we like it or not, all interconnected, one with another, in this country and, increasingly, beyond our borders.

I've spent an enormous amount of time in the last month—enormous—trying to help come to grips with the financial difficulties you're reading about every day in the Asian markets. Why? Because a huge percentage of our exports go to Asia. They are our neighbors now for all practical purposes. And it is in our interest that those countries be able

to be stable, growing, increasingly healthy countries from which we not only buy but to which we sell, countries that together we can build a stable future. Instead of have a part of the world in the 20th century that called Americans there to fight and die in three wars, better to be a part of the world that participates in—[*inaudible*]—three new stages of the global economic revolution in the 21st century. We still have a lot of challenges out there.

Technology is not an unmixed blessing. It bothers me some of the things little kids can see on the Internet at night. It bothers me that people who know how to do it can figure out how to build bombs and have access to dangerous weapons just by having the technological availability of it. There are a lot of things that bother us about it. There are troubling questions of our competitive laws and how they should apply to new technologies that have to be worked out. That's why we all have to be committed to the idea that we can continuously improve. Or in the language that was quoted from David Kearns, that our endeavor is a journey without an end. That's frustrating to some people; they always want to get there. But, you know, the older I get, the more I like the journey. [*Laughter*]

So I thank you. I thank you for making America a better place. I thank you for your enthusiasm and for being a model for other American workplaces. And I ask you, when you go home, to share with your friends and neighbors who may not work with you the idea that this country is like where you work. America is still around after 220 years because we have a Constitution which said, if you want the country to always get better, you have to make it possible for people to always get better. And you have to give them the freedom to fail and mess up. I mean, that's what the Bill of Rights is all about. That's what the Constitution is all about, limiting the powers of Government and mandating, in effect, partnerships. That's what the flexibility of the Constitution is all about, so we could change over time to adapt to new circumstances without giving up our values. That's the kind of country you live in.

And if it's going to be everything it ought to be in the 21st century, it has to do as a nation what you're trying to do every day at work. And you have to ask yourself, do you think America is on a journey without an end; do you think we can always get better. I think the answer, because of your example and that of millions of others, is an unequivocal yes.

Thank you very much, and God bless you.

NOTE: The President spoke at 11:54 a.m. at the Sheraton Washington Hotel. In his remarks, he referred to former Secretary of Commerce Malcolm Baldrige's sister, Letitia Baldrige, brother, Robert Baldridge, and sister-in-law, Nancy; Harry Hertz, national quality program director, National Institute of Standards and Technology; Earnest Deavenport, president, Malcolm Baldrige Award Foundation; Mayor Richard Daley of Chicago, IL; and David T. Kearns, retired chairman and chief executive officer, Xerox Corp.

Letter to Congressional Leaders on the Chemical Weapons Convention

December 19, 1997

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the resolution of advice and consent to ratification of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, adopted by the Senate of the United States on April 24, 1997, I hereby certify that:

In connection with Condition (3), Establishment of an Internal Oversight Office, the internal audit office of the Preparatory Commission was expanded into the Office of Internal Oversight of the Organization for the Prohibition of Chemical Weapons upon the establishment of the Organization.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.