

Weekly Compilation of  
**Presidential  
Documents**



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**Editor's Note:** The President was in East Hampton, NY, on July 31, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

## WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS

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Week Ending Friday, July 31, 1998

**Statement on the Shootings at the Capitol**

*July 24, 1998*

Hillary and I were deeply disturbed to hear of the shootings this afternoon at the United States Capitol. Like all Americans, we extend our thoughts and prayers to the families of the slain officers, Jacob Chestnut and John Gibson, as well as to the injured victim and her family. The Capitol is the people's house, a place where visitors and workers should not have to fear violence. Every American appreciates the bravery of the Capitol Police who prevented further injury through their courageous actions.

NOTE: This item was not received in time for publication in the appropriate issue.

**Remarks on Departure for Norfolk, Virginia, at Andrews Air Force Base, Maryland**

*July 25, 1998*

***Shootings at the Capitol***

Good morning. The shooting at the United States Capitol yesterday was a moment of savagery at the front door of American civilization. Federal law enforcement agencies and the United States Attorney's Office are working closely with the DC police and the Capitol Police to ensure that justice is pursued.

Meanwhile, I would ask all Americans to reflect for a moment on the human elements of yesterday's tragedy. The scripture says, "Greater love hath no man than this: that he lay down his life for his friends." Officer Jacob "J.J." Chestnut and Detective John Gibson laid down their lives for their friends, their co-workers, and their fellow citizens, those whom they were sworn to protect. In so doing, they saved many others from exposure to lethal violence.

Every day, a special breed of men and women pin on their badges, put on their uniforms, kiss their families goodbye, knowing full well they may be called on to lay down their lives. This year alone, 79 other law enforcement officers have made the ultimate sacrifice. Every American should be grateful to them for the freedom and the security they guard with their lives, and every American should stand up for them and stand against violence.

Officer Chestnut was a Vietnam veteran, a member of the Capitol Police for 18 years, just months away from retirement. Detective Gibson was a deeply religious man, beloved by his co-workers and, being from Massachusetts, devoted to the Red Sox and the Bruins. Both leave behind loving wives and children, the affection of neighbors, friends, and co-workers, and the deep gratitude of those who are alive today because of their bravery.

In this one heartless act, there were many acts of heroism, by strangers who shielded children with their bodies, by officers who fanned across the Capitol, by Dr. Bill Frist, a renowned heart surgeon before his election to the Senate from Tennessee, who had just put down his gavel when he rushed to tend the injured. To all these and others who stood for our common humanity, we extend the thanks of our Nation.

To the families of Officer Chestnut and Detective Gibson, nothing we say can bring them back. But all Americans pray that the power of a loving God and the comfort of family and friends will, with time, ease your sorrow and swell your pride for loved ones and the sacrifice they made for their fellow citizens.

To Angela Dickerson, the young woman who was injured in the shooting, we extend our prayers and hope for your speedy recovery.

To every American who has been shaken by this violent act, to the millions of parents who have taken your children through those

very same doors, I ask you to think about what our Capitol means. All around the world, that majestic marble building is the symbol of our democracy and the embodiment of our Nation. We must keep it a place where people can freely and proudly walk the halls of their Government. And we must never, ever take for granted the values for which it stands or the price of preserving them.

Thank you very much.

NOTE: The President spoke at 9:10 a.m. at the Air Force One departure site.

### **The President's Radio Address**

*July 25, 1998*

Good morning. This year we've seen a disturbing string of weather-related emergencies all around our country, from flash floods in Tennessee to wildfires in Florida to ice storms last winter in New England. This summer record heat and drought are taking a terrible human toll, destroying crops, causing power outages, worst of all, taking lives. Just since June, more than 130 people have died because of the heat.

Certainly, the latest El Niño is partly to blame for the severe weather conditions that have besieged so many communities. But growing evidence suggests that the extreme and erratic weather we're seeing in America and around the world is being intensified by global warming.

Consider this: 1997 was the warmest year on record, and 1998 is on track to break that record. Five of the hottest years in history—the 5 hottest years—have all occurred in the 1990's. Scientists predict that July may be the hottest month since mankind began recording temperatures. The world's leading climate experts predict even more extreme weather unless we reverse this dangerous warming trend.

We're doing everything we can in the short term to help communities cope with this devastating heat wave. This week I released \$100 million in emergency funds to the 11 hottest States. On Monday Agriculture Secretary Glickman and FEMA Director James Lee Witt will travel to Texas and Oklahoma to see what more we can do to help there.

Today I'm pleased to announce that the Department of Energy will begin providing new crisis assistance to low-income families, repairing and replacing air-conditioners and fans, installing insulation, and giving advice on the best way to keep homes cool in this extreme heat.

But to meet the long-term challenge of global warming, we must do more. Vice President Gore and I have launched a comprehensive, cost-effective strategy to protect our environment while creating new opportunities for economic growth. I've proposed \$6.3 billion in research and tax incentives over the next 5 years to encourage the private sector to work with us to improve our energy efficiency, generate clean power, and reduce the greenhouse gases that contribute so much to global warming.

We must all do our part to protect the environment, and as the Nation's largest energy consumer, the Federal Government must lead. At my direction, we're undertaking a multipart initiative to put our own house in order. Today I'm pleased to announce the first four parts of this plan, aimed at increasing the efficiency of Federal buildings.

First, I'm directing Federal agencies to work more closely with private contractors to retrofit Federal buildings and other facilities with the best energy-saving technology, at no cost to taxpayers. Second, we'll replace hundreds of thousands of conventional light bulbs and fixtures with more efficient fluorescents, which will pay back in energy savings nearly 5 times what they cost to install. Third, I'm directing all agencies to work toward bringing their existing buildings up to EPA's "Energy Star" standard of energy efficiency. And fourth, the Defense Department and six other Federal agencies will adopt "sustainable design" guidelines for all new Federal buildings to reduce their energy use.

Now, together these measures will save taxpayers as much as a billion dollars a year in energy costs. They'll help to jumpstart markets for new technologies, and they'll protect our environment by reducing greenhouse gas emissions.

We are facing squarely the problem of global warming, but there are still some in Congress who would rather pretend it

doesn't exist. Despite mounting evidence, they would deny the science and ignore the warning signs. Rather than invest in a commonsense strategy to reduce greenhouse gas emissions, they want to cut programs for energy efficiency and renewable energy, program that long have enjoyed bipartisan support.

Worst of all, some have even tried to keep the public from learning the facts about global warming by barring Federal agencies from even talking about the issue. Thankfully, this gag order was defeated in the House of Representatives just this week. Global warming is real. The risks it poses are real, and the American people have a right to know it and a responsibility to do something about it. The sooner Congress understands that, the sooner we can protect our Nation and our planet from increased flood, fire, drought, and deadly heat waves.

To protect our environment, we must put progress ahead of partisanship. For nearly 30 years now, we've had a bipartisan commitment to preserving the environment. We have to bring it to this new challenge.

As sweltering as this summer has been, if we don't act now, our children may look back on the summer of 1998 as one that was relatively mild and cool. There's no excuse for delay. We have the tools; we have the ingenuity to head off this threat. We have the opportunity and the deepest of obligations to leave our children and our grandchildren a healthy, thriving planet, God's great gift to us all.

Thanks for listening.

NOTE: The address was recorded at 12:23 p.m. on July 24 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on July 25. A transcript was made available by the Office of the Press Secretary on July 24 but was embargoed for release until the broadcast.

## **Memorandum on Cutting Greenhouse Gases Through Energy Saving Performance Contracts**

*July 25, 1998*

*Memorandum For The Heads of Executive Departments and Agencies*

*Subject: Cutting Greenhouse Gases through Energy Savings Performance Contracts*

My Administration has made addressing the threat of global climate change one of our top environmental priorities. As the Nation's largest consumer of the fossil fuels that scientists believe are driving global warming, the Federal Government has a special responsibility to lead in developing clean energy solutions and in reducing Federal energy consumption. While Government-wide energy saving activities over the last several years have resulted in significant achievements, we can and should do more.

On March 9, 1994, I issued Executive Order 12902, Energy Efficiency and Water Conservation at Federal Facilities, which directed all executive agencies to reduce energy consumption 30 percent below 1985 levels by the year 2005. We have made significant strides, but in order to achieve this goal we must make better use of a critical energy management tool. Energy Saving Performance Contracts (ESPCs), which are authorized under the National Energy Conservation Policy Act, as modified by the Energy Policy Act of 1992, provide significant opportunities for making Federal buildings more energy efficient at little or no cost to taxpayers. Under ESPC authority, agencies can contract with private energy service companies to retrofit Federal buildings with no upfront payments by the Government. These companies recover their costs from a negotiated share of the energy cost savings, with the remaining savings being returned to the contracting agency and to taxpayers. The Federal Government must make more use of these highly cost-effective contracts.

I therefore direct all Federal agencies to maximize use of this authority by the year

2000, when the authority expires. I also direct the Department of Energy (DOE) to lead an interagency effort to develop a legislative proposal extending ESPC authority past the year 2000. As part of this effort, I direct all agencies to identify and propose areas for expansion of ESPC authority—for instance, as appropriate, to some leased buildings, mobility, and other Federal assets. In addition, I direct agencies to propose ways to procure electricity produced using cost-effective renewable sources.

While ESPC authority has existed for some time, I have encouraged significant steps to streamline and promote greater use of this tool. To this end, the DOE and the Department of Defense (DOD) have negotiated contracts with energy service companies over most regions of the country. These ESPCs currently allow up to \$5 billion worth of projects at Federal facilities within these regions. The DOE and the DOD anticipate that by the end of this year they will negotiate contracts allowing an additional \$2.7 billion worth of such work in specific regions. The combined \$7.7 billion provides, in effect, the total dollar amount of retrofit projects that Federal agencies can complete at their facilities using ESPCs. In addition, the DOE anticipates negotiating over \$1 billion for ESPCs to finance the installation of renewable energy and other efficient technology systems in the near future.

To further compliance with this directive, I have asked the Office of Management and Budget to provide new guidance to agencies that will help remove barriers and provide more incentives for using ESPCs. This guidance will change the budgetary treatment of these contracts to be consistent with the unique statutory authority for ESPCs. Specifically, the full amount of budget authority for the contract will no longer be needed up front, but can be made available over a number of years. In addition, this guidance will encourage agencies to permit up to 50 percent of the energy savings from ESPCs to remain at the facility or site where they occur. Both of these policies will help motivate Federal energy managers to make greater use of ESPCs and reduce agency operating costs.

To make use of this authority, Federal facilities need to contact the DOE or the DOD to engage contractors already pre-approved to complete ESPC work. Agencies can also consider using direct appropriations or contract with their local utilities. I also direct Federal agencies to maximize efforts to earn an ENERGY STAR label, demonstrating to the public that they rank in the top 25 percent for building energy efficiency. Combining energy savings contracting authority with utility programs and agency funded efforts can save taxpayers as much as one billion dollars a year in energy costs over the next 15 years, and can reduce greenhouse gas emissions by up to 3 million metric tons of carbon annually.

To ensure the full use and benefits of ESPC authority, I further direct each executive agency to submit to me, in the next 90 days, a memorandum detailing:

1. Your agency's accomplishments in reducing energy consumption since 1985, and your plans to reduce energy consumption 30 percent below 1985 levels by 2005, in compliance with Executive Order 12902;
2. Your agency's plan to use ESPCs and other tools, as well as your plans to achieve ENERGY STAR labels for your facilities, as part of your increased attention to saving money through energy efficiency and renewable energy;
3. Your proposals on how to expand the Federal Government's use of these tools, for inclusion in our request to the Congress for extending ESPC authority beyond the year 2000; and
4. Your strategy for encouraging use of ESPCs and other financing mechanisms to install renewable energy production systems—such as those called for in the Million Solar Roofs Initiative.

**William J. Clinton**

NOTE: This memorandum was embargoed for release until 10:06 a.m.

**Remarks at the Commissioning of  
the U.S.S. *Harry S. Truman* in  
Norfolk, Virginia**

July 25, 1998

Thank you very much. Secretary Cohen, Mrs. Cohen; Secretary Riley; Secretary and Mrs. Dalton; Senator Robb; Governor Carnahan; Representative Skelton; Congressman Pickett and other Members of Congress; Admiral Johnson and Admirals Bowman and Reason and Gehman, and the other distinguished leaders of the Navy who are here; Captain Otterbein; men and women of the Navy; veterans; Mr. Fricks and others who had a role in building this magnificent vessel; my fellow Americans:

Good morning, and what a beautiful morning it is. Let me begin this day by saying that we are all thinking of someone who should be here but cannot be, Margaret Truman Daniel. She has been a great friend to Hillary and our daughter and to me—a great American citizen. And Harry Truman was very proud of her, justifiably. I wish she could be here.

I'd also like to thank especially a man who will speak after me, one who knew President Truman well and stands in his tradition, and who did so much to make this day happen, Representative Ike Skelton of Missouri.

In 1913 Harry Truman was a young Missouri farmer, experiencing some business difficulties, as he did from time to time. But as always, he didn't give up easily. He wrote to his sweetheart and future wife, Bess, these words, "My ship's going to come in yet." Now, we all know that Harry Truman was a man of his word. It took 85 years, but here on July 25, 1998, Harry Truman's ship has come in.

Of course, President Truman's hometown of Independence, Missouri, is not exactly a center of naval operations. Coming from the State just south of Missouri, you know, we're completely landlocked. And Harry Truman was an Army man. But in 1944, as a United States Senator, he spoke at the christening of the battleship *Missouri*, on whose decks Japan surrendered just a year later. He felt a life-long affection for the ship known as the "Mighty Mo," and as President, he came

to rely, as all Presidents do, on the world's greatest Navy.

The American people still feel a strong affection for Harry Truman. He seemed to some an ordinary man, but he became an extraordinary President. He represented the best in us, and he gave us the best in himself. He never failed to live up to the words of his fellow Missourian, Mark Twain, which he kept on his desk at the Oval Office: "Always do right. This will gratify some people and astonish the rest."

Fifty years ago, when Harry Truman became our President, America faced a mountain of crises: Europe lay shattered; a cold war bred danger around the world; terrible new weapons made every false step a potential catastrophe; and angry voices were being raised here at home by Americans against other Americans. At such a time, and after the rigors of World War II, some wanted to turn away from the world, to relinquish the leadership that had rescued freedom from tyranny. But Harry Truman said no. He made courageous decisions, focused always on doing right, making sure everyone knew the buck stopped with him.

He approved massive aid to Europe, including our former enemy, in one of the most farsighted instances of enlightened self-interest in history. In 1948 he became the first world leader to recognize the new state of Israel, over the bitter protest of his advisers. That same year, when Stalin closed off Western access to Berlin, he ordered the heroic airlift to relieve the beleaguered city.

And 50 years ago tomorrow, as Secretary Cohen has noted, Harry Truman made one of the best decisions any Commander in Chief ever made. He was sickened by stories of African-American veterans fighting heroically for America in war, only to return to violence and hatred. He wrote, "As President, I know this is bad. I shall fight to end evils like this." And despite the extraordinary political pressures against him, despite growing up himself in a segregated community, on July 26, 1948, Harry Truman ordered the Armed Forces to integrate with Executive Order 9981. From that day forward our men and women in uniform have truly been a force for freedom and a shining example to all humanity.

President Truman's decisive acts made crystal clear that America would not stand by while the world unraveled, that our ideals were not just words on parchment but guideposts for coming together as Americans. As Truman said in the first address by any American President to the NAACP, "When I say all Americans, I mean all Americans." When we scan the landscape of the new century ahead, the future Harry Truman defined is the promise we now enjoy.

Think of what has happened, growing out of the decisions he made 50 years ago: The cold war is over; Europe is thriving; Berlin is united; Greece and Turkey are vital NATO allies working with us to promote peace in the Balkans; Israel, Japan, South Korea are among our strong, democratic partners; International organizations like NATO, the United Nations, the International Monetary Fund are essential components of the architecture of peace and prosperity. These are not accidents of history. They reflect the vision of the leader we celebrate here today.

Harry Truman knew that a President's ability to persuade others in the world is greatly enhanced when commanding the world's strongest military. That is still true. When we aimed to restore hope in Haiti 4 years ago, the Navy was there to make it happen. When violence tore apart Bosnia, naval operations in the Adriatic helped to create the conditions of peace. When we needed a quick action in the Persian Gulf last winter, the Navy was there again to put steel behind our diplomacy.

And on this day, our persuasiveness has been enhanced considerably. This carrier occupies 4½ acres, stands 20 stories tall; it will be home to up to 6,000 personnel, about the population of Harry Truman's hometown. From aviators in their ready rooms to the engineers in their spaces, from catapult officers who can launch four aircraft in just one minute to the cooks who prepare 18,000 meals a day, the men and women of the *Harry S. Truman* will do America proud.

And let me say to the families of those crewmen here today, we appreciate your commitment, too. Your loved ones on the *Harry S. Truman* will never be sent into harm's way without clear purpose and superior preparation. As Secretary Cohen has

made clear, the readiness of our military will remain a top priority. Today and for the future, our forces will be fully capable of meeting our commitments around the world.

We have done much to meet these readiness goals, but we must do more. As the Members of Congress here keenly appreciate, Congress is the vital partner in this effort. This year, with bipartisan congressional support, we provide emergency funding for our military operations in Bosnia and southwest Asia and, thus, are able to meet critical readiness needs. But Congress as yet has not approved the funding we need on the same terms for the crucial operations in fiscal year 1999, which begins only 9 weeks from now. If we are to remain fully prepared, it is imperative that Congress act.

A month ago the Defense Department sent to Congress a request to transfer one billion dollars from lower priority programs to important training, maintenance, and readiness requirements to sustain our readiness. Again, I ask Congress to approve this request before the summer recess.

This ship, the *Harry Truman*, is a monument to strength of character—to the character of a President and the character of those who serve aboard her, to the character of the shipyard workers who built her in Newport News. The motto you have adopted says it all: "The buck stops here."

Over the next 50 years, America must continue to be responsible, to say the buck stops with the United States, to ask the questions that the President we honor here today asked. What do the decisions we make today mean for our children and grandchildren? Is what we are doing good for all our people? Will it deepen our freedom, expand opportunity, strengthen our Union, advance the cause of freedom and peace and security in the world? Will it bring hope to the oppressed and fear to the oppressors?

The very sight of the *Harry S. Truman* will summon our best ideals and recall the will and vision of a man who arrived when we needed him most. Some will look at this carrier and see only her massive physical dimensions. I hope most of us will see something even bigger, the living spirit of America and the indomitable courage of one of the

greatest leaders our still young Nation has yet produced.

To the men and women who will serve on the *Harry S. Truman*, remember, the buck stops with the United States. Godspeed, and if he were here he would say, "Give 'em hell." God bless you, and thank you very much.

NOTE: The President spoke at 11:40 a.m. on the ceremonial quarterdeck of the U.S.S. *Harry S. Truman* at Norfolk Naval Base. In his remarks, he referred to Janet Langhart, wife of Secretary of Defense William S. Cohen; Margaret Dalton, wife of Secretary John H. Dalton; Gov. Mel Carnahan of Missouri; Adm. Jay L. Johnson, USN, Chief of Naval Operations; Adm. Frank L. Bowman, USN, Director, Naval Nuclear Propulsion; Adm. J. Paul Reason, USN, Commander in Chief, U.S. Atlantic Fleet; Adm. Harold W. Gehman, Jr., USN, Commander in Chief, U.S. Atlantic Command; Capt. Thomas G. Otterbein, USN, commanding officer, U.S.S. *Harry S. Truman*; and W.P. (Bill) Fricks, chairman and chief executive officer, Newport News Shipbuilding.

**Remarks at a Democratic National Committee Dinner in Aspen, Colorado**

*July 25, 1998*

Thank you very much. Thank you, Beth. Thank you, Steve. Like others, I want to thank Christy and Sheldon for having us in this magnificent home tonight with the wonderful natural surroundings. I haven't been to Aspen for a long time, and for the last 3 or 4 hours I've been kicking myself for how many years it's been since I was here last. But in the eighties, Hillary and I had some wonderful trips up here, and just looking around has been very—it's a wonderful opportunity. And again I say that this has been a particularly unique opportunity for me to see many of you and to see you in these magnificent settings. So, thank you, Sheldon; thank you, Christy. We're very grateful.

I'd like to thank many people here. I thank Secretary Riley and Secretary Slater for coming out here and being a part of this. Once I had a meeting of Presidential Scholars at a time when things were not so rosy for our administration as they are now—after the '94 elections, I don't know, it was early '95, and

my obituary once again had been written several times by several people. [Laughter] And this fellow who is a professor at Harvard in Presidential studies, he said, "I think you're probably going to be reelected." And I said, "Why?" And he said, "Well, for one thing, you have the most loyal Cabinet since Thomas Jefferson's second administration," which was very touching to me because they're also very good.

Rodney Slater has worked with me for more than 15 years now, and I'm very proud of the work he has done. And Secretary Riley and I have been friends for more than 20 years now, and colleagues. We are so creaky; we were actually Governors in the 1970's. [Laughter] So I thank them for being here and for their ardent support of our political objectives. I thank Senator Feinstein and Congresswoman DeGette.

I'd also like to thank my wonderful friend, Governor Roy Romer. He and Bea are here tonight, and he has done a great job being a spokesperson from our party, going around the country trying to do his job as Governor of Colorado and give us as much time as he can. I thank Steve Grossman and Barbara and Lynn and Len Barrack who are here, and all the weekend hosts.

I thought I would tell you—I was asking myself, although some of you are actually new to this, most people have heard me give too many speeches, and I was feeling very badly for all of you tonight. [Laughter] So I was thinking what I could tell you, and I thought maybe I ought to start with where I started this day.

Hillary and Chelsea and I had a wonderful weekend. Last night—or yesterday afternoon, we all went out to Camp David, and we managed to fool my brother into believing that we had to have this high-powered family conference. And I think he honestly thought I was going to tell him that I had a life-threatening illness or something. [Laughter] And we had gathered his 20 best friends from all around America, and we threw a surprise birthday party for him last night, and he never did figure out what it was about until we hit him with it. So I didn't think I was capable of such sleight of hand, and I felt very good about myself afterwards. [Laughter]

And then, this morning I got up and I flew to Newport News, Virginia, to commission our newest aircraft carrier, the United States Ship *Harry Truman*. Margaret Truman, Harry Truman's daughter, is a good friend of Hillary's and mine, and she was, unfortunately, unable to be there. But all President Truman's grandchildren and great grandchildren were there. And it was quite an extraordinary day.

I say that because if you think about what Harry Truman did 50 years ago, entering as he was and as America was, into a new and very different time after World War II, it gives you some guidance in terms of what we ought to be doing today. And let me just mention three things.

Number one, at the end of World War II, he understood that America could not be isolated from the rest of the world, as we had been after World War I, and historically, throughout our country's history before. So he was the first world leader to recognize the state of Israel, 50 years ago this year, against the advice of most of his advisors.

Number two, he understood that America was fundamentally at that time still quite a hypocritical society in that there was such a huge gap between what was written on paper in the Declaration of Independence, the Constitution, and the Bill of Rights, and how we were living. Fifty years ago tomorrow, Harry Truman issued the Executive order to integrate the Armed Forces. Fifty years later, we have the most diverse and the most successful military anywhere in the world.

Number three, Harry Truman understood that you could not go into a new and different time with just the right ideas; there also had to be some institutional mechanisms through which people could work to achieve their common objectives. Just as the same way that if you have an idea to make money in the free enterprise system, you still have to organize a business to do it. And that's what the United Nations was all about; that's what the International Monetary Fund was all about; that's what NATO was all about.

So Harry Truman committed us to the world, committed us to being one America, and committed America to building and supporting the institutions necessary to make it possible for the American people to make

the most of their own lives and to advance the cause of peace and freedom and prosperity around the world.

Now, if you fast-forward to the present moment, on the edge of a new century and a new millennium, we have some of the same challenges and some very different ones. But the thing I want to say to you is, the world is moving quickly and changing profoundly, and we need that level of vision as a people to decide where we want to go. And I believe that our party best embodies that in America today.

And I'd like to just give you just a few examples. First of all, when I came to office in 1993 I was determined to reflect at least as best I could what I thought the real experience of Americans was out in the country and not just to get into this Washington sort of hyperpolitical rhetoric and shouting that is the staple of everyday life in Washington, DC.

I had the privilege to serve as a Governor with two of the Coloradans here present, Roy Romer and Dick Lamm. And when we argued about things, we almost always were arguing about what would work or not, based on what kind of country we wanted to build, what kind of future we wanted to have for our children, what kind of legacy we wanted to leave them.

So we started with a different economic policy, a different welfare policy, a different education policy, a different crime policy, and very often what I tried to do was misunderstood at least by the political writers who were quite angry that they could no longer put it into a little neat box of whether it was old-fashioned liberal or old-fashioned conservative.

I concede that I caused them the discomfort of having to think about it, but I thought that's what we should be doing. We had gone on too long on automatic in American politics, and the time had come to lower the rhetoric and open our ears and our eyes and think about it.

I often used to quote Benjamin Franklin's famous saying that our critics are our friends, for they show us our faults. And then I found so many friends in Washington, I stopped saying it. [*Laughter*] But nonetheless, there's some truth to it.

So if you look at where are we today, today we have the lowest unemployment rate in 28 years, the lowest crime rate in 25 years, the lowest percentage of people on welfare in 29 years, the first balanced budget and surplus in 29 years, with the lowest inflation in 32 years, the highest homeownership in history, the smallest Federal Government in 35 years; with scholarships and loans that have opened the doors of college to all Americans; with cleaner air, cleaner water, safer food, fewer toxic waste dumps, more land set aside in national trust than any administration except the two Roosevelts; 5 million children with health insurance; and a real ethic of national service among citizens out there, with things like AmeriCorps, which is now at 100,000 young people serving in communities across America, and 1,000 different colleges which have had their students working in our grade schools, teaching our kids to read.

So this is a better country, stronger, more well prepared for the future. But I would say to you we still have a lot of huge, big institutional challenges. I believe that where we are now compared to where we were 6 years ago is that America is working again. And we should come to the point where we expect that—not that there won't always be ups and downs in the economy, but we should expect ourselves to have a functioning society.

And we should take this moment of prosperity and instead of doing what our friends in the Republican Party hope will happen, which is that the status quo will prevail, and they will hold on to power by doing the things they've done to kill campaign finance reform and to kill the tobacco reform legislation and so far to kill the Patients' Bill of Rights and a lot of other things that I think should be passed—we ought to be saying, no, no, no, no. When things are changing and the challenges are big, we should use the prosperity and the confidence it gives us to ask ourselves, what are the big long-term challenges this country faces, and how are we going to meet them? And that's what I want the Democrats to do.

Because as long as our party is seen as the party of constructive change and inclusive change, where we're embracing new

ideas but we're rooted in traditional values, we're going to do better and better and better, because we have broken out of the paralysis of the past. And I think it's obvious to anyone just following the news that the members of the other party can't really say that today.

So let me just give you a few examples of what I think we ought to be doing. First of all, if we're looking to the future, we have to look at how we can build one America generationally, which means that we cannot permit the baby boom generation to retire with the present systems of Social Security and Medicare unaltered, because when you have two people working for every one person retired, which is what's going to happen when all the baby boomers retire at present rates of birth, retirement and immigration, the present systems, as they're constructed, are unsustainable.

Now, Monday I'm going down to New Mexico to hold the second of our national forums on Social Security. But there's got to be—Social Security has done a lot of good; 48 percent of the seniors in this country who are above the poverty line would be below it if there were no Social Security. It's done a lot of good. But the people that I know in my generation are obsessed with the thought—and I'm not just talking about well-off people; I mean the middle-class working people I grew up with in Arkansas—are obsessed with the thought that when we retire we will impose unfair burdens on our children and their ability to raise our grandchildren. We are determined not to see it happen. Therefore, our party, which created Social Security and created Medicare, has the responsibility to take the lead in a constructive reform of them if we want to honor the compact in America between the generations. That's a first big issue. I hope it will be done in early 1999.

Second, we have an obligation to prove that we can grow the economy and finally make it reach people in places that it hasn't reached in inner-city neighborhoods, in rural areas. You know, if you've been following the farm crisis, you know there's been a 90-percent drop in farm income in North Dakota in one year—in native American communities, where the ones that don't have casino

gambling have hardly had any advance in their economic well-being at all in the last 6 years. If we can't improve the economic circumstances, not by giving money, but by creating enterprise, in these communities when we're doing well, we'll never be able to do it.

The third thing we have to do—and I cannot say how important I think is—a lot of you were kind enough to mention the China trip. And let me just make a little timeout here. Jiang Zemin once asked me if I was trying to contain China, if I were scared of China, and I thought America had to keep it in. And I said, "No, I'm not worried about that. Historically, your country has not been particularly aggressive towards its neighbors, and you suffered from more invasion than you've done invading." I said, "But you do present a threat to our security." And he looked at me and he said, "What is it?" I said, "I'm afraid you're going to insist on getting rich the same way we did. [Laughter] And I want you to get rich, but if you get rich the same way we did, nobody on the planet will be able to breathe."

And we have to prove that we do not have to maintain industrial age energy use patterns to have a successful, sustainable economy in which our children have unparalleled opportunities. And if you look at the technology now available, I predict to you that in the 21st century, energy will go the way of electronics in the last 50 years, you know, everything getting smaller and smaller and smaller. The only reason we got this year 2000 computer problem is that those of us like Americans who computerized early did it when the chips wouldn't hold much memory. And so all the dates were just put in with two numbers instead of four because memory was a precious commodity. That will never be a problem again because smaller chips hold unbelievable memory. The average home computer now has more power than the average supercomputer did when my daughter was born, for example.

So we have to do this. This is a huge deal. Nine of the hottest years in history, since temperatures have been measured, have been in the last 11 years. Florida had the wettest winter, the driest spring in history, and June was the hottest month in the history

of Florida, hotter than any July or August in Florida history. Ninety-seven was the hottest year in the history of the world; '98, every single month has set a new record. So unless something happens, in spite of the wonderful cool evening we're enjoying in Aspen, this will be the hottest year on record.

Now, I am not advocating a policy of no-growth or low-growth. I am advocating a policy of putting our brains and our market enterprise to the task of growing the economy while reducing the per unit energy use required to do it, and changing the nature of energy.

The Sterns from Chicago are here; their son, Todd, runs this program for me, my climate change program. And he's a brilliant young man, and he's doing a wonderful job. But we have got to somehow convince the American people and the Chinese people that we can grow the economy and improve the environment. And if we don't—unfortunately, while I was joking with Jiang Zemin, I told him the truth. If you go to China today, what's the number one health problem they've got? Bronchial problems, breathing problems, children with asthma—terrible problems. And we can do better. But it's our solemn obligation to do it.

Let me just mention one or two other things. First of all, I want to talk about education just briefly. This is area where there's the biggest difference between the Republicans and the Democrats in Congress in this session. Everybody knows America has the best system of higher education in the world. That's why people from all over the world come here to go to college and to graduate school. And we welcome them. I love it. It's like our major exchange program. It saves the Government a lot of money that people want to come here anyway to go to college and graduate school. And it helps us to become even more tied into the rest of the world.

No serious person who knows a lot about education believes that we have the best system of elementary and secondary education in the world. And yet, in a world where the economy is based on ideas, where even those of you in agriculture who are here are benefiting from and have to embrace newer and newer technologies every year, we need

more universal education than ever before. So I have put before the American people and before the Congress an agenda that would support higher standards and greater accountability and better teaching and smaller classes in the early grades and hooking all the classes up to the Internet and more choice within the public schools.

And the main thing I want to say to you is that this is not a time for what I take to be the Republican response, which is make possible for more people to go to private school and everything will be fine when 90 percent of our kids are in public school. That's just not accurate. What we need is universal excellence of opportunity. And so that's something the Democrats have to be on the forefront of.

The last thing I'd like to say is that we've got to be interested in creating one America in a time that's far more complicated than Harry Truman's time, and in having that America lead the world in a time when the issues are more complicated than they were in his time. The cold war may be over, but believe you me, in the lifetime of people in this room, we will be confronting serious challenges—of terrorists, drug runners, organized criminals, having access to chemical and biological weapons, other high-tech weapons. I hope not, but they would try to get small-scale nuclear weapons.

In the lifetime of the people in this room, in this modern age, the ancient racial and religious and ethnic hatreds, which have killed hundreds of thousands of people in Rwanda, bedeviled Northern Ireland, continue to paralyze the Middle East, caused the Bosnian war, now have all the problems in Kosovo—the possibility that those things might be mixed with weapons of mass destruction is enormous.

And all of you that are involved in finance know what this problem in Asia—these Asian financial problems and the challenges of Russia have done to the international markets there and the prospect of supporting peace and prosperity and freedom in those countries in that region. Our own economy has slowed considerably because of the Asian financial crisis. So that the last thing I want to tell you.

We have got to reaffirm—we've got to tell people, who cares that the cold war is over? It's more important than ever before that America be in there leading the way to create an international economy that works, that works for people abroad, and works for the American people as well.

Now, I think if the Democratic Party stands for that kind of constructive future for America, and comes forward with those kinds of ideas and is uncompromising, and if we get enough help to get our message out—and Steve Grossman didn't say this, but we picked up some seats in 1996—in the last 10 days, our candidates in the 20 closest House races were outspent four and a half to one. We're not talking about peanuts here. We're talking about—and the stakes could hardly be larger.

Now, you pick up the paper every day; you watch the news every day. Do you hear debates at the level that I've just been talking to you about on these issues? Is this what you think they're talking about in Washington? You put us in, and that's what we'll be talking about, and your children will enjoy the fruits of it. That's why you're here, and we're very grateful.

Thank you, and God bless you.

NOTE: The President spoke at 9:30 p.m. at a private residence. In his remarks, he referred to Beth Dozoretz, senior vice president, FHC Health Systems, who introduced the President; dinner hosts Christy and Sheldon Gordon; former Gov. Richard Lamm of Colorado; President Jiang Zemin of China; and the following Democratic National Committee personnel: Steve Grossman, national chair, and his wife Barbara; Gov. Roy Romer of Colorado, general chair, and his wife Bea; and Leonard Barrack, national finance chair, and his wife Lynn. A tape was not available for verification of the content of these remarks.

### **Remarks and a Question-and-Answer Session at a Democratic National Committee Reception in Aspen July 25, 1998**

**The President.** That was better than I can do, Michael. Thank you very much. Thank you and thank you, Ana, for welcoming all of us into your home. And I want to thank my long, longtime friend, Roy Romer, for

being willing to keep his day job and take on another job as well for our party.

Since you mentioned the Brady bill, I think what I'd like to do is maybe just talk just for a few minutes and then, probably to the chagrin of all the people who came here with me, take a few minutes, if any of you have any questions or comments or you want to give a speech to me, I'll listen to that. But you think about it, if you've got any questions you want to ask.

But you heard the example Michael gave you of the Brady bill, and if you ask me about what I tried to do through and with our Democratic Party and as President that makes it worthy of the support of thoughtful Americans, many of whom might have been Republicans before, I would say two things.

First of all, I've tried to move our party and to move our country and, hardest of all, to move Washington, DC, away from sort of yesterday's categorical, partisan name calling toward a genuine debate over new ideas, because we are living in a new and different time that, coincidentally, is at the turn of the century and the turn of the millennium, but is indisputably different. It is different because the way we work and live and relate to each other and the rest of the world is different. It is different because the nature of the challenges we face, among other things, in relating to the natural environment are profoundly different than any previous generation. So that's the first thing; it is different.

The second thing I would say is that I have tried to redefine what it means for Americans to be engaged in what our Founding Fathers said would be our permanent mission, forming a more perfect Union. And the Brady bill is about as good an example as any I can think of for what the difference is today in Washington at least—not so much out in the country maybe but certainly in Washington between the two parties.

If you go back to the beginning of the Republic, the people who got us started were very smart people; they understood that they weren't perfect. Thomas Jefferson said when he thought of slavery, he trembled to think that God was just and might judge him justly. So they knew they weren't perfect even then. And then they knew there would be new and

unchartered challenges in the future. But they essentially—if you go back and read the Declaration of Independence and the Constitution and the Bill of Rights, it all comes down to the fact that they believe that God gave everybody the inherent right to life, liberty, and the pursuit—not the guarantee, but the pursuit—of happiness, and that in those shared rights, we were created equal, not with equal abilities, not with equal pace, not all the same, but equal in a fundamental human sense.

And then the second thing that distinguishes the Democrats from the Republicans even today, I think—even more today than in the last 50 years, the Founding Fathers said, "Look, we can't pursue these objectives completely by ourselves. We can't protect or enhance the right to life, liberty, and the pursuit of happiness unless we band together and form a government. But governments ought to be limited. They ought to be limited in scope, limited in power, limited in reach, but they should do those things that we cannot do alone. And sometimes, in order to advance our collective life, liberty, and happiness, individually, we have to make a few sacrifices." That's really what the Brady bill is all about.

You know, in a country with 200 million guns, where last year, with our zero tolerance for guns, we sent home—6,100 kids got sent home from school because they brought guns to school, and you've seen in the series of murders in the schools the consequences of failure when that policy either doesn't work or isn't enough, the Brady bill, by requiring a background check and making people wait 5 days between the time they order and get a handgun has kept a quarter of a million people with criminal records, stalking records, or records of mental health instability from getting handguns. That's one of the reasons that crime is at a 25-year low, and murder has dropped even more.

Now, did it inconvenience some people to wait 5 days? Doubtless so. Maybe some people that were mad at other people would cool down after they waited 5 days. Is it an unconstitutional abridgement of the right to keep and bear arms? Not on your life.

In 1996 one of the most moving encounters I had in the campaign was when I went

back to New Hampshire, the State that basically allowed me to go on when the first, we now know, Republican-inspired assault was waged against me in 1991 and '92 in New Hampshire. And they gave me a good vote, and I got to go on, so I went back there. Then they voted for me in 1992 for President. And in 1996 they voted for me again, which is unheard of because it's an overwhelmingly Republican State in elections.

But I went into an area of people who are big sportsmen, and they had defeated a Congressman who supported our crime bill with the ban on assault weapons and the Brady bill. And I had all these hunters there, and I'd been going to see them a long time. And I said, "I'll tell you what, remember back in '94 when you beat that Congressman because the NRA told you that the President was trying to take your guns away with the assault weapons ban, and the NRA?" I said, "Well, you beat him last time." I said, "Now, every one of you who lost your hunting rifle, I expect you to vote against me this time." But I said, "If you didn't, they lied to you and you ought to get even." [Laughter] And you could have heard a pin drop there, because they realized all of a sudden that this sort of radical individualism, meaning you have no responsibilities to collective citizenship, was wrong. And they could perfectly well pursue their heritage that's deeply a part of New Hampshire where people could hunt and fish and do whatever they want and still have sufficient restraints to try to keep our children alive. And that's just one example. And I could give you countless others.

But as you look ahead in a world where we have done our best to promote global markets, to promote efficient enterprise, we still have to recognize that there are some obligations we have to each other we have to fulfill together. And as you look ahead, let me just mention two or three—and I won't mention them all, but two or three.

One is, as presently structured, both the Social Security system and the Medicare system are unsustainable once all the baby boomers retire. And I look at all these young people who are working here, and young enough, most of them, to be for most of us, to be our children. Not very long ago I went home to Arkansas because we had a terrible

tornado and after I toured the damaged area, I got a bunch of people I went to high school with to come out and have dinner with me. We ate barbecue from a place we've been eating at 40 years and sat around and talked.

Now, most of my high school classmates had never been to Aspen. Most of my high school classmates are just middle class people, with modest incomes, doing the best they can to raise their kids. But every one of them said to me, you've got to do something to modify the Social Security system, make it as strong for us as you can, do the best you can, but we are obsessed with not bankrupting our children and their ability to raise our grandchildren because the baby boom generation is so big that by the time we're all in it, there will be only two people working for every one person drawing.

Now, I personally believe since the Democratic Party created Social Security and Medicare and since they, I believe, they've been great for America, that we should take the responsibility of constructively reforming them rather than going into denial and pretending that it doesn't have to be done. That's one example.

Example number two: We've got the best system of college education in the world, but nobody thinks we have the best elementary and secondary education system in the world. Ninety percent of the kids in this country are in public schools. We have got to modernize these schools, raise the standards, and do a thousand things that are necessary that Governor Romer and I have been working on for 20 years now if we expect America to grow together in the 21st century.

Example number three—and then I'll quit after this, although there are more, but I think it's important here in Colorado, especially in Aspen—we've got to prove that we can grow the economy and improve the environment, not just preserve it the way it is but actually make it better.

We have to make energy use like electricity and other things in the next 50 years the way electronics has been in the last 50, where everything gets smaller and smaller and smaller, with more and more power.

I mentioned this at the previous dinner, but I'll say it again: The main reason we have

a year 2000 problem with all these computers, you know, where everybody is afraid that we'll flip into—at the stroke of midnight, December 31st, January 1st, 1999, 2000, we'll all go back to 1900 and everything will stop, is because we computerized early in America. And when we computerized, these chips that hold memory were rudimentary by today's standards. And so they had all the numbers they did on dates, they just had the last 2 years, they didn't have 4 years. So they're not capable of making this transition.

Today, it's a no-brainer. If you were building something today, the power of these chips is so great, nobody would even think about making it possible to have four digits on there and you could go right on until the year 9999. So we've got to deal with this education challenge. And we've got to prove that we can do it. And then the second thing we have to do on this is to prove that we can do with energy what we have done with electronics and the computer chip.

The best example of that that all of you will be able to access within 3 or 4 years is a fuel-injection engine, where today about 70 percent of the heat value of gasoline is lost as it works its way through a regular engine, when the fuel can be directly injected into the process of turning the engine over you will cut greenhouse gas emissions by 75 to 80 percent and triple mileage. And that's just one example.

I was in a low-income housing development in California a couple weeks ago where the windows let in twice as much light and kept out twice as much heat and cold. All of this is designed to do in energy what we have already done in electronics and so many other things. This is a huge challenge.

I was pleased to wake up just the other morning and look at CNN; the first story was on climate change because of all the scorching heat in the South and the fires in Florida, pointing out that the 9 hottest years ever recorded have occurred in the last 11 years; the 5 hottest years ever recorded have all occurred in the 1990's; 1997 was the hottest year ever recorded; and each and every month of 1998 has broken that month's record for 1997.

This is not a game. We cannot afford to go into denial about this. We have to find

a way to reduce the emission of greenhouse gases into the atmosphere and still keep growing the economy, not just for America but for China, for India, for all the people that are looking for their future. These are just three examples.

The last point: 50 years ago tomorrow—I had this on my mind because I dedicated the aircraft carrier, the *Harry Truman*, today; some of you may have seen it on TV tonight—50 years ago tomorrow Harry Truman signed the Executive order ending segregation in the United States military. And 50 years later—there are a lot of people who whined and squalled about it and said it was the end of the world and how awful it would be—50 years later we have the finest military in the world, in no small measure because it is the most racially diverse military in the world, where everybody meets uniform standards of excellence.

Today we have one school district in Washington—across the river from Washington, DC, with children from 180 different national and ethnic groups, speaking over 100 different native languages—one school district.

So that's the last point I will make. It is particularly important that we figure out how to live together and work together, to relish our differences but understand that what binds us together is more important. When you look at Kosovo and Bosnia, when you look at Northern Ireland and the Middle East, when you look at the tribal warfare in Rwanda and elsewhere, you look at the way the whole world is bedeviled by not being able to get along because of their racial, ethnic, and religious differences, if you want America to do a good job in the rest of the world, we have to be good at home.

Those are some of the things I think we should be thinking about. And I believe politics should be about this. So if when you turn on the television at night and you hear reports about what's being discussed in Washington, the tone in which it's being discussed, and the alternatives that are being presented, you hardly ever hear this, do you? You ought to ask yourself why. I can tell you this: You help more of our guys get in, what you're doing by your presence here, you'll have

more of this kind of discussion, and I think America will be better in the 21st century.

Thank you very much.

### **National Economy**

**Q.** As you know, I'm a Houstonian, but I have a house down the street from my friends, the Goldbergs. I want to say that in your last trimester of your stewardship, I remember sitting on a bus with Senator John Breaux, my boyhood friend, and you talked about your plans for America. And I haven't seen this in the paper lately, but I guess I want to tell you that we recognize low interest rates; we recognize low inflation and, I think, a booming economy. And I think with that track record that I should be reading that in the paper more. But I want to tell you that I thank you, and I think all these people here thank you.

**The President.** Thank you. If I could just say one thing about it—as you well know, because you work all over the world, the economy is a constantly moving target. And I am very grateful we have the lowest unemployment rate in 28 years and the lowest percentage of people on welfare in 29 years and the lowest inflation in 32 years and the highest homeownership ever. That's the good news.

About a third of our economic growth has come from exports. About a third to 40 percent of our export growth—40 percent—has gone in Asia. If Asia goes down, our export growth goes down; our economic growth goes down. That is already happening. So one of the things that I think is very important to do is that we impress upon the Members of Congress, both Republican and Democratic, that we have to do those things which are designed to keep the rest of the world growing. Otherwise, we can't grow.

We are 4 percent of the world's population; we have 20 percent of the world's income. It does not require much mathematical computation to realize that if we want to sustain our income, we have to sell more to the other 96 percent of the people in the world.

And that's why I've been in such a big fight in Washington to fund America's dues to the International Monetary Fund to modernize and strengthen and restore growth in these

economies, why I want to see us continue to be engaged with Japan, why I went to China because a strong economy will cure a lot of social problems. And very few social problems can be cured in a democracy in the absence of a strong economy because the middle class becomes preoccupied with its own problems.

But in this day and age, we can't sustain a strong economy without a strong foreign policy that commits us to be constructively involved with the rest of the world. And one of the things that I worry most about in Washington is in various ways, there are elements that are still—some in our party but more in the other party—still pulling away from our constructive engagement in the rest of the world. We cannot become what we ought to become unless we continue to get more deeply involved, not less involved, with the rest of the world. But I thank you for what you said.

Go ahead.

### **Republican Congress**

**Q.** You mentioned Harry Truman, and I still remember those headlines, "Dewey Wins," right? And in fact it was Harry that won. And my question is, I believe—I am not smart enough to know exactly why, but I believe that one of the reasons he won is he said, that do-nothing 80th Congress—is that the right number, 80—I hope—and we're going to really show them.

When are we going to—when do your advisers say it's time to start talking in the parts of matter instead of more that sort of global thing where we are all going to be together and be all a happy family?

**The President.** Well, I have been hitting them pretty hard over the way they killed the tobacco bill, the way they are so far killing the Patients' Bill of Rights, the way they killed campaign finance reform, the way they are endangering our future economic prosperity by walking away from our dues to the International Monetary Fund.

You know I haven't attacked them personally in the way they have attacked me, but I've tried to make it clear that I think there are serious risks being played with America's future there. But I, frankly, believe that we have to wait until—see what happens in the

first 2 weeks after the August recess. They're about to go out. Then they'll come back, and they'll have to make a final decision whether they are going to work with us to get something done for America or whether they're just going to play politics. And I believe the American people will have an extremely negative reaction if they walk away as a do-nothing Congress.

So far—one of the major papers called them a “done-nothing” Congress. They said so far, they're a “done-nothing” Congress. They're not yet a do-nothing Congress because they still have a few days left. But they're not meeting very much this year and so far—I just think that they believe that conventional wisdom is that when times are good, incumbents all win, so what they really have to do is to keep their base happy. And in this case, the base is the most ideologically conservative people in the country. And I think they think they can keep them happy just by banging on me and doing a few other things.

And I basically disagree with that because I do not think, as good as times are, I don't think this is an inherently stable time—I mean, stable is wrong. I think it's stable but not status quo. I think all you have to look—5 years ago, Japan thought they had a permanent formula for prosperity. Now they've had 5 years of no growth, and their stock market has lost half its value.

But one of the reasons that our country is working so well is that the private sector, the entrepreneurs in this country, can stay in constant motion. There are opportunities out there. They can see things that are changing, and they can move and everything. And we've got to equip more people to do that.

But I guess I'm having a vigorous agreement with you, but I think the Republican political analysis is that they can get by this election by doing nothing because times are so good that all incumbents will benefit, even if the President is more benefited than others.

My belief is that the good times impose on us a special responsibility to bear down and take on these long-term challenges because good times never last forever and because things inherently change more rapidly now than they ever have before. So I think

they're making probably a political miscalculation and certainly a miscalculation in terms of what's best for our country. And I think you'll hear more of it in the last 6 weeks before the election.

Yes?

### 1998 Elections

**Q.** The Republican Party has clearly been captured by the conservative ideologue. The Christian right, the religious right, knows what they're doing; they know what they believe; they're well organized; and I think they are probably the most—[inaudible]—that we have. On the other hand, Democrats, we have a—all of us have a tradition of understanding and of tolerance for the discrepancies and the differences in opinions across the party, we're not so well organized. How do we face this—

**The President.** Well, first of all—

**Q.** —election against people who are as determined, as well organized, and as well funded as the conservative right is?

**The President.** Well, we are working hard to get better organized. And I think we are going to be better organized than we ever have been. We were quite well organized in '96, and we did well. We would have won the House in '96, but for the fact that in the last 10 days of the election, in the 20 closest races they out-spent us 4½ to one—in the last 10 days. Over and above that, you had all these third party groups like the Christian Coalition groups, doing mass mailings into these districts, basically talking about what heathens our candidates were.

And I think the Democrats are just going to have to decide whether they're going to be tough enough to handle that, I mean, we don't—but I think we will be better organized. I think we will be better funded this time. They did their best to bankrupt us the last 2 years, and it didn't work.

So I think if we're better organized and better funded and we train our candidates better, then what we have to do is be ready for that last 10-day onslaught where the Christian Coalition and the other far right groups do these heavy, heavy mailings basically trying to convince the people they're mailing to that we're cultural aliens and that

we don't have good values, and we don't support families, and the country will come apart at the seams if we become the majority again. And if we're tough enough to handle that, I think we've got a chance to do pretty well.

We were doing fine in '96, we just didn't have enough ammunition at the end. We were so far down in '95 that we had to spend a lot of our party money go get back up, and then the last 10 days they just blew us away. But you've helped a lot by being here, and I think we know now that you don't have to descend to the level of personal meanness that your attackers do, but you do have to show a similar level of vigor, with a strategy that will work.

My own view is that we've got a strategy that will work; we've got a message that will play. And you asked about the partisanship thing—the most effective partisan attack, and a truthful one, is to say that they are being partisan in preventing us from making progress. It's not just to say Democrats are better than Republicans. It's to say they're being partisan; they're preventing us from making progress. Here are our ideas. Now, what are their ideas. Measure them up. Two-thirds of the American people will pick ours.

So if they don't stampede us with fear and money, we'll do fine. And that's the ultimate answer to the question you asked.

**Q.** Mr. President, first of all, I think it's really wonderful—you've had a long day, and you're answering our questions. That's really the American way. Thank you.

**The President.** It's 1:15 a.m. our time.

### **International Environmental Issues**

**Q.** [*Inaudible*—incredible things worldwide. I read the newspapers where you even got those two suspected terrorists and they may end up getting tried in The Hague. And that's wonderful. And NAFTA was the greatest thing. I know you have to give and take, Mr. President, but during NAFTA I know one of the things you had to kind of give on a bit was to let the Mexican fishermen take up to 10,000 dolphins and kill them. Is there any way in the last year and a half we could take a couple of these ecological issues and maybe readdress them again to help make the world a better place to live?

**The President.** Well, we've got a lot of—one of the reasons we did that is that we finally got the Mexicans to agree to at least end some of the unsanitary conditions under which people were living along the border. And we tried to build up a border commission that would allow us to invest in the environment and elevate the public health of the people in the Maquilladora areas along the border.

I think that you will see, I predict, a number of areas where there will be advances in wildlife protection and the environment in the last 2 years. We're doing our best to get a much broader agreement, for example, on all kinds of efforts to restore the oceans generally. There's been a significant and alarming deterioration in the oceans, not unrelated to climate change and global warming but caused by forces in addition to that. There is a dead spot the size of the State of New Jersey in the Gulf of Mexico outside the mouth of the Mississippi, for example. And we're trying to address all those.

I believe the American people—I think within a decade you'll see an overwhelming majority of the American people for operational environmentalism. Today we have 70 percent of our people, our environmentalists and almost all little children are—it's something they have to be taught to abandon—their instincts are to preserve the planet. But I think that people still believe something I don't anymore, which is that you have to give up all this if you want to grow the economy. I just don't believe that. And I think that you will see a steady movement toward more aggressive environmental policies which will come to dominate both parties, I believe, in the next 10 years. And I hope before I leave office I can do more.

I even had somebody from Utah come up to me tonight and thank me for saving the Red Rocks, the Grand Staircase Escalante, you know—who said they didn't think it was right when I did it before.

**Moderator.** Mr. President, I know your schedule. Would you mind taking just a couple more?

**The President.** Go ahead.

### ***Nuclear Proliferation in South Asia***

**Q.** Mr. President, I've got a question about foreign policy. Do you have any concern about India and Pakistan, South Asia, what's happening over there? And what kind of leadership role can you take to bring peace over there or even float the idea of creating an independent country of Kashmir, because that's the biggest problem there? What can you do about it?

**The President.** Well, one of the problems we've had—I thought—I actually feel bad about this because I had a trip set up for the fall to India and Pakistan. And in 1993, when I took office, I got all of our people—actually, before I took office—and I said, “Let's look at the major foreign policy challenges this country faces and figure out how we're going to deal with them and in what order.” And as you might imagine, we went through the Middle East and Bosnia, and then we had Haiti on the list. We went through the idea that we had to build a trade alliance with Latin America, that we needed a systematic outreach to Africa, that the big issues were how were Russia and China going to define their future greatness and could we avoid a destructive future. And we worked hard on that.

But I told everybody at the time, I said, one of the things that never gets in the newspapers in America is the relationship between India and Pakistan and what happens on the Indian subcontinent, where they already—India already has a population of over 900 million, in 30 years it will be more populous than China; it already has the world's biggest middle class. And Pakistan has well over 100 million people and so does Bangladesh. So it's an amazing place.

So I had planned to go there with plans to try to help resolve the conflicts between the two countries. One big problem is India steadfastly resists having any third party, whether it's the United States or the United Nations or anybody else, try to mediate on Kashmir. It's not surprising. India is bigger than Pakistan, but there are more Muslims than Hindus in Kashmir. I mean, it's not—the same reason that Pakistan, on the flipside, is dying to have international mediation because of the way the numbers work.

What I think we have to do is go back to find a series of confidence-building measure which will enable these two nations to work together and trust each other more and to move back from the brink of military confrontation and from nuclear confrontation. And we have to find a way to involve the Russians and the Chinese because the Indians always say they're building nuclear power because of China being a nuclear power and the border disputes they've had with China. And, oh, by the way, we happen to have this Pakistani problem.

So I have spent a lot of time on that, even though it hasn't achieved a lot of notoriety in the press. And I'm still hopeful that before the year is over, we'll be able to put them back on the right path toward more constructive relations. I mean, India, interestingly enough, is a democracy just as diverse, if not more diverse, than America. Almost no one knows this. But most—most, but not all—the various minorities groups in India live along the borders of India in the north. And it's just—it would be, I think, a terrible tragedy if Hindu nationalism led to both estrangement with the Muslim countries on the border and the minorities—Muslim and otherwise—within the borders of India when Ghandi basically set the country up as a model of what we would all like to be and when India's democracy has survived for 50 years under the most adverse circumstances conceivable and is now, I believe, in a position to really build a level of prosperity that has not been possible before.

I feel the same thing with the Pakistanis. I think if they could somehow—they're much more vulnerable to these economic sanctions than the Indians are. If they could somehow ease their concerns which are leading to such enormous military expenditures and put it into people expenditures, we could build a different future there. I don't know if I can do any good with it, but I certainly intend to try because I think, whether we like it or not, I think that the one good thing that the nuclear tests have done is that they have awakened the West, and Americans in particular, to the idea that a lot of our children's future will depend on what happens in the Indian subcontinent.

**Q.** How about if you called their Prime Ministers here?

**The President.** Well, I can't force a settlement on them, but I can—that's why I say because of their relationships with India and China, we need their help as well. And so far—excuse me—with Russia and China. And so far, the Russians and the Chinese have been very helpful to me in trying to work out a policy that we can pursue. But I'm working on it. Believe me, if I thought it would work, I would do it tomorrow, and I will continue to explore every conceivable option.

**Q.** That's great. Thank you very much.

**The President.** Thanks. One last question. Go ahead.

### **Intellectual Property Rights**

**Q.** I'm an intellectual property owner. I represent a lot of entrepreneurial and independent interests against a lot of the large multinational companies. I know what it's like to be on the nose cone of a missile pretty much. And these interests can tell us that basically that black is white in Congress and try to weaken the patent system and protection of intellectual property.

Governor Romer's son is one of the most vocal spokesmen for—[inaudible]—the thing that differentiates us from the rest of the world is intellectual property.

**The President.** Well, it's interesting that you'd say that. First of all, I don't think we should weaken the system. And secondly, I think we should continue to aggressively pursue those protections in our trade relations. I have spent an enormous amount of time with the Chinese, for example, trying to protect against pirated CD's of all kinds and other technology.

And the consequences are far greater than they used to be. And we always had a lot of this in Asia. We had Gucci handbags and the Rolex watches and then when I first went to Taiwan 20 years ago, you could buy all the latest hardcover books for \$1.50; that was something that was done. But the volume and level of trade and the interconnections and the sophistication of what was being copied were nowhere near what they are today where you're talking about billions and billions and billions of dollars that can literally

undermine the creative enterprise of whole sectors of our economy.

So I think it's important, first, to keep the legal protections there, but secondly, it's important that the United States make this a big part of our foreign policy and all of our trade policy. And we try to do it. I spent a huge amount of time on it myself.

### **Education**

**Q.** Mr. President, recently Massachusetts had some ugly test scores from its teachers; they couldn't pass 10th grade equivalency. And there's a problem, I guess, in other States, as well. Is there any way that the education of the kids—[inaudible]—it will take another generation to upgrade the teaching in the public schools?

**The President.** Well, first of all, yes I think—I advocate—I think what Massachusetts did was a good thing, not a bad thing. Most people, every time they read bad news think this is a bad thing. Sometimes when you read bad news, it's a good thing, because otherwise how are you going to make it better if you don't know what the facts are? So the first thing I'd like to say is we ought to give Massachusetts a pat on the back for having the guts to have the teacher testing, get the facts out, and deal with them.

Now, what I think should happen is, I think every State should do this for first-time teachers just the way they do it for lawyers and doctors. Then I believe there should be a much more vigorous system for trying to support and improve teaching as we go along, trying to bring like retired people with degrees in science and mathematics and other things into the teacher corps, which is very uneven across the country.

And there's also something called the National Board for Professional Teacher Standards, which certifies master teachers every year, people who have great academic knowledge, could knock the socks off that test, and people who have proven ability in the classroom. And one of the things that I've got in my budget is enough money to fund 100,000 of those master teachers, which would be enough to put one master teacher in every school building in the country. And if you look at—I don't want to embarrass him, but Tony Robbins standing here—if you

ever listen to his tapes or look at him on television, you know he's a teacher. He's teaching people to change how they behave.

Well, it just stands to reason that if you could get one really great teacher in every class, in every school building in America, you would change the culture of that school building if they had mentoring as part of their responsibility. So I think this is a huge deal.

But let me say, there's a lot more to do. You have to recognize, too, that we have to do more to get young people into teaching, even if they only stay a few years—really bright young people. One of the proposals I've got before the Congress today would fund several thousand young people going into inner-city schools and other underserved areas to teach just for a couple of years and they would, in turn, get a lot of their college costs knocked off for doing it. Congress hasn't adopted it yet, but I think that's another important avenue to consider. You've got to—the quality of teaching matters.

Now, I won't go through my whole education agenda with you, but the other thing that you have to remember whether you're in Colorado or anyplace else, is that when most of us who are my age at least were children, the smartest women were teaching because they couldn't do anything else for a living. And they weren't making much for doing it, but it was all they could do.

And now, a smart woman can run a big company, can create a company and then take it public and be worth several hundred million dollars, can be elected to the United States Senate and, before you know it, will be President of the United States. So that means if you want good young people to be teachers, we're going to have to pay them more. And that's—everybody nods their head and then nobody wants to come up with the bread to do it, but you've got to do it. I mean, there's no question about it. If you really want to maintain quality over a long period of time, you have to do—you have to pay people; you have to improve the pay scales.

The best short-run fix is to get really smart people who did other things and now have good retirement income to come in because they don't need the salary as much, or to get really smart young people to do it for

a few years as soon as they get out of college by helping them cover their college costs.

**Moderator.** Mr. President, Michael Goldberg promised me he would show me some reruns of his brother, the wrestler, on winning his championship after you were done speaking.

**The President.** I'm really impressed by that.

**Moderator.** You're running me out of my time on watching that wrestling. [Laughter]

**The President.** Thank you very much.

NOTE: The President spoke at 10:58 p.m. at a private residence. In his remarks, he referred to dinner hosts Michael and Ana Goldberg; Gov. Roy Romer of Colorado, general chair, Democratic National Committee; and motivational speaker Anthony Robbins. A tape was not available for verification of the content of these remarks.

### Remarks at a Democratic National Committee Brunch in Aspen

July 26, 1998

Thank you, Fred. First I'd like to thank Fred and Lisa for welcoming us into their modest little home. [Laughter] I live in public housing, myself. [Laughter] I want to thank Roy Romer for the wonderful job he's done as the general chair of our party and also as the Governor of this magnificent State. I thank all the members of the Democratic Party's hierarchy here, Len Barrack and others who are here. But I want to especially thank all of you who have been part of this weekend.

Most of you have already heard me give two talks and at least I've had a night's sleep now, but I don't want to make you go through it all again. I would like to make a couple of points very briefly.

First of all, I want to make explicit what Fred said. You should all feel some sense of personal responsibility for the buoyant economy, for the lessening social problems of our country, for the role that the United States has been able to play in advancing the cause of peace and freedom and security in the world.

So many of you said something nice to me yesterday about our trip to China, which would not have been possible had I not been

elected and reelected. And I think we have the right policy there, where we're trying to advance both our security partnership and our economic interests and still stick up for democracy and freedom that we all believe in. You are responsible for that.

The second point I want to make, very briefly—it looks like the rain is coming again—is that in these elections, we're going to try to elect more Democrats to the House, to the Senate, and to the Governor's office. We're going to try to defend the incumbents that are up for reelection. I honestly believe, and any major national survey will show, that nearly two-thirds of the American people agree with us on virtually every significant question. And the attacks that Republicans have raised against Democrats—that we were weak on the economy; we couldn't be trusted on the deficit; we never met a tax we didn't like; we were weak on welfare and crime; we couldn't be trusted with foreign policy—all that has no salience anymore.

So, if we can convince the American people that by electing more Members to the House and Senate, they can have more of the progress they like instead of the partisanship they deplore in Washington day-in and day-out, instead of letting them get carried away by the kind of emotional, negative, but unfortunately, very powerful tactics that our adversaries used in the last 2 or 3 weeks of every election, you can take pride that the next 2 years can produce even more progress than the last 6 have. That's what I want you to think about. That's what you've been here for. And I am profoundly grateful. Thank you very much.

Now show everybody the Democrats have enough sense to get in out of the rain. [Laughter]

NOTE: The President spoke at 12:10 p.m. at a private residence. In his remarks, he referred to Fred and Lisa Baron, dinner hosts. A tape was not available for verification of the content of these remarks.

### **Statement on the Death of David J. McCloud**

*July 26, 1998*

Hillary and I were greatly saddened to learn of the death in a plane crash of Lieutenant General David J. McCloud, Commander, Alaskan Command. He hosted us several weeks ago at Elmendorf Air Force Base on our way to China and proudly described for us the mission his command carries out in furtherance of our national security interests. General McCloud was a superb airman and an exemplary leader. He helped ensure that our forces from all of the military services were prepared to meet the challenges of the post-cold-war environment. His impact was felt throughout the United States Air Force and the Department of Defense. On behalf of all Americans, we extend our condolences to his family and the men and women of the Alaskan Command that he led so well.

### **Remarks in a National Forum on Social Security in Albuquerque, New Mexico**

*July 27, 1998*

#### **Shootings at the Capitol**

Thank you very much. Ladies and gentlemen, before you sit down, if I might, I want to do something quite serious but, I think, important here at the beginning. I would like to ask Senator Domenici and Senator Bingaman and Congressmen Kolbe and Becerra to come up and stand with me, and I'd like to ask all of us to offer a moment of silent prayer for the memory and the families of the two police officers who were slain at our Nation's Capitol.

[At this point, a moment of silence was observed.]

Amen. Thank you very much.

Let me, now on a somewhat lighter note, say that Mayor Baca was reeling off all of his relatives on Social Security—I'm glad to see one person here who I believe is now

eligible for Social Security, former Governor Bruce King, and his wife, Alice, over there. I point them out for a special purpose. One of the demographic realities we have to confront is that women are living longer than men. Governor King is in a wheelchair because of a fright he received from a rattlesnake, which his wife killed. [Laughter] So we congratulate both of them.

Let me also say, I'm glad to see this great and diverse group of Americans here in Albuquerque. You can always depend upon getting an audience that genuinely does look like America if you come to Albuquerque. I thank all the Native Americans here who are in the audience. Thank you very much for coming. I see our friends from the Sikh community over there. I know there are a lot of Hispanic-Americans here. I know there are African-Americans, Asian-Americans, and others. We thank you for coming here. And I also thank all the young people that are in the audience, because this is an issue for all ages of Americans to deal with together.

I would like to acknowledge our Social Security Commissioner, Ken Apfel, thank Bill Gordon, the provost of the University of New Mexico, and all the university family for making us welcome here today. I thank Horace Deets of the AARP for being here, and Harvey Meyerhoff of the Concord Coalition, and Carolyn Lukensmeyer of Americans Discuss Social Security.

I want to say a special word of thanks to the AARP and the Concord Coalition for hosting this forum. And of course, I thank the Members of Congress who are here and the leaders of the Congress for nominating the Members who are on this program.

We are very blessed at this moment to have a strong economy in America. The question for us is whether we will do what societies often do when times are good and sit back and enjoy it or whether we will face the larger challenges that our present prosperity and confidence permit us to face. They are significant and formidable. If you think about the next 50 years, how are we going to build the world's best elementary and secondary education system? How are we going to bring economic opportunity to the people who don't enjoy this prosperity, whether they're in inner-city neighborhoods or rural

communities where agriculture is in trouble or Native American communities? How are we going to deal with the challenge of growing the economy and preserving our natural environment? Big, significant challenges.

One of those challenges, clearly, that we must face together is saving Social Security, and I might add, with it, Medicare, for the 21st century. One of our biggest challenges is what I call a high-class problem: We are an aging society. We are living longer and better and healthier, and that imposes costs. The older I get, the more I like that problem. That's a high-class problem.

It wouldn't have been too many years ago that it would have been rather unusual to find a mayor who could stand up and cite 3 of his family members who are over 75 years of age. That's not so unusual anymore. But we know now that because of the demographic challenges facing us, we have to make some adjustments in the Social Security system to strengthen and preserve it in a new century.

As all of you know, I have said since my State of the Union Address that we should set aside every penny of any surplus until we save Social Security first. At the very moment when we have switched from deficits as far as the eye can see to surpluses as far as the eye can see, it's tempting to offer a large tax cut or perhaps a new spending program paid for by the projected surplus. Some have advocated this course, but we must not squander the hard-won legacy of fiscal responsibility that has brought us our present moment of prosperity. Instead, we should use it to tackle the long-term challenges of the United States.

Any new tax cut or spending program done before we save the Social Security system would commit funds that may be needed to honor our commitment to our parents and our commitment to our children. I think those of us who are part of the so-called baby boom generation feel that most acutely because it is in the years when all of us—that is—and I'm the oldest of the baby boomers—those who are between the ages of, roughly, 52 and 34—when we all get into the retirement system. It is then when the greatest

stresses will be placed upon it at present levels of retirement, projected birth rates, and projected immigration rates.

So I am very grateful for the bipartisan spirit in which we have been pursuing this. I'm grateful for the people who are here. I appreciate Senator Domenici's strong leadership and his strong support for taking the responsible course. In an election year, asking politicians to hold off on a tax cut is almost defying human nature, but Senator Domenici and many Republicans have joined our Democrats in saying together, "Let's deal with this problem. The American people waited 29 years to get out of the red ink and look at the black; we can take a year to enjoy the black and deal with the long-term problems of the country before we decide everything we have to do with the surplus. Let's deal with first things first."

Also I want to thank, as I said, Senator Bingaman, Congressman Kolbe, and Congressman Becerra. We have to reach across the lines of party, philosophy, and generation. This will require open minds and generous spirits. We all have to be willing to listen and learn. In preparation for this forum today, I had three different sessions with my staff members briefing me on all the various reforms that have been advocated by the extraordinarily distinguished panel of experts from whom you will hear in a few moments. And I've been doing my best to be open to new ideas and to listen and to learn.

I have asked every Member of Congress not only to support the forums we're having here today but to hold town meetings in every district in America. And we will have a White House Conference on Social Security at the end of this year. Next year I will convene the bipartisan leadership of Congress to craft a solution.

The stakes are very high. Those of you who are older or who have had family members dependent on Social Security know that for 60 years Social Security has been far more than an ID number on a tax form, even more than a monthly check in the mail. It reflects the duties we owe to our parents and to each other, and this kind of society we are trying to build.

Today, 44 million Americans depend on Social Security, and for two-thirds of seniors

it's the main source of income. Today, nearly one in three of the beneficiaries, however, is not a retiree. Social Security is also a life insurance policy and a disability policy.

Since its enactment over 60 years ago, it has changed the face of America. When President Roosevelt signed Social Security into law, most seniors were poor. A typical elderly person sent a letter to FDR begging him to terminate the "stark terror of penniless old age." Now, in 1996, the elderly poverty rate was below 11 percent. Without Social Security, today nearly half of all seniors would still live in poverty.

Today, the system is sound, but we all know a demographic crisis is looming. There are 76 million of us baby boomers now looking ahead to retirement age and longer life expectancies. By 2030, there will be twice as many elderly as there are today, with only two people working for every one person drawing Social Security. After 2032, contributions from payroll taxes to the Social Security Trust Fund will be only enough to cover about 75 cents on the dollar of current benefits.

We know the problem. We know that if we act now, it will be easier and less painful than if we wait until later. I don't think any of you want to see America in a situation where we have to cut benefits 25 percent or raise inherently regressive payroll taxes 25 percent to deal with the challenge of the future and our obligations to our seniors.

I can tell you, I've spent a lot of time talking to the people I grew up with. Most of them are middle-class people with very modest incomes, and they are appalled at the thought that their retirement might lower the standard of living of their children or undermine their children's ability to raise their grandchildren. So let's do something now in a prudent, disciplined way that will avoid our having to make much more dramatic and distasteful decisions down the road.

Now, today we're going to discuss one of the most interesting and important issues that will affect how much it will cost to stabilize the Social Security Trust Fund and what the nature of it will be, and that is, whether and how there should be Social Security investments not just in low-risk government bonds, as the investments are made

today but also in the stock market. I think we have to be openminded about these proposals, and we also have to ask the hard questions.

One I'll start with is, in the 6 years I've been President, the value of the stock market has nearly tripled. I'm grateful for that. Can we look forward to having that happen every 6 years from now on? If not, what are the risks? What will it cost to administer such a program? If you don't have individual accounts where administration costs may be higher, what would be the dangers of having the Government, either itself or through some third party independent agency, make such investments?

I think that we just have to look at this and listen, and I hope all of you today will leave with a better understanding of both the appeal as well as the questions in each and every proposal that has been raised. As I said, I have spent a lot of time studying them. I have tried to set out the five principles by which I think we should judge any proposed reforms. And let me just briefly state them again.

First of all, I think we should reform Social Security in a way that protects the guarantee for the 21st century. We shouldn't abandon a program that has lifted our seniors out of poverty and that is reliable.

Second, I think whatever we do we should maintain universality and fairness in the program. For a half century, this has been a progressive guarantee for citizens.

Third, Social Security must provide a benefit that people can count on so they can plan for their future. Regardless of the gyrations of the markets, there must be at least a dependable foundation of retirement security.

Third, Social Security must continue to provide financial security for disabled and low-income beneficiaries. Remember, one in three Social Security recipients is not a retiree, something that is often lost on people when they comment on the relatively low rate of return of the retirement program.

Now, finally, we must maintain our hard-won fiscal discipline in anything that we do. That means, from my point of view, that any change we adopt must not lead to greater long-term projected deficits. We worked

awful hard for a generation to get our country out of the deficit mode. It's resulted in a lot of prosperity for our country. I can tell you, as I deal with other nations around the world—with the Asian financial crisis, with all the challenges other countries face—money moves around the world today in the flash of an eye. Investment is important. America will continue to be successful because of our great free enterprise system as long as we have a responsible economic policy in this country. So we should not abandon that.

Now, those are the principles that I will use when I try to evaluate all these proposals. But they don't answer the questions. These are hard questions. And every person who's on this panel of experts has worked hard to answer them. You'll see they have very different answers, but they all deserve a respectful listen from you, and you need to start, as I always try to start, by saying, "What's good about this idea? What are the positives about it? What are the inherent questions that are raised?" Try to work them through for yourself and go back and discuss them with your friends and neighbors. And most of all, let's try to keep an open, positive, old-fashioned American attitude toward this.

We dare not let this disintegrate into a partisan rhetorical battle. Senior citizens are going to be Republicans and Democrats and independents. They're going to come from all walks of life, from all income backgrounds, from every region of this country, and therefore, so will their children and their grandchildren. This is an American challenge, and we have to meet it together.

Thank you very much.

NOTE: The President spoke at 10:30 a.m. in the Johnson Center Gymnasium at the University of New Mexico. In his remarks, he referred to Mayor Jim Baca of Albuquerque; Horace B. Deets, executive director, American Association of Retired Persons (AARP); Harvey M. Meyerhoff, member, board of directors, Concord Coalition; and Carolyn J. Lukensmeyer, executive director, Americans Discuss Social Security.

## **Teleconference Remarks to Regional Social Security Forums from Albuquerque**

*July 27, 1998*

**The President.** Thank you, Ken. First of all, let me say I'd like to thank the Older Women's League who are watching in Chicago; Congressman Mike Castle of Delaware and his group; Congressman Earl Pomeroy of North Dakota, who's had such a leading role in this effort, and his group; and Congressman David Price of North Carolina. I thank you all for hosting this forum.

Our economy is the strongest it's been in a generation. We have the lowest unemployment rate in 28 years, the lowest crime rate in 25 years, the lowest percentage of our people on welfare in 29 years, the first balanced budget and surplus in 29 years, the lowest inflation rate in 32 years, the highest homeownership in history, and the smallest National Government in 35 years. But this sunlit moment is not a time to rest. Instead, it offers us a rare opportunity to prepare our Nation for the challenges ahead. And one of our greatest challenges is to strengthen Social Security for the 21st century.

As you know, I believe strongly that we must set aside every penny of any budget surplus until we have saved Social Security first. Fiscal responsibility gave us our strong economy. Fiscal irresponsibility would put it at risk. On whether we save Social Security first, I will not be moved, but on how we save Social Security, that will require us to have open minds and generous spirits. It will require listening and learning and looking for the best ideas wherever they may be. We simply must put progress ahead of partisanship.

The stakes couldn't be higher. For 60 years, Social Security has reflected our deepest values, the duties we owe to our parents, to each other, and to our children. Today, 44 million Americans depend upon Social Security. For two-thirds of our seniors, it is the main source of income. And nearly one in three beneficiaries are not retirees, for Social Security is also a life insurance policy and a disability policy, along with being a rock-solid guarantee of support in old age.

Today, Social Security is sound, but a demographic crisis is looming. By 2030, there will be twice as many elderly as there are today, with only two people working for every person drawing Social Security. After 2032, contributions from payroll taxes will only cover 75 cents on the dollar of current benefits. So we must act and act now to save Social Security.

How should we judge any comprehensive proposals to do this? I will judge them by five principles.

First, I believe we must reform Social Security in a way that strengthens and protects a guarantee for the 21st century. We shouldn't abandon a basic program that has been one of America's greatest successes.

Second, we should maintain universality and fairness. For a half-century, this has been a progressive guarantee for our citizens. We have to keep it that way.

Third, Social Security must provide a benefit people can count on. Regardless of the ups and downs of the economy or the gyrations of the financial markets, we have to provide a solid and dependable foundation for retirement security.

Fourth, Social Security must continue to provide financial security for disabled and low-income beneficiaries. We can never forget that one in three Social Security beneficiaries are not retirees.

And fifth, anything we do to strengthen Social Security now must maintain our hard-won fiscal discipline. It is the source of much of the prosperity we enjoy today.

Now, all this will require us to plan for the future, to consider new ideas, to engage in what President Roosevelt called "bold, persistent experimentation." I thank you for doing your part and for participating in this important national effort to save Social Security.

Now I'd like to hear from all of you. I guess we should start with Betty Lee Ongley of the Older Women's League in Chicago. Then we'll go on to Representative Mike Castle in Wilmington, Delaware; then to Representative Earl Pomeroy in Bismarck, North Dakota; and then to Representative David Price in Raleigh, North Carolina. So let's begin.

*[At this point, the regional discussion began.]*

**The President.** Thank you. I'll be glad to comment on that. Let's go now to Congressman Pomeroy in North Dakota. And again let me thank you all for the leading role you've played in this right from the beginning and for your efforts to increase retirement benefits generally for seniors.

[At this point, the regional discussion continued.]

**The President.** Well, first of all, let me say that we're having this forum today in Albuquerque, New Mexico, with a number of experts whose opinions range across the spectrum from believing that we should have a large portion—some believe almost half of the present payroll tax—converted over a period of 20 or 25 years into individual investment accounts, to those who believe maybe you should have a small percentage of payroll tax or a small annual payment to people for individual investment accounts, to those who believe that Social Security Trust Fund itself should invest, beginning with a modest amount, a limited amount of its funds to increase the rate of return. So let me try to answer all these questions.

Let me begin by going back to Betty Lee Ongley's question about the impact on women. First of all, I think it's quite important that we maintain in the Social Security system the life insurance benefits. Because so many women are the primary home raisers of their children—even if they're in the work force—I think maintaining this life insurance benefit for the children when the wage earner is killed or disabled is terribly important. And that is, I think, a very important thing.

Now, the second thing I would say is, I personally believe we're going to have to do some things beyond the Social Security system to help women to deal with the fact that they live longer and that today their earnings base is not as great because they're out of the work force for an average of 11 years.

On the question of getting pay up, I think that there is legislation in Congress that would deal with the equal pay issue, which would solve some of the other problems. And I would like to see more aggressive work done on that, to do even more work to enforce the equal pay requirements of our law for women. So, if I could just leave that there.

Now, let me move into the questions raised by the other people who called. And I want to give Ken Apfel a chance to talk, especially if I make a technical mistake.

In various ways, you all asked the same questions about the private accounts. First of all, let's back up and realize why we're dealing with this. By 2030, there will be only two people working for every one person drawing Social Security. The average rate of return on the investment any worker makes on Social Security will go down as more people live longer and more people are in the retirement fund, because Government securities, while they're 100 percent certain, don't have a particularly high rate of return, like any kind of 100 percent certain investment.

So the question is then raised, well, if—over any 30- or 40-year period, an investment portfolio that, let's say, was 60 percent in stocks and 40 percent in government bonds, or 40 and 60 the other way, would have an average rate of return far higher. And even after you take account of the stock market going down and maybe staying down for a few years, shouldn't we consider investing some of this money, because, otherwise, we'll have to either cut benefits or raise taxes to cover them if we can't raise the rate of return. So—and I think those are the three main options.

And younger people especially, many of whom are used to doing things on their own, accessing information over the Internet, and also have only experienced a growing stock market, which has been growing since 1980, and which, since 1993, has virtually tripled, have been especially interested in these individual accounts. So let me just try to deal with these issues.

First of all, what about individual accounts and how could we set them up? There are, I think, basically two basic options that have been advanced. One is, should we take a one percent or two percent, or some percentage of the payroll tax and, instead of putting that into Social Security, put it into a mandatory savings account for workers, and then they can invest it in stocks if they like? What's the downside of that? The downside of that is twofold. Basically, your investments might lose money, and you might not be so well-off with them when you retire, so that the

combination of your investment fund, plus your guaranteed Social Security fund might be smaller than would have otherwise been the case.

The second issue that's related to that is that if individuals are investing like this, the administrative costs of managing it can be quite high, much, much higher than Social Security, so that even though you might earn a higher rate of return, a lot of it would be taken right back from the people who are handling your account. So we have to work through that.

What about having the Government do it? What about having everybody have an account, a number, in effect, attached to their name for this money but having some public source invest this money? Congressman Castle asked a question, as well as Congressman Price, and I think Mr. Weber in North Dakota asked this question.

Now, the virtue of that is that if the Government were making these investments, you could do two things. Number one, you'd have much lower administrative costs. Number two, you could protect people who retire in the bad years, because you would average the benefits. And as I said, as we know, over any 30- or 40-year period—and the average person will work 40 years—the average rate of returns are higher. So you could always reap the average rate of return.

Now, if you were a particularly brilliant investor, you'd get less than you would have if you'd done it on your own, but on the other hand, you wouldn't get burned. And if you happen to be among unfortunate people who retired in a long period where the market wasn't doing well, like it was in between 1966 and 1982, you'd still be held harmless for that because of the overall performance of the market.

People worry about having the Government invest that much money. There may be a way to set up an independent board immunized from political pressure to do it, but still, that would be a whole lot of money coming from, in effect, one source, going into the stock market. So we're looking at the experience of Canada and some other countries to see what we can learn about that. And we're also looking at the experience of Chile, as a place where they've used individual ac-

counts, to see what the pluses and minuses are.

I think—what I would like to say is, if we go down this road, we need to make sure that behind this there's still a rock-solid guarantee of a threshold retirement that people will be able to survive on. And then we can debate the relative merits of these individual accounts versus individual guarantees within these bigger units. But I think I've given you the main arguments, pro and con, of both the individual accounts and the Government units—Government investment—I'm sorry.

Let me just add one thing, if I might, because I think it was Mr. Weber who talked about a lot of—either that or Congressman Pomeroy talked about a lot of the people in North Dakota that depend upon Social Security have very modest incomes from the farm or from other sources. One kind of modified proposal that has been debated is the question of whether, instead of dedicating a percentage of payroll to an individual account we should use the surpluses over the next several years to guarantee workers, let's say, \$500 a year.

If you did that, obviously, as a percentage of income—and that would amount to quite a bit after a few years of getting that \$500 check in an investment account—obviously, as a percentage of income, the impact on lower wage workers would be far greater than the impact on higher income workers, because the \$500, and then the 1,000 and then the 1,500 and 2,000 and so on, would be a much bigger percentage of a lower-wage worker's income than just giving everybody one percent of payroll. So the dollars would be much bigger if your payroll was bigger.

So that's another thing we've been asked to consider by various people, whether or not the fairest way to do it would be to just give a cash grant into the account of each Social Security-covered person who is paying in. And that's also being debated. And you all may have an opinion about that you want to forward to us.

[At this point, the regional discussion continued.]

**The President.** I would also emphasize—and again, I don't want to further complicate this discussion—but I believe we have to do

two things. I think we have to reform Social Security in a way that makes it viable and available for the baby boom generation when all of us get into retirement age, and it doesn't bankrupt our children or our children's ability to raise our grandchildren.

But over and above that, we have to do some other things, which a number of the Members of Congress who are here in New Mexico and out there at these forums have been interested in, to increase the options for retirement savings beyond Social Security. Right now, Social Security is responsible for lifting about half the American senior population out of poverty who would be in poverty without it.

But most seniors do not rely solely on Social Security. And more and more seniors, as we live longer, will need other sources of income, as well. So we're going to work hard on this, but we're also working on legislation to provide other avenues of retirement savings over and above this.

Thank you very much, all of you, for joining us. Commissioner Apfel and I are going to go back to work here in Albuquerque, and we're going to try to listen to the arguments of these experts on the questions you've asked: Should the Government invest in private securities, in the stock market, or should Social Security funds be invested in the stock market? And if so, should it be done by a public entity, or should it be done by individuals with individual accounts? And we'll try to get the pros and cons out and make sure they're widely publicized, and we welcome your views, as well.

Thank you.

NOTE: The President spoke at 11:35 a.m. by satellite from Room 124 of the Johnson Center Gymnasium, University of New Mexico, to four local forums located in Wilmington, DE; Chicago, IL; Bismarck, ND; and Raleigh, NC. In his remarks, he referred to Commissioner of Social Security Kenneth S. Apfel; Betty Lee Ongley, president, Older Women's League; and Richard Weber, vice president of administrative services, Basin Electric Power Cooperative.

### Remarks in a National Social Security Forum Townhall Meeting in Albuquerque

July 27, 1998

[Moderator Gloria Berger, *US News and World Report*, explained that she would take questions from the audience but first asked the President to comment on a *USA Today* poll in which two-thirds of the voters liked the idea of private investment accounts, but most also did not want the Government investing their money for them.]

**The President.** Well, I think there are a couple of explanations. First of all, we live in a time where people are using technology to become more and more self-sufficient and to get more and more information directly. I mean, the Internet is the fastest growing communications organism in human history. So I think that.

Secondly, I think there's always been a healthy skepticism of Government. And thirdly, the Government hasn't been in very great favor over the last 17 or 18 years, although it's doing better now than it was a few years ago.

Now, I think—in public esteem—all the surveys also show that. I think the real question is, from my point of view, we ought to get down to the merits of this. The first question you have to ask yourself is, should a portion of the Social Security tax funds go into securities, into stocks? And if they should go into stocks or into corporate bonds, should that decision be made according to individual accounts, or should they be invested en masse either by the Government or by some sort of nonprofit, nonpolitical corporation set up to handle this?

And I think there are genuine concerns. For example, if the Government did it and they invested the money in stocks, would private retirement funds just have to make up the difference by buying Government bonds, or would there be no aggregate increase in saving or investment in the country? Would it give the Government too much influence over any company or any sector of our economy?

But I think most people just think, “If there is going to be a risk taken, I’d rather take it than have the Government take it for me.” I don’t think it’s very complicated, so I think that those who believe that it’s safer and better for people to have the public do the investing—or the Government do the investment—have to bear that burden. Those who favor, by the way, having individual accounts, have to ask what happens to people who happen to retire after the market has gone down for 5 years. So there are problems with both approaches, and benefits.

*[An audience member asked if the Government would guarantee current benefits if individual accounts were exhausted by old age, bad investments, or market downturns; if doing so would create another problem; or if not doing so would inevitably plunge old people into poverty.]*

**The President.** Well, why don’t we let—I think those are good questions, but I think there are answers to them. And maybe I should let either Dr. Weaver or Professor Boskin answer, and then if I want to add anything, or any of the members do, we can.

*[At this point, Carolyn Weaver, American Enterprise Institute, suggested that at least a portion of personal account accumulations should be converted into some type of annuity or withdrawal on a phased basis so that the individual does not exhaust those funds. Professor Michael Boskin, Hoover Institution, agreed, explaining that an annuity is an annual or monthly payment for a lifetime but that paying benefits for current and future retirees plus the individual accounts would create trillions of dollars of debt. Professor Peter Diamond, Massachusetts Institute of Technology, added that annuities carry an extra cost element to the insurance companies and voiced concern that, when people want early access to their money upon retirement, requiring everyone to buy annuities might be a major political question for future Congresses. Senator Pete Domenici suggested to avoid a risk of a downturn at the end, investment firms would be required to invest in less risky accounts for a person in the last 5 to 7 years prior to retirement. Professor Boskin noted that, historically, long term investment in the stock market has accumu-*

*lated vastly more than investing in Government bonds. An audience member asked about the experience in Chile and Australia in terms of the costs and the benefits and the risks of setting up private accounts.]*

**The President.** I would invite everybody to comment on Chile and Australia and maybe on the UK and now on Canada, since Canada is investing the money directly. And maybe if you all could give us whatever information you have about that—in whatever order.

Jim, do you want to start?

*[Congressman Jim Kolbe said that Chile has been successful over the last 18 years in going to total privatization, despite a bad economy. He also said that Britain, Australia, Mexico, and most of Latin America have been pleased with their system of individual accounts. Professor Diamond said that the administrative costs are high in Chile; in Britain, which has a voluntary opt-out system, the costs are even higher; and in Australia, where the employer must set up the system, the employees sometimes do not get any choices, and account spending is not regulated, which often leaves survivors with nothing but poverty support from the Government. Representative Xavier Becerra cautioned that because the United States is very different from other countries, our solution must be unique. Ms. Weaver agreed but pointed out that under the Chilean system, people always know precisely what they have accumulated and how to adjust their savings and retirement date. An audience member then asked if it would be possible to rely on watchdog organizations to either cap fees associated with the privatization and individual accounts or allow a limited amount of profit per transaction.]*

**The President.** Well, I think maybe Mr. Boskin, haven’t you commented on that before? I think Michael has—at least I believe, in the preparation I did running up to this, that the most forceful advocates of individual accounts have recognized that it might be necessary to have some kind of limit on the individual administrative costs.

One of the problems in Chile has been that they’ve got all these different people competing for your account. And if they’re competing to give you higher return for

lower costs, that's good. They offer people vacation trips and then when the market is down maybe they offer them toasters, I don't know. But there are a lot of built-in costs, and you might be able to get the best of both worlds at least on the costs, that is, to have the individuals do the investments, make the investment decisions. I think there would be ways to put caps on the aggregate costs.

*[Professor Boskin agreed that fees should be uniform to avoid hurting low income people with small accounts and suggested that competition would keep costs down. Professor Diamond pointed out that regulating fees could be tricky.]*

**The President.** In fairness now—I should say, I'm very grateful for a lot of the work that Professor Diamond has done, and I'm very sympathetic with a lot of it. But I don't think that's a very good argument. I mean, we have a Securities and Exchange Commission to regulate the stock market. We have more than one Federal agency that overlooks various aspects of what our banks do. And one of the reasons that our market economy works so well is that we have basic Government intermediary institutions that set rules and regulations and parameters. And that's how we get the benefit of the market without having to bear all the downsides.

So I would think that nearly everybody would want some sort of Government regulation if we were to get into this. But that doesn't necessarily mean that direct investment by the Government would be better than the individual investment. It doesn't answer the question one way or the other. I don't mean that it—but I think that, to me, that's not a reason to attack this. I think we should all—that's what we do in almost every major area of our national life.

*[Professor Diamond responded that additional regulation would be needed but that he was concerned about regulation of prices, not regulation about safety and soundness of financial institutions.]*

**The President.** You all may want to ask some more questions; I don't want to interrupt anymore. But I think it's important. We're not just talking about price here. One of the major issues is—sometimes I think we

get into one little thing, and we forget how it fits into the big picture. So let me just back up.

Suppose you took—I'll take the simplest case—suppose you said we're going to give everybody one percent of payroll to invest in an individual account, okay—and we're going to take all the rest of the payroll and keep on paying Social Security, but we're going to reduce the basic guaranteed benefit, both because we can't afford it because of what's happening to population and life expectancy, and because we just took a percent out of payroll. That's the bad news. The good news is we think you'll get a bigger benefit out of the one percent. Right? That's the argument here.

Now, on the administrative costs, what you have to figure out is, it will be more expensive administratively—I don't care what we do—than having the Social Security Administration or the Government run it all. Why? Because of just economies of scale. But if you get a much bigger rate of return, then you're still ahead.

So what you have to do is calculate all these things. And all these folks in Congress here are going to have to figure it out, too. So I just ask you, don't forget what the framework here is. And one big thing we haven't discussed is—although our panelists did while I was out of the room, because I watched them—it's not just the administrative costs, it's what are the range of investment decisions that will be available to American citizens for their payroll tax in their individual account? Are there any investment decisions they won't be able to make? And then, how will they get the information necessary, the advice necessary to make good decisions and how is that figured into the costs? I think you have to look at it like that. What you want to know is, where are you going to come out on the other end of this deal in all probability.

*[Robert Reischauer, Brookings Institute, discussed with Representative Kolbe and Professor Boskin what might happen if Social Security benefits were reduced and people invested unwisely or unluckily in their private accounts. An audience member then asked*

*who would pay for the transition to privatization and suggested that the program follow the lead of the Federal Employees Retirement System, incorporating a traditional pension, Social Security, and a private investment plan. Congressman Kolbe agreed that the Thrift Savings Plan was a possible solution.]*

**The President.** Go ahead, Michael.

*[Professor Boskin said that a plan that compounded at a higher rate would offer benefits that exceed the transition costs, as well as addressing unfunded liabilities under the current system.]*

**The President.** Maybe I could say this at a little—I keep trying to get back to the basic thing. If we don't do anything, sometime in about 35 years, we're going to have to—Senator Domenici said 50 percent; I think it comes a little later than that, 50 percent. But let's say in 2030, we run out of money. We're going to have to do one of three things: We're either going to have to raise the payroll tax by quite a lot; we're going to have to cut benefits by quite a lot; or we're going to have to have the Government stop doing a huge percentage of everything else its doing, most of which are things that you believe we should be doing, and just put the money into Social Security.

So we really got into this whole discussion, both if you take Professor Reischauer's view that the Government should invest more in equities to get a higher rate of return or the view expressed by Dr. Weaver that individual accounts should do it—we got into this discussion to figure out whether we could have, at acceptable risk, a higher rate of return on the money that's already there so we wouldn't have to raise taxes, cut benefits dramatically, or shut down a whole lot of the rest of the Government. So there's going to be a transition cost regardless.

Now, one of the things that I want to compliment all these Members of Congress here for doing, we want to avoid having to have a big tax increase for the transition, which is why we're trying to hold on to this surplus we've got for the first time in 29 years, because whatever we decide to do with this, we're going to have to commit a substantial

part of the money that has been accumulated or will be accumulated to fund that.

And I want to ask you one question. Are you saying that you would support some portion of the payroll tax being made available for individual accounts if retirees, or future retirees—savers, workers—also had the option to opt into a system like the one we've got, so you could choose the one we have or you could choose one with a smaller guaranteed benefit and more investment? Is that what you're saying? I just want to make sure because I think that's something we need to know.

*[Mr. Reischauer said that the Federal employee system would not solve the problem if Social Security were cut. Senator Bingaman voiced concern that if money were taken out of the payroll tax to finance individual retirement accounts, then benefits would have to be cut and the retirement age would have to be raised. Audience members then discussed how to invest the budget surplus.]*

**The President.** The point is, though—I agree that we have a surplus because, basically, we're still getting more money every year in from Social Security taxes than we're paying out in retirement on a current basis. And the money, therefore, is invested in bonds, and when it pays back, the Government has it to pay retirement later.

But—so that's fine. But the real question is, can we get a higher rate of return in the future for a fixed amount of money that's going to be invested by the American people in their retirement through the taxes of their employers and themselves than we have gotten in the past? Because if we can get a higher rate of return, then even though there will be fewer people working compared to the people retired, people can have a comfortable, decent retirement; we'll be earning more for the money we've got. That's really the question. Is there a safer way to do that?

Now, I'd like to ask Mr. Reischauer a question; then we'll go back to the audience. You make a very compelling argument that economically there's no difference in having individuals do it and having the Government do it, or having the Government set up somebody to do it, except that there's far less risk

on the individual, you can average the benefits, and if somebody retires in a bad year or if there's 5 bad years in a row—like in Japan, which 8 years ago, everybody would say we should do everything they do; now for 5 years, their stock market has lost half its value—if somebody has 5 of those bad years, if the Government is doing it in the aggregate, it is true that over any 40-year period, the return will still be greater—even in Japan I think that's true, even now—but you protect people from those bad years, as well as from their own mistakes.

How will you ever convince the American people of that, since they always believe the Government would mess up a two-car parade? [*Laughter*] I mean, even if you're right, politically, how do we ever—how do you make that sale to the American people?

**Mr. Reischauer.** Well, Mr. President, it's not in my job description to defend the Federal Government. [*Laughter*]

**The President.** Well, you tell me how to do it then.

[*Mr. Reischauer suggested setting up an institution that would be protected from interference of politicians and, by law, would be required to invest passively, by selecting a little of all available stocks and bonds. An audience member asked who would make the final decision if there were no bipartisan agreement.*]

**The President.** Well, I think what we're—let me just say what the good news is about this panel. You may leave here more confused than you came in about the details of these options. And if so, I would tell you that's a good thing, not a bad thing. I've been working very seriously on this for a couple of years; these are complex problems. But I think that there is the good news here, which is that most of us have been on opposite sides of a bunch of issues over the last 20 years, and we all believe that we have to act now rather than later.

Keep in mind, every year we let go by, all options become less attractive and require greater risk and more exertion. So, as compared with 10 years from now, anything we would do today is quite modest in scope and has the opportunity to build in more protections. And because you're 32, I think I should

also emphasize that under all these options, nearly everybody believes we have to guarantee the system as it is for people, let's say, at 55 and up, and then some period of transition, and ultimate protections built into the system over the long run.

So I think that you don't have any guarantee. If nobody ever makes this decision, then 35 years from now the system will run out of money and the market will make the decision. I mean, people will stop getting checks, or there will be a big tax increase, or we'll shut down a whole bunch of the Government to pay the difference.

So that's why I think that you should feel good. There is a big bipartisan consensus, I think, in the Congress that we have to reach agreement, and we have to act, and we have to do it soon.

[*An audience member asked what the President would do if it were entirely up to him and a decision had to be made today.*]

**The President.** If I answered that question today, it would make it less likely the decision would be made. That's the truth. You have to understand—let me just say—and I'm not dodging this. I honestly don't know what I would do today, because I have—and I've spent hours and hours just getting ready for this meeting, trying to master all the details of the various plans that the people at this table have proposed.

I don't know what I would do. But I am open to the idea that if we can get a higher rate of return in some fashion than we have been getting in the past, while being fair to everybody, and guaranteeing that we'll still be lifting the same percentage of people out of poverty, we ought to be open to those options. Because I think that's better than raising the payroll tax a lot more—because it's a regressive tax and, for example, more and more people work for small business, and if you're a small-business person you've got to pay a payroll tax whether you make any money or not. Seventy percent of the people pay more payroll tax than they do income tax today, working people. And I'd hate to do that.

I don't want to cut benefits substantially because most people have something besides Social Security, but Social Security alone lifts

half our seniors out of poverty—48 percent, literally. And we've got the smallest Government we've had in 35 years, and I don't want to close down the National Park Service or stop supporting education or stop running our environmental protection programs. And we've cut the national defense about all we can, given our present responsibilities in the world and our need to modernize it.

So the reason I'm here with you is I think all these people deserve to be heard, because if there's any way we can get a higher rate of return in a market economy, while minimizing the risk, whether it's in either one of these approaches, we ought to go for it, because the other alternatives are much less pleasant already. And if we wait around for 5 or 10 years, they're going to get a whole lot worse than they are today.

[An audience member asked if the privatized retirement system would maintain the insurance, disability benefits, and survivors' benefits of the present Social Security system. Professor Boskin, Representative Kolbe, Mr. Diamond, Senator Domenici, and Representative Becerra discussed how the disability and survivor benefits could be maintained.]

**The President.** Can I ask a question here? I would like to ask the Social Security Commissioner or someone else here who's in the audience or with our staff to come up and give me the answer to the question the gentleman asked about disability—the exact answer. About a third of the people who draw Social Security checks are either dependents of people who were killed or disabled on the work force or disabled people themselves. So I want somebody to come bring me that information and how much it's grown, and I'll give it to you precisely.

[Ms. Weaver voiced concern about the growing number of people drawing disability benefits.]

**The President.** Commissioner Apfel just said that the number of people drawing disability has grown dramatically from more or less equally from two sources: One is the addition of mental impairments to physical ones; the other is the aging of the baby boom generation because the rate of disability increases as you approach age 50. So for people

like from their late forties until retirement age not drawing Social Security, there's significantly increased number of people because there are just more baby boomers in that age group now.

[An audience member suggested raising the ceiling for incomes subject to Social Security tax.]

**The President.** Let me say, first of all, the incomes of American people have grown to the point now that there is a larger percentage of people who get the benefit of the cap than there used to be. That is, a higher percentage of our people—I forget what it is, maybe one of you know—but most Americans are under the cap. That is, most Americans have income under the tax cap.

People at higher income levels pay higher tax rates on their Social Security incomes than people at lower income levels. And I think that's—one of the reasons that the cap has not been raised at least a dramatic amount more is to avoid having it be an actual negative investment for the people involved, where you're just taxing people's payroll far more than they'll ever get back, and they're just subsidizing the system. The way it is now, it happens a little bit, but not much. And people at higher incomes, once they start to draw that Social Security, do pay a higher rate of tax on it than people at lower incomes.

Michael, you wanted—anybody else want to say anything?

[Professor Boskin, Ms. Weaver, Representative Becerra, Senator Kolbe, and Senator Domenici discussed taking both the tax side and benefit side need into careful consideration so that all Americans would still feel that Social Security is a good investment.]

**Ms. Borger.** Mr. President, we only have a few minutes left in this forum, and I just wanted to give you the opportunity to give us your final thoughts about what's occurred here today, and what's coming in the future.

**The President.** Well, I'd like to go back to the question the gentleman asked me when he said, "If this were up to you, and you had to decide today, what would you do if you were all by yourself?" There may come a time when I wish that we have so many

headaches working this out, I wish it were just my decision to make, all by myself.

I think it's important for me and for the others in the Congress who care about this to maintain—but especially for the President—to maintain an open mind as much as possible now, because I don't want a particular proposal just because it's been endorsed by me to have to be supported or opposed by other people because of their political position. I'm doing my best to keep this a matter of people and progress over partisan politics.

But I also want to make it clear to you that I honestly, myself, have not made up my mind exactly what I think we ought to do on this because, as you can hear from this debate, there are arguments on both sides of all proposals, and it's a rather complicated matter.

I can tell you this: I want a guaranteed benefit. I want it to be fair and progressive and universal. I want to have the best earnings we possibly can within that framework. And I don't want to come to a point down the road where we have to wreck the financial responsibility we worked so hard to bring into this country to give us our present prosperity to pay for the retirement of my generation because we didn't have the responsibility to take action now, when we should.

And I think if we can stay with these general principles and continue to learn and explore all these debates and learn as much as we can from the experiences of other countries—we didn't have a chance to get into this today, but you all laughed when I was kidding Mr. Reischauer about the popular skepticism of Government making these investments. But Canada is starting to do it, and we'll have a chance to watch them and see how they do it and see how they deal with some of the objections that have been raised.

So I think that what I would urge you to do is to continue to learn about this. If you know what you think, make your voices heard. And support your Senators and your Congressmen in saying that we have to act on this, and we have to do it next year because we can't afford to wait. We're taking this year, studying, raising public awareness, presenting all the alternatives to people. By

next year we'll be ready to act and we should do it.

And if we have the support of the people in this room, that vary across age and income groups and all kinds of other ways, then we'll be able to do what's right for America because we will be doing the work of democracy.

Thank you very much.

NOTE: The discussion began at 12:48 p.m. in the Johnson Center Gymnasium at the University of New Mexico. In his remarks, the President referred to Commissioner of Social Security Kenneth Apfel. The panel included Carolyn L. Weaver, resident scholar, American Enterprise Institute; Fernando Torres-Gil, director, Center for Policy Research on Aging, University of California Los Angeles; Robert D. Reischauer, senior fellow, Brookings Institute; Michael J. Boskin, senior fellow, Hoover Institution; and Peter A. Diamond, institute professor, Massachusetts Institute of Technology. Moderator Gloria Borger was assisted by Matt Miller and Susan Dantzer. Vice President Al Gore participated in a panel discussion at a National Social Security Forum, also sponsored by the American Association of Retired Persons and the Concord Coalition, in Cranston, Rhode Island, on July 1. A portion of these remarks could not be verified because the tape was incomplete.

### **Remarks at a Reception for Gubernatorial Candidate Martin J. Chavez in Albuquerque**

*July 27, 1998*

**The President.** Thank you. Thank you very much. Thank you for your muted welcome. [*Laughter*] I am delighted to be here.

**Audience members.** We love for you to be here. [*Laughter*]

**The President.** Thank you. I'm glad to be here for Marty and Margaret, and Diane and Herb, and all the Democratic ticket. I'm honored to be on the platform with Senator Bingaman. And I am very grateful that a man I first met and began to admire almost 30 years ago, Fred Harris, is now the chairman of the Democratic Party in New Mexico. Thank you.

I want to thank all the State officials who are here and the mayor and the speaker and the former State chairs, who are my friends,

and all the candidates. But I have to say a special word. You have been so good to me and to Hillary and to the Vice President. New Mexico has voted twice for our ticket and has played a major role in a lot of the policies we have implemented. I almost feel embarrassed to ask you to do anything else just for us, but if you really wanted to do me a favor, you'd send Shirley Baca and Tom Udall and Phil Maloof to Congress and give me a Congress we can work with.

And I want to make one specific comment, and that is, I would ask that people in New Mexico who have voted in the past, for whatever reason, for the Green Party, but who honestly care about that environment, to take another look at the consequences of their votes. And I would like to just mention one thing, just for example, that affects New Mexico.

I've worked hard with Tom Udall and with Jeff Bingaman, who has worn me out about this—[laughter]—to try to get the Baca Ranch preserved. It is the largest volcanic crater in the United States. It's home to one of our biggest wild elk herds. It's an investment not just in the environment but in the long-term economic well-being of New Mexico. I believe the preservation of your natural resources is the key to the new economy of the entire Southwest.

It's one of several places in New Mexico that I have proposed to preserve, on a list of 100 I have sent to Congress. I sent the list to Congress in February. Let me just tell you how it works. We get money approved for these projects, but then under the law I have to send them to Congress, and they have to approve the release of money for the projects.

I sent the list up in February. In April, on Earth Day, I asked again for the money to be released. It's now nearly August, and there's still been no action. Now, it seems to me that that's one more example, here in New Mexico, where the Democratic Party is on the side of responsible, constructive environmentalism. And I would hope that all people would look at that before going to the polls again in November and voting in these congressional races.

In a larger sense, let me say that I have been trying since I first came to New Mexico

as a candidate to try to prepare this great country of ours for a new century which is very different than the times in which most of us grew up, the times in which our parents lived. Think about what the characteristics of tomorrow will be, not just for someone in Los Angeles or Silicon Valley or New York City or Boston but for someone in Albuquerque or Little Rock or the smallest town in New Mexico or my home State of Arkansas.

No matter how small, you live in a global economy that is basically growing by ideas. The fastest growing thing in the world today is the Internet—by far—fastest growing organism in history, social organism in history. And it is a metaphor, a symbol of how this economy is both going global and rooted in new ideas.

I met a young man yesterday in Colorado who was telling me his story about how he was just a middle class young guy that had an idea, and he's about to take his company public, and he's worth more than he knew existed in the world just 10 years ago because America gave him a chance but also because he understood where tomorrow will be.

Now, in that kind of economy, the second thing we know is that education for everybody will be more important than ever before. It's always been a personal advantage to have a good education. Now we know our whole country depends upon building the finest opportunities in elementary and secondary education for every child in this country, without regard to their income, their race, their background, or whether they live on a reservation or in a rural community or an inner-city neighborhood.

The third thing we know is that the economy depends upon having an environment that is not only preserved, but it is to some extent, improved. You know, I've just been—you've been seeing all these fires in Florida. We've had 20 days of 100 degree temperature or higher, or above, from Dallas, east, across the whole wide swath of America. The 9 hottest years ever recorded in the history have occurred in the last 11 years; 1997 was the hottest year ever recorded. Every month of 1998 has broken the 1997 record. Now, my daughter's friends used to say, "Denial is not just a river in Egypt." [Laughter] We

can grow the economy and have a responsible environmental policy. We can do that, but we have to make a decision to do it. And we have to understand it's one of the big issues out there.

What are the other big issues? I'll just—we can't forget the human element in a global economy. We can't let people get left behind. That's why I'm fighting so hard for this Patients' Bill of Rights. In an economy that is increasingly based on ideas and information and organization, the human element can get left behind. One of the things our party has always done is to remind people of the human element. I'm proud of that. And I think that we have proved in the last 6 years you can take care of the human element; you can take care of the environment; and you can still grow the economy if you do it right.

And the last point I want to make is—and if you look around this room today, you see it illustrated—the world we're living in will reward nations that can reflect that world in the best sense. How much of your time as President have I had to spend dealing with other people's religious, racial, and ethnic conflicts? As America grows ever more diverse, if you want us to do good in a world like that, we have to be good at home. We have to reflect the best of America.

And what's all that got to do with Marty and Diane? I'll tell you what. In this economy that we've produced, I've tried to actually reduce the role of the Federal Government in inessential areas, delegate more to the States where I thought it was appropriate. We now have the smallest Federal Government we've had in 35 years. What does that mean? That means it matters a whole lot more who the Governor is. It matters what the education policy of the State is. It matters what the policy is of moving people from welfare to work and whether you're helping people raise their kids as well as expecting them to work if they're able-bodied. It matters what the environmental policy of the State is. These things matter.

It matters. We passed, in the balanced budget bill, we passed funds to give the States the ability to insure another 5 million kids who don't have any health insurance. But the Federal Government is not doing it;

the State is doing it with money we gave them. Therefore, it really matters whether a Governor wakes up every morning worrying about whether some kid somewhere in New Mexico who might get sick, whose family doesn't have any health insurance.

So it is not enough, as important as it is, for you to make the right decisions for Senator and Congress and for President in the year 2000. It really matters to the shape of your children's future who the Governor of this State is. It matters who the Lieutenant Governor is. It matters if they have an approach that is consistent with your values and if they really care about how you're going to live in this great new 21st century.

So I'm proud to be here because New Mexico has done a lot for me and for my family and for our administration. But New Mexico should now do itself a favor and elect this great ticket.

Thank you, and God bless you.

NOTE: The President spoke at approximately 2:35 p.m. in the Regal and Registry Room at the Sheraton Uptown Hotel. In his remarks, he referred to Mr. Chavez's wife, Margaret; Diane Denish, candidate for Lt. Gov. and her husband, Herb; Mayor Jim Baca of Albuquerque; Raymond G. Sanchez, speaker, New Mexico House of Representatives; and Shirley Baca, Tom Udall, and Phillip Maloof, candidates for New Mexico's Second, Third, and First Congressional Districts, respectively. A tape was not available for verification of the content of these remarks.

### **Executive Order 13093—American Heritage Rivers, Amending Executive Orders 13061 and 13080**

*July 27, 1998*

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to increase the number of rivers that the President may designate as American Heritage Rivers, it is hereby ordered that the second sentence of both section 2(d)(1) of Executive Order 13061 and of section 2(a) of Executive

Order 13080 are amended by deleting “ten” and inserting “up to 20” in lieu thereof.

**William J. Clinton**

The White House,  
July 27, 1998.

[Filed with the Office of the Federal Register,  
8:45 a.m., July 28, 1998]

NOTE: This Executive order was published in the  
*Federal Register* on July 29.

**Remarks at the Congressional  
Tribute Honoring Officer Jacob J.  
Chestnut and Detective  
John M. Gibson**

*July 28, 1998*

To the Chestnut and Gibson families and my fellow Americans, the Bible defines a good life thusly: “To love justice, to do mercy, and to walk humbly with thy God.”

Officer J.J. Chestnut and Detective John Gibson loved justice. The story of what they did here on Friday in the line of duty is already a legend. It is fitting that we gather here to honor these two American heroes, here in this hallowed chamber that has known so many heroes, in this Capitol they gave their lives to defend.

And we thank their families for enduring the pain and extra burden of joining us here today. For they remind us that what makes our democracy strong is not only what Congress may enact or a President may achieve; even more, it is the countless individual citizens who live our ideals out every day, the innumerable acts of heroism that go unnoticed, and especially, it is the quiet courage and uncommon bravery of Americans like J.J. Chestnut and John Gibson and, indeed, every one of the 81 police officers who just this year have given their lives to ensure our domestic tranquility.

John Gibson and J.J. Chestnut also did mercy in giving their lives to save the lives of their fellow citizens. We honor them today, and in so doing, we honor also the hundreds of thousands of other officers, including all of their comrades, who stand ready every day to do the same. They make it seem so ordinary, so expected, asking for

no awards or acknowledgement, that most of us do not always appreciate—indeed, most of the time we do not even see—their daily sacrifice. Until crisis reveals their courage, we do not see how truly special they are. And so they walked humbly.

To the Gibsons, to Lyn, Kristen, Jack, and Danny, to the Chestnuts, Wenling, Joseph, Janice, Janet, Karen, and William, to the parents, the brothers, the siblings, the friends here, you always knew that John and J.J. were special. Now the whole world knows as well.

Today we mourn their loss, and we celebrate their lives. Our words are such poor replacements for the joys of family and friends, the turning of the seasons, the rhythms of normal life that should rightfully have been theirs. But we offer them to you from a grateful Nation, profoundly grateful that in doing their duty, they saved lives; they consecrated this house of freedom; and they fulfilled our Lord’s definition of a good life. They loved justice. They did mercy. Now and forever, they walk humbly with their God.

NOTE: The President spoke at 3:30 p.m. in the United States Capitol Rotunda. The transcript made available by the Office of the Press Secretary also included the remarks of Vice President Al Gore. Officer Chestnut and Detective Gibson died as a result of gunshot wounds suffered during an attack at the Capitol on July 24.

**Statement on the Resolution of the  
United Auto Workers Strike at  
General Motors**

*July 28, 1998*

I am pleased that the United Auto Workers and General Motors have resolved their differences today. Getting GM back to work is a win-win solution—a victory for the company and its employees and a victory for all Americans. It also shows that the collective bargaining process works. American companies can remain competitive in the world economy while providing good jobs and good benefits for their employees.

I would like to thank Secretary of Labor Alexis Herman, who worked night and day behind the scenes to keep both parties working toward a resolution. She and her team

deserve a great deal of credit for their patience and determination in the effort to help bring this dispute to a close.

### **Statement on Expanding the Executive Order on Proliferation of Weapons of Mass Destruction**

*July 28, 1998*

Today, I am expanding existing Executive order authority to enhance America's ability to deal with one of the toughest security challenges we face: the spread of weapons of mass destruction and missiles to deliver such weapons.

Two weeks ago, the Russian Government announced it was investigating a number of Russian entities suspected of violating weapons of mass destruction export control provisions.

Today's Executive order amendment will allow us to respond more effectively to evidence that foreign entities around the world, such as these Russian entities, have assisted in the transfer of dangerous weapons and weapons technologies. The United States will use the amended Executive order, along with other existing authorities, to bar assistance to seven of the entities identified by Russia, as well as to bar exports to and imports from these entities.

The new Executive order amends Executive Order 12938, issued in 1994, in key respects:

- The amended E.O. addresses not only transfers of chemical and biological weapons, as provided in the original E.O., but also nuclear weapons and missiles capable of delivering weapons of mass destruction;
- The amended E.O. imposes penalties not only where a transfer has been carried out, as provided in the original E.O., but also in the event of an attempt to transfer;
- The amended E.O. expressly expands the range of potential penalties on entities that have contributed to proliferation. Penalties include prohibition of U.S. Government assistance to the entity and prohibition of imports into the

U.S., or U.S. Government procurement of goods, technology, and services.

The amended E.O. ensures that our Government has the necessary flexibility in deciding when and to what extent to impose penalties. In the fight to stem the spread of dangerous weaponry, we must be resourceful and focus on doing what works. Being able to offer both incentives and disincentives enhances our capacity to deal with these threats. I will continue to work with Congress to ensure that America's policy provides tough penalties—and also sufficient flexibility to give us the best chance to achieve positive results.

My administration is working actively with our friends and allies around the world to prevent the proliferation of weapons of mass destruction. We are encouraged by recent commitments by Russia, by our European allies, and others to increase their efforts, and we will continue to press for even stronger commitments.

### **Executive Order 13094—Proliferation of Weapons of Mass Destruction**

*July 28, 1998*

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), the Arms Export Control Act (22 U.S.C. 2751 *et seq.*) (AECA), and section 301 of title 3, United States Code,

**I, William J. Clinton**, President of the United States of America, in order to take additional steps with respect to the proliferation of weapons of mass destruction and means of delivering them and the national emergency described and declared in Executive Order 12938 of November 14, 1994, hereby order:

#### **Section 1. Amendment of Executive Order 12938.**

(a) Section 4 of Executive Order 12938 of November 14, 1994, is revised to read as follows:

*“Sec. 4. Measures Against Foreign Persons.*

(a) *Determination by Secretary of State; Imposition of Measures.* Except to the extent provided in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), where applicable, if the Secretary of State determines that a foreign person, on or after November 16, 1990, the effective date of Executive Order 12735, the predecessor order to Executive Order 12938, has materially contributed or attempted to contribute materially to the efforts of any foreign country, project, or entity of proliferation concern to use, acquire, design, develop, produce, or stockpile weapons of mass destruction or missiles capable of delivering such weapons, the measures set forth in subsections (b), (c), and (d) of this section shall be imposed on that foreign person to the extent determined by the Secretary of State in consultation with the implementing agency and other relevant agencies. Nothing in this section is intended to preclude the imposition on that foreign person of other measures or sanctions available under this order or under other authorities.

(b) *Procurement Ban.* No department or agency of the United States Government may procure, or enter into any contract for the procurement of, any goods, technology, or services from any foreign person described in subsection (a) of this section.

(c) *Assistance Ban.* No department or agency of the United States Government may provide any assistance to any foreign person described in subsection (a) of this section, and no such foreign person shall be eligible to participate in any assistance program of the United States Government.

(d) *Import Ban.* The Secretary of the Treasury shall prohibit the importation into the United States of goods, technology, or services produced or provided by any foreign person described in subsection (a) of this section, other than information or informational materials within the meaning of section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(e) *Termination.* Measures pursuant to this section may be terminated against a foreign person if the Secretary of State determines that there is reliable evidence that such for-

ign person has ceased all activities referred to in subsection (a) of this section.

(f) *Exceptions.* Departments and agencies of the United States Government, acting in consultation with the Secretary of State, may, by license, regulation, order, directive, exception, or otherwise, provide for:

(i) Procurement contracts necessary to meet U.S. operational military requirements or requirements under defense production agreements; intelligence requirements; sole source suppliers, spare parts, components, routine servicing and maintenance of products for the United States Government; and medical and humanitarian items; and

(ii) Performance pursuant to contracts in force on the effective date of this order under appropriate circumstances."

(b) Section 6 of Executive Order 12938 of November 14, 1994, is amended by deleting "4(c)" and inserting "4(e)" in lieu thereof.

**Sec. 2. Preservation of Authorities.** Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under the authority of IEEPA, AECA, the Nuclear Non-Proliferation Act of 1978, the Nuclear Proliferation Prevention Act of 1994, the Atomic Energy Act, the Export Administration Act (50 U.S.C. App. 2401 *et seq.*), Executive Order 12730 of September 30, 1990, Executive Order 12735 of November 16, 1990, Executive Order 12924 of August 18, 1994, Executive Order 12930 of September 29, 1994, or Executive Order 12938 of November 14, 1994.

**Sec. 3. Judicial Review.** Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

**Sec. 4. Effective Date.**

(a) This order is effective at 12:01 a.m. eastern daylight time on July 29, 1998.

(b) This order shall be transmitted to the Congress and published in the *Federal Register*.

**William J. Clinton**

The White House,  
July 28, 1998.

[Filed with the Office of the Federal Register, 10:40 a.m., July 29, 1998]

NOTE: This Executive order was published in the *Federal Register* on July 30.

**Message to the Congress on the  
Expansion of the Executive Order on  
Proliferation of Weapons of Mass  
Destruction**

*July 28, 1998*

*To the Congress of the United States:*

On November 14, 1994, in light of the danger of the proliferation of nuclear, biological, and chemical weapons (weapons of mass destruction) and of the means of delivering such weapons, using my authority under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), I declared a national emergency and issued Executive Order 12938. Because the proliferation of weapons of mass destruction continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, I have renewed the national emergency declared in Executive Order 12938 annually, most recently on November 14, 1997. Pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)), I hereby report to the Congress that I have exercised my statutory authority to issue an Executive order to amend Executive Order 12938 in order to more effectively to respond to the worldwide threat of weapons of mass destruction proliferation activities.

The amendment of section 4 of Executive Order 12938 strengthens the original Executive order in several significant ways.

First, the amendment broadens the type of proliferation activity that is subject to potential penalties. Executive Order 12938 covers contributions to the efforts of any foreign

country, project, or entity to use, acquire, design, produce, or stockpile chemical or biological weapons (CBW). This amendment adds potential penalties for contributions to foreign programs for nuclear weapons and missiles capable of delivering weapons of mass destruction. For example, the new amendment authorizes the imposition of measures against foreign entities that materially assist Iran's missile program.

Second, the amendment lowers the requirements for imposing penalties. Executive Order 12938 required a finding that a foreign person "knowingly and materially" contributed to a foreign CBW program. The amendment removes the "knowing" requirement as a basis for determining potential penalties. Therefore, the Secretary of State need only determine that the foreign person made a "material" contribution to a weapons of mass destruction or missile program to apply the specified sanctions. At the same time, the Secretary of State will have discretion regarding the scope of sanctions so that a truly unwitting party will not be unfairly punished.

Third, the amendment expands the original Executive order to include "attempts" to contribute to foreign proliferation activities, as well as actual contributions. This will allow imposition of penalties even in cases where foreign persons make an unsuccessful effort to contribute to weapons of mass destruction and missile programs or where authorities block a transaction before it is consummated.

Fourth, the amendment expressly expands the range of potential penalties to include the prohibition of United States Government assistance to the foreign person, as well as United States Government procurement and imports into the United States, which were specified by the original Executive order. Moreover, section 4(b) broadens the scope of the United States Government procurement limitations to include a bar on the procurement of technology, as well as goods or services from any foreign person described in section 4(a). Section 4(d) broadens the scope of import limitations to include a bar on imports of any technology or services produced or provided by any foreign person described in section 4(a).

Finally, this amendment gives the United States Government greater flexibility and discretion in deciding how and to what extent to impose penalties against foreign persons that assist proliferation programs. This provision authorizes the Secretary of State, who will act in consultation with the heads of other interested agencies, to determine the extent to which these measures should be imposed against entities contributing to foreign weapons of mass destruction or missile programs. The Secretary of State will act to further the national security and foreign policy interests of the United States, including principally our nonproliferation objectives. Prior to imposing measures pursuant to this provision, the Secretary of State will take into account the likely effectiveness of such measures in furthering the interests of the United States and the costs and benefits of such measures. This approach provides the necessary flexibility to tailor our responses to specific situations.

I have authorized these actions in view of the danger posed to the national security and foreign policy of the United States by the continuing proliferation of weapons of mass destruction and their means of delivery. I am enclosing a copy of the Executive order that I have issued exercising these authorities.

**William J. Clinton**

The White House,  
July 28, 1998.

### **Remarks to the National Council of Senior Citizens**

*July 28, 1998*

Thank you very much. Well, I don't know what all the young folks in Washington are doing tonight, but whatever it is, they don't have half the energy you do. *[Laughter]*

I can't thank you enough for that wonderful welcome. I want to thank you, Tom, for your introduction. I also want to tell you—we were standing outside when Tom was talking and he said that I was looking for an interpreter to explain these—*[laughter]*—I mean, you know, folks, this is America. Where else do you get to talk to a Greek from Uruguay? I mean, come on. *[Laughter]* I can't decide whether I want him to solve

all the South American border wars or go fix the Cyprus problem—*[laughter]*—but, meanwhile, he's doing a fine job for you, and we love working with him.

I thank you for honoring Dorothy Height and Bob Georgine, two good friends of mine. I wish your president, George Kourpias, well in his trip to Greece. And let me join the applause you gave to this young lady, Paula Postell, who sang the National Anthem. I think she's got a great future. *[Applause]*

It's become commonplace to say that Americans over 85 are the fastest growing group in the country, but I'd also like to acknowledge that you have two members here who are entering that extremely select group of centenarians, Cliff Holliday and Genevieve Mother Johnson. Congratulations to you. Thank you, Cliff, Genevieve. Congratulations to both of you. We'd all like to join your group. I must say, there are plenty of days around here when I feel like I'm 100. *[Laughter]* But I'm still working at it.

Before I begin, I think I'd like to just make a few remarks to say how very pleased I am on behalf of all the American people and the prospects of our growing economy that the United Auto Workers and General Motors resolved their differences earlier today. This is truly a win-win-win situation. It's a victory for the company, a victory for the employees and a victory for all Americans, who understand, I think, now more clearly than ever after the last 60 days, what a great stake all of us in the United States have in the success of General Motors and our auto industry in general and those jobs and those workers, the cars they produce, and the contributions they make to our general welfare.

It also shows that the collective bargaining process works. And I'm glad that I have been able to defend it for the last 6 years. I believe that one of many things the United States has proved over the last 6 years, nearly 6 years I've been privileged to be your President, is that it is possible for us to be competitive in a global economy and still have good jobs with good benefits for productive employees.

I have spoken with President Steve Yokich of the UAW, and Jack Smith, the CEO of GM. And again, I want to publicly thank them for their role in this. And as a matter

of personal privilege, I also want you to know that our terrific Secretary of Labor, Alexis Herman, worked day and night behind the scenes to keep the parties in the room together, keep the temperatures down, and the lines of communication open. And I appreciate that.

I am profoundly honored to be here tonight. The NCSC has stood by me and our administration in all the fights we have waged from 1992 forward. You know, just before I left the house—normally, when I have to go out at night like this, Hillary says something like, “This is the time when I’m glad you’ve got the job. You go give the speech.” Tonight she said, “I kind of resent the fact that you’re going, and I’m staying home. I love those people, they have been so good to me.”

We will never forget the fight that you helped us wage for better health care for all Americans. And it was not a fight in vain. I will say more about it, but you know, we helped to increase the awareness of the American people about the problems. And we told them that unless we did something, more and more people would lose their insurance at work. Our attackers said, “Oh, the President is trying to have the Government take over the health care system.” I said, “No, I’m not. I’m trying to have the Government guarantee that every American family has access to affordable, quality health care that they don’t lose.”

Well, since then we’ve done a lot of, I think, quite important things. We strengthened the Medicare program. We’re doing more now to help prevent breast cancer with mammographies. We’re doing more to deal with osteoporosis. We’re doing more in research and treatment for both breast cancer and prostate cancer. We’re doing a great deal more with diabetes. Last year I signed legislation that the American Diabetes Association said represented the greatest step forward in the treatment of diabetes since the discovery of insulin 70 years ago. We are adding 5 million children to the ranks of those with health insurance. And so while we haven’t solved the whole problem, we have come a long way, thanks in no small measure to your advocacy and your work and your conscience.

I should also tell you that—you remember when our attackers said we were trying to have the Government take over the health care system, and we pointed out that we weren’t. When they made that charge, 40 percent of all dollars going into the health care system in America—40 cents on the dollar—came from the public. Today, because so many private employers have dropped their employees from health insurance since the cost goes up, 47 cents on the dollar comes from public sources in health care.

So we have to keep working on this. But don’t forget, you stood up for a good cause, and we have advanced the cause. And there are millions of children who are now going to get health care as a result of that provision in the balanced budget amendment that I am absolutely convinced would not have happened had it not been for your advocacy. I do not believe we would have passed the Kennedy-Kassebaum bill, saying people can’t lose their health insurance when someone in their family is sick or when they change jobs, had it not been for your advocacy. So you should be proud of what you accomplished, as well as the fight you fought that you didn’t win. I’m proud of you, and I thank you for that.

I thank you for sticking up for retirees and for working families. I thank you, too, for your commitment to helping us meet the challenge of the year 2000 computer problem by reaching out to senior citizens to enlist their help. And I know other people have talked to you about this—this is a big deal. America computerized more extensively earlier than any other country. When we first did that, memory in these computer chips was a precious commodity, so a lot of these little chips only had two slots for year numbers, instead of four. Well now, of course, it’s an entirely different thing. You can get hundreds of millions of bits of information out of these little computer chips.

And we now have a whole generation of people out there working that don’t even know how to go in and speak the language that will fix these problems. So we’ve got to have retirees come back and help us. I think it’s interesting: You have all these 25 year old kids worth \$200 million or \$300 million in Silicon Valley, but they need you to come

back and help them fix this Y2K computer problem so they don't lose their investment. We still need more help, so I thank you.

Let me say also that I'm very grateful for the general support you have given me. If I told you on the day I was inaugurated President that I would come back in 5½ years and that we would be able to say in the last 5½ years this is what America has accomplished: We have the lowest unemployment rate in 28 years, 16 million new jobs; the lowest crime rate in 25 years; the smallest percentage of our people on welfare in 29 years; the first balanced budget and surplus in 29 years; the lowest inflation rate in 32 years; the highest homeownership in American history, with the smallest Federal Government in 35 years, I think you would say, that's a pretty good record for 5½ years. And I thank you for your role in that.

Now, I think our obligation is to use this moment. And I think that the senior citizens of our country have a special role in making sure that our people, in general, and our political system in particular, has the right response. Because, normally, when people work hard and their life is full of hassles and they deal with one crisis after another, when they hit a good patch, they just want to sit back, relax, and enjoy it. And countries are like people and families.

But the world is changing so fast and there are so many challenges all around the world that I submit to you we cannot afford to do that; that, instead, we have to use the prosperity we now enjoy and the confidence we now have to face the large, long-term challenges of America. Now, what are they? I'll just mention a few.

One is to give America the best elementary and secondary school system in the world. We have done a good job with our university system, and now, in the last 5½ years, we've also virtually opened the doors of college to everybody who will work for it, with the HOPE scholarship and more work-study funds and AmeriCorps national service scholarships and more Pell grants and all of these things. We've really worked hard. But we've got to have the best elementary and secondary system in the world for all of our kids.

The second thing we've got to do is bring the benefits of this prosperity to the places

that haven't felt them yet: to the inner-city neighborhoods, where the unemployment rate is still in double digits; to the small, rural communities that lost the factory or where the farm income is down; to the Native American communities, where there has been no spark of enterprise. We have to prove that America can work for all Americans who are willing to work.

The third thing we have to do is to recognize that we have a huge obligation to our children to begin a process, that I believe will continue well into the 21st century, of proving that a country can both grow rich and improve, rather than destroy the environment. Folks, I'm telling you, this climate change/global warming issue is real. You see the fires in Florida. They had the wettest winter, the driest spring and the hottest month in their history in June, and then they got the fires. Nine hottest years on record—the 9 hottest years on record have all occurred in the last 11 years; 1997 was the hottest year ever recorded; every single month of 1998 has topped the preceding month in 1997.

Now, do we have to give up good jobs to do it? No, we don't. Thankfully, what we now know and what is about to happen in energy use enables us to cool the planet, reduce greenhouse gas emissions, and grow more jobs that are good jobs with good wages. But we have to make a decision to do it. It's a big, long-term challenge for America.

We have to continue to move forward on health care, and I'll say a little more about that in a moment because there are still great challenges out there. I remember when Hillary said in 1994, "Look, there's going to be a big growth in managed care. The question is whether we'll have managed care that's also quality care for all Americans." And then people said, "Well, why is she trying to promote that?" That was one of the attacks. So now you see we have more people than ever before in managed care, 160 million. But the issue now is there aren't enough guarantees of quality care, which is what we all want. That's a huge challenge for the American people and we have to meet it.

Not especially popular to say, but we have to remain engaged with the rest of the world. I'm trying to get Congress to pay our fair

share to something called the International Monetary Fund. And nearly any Congressman could come here and give you a speech and convince you it was a bad idea, saying, "Why are we giving money to all those other countries." Well, the reason is that if we help to reform and restore growth in Asia, they'll buy our products. One-third of our economic growth has come from international trade. About half our grain that our farmers grow is sold abroad; 40 percent of it is sold in Asia. They can't buy it if they don't have any money. Today, they don't have much money; therefore, the price of grain is down. Farm income has dropped 90 percent in one year in North Dakota.

So we have to stay involved in a constructive way in the rest of the world as a force for peace and freedom and prosperity. The next thing we have to do is—I made a joke about my Uruguayan Greek friend here, or my Greek-Uruguayan friend or whatever it is—*[laughter]*—but the truth is—the truth is that this is a country where we have people from everywhere. And in a global society, a global economy, that is a great economic boom if we prove that we really can be one America, that we celebrate our differences, that we respect our differences, and that we're bound together by a set of shared values. If we want to do good around the world, we have to first be good here at home and set a good example for the rest of the world.

So those are the big challenges. But there's one other big challenge. Those of us in the baby boom—and I'm the oldest of the baby boomers at just nearly 52—the generation now aged 34 to 52, the biggest group of Americans ever, until last year's school class got in. When we retire, when we're all in the retirement pool, in about 2030 or a little before—actually a little before that—there will only be about two people working for every one person drawing Social Security. We have to protect and save and reform Social Security so that it will be there for the baby boom generation on terms that won't bankrupt our children and their ability to raise our grandchildren. And we have to do it in a way that gives absolute security to all the people now on Social Security and those who will go on it in the next few years.

So I want to talk to you about that tonight, because we need your support and involvement. You know, for 60 years Social Security has meant more than an ID number or even that monthly check. It really has become the symbol of the responsibility we feel to one another across the generations.

You know, in 1985, our country passed a watershed and I always think of it—1985 was the first year in the history of America when people over 65 had a poverty rate below that of the general population. Today, it's under 12 percent. And 48 percent, almost half of all senior citizens, are lifted out of poverty because of Social Security. It is very important.

Now, we know we're going to have a budget surplus this year. We don't know exactly how much, but it's going to be quite sizeable. And it's going to be the first one since 1969. We project that we will have one for years to come. And even when the country has recessions now and then, we think over a long period of time, if we stay with the same framework of budget discipline we've got now, we will run surpluses. So we've tried to move from deficits as far as the eye can see and a quadrupling of the Nation's debt in the 12 years before I took office, to surpluses as far as the eye can see.

Now, I know you heard me say in the State of the Union, and I've said it 100 times since, we shouldn't spend a penny of that surplus until we save Social Security first. I'm happy that there are both Republican and Democratic Members of Congress who agree with me. Some do not. And I know it is terribly tempting in an election year to offer people a tax cut or to offer people a new spending program that I might love. Even if I could design the tax cut—and there are some we badly need—or design the spending program, I would say we should not take it out of the surplus.

You know, we've waited 29 years to see the red ink go away. It looks to me like we should wait just a year until we fix Social Security before we run the risk of getting into it again. And I say that to you because you have something America needs now: memory. It is very important to look to the future. You know, my campaign theme song in 1992

was “Don’t Stop Thinking About Tomorrow.” My campaign slogan in 1996 was “building a bridge to the 21st century.” But the First Lady’s slogan for honoring the year 2000 and our millennium may have more relevance today, “honoring the past, imagining the future.” To be successful you have to do both. And I’m here to tell you the only way we can really imagine the future and come up with all these new ideas and actualize them is if we remember our roots, our basic values, and we don’t always take the easy way out.

You have memory. We have waited a long time for this balanced budget. We have waited a long time for this surplus. There are a lot of things that you would like to do with this surplus, and we may be able to do some of them if it doesn’t take all the money that we project to be in the surplus to fix the Social Security system. But first you’ve got to know it’s going to be there.

As I said—let me say again—by the year 2030, there will be twice as many seniors as there are today, with only two people working for every one person drawing at present rates of birth, immigration, and retirement. Around that time, 2030, if we just leave the system the way it is and we do not do anything, there will only be enough money coming in to fund 75 cents on the dollar current benefit.

Today Social Security is sound. Let me say this again: Today Social Security is sound. We’re talking about 2030 and beyond. For today’s seniors, Social Security is as strong as it’s ever been. For those tomorrow, it’s as strong as it’s ever been. But here’s the issue: If we wait until 2025 to start fooling with it, it will require breathtaking, dramatic changes that will either require huge tax increases or huge benefit cuts or the virtual abolition of the rest of domestic Government, our investments in education, in scientific research and the environment, and maybe even some of our defense programs, just to pay the difference.

But if we start now and make modest, disciplined changes that will take effect over the long run, then we can say Social Security is not only there for all the seniors now, Social Security is not only there for all those that are going to be there in the next few years;

it will be there for the baby boomers, and it will be there for the baby boomers in a way that will be good for their children and their grandchildren. That’s what this is about and that’s what I ask your support on.

I want to thank your officers for consulting with us. We’ve consulted before, all of the three forums we’ve had around the country, bipartisan forums to raise the issues here in the debate. The Vice President and I have been to three of them. In December I’m going to host a White House Conference on Social Security. I want you involved. And then in January I’m going to try to get all the leaders of Congress together to fashion a bipartisan resolution the way it was done back in 1983. This is only going to work if we can find a way to reach across the lines of party, philosophy, and generation, because Republicans and Democrats get old together. [Laughter] Sometimes I think they forget it, but we do. All of them get old but Senator Thurmond. He never does, but everybody else does. [Laughter] And we’ve got to do this together. We’re going to have to have open minds and generous spirits. We’ve all got to be willing to listen and learn.

There are going to be a lot of proposals out there and some of them will be good, and some of them I think will be quite unwise. But I wanted to share with you how I think we should all judge these proposals for dealing with tomorrow’s challenge in Social Security. And you need to decide whether you agree with these five principles, and if you don’t, how you would judge them.

First, we have to strengthen and protect the guarantee of Social Security for the 21st century. People have to know it’s there. There has to be a certainty about it.

Secondly, we must maintain universality and fairness. It must be available to all and fair to all. It’s been a progressive guarantee. All of you understand that well. There’s a lot of people who work all their lives for very modest wages that would not have enough to live on if Social Security were not a progressive program, and we have to keep it that way.

Third, it must provide a benefit people can count on, regardless of the ups or downs of the economy or the financial market. It has

to be a program that has a foundation of financial security in good economic times and bad. Not every 6 years will be as good as the last 6 years have been on Wall Street or Main Street. But people will retire every year. People will continue to age every year.

Fourth, Social Security must continue to provide financial security for disabled and low-income beneficiaries. We can't forget that one in three people on Social Security is not a retiree. One in three people is a disabled person or a family where the wage earner has been killed or disabled or died young. It's a life insurance program and a disability program and a retirement program. And I believe, when we get done with reforming it, it should still be all three, because those one in three people need that help as well.

And finally, I believe anything we do to strengthen Social Security now must be done within the framework of the hard-won fiscal discipline we have seen since 1993. When we voted in 1993 to drive that deficit down—and a lot of members in our party took the heat for doing it; some of them laid down their seats in Congress for doing it—it drove down interest rates; it increased investment; it caused the economy to explode. The American people were out there waiting to work, to create jobs, to start new businesses, to prove they could compete in the world, and they have done it in stunning order.

If you look around the world today at the problems a lot of our friends and neighbors are having, our trading partners are having, they begin to have these problems when there is a sense that they don't have their financial house in order. Because whether we like it or not, this money moves around the world at the speed of light and people can move money in and out at breathtaking speed. So no matter what we try to do to help anyone else, they first have to help themselves. But we can't forget that lesson ourselves. We cannot allow ourselves to get in another situation where we quadruple the debt in 10 years. The consequences would be far more serious if we did that again. So we can reform Social Security, but we have to do it consistent with what's growing our economy today.

Now, those are the things that I believe we should be doing. You and I have worked together to preserve and strengthen Medicare, as Steve said. We've worked to secure the Medicare Trust Fund for a decade. And we've made, as I said, mammographies and diabetes screening more available. We've increased health plan choices while making beneficiaries know they can choose to keep their current plans. Next year we'll also have to act to strengthen Medicare for the long-term, and once again as with Social Security, I'll ask for your help, because the answer is to strengthen the program, not to dismantle it. So I ask you to think about that and to be involved in it.

And one last health issue that I think is important that's before the Congress today is this Patients' Bill of Rights. It includes the guarantee of access to specialists, access to emergency rooms, the right to appeal health care decisions. Basically, it includes the right to say, "Okay, we want the benefits of managed care, but we don't want someone who is an accountant telling a doctor and a patient that they can't have a life-saving procedure." It's very important.

Now, if you're on Medicare, I have, by Executive order, extended those rights to everybody on Medicare. But most Americans are not on Medicare or Medicaid. And they're entitled to the same protection. We should manage the system as efficiently as we can. We should do everything we can to get the cost down, except risk someone's life or deny them the quality health care they deserve. That's what we're paying for. So we shouldn't put the cart before the horse, here, or let the tail wag the dog. That's what the Patients' Bill of Rights is all about.

We've also, as you know, fought together against proposals to block grant the Medicaid program, to eliminate Federal nursing home standards, to get rid of the health care guarantee for people on welfare and their children. Last week I launched a major legislative and administrative initiative to improve our nursing homes, with more frequent inspections, immediate fines for nursing homes that provide inadequate or abusive care, a national registry for nursing home workers known to be abusive, and unprecedented efforts to prevent poor nutrition and other

health concerns from threatening people in nursing homes. And I thank you for your support of that.

Before I go there are two other things that I'd ask you to help me with. I want you to keep working with me until we actually succeed in reauthorizing the Older Americans Act. It's funded Meals on Wheels and many other programs. [*Applause*] Thank you.

I also ask you to work with me again and to continue to oppose the public housing bill that recently passed the House of Representatives. It could be devastating to our Nation's hardest pressed seniors, unnecessarily denying them housing assistance when they need it the most.

We've got a big agenda out there, and you've got to be involved in it: Social Security reform, Medicare reform, the Older Americans Act, all these other issues. I have done my best as President to bring this country together when others sought to divide it, to put progress ahead of partisanship and people ahead of politics, to build a stronger world for our children and grandchildren and a decent world for all of you.

I've been thinking a lot about this country today, because I'm sure all of you know we had a very emotional service today in the United States Capitol for the two brave police officers who were killed last Friday. And I told their families that I realize that any words of mine were poor substitutes for the time they should have been given with their family and friends. It is unnatural for people to have their days terminated before they see the seasons turn enough, before they get their fill of the rhythms of daily life, before they see their grandchildren wandering around their feet.

But those people put on that uniform and went to work that day, like every other day, because they knew that somebody had to do that so that the rest of us could enjoy all that normal life. I tried to tell the families that their fathers and husbands, in laying down their lives, had not only saved the lives of many of their fellow citizens, which clearly they did, but they had really consecrated our Capitol as the house of freedom.

So I think today we can put aside a lot of our normal conflicts and just think about what America is at its best. If you go all the

way back to the beginning, if you go—and I do this on a regular basis—and reread the Declaration of Independence, it's very interesting to see that the guidance they gave then is the guidance we ought to have today. We believe everybody is created equal, endowed by God with the right to life, liberty, and the pursuit of happiness. And we put this Government together because we can't protect and enhance those rights alone; there are some things we have to do together, as one people.

The Government should be limited in power and scope, but should have enough authority to do what we all need to do together that we can't do alone. And for over 200 years now we've worked together within that framework to widen the circle of opportunity for more people—that's what Social Security did—to deepen the meaning of American freedom—that's what the civil rights law did—and to strengthen the bonds of our Union, our common home.

Every time we stand up for a decent cause, every time we stand up for something even though it may help some other group of people more than it helps us—because we know that we're better off and we're stronger if everybody in America has a decent life and a fair chance.

We honor the sacrifice those men made last Friday. I think you do that every week, every month, every year. And I thank you from the bottom of my heart.

Thank you.

NOTE: The President spoke at 8:30 p.m. in the Regency Ballroom at the Hyatt Regency Hotel. In his remarks, he referred to R. Thomas Buffenbarger, president, International Association of Machinists and Aerospace Workers, and national vice president, National Council of Senior Citizens (NCSC); Dorothy Height, chair and president emerita, National Council of Negro Women; Robert Georgine, president, Building and Construction Trade Development, AFL-CIO; Cliff Holliday, committee chair, Gerdena Valley Democratic Club; George Kourpias, president, and Steve Protulis, executive director, and Genevieve Johnson, general vice president, NCSC.

**Notice—Continuation of Iraqi  
Emergency**

*July 28, 1998*

On August 2, 1990, by Executive Order 12722, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and policies of the Government of Iraq. By Executive Orders 12722 of August 2, 1990, and 12724 of August 9, 1990, the President imposed trade sanctions on Iraq and blocked Iraqi government assets. Because the Government of Iraq has continued its activities hostile to United States interests in the Middle East, the national emergency declared on August 2, 1990, and the measures adopted on August 2 and August 9, 1990, to deal with that emergency must continue in effect beyond August 2, 1998. 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 Iraq.

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

**William J. Clinton**

The White House,  
July 28, 1998.

[Filed with the Office of the Federal Register, 8:45 a.m., July 30, 1998]

NOTE: This notice was released by the Office of the Press Secretary on July 29, and it was published in the *Federal Register* on July 31.

**Message to the Congress  
Transmitting the Notice on the  
Continuation of Iraqi Emergency**

*July 28, 1998*

*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, stating that the Iraqi emergency is to continue in effect beyond August 2, 1998, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure on the Government of Iraq.

**William J. Clinton**

The White House,  
July 28, 1998.

NOTE: This message was released by the Office of the Press Secretary on July 29.

**Message to the Congress Reporting  
on Bosnia-Herzegovina**

*July 28, 1998*

*To the Congress of the United States:*

Pursuant to section 7 of Public Law 105-174, I am providing this report to inform the Congress of ongoing efforts to meet the goals set forth therein.

With my certification to the Congress of March 3, 1998, I outlined ten conditions—or benchmarks—under which Dayton implementation can continue without the support of a major NATO-led military force. Section 7 of Public Law 105-174 urges that we seek concurrence among NATO allies on: (1) the benchmarks set forth with the March 3 certification; (2) estimated target dates for achieving those benchmarks; and (3) a process for NATO to review progress toward achieving those benchmarks. NATO has agreed to move ahead in all these areas.

First, NATO agreed to benchmarks parallel to ours on May 28 as part of its approval of the Stabilization Force (SFOR) military

plan (OPLAN 10407). Furthermore, the OPLAN requires SFOR to develop detailed criteria for each of these benchmarks, to be approved by the North Atlantic Council, which will provide a more specific basis to evaluate progress. SFOR will develop the benchmark criteria in coordination with appropriate international civilian agencies.

Second, with regard to timelines, the United States proposed that NATO military authorities provide an estimate of the time likely to be required for implementation of the military and civilian aspects of the Dayton Agreement based on the benchmark criteria. Allies agreed to this approach on June 10. As SACEUR General Wes Clark testified before the Senate Armed Services Committee June 4, the development and approval of the criteria and estimated target dates should take 2 to 3 months.

Third, with regard to a review process, NATO will continue the 6-month review process that began with the deployment of the Implementation Force (IFOR) in December 1995, incorporating the benchmarks and detailed criteria. The reviews will include an assessment of the security situation, an assessment of compliance by the parties with the Dayton Agreement, an assessment of progress against the benchmark criteria being developed by SFOR, recommendations on any changes in the level of support to civilian agencies, and recommendations on any other changes to the mission and tasks of the force.

While not required under Public Law 105-174, we have sought to further utilize this framework of benchmarks and criteria for Dayton implementation among civilian implementation agencies. The Steering Board of the Peace Implementation Council (PIC) adopted the same framework in its Luxembourg declaration of June 9, 1998. The declaration, which serves as the civilian implementation agenda for the next 6 months, now includes language that corresponds to the benchmarks in the March 3 certification to the Congress and in the SFOR OPLAN. In addition, the PIC Steering Board called on the High Representative to submit a report on the progress made in meeting these goals by mid-September, which will be considered in the NATO 6-month review process.

The benchmark framework, now approved by military and civilian implementers, is clearly a better approach than setting a fixed, arbitrary end date to the mission. This process will produce a clear picture of where intensive efforts will be required to achieve our goal: a self-sustaining peace process in Bosnia and Herzegovina for which a major international military force will no longer be necessary. Experience demonstrates that arbitrary deadlines can prove impossible to meet and tend to encourage those who would wait us out or undermine our credibility. Realistic target dates, combined with concerted use of incentives, leverage and pressure with all the parties, should maintain the sense of urgency necessary to move steadily toward an enduring peace. While the benchmark process will be useful as a tool both to promote and review the pace of Dayton implementation, the estimated target dates established will be notional, and their attainment dependent upon a complex set of interdependent factors.

We will provide a supplemental report once NATO has agreed upon detailed criteria and estimated target dates. The continuing 6-month reviews of the status of implementation will provide a useful opportunity to continue to consult with Congress. These reviews, and any updates to the estimated timelines for implementation, will be provided in subsequent reports submitted pursuant to Public Law 105-174. I look forward to continuing to work with the Congress in pursuing U.S. foreign policy goals in Bosnia and Herzegovina.

**William J. Clinton**

The White House,  
July 28, 1998.

NOTE: This message was released by the Office of the Press Secretary on July 29.

**Message to the Congress  
Transmitting the District of  
Columbia Budget Request  
July 28, 1998**

*To the Congress of the United States:*

In accordance with section 202(c) of the District of Columbia Financial Responsibility

and Management Assistance Act of 1995, I am transmitting the District of Columbia's Fiscal Year 1999 Budget Request Act.

This proposed Fiscal Year 1999 Budget represents the major programmatic objectives of the Mayor, the Council of the District of Columbia, and the District of Columbia Financial Responsibility and Management Assistance Authority. It also meets the financial stability and management improvement objectives of the National Capital Revitalization and Self-Government Improvement Act of 1997. For Fiscal Year 1999, the District estimates revenues of \$5.230 billion and total expenditures of \$5.189 billion resulting in a \$41 million budget surplus.

My transmittal of the District of Columbia's budget, as required by law, does not represent an endorsement of its contents.

**William J. Clinton**

The White House,  
July 28, 1998.

NOTE: This message was released by the Office of the Press Secretary on July 29.

### **Remarks to the Education International World Congress**

*July 29, 1998*

Thank you. First of all, let me thank my longtime friend Mary Hatwood Futrell for that wonderful introduction. And thank you for your warm welcome. I thank the leaders of our education organizations, Bob Chase and Sandy Feldman, for their work, and welcome all of the members of EI here to the United States. I am delighted to join in your Second Congress on your final day in Washington. I hope you've had a successful meeting; even more, I hope you will be going home with new energy for your lifetime commitment to your children and the future of your nations.

It is always an honor for me to meet with educators. As President, I have had the privilege of visiting schools around our Nation and around the world. And wherever I have been, whether in a small village in Uganda or a poor neighborhood in Rio de Janeiro, a town in California or an inner-city school in Chicago or Philadelphia, I always meet

teachers whose dedication to their students is nothing short of heroic, men and women for whom kindling the spark of possibility in every child, from that once-in-a-lifetime mathematics prodigy to a young girl who dreams of being the very first in her family just to finish school and go on to college.

For those people, teaching is not a job, but a mission. I know that, for you, it is such a mission. So let me thank you and your 23 million colleagues across the world for making the education of our world's children your life's work.

We are living in an era of unprecedented hope and possibility but profound challenge. A technological revolution is sweeping across the globe. It is changing the way we live and work and relate to each other. It is binding our economies closer together, whether we like it or not. It is making our world smaller. Today, 100 million people are logging onto the Internet. In just 3 years, that number will be about 700 million.

With all these changes come new challenges. We know that new democracies must be very carefully tended if they are to take root and thrive. We know that with technology advancing at rapid speed, the best jobs and the best opportunities will be available only to those with the knowledge to take advantage of them. We know that if we do not take action, dangerous opportunity gaps between those people and those nations who have these skills and those who do not have them will grow and deepen.

The best way, therefore, to strengthen democracy, to strengthen our Nation, to make the most of the possibilities, and to do the best job of meeting the challenges of the 21st century is to guarantee universal, excellent education for every child on our planet.

Where once we focused our development efforts on the construction of factories and powerplants, today we must invest more in the power of the human mind, in the potential of every single one of our children. A world-class education for all children is essential to combating the fear, the ignorance, the prejudice that undermine freedom all across the globe today in the form of ethnic, religious, and racial hatreds. It is essential to creating a worldwide middle class. It is essential to global prosperity. It is essential

to fulfilling the most basic needs of the human body and the human spirit. That is why the 21st century must be the century of education and the century of the teacher.

As Mary said, throughout my career, first as the Governor of one of our States and now as President, I have worked to make education my top priority. Today I want to share with you what we are doing to provide every American at every stage in life a world-class education. And I want to recommit the United States to working with other nations to advance education as our common cause.

We are working very hard with nations all across the world through our AID programs, our Agency for International Development, and in other ways. At the recent Summit of the Americas in Santiago, Chile, we reaffirmed the commitment of the Americas to work in common on the training of teachers and the development and dissemination of not only technology but educational software, so that we could learn more everywhere we live, so that children in small villages in South America could have access to things which today are only dreams.

When I was in Africa, I reaffirmed the focus of many of our AID programs to be on education. We announced in South Africa a project with our Discovery Channel to try to bring technology and the benefits of it to small African villages. We are working in Bosnia and Croatia to help the students there learn about democracy so that they can preserve what so many have given so much to create, a real sustainable peace in a multi-ethnic democracy.

All across the world America has an interest in seeing education improve. One-third of the adults in the world are illiterate today; two-thirds of them live in the poorest countries. We are doing better. The literacy rate was only 43 percent in 1970. The percentage of our children going to school in 1970 across the world was only 48 percent. Today, it's 77 percent, at least in the primary school years.

And something that's very important to my wife and to me, in 1970, only 38 percent of all schoolchildren were girls. Today the percentage is 68 percent—all girls in school. But think about it, that means 32 percent of the girls who should be in school are not. And

I still visit countries where basic primary education for girls is still a dream in some places. That must not be. If we want to see these societies elevated, if we want to see the economies grow, if we want to see families made whole and able to plan their futures, we must educate all our children, the boys and the girls alike.

Here in America, we have recognized the increasing importance of a college education to our position in the global economy. In our last census, it became clear that young people who had less than 2 years of post-high school education were likely to get jobs where their incomes never grew and were far more likely to become unemployed.

And so we have done everything we can to open the doors of college to all Americans who will work for it. We have made the first 2 years of college virtually free, with a tax credit we call the HOPE scholarship. Through expanded, low-cost student loans and more student work positions, through tax credit and deductions for all college post-graduate and continuing education work by older workers, through giving our young people the opportunity to earn scholarship money by doing community service, we are making all forms of higher education more affordable to all kinds of Americans.

Second, we are working to establish high national standards to ensure that our children, from the earliest years, master the basics. Many of your countries already have national standards. Because in America we have a history of education being the responsibility of state governments and being within the span of control of local school boards, we don't have such national standards.

I believe, in a global economy, every nation should have national standards that meet international norms. I believe that so many students from around the world did better than their American counterparts in the Third International Math and Science Study because their country had set high standards, challenged their students to master rigorous and advanced material, and used national tests to make sure that they did. I want to do the same in America, beginning with high standards in fourth grade reading and eighth

grade mathematics, to give teachers and parents the tools they need to secure our children's future.

Third, we know that good teachers are the key to good school. We are working to reward the most innovative and successful teachers in our classrooms, to help those who fail to perform to move on or improve, and to recruit more of our best and brightest to enter the teaching profession, especially in areas where there are a lot of poor children in desperate need of more help.

Fourth, we are working to create better learning environments by modernizing our schools and reducing class size, especially in the early grades, where research has shown it makes a positive and permanent difference in learning in our country.

Fifth, we are working hard to prepare our children for the demands of the information age by connecting every classroom and library to the Internet by the year 2000 and by training teachers in these new technologies.

Sixth, we are working to deal with one of America's most painful problems: the presence of violence in our schools. We have a zero-tolerance policy for guns in our schools. Later this year, we will be having our first-ever conference—White House conference in Washington on school safety. I hope and pray this is not a problem in any of the countries here represented, but if it is, we would be glad to have your ideas and to share ours with you. Teaching cannot succeed and learning cannot occur unless classrooms are safe, disciplined, and drug-free. And we are working are on it, and we welcome your support and help.

Next, we are working to end one of the most harmful practices of a public school system that is too often overwhelmed by the challenges it faces and the lack of resources to meet them, the so-called practice of social promotion, where children are passed from grade to grade, even when they don't learn the material first. But we believe that along with ending the practice we must follow the examples set in our city of Chicago, where there is extra help for the children after school and in the summer, so that we don't just identify children as failures, but instead say, "We're going to give you more help until

you succeed." I think that is profoundly important.

Finally, we are working to establish mentoring programs for children in our poorest and most underserved areas, along with guarantees of access to college that they get in their middle school years if they continue to learn and perform, so that when these children are 11 or 12 or 13 they can be told, "If you stay in school and learn and you want to go on to a college or university, we can tell you right now you will have the help you need to do it." I think it is a powerful incentive, and in areas where children have been so used to being ignored for so long and feel that they will always be trapped in poverty, I think it is profoundly important.

Today, there is a vigorous debate going on in our Congress over the nature and extent of our responsibilities as a nation to our children's education. There are some in the other party who don't see eye-to-eye with me on what we should be doing for our public schools. Even as we recognize the importance of raising academics, challenge standards, and challenging our students to meet them, there are those who would actually prohibit the development of national tests for our schools, even if it's voluntary to participate.

Even as more studies confirm what we have already suspected about the importance of early childhood development, some would deny Head Start opportunities to as many as 25,000 of our disadvantaged children. Even as the greatest number of children since the baby boom are enrolling in our schools, some would weaken our efforts to recruit new, highly qualified teachers. Even as hundreds of thousands of high-paying, high-tech jobs all across America go begging for workers, some would cut our investments in education technology and technology training for teachers. Even as the evidence is overwhelming that smaller classes, especially in areas where children have difficulties learning, can make a permanent, positive difference in what children learn and what they continue to learn throughout their lifetime in the early grades, there are those who say we have no business investing national tax dollars in such endeavors.

Believe it or not, there are even some who are trying to kill one of our most successful efforts to provide on-the-job training to our young people and to give them something positive to do and ensure that they stay out of trouble in their free time. For a generation in our country, legislators from both our major political parties have supported the summer jobs program that has helped millions of our most disadvantaged young people appreciate the responsibility of a regular job and the reward of a regular paycheck.

Eliminating summer jobs would mock the very values we Americans cherish most, hard work, responsibility, opportunity. If we truly believe in these things, then we should help to expose all our young people, especially those who need it, to the world of work. If we insist upon responsibility from all our people, then those of us in power must take responsibility for giving our teenagers the jobs that will help them succeed in the future and keep them on a good path today.

If we believe in opportunity for all, then we must not deny our young people this vital springboard to opportunity. I say this to point out to all of you that if you don't get your way on education every day in your own countries, don't be surprised if we don't get to do everything we want to do, either. What seems so self-evident to you and me is still not entirely clear to all decisionmakers. But I want to encourage you to keep up the fight.

In all my visits at home and abroad, I have found out that you can learn a lot about a country's future by visiting its public schools. Does every child—boy and girl, rich and poor—have the same opportunity to learn? Are they engaged by patient, well-trained and inspiring teachers? Do they have access to the materials they need to learn? Are they learning what they need to know to succeed in the country they will live in and in the future that they will create? Do they have opportunities to go on to university if they do well and deserve the chance to do so? Are the schools themselves safe, positive, good places to learn?

We have to build a future together where the answer to all these questions is "yes" in every community, in every nation. I believe we can build a future where every child in every corner of the world, because of the ex-

plosion of technology and because of the dedication of teachers, will have the skills, the opportunity, the education to fulfill his or her God-given potential.

I know this will happen if teachers lead the way. I know that there will be political fights to be fought and won. I know one of your honorees at this conference is being honored for taking huge numbers of children out of bondage and putting them back in school. Some people still view children as little more than a material asset. They are us as children, and they are our future and the future of the world.

When he came to the White House to be honored as our National Teacher of the Year, Philip Bigler said, "To be a teacher is to be forever an optimist." I thank you for your unshakeable optimism. I ask you not only to be vigorous in the classroom but vigorous as citizens. You must not stop until every political leader with any political influence, in any political party, in any nation knows that this is something that has to be lifted above political partisanship. This is something that ought to be beyond all debate.

If you understand how the world is going to work tomorrow and you have any concern about the integrity and the richness of the human spirit in every child, then all of us must join hands to help you succeed in giving all those children the tomorrows they deserve.

Thank you, and God bless you.

NOTE: The President spoke at 11:31 a.m. at the Washington Hilton. In his remarks, he referred to Mary Hatwood Futrell, president, Education International; Robert Chase, president, National Education Association; and Sandra Feldman, president, American Federation of Teachers.

### **Statement on Signing the National Science Foundation Authorization Act of 1998**

*July 29, 1998*

Today I am pleased to sign into law H.R. 1273, the "National Science Foundation Authorization Act of 1998."

Science, engineering, and technology are potent forces for progress and achievement. Over the past century, advances in science

and technology have driven much of our economic growth and shaped the lives of every generation of Americans in previously unimaginable ways. As we approach the 21st Century, many of our society's expectations for a better future are dependent upon advances in science and technology.

The science and engineering investments made by the National Science Foundation (NSF) will create new knowledge, spur innovations, foster future breakthroughs, and provide cutting-edge research facilities to help power our Nation in the next century. These investments will help secure the continued prosperity of our economy, improvements in health care and our standards of living, and better education and training for America's students and workers.

This Act will enable the NSF to continue to play an important leadership role in sustaining scientific and technological progress. I am pleased to note that the appropriation authorization levels in H.R. 1273 are the same as proposed in my FY 1999 Budget, and I urge that these amounts be appropriated. The proposed funding for the NSF is part of my Administration's broader, aggressive agenda for science and technology investments throughout the Federal Government, which includes the NSF's participation in the Global Observations to Benefit the Environment Initiative, the Partnership for a New Generation of Vehicles Program, and the Education and Training Technology Initiative. I especially commend the Congress for authorizing the NSF's participation in the Next Generation Internet Program. This multi-agency program will push the frontiers of computation and communications and help fuel the revolution in information technology.

I want to acknowledge the bipartisan efforts in the House and the Senate that produced this important legislation and, in particular, remember the contributions of the late Steve Schiff of New Mexico, Chairman of the House Basic Research Subcommittee. Throughout his life and career, Steve Schiff dedicated his time and talents to make life better for the people of New Mexico and for this fellow Americans. Even as he waged his final courageous battle against cancer, he continued his efforts to make life better for

families across this country. This Act is just one piece of his legacy and demonstrates how the Congress and the Administration can work together to help continue U.S. leadership in science and technology. I am pleased to sign it into law.

**William J. Clinton**

The White House,  
July 29, 1998.

NOTE: H.R. 1273, approved July 29, was assigned Public Law No. 105-207.

### **Statement on Signing the Homeowners Protection Act of 1998** *July 29, 1998*

Today I am pleased to sign into law S. 318, the Homeowners Protection Act, which will save many American families thousands of dollars over the lifetime of their home mortgages. This bill will enable homeowners to cancel private mortgage insurance ("PMI") that they no longer need and make sure they receive full disclosure of their right to cancel.

Mortgage insurance has helped expand homeownership by allowing homeowners to make lower downpayments. But far too many homeowners continue to pay for mortgage insurance long after they have built enough equity so that the lender has little risk of loss. This bill would address that problem by making sure that homeowners have the right to cancel PMI, or by making that cancellation automatic, when homeowners build up enough equity in their homes. For a family that buys a \$160,000 home, this bill would ensure savings of \$1,600 if they do not move or refinance for 15 years.

Since I took office, homeownership has climbed to its highest rate in American history. But now is not a time to rest. I have set a national goal of helping 8 million new families move into homes of their own by the year 2000. Lowering the cost of homeownership is one more way we are helping America's working families. That is why I am pleased to sign this homeowner- and consumer-friendly legislation.

NOTE: S. 318, approved July 29, was assigned Public Law No. 105-216.

**Statement on the Death of  
Jerome Robbins**

*July 29, 1998*

Hillary and I are deeply saddened to learn of the death of Jerome Robbins. Like so many Americans, our lives were enriched immeasurably by his artistic genius. Through his brilliant choreography, he brought the joy and passion of the human experience to millions, lifting American theater and dance to new heights. And in the treasury of timeless masterpieces he leaves behind—from “Fancy Free” and “On the Town” to “West Side Story” and “Fiddler on the Roof”—his creative spirit will live forever.

**Memorandum on Outreach Actions  
to Increase Employment of Adults  
with Disabilities**

*July 29, 1998*

*Memorandum for the Attorney General, the Secretary of Health and Human Services, the Chair of the Equal Opportunity Commission, the Administrator of the Small Business Administration*

*Subject: Outreach Actions to Increase Employment of Adults with Disabilities*

As we commemorate the eighth anniversary of the Americans with Disabilities Act of 1990 (ADA), we have much to celebrate. This landmark civil rights law is making it possible for millions of Americans to participate more fully in society—through employment, access to public facilities, and participation in community and leisure activities—and to do their part to make us a stronger and better country. At the same time, we are reminded that significant challenges remain. Far too many of the 30 million working-age adults with disabilities are still unemployed, especially those with significant disabilities.

To address employment barriers for people with disabilities, I issued Executive Order 13078 on March 13, 1998, establishing the National Task Force on Employment of Adults with Disabilities. The Task Force will issue in November the first in a series of reports on what the Federal Government can do to help bring the employment rate of

adults with disabilities into line with that of the general population. The Task Force already has identified important ways to reduce barriers to work for people with disabilities, and I hereby direct you to act on these findings.

First, although awareness of the ADA is increasing among persons with disabilities, employers, and the general public, too many people still are not aware of their rights and responsibilities under the ADA. There is a particular need to educate the small business community, which employs most of the private work force and includes the vast majority of employers.

I therefore direct the Attorney General, the Chair of the Equal Employment Opportunity Commission, and the Administrator of the Small Business Administration to expand public education regarding the requirements of the ADA to employers, employees, and others whose rights may be affected, with special attention to small businesses and underserved communities, such as racial and language minorities that may not have ready access to information that is already available.

Second, lack of adequate private health insurance options is a disincentive to leave Social Security programs for work. Few private health plans cover the personal assistance and other types of services that make work possible for many people with disabilities. Recognizing this problem, I proposed and the Congress passed a new Medicaid option last year that allows people with disabilities to buy into Medicaid without having to receive cash assistance. A number of States have expressed an interest in offering this new option and the Secretary of Health and Human Services has been working with them to do so. Much more, however, needs to be done to increase the public outreach and education activities about these important laws and options.

I therefore direct the Secretary of Health and Human Services to continue to take all necessary actions to inform Governors, State legislators, State Medicaid directors, consumer organizations, employers, providers, and other interested parties about section 4733 of the Balanced Budget Act of 1997.

Section 4733 allows States to provide Medicaid coverage for working individuals with disabilities who, because of their earnings, would not qualify for Medicaid under current law. Additional guidance, letters, technical assistance, and other efforts by the Department of Health and Human Services about the enormous benefits of this option can go a long way in encouraging States to adopt and use this Medicaid buy-in.

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

**William J. Clinton**

**Message to the Congress  
Transmitting the Report of the  
Corporation for Public Broadcasting**

*July 29, 1998*

*To the Congress of the United States:*

In accordance with the Public Broadcasting Act of 1967, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting (CPB) for Fiscal Year 1997 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1997.

Thirty years following the establishment of the Corporation for Public Broadcasting, the Congress can take great pride in its creation. During these 30 years, the American public has been educated, inspired, and enriched by the programs and services made possible by this investment.

The need for and the accomplishments of this national network of knowledge have never been more apparent, and as the attached 1997 annual CPB report indicates, by "Going Digital," public broadcasting will have an ever greater capacity for fulfilling its mission.

**William J. Clinton**

The White House,  
July 29, 1998.

**Remarks at the American Heritage  
Rivers Designation Ceremony in  
Ashe County, North Carolina**

*July 30, 1998*

**The President.** Thank you. Thank you so much. Thank you for the warm welcome. Thank you for being here. Thank you, Sheila Morgan. Didn't she do a good job? [*Applause*]

I want to——

**Audience member.** We love you, Mr. President!

**The President.** Thank you, ma'am. [*Laughter*]

I want to thank all of you. I want to especially thank my good friend Governor Hunt, America's premier and senior Governor on so many issues and especially the education of our children. He's done a wonderful job for you.

I want to thank Congressman Burr for his statement, his commitment, his support of this project, and proving once again that at its best, America's commitment to our natural environment and our children's future is a bipartisan effort.

I want to thank Congressman Rahall, my good friend from West Virginia, for reminding us that Virginia and West Virginia are also a part of the New River designation and very proud of it.

I thank Chair of the Federal Advisory Commission, Dayton Duncan, and the other members who are here today; the chair of the American Heritage River Alliance, Peter Stroh. I think the North Carolina poet laureate, Fred Chappell, is here, and I thank him for coming. I hope he'll write a poem about this.

I want to say to Chairman Yeats and Mayors Baldwin, Brown, and Hightower, we're glad to be here in your neighborhood.

I would like to say a special word of thanks to the Vice President for the magnificent record he has established in protecting our environment and in so many other areas of our national life. And to my great, good friend Erskine Bowles, perhaps the most effective Chief of Staff any President ever had, and a relentless promoter of North Carolina and the New River.

I think the Vice President would agree with me when I say on October 1st we will close our books on the old budget year and open our books on the new one, and for the first time in 29 long years America is going to have a balanced budget and a surplus, thanks in no small measure to Erskine Bowles' leadership.

I want to thank all the people who made this day possible, the young people, the River Builders; I thank the young AmeriCorps volunteers who are here. I thank all the older people who also worked hard. I don't know how in the world you all got this place outfitted for this many people in no more time than you had to work on it, but I hope we could all join one more time in thanking Bill and Lula Severt and their family. The Severts have been great to make us at home in their home. Thank you, bless you.

Can you imagine how he felt—they said, "How would you like to just take out a minute or two in a couple of weeks, Bill, to entertain the President, the Vice President, the Governor, two Congressmen, and 6,500 of their closest friends." [Laughter] Just another day on the farm. [Laughter]

In just a few moments I will sign a proclamation making all this official, awarding our Nation's first American Heritage Rivers designations to the New River, the Blackstone and Woonasquatucket, the Connecticut, the Cuyahoga, the Detroit, the Hanalei, the Hudson, the Upper and Lower Mississippi, the Potomac, the Rio Grande, the St. Johns, the Upper Susquehanna and Lackawanna, and the Willamette. Those places tell you an awful lot about America. They span our history. They span our country. They capture our imagination.

I want to congratulate the communities that participated in all these—all these—designations, and also those who worked so hard who didn't quite make it this time. It was an amazing process.

You know, for 5½ years the Vice President and I have worked hard to honor one of our Nation's oldest, most enduring values, to preserve for future generations the Earth God gave us. That's really what this river initiative is all about.

The First Lady has headed up our coming celebration moving toward the year 2000 of

the millennium, starting a new century and a new thousand years. And she came up with this theme that we should honor the past and imagine the future. You may have seen a few days ago she went out to Fort McHenry, where the Star-Spangled Banner flew, to celebrate the restoration of the Star-Spangled Banner; then on to the home of Thomas Edison, Harriet Tubman, and then to George Washington's Revolutionary War headquarters—the thing that got North Carolina into this country in the first place and put it in a position to give up Tennessee. [Laughter]

So I think—

[At this point, the President looked at Vice President Gore.]

**The President.** He's laughing. [Laughter] I'll hear about that later.

What we do today is an important part of honoring our past, and it's far more distant, and it also will stretch far, far into the future. Like the ring of a stately old oak, the currents of our rivers carry remarkable stories.

The New River tells stories of a region, the southern Appalachian region, where tight-knit communities remain true to tradition, where neighbors share a vision of wise stewardship of water and land. It tells the stories of our emerging Nation, for Colonel Peter Jefferson, Thomas Jefferson's father, surveyed this river, and Daniel Boone trapped here for beaver and bear.

It tells stories of earlier settlements through tools left by the Canaway, Cherokee, and Creek. It tells the story of our planet, for scientists can tell by the river's location and direction of flow that it is not only the oldest river in North America but the second oldest river on the face of the Earth.

The other American Heritage Rivers all have compelling stories of their own, but there is one story all these rivers share, the story of communities rallying around their rivers the way neighbors rally around each other in time of need or to get something done in the community.

Sheila talked about what you did here. In each and every community that won this designation—and, I add, those who came close, and there were dozens of them—we were

simply overwhelmed by the cooperation between interests who often disagree and by the creative but practical plans forged by communities for protecting natural resources, spurring revitalization of the economy, and preserving cultural heritage.

Now we intend to work with you to realize our plans. This is the beginning, not the end, of this celebration. First, let me say, there will be no Federal mandates, no restrictions on property holders' rights. Our goal instead is to help local groups enhance historic rivers and make them attractive and commercially vibrant even as we preserve their environmental characteristics.

Here, for example, we'll start working with the New River Heritage Task Force to help family farmers increase their incomes with alternative crops and innovative techniques, while cutting the flow of pollutants into the river. On the Detroit River we'll help to revitalize an urban waterfront to bring new opportunity to downtown Detroit. On the St. Johns River we will help to control future floods and enhance environmental protection for rare species like the manatee. On each and every one of these rivers, we will help to unite our communities to further our country's river renaissance.

For nearly three decades now, as the Congressman said earlier and as the Vice President echoed, our Nation has made strong, visible, bipartisan progress in cleaning up our environment, while enhancing our economy at the same time. Today, our economy is the strongest in a generation, but we also have cleaner air, cleaner water, fewer toxic waste dumps, safer food, the cleanest environment in a generation. And we should be proud of that. The two go hand in hand.

I want to talk a little politics, but not partisan politics, with you. Jim Hunt and I were riding out here, and I looked at all those folks waving to me with their American flags. And I said, "Jim, is this a Democrat area or a Republican area?" [Laughter] He said, "It's about 50-50." He said, "It comes and goes." [Laughter] I said, "Kind of like America."

Well, I want to ask you to manifest the bipartisan or nonpartisan commitment I see in this crowd today to the environment in your voices in Washington, because some folks in Congress are no longer committed

to bipartisan progress on the environment. They really do see, I believe honestly, polluted streams and fields or noxious air as overstated problems that can be put off for another day.

We can only deal with this if we have progress, not partisanship, because here are the facts: Today, 40 percent of our waters are still too polluted for fishing and swimming. That's why I launched the Clean Water Action Plan to help communities finish the job that the Vice President mentioned. So far, Congress has refused to fully fund this initiative. I ask them to reconsider. I think every child in America ought to have the same chance your children do to fish or swim or float on a river that's clean and pure.

We need progress, not partisanship, to protect our land. Last February, several months ago, I submitted a list of 100 new sites we can add to our Nation's endowment of protected lands, including a beautiful site here in the southern Appalachians along the trout-rich Thompson River. While Congress has appropriated the money to preserve these natural and historic treasures, under the law the leadership must approve the release of the funds. And so far they haven't done it. So today I ask again, let's work together to protect these wonders. The money is in the bank. The sites have been identified. They're not going anywhere, but we need to preserve them for everyone for all time.

We also need to work together to meet the challenge of climate change, which has already been mentioned by the Governor and others. Let me tell you, folks, the first time I had a long talk with Al Gore, he showed me this book he wrote, "Earth in the Balance," which I had already read and understood about half of. [Laughter] And he whipped out this chart showing how much more elements we were putting in the air in the form of greenhouse gases that were heating the planet.

And I listened, and it made a lot of sense to me, but I didn't know anybody who believed it or at least not enough to actually come up with a plan. Well, now we know that the 9 hottest years in history have occurred in the last 11 years, that the 5 hottest years in history have occurred in the 1990's, that 1997 was the hottest year ever recorded

on Earth, and every month of 1998 has broken the 1997 record in America. And I'm glad the clouds came up and made me cool while I'm saying that.

But there is a way, just like there has always been a way. Since we started doing this in 1970, there has always been a way for us to preserve the environment and grow the economy. There is a way for us to meet the challenge of climate change and global warming and continue to grow the economy. We just have to be innovative, and we have to be willing to change.

And again, I have not proposed a lot of big, burdensome new regulations; I have proposed tax incentives and investments in new technologies and partnerships so we can reduce the harmful fumes we put into the atmosphere from transportation, from construction, from utilities, from all the work we do. We can do this. This is not going to be that hard once we make up our mind.

But I can tell you, we can never do it unless there are Democrats and Republicans for it. We never make any real progress on any great challenge unless we go forward together. And I ask you to ask our country to go forward as you have gone forward together here. We need these programs for energy efficiency, renewable energy, and tax incentives. They've long enjoyed the support of business and environmentalists; they should enjoy the support of Congress.

And we also need to stop using legislative gimmicks in Washington to weaken environmental protection. In the Senate, for example, lawmakers have attached to bills that are totally unrelated devices called riders that would cripple our wildlife protection efforts, deny taxpayers a fair return on oil leasing on public lands, allow a \$30 million road through a wildlife refuge in Alaska, the first road ever through a Federal wilderness. We don't need to do this. We need to keep going forward.

Look out at that river and just imagine, just try to imagine what it would be like to be 300 million years old. I'm grateful for our economic prosperity. I'm grateful for the fact that the crime rate is down, and we have the smallest percentage of our people on welfare in 29 years. I'm grateful for these things. But you know and I know that the world is still

changing fast, that there are many challenges out there that we're trying to meet right now—the challenge of the problems that our friends in Asia have which could affect the whole world economy, just for example. We're trying to deal with wars of racial and religious and ethnic hatred that could spill into other countries and engage our young people again.

We know that we will have future challenges because in the nature of things, once you solve one set of problems there's always a new set of challenges coming along. That's one of the gifts that God has given us. So we'll always have new challenges, but you'll always have the New River, too.

For those of us who are old enough to be parents or grandparents, we know when our children and grandchildren are our age the facts of their lives might be a little different. It's kind of heartening to know, isn't it, that the New River will be the same because of what you are doing here today.

This ancient river has flowed through the heart of this land for millions of years—hundreds of millions of years longer than blood has flowed through any human heart. The Cherokee even say that this was the very first river created by the Great Spirit's hand. Who are we, such brief visitors on this Earth, to disturb it? But when we cherish it and save it and hand it on to our children, we have done what we were charged to do, not only in our own Constitution and history but by our Maker.

You should be very, very proud of yourselves today. I thank you for what you have done. God bless you.

NOTE: The President spoke at 1:08 p.m. at the Severt family farm. In his remarks, he referred to Sheila Morgan, co-owner of the Todd General Store on the New River, who introduced the President; Gov. James B. Hunt of North Carolina; George Yeats, chairman, Ashe County Commission; Mayor Dale Baldwin of West Jefferson, NC; Mayor Dayna Brown of Lansing, NC; Mayor D.E. Hightower, Jefferson, NC; and Bill and Lula Severt, who hosted the event. A tape was not available for verification of the content of these remarks.

## **Proclamation 7112—Designation of American Heritage Rivers**

*July 30, 1998*

*By the President of the United States of America*

### **A Proclamation**

In celebration of America's rivers, and to recognize and reward grassroots efforts to restore them, last year I announced the American Heritage Rivers initiative. My goal was to help communities realize their visions for their rivers by making it easier for them to tap existing programs and resources of the Federal Government. From across the country, hundreds of communities answered my call for nominations, asking that their rivers be designated American Heritage Rivers. I applaud all of the communities that have drawn together and dedicated themselves to the goal of healthy rivers, now and forever.

Having reviewed the recommendations of the American Heritage Rivers Initiative Advisory Committee, I am pleased to be able to recognize a select group of rivers and communities that reflect the true diversity and splendor of America's natural endowment, and the tremendous energy and commitment of its citizenry.

Pursuant to Executive Orders 13061, 13080, and 13093, I hereby designate the following American Heritage Rivers:

- The Blackstone and Woonasquatucket Rivers, in the States of Massachusetts and Rhode Island;
- The Connecticut River, in the States of Connecticut, Massachusetts, New Hampshire, and Vermont;
- The Cuyahoga River, in the State of Ohio;
- The Detroit River, in the State of Michigan;
- The Hanalei River, in the State of Hawaii;
- The Hudson River, in the State of New York;
- The Upper Mississippi River, in the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin;
- The Lower Mississippi River, in the States of Louisiana and Tennessee;

- The New River, in the States of North Carolina, Virginia, and West Virginia;
- The Rio Grande, in the State of Texas;
- The Potomac River, in the District of Columbia and the States of Maryland, Pennsylvania, Virginia, and West Virginia;
- The St. Johns River, in the State of Florida;
- The Upper Susquehanna and Lackawanna Rivers, in the State of Pennsylvania;
- The Willamette River, in the State of Oregon.

**In Witness Whereof**, I have hereunto set my hand this thirtieth day of July, in the year of our Lord nineteen hundred and ninety-eight, and the Independence of the United States of America the two hundred and twenty-third.

**William J. Clinton**

[Filed with the Office of the Federal Register, 8:45 a.m., August 4, 1998]

NOTE: This proclamation will be published in the *Federal Register* on August 5.

## **Letter to Congressional Leaders Transmitting a Report on Cyprus**

*July 30, 1998*

*Dear Mr. Speaker: (Dear Mr. Chairman:)*

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I submit to you this report on progress toward a negotiated settlement of the Cyprus question covering the period April 1 to May 31, 1998. The previous submission covered events during February and March 1998.

My Special Presidential Emissary for Cyprus, Ambassador Richard C. Holbrooke, accompanied by Special Cyprus Coordinator Ambassador Thomas J. Miller, traveled to Cyprus in early April and held a series of intensive talks with the leaders of both communities. In early May, they returned to the island at the request of both leaders and encouraged them to begin serious negotiations toward a bizonal, bicommunal federation. Unfortunately, the Turkish side took the position that talks could not begin unless certain

preconditions were satisfied, including recognition of the "Turkish Republic of Northern Cyprus" and the withdrawal of Cyprus' application to the European Union.

Although progress was not possible during Ambassador Holbrooke's May visit, he assured both parties that the United States would remain engaged in the search for a solution.

Sincerely,

**William J. Clinton**

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Jesse Helms, chairman, Senate Committee on Foreign Relations.

**Remarks at a Reception for  
Senatorial Candidate John Edwards  
in Raleigh, North Carolina**

*July 30, 1998*

Thank you very much. Thank you for being here. Thank you for waiting. Thank you for enduring the heat. I'll tell the Vice President 100 percent of the people in this crowd believe there is global warming now. [Laughter] Thank you so much.

I'd like to thank all the young people who provided our music over there. [Inaudible]—thank you very much. I'd like to thank the Lt. Governor, your Education Commissioner, and the other officials who are here; my old friend, Dan Blue; my former Ambassador Jennette Hyde, and Wallace are here. Barbara Allen, your State chair, thank you very much. I saw Sheriff Baker here. I thank him for being here. I think every county ought to have a sheriff that's 9 feet tall. I wish I could find one everywhere.

I want to thank my good friend, Erskine Bowles, for coming home to North Carolina with me. You should know that on October 1st, when we have that balanced budget and surplus for the first time in so many years, there is no single person in America more responsible for the first balanced budget in a generation than Erskine Bowles, and it's a good thing for this country. And I appreciate it.

I thank my great friend, Jim Hunt. We've been friends for 20 years now, a long time before some of you were born. And we've

been out here working to try to improve education and move our country forward, move our States forward.

I want to thank Margaret Rose Sanford, Mrs. Terry Sanford, for being here tonight. Thank you for coming. But most of all, I want to thank John Edwards and his wife and his children for this race for the Senate.

You know, it's just a common place today that you can't beat a Republican incumbent running for the Senate because they have all the money, and that's why campaign finance reform never passes, I might add. [Laughter] And so times are good; people are happy; your opponent has money, he's already in; therefore, you can't win.

And John Edwards said, "I don't think so. I think we can do better." And I appreciate and respect that. I also want to thank them for giving up their anniversary dinner to come here and be with us. [Laughter] I'm not going to talk that long. It will still be open when we finish tonight. [Laughter]

I want to make a couple of brief points. It's hot, and you've heard it all. I feel like the guy that got up to the banquet and said, "Everything that needs to be said has already been said, but not everyone has said it yet so you all sit tight." [Laughter] I'll be very brief.

First, I bring you greetings from the Vice President and the First Lady, who wish they could be here tonight. We want to thank the people in North Carolina who have been our friends since 1992, who stayed with us every step of the way, who believed in us when we were often under attack.

Here are the points I want to make, and they all bear on this race for the Senate. Number one: We came to office in 1992 carried by people who believed our country could do better if we had not only new leadership but new ideas. We not only had the right people, I believe we did the right things. We said, "We want a Democratic Party based on the old virtues of opportunity, responsibility, and community, but with new ideas for the 21st century."

Five and a half years later, we have the lowest unemployment rate in 28 years, the lowest crime rate in 25 years, the lowest welfare rolls in 29 years, the first balanced budget in 29 years, the lowest inflation in 32 years,

the highest homeownership in American history with the smallest Federal Government in 35 years, since John Kennedy was the President of the United States.

There were fights over these ideas. When we passed the budget in 1993 that reduced the deficit by over 90 percent, not a single member of the other party was with us. When we passed the crime bill to put 100,000 police officers on the street, which officers had been begging for. I just left Bristol, Tennessee, the airport, all these law enforcement officers standing there in east Tennessee, saying, "Thank you very much for still helping us to keep our community safe." Very few members of the other party were there.

When we passed the family and medical leave bill that's allowed 12½ million people to get a little time off from work when they've got a new baby or a sick parent, most of the people in the other party opposed us.

It was the Democratic Party that said, "Yes, balance the budget, but give 5 million poor children health insurance. Give a HOPE scholarship to make the first 2 years of college free for virtually all Americans. Increase those Pell grants. Increase those work-study funds. Give tax deductibility for the interest rates on student loans. Let's make college universal for everybody who is willing to work for it." That was our party's legacy.

It was the Democratic Party that said, "We can grow the economy and improve the environment; we can't afford to do the reverse." And against often relentless odds, I can tell you today, compared to 6 years ago, we not only have more new jobs, we have cleaner air, cleaner water, safer food, fewer toxic waste dumps, the most land set aside for eternal preservation since the administration of Franklin Roosevelt. We are moving this country in the right direction.

I love John Edwards' idea for the way to conduct a Senate campaign. I'm convinced that one of the few reasons that I am President today is that when I went to New Hampshire in 1992, a State with fewer than a million people, with the first election, I just started having open town hall meetings—said, "Folks, come on in here. We're going to talk." And I'd talk 5 or 6 minutes, and they would ask questions for an hour or two.

And pretty soon the word got around. This is a little State, keep in mind. So I went to a place, and they said, "Bill, if you get 50 people it's an acceptable crowd. If you get 150 people, it's a huge crowd." There were 400 people who showed up. Why? Because they wanted to participate in their democracy. John Edwards is trying to give this Senate race and this Senate seat back to you, and I hope that his opponent will accept his offer.

Here's the second point I want to make. Here's why you ought to be for him: Most people, when times are good, especially if times have been bad, want to take a breather. They want to say, "Oh, everything is fine in America today"—it's in my self-interest to say that. So people say, "Oh, everything is fine. Let's just relax and kick back and kick off our shoes," and "It's a hot summer. We'll drink lemonade and leave them all in."

But let me tell you, those of you who study what's going on know that the world is changing very fast still every day. The way we work, the way we live, the way we learn, the way we relate to the rest of the world, it's changing. We cannot afford to sit back. We have to bear down. Pretty soon us baby boomers will retire, and we don't want to bankrupt our kids and our grandkids. That's why I say—and John Edwards says—don't you dare spend that surplus until we save the Social Security system for the next generation.

We have already 160 million Americans in HMO's and other managed care plans. We say, "Okay, manage the care. Save the money, but don't turn people away from an emergency room. Don't turn people away from a specialist. Don't have an accountant making a decision a doctor should make with a patient to save lives and guarantee quality health care." That's what the Patients' Bill of Rights is all about.

We say America has the finest system of college education in the world, and most of our public schools are doing a good job. But nobody believes every American child has the finest elementary and secondary education in the world. So let's keep working until they do; with smaller classes in the early grades; hooking up all the schools, even the poorest, to the Internet; giving kids the chance to have opportunities in the summer

and after school if they need it to learn more. In other words, let's make a commitment that our elementary and high school education will be world-class for everybody just like college education is. That's my commitment, and that's his.

And so, I have never given a speech in a cool room in North Carolina. [Laughter] And I tell you, you got my blood running strong. You make me feel good. I can't wait to go home and tell about it. But don't you forget, this good man and his family, here before you on their 21st anniversary, defied all the conventional wisdom along with the good people that ran in the primary with him, and they said, "We can do better. Just because America's doing well, just because North Carolina's doing well, we have to think about the long-term challenges."

Folks, when times are good, that's the time to repair the house; that's the time to prepare for the future; that's the time to build on the confidence you have. You stay with him and bring him home to the United States Senate, and we'll build a stronger America together for the 21st century.

Thank you, and God bless you.

NOTE: The President spoke at 7:35 p.m. in the Governor W. Kerr Scott Building at the North Carolina State Fairgrounds. In his remarks, he referred to Lt. Gov. Dennis Wicker of North Carolina; Lynda McCulloch, Education Commissioner; State Representative Dan Blue; Jennette Hyde, former Ambassador to Barbados, and her husband Wallace; Barbara Allen, chair, State Democratic Party; Sheriff John Baker of Wake County; Gov. James B. Hunt of North Carolina; Margaret Rose Sanford, wife of former Gov. Terry Sanford; and Elizabeth Edwards, wife of candidate John Edwards.

### **Remarks to an Overflow Crowd in Raleigh**

*July 30, 1998*

Thank you. We wanted to come by and thank you. I know that you had to come here; you didn't get in the other room; you had to listen; you couldn't see. But if it's any consolation, you are much, much cooler than anybody in that other room is right now.

And I just want to thank you all from the bottom of my heart for being so good to me

and the First Lady and the Vice President over the last 5½ years, for the support that I've gotten from people from North Carolina, especially from my number one North Carolinian, Erskine Bowles, who has been a wonderful Chief of Staff.

I want to thank you for your commitment to John Edwards. And I want to ask you—you know, you heard us talking in the speeches about his proposal today to Senator Faircloth that they give up the ads and just spend all their money paying for honest conversations with the people of North Carolina. I think that's a good idea.

You just think about how it would change politics in America forever if North Carolina had an election in which there were no 30-second attack ads and the two candidates sat down around a table or maybe had 20 or 30 or 50 citizens sitting with them, and honestly discussed the issues on television where everybody could be a part of it, write them, tell them what they thought, decide what they agree with, what they disagree with. Think about it. It would recreate old-fashioned citizenship again.

Now, if you like that, don't let it be one letter in one statement in one day. Go out tomorrow and talk about it and the next day and talk to your friends and neighbors about it and get a little ground swell built up about it, because I can tell you that I think that this candidate will be much more eager to do this than his opponent. But it's the right thing to do for the folks.

So stay with us; keep working. We're going to keep moving this country forward. Remember the last thing I said in there—times are good now, and I'm grateful for that. But that's not a time to sit on your laurels and sit back and congratulate yourself. When America is going into a new century and things are changing as they are, we should use the confidence of these good times to take on those big long-term challenges. And that's what you have to think about with these elections coming up.

Who do you really want to be dealing with the challenges of saving Social Security and Medicare for the 21st century? Who do you really trust to do more to build the best public schools in America for all of our children, without regard to their income, their race,

or their region of the country? Who do you believe is more likely to get quality, affordable health care for all Americans, and say to the HMO's and to the managed care people, "We want managed care, but we don't want accountants making decisions doctors should make. We want people to get in the emergency room, to see the specialists, to have quality health care when they need it." The answer is John Edwards. And I'm honored to be in North Carolina with him to-night.

Thank you, and God bless you all. Thank you.

NOTE: The President spoke at 8:15 p.m. in the Governor W. Kerr Scott Building at the North Carolina State Fairgrounds.

**Message to the Congress  
Transmitting a Report on the Arab  
League Boycott of Israel**  
July 30, 1998

*To the Congress of the United States:*

In accordance with the request contained in section 540 of Public Law 105-118, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998, I submit to you the attached report providing information on steps taken by the United States Government to bring about an end to the Arab League boycott of Israel and to expand the process of normalizing ties between Israel and the Arab League countries.

**William J. Clinton**

The White House,  
July 30, 1998.

NOTE: This message was released by the Office of the Press Secretary on July 31.

**Remarks on the National Economy  
and an Exchange With Reporters**  
July 31, 1998

**The President.** Good morning. I want to thank the Vice President, Mr. Bowles, and our economic team for joining us today to talk about the continuing strength of our economy and what we have to do to make it stronger as we move toward a new century.

Five and a half years ago, we set a new strategy for the new economy, founded on fiscal discipline, expanded trade, and investment in our people. Today our economy is the strongest in a generation. While the latest economic report shows that growth in the second quarter of 1998 was more moderate than the truly remarkable first quarter, it shows that our economy continues to enjoy steady growth. So far this year, economic growth has averaged 3.5 percent. This is growth the right way, led by business investment and built on a firm foundation of fiscal discipline.

We've also learned today that since I took office the private sector of our economy has grown by nearly 4 percent, while we have reduced the Federal Government to its smallest size in 35 years. Wages are rising. Investment and consumer confidence remain high. Unemployment and inflation remain low. Prosperity and opportunity abound for the American people.

In the long run, we can keep our economy on its strong and prosperous course. Our economic foundation is solid. Our strategy is sound. Still, we know from events that, more than ever, the challenges of the global marketplace demand that we press forward with the comprehensive strategy we began 6 years ago.

First, we have to maintain our fiscal discipline. This week marks the fifth anniversary of the 1993 economic plan that charted our course to a balanced budget and reduced the deficit by over 90 percent by the time we signed the Balanced Budget Act in 1997. This fiscal discipline has had a powerful, positive impact, driving interest rates down, pushing investment to historic levels, creating a virtuous cycle of economic activity that has helped cut the deficit even further. We must hold a steady course, and we should not spend a penny of the surplus until we have saved Social Security first. Fiscal discipline helped to build this strong economy; fiscal recklessness could undermine it dramatically. We must use these good times to honor our parents and the next generation by saving Social Security first.

Second, we must continue to invest in the American people. Five years ago I said we had to close two gaps, one in the budget and

the other in the skills of our people. Now, as we hear of a shortage of highly skilled workers all across our country, we have more confirmation that America simply must do more in education and training. To fill those high-wage jobs, we must have a training system that works.

In 1995 I put forward a comprehensive proposal to modernize, overhaul, and streamline our job training programs. I called it a "GI bill" for America's workers. With bipartisan support, Congress is now poised to finish the job. I was so pleased by the bipartisan overwhelming vote in the Senate last night for the "GI bill." And I look forward to prompt House action and to signing the bill into law soon. Congress must continue this path to progress without partisanship. They should abandon plans to make drastic cuts in our Nation's education budget. An investment in education is clearly the most important long-term economic investment we can make in our future.

The third thing we have to do is to lead the world in this age of economic interdependence, and we have to do more there. More than a quarter of our economic growth during the past 5 years has come from exports. One of the reasons that growth moderated in the second quarter is because we are feeling the direct, discernible effects of the Asian economic downturn. Simply put, the health of the Asian economy affects the health of our own. Just with our grain crops, about half of that crop is exported, and about 40 percent of the exports go to Asia.

We have seen, therefore, this impact already in our rural communities. And I've talked about that quite a bit in the last couple of weeks. The Asian financial crisis has literally led to a 30 percent decline in farm exports to Asia.

The International Monetary Fund is designed to support necessary reforms in those economies, to help them help themselves, and to restore growth and confidence in their economies.

Now, I also want to say something that you all know. It is especially important for Asia and for our economy that the new Japanese Government move forward quickly and effectively to strengthen its financial system and stimulate and open its economy. It is

going to be very, very difficult for Asia to recover unless its leading economy, Japan, leads the way. I welcome the election of the new Prime Minister, as well as a former Prime Minister with whom I have worked, Mr. Miyazawa, as the new Finance Minister. I am looking forward to talking with the new Prime Minister tomorrow.

And again, I remind the American people of our long friendship and partnership in so many ways—political, security, and economics—with Japan. We want to work with them, and we hope that this new government can find the keys to restore to the Japanese people, who have a great economy and a great society, the growth that they deserve.

Finally, let me say, we must do our part. That is why a commitment to the International Monetary Fund is an investment not simply in other countries, in their reform but in our own economy. We have to grow this economy by selling things to other people. They need the money to buy our products. That is why Congress should step up to its responsibility, put, again, progress ahead of partisanship, and renew our commitment and pay our fair share to the IMF. I urge Congress to do this quickly and not to put at risk our prosperity.

Open and fair trade, a balanced budget, saving Social Security, better education, and higher skills—the strategy that has boosted our economy for 5½ years will boost it further as we boldly move into a new century. I will continue to do everything in my power and to work as hard as I can with Congress to strengthen an economy that offers opportunity to all, a society rooted in responsibility, and a nation that lives as a community with each other and with the rest of the world.

Again, I want to say to all the economic team how much I appreciate the special and the difficult work we have done these last 3 months as our country has coped with the General Motors strike, which, thank goodness, has now concluded on successful terms, and with the problems in Asia and elsewhere.

Thank you very much.

#### **President's Testimony**

**Q.** Mr. President——

**Q.** Mr. President——

**The President.** Wait, wait, wait. Everybody has got a question. Let me give you the answer to all of them.

**Q.** You didn't hear—

**The President.** I know—yes, I did. I heard all of you shouting about it.

No one wants to get this matter behind us more than I do—except maybe all the rest of the American people. I am looking forward to the opportunity in the next few days of testifying. I will do so completely and truthfully. I am anxious to do it. But I hope you can understand why, in the interim, I can and should have no further comment on these matters.

Thank you very much.

NOTE: The President spoke at 11:57 a.m. in the Rose Garden at the White House. In his remarks, he referred to Prime Minister Keizo Obuchi and Finance Minister Kiichi Miyazawa of Japan.

### **Statement on Senate Action on Job Training Reform Legislation**

*July 31, 1998*

For years now, I have been fighting for a “GI bill” for America’s workers to modernize job training for the economy of the next century. I appreciate the bipartisan effort in the Senate that led to passage of legislation to do just that last night. This bill will make sure that job training in America helps our people meet the demands of a rapidly changing economy. I hope the House will continue this bipartisan effort to give Americans new training opportunities designed for the cutting-edge jobs of the future.

This legislation will fundamentally reform job training by empowering individuals to learn new skills with a simple skill grant. It also consolidates the tangle of training programs; creates a network of One-Stop Career Centers; increases accountability to ensure results; allows States and communities to tailor programs to locally determined needs; and ensures that business, labor, and community organizations are full partners in system design and quality assurance. It targets vocational and adult education funds to educational agencies and institutions with the greatest need, and to activities that promote program quality. It improves the vocational

rehabilitation program by streamlining eligibility determination, improving State planning, and strengthening program accountability. And it includes the youth opportunity areas initiative—which was funded in last year’s appropriations process—that will create jobs and opportunity for out-of-school youth in high-poverty areas.

### **Proclamation 7113—To Implement an Accelerated Schedule of Duty Elimination Under the North American Free Trade Agreement**

*July 31, 1998*

*By the President of the United States of America*

#### **A Proclamation**

1. On December 17, 1992, the Governments of Canada, Mexico, and the United States of America entered into the North American Free Trade Agreement (“the NAFTA”). The NAFTA was approved by the Congress in section 101(a) of the North American Free Trade Agreement Implementation Act (“the NAFTA Implementation Act”) (19 U.S.C. 3311(a)) and was implemented with respect to the United States by Presidential Proclamation 6641 of December 15, 1993.

2. Section 201(b) of the NAFTA Implementation Act (19 U.S.C. 3331(b)) authorizes the President, subject to the consultation and layover requirements of section 103(a) of the NAFTA Implementation Act (19 U.S.C. 3313(a)), to proclaim accelerated schedules for duty elimination that the United States may agree to with Mexico or Canada. Consistent with Article 302(3) of the NAFTA, I, through my duly empowered representative, entered into an agreement with the Government of Mexico and the Government of Canada, dated July 27, 1998, providing for an accelerated schedule of duty elimination for specific goods of Mexico. The consultation and layover requirements of section 103(a) of the NAFTA Implementation Act with respect to such schedule of duty elimination have been satisfied.

3. Pursuant to section 201(b) of the NAFTA Implementation Act, I have determined that the modifications hereinafter proclaimed of duties on goods originating in the territory of a NAFTA party are necessary or appropriate to (i) maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada and Mexico provided for by the NAFTA and (ii) to carry out the agreement with Canada and Mexico providing an accelerated schedule of duty elimination for specific goods.

4. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483) ("the Trade Act"), authorizes the President to embody in the Harmonized Tariff Schedule of the United States ("the HTS") the substance of the relevant provisions of acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

**Now, Therefore, I, William J. Clinton,** President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to section 201(b) of the NAFTA Implementation Act and section 604 of the Trade Act, do proclaim that:

(1) In order to provide for an accelerated schedule of duty elimination for specific goods, the tariff treatment set forth in the HTS for certain NAFTA originating goods is modified as provided in the Annex to this proclamation.

(2) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(3) The amendments made to the HTS by the Annex to this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after August 1, 1998.

**In Witness Whereof,** I have hereunto set my hand this thirty-first day of July, in the year of our Lord nineteen hundred and ninety-eight, and of the Independence of the United States of America the two hundred and twenty-third.

**William J. Clinton**

[Filed with the Office of the Federal Register, 8:45 a.m., August 4, 1998]

NOTE: This proclamation will be published in the *Federal Register* on August 5.

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## Digest of Other White House Announcements

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The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

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### July 25

In the morning, the President traveled to Norfolk, VA. In the afternoon, he traveled to Aspen, CO.

### July 26

In the evening, the President traveled to Albuquerque, NM.

### July 27

In the afternoon, the President departed for Washington, DC, arriving in the evening.

The President announced his intention to nominate Norine E. Noonan to serve as Assistant Administrator for Research and Development at the Environmental Protection Agency.

### July 29

The President announced his intention to nominate James Bodner to be Principal Deputy Under Secretary of Defense for Policy.

The President announced his intention to nominate Gregory H. Friedman to be Inspector General of the Department of Energy.

The White House announced that the President will meet with Minister President Gerhard Schroeder of the German State of Lower Saxony at the White House on August 5.

### July 30

In the morning, the President traveled to Ashe County, NC. In the afternoon, he traveled to Raleigh, NC, and in the evening, he returned to Washington, DC.

The President announced his intention to nominate Montie R. Deer to be Chair of the National Indian Gaming Commission.

The President announced his intention to nominate Charles G. Groat to be Director of the Geological Survey.

### **July 31**

In the afternoon, the President and Hillary Clinton traveled to East Hampton, NY.

The President announced the nomination of Harold Lucas to be Assistant Secretary for Public and Indian Housing at the Department of Housing and Urban Development.

The President announced the nomination of Cardell Cooper to be Assistant Secretary for Community Planning and Development at the Department of Housing and Urban Development.

The President announced his intention to nominate Peter J. Basso, Jr., to be Assistant Secretary for Budget and Programs at the Department of Transportation.

The President announced his intention to appoint Mitchell Berger as Chair of the Board of Directors of the Student Loan Marketing Association (Sallie Mae).

The President announced his intention to nominate Terrence L. Bracy to be a trustee of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation.

The President announced the nomination of John U. Sepulveda to be Deputy Director of the Office of Personnel Management.

The President announced the nomination of Stephen W. Preston to be General Counsel of the Department of the Navy.

The President announced the nomination of David C. Williams to be Inspector General at the Department of the Treasury.

The President announced the nomination of Claiborne Pell to be an Alternate Representative of the United States of America to the 53d Session of the General Assembly of the United Nations.

The President announced the nomination of Michael M. Reyna to be a member of the Farm Credit Administration Board.

The President announced the nomination of Joseph E. Stevens, Jr., to the Board of Trustees of the Harry S. Truman Scholarship Foundation.

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## **Nominations Submitted to the Senate**

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The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

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### **Submitted July 29**

James M. Bodner,  
of Virginia, to be Deputy Under Secretary of Defense for Policy, vice Jan Lodal.

Eugene A. Conti, Jr.,  
of Maryland, to be an Assistant Secretary of Transportation, vice Frank Eugene Kruesi, resigned.

Gregory H. Friedman,  
of Colorado, to be Inspector General of the Department of Energy, vice John C. Layton, resigned.

Harry Litman,  
of Pennsylvania, to be U.S. Attorney for the Western District of Pennsylvania, vice Frederick W. Thieman, resigned.

Paul M. Warner,  
of Utah, to be U.S. Attorney for the District of Utah, vice Scott M. Matheson, resigned.

Patricia T. Montoya,  
of New Mexico, to be Commissioner on Children, Youth, and Families, Department of Health and Human Services, vice Olivia A. Golden, resigned.

Norine E. Noonan,  
of Florida, to be an Assistant Administrator of the Environmental Protection Agency, vice Robert James Huggett, resigned.

### **Submitted July 30**

Francis M. Allegra,  
of Virginia, to be a Judge of the U.S. Court of Federal Claims for a term of 15 years, vice Lawrence S. Margolis, term expired.

Legrome D. Davis,  
of Pennsylvania, to be U.S. District Judge for the Eastern District of Pennsylvania, vice Edmund V. Ludwig, retired.

Harold Lucas,  
of New Jersey, to be an Assistant Secretary  
of Housing and Urban Development, vice  
Kevin Emanuel Marchman.

Stephen W. Preston,  
of the District of Columbia, to be General  
Counsel of the Department of the Navy, vice  
Steven S. Honigman.

Joseph R. Biden, Jr.,  
of Delaware, to be a Representative of the  
United States of America to the 53d Session  
of the General Assembly of the United Na-  
tions.

Cardell Cooper,  
of New Jersey, to be an Assistant Secretary  
of Housing and Urban Development, vice  
Saul N. Ramirez, Jr.

Montie R. Deer,  
of Kansas, to be Chairman of the National  
Indian Gaming Commission for the term of  
3 years, vice Tadd Johnson.

Rod Grams,  
of Minnesota, to be a Representative of the  
United States of America to the 53d Session  
of the General Assembly of the United Na-  
tions.

Charles G. Groat,  
of Texas, to be Director of the U.S. Geologi-  
cal Survey, vice Gordon P. Eaton, resigned.

Claiborne deB. Pell,  
of Rhode Island, to be an Alternate Rep-  
resentative of the United States of America  
to the 53d Session of the General Assembly  
of the United Nations.

Michael M. Reyna,  
of California, to be a member of the Farm  
Credit Administration Board, Farm Credit  
Administration, for a term expiring May 21,  
2004, vice Doyle Cook, term expired.

John U. Sepulveda,  
of New York to be Deputy Director of the  
Office of Personnel Management, vice Janice  
R. Lachance.

Joseph E. Stevens, Jr.,  
of Missouri, to be a member of the Board  
of Trustees of the Harry S. Truman Scholar-

ship Foundation for a term expiring Decem-  
ber 10, 2003 (reappointment).

David C. Williams,  
of Maryland, to be Inspector General, De-  
partment of the Treasury, vice Valerie Lau,  
resigned.

***Withdrawn July 30***

Daryl L. Jones,  
of Florida, to be Secretary of the Air Force,  
vice Sheila Widnall, resigned, which was sent  
to the Senate on October 22, 1997.

Tadd Johnson,  
of Minnesota, to be Chair of the National  
Indian Gaming Commission for the term of  
3 years, vice Harold A. Monteau, resigned,  
which was sent to the Senate on July 31,  
1997, and September 2, 1997.

Cardell Cooper,  
of New Jersey, to be Assistant Administrator,  
Office of Solid Waste, Environmental Pro-  
tection Agency, vice Elliott Pearson Laws, re-  
signed, which was sent to the Senate on Sep-  
tember 2, 1997.

***Submitted July 31***

Terrence L. Bracy,  
of Virginia, to be a member of the Board  
of Trustees of the Morris K. Udall Scholar-  
ship and Excellence in National Environ-  
mental Policy Foundation for a term expiring  
October 6, 2004 (reappointment).

***Withdrawn July 31***

Michael D. Schattman,  
of Texas, to be U.S. District Judge for the  
Northern District of Texas, vice Harold Bare-  
foot Sanders, Jr., retired, which was sent to  
the Senate on March 21, 1997.

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**Checklist  
of White House Press Releases**

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The following list contains releases of the Office  
of the Press Secretary that are neither printed as

items nor covered by entries in the Digest of Other White House Announcements.

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**Released July 24<sup>1</sup>**

Transcript of a press briefing by Press Secretary Mike McCurry

**Released July 27**

Transcript of a press briefing by Deputy Press Secretary Barry Toiv

**Released July 28**

Transcript of a press briefing by Press Secretary Mike McCurry

**Released July 29**

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by the Press Secretary: President To Meet With Gerhard Schroeder

Announcement of nomination for U.S. District Judge for the District of Utah

Announcement of nomination for U.S. Attorney for the Western District of Pennsylvania

**Released July 30**

Transcript of a press briefing by Dayton Duncan, Chairman of the American Heritage Rivers Initiative Advisory Committee, and Elliot Diring, Assistant Director of Communications for the President's Council on Environmental Quality, on the designation of American Heritage Rivers

Statement by the Press Secretary: National Security Council Staff Realignment

Announcement of nomination for U.S. Court of Federal Claims Judge and U.S. District Judge for the Eastern District of Pennsylvania

**Released July 31**

Statement by the Press Secretary: Agreement to Protect New Mexico's Scenic Boca Ranch

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**Acts Approved  
by the President**

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**Approved July 29**

H.R. 1273 / Public Law 105-207  
National Science Foundation Authorization Act of 1998

H.R. 1439 / Public Law 105-208  
To facilitate the sale of certain land in Tahoe National Forest in the State of California to Placer County, California

H.R. 1460 / Public Law 105-209  
To allow for election of the Delegate from Guam by other than separate ballot, and for other purposes

H.R. 1779 / Public Law 105-210  
To make a minor adjustment in the exterior boundary of the Devils Backbone Wilderness in the Mark Twain National Forest, Missouri, to exclude a small parcel of land containing improvements

H.R. 2165 / Public Law 105-211  
To extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 3862 in the State of Iowa, and for other purposes

H.R. 2217 / Public Law 105-212  
To extend the deadline under the Federal Power Act applicable to the construction of FERC Project Number 9248 in the State of Colorado, and for other purposes

H.R. 2841 / Public Law 105-213  
To extend the time required for the construction of a hydroelectric project

H.R. 2870 / Public Law 105-214  
To amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests

H.R. 3156 / Public Law 105-215  
To present a congressional gold medal to Nelson Rolihlahla Mandela

S. 318 / Public Law 105-216  
Homeowners Protection Act of 1998

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<sup>1</sup> This release was not received in time for inclusion in the appropriate issue.