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PRESS CONFERENCE BY THE PRESIDENT

The East Room

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THE PRESIDENT: Good afternoon. Before taking your questions today I would like to speak very briefly about some foreign and domestic issues.

First, I want to reiterate that the United States supports the historic movement toward democratic political reform in Russia. President Yeltsin is the leader of that process. He is a democratically-elected national leader; indeed, the first democratically-elected president in a thousand years of Russian history. He has United States support, as do his reformed government and all reformers throughout Russia.

At this moment, Russia is in a constitutional and political crisis. President Yeltsin proposes to break the logjam by letting the people of Russia decide on April 25th. That is an appropriate step in a democracy. Our interest is to see that this process unfolds peacefully.

We're encouraged that President Yeltsin is committed to defend civil liberties, to continue economic reform, to continue foreign policy cooperation toward a peaceful world. Russia is -- and must remain -- a democracy. Democratic reform in Russia is the basis for a better future for the Russian people, for continued United States-Russian partnership, and for the hopes of all humanity for a more peaceful and secure world.

The United States has great responsibilities abroad and at home. To meet these responsibilities, we must not only continue to support reform and change abroad, but also the revitalization of our economy here at home. We need to fundamentally change as our times require it.

On February 17th, I offered an economic plan to provide for that kind of fundamental change. Just five days ago the House of Representatives took a giant step toward breaking the logjam and the gridlock here in Washington in approving the economic plan. And in just one or two days, the Senate will have the opportunity to demonstrate that it, too, has heard the people's call for change. Make no mistake about it -- our people, too, have demanded a new direction in our economy: cutting the deficit, investing in our people, and creating high-skill, high-wage jobs for working men and women and for our children.

Our plan does reduce the federal deficit now by about \$500 billion over the next five years. And, just as important, it will grow the economy by investing in our people, their skills, their technological future, their health, and by offering new incentives for businesses to create jobs.

In helping the economy to create millions of new jobs, the great majority of them in private business, we are building the foundations of a future prosperity -- from world-class transportation and communication networks, to safer streets and smarter schools.

MORE

Each of these elements -- reducing the deficit, asking the wealthy to pay their fair share, investing in the future, and creating jobs -- will work as a package; and Congress should pass the package.

Just as the best social program is a job, the best deficit reduction program is a growing economy. This plan sets our country on a new course that honors our oldest values; moving away from gridlock to action, away from a government that serves only privileged interests to a government that serves the public interest; away from paying for the mistakes of the past and the expediciencies of the present toward investing in the needs of the future.

The work has only begun. The Vice President is heading our effort to reinvent government. Cutting back programs that don't work or whose work is already done, we're going to do what the smartest companies have already done in our country: streamline our operations, eliminate wasteful levels of management, and empower our frontline workers to take initiative and to take us on a better course. We're going to make government less expensive and more effective. And as we pursue fundamental change in our economy, our health care system and our schools, we will ask all our people to do their part.

The change the American people voted for is now beginning. We have a rare moment in Washington's history when people's voices are being heard, and a rare opportunity to get things done. With the continued involvement of our people and the support of Congress, we can deliver the changes the people demand here at home. We can give the country the best years it has ever had, and we can have the United States still on the side of freedom and democracy and market reform around the world. Those are the objectives of this administration; and I'll be glad to answer your questions.

Helen.

Q Mr. President, would you be willing to hold the summit meeting in Moscow if it would be best for President Yeltsin's political health? Have you spoken to President Yeltsin? And don't you think that if you did go to Moscow, it would engage the U.S. too closely in the power struggle in the capital?

THE PRESIDENT: You've got me on both sides of the issue before I even started. Well, let me say: first, I have not talked to President Yeltsin, but I have sent him two letters -- one in response to his statement, and the other, of course, a letter of condolence on his mother's death. I am going to meet in the morning with Foreign Minister Kozyrev to get a direct first-hand appraisal of where we are, after which it might be appropriate for us to have a telephone conversation. But I thought I should have the Kozyrev meeting first.

As of this time, we have not received any indications that the Russians, specifically President Yeltsin and his government, have any desire to change the site of the meeting or the time. So we are working very hard; indeed, I'm going to have a long session tonight to try to prepare for the summit at the appropriate date in Vancouver. I will spend -- I expect to spend a good deal of time this week consulting with the congressional leaders of both parties and others who might have ideas about what we ought to put in our package. And I intend to go there with an aggressive and quite specific plan for American partnership. So that's where we are now.

Q Are you going to go to Moscow if it was called for?

THE PRESIDENT: Well, let me say this. If they were to express an interest in that, then it's obviously something that we would have to consider. But that has not been done yet. And there were some conversations this morning between the Secretary of State

and Mr. Kozyrev -- that has not been done yet. If that were to happen, then we would cross that bridge when we come to it.

Q Mr. President, what would the U.S. policy be if the Soviet legislature votes to impeach Mr. Yeltsin, as appears increasingly likely? Would you continue to view Mr. Yeltsin as the duly elected leader of Russia?

THE PRESIDENT: Well, I view him as such now. He is the only person who has been elected. The others are preceding under a constitution that goes back to the communist era. What I would do under those circumstances, I don't want to speculate about.

This is another one of those -- first of all, let me say, we have to appreciate, I think, the unique character of the events going on in Russia. It is a Russian experience. I, myself, have been, I think, in a way, most interested by the television interviews of the people in the street in Russia -- you know, just talking about it, they sound almost like our people might sound talking about some fight we were having here. They've been remarkably level-headed about it and of different opinions, obviously.

I think we just have to let this play out. I don't want to speculate about what the position of the United States would be in a hypothetical situation.

Q Mr. President, have you received any assurances about the command and control of Russian nuclear weapons in this crisis?

THE PRESIDENT: We are monitoring that very closely, and we will continue to monitor that very closely. At the present time, we have no reason to be concerned that the command and control procedures that are appropriate have been interrupted or face any imminent threat of interruption. We feel good about it at this time, and we will continue to monitor it closely.

Q Mr. President, I wonder what your view of the American possibilities are. How do you see the U.S. role? Can the U.S. play a decisive role, or are we really just ultimately bystanders?

THE PRESIDENT: I think somewhere in between. I think in the end the Russian people will have to resolve this for themselves, and I hope they'll be given the opportunity to do that in some appropriate fashion. I'm not sure that -- I have only the same access in a way that you do in terms of all the possible developments that are in the air. I do not believe that we can be decisive in the sense that we can determine the course of events in Russia or, frankly, in the other republics of the former Soviet Union, which we also have a deep interest. But I do believe that we are not bystanders.

For one thing, I don't think that this country can do what it needs to do in any acceptable time frame in moving to a successful economy unless we move to act across a whole broad range of areas. And over the next few days, I should have more to say about that as I work hard on this package.

Q Mr. President, the former Secretary of State, Dick Cheney, and the Chairman of the Senate Armed Services Committee, Sam Nunn have both suggested that your proposed Pentagon budget cuts would perhaps be inappropriate at this time of uncertainty in Russia and elsewhere around the world. Are you taking another look at all of those cuts to perhaps revisit the whole issue?

THE PRESIDENT: I'm not taking another look at the cuts at this time. Let me remind you that, basically, I think we have still presented a responsible defense budget. But what I am doing is trying to make sure that we can fulfill the missions that we have to fulfill based on any projected developments within the confines of that budget as it's staged over the next five years. And we'll be able to constantly review that. Obviously, these budgets are passed every year for five years in the future. And I expect to whatever extent the world is uncertain, we'll have to be more vigilant in reviewing what our commitments are.

Q Mr. President, you've made clear that you support both Russian reform and Yeltsin as the embodiment of that reform movement. But if President Yeltsin is removed either constitutionally or unconstitutionally, would it affect the package of aid, both the size and the specific package that the United States would offer Russia without a President Yeltsin? Should the conservatives, the nationalists in the Parliament be on notice that it could affect the kind of aid we'd contribute?

THE PRESIDENT: Well, let me say, again, I don't want to get into hypothetical situations because I don't want anything I say or do to either undermine or rigidify the situation there. I mean, this is something the Russians are going to have to develop.

The United States has three interests in our cooperation with Russia. One is to make the world a safer place, to continue to reduce the threat of nuclear war, and the proliferation of nuclear weapons. Two is to support the development of democracy and freedom for the people of Russia; it is a vast and great country and, indeed, for all of the Commonwealth of Independent States. And three is to support the development of a market economy. At every step along the way, with or without President Yeltsin in authority, from now -- I suppose until the end of time or at least for the foreseeable future, the United States will have those interests, and we will be guided by those interests.

Q Mr. President, you seem to be having some difficulty with the Pentagon. When you went to the USS Theodore Roosevelt, the sailors there were mocking you before your arrival, even though you are the Commander-in-Chief. The services have been undercutting your proposal for permitting gays to be in the military. There's been no Pentagon creation of the task force that was supposed to be created. The hearings are to start a week from now, and Congress has not gotten any advice from the Pentagon or from the services as to what to propose. Do you have a problem, perhaps because of your lack of military service, or perhaps because of issues such as gays in the military, in being effective in your role as Commander-in-Chief, and what do you propose to do about it?

THE PRESIDENT: No. No, I don't have a problem being Commander-in-Chief. You knew that a lot of the service officers disagreed with the position on gays in the military before I ever took office. The Secretary of Defense has not been in the best of health; I think he is either fully recovered now or on the verge of it. And I asked him to give me a report on June 15th. Senator Nunn said back in January that he would have hearings sometime probably in March, so I think we're at the outer limits of the time that he was going to have hearings. And his schedule to have hearings, in my view, has nothing to do with the fact that I asked the Secretary of Defense to present to me on June 15th a report which I expect to receive.

Q Can I follow, sir? The task force was supposed to be created by now, the Pentagon has not created the task force, and there has been no report to the Hill. And, in fact, Senator Nunn has indicated that he thinks some of the compromises that might have been

possible, such as not having gays to go sea or be in combat are not constitutional. Does that give you cause?

THE PRESIDENT: Not constitutional?

Q Would not pass constitutional muster.

THE PRESIDENT: I don't want to get into a constitutional debate, but if you can discriminate against people in terms of whether they get into the service or not based on not what they are but what they say they are, then I would think you could make appropriate distinctions on duty assignments once they're in. The courts have historically given quite wide berth to the military to make judgments of that kind in terms of duty assignments.

Q Mr. President, on another topic, you've laid out some of the criteria you're going to use to choose the next Supreme Court justice: a fine mind, experience in the law, experience dealing with people and a big heart. Does Governor Mario Cuomo fit that criteria, and do you think that he would make a good Supreme Court justice?

THE PRESIDENT: Well, I'm on record on that, but the last time I said it, he wound up in the midst of a lot of conversation that I don't think either he or I intended. I will stay with my criteria, I will make the appointment as soon as I reasonably can. Justice White, I think, tendered his letter at this time before the end of this term of Court in order to give me a significant amount of time to make a judgment. This is a very busy time around here, as you know, because of all the foreign and domestic activities, but I intend to spend a lot of time on that.

Yes?

Q Mr. President, aides suggest that you've made a preliminary decision to remove William Sessions, the FBI Director, from office, you're only waiting for a recommendation from Janet Reno. Can you deny that?

THE PRESIDENT: Yes, that's not correct. I've not had a decision about that. I have asked Janet Reno to look at it. My review of the Director and the issues surrounding his appointment is largely confined to what has already been in the press. And I want to wait until -- I wanted to wait until I had an Attorney General and until she could make a review. I have not made a decision, and I am going to wait for her judgment on it.

Q Americans are eagerly awaiting May 1st to find out what you have in mind for health care reform. Are you ready to stand here now and make a pledge that, by the end of your first term, all Americans will have health insurance? And how much latitude do you think you have politically to raise taxes to be sure that that happens before the end of your first term? And I have a follow-up. (Laughter.)

THE PRESIDENT: Well, I'm ready to tell you that I will present a plan which would provide the American people the opportunity to have the security of health care coverage by the end of my first term. Whether or not that plan will pass the Congress in the form I will propose it is still -- you know, that's a matter for conjecture. But I think we've got an excellent chance of passing it. In terms of how it will be paid for, let me say that no decision has been made on that. All the surveys show lopsided majorities of the American people willing to pay somewhat more, a little more, if they were guaranteed the security of health care coverage when they change jobs, when someone in their family's been sick, when other things happen, when their company can no longer afford it under present circumstances.

But what I'm trying to do now is to reconcile -- the key financial conflict in the health care issue is this: We've got to give the American people the right to know they're going to be covered with health insurance, that they're not going to have their costs going up two or three times the rate of inflation, and they're not going to lose the right to pick their doctor. And we know that if we do it in any one of three or four ways, it will save literally hundreds of billions of dollars between now and the end of the decade of tax money -- and more importantly -- of private money. Massive amounts of money will be saved.

So the question is: How much do you have to raise now in order to save all that money later? Those are the judgments we'll be making in the next month. We've still got about five weeks to make the decisions.

You had a follow-up.

Q I did. I wanted to ask you if long-term care would absolutely be included in that package of benefits that you're talking about everybody having by the end of the first term.

THE PRESIDENT: To what extent it will be hasn't been resolved because of the cost questions there.

Q Are you prepared to support restrictions on -- to follow up on Andrea's question -- prepared to support restrictions on the deployment of homosexual members of the service? And if you are, do you think that fulfills the criteria that you laid out, that discrimination should be on the basis of conduct, not orientation?

THE PRESIDENT: That depends on what the report says. That's why I'm waiting for the Secretary of Defense to issue the report. But I wouldn't rule that out depending on what the grounds and arguments were.

Q Mr. President, your own advisers have said that your health care reform might cost from \$30 billion to \$90 billion more a year -- cost the government more. That's in addition to the tax hikes you proposed for your economic program. Are you saying you cannot tell the middle class and working people that you will not seek higher taxes for health care reform?

THE PRESIDENT: I'm saying that I have not made a judgment yet about how to recover what monies it would take to provide the security to all families that they would have some health insurance. That's right, I have not made that decision yet. We have -- I have made -- I have sat through now probably 10, 12 hours, maybe, of intense staff briefings on the health care issue, and I would say we have 12 to 15 hours to go before I will be in a position to make some of these calls.

I can tell you this: I will not ask the American people to pay for a health care plan until the people who have -- who will be making money out of the changes that we propose are asked to give back some of the money they will make. Keep in mind, these changes will save massive amounts of money immediately to some of the health care providers.

Q Mr. President, if I may return to Russia for a moment. As your spokespersons have told us over the past few days, there are other reformers there. Is there a danger in putting too much American weight behind Boris Yeltsin?

THE PRESIDENT: I don't think so. This is -- I know that there is -- some people say, well, what's the difference in this and the Gorbachev situation before and is this the same sort of

problem. I tried to answer that question earlier about what the United States interests are and how we would pursue them. And I've tried to be supportive of reformers throughout Russia and, indeed, throughout all the former communist countries and the former republics of the Soviet Union. But he is, after all, the first elected President in a thousand years. He has the mandate of having been voted on in a free and open election where people were free to vote and free to stay home; something that was not true previously. And that is something you would expect me to do.

Let's put it in a different context. Suppose -- well, we just has the Prime Minister of Great Britain here, right? And the United States and Great Britain have had historic ties and shared values. You expect me to work with the Prime Minister of Great Britain, even if he is of a party that was openly supportive of my opponent in the last election. I mean, you know -- (laughter) -- this is not a -- Boris Yeltsin is the elected President of Russia, and he has shown a great deal of courage in sticking up for democracy and civil liberties and market reforms, and I'm going to support that.

Q Mr. President, you congratulated the House of Representatives for a speedy action on your economic plan last week, but you face some tougher hurdles in the Senate in part because some members of your own party, like Senator Breaux, are not on board with you. Why haven't you been able to get some of these Democratic Senators on board, and are you prepared to make some compromises in breaking the gridlock there?

THE PRESIDENT: Well, let me just answer you this way. There were two big problems that we confronted when we got here in terms of how the people's money was being spent. One problem was the deficit had exploded. It had gone from \$1 trillion -- the debt had -- to \$4 trillion in 12 years. The other problem was we'd managed to explode our national debt while reducing our investment in the future.

Now, there are a block of people in the Senate, including some Democrats, who believe that the only thing that matters is to reduce the deficit. Now, believe me, that's a big improvement over the past. But I just disagree with them. I don't think that's the only thing that matters. I believe that investing in the future matters, too. And I believe if we don't change the spending patterns of the government and invest and put some of the American people back to work to create some -- millions of jobs, that we're not going to have an economic recovery. So we just have a difference of opinion.

Now, Senator Breaux is much closer to me than many others are in the sense that he basically wants to phase-in this spending; but the problem with phasing it in is if you delay the investment, you also delay the impact of the investment, which means you put off impact of the investment which means you put off the effective date of the jobs being created. That's my only argument with him.

He, to be fair to him, has said this is an acceptable stimulus package and an acceptable level of investment, but I think we should, in effect, slow down the rate of spending until we have the whole package passed. And my position is, if the United States Senate will adopt a budget resolution like the House did, the American people will know we are not going to raise their taxes until we cut spending, and we are going to create jobs. And this is a plan where 70 percent of it's paid by people with incomes above \$100,000 -- \$500 billion of deficit reduction, but millions of jobs over the next four years, including a half a million in this program. So that's my argument, and I hope I'll be able to persuade enough to get the vote.

Q Mr. President, could you explain, please, the situation on nuclear weapons in Russia?

THE PRESIDENT: This is self-selection over here. It's impressive. (Laughter.) Go ahead. No, no -- go ahead.

Q Mr. President, given the fact that both the START I and the START II treaties are hostage to the political outcome in Moscow, and given, also, the potential for conflict -- armed conflict between Russia and Ukraine, are you prepared to draft contingency plans, at least, that would either restore funding or add funding to the Strategic Defense Initiative, if not the space-based part, at least the ground-based element, as a hedge against the worst possible outcome?

THE PRESIDENT: Well, we're not in a position to make a judgment about the worst possible outcome now. I mean, keep in mind -- and let me say, I've talked to President Kravchuk twice about the Ukraine's position on START I, and I'm very concerned about the very issues you raised. But let me say that even as we speak I'm not ready to say that there is a strong likelihood that we can't proceed with both START I and START II and that we can't resolve the conflicts between Russia and Ukraine. If that becomes apparent that we can't, then we will obviously assess our position and all of our options.

Q Mr. President, on April 2, the Free Trade Agreement negotiators are going to meet again to talk about the additional agreements. Now there has been a lot of talk that your administration plans to be very tough. How do you characterize being tough? Do you agree with that statement, and is there any room for compromises? How are you seeing those negotiations?

THE PRESIDENT: I wouldn't call it being tough. I would say that I intend to try to get a trade agreement that will be in the best interest of both the United States and Mexico. And keep in mind -- this is not simply a trade agreement, this is also an investment agreement. And the issue is whether -- when we make it much more attractive for the United States to invest in Mexico and much more secure, shouldn't we also, in the interest of both the economies of Mexico and the United States, see that basic environmental standards and labor standards are observed, and shouldn't we have some protections greater than those embodied in the present agreement in the event that there is severe economic dislocations because of unintended consequences?

I believe that we should. And I believe that's in Mexico's interest. And I would just point you to a much smaller example. We had examples in our aid program where the United States spent taxpayers' money to encourage American companies to invest in Central America, who then went down there and actually lowered wages instead of raising them in the host country. So what I'm trying to do is to promote market reforms and the benefits of them to both countries.

Second thing let me say, I have enormous admiration for President Salinas and for what he's doing. I want to support that. And I want to remind all of you that insofar as to trade portion of the NAFTA agreement goes, just look at the unilateral reductions by the Salinas government, in trade barriers, took the United States over the past five years from a \$6-billion trade deficit to a \$5-billion-plus trade surplus with Mexico. So I have no quarrel with the trade provisions. But the investment provisions need to be used in ways that will raise wages on both sides of the border instead of lower wages on both sides of the border and pollute the environment. That's what I want to avoid.

Q Among the people you have charmed, it seems you have charmed President Fidel Castro because -- (laughter) -- in a recent interview with a TV station -- a TV network, he wanted to meet with you. Would you be willing to meet with him and a Democratic administration might change the approach towards Cuba versus a Republican?

THE PRESIDENT: I have no change in Cuba policy except to say that I supported the Cuban Democracy Act, and I hope someday that we'll all be able to travel to a democratic Cuba.

Q Would you meet with President Castro?

THE PRESIDENT: I said democratic Cuba. Elections.

Q A totally different subject, although it is south of here, I wonder about, in Mississippi, where, as you know, civil rights and human rights groups are asking for your help in investigating the 40-plus hangings, suicides supposedly in Mississippi jails. Some of the civil rights groups say that they are asking you, in fact, to order a Justice Department investigation. Have you heard from them directly, and are you amenable to that request?

THE PRESIDENT: Well, I'm very much concerned about the deaths in the jails. I have not had a -- if they have communicated with me directly, my staff has not yet discussed it with me, although they may have done so. What I would always do in a situation like that is to first discuss it with the Attorney General after an assessment of the facts and to see whether it is appropriate. But, obviously, if we were asked to look into it, I would certainly at least discuss it with the Attorney General.

Q Mr. President, on another trade issue, during your campaign last year in Michigan and other states, you criticized a Bush administration decision which allowed foreign-made minivans, MPVs to come into the country at low tariff rates. This led the auto industry and auto workers to believe that you would take action early in your administration to do something about this. Have you changed your mind on that subject, or do you still intend to take action?

THE PRESIDENT: No, I haven't changed my mind on that subject. That issue is now under review, along with a number of others relating to our trade relations with Japan.

And let me just say this: I had hoped, and still hope, to engage the Japanese government in an ongoing dialogue across a whole broad range of these issues. If you look at the history of American trade relationships, the one that never seems to change very much is the one with Japan. That is, we're sometimes in a position of trade deficit, but we're often in a position of trade surplus with the European Community. We once had huge trade deficits with Taiwan and South Korea, but they've changed now quite a bit; they move up and down. But the persistence of the surplus the Japanese enjoy with the United States and with the rest of the developed world can only lead one to the conclusion that the possibility of obtaining real even access to the Japanese market is somewhat remote.

And I was -- and I will say again -- I was astonished that the Bush administration overruled its own customs office and gave a \$300 million a year freebie to the Japanese for no apparent reason. And we got nothing -- and I emphasize nothing -- in return. So, no, I haven't changed my position about that.

I did hope to put it in the context of a larger set of trade issues to be raised first with the Japanese government before acting unilaterally. But my own opinion about that has not changed.

Q Mr. President, you've been --

THE PRESIDENT: I'm going to come back to the right. I'm left-handed, you know, and I -- (laughter) -- sometimes discriminate. No, go ahead.

Q Mr. President, during the campaign you gave some pretty strong indications that your Supreme Court nominee -- you would certainly consider their position on abortion. Is that still the case?

THE PRESIDENT: Thank you for asking, because I want to emphasize what I said before. I will not ask any potential Supreme Court nominee how he or she would vote in any particular case. I will not do that. But I will endeavor to appoint someone who has certain deep convictions about the Constitution. I would not, for example, knowingly appoint someone that did not have a very strong view about the First Amendment's freedom of religion, freedom of association, and freedom of speech provisions. And I strongly believe in the constitutional right to privacy. I believe it is one of those rights embedded in our Constitution which should be protected.

Q Mr. President, on the issue of the Supreme Court, is your commitment to a government that looks like America -- does that also extend to the Supreme Court to the extent you can influence that through your appointments? Will you be taking age into consideration? And given what you just said about the right to privacy, do you think it's appropriate and will you or members of your administration be asking potential nominees if they support the right to privacy and whether they think that right includes the right to abortion?

THE PRESIDENT: I'll answer the question. I will not ask anybody how they will vote in a specific case. I will endeavor to appoint someone who has an attachment to, a belief in, a strong and broad constitutional right to privacy. And on the age issue, I will not discriminate against people who are older than I am. (Laughter.) Yes. I won't discriminate against people who are of a different gender, of a different racial or ethnic group.

Q How about a government and the court that looks like America, sir -- on diversity?

THE PRESIDENT: I don't know how many appointments I'll get to the Supreme Court; I don't know what will happen there. I'm going to appoint someone I think will be a great justice.

Q Mr. President, on campaign finance reform, could you tell us how you plan to end soft money contributions to state and national parties?

THE PRESIDENT: First let me say that I plan to -- I intend to come forward with a proposal that will end the use of soft money in presidential campaigns in the next few days. We're working on it now. We're working on trying to hammer it out with the people -- with the friends of campaign finance reform in both Houses of the Congress. I will attempt to do it in a different way that will at least enable the parties to raise sufficient funds to involve grassroots people and empower people to participate in the political process, but I think that we should do away with this soft money issue and make a lot of other changes as well, and we're working on it. We should have a bill out that has the support of the administration quite soon. We've been working very hard now for the last couple of weeks on it.

MS. MYERS: Last question.

Q Mr. President, you've been going to the forest conference in a couple of weeks, looking for a solution to an issue that has dragged on for a long time partly because both sides are unwilling to compromise or share the pain and, some say, the previous administration's unwillingness to obey the law of the land. How do you propose to find a solution where so many have failed or been unwilling to find a solution?

THE PRESIDENT: Let me say, I would like to begin by having the United States have one position. And let me come back to the larger issue. The forest summit involves, as you know, what will happen to the old growth forest and to adjacent forest in the Pacific Northwest which are the habitat of the spotted owl, but which also are now a very small part of what once was a massive old growth forest up there.

Thousands of jobs are at stake, but the very ecostructure of the Pacific Northwest is also at stake. The parties on both sides have been paralyzed in court battles and all timber sales have been frozen, including many timber sales that virtually all environmentalists think should go forward because of the impasse. One of the problems has been that the United States itself has taken different positions across the agencies. So the first thing I hope to do is to be able to at least adopt a uniform legal position for the United States.

The second thing I want to do is go out there along with the Vice President and listen, hammer out the alternatives, and then take a position that I think will break the logjam.

The position -- it may be like my economic program, it'll probably make everybody mad, but I will try to be fair to the people whose livelihoods depend on this and fair to the environment that we are all obligated to maintain. And let me say, I live in a state with -- that's 53 percent timberland. I have dealt with a lot of these timber issues for many years. The issue is, in this case, what is the right balance, given some facts that are inevitable about what's going to happen. And I think we can hammer out a solution and as I said, a lot of people -- everybody may be somewhat disappointed, but the paralysis now gripping the lives of the people out there is totally unacceptable.

Q Sir, did you screen those projects in the economy stimulus package before you sent them to the Hill? The Republicans are saying there are so many things in there that are totally unnecessary. I can't believe that you sent those up there; and maybe somebody did it for you. (Laughter.) But there are -- (inaudible) -- in there, and swimming pools and copying statutes --

THE PRESIDENT: No.

Q -- and even a project on studying the religion in Sicily.

THE PRESIDENT: No, -- (laughter) -- let me say, you will read those bills for years in vain and not find those projects. The --

Q Well, the --

THE PRESIDENT: -- let me say, I have a letter here dated on March 22nd to Senator Byrd from Leon Panetta about those to Senator Byrd from Leon Panetta about those alleged projects. What Mr. Panetta points out is to say that none of the specific projects referenced are actually in the legislation proposed by me. What they have done is to go to these departments and say, if you had this more money -- much more money, give me every absurd thing you could possibly spend the money on. I am not going to let those things be done.

The other thing they have done is to go to some isolated parts of the country and pick atypical examples of community development block grant funds. I would remind you that it was the Republicans who've always supported the community development block grant proposal on the theory that we ought to rely more on the states and local governments to make judgments about how best to create jobs.

So, I will do everything I can to keep undue waste and abuse from coming into this process. I do not support it.

We've got to quit, thank you. We'll do it again sometime, I like this. (Laughter.)

END

1:42 P.M. EST

MORE

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 23, 1993

REMARKS BY THE PRESIDENT
IN MEETING WITH DEMOCRATIC GOVERNORS

State Dining Room

2:38 P.M. EST

THE PRESIDENT: Thank you very much. Governor Walters, thank you for that introduction. That was spoken with a fervor that could have only been mustered by someone who, a year and a month ago, was freezing to death in the Super 8 Motel in Manchester, New Hampshire. (Laughter.)

I also want to tell you that we just had a press conference at the other end of the hall, and I was upstairs on the telephone and I didn't know you were here yet. (Laughter.) And I was told that I had been introduced, so I rushed downstairs, only to find that I would be introduced twice or thrice. (Laughter.)

I'm delighted to see you all. I thank you for being here. I thank the leaders of business and labor and state and local government for coming along with my colleagues in the Democratic Governors group to endorse this program.

Last week was a remarkable week here in this capital. The House of Representatives took a strong stand for the most credible deficit reduction program in anybody's memory. At their request and based on the Congressional Budget Office estimates and based on what the governors asked, we took another \$60 billion-plus in deficit reduction spending cuts so that now we'll have \$500 billion in deficit reduction over five years; a significant amount of tax increases, most of them on upper income people whose incomes went up the most in the 1980s, but a broad-based BTU tax that we think will both preserve the environment, to promote energy conservation and raise money in a fair way; big spending cuts; and, finally, some very significant, but very targeted investment increases.

The debate moves to the Senate this week, and I want to tell you a little about that, because there is an honest philosophical debate going on, as well as an underlying political one that I need your help on.

In the last 12 years I think you could argue that your government had two big problems: one is that the deficit literally exploded, and the public debt quadrupled. We started the decade of 1980 with a \$1-trillion debt; we in 1992 had it up to \$4 trillion, with huge projected annual operating deficits. That is a massive problem. It led to a big gap between short- and long-term interest rates, and it clearly had a major contributing impact on our trade deficit, our ability to save and invest and our long-term economic growth. We had to do something about it.

The other big problem was that we were actually seeing reductions in investment by the national government even as all of our competitors were increasing their investment. And that may seem inconsistent. I mean, how could we be making a relatively smaller contribution at the national level to the education, for example, of people who graduate from high school but don't go to college and need apprenticeship programs? How could we be retrenching in our commitment to the education of our young children and to dealing with

MORE

the problems of poor children? How could we be retrenching in our commitment to develop new technologies and new partnerships in the public-private sector and new partnerships for dual-use technologies between defense and domestic technologies?

Well, the answer is pretty clear. We're spending more and more money every year, first on defense in the first part of the 1980s; and then the latter half of the 1980s, while we have cut defense, we spend even more on interest on the debt and more money for the same health care. And then as all of you know, those of you who are employers in particular, about 100,000 Americans a month are actually losing their health insurance; and many of them, the lower-wage working people, are coming onto the public rolls.

So that's what's happened to us. So we run the deficit up. We run investment down at the same time. That is a huge problem. Our plan seeks to address both of these. There are those who really don't want a change. They don't want any tax increases, or they don't really want the cuts that I have offered. And they're going to maneuver this process for political paralysis.

But underneath that or over that, if you will, there are a group of people who do want to reduce the deficit but just don't agree that an investment strategy is important. And they are the people that I urge you to reach out to, because it is important to reduce the deficit. But it's also important to increase investment. And if you do one without the other, you won't get the full benefits of this plan.

I would argue to you that we have gotten a major benefit out of deficit reduction. Look what has happened to long-term interest rates -- down almost a full point since the election. You have millions of Americans refinancing business debt, consumer debt, home mortgages, getting the benefit of variable interest rates on various kinds of debt payment. That will unleash billions of dollars -- tens of billions of dollars into this economy this year, which in turn will be reinvested, which will create new jobs. That is very important. I don't think the marginal amount of deficit reduction you would get be killing this investment package or killing our emergency jobs program would bring interest rates down anymore. You just can't get them down much more.

But we would, if we killed it, forgo to chance to jumpstart the job engine of this economy by half a million jobs. And that is a serious thing. That's about a half a percent on the unemployment rate. That's a very substantial impact.

Now, let me make one other comment that again, the employers here as well as the employees will not find surprising. There has been a dramatic restructuring of our economy and of the global economy, which has been going on for the better part of 20 years, and we've been clearly aware of it for a decade now, where the biggest companies in America have been forced to restructure their operations here, either because they're going global and they have to put production overseas or because they just have to increase productivity and do more with less through technology.

But many of them have also provided for outsourcing or contracts with smaller businesses, and the American entrepreneurial economy for the entire decade of the 1980s was able to create more jobs in the small business sector and the medium-size business sector than big business lost. Two years ago, it stopped. And it started slowing down about four years ago; so that over a four-year period we had almost no net job growth in the private sector, virtually all -- not quite all -- but almost all the net job growth for the previous four years was, believe it or not, in state, local and national government.

Job growth was cancelled out by job reduction in the private sector. Now, why did that happen? The truth is, no one knows all of the answers; it's an international phenomenon. In Europe during the 1980s, where they didn't have the vital small business sector that we had, and all the entrepreneurial culture, there were two major economic recoveries where the economy was growing like crazy and no new jobs were created.

So this is a global phenomenon. But we also know that part of the problem here has been the credit crunch, the general recession, the cost of hiring new workers because of the back-breaking costs of health care as well as other attendant costs; so more and more people are relying on part-time workers or asking their existing work force to work overtime.

I say that to make this point: We have gotten the maximum short-term benefits we can get now out of a very, very tough and vigorous deficit reduction program. We are going to get long-term benefits out of it. The time has come to put in the other piece to create jobs and to lay the foundation for an educated work force and for a high-technology future. And that is what the rest of this program does.

So I ask those of you who are living out there at the grassroots, in the private sector or at the state and local level to go make that honest policy argument in the United States Senate. We've done our work on deficit reduction; let's do our work on investing in our people and putting them back to work, too.

Thank you very much.

END

2:47 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 23, 1993

PRESIDENT NAMES HARRIMAN AMBASSADOR TO FRANCE

(Washington, DC) President Clinton announced today his intention to nominate Pamela Harriman to be Ambassador to France.

"Anyone who has been involved with the Democratic Party for any length of time is certainly familiar with Mrs. Harriman's talent for diplomacy," said the President. "Her many years of dedicated service to the United States and her unceasing devotion to the cause of world peace are only two of the many qualifications that she will bring with her to Paris."

From 1980 to 1990, Harriman was Chairman of Democrats for the '80s, a multi-candidate political action committee. Following that, she served as Chairman of the Quarterly Policy Issues Forum of the Democratic Governors Association, and as a National Co-Chair of the Clinton/Gore campaign. She is an Honorary Trustee and Honorary Member of the Executive Committee of the Brookings Institution, and serves as Vice Chairman of the Atlantic Council, a Trustee of Rockefeller University and a member of the Council on Foreign Relations. She is on the Board of the Friends of the Kennan Institute for Advanced Russian Studies, the Advisory Council of the W. Averell Harriman Institute for Advanced Soviet Studies, and the Board of Directors of the Franklin and Eleanor Roosevelt Institute.

In addition, Harriman sits on the Trustees' Council of the National Gallery of Art, is a Vice President of the English-Speaking Union of the United States, and a Trustee of the Winston Churchill Foundation of the United States. She is a member of the Commission on Presidential Debates and an at-large member of the Democratic National Committee.

Harriman, who was born in Great Britain, is a naturalized American citizen. She attended Downham School, England, and did postgraduate work at the Sorbonne in France. She holds an Honorary Doctor of Laws degree from Columbia University.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 19, 1993

WOMEN'S HISTORY MONTH, 1993

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

As we celebrate Women's History Month, we reflect on the American women who throughout history have proudly served in shaping the spirit of our Nation.

Women like Harriet Tubman, Harriet Beecher Stowe, and Sojourner Truth embraced the struggle for human freedom, dignity, and justice. They opposed slavery and inequality at critical moments in history. Their courageous leadership helped pave the way for future generations who would strive to secure equal rights for women.

We are inspired by women like Jane Addams, the first female Nobel prize winner, who at the turn of the century founded Chicago's Hull House to help newly arrived immigrants adapt to a foreign culture. We admire women such as Belva Lockwood, who became the first woman admitted to practice before the United States Supreme Court in 1879. And we cannot forget the long struggle of women like Frances Perkins, whose work to protect the health and safety of America's workers culminated in her service as Secretary of Labor, the Nation's first woman Cabinet officer.

These courageous and pioneering women worked tirelessly to achieve new opportunities for all. Today, empowered by this great legacy, American women serve in every aspect of American life, from social services to space exploration. The opportunities for American women are growing, and their efforts as mothers and volunteers, corporate executives and senators, police officers and administrators, construction workers and cab drivers, and teachers and scientists enrich all of us and make our country great. Women continue to strengthen our Nation's social fabric as leaders in the home, the community, the workplace, and the government.

The challenges facing women in the next century are many. Families are increasingly called upon to care for their grown children and elderly relatives. Many women are compelled to support families as single parents. The social stresses of our era demand the incredible resourcefulness, devotion, and energy of millions of women. Through their endeavors, women are producing a heightened national consciousness and more responsive public policies that meet the needs of our people.

As we honor the courageous legacy of our Nation's women, we celebrate the diversity of their backgrounds, their talents, and their contributions, which breathe life into our democracy and sustain our prosperity.

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(OVER)

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, do hereby proclaim March 1993 as Women's History Month. I invite all Americans to observe these months with appropriate programs, ceremonies, and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of March, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and seventeenth.

WILLIAM J. CLINTON

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