

growth after the bottom of a recession, and the incomes for most working people have remained pretty stagnant for more than a decade. And it's all part of this global slowdown that you're all very familiar with.

The positives are that, because of the progress of the deficit reduction package, we've got long-term interest rates down now to a 20-year low, tens of billions of dollars being generated back into the economy through refinancing of homes and business loans, about a million new jobs coming into this economy in the first 6 months of this year as compared with about a million in the previous 3 years.

So, even though the job engine is still slow, it's picked up markedly in the first 6 months of this year. And I think, clearly, largely because of the low interest rates and the refinancing, so that we're shifting not so much from debt to equity but from high-cost debt to lower cost debt, and the difference is being freed up for some new investment. And we can work that for a year, or maybe a year and a half, because there's so much accumulated high-interest debt in the American system.

The strategy we are seeking to follow at home is one that brings the deficit down, increases investments both public and private, and the generation of new jobs and new technologies addresses some of the real distortions in the American economy, such as the exploding cost of health care and the fact that we spend 30 percent more on it than anybody else does, and attempts to develop policies for defense conversion, technology, and trade which will hook us into the global economy in a better way.

We also tried to achieve an agreement at GATT toward more coordination of our economic policies to produce higher levels of global growth. And there was some modest success.

For the first time in a decade, GATT did not criticize America's trade—I mean, budget deficit. They complimented us for trying to get it down, which is nice.

But we also got an agreement, I think, to continue to work with the Europeans and the Japanese, but there are domestic political considerations which limit what they can do. The Germans are bringing their interest rates down, but they're also tightening up their economy. The Japanese are stimulating their economy, but not as much as we wish they were. Nonetheless, I think on balance things are going in the right direction at home, and the G-7 was a big, big plus for the concept of an open trading system and for the promise of future growth.

Now, having said that, obviously there are a lot of differences between words that are spoken by people in political life, and even that are put down on paper, and the way things operate in fact. So I'm here today as much as anything else for an hour now just to listen to you, to ask you how we can help to support your mission here. America had a 20-year high in productivity increase in the last quarter of last year. There are many, many areas of the world now where in products and services we are the high-quality, low-cost producer. And there are all kinds of opportunities for us around the world that we need a good partnership between the United States and the private sector to achieve.

And so unless we know what you're thinking and what we're supposed to do, it will be hard to do that. And that's why the Secretary and I and all the folks on the wall are here today, and the rest of this hour belongs to you.

NOTE: The President spoke at 10:40 a.m. at Yongsan Army Base.

Exchange With Reporters at the Demilitarized Zone in South Korea

July 11, 1993

Q. So what do you think?

The President. I think anyone who sees this would understand how important it is for us to stay strong on the issue of North Korea staying in the NPT and allowing those atomic energy inspectors back in there. And I think any-

one who sees this would be proud of these young men in uniform for being here.

NOTE: The exchange began at 1:45 p.m. at a look-out post near Camp Bonifas.