

at the end of the cold war, that imposes major new challenges for the airline manufacturers and for the major component parts suppliers and producers.

So these are difficult issues. There are also serious questions about international competition. What kind of competition do we face, and how can we face it in a way that is fair to the American workers and all the American people whose livelihoods depend on this?

The point I want to make to you is I think that this is one of the major issues involved in shaping our competitive position in the world. Governor Baliles and I were discussing this whole issue 10 days ago. He noted and I will repeat how remarkable it is that almost every major economic issue we face today ultimately comes down to whether we can compete and win in a global economy. And if so, what do we have to do to enable our people to do that, and what kind of partnerships do we need in the public and private sector?

This is an area, I'll say again, where I think we have a major potential for bipartisan agreement to move forward, to protect and promote an enormously significant sector of our economy. I'm very optimistic about what we can do over the long run. A lot of you around this table know more personally than do I what great difficulties we have faced in the last few years and understand there are still some tough challenges ahead. But I feel strongly about this. I think we can do it. I think we have to do it.

If you look at the whole range of challenges facing the United States, the things that I've tried to come to grips with in the last 4 months—trying to get the deficit under control, trying to develop a technology policy, trying to develop a more aggressive way of helping people adjust from the defense to a domestic economy and all the cutbacks that that involves—a lot

of that work will be substantially undermined unless we have a vibrant aerospace sector in our economy. It is critical to building a high-wage future for America not just in the States that are obviously affected, like Washington State—and we have some Members of Congress from Washington on this Committee—but throughout the United States. There's not a State, not a community in this country that won't be better off if we have a strong and vibrant aerospace economy.

Now, having said that, I want to introduce formally, for whatever remarks he might wish to make, Governor Baliles. I asked him to chair this Commission for a number of reasons. I've known him for many years; we were colleagues in the Governors' conference together. In my former life, I had the privilege to serve with about 150 Governors in the seventies, the eighties, and the nineties. If you forced me to make a list of the 10 best I served with, Jerry Baliles would certainly be on the list. He's one of the most intelligent public servants I've ever known. He also has the kind of mind that I think we need to bring to this task. He sorts out the wheat from the chaff pretty quickly, gets to the bottom line, and synthesizes issues remarkably well. I think you will enjoy working with him. I think you will be glad you had the opportunity to do it. And I believe, in no small measure because of the leadership he will bring to your work, there's a real chance that we'll all be very proud of the results that come out.

Thank you very much.

NOTE: The President spoke at 10:20 a.m. in the Indian Treaty Room at the Old Executive Office Building. In his remarks, he referred to Gerald L. Baliles, Chair of the Commission and former Governor of Virginia.

Remarks on the Small Business Administration Microloan Program May 24, 1993

Good morning. Welcome to the White House, and thank you for coming. A year and a half ago, the Small Business Administration issued the first microloan grants. To date, SBA has

awarded 47 grants. We now more than double the program with 49 new grants. And we believe that 42,000 jobs will be created as a result. This administration is committed to helping en-

trepreneurs create profits and jobs, and the microloan program is integral to our strategy to make that happen.

I want to thank Senator Pressler and Senator Bumpers for their attendance here today. And I want to say a special word of praise to my State's senior Senator, Dale Bumpers, who sponsored this legislation to create the microloans, something that he learned about as a result of a community development bank operating in our home State. I am very proud of it. It was modeled on the South Shore Bank in Chicago, and when I was Governor, we worked hard to bring the bank there. We know that this concept works. And I appreciate very much the work that Senator Bumpers has done to bring this concept throughout America.

I also want to say that if the Congress, later this year, adopts our proposal for community development banks, then there will be more banks out there supporting the SBA in the work of making microloans. This is very important because an enormous percentage of the jobs in America are now being created by small business people and by people starting up their own businesses and by people who are self-employed. This is an innovative approach which opens the doors of opportunity to Americans who otherwise would find those doors closed. The program enables community-based lenders to expand their reach and to make very, very small loans to entrepreneurs who otherwise simply couldn't find a way to make their ideas real.

Many potential borrowers simply don't meet the credit standards of traditional lenders. Why? Because of a poor credit history or no track record as a borrower, they may simply not have enough collateral. In fact, SBA analysis indicates that many microloans will be made to individuals who are currently on public assistance. By encouraging entrepreneurial instincts, the program will then give them the help they need to take the first steps toward economic independence, not dependence. And in so doing, this could be a very important part of our overall welfare reform strategy to move more Americans from welfare to work.

By using community-based lenders—and some are with us today, and I want to thank all of you who are here for your commitment to this concept—this program relies on the lenders' understanding of the community and helps to empower the community with the needed resources to create jobs and growth. SBA looked

to these lenders for guidance when this program was being designed. It is the lenders' history of investing in their communities that will ensure the program's success.

Gail Miller from Dumas, Arkansas, started her pottery business, Miller's Mud Mill, 8 years ago, intent on making the money to send her sons to college and give them their shot at the American dream. Gail has had good and bad years, but she's learned that 15-hour days and 7-day weeks can produce a profit. In fact, she's had so many orders that she and her two-person staff can't keep up with the demand. Last year their inability to meet the demand cost her \$90,000 in lost sales. How many business people in America would love to have that problem? Gail has found the answer, however. The Arkansas Enterprise Group, a microlender from Arkadelphia, Arkansas, knows a good thing when it sees it. Using funds they borrowed from the SBA through the microloan program, the group has granted Gail a \$25,000 loan. She's going to use just under 20 percent of the money to buy a version of the machine used by major china manufacturing companies. This increased capacity for production will finally allow her to take advantage of the demand for her product. She'll use the remaining funds for a revolving line of credit.

Denise Cook used to receive welfare benefits through AFDC, but she understands that we all have a responsibility to work for self-reliance. Denise trained herself as a paralegal and put herself through school, working day and night. Eventually, she graduated with a B.A. in criminal justice. She worked for a number of different firms as a paralegal, but her strong desire for independence and a keen interest in forensic research drove her into starting her own business. Self-Help Ventures Fund in North Carolina has a peer-lending microenterprise program that requires training in business ownership, including peer counseling, as a prerequisite for the loan. After she completed the successful training period, Denise received a \$500 loan to get her business off the ground. Today she provides investigative legal research to law firms and other clients.

It is exactly these kinds of creative, hard-working people that the microloan program is designed to help. Since June of 1992, the Small Business Administration had awarded about \$16 million to lenders who have already made 330 loans to small businesses. Today's awards rep-

resent another \$16 million. And the Small Business Administration calculates that 42,000 jobs will result.

Small business is the backbone of our economic strength. In the last 10 to 12 years, small business has created more jobs that were lost during the restructuring of the larger businesses of our country. However, about 3 years ago, the small business job engine started to slow down because of the global recession, the credit crunch here in America which we are trying to deal with, the spiraling cost of health care, and other problems. But a lot of it is simply barriers to entry because of the lack of available capital.

To preserve the vitality of small business, and increase their capacity to expand our work force, we need programs like this one. The best route to the American dream is the same route people have trod for many, many years now: through the small businesses. That's why we're expanding the microloan program today. It creates jobs, it relies on the private sector, it rewards drive and creativity.

I want to say a special word of thanks again to the Congress and especially to Senator Bumpers, the chairman of the Small Business Committee, for making this possible. I want Gail Miller to be able to send her sons to college, and this program will give her the tools, and small business men and women like her, to do exactly that.

Now I'd like to introduce two of the success stories here on the program. And I want to introduce all of them, of course: Erskine Bowles, the SBA Administrator, who has already talked; Denise Cook and Gail Miller who will speak;

Geraldine Janes, Chris and Regina Welch are also up here with us, and they may or may not want to say anything. But Denise and Gail have agreed to speak, so I'd like to call first Denise Cook and then Gail Miller. Let's give them a hand. *[Applause]*

[At this point, Ms. Cook and Ms. Miller discussed their experiences.]

I want to thank all of you here who are lenders, who have worked on these programs. The folks up here on this platform are the kind of people I ran for President to try to help. And I am deeply moved by what we have seen today. It kind of reinforces my belief that these programs are on the right course and that we can make a huge difference, that there are millions of people out here, literally millions, who could be employed and empowered if we had the systems in place and the people there who felt comfortable making loans and making these kinds of judgments and understood what had to be done.

And I thank all of you for being part of a genuine American experiment. I wish you well. I ask you to redouble your efforts. We'll redouble ours, and I know the Congress will make sure that we get what we need to make these programs succeed. I thank you all. And I thank you, Senator Bumpers, Senator Pressler, for being here. We're adjourned. Thank you very much.

NOTE: The President spoke at 11:05 a.m. in the Rose Garden at the White House. In his remarks, he referred to small business owners Geraldine Janes and Chris and Regina Welch.

Exchange With Reporters Prior to Discussions With President Richard von Weizsacker of Germany

May 24, 1993

Bosnia

Q. Mr. President, have you been surprised or disappointed by the reaction in Bosnia and Serbia—

The President. You mean, the opposition to it?

Q. The opposition and the initial support from Mr. Karadzic.

The President. No, it's about like I expected it to be.

Q. *[Inaudible]*—U.N. observers into Serbian territory, how does that complicate things?

The President. I don't want to say any more about it now. I want to talk to the President about it. We'll try to just absorb what has been said and make the appropriate decision. But I'm