

and opening their economies, controlling inflation, and increasing the competitiveness of their productive sectors. In the last 2 years, for the first time in a decade, Latin America has had real growth in per capita income.

Free trade agreements have contributed to the progress in regional integration. Democratic governments have achieved peace, strengthened freedoms, and accelerated the pace of integration. With the support of the OAS and the U.N., internal conflicts in Nicaragua and El Salvador have ended and hopefully will soon end in Guatemala. The OAS routinely observes the freedom of elections across the region. Subregional free trade agreements have emerged throughout the hemisphere. These are points that were recently well articulated by Foreign Minister Solana at the OAS and that we enthusiastically embrace.

Increasingly today, the line has blurred between domestic and foreign policies. What we seek to do abroad directly affects us at home. No relationship illustrates better the strong linkage between foreign and domestic policies than our relationship with Mexico. The interdependence of our societies and people are stronger than ever and continues to grow. Our domestic policies affect the lives and prosperity of Mexicans in the same way that the domestic policies of Mexico profoundly affect us. You need only to look at the scope and complexity of today's BNC agenda to understand how important Mexico and the U.S. are to each other. We will work to deepen and expand our partnership even further.

One of the most productive areas in which we must work closely together is on the trade

between our nations, which has doubled in the past 5 years. That trade is vital to our economic future, to Mexico's economic future, and to our cooperation in every area. It is making both our economies grow. It is making us both more efficient and more competitive in the world market. And it adds to the resources we can use to address common concerns such as the environment.

That is why I am firmly committed to the NAFTA, and it's why I believe the American people and Congress will support the NAFTA this year. We are the world's number one exporter. Exports are creating more jobs than any other source in our economy today. American workers and companies want to compete fairly in the international market. They seek no special advantage, only a level playing field. Mexico has already made important strides in labor rights and in protecting the environment. When we conclude the side agreements, we will have an even broader basis for cooperation and progress.

By approving the NAFTA, we will cement in place a new source of jobs and economic growth for workers in Canada, Mexico, and the United States. And we will do more than that. We will send a signal that the nations of the Americas are on their way to building a hemisphere of freer trade.

Once again, I wish to reiterate my deep personal commitment to continuing the positive, friendly relations between the U.S. and Mexico. I look forward to celebrating together with you the happy occasion of congressional approval of the NAFTA before the end of this year.

Teleconference Remarks With the U.S. Conference of Mayors *June 22, 1993*

The President. I'm honored to address all the United States mayors at your conference. I want to thank you first for the strong support that you've given the economic plan I presented to the Congress and to the country. You supported it not only because it's good for the cities but because it's also good for America.

Your president, Mayor Bill Althaus, has certainly earned my respect and support because he's looked beyond party labels to support this

plan because it's good for the people of his community. I look forward to having just that good of a relationship with your incoming president, my longtime friend Mayor Jerry Abramson. And I want to say a special word about your host, Mayor Dinkins, a great Mayor of a very great city.

As mayors, more than any other public officials in this country, you have been on the frontlines of public service. Every day you hear

from people who have lost their jobs, who live in fear of crime, who desperately want to improve their children's schools and their own way of life. Many of you are trying to reknit a social fabric that has been unraveling for a long time now. From schools with metal detectors to hospital emergency rooms crowded with gunshot victims, to children bearing children, you know what the real problems of America are. I often think that being a mayor today is an act of faith that somehow our cities' problems will not overwhelm their promise. And our cities must always be the centers of commerce and culture, magnets for talent and ambition, places of hope and opportunity. We can't let the problems overcome the promise.

I wish I could be with you today in person, and I will look forward to doing that as you meet in the future. But my first obligation to you and to America is to keep fighting here in Washington for my economic plan. It will create jobs, increase incomes, offer hope and opportunity, and give us the freedom we need to invest in America, in the future.

For 12 years we have seen, all of us, you as mayors and me as a Governor, we saw what happened as we wrestled with many of the problems that grip America everywhere and got a message from Washington, "You're on your own." Washington ran up the national debt from \$1 trillion to \$4 trillion and still reduced investments in the things that make us stronger and wealthier and more secure as a people. We got make-believe budgets from Presidents and mandates without money from Congress. And Washington never was willing to take responsibility for the future of this country, leaving it to the mayors and the Governors to make all the tough choices.

Well, I don't expect anyone in that room today with you agrees with everything that I'm trying to do as President. But I think all of you understand that because of the massive debt we inherited, I can't do everything that I want to do. But I'll tell you this: I am determined to establish a new relationship, a new partnership with our Nation's cities based on respect and responsibility and an understanding that you ought to have more flexibility to do your work without so much micromanagement and regulation from the National Government. I also want to put the Nation's money where our values are. I want us to invest in rewarding work, strengthening families, and restoring our com-

munities. And I want to set an example of responsibility by making the tough choices that have been avoided and evaded for too long here.

My economic plan is necessary and fair, and it will work. It brings down the national deficit by \$500 billion over the next 5 years. For every \$10 we cut the deficit, \$5 comes from spending cuts; \$3.75 from the highest income Americans, those in the upper 6 percent of income brackets; and \$1.25 comes from the middle class. Two-thirds of this tax burden comes from people with incomes above \$200,000 because they can best afford to pay. And over 100 specific spending cuts are over \$100 million each.

Now, it's easy to criticize this plan, maybe just because I've put forward a plan. Most of my critics don't have a plan of their own. Some say they're willing to cut Social Security and Medicare benefits for people just above the poverty line or cut more in veterans benefits than have been cut already or cut tax credits for the working poor just to reduce the tax burden on the wealthy. Well, I draw the line there. I don't think that's fair. I think that we need a fair tax system, not because we want to punish success but because in the 1980's we ran up the deficit while raising taxes on the middle class and lowering them on upper income people.

Now I ask my critics in Congress, where are your tough choices? What are you going to do? If you want to reduce the tax burden on the wealthy, where will you make up the money? What will you do to reduce this deficit? Are you willing to make the same kinds of decisions that I have? I wonder what the middle class, the working poor, the old, the sick, and the veterans will do if the failed policies of the past are not abandoned. I also wonder what they'll do if we don't ask all the rest of us to pay our fair share so that we can still continue to take care of them.

Make no mistake about it, I want to change the way Washington works with people all across this country. I want to move beyond the politics of both parties in Washington, beyond the politics of abandonment, of the politics of entitlement. We've got to have a sense that we're doing this together. We can't do everything for the cities or the people of America, but we can't turn our backs on you either. And frankly, that's what you've had for the last 12 years.

I want a new spirit of empowerment that offers you a hand up, not a handout, that works

with you instead of working you over. I want to offer more opportunity and demand more responsibility. And I know the mayors of this country are ready for that kind of arrangement. Just as we need to stop spending on things that don't work, we need to invest more in things that do work.

My plan does cut the deficit, but it finds the money to invest in empowering people to build better lives. I want to empower families to build better lives for their children and am fighting to expand the women, infants, and children's nutrition program so that every expectant mother who needs help can get it. I'm fighting for full funding for Head Start so that every child can start school ready to learn. I want to empower people through education. I'm fighting for tough standards for our students and our schools. I want to give them the resources they need to meet those standards. To offer young people new hope and teach work habits, I'm fighting for summer jobs. Congress has approved 580,000 publicly funded jobs, and we're asking for another 215,000 and challenging the business community to match our commitment. The Labor Secretary, Bob Reich, has been there talking to you about that.

I want to make it possible for tens of thousands of young people to pay off their college loans by serving the communities in which they live. That's the thing your previous speaker was talking about. The National Government can offer you our greatest resource, our people, to work in the streets, in the neighborhoods, in the communities, to work on programs that really change people's lives for the better, programs that you couldn't afford to have as mayors were it not for national service. And I'm proud to say that the national service bill has passed both committees in the House and the Senate just in the last few days with real bipartisan majorities.

To provide new opportunities for young people who aren't going to college, my plan contains the boldest national apprenticeship program our country has ever known, more funds for training in your communities. I want to empower low income people by making work pay. By expanding the earned-income tax credit, we can establish a principle that will be important in every city in this country. If you work 40 hours a week and you have a child at home, you'll no longer live in poverty. We need to encourage full-time work, not lifetime welfare.

I want to empower communities to protect themselves, and I'm fighting for \$200 million to help you hire back police officers you've had to lay off. I want to put 100,000 more police officers on our streets and promote community policing programs. That's the best anticrime program we can have.

I want to empower our communities to create new jobs, and I've proposed an empowerment zone program in excess of \$5 billion, so that communities can work with the private sector, and we can finally see whether these incentives can attract businesses and create new jobs for people in our distressed inner cities and small towns. I believe they will. We're offering bold, new tax incentives for businesses to create jobs and asking each of you to create a strategy to rebuild your own community. We've learned that Washington can't solve problems from the top down, but that we have to help you. We also know you can't have capitalism without capital. That's why I have proposed a \$382 million funding for a network of community development banks all across this country to provide the credit and the banking services that are the lifeblood of local economies and that don't really exist in too many of our communities.

Almost a year ago, I left another convention in New York on a bus tour through America's heartland, to Mayor Althaus's hometown of York, Pennsylvania, to Mayor Abramson's hometown of Louisville, and to many of your own cities and towns. Every day I go to work in the White House, I think about how to create jobs and hope and opportunities for the people I visited on those bus tours. I can't do it alone. I need your support in the tough choices that are coming up in Congress. If you'll stay involved and vigilant and vocal, we can create a vibrant economic growth for every community in this country. We can do it. We can cut the deficit. We can build on the successes we've had.

Just in the last 5 months you see interest rates down, homebuilding up, 130,000 new construction jobs—that's the biggest increase in 9 years—755,000 new jobs in the economy in only 5 months, 90 percent of them in the private sector. This program to bring the interest rates down through deficit reduction is working. And when we do it, we will then have the funds we need to invest in the kind of partnerships that will help us to deal with the problems that all of you face.

So that's what I offer you: a partnership, an economic program that works, and finally, over the long run, the way to deal with a lot of these underlying, deeply seated cultural and social problems that I know have bothered all of you. We have to find new and different ways, one on one, to help to deal with the scourges of drug abuse, of crime, of unsafe streets, and of all these children who are out there having children themselves. But I am very, very hopeful, because I still believe the most creative and innovative leaders in America are those at the grassroots. I'll work with you, and I'll try to be the best partner you ever had in the White House.

Thank you very much.

[At this point, Mayor Althaus thanked the President and introduced Mayor David Dinkins of New York City, who asked the President to implement a more efficient system for distributing Federal funds to cities.]

The President. Mayor, first of all, let me say a word of greeting to Secretary Brown; I see him sitting next to you. I understand five of my Cabinet Secretaries have been there, and I can't find anybody on the phone here in Washington. I hope nothing bad happens while the mayors conference is going on.

I wanted to say just a word about that. As you know, that's a matter that's been debated for years among the mayors, the Governors, and the Congress. We are in the process right now, through the Vice President's task force on reinventing government, of reexamining the way the Federal Government relates to the cities and the States. And if I might make a specific suggestion, I think it would be very helpful if you, or Mayor Abramson, if that's the appropriate person to do it, would designate a group of mayors to make a very specific proposal to our task force because—and obviously, we'll have to invite people who might disagree to do the same thing—but I think it's very important that we examine this because one of the things that I'm concerned about is the colossal amount of money we waste every year trying to micro-manage these grants, trying to have extra layers of regulation. And I think that a lot of these things need to be reexamined.

So I think the proper forum for us to do that in is this one. And it's on a very fast track because the report is due in September, so it's not anything we're going to dillydally around

about. And I would like you to make a proposal to our commission.

[Mayor Paul Helmke of Fort Wayne, IN, requested the President's support for legislation to prevent unfunded Federal mandates.]

The President. Well, I haven't reviewed the bill, Paul, but I certainly think that we shouldn't have unfunded mandates. I spoke out against them as a Governor. I told the mayors that I would be opposed to adding to your burdens. I don't believe in that. And I'll review the bill and see whether or not we should support the bill, too. But I have told our administration clearly that I don't want us up there on the Hill supporting bills to load up a bunch of new burdens on the mayors and the Governors when they're broke, when we're not increasing funding to the States and the cities as we should. And I've sent a very clear signal on it. And I will review the legislation.

I also want to thank you and Bill Althaus and many other Republican mayors for supporting the jobs stimulus program. And let me say that I think after we pass this budget we'll be able, together, in a very bipartisan fashion, to try to make the argument that was made there again, which is that there is a difference between investment and consumption spending, and that while the Federal Government may be spending too much on regulation, on the programs of the past, and on uncontrolled health care costs, we are actually not anywhere nearly where we need to be in targeted investments that create jobs and opportunities not only in the public sector but in the private sector. And the mayors were very, very helpful in that regard. I'll never forget what you did. And I don't want you to think that the battle that you waged more ferociously than any other single group in the United States—you did more to try to help that package—and I don't want you to think that the battle you waged was for nothing, because the battle you waged was about an idea that we're still going to have to fight to get back into our national consciousness. Not all Federal spending is the same. Not all taxes are the same. We have to learn to make very rigorous distinctions if we want to grow this economy. And so I do want to thank you for that. And I will review the Kempthorne legislation. Thank you.

Mayor Althaus. Mr. President, I don't know that we've ever been called ferocious before,

but we appreciate it. [Laughter]

The President. I can't believe you were never called ferocious.

[*Mayor Abramson asked the President to explain his defense conversion plan.*]

The President. Secretary Brown can discuss this in greater detail, but let me say that we have spent a lot of time through the National Economic Council, with all the Departments that you mentioned, trying to make sure that we have a coordinated conversion plan. Some of the work has to be done in the Defense Department. We are shifting more research and development into other areas. We are doing what we can to make sure that the work that is done in Commerce and Energy—Energy has the national labs, as you know—and the Labor Department, that all these things are coordinated and that you will be able to work with the National Economic Council or with any Cabinet Secretary and still have the benefits of all of us working together. We really tried to minimize the turf battles here.

I also asked for quite a large increase in defense conversion funds over the next 5 years, although I don't think it's as much as we need, and I think we'll be asking for more as we go along. And I want to emphasize basically three things because this is not an easy issue. I've done a lot of work on this myself as a Governor. We have to be prepared to retrain workers who can't keep the jobs they have. We have to be prepared to invest in companies to help them find dual-use technologies in the hope that those companies can keep as many workers as possible and can find new products and services they can provide. We also have to be prepared to invest directly in communities that will have to develop all new economic strategies. There are communities which basically don't have a diverse economic base today, where if they lose a base, for example, instead of a plant, that may have great difficulty in redesigning an economic strategy even though they may have the resource of the base right there that they can use. So my view is that there is no silver bullet here. You have to work on the workers, the companies, and the communities. And we've got to keep working on this.

I will say this: I think there is a lot of sympathy and understanding of these problems in the Congress. And I think that the mayors will be able to have some significant successes in the years ahead. If we can go on and pass this economic program, lock down our determination to bring the deficit down, and keep these interest rates down, then I think we'll be able to come back to the Congress on conversion issues and do quite well.

[*Mayor Juanita Crabb of Binghamton, NY, asked the President to meet with mayors and police chiefs to discuss community policing programs.*]

The President. I think that's a good idea, Mayor Crabb. I think the goal can be achieved, but it's important that we achieve it in a way that you feel is maximizing your ability to do a good job and that we do it in a way that achieves the ultimate objective, which is safer streets and more robust and hopeful communities. So I'd like to have the meeting with you and, obviously, representatives of the police chiefs.

There are three or four different avenues that we can pursue to get to our ultimate goal of having 100,000 more police officers. And we really need to talk about what's best for you, what works best, how you can get folks with the maximum flexibility to pursue community policing strategies. I'm very interested in this. This is something that the Attorney General and I have had several conversations about already, and there are a lot of people in the White House itself working hard on this. I think we ought to get our group together and meet with your group and just talk it out, and we can develop a coordinated 4-year plan to get the job done. I'm anxious to do it. It's one thing we can do that will literally change the lives of most Americans who live in the communities affected by it. And we need to continue to work on it until we get the job done.

[*Mayor Althaus again thanked the President and reaffirmed the mayors' support for him.*]

The President. Thank you, Mayor. Goodbye.

NOTE: The President spoke at 10:50 a.m. from Room 459 of the Old Executive Office Building.