

ing with now are the tail end of a 30-year downward spiral that all of us bear some responsibility for not addressing earlier and more vigorously. We can turn it around. We absolutely can, but it's going to take some time.

Number two is the changing nature of jobless people. It used to be people would lose their jobs; they'd be called back to their old jobs after a certain period of unemployment. Now it's much more structural, and people are not likely to get their same old job back. We have to revolutionize our approach to unemployed people. We need to scrap the present unemployment system and convert it into a reemployment system to move people through this economy more quickly. It's very, very important, especially when you go through the same kind of restructuring you're going through here.

Number three is, we're still not making, in my judgment, enough investment in the areas—and this is not just California—but enough investment in the areas that have been disproportionately hurt by either defense cuts or by disinvestment in our urban areas.

And finally, our problem is, at the national level, we have a real conflict that the American people have imposed on the Congress and on me that can't—we don't need to glaze it over. We know we need to invest more money all across the country, pure investments, things that create jobs. At the same time, the American people are telling the Congress to adopt a balanced budget amendment. And we have already adopted a 5-year budget which cuts defense, holds domestic spending flat, and is increasing only in retirement and health care costs. So

every time I spend more money as the President or the Congress appropriates more money to invest in defense conversion, we have to cut something else out of the domestic budget right now. And all those people who said we haven't made any cuts, you just wait until we show up in January and I put that new budget on.

So all I'm saying is we have to keep bringing this deficit down. But we need the support of thoughtful people in the business community, in the labor community, and community leaders to work through these things with us. We also have to keep investing. This mayor and this city need the police officers on the street. We need investment, and we need partnerships in areas hit by defense conversion and in areas of the inner cities where there's been total disinvestment.

So we can do these things together but not if the political pressures force us to overlook the economic realities. And we're going to have to have really thoughtful support from the private sector if we're going to make the right kind of decisions, and it needs to be as non-partisan or bipartisan as possible. We need to try to make our economic policies a matter of our national security. Those are the problems from my perspective. I'd like to now call on Senator Feinstein and Senator Boxer to talk.

Thank you.

NOTE: The President spoke at 10:20 a.m. at the space shuttle main engine final assembly area, Rockwell International/Rocketdyne Division. In his remarks, he referred to Mayor Dick Riordan of Los Angeles.

Remarks to Employees at Rockwell International in Canoga Park *December 4, 1993*

Thank you very much, Mr. Beall, Mr. Paster, ladies and gentlemen of Rockwell and Rocketdyne. I am very glad to be here. I want to thank all of you for coming, the workers in this great facility. And some of my workers in the last campaign from the Inland Empire I know came here. They're here somewhere over there. I thank you for coming.

I also want you to know that we're all a little embarrassed to be so late here, but if you got

to watch the meeting that just occurred, you know that there were so many people with so many ideas about what we could do together to rebuild the California economy. Having asked them there, I could hardly walk away and not listen to them. I was so moved by the people who came and what they said and how very specific they were. It made me really have greater faith than ever before that together we can turn this economy around and get things going

again for California and for the entire country.

I also want to say a special word of thanks to you for the sign that I walked under coming out here that said, "Thank you, Mr. President, for the space station." We worked hard to save it. We're going to work hard to keep it. It's an important part of our future, and so are you.

I ran for President, my fellow Americans, because I thought this country had two great problems: I thought we had to restore the American economy so that it worked again for middle class Americans and gave all Americans a chance to work their way into the middle class, and I thought we had to pull this country together again and make a strength out of our diversity, so that we can go into the 21st century as the greatest country in the world and so that every person can live up to the fullest of their ability.

[At this point, the President was interrupted by a noise in the factory.]

What is that? That's not my hot air for a change. *[Laughter]* If you can hear me, I'll talk over it unless we're in some kind of danger.

When I came to the White House in January, I had an economic strategy that I wanted to implement for all the country. And I knew there was a special problem here in California, the State that is not only our biggest State with our strongest economy but the State that by January was the most economically hurt because of a combination of factors: the decline in defense spending, the collapse of real estate, the stagnation of the economies to the East, which trade with California and which were not buying as many of our exports. All these problems combined at once to give terrible, terrible burdens to the people of California, much higher than average unemployment rates and an attitude that was dragging the whole country down. And it became clear to me that unless we could turn the economy of California around, we would never fully be able to lift the economy of America.

I came here today, a year after I held a national economic summit in my home State to get the best ideas I could about implementing our national economic strategy, to have an economic meeting here in California to assess what we have done in the last year and what we need to do in the years ahead.

I want to tell you first that I am convinced that this economy can recover for four reasons:

first, because the national economy is now experiencing clear and consistent signs of recovery; second, because many of the things that we have done for the national economy will have a particular impact in California; third, because we are targeting resources to this State in programs that will help the economy, not by hurting other States but by giving California its fair consideration; and finally, fourthly, and most importantly of all for all of you, because we have committed ourselves in this administration to fight for a 5-year, \$20 billion program of defense conversion so that we don't leave the people who won the cold war out in the cold, we invest in technologies for a commercial peacetime economy that can create jobs in California and jobs in this company.

Let me take these issues one by one. When I became President, I committed to bring the deficit down, to get interest rates down, to keep inflation down, to get investment up, and to give people incentives to invest in this economy. The Congress after a lot of struggling, adopted an economic plan, which I had pushed very hard. And here's what the plan does. It does raise taxes on somewhat less than 2 percent of our people, the wealthiest Americans whose incomes went up while their taxes went down in the 1980's. It also cuts taxes on 15 to 16 million working families who work 40 hours a week, have kids in their house, and are barely above the poverty line, so they'll be working and not on welfare. It gives the potential of a tax break to 90 percent of the small businesses in this country if they'll invest more money in their businesses. It increases the research and development tax credit to help companies like this one. It changes the rules to help people restore the real estate economy in States like California.

And in a year, look what's happened, look what's happened. We have historically low interest rates. Over 5 million Americans have refinanced their homes. We have low inflation rates. We have investment up. Housing sales were at a 14-year high last month. And we've had more jobs come in the private sector in the last 10 months than in the previous 4 years. We are moving in the right direction. Most Americans have not felt it yet, but you can't ignore the facts. The direction of the economy is good, not bad. We are coming back, and that will benefit the State of California and the people who live here.

The second thing I want to say is, there are a lot of things we're doing that will really help California just because of how the economy is organized here. We are focusing on new markets. We are focusing on new products. We are focusing on new opportunities for the American economy. Not very long ago, we removed from export controls \$37 billion worth of high-tech products and computers and telecommunications, one-third of which are manufactured in this State. That will create tens of thousands of new jobs by permitting us to sell things abroad that we couldn't sell during the cold war. It will make a huge difference.

We're helping to build a national information superhighway to computerize all kinds of information to facilitate economic transfers. California is in a remarkable position to take advantage of that. We have a whole new technology initiative that will enable us to do things that will benefit this State disproportionately.

And finally, let me say, I know this is one of the more controversial things I've been involved in, but I have strongly supported efforts to increase trade, like NAFTA, because you can't keep and generate more high-tech jobs unless you have more customers. You know in this plant, don't you, that the American worker, under all the economic pressures of the 1980's, the American worker once again has become by far the most productive worker in the world. Now, we all know that.

But what else do we know? You know it here. What does productivity mean? That means fewer people can produce more goods and services. That means you have to have more customers for your goods and services if you want more jobs and higher incomes. So productivity is good. It is a precondition of having a strong economy. But it is not enough. It is not enough unless the world economy is growing. Unless we are experiencing an opportunity to increase the sales of our products and services, we can't have more jobs and higher incomes, not in California, not in the United States. So, you betcha, I want to sell more to Mexico and the rest of Latin America. I want to sell more to Asia. That's why I invited the heads of 15 Asian nations to come to the United States to meet with me. I want to sell more around the world. That's why we're working hard to reach agreement by December 15th on a new worldwide trade agreement, because I know that's the only way in the long run I can protect good jobs

and high incomes and create more jobs. And I hope you'll support that.

We've also really tried to invest money in this economy. The most important thing we've done is to give American companies the chance to be partners with the United States Government in converting from a defense to a domestic economy in the technology reinvestment project, which this year alone awarded over \$420 million in grants for new technologies for the future. Yes, the things we've done specifically for California are important, \$300 million more to deal with the problems of education caused by the influx of immigration, another \$500 million to help offset the health care costs of the State because of immigration, a \$1.3 billion for an infrastructure project to extend that Red Line and create new jobs. Those things are important.

But you know as well as I do, most of the new jobs in this country have to be created by people like you in the private sector. That's why the most important thing we can do is to help build new partnerships to take advantage of this wonderful technological wizardry that came out of all our defense investment and put it to work in the domestic economy, building a 21st century economy on high-tech commercial purposes based on the investments we've made in the cold war technology instead of letting them go to waste. We let that happen for too long. We started cutting defense in 1987. We didn't start rebuilding our economic base until 1993, but we're not going to let another year go by without doing it. I know that you know as part of this technology reinvestment project, Rocketdyne received an award for several million dollars to design and develop a portable environmental monitor to identify low concentrations of hazardous chemicals.

This is a big deal. We will be able to assess the impact of toxic spills and auto emissions, chemical warfare agents on the battlefield. We'll be able to do something that is good for defense and something that is good for our domestic economy. We'll be able to do something we have all known for years we ought to be able to do, which is to create an enormous number of high-wage, high-tech jobs by cleaning up the environment and developing technologies we can then sell to other countries to create jobs in America cleaning up their environment.

Rockwell also led two other winning teams, announced yesterday, one to improve the fuel efficiency of automobiles and heavy construction

equipment, at a potential fuel savings—listen to this—by as much as a billion dollars a year by the year 2000, another to allow medical personnel to monitor and diagnose trauma patients remotely, whether they're in rural clinics or far-off battlefields. Again, this is a huge deal. In America, rural health care is confronted with certain inevitable limits, whether it's in California or my home State of Arkansas or anywhere else. You cannot put all the high-tech equipment in the world in every rural area, but accidents occur there. If technology that has been developed to help people on the battlefields deal with the wounded, when only a medic is there and they need some high-tech connection, can be applied to rural health situations in America, it means again more jobs for Rockwell, a stronger economy for America, and a better quality of life. That is the sort of thing that this National Government should be doing to rebuild the economy of California and the United States and to move us forward.

Let me just say in closing, I know it gets frustrating to see how long it takes to make these changes be felt in your lives. I know that, but just remember, just remember if you look at our two biggest problems—the economy, working Americans have been working harder for stagnant wages for 20 years now. We cannot turn it around overnight, but we can turn it around. If you look at what's happening to our society, the rising rate of crime, the continued breakdown of the family unit, the increasing number of children being born to children out of wedlock, all these things that are disintegrating our society, that has been going on for 30 years. It did not start overnight. We can turn it around if we begin now. It won't happen overnight, but we can do it.

I just ask you to remember what can happen in a year. One year ago, the deficit was going up, not down, and interest rates were not dropping as they are now. A year ago, we didn't have the kind of bipartisan coalition passing bills like the Brady bill and a crime bill to put 100,000 police on the street. This Congress, in a bill almost nobody knows about, revolutionized the student loan problem to lower interest rates on college loans, make the repayment terms easier. And they passed the national service bill which will enable 20,000 people this year and 100,000 people 3 years from now to serve their community at the grassroots level solving problems and to earn their way through college.

These are big changes that didn't happen a year ago.

A year ago, we did not have a strategy to increase the exports of this country. We did not have the North American Free Trade Agreement, a new dialog with Japan, a real, intense effort to turn this whole trading situation around. If we can pass, by December 15th, if we can get the trading nations of the world to agree on a dramatic reduction of tariffs everywhere, what that means is that American manufacturing products will lead to creation of over a million new jobs in this country in the next 10 years. We did not have that, and I hope we can get it in the next 10 days. That is the kind of difference you can make in just a year. And it's just the beginning.

These grants that were just announced to Rockwell—the idea was approved by the Congress a year ago, but there was opposition in the Pentagon and in the previous administration. They did not believe this Government had an obligation to help you convert from a defense to a domestic economy. I know we do, and I believe this money—10 years from now, 20 years from now you will look back on this and say this is the best money we ever spent. And next year there will be more of it. We are just getting warmed up. You are our partners in building an America for the 21st century.

A lot of this may sound real detailed and complicated, but to me it's very simple. I think my job, as your President, is to get this country into the next century as the strongest nation in the world. I think my job, as your President, is to do everything I can to see that you have the opportunity and are challenged to assume the responsibility to build a community in this country that will enable every man and woman, every boy and girl to live to the fullest of their God-given capacities. That's my job. To do it, we're going to have to compete and win the global economy; we're going to have to educate and train our people; we're going to have to invest in those things that will produce jobs and incomes and opportunities; and we're going to have to take our streets, our communities, our families, and our neighborhoods back and do something about the terrible ravages of crime and violence that are consuming this country. But we can do it. We can do it.

I ask you always to be impatient with me and with this country. Push us to do better. Push us to keep making progress. But also rec-

ognize we got in the fix we're in—20 years in the decline of wages, 12 years in the explosion of the deficit, 30 years in the social problems we've got. We can turn it around. It won't happen in a day. But if we work together and we work hard, every year we can see progress. We can see progress. And we will look ahead to the 21st century as the best years our country ever had because we did our job now to rebuild America.

Thank you for what you're doing. I'll stay with you. God bless you.

NOTE: The President spoke at 1:50 p.m. on the main factory floor. In his remarks, he referred to Donald Beall, chairman, Rockwell International, and Robert Paster, president, Rocketdyne Division.

Remarks at the Creative Artists Agency Reception in Beverly Hills, California

December 4, 1993

I want to thank you, Michael, for that wonderful introduction. Even more I want to thank you and Judy for meeting me at the door with your three children, which reminded me what my job is all about. Are they great looking kids or what? *[Applause]* I want to thank you and Bill and Ron for hosting us all here. It's good to be back in this gorgeous building. And I'm delighted to be here with my good friend David Wilhelm and Secretary Ron Brown, who has been to California more than a dozen times in this first year of our administration trying to put together an approach that will help our Government to help you recover economically. I thank Kathleen Brown and Gray Davis and especially my good friend Senator Dianne Feinstein for being here with us. I hope you will send her back to the Senate. I also want to say a special word of thanks to so many of you in this audience who worked for me in the last election, who made appearances for me, who helped to raise funds and helped to make arguments and who stood up for me in the face of some pretty wilting criticism.

I appreciated what Michael said about the fullback Presidency. One of my predecessors, Woodrow Wilson, who interestingly enough I learned had the biggest feet of any President until I came along—*[laughter]*—Woodrow Wilson was a great scholar, and he wrote a book, a much criticized book, about George Washington. But he said that the most important thing about George Washington when this country was getting off the ground was he never knew when he had been defeated in battle. He did not have enough sense to know when he was beat, so he just kept on going.

Well, there's something to be said for that. We measure out our lives too many times in short durations. And we measure defeat in the moment instead of over the long run. I did not run for this office for so long and under such difficult circumstances either to squander the opportunity to change this country by not trying to or by giving up in the face of opposition or even my own mistakes. For it is clearly true that in a time of great change with unprecedented challenges, if you try to do a lot of things, every now and then you won't do the right thing. But I think if your ears and eyes are open and your heart's in the right place, better to make a mistake and correct it than to sit on the sidelines and not try to change the country.

I came to California today to meet for a period of what turned out to be about 3½ hours, which is why we're a little late tonight, with a lot of community leaders from all walks of life to talk about what we had done together in the last year and what we could do in the year ahead to help to rebuild this economy and to rebuild hope and opportunity and community here. And afterward I went into the plant where we were at Rockwell and talked to a lot of folks who were working in the plant and gave an account of this last year. I don't want to do that tonight except to say that when I was upstairs meeting some of you, it was interesting to me what was mentioned going through the line. Some people said, "I'm really glad you fought so hard for NAFTA and passed it." Others said, "I'm glad you're trying to get a new