

NOTE: The interview began at 6:07 p.m. in the Oval Office at the White House. In the interview, the President referred to naturalized U.S. citizen Ryshard Kuklinski, former Polish military officer who would face imprisonment for espionage if he

returned to Poland. This interview was embargoed for release by the Office of the Press Secretary until July 5. A tape was not available for verification of the content of this interview.

Remarks on the Upcoming Economic Summit *July 5, 1994*

Thank you very much, Secretary Brown, Ambassador Kantor, Secretary Reich, Deputy Secretary Talbott, National Security Adviser Lake, National Economic Adviser Bob Rubin, to my Special Assistant for Public Liaison, Alexis Herman, and so many others who have worked hard to make this upcoming trip a success. I'd like to also recognize and acknowledge the presence of the members of the diplomatic community who are here today, as well as the leaders from business and labor, Government, and academia, many faces of our national interests that seek to advance our international economic policies.

It is fitting that we should gather here at the moment of my departure for the G-7 meeting, as well as our trips to Latvia and Poland and Germany, fitting that we should be here because it was here last year that I signed into law the North American Free Trade Agreement. NAFTA was more than a trade agreement; because of the circumstances surrounding its debate, it was a defining moment in our modern history. It was ratified only after a principled and momentous debate over how the United States should enter into the post-cold-war era. Would we hunker down, turn away, and ultimately, in my view, suffer a slow and steady decline in our living standards, or would we, instead, take a different path? Would we build new walls where old walls had crumbled, or would we embrace eagerly the challenges of a new and rapidly changing economy? Our vote on NAFTA was our answer to that question. We chose to embrace the world. It is for us now to shape what kind of world we will live in.

This moment in history demands that we master the rapid, even dazzling pace of economic change and ensure that our people have the confidence and skills they need to reap the rewards that are there for them in a growing glob-

al economy. That is the purpose of my Presidency. And the mission to Europe on which I embark tonight is simple: to create jobs and a world of prosperity.

We are in the midst of a rare moment of opportunity. If our people have the confidence, the vision, the wisdom to seize this moment, we can make this a new season of renewal for Americans and for the rest of the world as well.

At the G-7 summit in Naples and in visits to Latvia, Poland, and Germany, we will seek to find ways to create jobs and better prepare our people to fill them, to develop the infrastructure for the new global economy, to commit to sustainable development for all the nations of the Earth, to continue the economic, the political, the security integration of the new democracies into the family of free nations.

Even as we speak and meet here, powerful forces are shaking and remaking the world. That is the central fact of our time. It is up to us to understand those forces and respond in the proper way so that every man and woman within our reach, every boy and girl, can live to the fullest of their God-given capacities.

A global economy, constant innovation, instant communication, they're cutting through our world like a new river, providing both power and disruption to all of us who live along its course. The cold war has clearly given way to a new birth of freedom in Central and Eastern Europe. And this means enormous opportunities. But citizens find themselves buffeted by changing tides, cut loose from their moorings, facing stagnant incomes, shrinking job prospects, social problems of staggering dimensions. Stubborn unemployment is especially endemic in Europe. And here in the United States, our incomes are still largely stagnant, even when the economy is growing.

Here in America we're preparing for this new world by putting our fiscal house in order, dramatically cutting our deficit, by aggressively opening our efforts to increase access to foreign markets. We're helping our working people adapt and prosper in the global economy by creating a system of standards for world class education and a better system for moving our young people from school to work when they don't go to college and better opportunities for people who do go to college and, finally, a system of lifetime learning and reemployment for those who lose their jobs. And we must work to give them health care security as well.

From the first day of preschool to the last day before retirement, every American will have to continue to be a learner. And that is the lesson that every American must be taught from the first day of preschool to the first day on the job to the last day of retirement. Lifetime learning is not an option. And so our responsibility is to be able to say to every American, whatever the economy brings, you will be prepared to make the best of it.

Even as we sow the seeds of our own renewal, we also must recognize that what happens around the world affects us here at home. We must have global economic growth, because when global markets grow, our exports boom, and that means higher paying jobs here in America. If workers in other nations embrace protectionism, that means a race to the bottom in which all will lose. If the nations of Central and Eastern Europe fall backward into chaos or authoritarianism, then legitimate security needs will soak up an ever greater part of our budget in the future.

Our challenge is the challenge of all advanced nations. We will only act most effectively when we act together. We began to do that a year ago in Tokyo at the first G-7 summit of my Presidency. For years, the G-7 did less than it could, but in the past year we've replaced a decade of drift with a real commitment to action. We closed the deal on the world trade talks that were stalled for years. And with our help, the once-crippled Russian economy is struggling to its feet. We have shown together that bit by bit and year by year, the decisions made at these G-7 meetings really can make a difference.

For a decade, our out-of-control budget deficit robbed us of the standing to press our partners to act. Indeed, year after year at these

meetings our friends and allies hammered us about the deficit and claimed that they were unable to listen to our suggestions about what they could do to promote global growth. Well, now, instead of having the biggest deficit in the G-7, we have among the smallest.

With the largest deficit cut in our history, including \$255 billion in spending cuts, we now have the standing and the credibility to speak and to be heard. We're on the brink of passing a new budget, I might add, which with new spending cuts, including the first reduction in aggregate discretionary domestic spending in 25 years, will give us 3 years of deficit reduction in a row for the first time since Harry Truman was the President of the United States.

Now, we have to use this newfound strength to address how to give the citizens of our Nation and all other nations the confidence they need to prosper in uncertain times. We have to move from coping with crises to planning for prosperity. In other words, we have to lay the foundation for the 21st century economy, one in which change will be the order of the day, and the real question will be whether change is our friend or our enemy.

Our first job is to create jobs and to develop the high-skill work force to fill them. It may seem obvious, but many, many of the advanced economies of the world have been unsuccessful in creating jobs for several years now. In Tokyo, we agreed on a common strategy to spur expansion. And today, growth in the G-7 is 2½ times faster than it was a year ago. America has powered that expansion. With 40 percent of the annual income of the G-7, we have produced fully three-quarters of the growth and almost 100 percent of the new jobs. Our exports are rising faster than those of any other G-7 nation. We will continue to do everything we can to expand on this record by expanding trade.

Last year when we ended 7 years of global gridlock, leading to the signing of the largest trade pact ever with the Uruguay round of GATT, we knew we were on the right track. Now, we have to lead the world in ratifying it.

These trade agreements are good for our country. Thanks to NAFTA—you heard what Secretary Brown said—let me just mention one thing that was of particular concern during the debate. This year we are exporting automobiles to Mexico at 5 times the rate of a year ago. If you look at what NAFTA did and then you

compare the potential of GATT, you get a sense of the importance of ratification here in the United States and in the other countries. GATT means a \$744 billion tax cut over the next decade for the industrialized countries and in half a million new American jobs alone. Congress must pass the agreement this year. And all the G-7 nations must work to implement it in good faith.

But we know also that we have to do more. At the Detroit jobs conference in March, for the first time ever, finance and labor ministers of all these countries began a serious conversation about the economic well-being of working people. For all the advanced countries, new competition from rapidly developing nations places an even greater premium on the skills of their work force even as it places greater pressures on wages of their workers.

We've got a lot to learn from each other. We can learn a lot from the German apprenticeship and health care systems, from the French child care system, from the way the Italians in the northern part of Italy cooperate in research and development and marketing among small businesses. We have things to learn from every nation in the G-7. Every nation is addressing these qualities.

I have talked to the Japanese about it. I have talked to the British about it. I have talked to the Canadians about it. I was so impressed to see the Prime Minister of Britain carrying around a little plastic card which had the goals for British education in the year 2000. And it sounded very much like the legislation that I signed in the Congress just a few weeks ago.

We know we can learn from one another. We know that the United States because of its adaptable work force has been able to create more jobs. But we also know that every nation has got to work harder to create even more jobs and increase incomes.

In Naples we will be pressing forward with this common agenda. And let me say that, to the best of my knowledge, no group of advanced nations ever in all of human history has ever tried to work together in common on these problems, the problems of ordinary citizens that lie behind the complex statistics we read about in the newspapers every day.

Our second goal in Naples will be to build a new infrastructure for this new economy. In the 21st century, there must be a nerve system to carry the ideas, the information, the invest-

ments of the new economy. These will require new technologies and certainly the building of what the Vice President always talks about in the information superhighway. We must create this infrastructure and use it to increase productivity so that we can expand overall growth within the limits of our planet's resources. We will begin to lay those plans in Naples.

Third, we will discuss the tinderbox issues of global population and the environmental crisis. In the coming years, prosperity and security will depend more than ever on progress on the environment and sustainable development. We must stabilize population growth, because poverty is both the cause and an effect of exploding population. Otherwise, we will find ourselves with a worsening shortage of the food to feed future generations, a shortage of the environmental sustenance needed for them to live in peace, instead of closing up camp and moving across national borders, and a shortage of the capacity to create jobs to sustain the people of the 21st century.

Fourth, we will continue to work with Russia and the other new democracies to make the difficult transition from command economies to free markets, from repressive regimes to open societies. In Tokyo, Russia was in dire economic straits. We mustered the international community to provide emergency aid for reform. Already \$26 billion of the promised \$43 billion has been disbursed. The Russian Government deserves enormous credit for staying on the path of reform, especially in these last several months. And slowly but surely, reform is working. Today, the Russian budget deficit is a smaller percentage of its income than the deficit in some other European countries. Russian monthly inflation has dropped to single digits. And half of all Russian workers are now employed in the private sector. Life in Russia is still difficult, but now her people have tangible reason to hope. And in Naples, for the first time, President Yeltsin will join our ranks as a full participant in discussing political issues.

The G-7 will strive to bring the economies of Central and Eastern Europe fully into the world economy with trade and long-range reform. We want those nations to hold to the path of economic reform and democracy, for those are the only true routes to prosperity and peace. But the prospect of renewal will only be complete if Europe is whole, if the young democracies are fully integrated into security

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and into the society of that continent. That's why we have worked so hard to create NATO's Partnership For Peace, to link peaceful nations committed to respecting one another's borders, from Vancouver to Vladivostok. They must believe that this difficult journey is worthwhile.

To that end, I have the great honor of visiting Riga, Latvia, to be the first American President to touch free Baltic soil. I will visit Warsaw, where a free people is coming into its own, where the Polish economy is now growing faster than any other economy in Europe, and eager to be a full partner in our deliberations for the future.

And then I will end the trip in Berlin, where for 50 years, our Presidents made pilgrimages to proclaim our commitment to freedom. It will be a privilege to represent all of you as the first President to visit that city since that glorious day when the Germans united to topple the Berlin Wall. There I will witness the end of a proud chapter in our own history, as the last American brigade comes home from Berlin. As the last detail on freedom's frontier returns, we must remember again the dire consequences when America withdrew from the world after World War I. So, these troops will leave Germany and Europe because their mission is complete, but some 100,000 others will stay, working through NATO to promote peace and to secure the Continent. And we will stay through our commitment to trade and political integration.

A month ago when I represented our Nation in Europe, it was on a journey of remembrance, to honor the generation that saved the world for freedom in World War II. Tonight I return to Europe on another mission, to join others in renewing the world that the generation of World War II has left to us.

It will serve us to remember that when World War II was won, profound uncertainty clouded the future. Europe and Japan were buried in rubble. Their peoples were weary. People did not know what to expect or what would happen. But because of the vision of the people who were our predecessors here in the United States and the other allies, new institutions were created and the path that was followed after World War I was abandoned and instead the world was embraced with optimism and hope and a determination to make the world work, not just for Americans but for our friends and allies and, indeed, our former foes as well. It is that spirit, that idea, which must animate us today.

We have had a good year in America since the last G-7 meeting, but we are nowhere near where we need to be. We are simply moving on the path that will take us. And I want all of you to know that as long as I am President, I will continue to work for these things: an integrated and strong security partnership in Europe, the right kind of political partnership, and continued expansion of our economic frontiers. I hope you will continue to support that direction.

Think of the world you want the children in this country to live in 20, 30, 40 years from now. It is within our power to make it, but we must make the right decisions today. This trip is an important part of that decisionmaking. I hope you will wish me well, but more importantly, I hope you will support these efforts here at home and, as you can, around the world.

Thank you, and God bless you all.

NOTE: The President spoke at 2:08 p.m. at the Mellon Auditorium.

Statement on Signing Transportation Legislation

July 5, 1994

Today I have signed into law H.R. 1758, an act to revise, codify, and enact certain general and permanent laws related to transportation.

Section 31134 directs the Secretary of Transportation to establish the Commercial Motor Vehicle Safety Regulatory Review Panel. The legislation grants panelists a position within the Fed-

eral Government that is endowed with tenure and continuing duties as well as significant authority, including the authority to compel the Secretary of Transportation to conduct a regulatory proceeding and to prescribe final regulations. For this reason, panelists are officers of the United States. Fourteen of the fifteen mem-