

the American dream real for so many millions of Americans.

Thank you very much.

NOTE: The President spoke at 11:33 a.m. at the Washington Hilton. In his remarks, he referred to John Thompson, Georgetown University basketball coach.

Remarks on the Ames Espionage Case and an Exchange With Reporters February 22, 1994

The President. Ladies and gentlemen, I know that all of you have been informed about the arrest of the CIA employee and his wife for espionage. I just want to make a couple of brief comments.

First of all, I have been kept informed of this investigation for some time now. It is a very serious case. I congratulate the FBI and the CIA for the work they did in cracking it. We will be immediately lodging a protest to the Russian Government. And because of the nature of the case, there's really nothing more I can say at this time. Thank you.

Ames Espionage Case

Q. Mr. President, is this the worst case?

The President. I don't want to characterize it, but the FBI and the CIA did a very good job on this. They worked on it for a long time, and I can tell you that it is very serious.

Q. Mr. President, what does this say about the state of Soviet-American—or Russian-American relations? Is the cold war over or not?

The President. I don't want to comment on that. We'll be dealing with that over the next few days.

Q. Were any Americans harmed?

The President. What did you say?

Q. Were any Americans harmed?

The President. I can't comment on the case any more. Thank you.

Interest Rates

Q. Mr. President, could you comment on Mr. Greenspan's remarks about interest rates, interest rates going to continue to go up?

The President. I don't think so. I was encouraged by what he said. Alan Greenspan said that he thought that we had the best conditions for fundamental economic growth in two decades or more—I think that's quite encouraging—and that there was no reason to believe we had

any problem with inflation. And if that's true, if we're going to have steady growth and no inflation, then we ought to keep relatively low interest rates.

Q. Did he miscalculate in bumping up short-term rates?

The President. I don't want to comment any more on that. I think the people setting the long-term rates should know what he said, there will be no—there's no reason to believe there's an inflation problem.

And let me also say that there's still a pretty good gap between the short- and the long-term rates. Historically, they have been, if you go back over 20, 30 years, they've been closer together. So the fact that the short-term rates went up a little bit, still the long-term rates could be lower than they are, considerably lower than they are. And the difference between short- and long-term rates would not be out of whack with 20, 30, 40-year historical average.

So I think the main good news for Americans is that Mr. Greenspan said that conditions for long-term growth are good; conditions for low inflation are good. And that's what we believe, and we're going to keep working on it.

Q. But he did say that long-term rates would go up, did he not?

The President. No, he said they had gone up, didn't he? I mean, he thought they—if we had explosive growth, they'll go up because we'll have more people wanting money.

NOTE: The President spoke at 1:39 p.m. in the Colonnade at the White House. In his remarks, he referred to the arrest of Aldrich Hazen Ames and Maria del Rosario Casas Ames.