

*May 3 / Administration of William J. Clinton, 1994*

## Statement by the Press Secretary on United States Counterintelligence Effectiveness

*May 3, 1994*

President Clinton signed today a Presidential Decision Directive on U.S. counterintelligence effectiveness to foster increased cooperation, coordination, and accountability among all U.S. counterintelligence agencies. The President has directed the creation of a new national counterintelligence policy structure under the auspices of the National Security Council. In addition, he has directed the creation of a new National Counterintelligence Center, initially to be led by a senior executive of the Federal Bureau of Investigation. Finally, the President's Decision Directive requires that exchange of senior man-

agers between the CIA and the FBI to ensure timely and close coordination between the intelligence and law enforcement communities.

The President's decision to take these significant steps of restructuring U.S. counterintelligence policy and interagency coordination, followed a Presidential review of U.S. counterintelligence in the wake of the Aldrich Ames espionage investigation. The President, in issuing this Directive, has taken immediate steps to improve our ability to counter both traditional and new threats to our Nation's security in the post-cold-war era.

## Nomination for the Commodity Futures Trading Commission

*May 3, 1994*

The President today announced his intention to nominate Mary L. Schapiro as Chair and Commissioner of the Commodity Futures Trading Commission (CFTC). CFTC is the Federal agency charged with regulation of the Nation's futures markets. The President also announced his intention to nominate Sheila C. Bair to continue in her role as a CFTC Commissioner.

"In her years as a Commissioner with the SEC, Mary Schapiro has contributed an intelligent and experienced voice to the matters that have come before this important board. I look forward to her taking on this new challenge as CFTC Chairman," the President said.

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

## Remarks Honoring the Small Business Person of the Year

*May 4, 1994*

*The President.* Thank you very much, and welcome to the White House. Ladies and gentlemen, you have just seen an example of Clinton's first law of politics: Whenever possible, be introduced by someone you've appointed to high office. [*Laughter*] I say that in good humor. You know, when I met Erskine Bowles in 1992 when I was out running for President—and our wives had gone to college together and had known each other many, many years ago, and his wonderful wife was and still is one of the most successful textile executives in the United

States—and I talked to him about what he had done over the last 20 years, starting small businesses, helping them to expand, helping them to get involved in trade, I thought to myself, you know, this is the sort of person that ought to be head of the SBA, somebody that actually made a living helping other people with their small businesses, someone that actually knew something about it and had some idea of what the practical realities of daily life were like, somebody that would be recognized by people without regard to their political party. This

ought not to be a political agency. It ought to be an agency committed to the economic interest and the advancements of the Small Business Administration.

And at the time, of course, I had no way of knowing whether I'd even be nominated, much less elected, or whether he would ever be willing to leave his good life in North Carolina and come up here and do this. But I want to tell you that I think he's been one of the best appointments I've made as President. And I think he's made a difference in the small business community. And I think we have set a standard that I hope future administrations will follow of not politicizing the SBA but instead appointing someone who actually knows what it's like to start up, finance, expand, and deal with the problems and the challenges of small business in America today. And I want to thank him for that.

Today is a happy day not just for Erskine but for me because we get to honor the national Small Business Person of the Year and the second and first runners-up. We all know that those of you who will be recognized today as winners and those who have won in each of their States really represent people just like you, thousands, indeed, millions of people all across America. Nonetheless, it's a very happy thing to do.

Let me begin by saying what I guess political leaders always say, but something that's increasingly true in this country, and that is that the small business economy is critically important to the future of America. You have only to look at just what's gone on in the last 15 months, where we have seen a dramatic expansion of new jobs in America. In the first 14 months of this administration there were 2.5 million new jobs created, which were together more than in the previous 4 years. And 2.3 million of those jobs were in the private sector, which is more than twice as many private sector jobs as in the previous 4 years. But big companies in America, in large numbers, continued to downsize, which means that in the small business sector, in the new and growing and entrepreneurial sector of our economy, even more jobs were created.

And if you look at the way the world is going, where jobs are being created more and more and more in cutting edge technologies, and opportunities are more and more and more in the refinement of certain products and services, if you try to imagine what the world will be

like 10 years from now or 15 years from now, it is impossible to draw any conclusion other than that if we're going to continue to be the engine of job growth in this country and for the world, it will have to come through small business people.

It's an exciting prospect, but it means that we have to reorient a lot of our thinking toward what would be necessary to try to support small business as the primary engine of new job creation. A lot of the big things that we do in Government, which make a difference for all business, obviously help small business.

Last year, we had the biggest deficit reduction package in history, \$500 billion. It helped to drive interest rates down; it helped to trigger home-building and automobile buying and a lot of other things that got this economy going again.

This year, the Congress is dealing with a budget that I gave them which does some very interesting things I want to talk to you about. It eliminates outright 100 Government programs; it cuts over 200 others. If adopted as it is, it not only continues to reduce defense—and I want to say a little more about that in a minute and just ask you for a little help—but it not only continues to reduce defense, but for the first time since 1969 it would have our Government reducing aggregate domestic discretionary spending for the first time in 25 years.

And we do it while we actually increase funding for Head Start, for nutritional programs for poor children, for new technologies for the 21st century, for defense conversion efforts, and for worker training, because we cut out so much other stuff. And if it's adopted, it will give us a budget, which for the first time since Harry Truman was President, in the aftermath of the Second World War, when it had to happen just naturally—when the Government has reduced its deficit 3 years in a row. And the United States will have a deficit that as a percentage of our annual income is smaller than that of any major industrial country in the world, which is a huge sea change from the last several years. And it will begin to give us some control over our financial destiny and the future of the little children that are in this audience today.

I say that because I want to emphasize that it's important that this budget pass. It's also important that we not posture with it at the end. Last night—I don't know—no reason that

any of you necessarily would have seen it, but I did an hour-and-a-half press conference on CNN with people from all over the world. There were people from 200 countries and territories watching that press conference, looking to us for leadership. And what I tried to do was to explain what I thought we had to do in leading the world and what we obviously could not do, because we can't do everything; we can't afford to do everything. There are a lot of problems out there in the world that do not affect our vital interests. And even though our values are aghast at some things that happen, we can't do all this. On the other hand, there is a limit to how much we cut our national defense and still protect the security of America and the vital interests of America.

And I tell you that I think we have reached that limit. We have cut defense all we can. I imagine most people in this room and most people back home in your civic clubs and your churches and synagogues and other places think we ought to do more to bring this Government spending down and like the fact that we're reducing the deficit. But I also would ask for your support for a reasonable defense budget. We, after all, still have—there are no nuclear missiles pointed at us from the Soviet Union, but there are other countries trying to develop nuclear programs. And we have to maintain our commitments in Asia and in Europe.

So I would ask you to support what we're doing to bring the deficit down; but say, look, there is a limit; we do have a national defense; we do have obligations here. And we do have to retrain workers, and we do have to help move these technologies from defense to commercial technologies. So we need to spend some money on that.

Secondly, let me say, there's some things that are specific to the SBA I want to emphasize. Since Erskine Bowles has been the Director of the SBA, we've increased our lending program by \$3 billion, and they've introduced a one-page application that takes 2 days to process. That alone was worth me appointing him, wasn't it? *[Laughter]*

I also want to say a word about this health care debate which is going on in Washington which is doubtless not only important to you but occasionally must be somewhat confusing because it's an extremely complex subject. First, let me say that people say, "Well, Clinton's bill's 1,300 pages long. Nothing that complicated

should ever be passed by Congress. By definition, they'd mess up a one-car parade." I've heard it many times.

You should know that if that bill passed in its entirety, it would replace even more pages of Federal law now in existence, that is, that a lot of this so-called complexity deals with issues not of direct concern to you but of indirect concern to you like, well, how are we going to deal with the major medical schools, and how are they going to get their funding? And what about the public health clinics of the country? What about the people that live way out there in rural areas who have no access to health care unless there's not a clinic?

But fundamentally, when I asked Erskine Bowles to come into this debate early, and I said, "Look, the biggest bone of contention to providing health coverage for all Americans will be what are the obligations directly or indirectly of small business, because that's where the problems in affording coverage are. So make sure we design something that provides enough protection for small business so that we continue to grow jobs, not shrink jobs." It's also true that the biggest problems in health care come to small business, paying on average 35 percent more for health care premiums than larger businesses do, and being subject to a lot of problems of—my wife and I have a friend that she grew up with, and she and her husband and their children have become great friends of ours over the last 20 years. He only has four employees in his small business. And he provides coverage for all of them. And one of these young men, has been with him a long time, has a child with Down's syndrome. And this fellow—it's time really for him to move on and to broaden his horizons and to do something else in his life, and he simply can't do it because no other business can afford to hire him because he's had a sick child under the present system.

The reason the system is so complicated in America is that we're the only country that has a financing system organized around 1,500 separate insurance companies, writing thousands of different policies with different coverages, all in fairly—many of them in fairly small pools. And at the same time we have two Government programs, Medicare and Medicaid, one for the poor, one for the elderly and disabled, that have different coverages, so that the whole mechanism of financing requires massive numbers of people to figure out when you're not covered

or what is not covered. And furthermore, to be fair to the people in the insurance business—we're not talking about bad people here, we're talking a system that's broken, to be fair to the people in the insurance business—requires them to charge people more or have higher deductibles if there's somebody in their family that's been sick in the past, with a so-called preexisting condition or there's a big age differential in workers, because if they insure people in small pools, if there's a couple of hundred people in the pool, one person with AIDS, one kid with a bad diabetes condition, one woman with breast cancer, one man who has a premature heart condition can throw the whole thing out of whack and make it impossible for them to make a profit.

So what we're trying to do up here in the simplest terms is this: Figure out a way to let the forces of competition work, to hold health care costs down, figure out a way to let those things work for small business and self-employed people as well as big business; because what's happening now is, people in big business and Government in the context of this debate have done a good job of slowing down medical inflation, but it still leaves big problems for the small business sector and the self-employed people.

How do we propose to do it? By giving you the chance to be in cooperative buying pools so you can buy on the same terms as big business and government; by providing discounts to small businesses with low margins and low average payrolls on the insurance premiums and by eliminating some of the practices, the discriminatory practices.

Why is that causing a problem? Partly because it will require a substantial reorganization of the health insurance industry and require them to bid on business in much bigger pools, which means a lot of the smaller policies and customs will go away. And that is a problem. And there's no way to resolve that problem if we're going to try to deal with this.

But I just wanted to say to you, without trying to resolve all the specifics, that what we need here is a very reasoned debate in this year in the Congress about how to deal with this problem in a way that enhances the long-term economic security of small businesses instead of undermining it. But if we walk away from it and we don't deal with it, what we'll continue to see is a bigger differential in premiums as

more big business and Government have access to managed care and more and more people permanently without insurance, which means they'll show up at the hospital, the emergency room, when the care is too late, too expensive, and they'll shove their cost onto everybody else, and we will all pay it. So the price of doing nothing is also quite high for you. That's the point I want to make. And Erskine has done his best to be a very good advocate.

We also propose in our plan to go to 100 percent deductible for self-employed people, which would mean a lot of people with very small businesses will actually be able to pay something for their employees and insure their families at lower costs than they're now paying for themselves by the time they buy into a big pool and get the 100 percent deductible. So, we're working on it. And I urge you to work with him because we understand there's no way to solve all these problems, and we're continuing to learn about it every day. But we need a very reasoned debate to face this issue.

Now, let me say, it is my happy responsibility to recognize this year's winners. And I want to talk a little bit about each of them and to congratulate all of you who are here. The second runner-up is Earl Kashiwagi. Stand up. There he is. You'd never guess where's he's from, would you? Earl and his wife, Chris, cut short their honeymoon in 1973 to work on his uncle's produce farm in Kauai. When one uncle became ill, he became manager and began to build a wholesale side of the business. He helped teach farmers how to diversify local crops. He fashioned innovative shipping techniques and created a broad new distribution network. He's beaten the effects of many hurricanes. In 1990 he bought his business, which employs more than 30 people and is the largest produce wholesaler in Kauai with sales exceeding \$4.5 million. He is our second runner-up. Let's give him another hand. [Applause]

[At this point, Mr. Kashiwagi presented the President with a lei.]

*The President.* I like this, but, you know, I probably should take it off because we can't have all three winners from Hawaii. [Laughter]

Our first runners-up are Francis Voigt and John Dranow. Are they here? Where are they? Stand up. Come on up. They left their chosen fields to begin the New England Culinary Institute in Vermont. Their wives, both poets, were

their first support system. However, they later received less poetic but equally public-spirited support from the SBA. They prepared people for success in the food business through hands-on training and with the lowest teacher-student ratio in the entire Nation. They offer lifelong support and financial aid to their students. They now have a 100 percent placement record. Starting from nothing, they now have 188 employees, 400 students, and revenues of nearly \$100 million. They are our first runners-up. Give them a hand. [Applause]

After I leave you today, I'm going over to sign the school-to-work bill, something that has immense significance to the small business community. It begins to establish a Federal partnership for a network of training young people who graduate from high school, don't want to go on to 4-year colleges, but do need further training. All of our competitors have much more well-organized systems, particularly the Germans, than we do in providing further training. One of our first school-to-work trainees, I guess the first one we've been involved in, and someone they trained who now works at Blair House, so you want to—come on up, Francis—explain this.

*Francis Voigt.* She's right out here, Karen Webber. Karen, come on up.

You know, entrepreneurs can't help themselves; we're always looking for opportunities to promote our organization. We just visited the Blair House yesterday to see how our student was doing. The executive chef arranged for her to come by this morning and present a hat to the President.

*The President.* You all probably know this, but Blair House is the official guest residence

for the President. That's where—when foreign leaders come to stay, for example, they all stay in Blair House.

So, are you doing a good job over there? [Laughter]

*Karen Webber.* Absolutely.

*The President.* Thank you. You all go over there and stand, and we'll do this.

[*Ms. Webber presented the President with a hat.*]

*The President.* I'll use this, this weekend. [Laughter]

Our winner is Lorraine Miller from Salt Lake City, the president of Cactus and Tropicals. Come on up here. You stand here while I talk about you.

Lorraine is president of Cactus and Tropicals in Salt Lake City, Utah. She began with just a love of growing plants, half of her \$2,000 life savings, and a dream. She found a boarded-up building, lived above it, and worked 7 days a week. She's overcome reluctant bankers, salesmen who refused to believe a woman made the decisions, and the loss of her store to eminent domain. One winter, she thawed the frozen ground with briquettes to dig the footings for her greenhouse.

Today, she has 4 greenhouses, 15 employees, over \$1 million in sales, and a business growing at a rate of 20 percent a year. For her job and her persistence and her symbolism of the entrepreneurial spirit of America, Lorraine Miller has been chosen the Small Business Person of the Year.

NOTE: The President spoke at 11:44 a.m. in Room 450 of the Old Executive Office Building.

## Remarks at a Department of Housing and Urban Development Crime Briefing

May 4, 1994

Thank you very much, Secretary Cisneros, ladies and gentlemen. I am delighted to see you here, and I know what you've been here talking about.

I just want to make sure that you know when you heard from the Vice President and then Secretary Cisneros, that you were looking at two

of People magazine's 50 most beautiful people of the year. [Laughter] Some of us resent that. All I can tell you is that I hope to live to see both of them become President of the United States—[laughter]—because they would not only be outstanding Presidents, they would quickly lose any eligibility for that title.