

the right direction with the economy as a whole and with shipbuilding in particular, with Government and business and workers walking hand in hand into the 21st century. But we have to make this a part of the permanent process of doing business for America. I ask all of you to support that, to rededicate yourself to these objectives. This is a good day. As my daughter says, this is a big deal. [Laughter] But it is just a beginning. Let's keep it going.

Thank you very much.

NOTE: The President spoke at 11:36 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Adm. Albert Herberger, Administrator, Maritime Administration; John Dane III, president, Trinity Shipyards; and Doug Ballis, National Steel and Shipbuilding Co. (NASSCO) employee.

Teleconference Remarks Announcing Additional California Earthquake Assistance

August 2, 1994

Mayor Richard Riordan. Mr. President, we'd like to thank you for the very quick response you've given to our letter of last Thursday and the extraordinary effort that your A-plus team is still doing for our great city.

Mayor Judy Abdo. We also want to say how grateful we are for the people who have worked so hard together to find these solutions. And Santa Monica is particularly grateful for the quick and decisive response that you've made.

The President. Well, I just want to say that it's been a privilege for all of us here in Washington to work with you to help get southern California back on its feet again.

I visited Los Angeles a couple of days after the earthquake and saw that destruction, and I was terribly moved by it. And now, in some ways, it's more moving to hear about all the progress that's been made in just 6 months. I think the people of southern California have certainly showed a great deal of courage and resilience, and you have all shown strong leadership. And I very much appreciate that.

[*Mayor Riordan and Mayor Abdo discussed the extensive damage to housing and stated that Federal assistance was critical to the recovery effort in that area.*]

The President. What about the ghost towns in the areas, both in Los Angeles and Santa Monica? That's still a problem, isn't it?

Senator Dianne Feinstein. Well, Mr. President, may I say something here?

The President. Sure.

Senator Feinstein. Oh, I think it was—James Lee, was it a month ago we went to them, the ghost towns, with Richard Alarcon?

The President. I don't think he's on the phone.

Senator Feinstein. Oh, he's not on the line. Richard, do you remember when it was?

The President. I know you toured the areas. [Senator Feinstein discussed damaged and abandoned apartment buildings and expressed appreciation for increased HUD funding to alleviate the problem.]

The President. Well, one of the things that we found out and that Henry Cisneros talked to me a lot about was that years after the natural disasters that struck the Bay Area in northern California and in southern Florida, there are still these ghost towns, and communities are still suffering. Now it's more expensive to fix it than if we'd done it right away.

And so, I thought maybe what I would do is let Secretary Cisneros just talk a little bit about what he's been working with you, Senator Feinstein, Senator Boxer, and the mayors and the other members of your delegation on.

[Secretary of Housing and Urban Development Henry Cisneros explained that \$225 million will be made available through the Community Development Block Grant Program to help rebuild abandoned neighborhoods.]

The President. Thank you, Henry. I am really pleased with the idea that you came up with, and I identify with the solution a lot because it's a source of funds I'm familiar with and

something I've used myself in my former life when I was a Governor.

Today I sent the formal request to Congress to provide \$225 million in additional disaster assistance for the Los Angeles area, \$200 million to Los Angeles, \$25 million to Santa Monica, as a downpayment on our partnerships with the cities to solve this ghost town problem. This goes beyond the typical Federal disaster response, and it's possible frankly because we've been able to reallocate some other disaster funds. It doesn't meet the total need, and I know we'll have to have full cooperation and participation from local governments in the States as we go through this. But it is a very good beginning, and it gives you a chance to begin to get rid of this problem.

Mayor?

[Mayor Riordan thanked the President for the extra funds and the flexibility to direct the money where it is most needed. Mayor Abdo then stated that while Santa Monica does not have ghost neighborhoods, the money will be used to repair abandoned buildings.]

The President. Senator Feinstein?

Senator Feinstein. Mr. President, I want to just ask Judy one question. Judy, do you know how many units that \$25 million will cover?

[Mayor Abdo explained that they will not know how many units the money will cover until they find out how much money will be needed after the SBA loans have been distributed. Senator Feinstein then thanked Secretary Cisneros for his efforts.]

Secretary Cisneros. Thank you very much, Senator.

Senator Feinstein. And I'm going to miss a vote, so I'm going to have to sign off.

The President. Thank you, Senator.

Senator Feinstein. Thank you, Mr. President.

The President. Well, I just wanted to make one final comment before we all sign off. Today we are marking the 6-month milestone in your recovery effort by releasing a report prepared by our Office of Management and Budget that describes what's been done so far. And I really want to thank again our FEMA Director, James Lee Witt, Secretary Pena, Erskine Bowles, our

SBA Administrator, and of course, Henry Cisneros for all their hard work.

So far we have identified \$11.9 billion in Federal assistance to meet California's need after the earthquake. That's the largest amount ever provided to an individual disaster. And with the assistance, obviously, of both of you, Mayor Riordan, Mayor Abdo, and the hard work of your Senators and the California congressional delegation, Congress enacted that emergency relief package in record time.

Our report shows now that record numbers of applications for assistance have been received. FEMA has accepted over 600,000 registrations, which is twice the previous all-time high for Hurricane Hugo. The SBA has accepted over 200,000 disaster loan applications to repair homes and businesses, which is more than for the Midwest floods, Hurricane Andrew, the Loma Prieta earthquake, and Hurricane Hugo combined. And I know that Henry has signed over 12,600 leases providing homes to families who were displaced by the earthquake. So we've tried to be creative and flexible in our response.

Secretary Pena's now-famous cost-plus-time contracting proposal led to the opening of damaged freeways in record time, faster than even I believed it could be done, and I'm an incurable optimist. And the SBA Administrator, Erskine Bowles, exercised his discretionary authority so that disaster loans went to larger numbers of major employers to retain communities. The Commerce Secretary developed new and innovative programs to help rebuild infrastructure and assist small businesses that don't otherwise qualify for Federal assistance. So we've tried to be quick and flexible and helpful.

And I just want to say again, looking back on the last 6 months, I feel good about what all of us have done together. But I know the job is not finished. And I hope this announcement today will give you, the leaders, as well as the citizens of southern California assurances that—my personal pledge and our entire administration—we're still committed over the long haul to make sure that we get over the Northridge earthquake and we make it, over the long run, a net plus for the people of southern California because of the rebound.

[The mayors expressed their appreciation to the President. Secretary Cisneros then discussed his

plans to visit Los Angeles, and the mayors thanked him also.]

The President. Thank you very much. Good-bye.

NOTE: The teleconference began at 4:46 p.m. The President spoke from the Oval Office at the White House. During the teleconference, Senator Feinstein referred to Richard Alarcon, member, Los Angeles City Council.

Statement on Additional California Earthquake Assistance *August 2, 1994*

Years after natural disasters struck the Bay area and south Florida, ghost towns remain and local communities continue to suffer. We are working today to overcome those problems, when they have become far more difficult and expensive to address. In Los Angeles and Santa Monica, we are proposing to begin the restoration of these ghost towns now, before it is too late.

NOTE: This statement was included in a White House statement announcing that the President requested additional fiscal year 1994 funds for the Department of Housing and Urban Development for the repair and reconstruction of housing damaged by the southern California earthquake earlier this year.

Message to the Congress Reporting on the National Emergency With Respect to Iraq *August 2, 1994*

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of March 3, 1994, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq), then or thereafter located in the United States or within the possession or control of a United States person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United

States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States temporarily to transfer to a U.N. escrow account up to \$200 million apiece in Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds will also fund the activi-