

## Teleconference Remarks With the National League of Cities December 2, 1994

*The President.* Thank you very much, Carolyn Long Banks, and thank you all for that very warm welcome. I wish you the best in your new job, Carolyn, as league president. I want to say to all of you, I wish I could be there in Minneapolis with my many friends in the National League of Cities.

I'd like to say a special word of hello to two of your members of the board of directors whom I have known for a very long time, from my home State, Sharon Priest, the city director of Little Rock, and Martin Gipson, alderman in North Little Rock. I'd also like to say a special word of thanks to your outgoing president, Sharpe James, who's been a good friend of mine. And because of his leadership and the leadership of other league members, we now have the toughest and smartest crime bill in our history. I thank you for that, Sharpe, and I thank all of you.

I have long admired the work of the National League of Cities. As a Governor, I worked with many of you on many tough issues. And as President, I'm committed to doing all I can to face those issues with you in a genuine spirit of partnership. To do that, I believe, as many of you do, that while Government cannot be society's savior, neither can it sit on the sidelines.

Our job, yours and mine, is to create opportunity, to remove barriers to that opportunity, to give our people the tools they need to make the most of their lives. When it comes to our cities, we've developed a public-private partnership designed to provide opportunity where it's most needed. We've encouraged businesses to take root and grow in neglected communities. With the Community Development and Regulatory Improvement Act, we're steering billions of dollars in private investment to the places people need it the most. And very soon, we'll announce the winners of our empowerment zones and enterprise communities. We're helping Americans to rebuild the American dream for themselves. The most important thing we can do, what we've been working to do since the beginning of our administration, is to create high-quality, high-wage jobs, jobs that enable our people to build good lives for themselves.

In recent days, we've had a string of indicators that show just how strong this recovery has been. This morning we have the latest job figures that show strong success in building good jobs for Americans. Unemployment is down to 5.6 percent, the lowest it's been in 4½ years. Since I became President, our economy has produced 5.2 million new jobs. So far this year, there have been more new jobs created in high-wage industries than in the previous 5 years combined. Manufacturing jobs are up for 11 consecutive months for the first time in more than a decade. And more construction jobs have been created this year alone than in the previous 9 years combined.

Our strategy of opening up foreign markets to our goods and services has certainly contributed to this success. In just a year, NAFTA has created an estimated 100,000 new jobs. And yesterday, with strong bipartisan support, we took an historic step and passed the GATT world trade agreement, which will create hundreds of thousands of good jobs here in America.

Despite these successes, you and I both know there are too many hard-working Americans who are still deeply anxious about their economic futures and their families. I understand that. For 20 years, stagnant wages and a declining rate of job security have taken a terrible toll. As our workers face these terrible changes and these exciting challenges of the global economy, they are rightly worried about how they and their children will adjust. We know that male workers without a college education have actually seen a decline in their earnings over the last 10 years. And we know that most working families are actually working more; they have less leisure time. We also know that this is the only advanced country in the world where working people are actually losing ground in terms of their health coverage. A million Americans in working families lost health insurance last year alone. That's why, even as we open up trade and create jobs, we've got to work hard to help Americans adjust to these changes so that they can win in the global economy.

The most important thing we can do is to help our people to learn the skills they need

to compete and win in the years to come. That's the idea behind the education and training programs we've worked so hard for in the 103d Congress: a big expansion of Head Start; the Goals 2000 program with its high national standards; the elementary and secondary education reform act, with its grassroots reforms; more computers for our schools; things like charter schools, more public school choice, better education for poor children; character education in our schools. That's what's behind our determination to give more affordable loans for millions and millions of middle class students to go to college. It's behind the national service act, AmeriCorps, which allows tens of thousands of our young people to earn money for their college education by serving their communities at the grassroots level. And it's what's behind our apprenticeship programs for people who don't go to college but do want to have good jobs and good skills.

The strength of all these programs is that they're rooted in the idea that individual citizens and communities can decide how best to build their own futures. Now for you, nothing in our agenda may be more important than our efforts to fight crime. The crime bill we passed is the crime bill many of you helped to write. It's a model for how we must continue to reinvent our Government to meet the needs of our people and to move power out of Washington back to the grassroots. We're moving quickly to put 100,000 more police on the street and to institute our prevention and our punishment programs. And we're paying for it by reducing the Federal work force by 272,000 positions to its smallest level since President Kennedy. Already, there are more than 70,000 fewer people working for the Federal Government than there were on the day I was inaugurated President. And every dollar we save is going back to you, going back to grassroots communities who know best how to fight crime in the streets. That's a good deal. It will work for America.

We've made a good beginning on crime, a good beginning on the economy. But to do more, I hope we can continue the spirit of cooperation with the new Congress that we've seen on GATT this week. I hope we can find common ground on your concerns about unfunded Federal mandates which I have long opposed; the Glenn-Kempthorne legislation would restrict these mandates. And we're working closely with the lawmakers to make this bill

a priority early, early in the next session of Congress.

We should also continue to cooperate on health care reform. The American people still want it, and they still need it. We have to find a way to provide working families with that help. We can't continue to be the only advanced country in the world where more and more working people are losing their health insurance every year and where the cost of health care is going up at 3 times the rate of inflation. And for small businesses, health insurance premiums this year went up at almost 5 times the rate of inflation. When the health of the American people and working families suffer, the health of our economy suffers. All of you know that more and more of our Federal budget is going to health care. Medicare, Medicaid, they're the fastest increasing areas of the Federal budget. We've held everything else constant or reduced it. So we need to find ways that, step by step, we can in a bipartisan spirit make progress on this.

We also have to find ways to cooperate on welfare reform. We have to build a strong bridge from dependency to work for millions of Americans. We have to attack problems that feed dependency, including the runaway problem of teen pregnancies. I've been working on this welfare reform issue for more than a decade now. I know that the people on welfare overwhelmingly want to get off. We have got a system that was designed for another age, as so many governmental systems are, and we need to change it dramatically to make it rooted in independence and responsibility, not to subsidize dependence. Every American wants this, and we're going to do it and do it together.

On these and many, many other issues, I hope and believe we can cooperate with the new Congress. But cooperation for me cannot mean abandoning principle, abandoning the hard work we have already accomplished together in our fight to restore our economy, our fight against crime, our fight to give this country back to hard-working people who play by the rules. I will oppose any efforts to take us back on those issues. We've worked too hard to build an economic recovery and a job strategy and to reduce this deficit that 12 years of irresponsible explosive spending left us. And I will fight efforts that jeopardize the strategy to create jobs, fight efforts that will explode the deficit, fight efforts

that will put new burdens on the backs of our children.

The assault weapons ban that you helped to win stands between the citizens you and I must protect and the gangs and thugs that would terrorize them. I will do all in my power to keep the next Congress from doing anything that will jeopardize the safety of our people.

And I truly hope the new Congress understands how important these things are to the American people and to their elected representatives at the grassroots level. We've made a good beginning to build together, and we have to get on with the job. It's no secret that the landscape in Washington shifted dramatically last month. But what must not shift is my commitment and your commitment to continue to work for what will actually help hard-working, middle class Americans restore the hope that they can keep the American dream alive and that will provide opportunities and insist on responsibilities for others to move into that great middle class.

What must not change is our conviction that we work best when we work together as partners and when we all share responsibility. Diversity of government is the great genius of the American system. From the smallest of our communities to the biggest of our cities to the statehouses and to the Halls of Congress and the White House, no part of our effort can be isolated. That's why we must keep talking with one another and listening to one another and working together.

If we work at all our levels, we can help take America in the direction it must move. We can help our people find the best path on to the bright new century that awaits us. We can give the American people a smaller Government, a more entrepreneurial Government, a more flexible Government that reflects their values and promotes their interests, if we do it together.

Thank you very much. Thank you.

[At this point, the moderator introduced the participants.]

Q. Mr. President, I'm Lucy Allen, mayor of Lewisburg, North Carolina, where the red carpet will always be out should you choose to visit.

The President. Thank you. You know, I've always felt especially safe in North Carolina. [Laughter]

[Mayor Allen asked about changing the Federal Government's pattern of preempting local authority.]

The President. I'd like to suggest three things. First of all, we need to pass a sensible unfunded mandate bill. We need to get on with that area.

Secondly, we need to continue the work we are doing here in Washington to try to increase our capacity to give more flexibility to State and local governments to take their own initiatives in areas of national interest where the circumstances are different from locality to locality.

Let me just give you an example. Our administration has given 20 States the waiver authority to create their own welfare reform programs, in 9 States the authority to create their own health care reform programs. We're examining things that we can do to accelerate that process and to help local governments, cities as well as States, in that process. I think that the American people know there are great national purposes we must pursue but that they differ in their facts from place to place.

And the third thing I think we have to do is to set up a much better system of consultation with local government before Congress enacts laws or the Federal executive branch enacts regulations that can affect you. And let me just give you one example. You mentioned one, so I'll use the one and try to show the example that I mean. In the telecommunications legislation that was proposed last year but not quite passed, there would have been some restriction on the ability of local government to confine access to local cable channels. It was not an intended intrusion on the right of local government but rather the desire to build a true information superhighway with very few barriers to access all across America. There may be an argument for not doing that. And one of the things I hope we can do is to get together with administration officials and interested people in Congress and representatives of local government early, early next year so that we can hear your concern about that. And I feel the same way about land use, zoning issues, and other things.

I don't believe we ought to be out here passing laws or adopting regulations until there has been a real effort to resolve differences at the local level. Because if there is one thing that's clear from this election and from the mounting frustrations of mayors and Governors and county

officials all across America over the last 10 to 15 years, it is that people want most decisions that affect their lives made by that level of government as close to them as possible. If it can be done by something outside the government, that's what they want. But if it's a governmental decision, they'd like it made as close to them as possible. So our job is to help see that that is accomplished.

On the other hand, this telecommunications issue is a great national enterprise. Creating the information superhighway will create jobs and opportunity for Americans; it will allow poor children in little isolated rural places access to information that was formerly the province of the wealthiest people in the most well-funded school districts in America. This can do a great thing for our country, but we have to do it, as I said, in partnership. And I'll do my best to do that with you.

Thank you very much.

Q. Thank you, Mr. President.

[A participant asked about proposed middle class tax cuts and their impact on local economies.]

*The President.* Well, there are a lot of tax cut proposals around, as you know, in the Congress. And the Republican contract calls for several hundred billion in tax cuts. I can't remember the exact figure. There's already been a bill introduced to cut income taxes 20 percent across the board.

The first thing I want to say is that I think we need more tax fairness in the Federal Tax Code, we need to give hard-working middle class people a dividend from the end of the cold war and the dramatic downsizing of the Federal Government that is going on. They haven't really received it yet. And I think that's very, very important.

I also think, however, that most hard-working Americans have a vested interest in seeing us keep this deficit under control. In a couple of years, interest payments on the debt will be greater than the defense budget because of the explosion of debt that grew up between 1981 and 1993, when the Federal deficit, national debt, was quadrupled. We cannot continue on

that track. I'm trying to turn it around in the other way. I don't think people ought to be spending over 20 percent of their income tax payments every year just paying interest on the debt that was piled up in that period.

So while I favor a middle class tax cut and I don't rule out working with the Republican Congress on some of their ideas, my standard will be: Will it help increase incomes for the middle class, will it promote jobs and growth, and can we pay for it? That will be my standard. If we do it in that way, I think that the municipalities will be all right, except that we're going to have to cut a lot of spending up here. And especially, I would urge our friends in the National League of Cities who are in the Republican Party, to make sure that the Congress understands what the consequences are of all these budgetary decisions.

I can't predict what will happen. All I can tell you is, I want better tax fairness, I want to do something that increases middle class incomes, I want a dividend from the end of the cold war and the downsizing of the Federal Government.

We made a beginning last year, by the way, when we cut taxes on 15 million working families, with 50 million people in them, with incomes of up to \$27,000. But we have to do more. I think there's a way to do it in ways that will actually help the economic climate of our cities, by putting more money into the pockets of your citizens, if we do it with real discipline and care. But again, as you implied in your question, there are consequences to all these decisions, especially if we're going to be disciplined and pay for them. So I would say that the National League of Cities ought to ask to be a partner with Congress in the decisions about how the taxes are going to be cut and what the implications for the cities are. I hope you will ask for that partnership, and our door will always be open to you.

Thank you.

NOTE: The President spoke at 10:36 a.m. by satellite from Room 459 of the Old Executive Office Building to the meeting in Minneapolis, MN.