

ancestries put freedom over faction, the goals of the community over the interests of its separate parts. Of the gifts we can give to Ireland, this example of people joining together for the common good clearly is the greatest. The challenges of the coming century demand that we keep in mind the example of those who went before us, who built bridges across their differences and found the strength to pull together.

We now face a whole new set of challenges in this new era. The global economy, the explosion of information, the advance of technology, the growing mobility of people, all these forces are bringing us into a more integrated world, more full of possibilities than ever before. The next century can be the most exciting time in all human history because of the opportunities for human possibilities.

But we have to recognize that all these forces of integration have a darker side as well. If we do not rise to the challenges they present, we become vulnerable to the organized forces of destruction and evil, for the modern world requires us to be open in order to take advantage of all the forces of integration. And as we become more open, we become more vulnerable to those who would hate and those who would destroy.

As the people of Northern Ireland are showing, we can seize the moment. We can turn away from terror. We can turn away from de-

struction. We can turn toward peace and unity and possibility. But to keep this process going, to lock in the accomplishments, we must make hope real. To grasp the opportunity, we must build stronger businesses and communities and families. We must have more and better jobs. We must strengthen the prospects of a better tomorrow.

That is the way to preempt fanaticism. That is the way to close the book on old and bloody conflicts. That is the way to give our children the future they all deserve. The chance is there. It is here. It is now. We have it in our power to make all the difference. Let us do it.

Thank you, and bless you all.

NOTE: The President spoke at 10:48 a.m. at the Sheraton Washington Hotel. In his remarks, he referred to George Mitchell, Special Adviser for Economic Initiatives in Ireland; Deputy Prime Minister Richard Spring, Prime Minister John Bruton, and former Prime Minister Albert Reynolds of Ireland; Secretary of State for Northern Ireland Sir Patrick Mayhew and Prime Minister John Major of the United Kingdom; Ambassadors to the U.S. Sir Robin William Renwick of the United Kingdom and Dermot Gallagher of Ireland; John Hume, leader, Northern Ireland Social Democratic and Labor Party; U.S. Ambassador to the United Kingdom William J. Crowe; and U.S. Ambassador to Ireland Jean Kennedy Smith.

Statement on the United Nations/NATO Decision To Launch Airstrikes in Bosnia-Herzegovina *May 25, 1995*

I welcome the decision of the U.N. and NATO to launch airstrikes today against a Bosnian-Serb ammunition site following the violence of the past several days in and around Sarajevo. This action was taken in response to Bosnian-Serb defiance of yesterday's UNPROFOR demand for the return of heavy weapons to designated weapons collection points in accord with existing agreements.

This action should help NATO and the U.N. sustain their ability to ease suffering in the re-

gion. I hope that today's airstrikes will convince the Bosnian-Serb leadership to end their violations of the exclusion zone and comply with their other agreements with the U.N.

I appreciate the courage and dedication of the U.N. forces on the ground in the former Yugoslavia and trust that this evidence of U.N. and NATO determination will serve to enhance the ability of these forces to remain and perform their missions.

Message to the Congress on Small Business May 25, 1995

To the Congress of the United States:

I am pleased to forward my second annual report on the state of small business, and to report that small businesses are doing exceptionally well. Business starts and incorporations were up in 1993, the year covered in this report. Failures and bankruptcies were down. Six times as many jobs were created as in the previous year, primarily in industries historically dominated by small businesses.

Small businesses are a critical part of our economy. They employ almost 60 percent of the work force, contribute 54 percent of sales, account for roughly 40 percent of gross domestic product, and are responsible for 50 percent of private sector output. More than 600,000 new firms have been created annually over the past decade, and over much of this period, small firms generated many of the Nation's new jobs. As this report documents, entrepreneurial small businesses are also strong innovators, producing twice as many significant innovations as their larger counterparts.

In short, a great deal of our Nation's economic activity comes from the record number of entrepreneurs living the American Dream. Our job in Government is to make sure that conditions are right for that dynamic activity to continue and to grow.

And we are taking important steps. Maintaining a strong economy while continuing to lower the Federal budget deficit may be the most important step we in Government can take. A lower deficit means that more savings can go into new plant and equipment and that interest rates will be lower. It means that more small businesses can get the financing they need to get started.

We are finally bringing the Federal deficit under control. In 1992 the deficit was \$290 billion. By 1994, the deficit was \$203 billion; we project that it will fall to \$193 billion in 1995.

Deficit reduction matters. We have been enjoying the lowest combined rate of unemployment and inflation in 25 years. Gross domestic product has increased, as having housing starts. New business incorporations continue to climb. We want to continue bringing the deficit down in a way that protects our economic recovery,

pays attention to the needs of people, and empowers small business men and women.

Capital Formation

One area on which we have focused attention is increasing the availability of capital to new and small enterprises, especially the dynamic firms that keep us competitive and contribute so much to economic growth.

Bank regulatory policies are being revised to encourage lending to small firms. Included in the Credit Availability Program that we introduced in 1993 are revised banking regulatory policies concerning some small business loans and permission for financial institutions to create "character loans."

New legislation supported by my Administration and enacted in September 1994, the Reigle Community Development and Regulatory Improvement Act of 1994, establishes a Community Development Financial Institutions Fund for community development banks, amends banking and securities laws to encourage the creation of a secondary market for small business loans, and reduces the regulatory burden for financial institutions by changing or eliminating 50 banking regulations.

Under the Small Business Administration Reauthorization and Amendments Act of 1994, the Small Business Administration (SBA) is authorized to increase the number of guaranteed small business loans for the next 3 years. The budget proposed for the SBA will encourage private funds to be directed to the small businesses that most need access to capital. While continuing cost-cutting efforts, the plan proposes to fund new loan and venture capital authority for SBA's credit and investment programs. Changes in the SBA's 7(a) guaranteed loan program will increase the amount of private sector lending leveraged for every dollar of taxpayer funds invested in the program.

Through the Small Business Investment Company (SBIC) program, a group of new venture capital firms are expected to make available several billion dollars in equity financing for startups and growing firms. The SBIC program will continue to grow as regulations promulgated in the past year facilitate financing with a newly created participating equity security instrument.