

Remarks Announcing the Nominations for Chairman, Vice Chair, and
Member of the Board of Governors of the Federal Reserve System and
an Exchange With Reporters
February 22, 1996

The President. Good afternoon. As we seek to sustain economic growth, there is no more important institution in our country than the Federal Reserve. Its decision can help determine whether businesses can borrow and grow, whether families can buy a home, and whether our financial system is sound. Its independence and its professionalism are an important safeguard for our economy.

Over the past 3 years, my administration has had a respectful and productive relationship with the Federal Reserve. During this time, we have done our job to help grow this economy, first by cutting our deficit in half and, secondly, by increasing important investments in education, technology, and defense conversion.

The Fed, in turn, has done its job making independent and professional judgments on monetary policy. Together our efforts have helped to create a climate for sustained economic growth, the lowest combination of unemployment, inflation, and mortgage rates in 27 years. This relationship has worked.

Today I am pleased to announce my decision, first, to reappoint Alan Greenspan as the Chairman of the Federal Reserve Board. He brings his years of experience as a prominent economist and, I might add, a leading Republican and a career capped by 8 years of service as the Chairman of the Federal Reserve. During his tenure he has inspired confidence and for good reason. He has worked with our administration to safeguard the stability of global financial markets, recognizing that today even temporary difficulties in one corner of the globe can have far-reaching effects in another. And more importantly, his decisions have helped us to work toward a period of sustained economic growth.

I'm also proud to announce my intention to nominate two distinguished economists to join Chairman Greenspan at the Fed. First, I am nominating Dr. Alice Rivlin as the Vice Chair of the Federal Reserve Board.

As a founding Director of the Congressional Budget Office, a senior fellow at Brookings Institution, and president of the American Eco-

nomics Association, she is one of our Nation's foremost experts on how to keep the economy growing. And as my Director of the Office of Management and Budget, she has been my strong right arm as we have cut wasteful spending and moved toward a balanced budget.

I have come to deeply value her independence. She always calls it as she sees it. And I know from working with her for 3 years that her ultimate test is how the decisions we make affect the lives and the future of ordinary American citizens.

Alice Rivlin has the right combination of mind and heart to serve our country well as the Vice Chair of the Federal Reserve. I will miss her, and I appreciate her willingness to take on this new responsibility.

For the position of member of the Federal Reserve Board I am today nominating Laurence Meyer. Dr. Meyer is a professor of economics at Washington University. He is renowned as one of our Nation's leading economic forecasters. This year he received the annual award as the most accurate forecaster among blue-chip economists, an award he also won in 1993. Because of that, his economic forecasts are closely listened to at both OMB and CBO. Now, that is no small feat. [Laughter] He consults widely for American businesses, and his judgment and experience will serve our Nation well at the Federal Reserve.

If we all continue to do our part and the Federal Reserve continues to be strong, forthright, and resolute, we can create a climate for sustained growth and prosperity for the American people for years to come. I look forward to working with these nominees, and I hope the Senate will give them speedy and favorable consideration.

Thank you, Mr. Greenspan. Alice, Dr. Meyer, thank you very much.

Q. Do you have any guarantees from the Senate, Mr. President?

The President. I don't know that there are any guarantees left in this old world, but I feel quite confident that this team of people will be confirmed.

Q. Mr. President, do you think these three people will be able to engage in the kind of debate you were talking about in New York last week?

The President. I do. And I feel good about it. After all, what should our objective be? Our objective should be to achieve the maximum sustainable economic growth in our country, consistent with not letting inflation get out of hand. And the Fed can't do that alone. The rest of us have to do our part, too.

I think balancing the budget is an important part of it. I think bringing the benefits of education and technology to all the members of the work force who are stuck in stagnant wages now is a very important part of it. I think creating incentives to invest in the areas where there aren't enough jobs of any kind, in the inner cities and the rural areas, is an important part of it. That's what our empowerment zone meeting today is about. And I think paying some special attention to all those people who have been downsized and trying to devise ways that will speed their reentry into the job market at appropriate levels is an important part of it.

So no one can do this job alone, but I think that the truth is that we're entering a new economy, and it's a subject that ought to be open to honest debate. I was encouraged by the com-

ments that Chairman Greenspan made in his two appearances before the Congress in the last couple of days. And I feel good about this group of distinguished Americans being in the positions for which I have nominated them.

Q. Thank you, Mr. President.

The President. Thank you.

Q. Can we ask Dr. Rivlin a question?

The President. Sure.

Q. What level of growth would you like to see, Dr. Rivlin? [Laughter] And Dr. Meyer as well, if you could.

Alice Rivlin. A sustainable level consistent with low inflation. [Laughter]

Q. Dr. Rivlin, could we ask, have you had a change of heart? Didn't you indicate just recently that you weren't really interested in this job?

Dr. Rivlin. Yes, I did. [Laughter]

Q. Is the President persuasive or—

The President. I haven't lost all my powers of persuasion. [Laughter] Battered and bloody though I may be, I can still once in a while make a good argument. [Laughter]

Thank you.

NOTE: The President spoke at 4:47 p.m. in the Oval Office at the White House.

Letter to Congressional Leaders on Major Narcotics Producing and Transit Countries

February 22, 1996

Dear Mr. Chairman: (Dear Ranking Member:)

In accordance with the provisions of section 490(h) of the Foreign Assistance Act of 1961 (FAA), as amended, I have determined that the following countries are major illicit drug producing or drug transit countries: Afghanistan, The Bahamas, Belize, Bolivia, Brazil, Burma, Cambodia, China, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Iran, Jamaica, Laos, Lebanon, Malaysia, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Syria, Taiwan, Thailand, Venezuela, and Vietnam. These countries have been selected on the basis of information from the March 1, 1995, International Narcotics Control Strategy Report

and from other United States Government sources.

No countries on the 1995 list have been removed from the list this year. I have added Belize and Cambodia to the list for the following reasons:

Belize. In my letter of February 2, 1995, which removed Belize from last year's list of major drug-producing countries, I stated, "We will be watching to determine whether it becomes a major transit point for drugs moving to the United States." I did so because Belize's geographical location south of Mexico's Yucatan peninsula makes it an ideal strategic drug transshipment point for U.S.-bound cocaine shipments. The coun-