

dent and chief executive officer, National Cable Television Association; and President Alberto

Fujimori of Peru. A tape was not available for verification of the content of these remarks.

Remarks Announcing the Second Term Domestic Policy Team and an Exchange With Reporters

December 20, 1996

The President. Thank you very much. Please be seated.

I thought the era of big Government was over, and then I saw all of these people here. [Laughter]

Let me say as we move into my second term, we have the obligation to continue the progress we have made and to build on it to prepare America for the 21st century with a Government that is smaller but works hard not to abandon people but instead to give them the tools they need to make the most of their own lives and to build strong families and strong communities and a strong America. Today I want to announce the members of my domestic policy team who will make this happen.

Today the Labor Department is more critical than ever as we work to make job training available to all who need it and make sure that employee rights are secure and our workplaces are safe. I am very sorry to lose the services of my old friend Secretary Reich, who has truly made this a Department of the American work force. But I am proud to nominate as Secretary of Labor one of my closest advisers, a talented leader, Alexis Herman, who got her start as a social worker for Catholic Charities on the Mississippi Delta. I first met her in the 1970's when she was Director of the Women's Bureau at the Department of Labor, pioneering efforts to give women training and economic opportunity. She has been a successful businesswoman and a leader in efforts to bring minorities into the economic mainstream. And for the past 4 years, as Director of the White House Office of Public Liaison, she has been my eyes and ears, working to connect the American people, business and labor, individuals and communities, with their Government.

I said throughout the campaign that we have to help parents succeed at home and at work and give working people the training they need to succeed in the new economy. For years now,

I have been trying to prevail upon the Congress to consolidate training programs and pass the "GI bill" for America's workers. All these things we must do in the next 4 years. As Secretary of Labor, Alexis Herman will be a true national leader in this mission on behalf of working families.

Let me also say that I considered a number of superbly qualified people for this position. I'd like to mention two in particular and thank them for their willingness to be considered: first, to Congressman Esteban Torres and second, the director of the Corporation for National Service, Harris Wofford, who has done a wonderful job in heading AmeriCorps, which has now enabled 70,000 young people to serve in their communities all across America and which will play a vital role in the next 4 years.

Over the last 4 years Henry Cisneros led a revolution of ideas at the Department of Housing and Urban Development. He and his team have spent every day questioning old approaches and searching for new answers. He is my friend, my adviser, someone who has poured his heart into making the American dream of owning a home a reality for all people. Today a smaller and smarter HUD brings more hope and greater opportunities to American communities than ever before, not only in housing but in developing economic opportunities in ways that had not before even been imagined. I think it is not too much to say that he is clearly the finest HUD Secretary who has ever held the position. I will miss him greatly and will continue to rely upon him for his advice and counsel.

I believe that the best person in this country who is today suited to lead HUD into the 21st century is Andrew Cuomo. He has lived and breathed housing and economic development for more than a decade, first at the grassroots as a community housing developer and then as our Assistant Secretary for Community Planning and Development.

[At this point, *Housing and Urban Development Secretary-designate Andrew Cuomo's baby daughter Cara* cried.]

The President. Relax, this is a pro-family administration. [Laughter]

He is a passionate believer in doing what's right, and he is a determined leader who gets it done. His test is never soft sentiments but hard results. The empowerment zones effort he has led so well is a perfect example of the new HUD. Instead of big solutions imposed by Washington, it creates a partnership between Government, business, and private citizens to help communities lift themselves up. This is Andrew Cuomo's vision, and it is why I expect him to be a very strong voice for America's cities and a great HUD Secretary.

The Department of Energy has many missions, ranging from producing nuclear fuels and managing nuclear wastes to widening the frontiers of science at our national laboratories, to promoting energy efficiency and environmental technology. Hazel O'Leary has made huge strides with that Department and has done this while bringing unprecedented openness to the agency. I mention obviously the reports that the Energy Department has done on radiation experiments and the groundbreaking work that the Energy Department did to lead us to the Comprehensive Test Ban Treaty.

To manage this diverse and sprawling operation, a Secretary of Energy must be an experienced leader and manager who understands the demands of a large Government agency, who will demand peak performance from Government contractors, who knows why we must reinvent Government and how to do it. As Secretary of Transportation, Federico Pena has proven himself a talented leader of a large and complex Government agency. He found ways to encourage new technologies, promote safety, protect the environment. I am happy to announce today that I will nominate him to be our new Secretary of Energy. He will continue to streamline and reinvent the Energy Department. He will build on its unprecedented commitment to openness. He will oversee the urgent cleanup of our nuclear stockpiles, and he will work with the energy industry to create economic opportunity by using energy in a way that does not hurt our environment. I am very happy that he has agreed to remain in the Cabinet in this new and ever-changing role and very

grateful for the service he rendered at the Department of Transportation.

To replace him, I am proud to nominate the Federal Highway Administrator, Rodney Slater. First as the chair of the State highway commission in our home State and then as Federal Highway Administrator, Rodney Slater has managed large programs with skill and high standards. He has rebuilt and expanded our Nation's highways and linked isolated communities to jobs and opportunities. He has built bridges both of steel and of good will to bring people closer together. When the Northridge earthquake struck California with such deadly force, Rodney led our effort to rebuild vital highways in record time. He is the right person to help us meet the many transportation needs and challenges we face as we enter the 21st century. He has been my friend and adviser for many years. Along with his own family, I have watched with pride as he has built his own road to success. I can say that he was recommended by more people from more places in more ways for this job than any person for any position I have ever seen. [Laughter] And in spite of that—[laughter]—I am confident that he will be a superb and successful Secretary of Transportation.

Over the past 4 years, first with Erskine Bowles' leadership and then Phil Lader's, we have worked hard to revitalize and broaden the mission and increase the impact of the Small Business Administration. SBA has doubled the number of loans to small businesses, tripled the loans to women-owned businesses, even as its staff has been cut by 25 percent. Phil Lader told me several months ago that he wanted to return to private life after the election. However, I have asked him to serve in another senior role in my administration, and he will be considering this over the holidays. I hope he and his family agree to accept my offer. I can only stand so many of these people leaving. [Laughter]

To replace Phil Lader, I will nominate Aida Alvarez. She has been an award-winning journalist and investment banker. For the past 3½ years she has been the Director of the Office of Federal Housing Enterprise Oversight, responsible for the safety and soundness of \$1.4 trillion in housing finance institutions. She combines business savvy with a dedication to public service. I have known her for many years and have been very proud to have her as a part of this administration. I am also proud that this

is the first time a person born in Puerto Rico has been appointed to a President's Cabinet.

To complete our economic team, I will nominate Janet Yellen to be Chair of the Council of Economic Advisers. Since it was created by President Truman 50 years ago, the CEA has provided objective and rigorous economic advice to the President. Under Laura Tyson and then Joe Stiglitz, the CEA has been unflinchingly honest, and our economic policy has had hard work—hard-won credibility. As we work together to balance the budget in a way that reflects our values and will continue to grow our economy, the CEA's role will be more important than ever. Janet Yellen will provide the leadership and experience to get the job done. She is currently a member of the Federal Reserve Board of Directors. She had been a professor of economics at the University of California-Berkeley and at Harvard, where she taught, among others, the Deputy Secretary of the Treasury, Larry Summers, who said that his grade was sufficiently high for her to be recommended for the job. *[Laughter]* She is an esteemed writer and thinker who will serve our country well.

The Domestic Policy Council coordinates the work of our domestic policy agendas—agencies. It finds innovative ways to use our most enduring values to meet our newest challenges. Today I am proud to appoint Bruce Reed as Assistant to the President for Domestic Policy and Director of the Domestic Policy Council, replacing Carol Rasco about whom I will say more in a moment.

Bruce is an original thinker, someone who long ago rejected the easy answers from any part of the political spectrum, and no one has had a greater impact on the thinking of the administration or the President. He combines a unique practical knowledge with a real, powerful concern for the welfare of ordinary Americans. He has been at my side from the day I announced my candidacy for President in 1991. He was an architect of welfare reform. He has been a driving force behind our efforts to shrink Government, expand educational opportunity, and fight crime. For the past year, as Assistant to the President for Policy Planning, he has worked to hone our goals for the next 4 years, and now he will have a chance to make that agenda happen. He is the intellectual core of the vital center. Under his leadership, the Domestic Policy Council will be a place where

dynamic ideas are turned into actions that will make a difference in the lives of our people. He is a person of the highest integrity, a good friend, and I am proud that he will be by my side as we complete the work of preparing our country for the next century.

Finally, I have prevailed upon my friend of long standing Mack McLarty to stay on for a second term as Counselor to the President, remaining as a member of the National Economic Council. In addition, Mack will take on new responsibilities as Special Envoy to the President and the Secretary of State for Latin America.

With this new role, I expect him to deepen and broaden his portfolio as he helps to coordinate and strengthen our policies toward Latin America. He is well suited to carry out this important role because of his business experience and his broad understanding of the new global economy. His perspective was clear when he served as one of the principal architects of our economic strategy and played a key role in passing our deficit reduction plan in 1993. Throughout this administration he has been central to our efforts to build our relationships with our neighbors in our hemisphere. His leadership was instrumental in passing NAFTA and he led our efforts, along with Vice President Gore, to host the Summit of the Americas in Miami and the 1996 Atlanta Olympics. The 1994 summit was a historic meeting and will require significant followup as we move forward to the second Summit of the Americas in Santiago. He will head the United States delegation to the signing of the Guatemala peace accords later this month. And this new assignment for Mack should underscore the importance that we in this administration and I personally place upon Latin America as we move forward.

The other members of my domestic policy team are here with us today. Attorney General Reno has led our crusade to put police on our streets and take guns off our streets. Donna Shalala has worked tirelessly and well to give our people quality health care, to move millions from welfare to work, to care for our children and their future. Dick Riley has succeeded in reforming the student loan program and lowering its costs and making it more available to millions of people. He has challenged our schools to reach even higher standards. We have expanded educational opportunity, enhanced reform, and we will do much, much more of this in the next 4 years. As I said in the campaign

this year, education must now be our highest priority, and I am pleased that Secretary Riley will continue to lead our efforts.

Earlier this week I announced that one of my oldest and closest advisers, domestic policy adviser Carol Rasco, will join the Education Department as Senior Adviser to the Secretary and Director of the America Reads Challenge. The importance of this initiative to me should be underscored by my asking someone this close to me to act on my behalf. If you will remember in the campaign, I talked a lot about the importance of mobilizing one million volunteer tutors all across America to work with parents and teachers, to make sure that by the year 2000 every 8-year-old in this country can read independently. If every third grader can read independently, when 40 percent of them are not reading at grade level today, it will dramatically alter the future of America's landscape for the better.

Secretary of Veterans Affairs Jesse Brown has been a strong and effective voice for our veterans. He will continue to ensure that they have the health care and the services they deserve.

Federal emergency management administrator James Lee Witt has transformed that agency into a model for disaster assistance and helped communities all across our country to rebuild. In community after community, from the Southeast to the Middle West to the West, he has made the term "Federal bureaucrat" a positive, not a negative, appellation.

General Barry McCaffrey will stay on as the Director of the Office of National Drug Control Policy. We need his vigorous leadership, and he is in the process of doing something that Presidents for more than 30 years have wanted to do but never succeeded in doing, actually developing a coordinated, disciplined, long-term approach to dealing with the drug problems and reducing drug abuse in America, particularly among our youth.

Secretary Babbitt has been a wise steward for our precious natural resources and has helped us to solve some of the thorniest challenges facing America in this regard. He sent me a letter right after the election saying that in one way or another we have protected over 20 million acres of America's precious land in the last 4 years, a legacy of conservation equaled only in the two Roosevelt administrations, and I thank him for that.

Secretary Glickman has worked to keep our food the safest and most plentiful in the world as we have overhauled our food safety standards for the first time in decades and decades. And I thank him also for finding ways to promote agriculture and protect the environment.

As EPA Administrator, Carol Browner has cut redtape and curbed pollution. She has brought common sense back to the task of protecting our environment, enlisted more allies, and will lead the way in the next 4 years to making sure we do close those hundreds of toxic waste dumps that keep our children from growing up next to parks, not poison.

All these leaders have done a remarkable job. I am delighted they have agreed to stay in their positions. And now I'd like to ask the new appointees to come up and make some statements, beginning with the next Secretary of Labor, Alexis Herman.

[At this point, Secretary of Labor-designate Alexis Herman, Secretary of Housing and Urban Development-designate Andrew Cuomo, Secretary of Energy-designate Federico Pena, Secretary of Transportation-designate Rodney Slater, Small Business Administrator-designate Aida Alvarez, Council of Economic Advisers Chair Janet Yellen, Assistant to the President for Domestic Policy Bruce Reed, and Special Envoy to the President and the Secretary of State for Latin America Thomas F. (Mack) McLarty each made brief remarks.]

The President. Thank you.

Who is first? I'll take a couple of questions. It's almost Christmas. [Laughter]

White House Access

Q. Mr. President, as you move forward into your new term, questions continue to be asked about the first 4 years, especially in the area of campaign fundraising. Last February at the request of a friend of yours in Little Rock and the Democratic National Committee, an arms dealer from China was invited to a private event with you inside your residence at the White House. Four months later this man's company was implicated in U.S. gun-smuggling. What do you remember about your contact with this man at this meeting? Does it concern you that he was perhaps not adequately screened in order to gain access to the White House? And do you feel in any respect that in situations like this you were taken advantage of?

The President. Well, first of all, I'm disappointed that it happened. It was clearly inappropriate. And I think what is obviously called for and what I have instructed to be done is to establish some sort of better screening provisions that are tighter to minimize this. Thousands of people come in and out of the larger White House office complex all the time, but we have to develop some way of screening them. I am disappointed. It was inappropriate. We must have a better screening system. We will have.

I remember literally nothing about it. I'm not sure that the gentleman ever said anything at this coffee. I asked my staff to let me see the records of it when this story broke, and there were disparate people from different walks of life from all over the country there. And normally what would happen in one of those conversations is I would talk for 5 or 10 minutes and then we would either go around the table and let people say whatever they wanted to say—and as I said there were all different kinds of people from all different walks of life always. I'm not sure that—I have no recollection of meeting him. I'm not sure he ever said anything. And I can tell you for sure nothing inappropriate came from it in terms of any governmental action on my part.

But we have to do a better job of screening people who come in and out of here.

Helen [Helen Thomas, United Press International], go ahead.

Investigations

Q. Mr. President, do you have a sense of *deja vu* all over again—4 years of Whitewater, now new investigations—

The President. No.

Q. —on the Hill, Justice Department?

The President. No.

Q. What does this bode for the next administration and how do you cope?

The President. I show up for work every day. The American people ought to feel good about me. They spent \$30 million or something, and there has been not a single solitary shred of evidence of any wrongdoing on my part. I feel good about it. I think it's unfortunate for democracy, and I think, as I said, this special counsel thing ought to be reviewed in light of what Archibald Cox and others have said, because the costs outweigh the benefits.

But on the other issue, any questions that are raised about contributions ought to be answered and any records that are needed ought to be provided. That's no different than what happened in Senator Dole's campaign when one of his officials was charged with money laundering and had to plead guilty and pay the biggest fine in FEC history. That didn't reflect on everybody else in the campaign. Those things happen. If there's any question about what happened, the evidence, the information should be provided, and we ought to determine whether anyone did anything wrong.

Q. Well, how are you coping?

The President. That's not a—how am I coping? [Laughter] It's not a problem. If you haven't done anything wrong and a problem comes up, you fix it and you go on. I cope by thinking about the 11 million jobs we created and the millions more we have to create. I think about the millions of people that have a better deal going to college and the millions of more that will have. I cope by thinking about what the American people hired me to do and the questions they ask me when I see them.

Yes, Gwen [Gwen Ifill, NBC News].

Second Term Transition and Diversity

Q. Mr. President, your spokesman said earlier today that you've been very displeased with these events of the last couple days. I wonder if you could characterize your displeasure? And also, 4 years ago when you appointed your first Cabinet, you said very much up front that you wanted a Cabinet that looked like America. It took some juggling and you weren't as public about it this time, but it looks like you've assembled that. Did you feel like you were under any special pressure from special interest groups?

The President. No, the pressure was pressure I put on myself. I believe that one of my jobs at this moment in history is to demonstrate by the team I put together that no group of people should be excluded from service to our country and that all people are capable of serving. So I have striven to achieve both excellence and diversity. The same thing is true about the Federal judges I've appointed. It's the most diverse Federal bench of appointees in history. It also has the highest rating from the American Bar Association since the bar started rating judges.

So I'm very proud of the first Cabinet that I appointed. I am very proud of this Cabinet.

I am proud that they are diverse, but I would not have appointed a single one of them because of their gender or their racial or ethnic background had I not thought that they could succeed. And if you look at the comparative record in department after department after department of the people who served in the first 4 years and compare the results they achieved, the work they did, I think that the evidence will indicate that.

And it goes back to something you asked me. You know, what we do, we all show up for work every day, and we create a team and work like crazy for the American people. We have goals, we have objectives, we hold ourselves to timetables, and we keep score about what we're doing for other people. And if that is your focus, which is what people hire us to do, that's what you worry about, and that's what you do. So I feel good about it.

Now, this is—

Campaign Financing and White House Access

Q. [Inaudible]—feel pressure—

The President. Well, my feelings are that, in the areas where we had more direct control—our campaign and the legal defense fund—as far as I know, the proper decisions were made because the proper scrutiny was applied. The Democratic Party officials have already admitted that they did not apply the proper review, and I am very displeased about it because 99 percent-plus of all the contributors did not do any-

thing wrong, and over 98 percent of the money appears to be perfectly in order, and the other 1 percent got all the publicity and, thereby, dis-serving the Democrats around the country, the people who gave, and everything else. That is wrong.

And all they have to do is to institute a simple review system. Now, from time to time, mistakes may be made. If you have over a million contributors, as both parties do now, that may happen from time to time, but common sense and strict review are the order of the day.

I feel the same way about this. I realize that the Secret Service and others are reluctant to be too burdensome with all the thousands and tens of thousands of people that come in the White House complex every year, but I'm confident that if they put their minds to it they can come up with a better screening procedure so that things like this don't happen.

It's not a press conference. We've been here a long time. We'll have another press conference early next year.

Merry Christmas. I'll see you early next year.

NOTE: The President spoke at 12:32 p.m. in Room 450 of the Old Executive Office Building. In his remarks, he referred to Chinese businessman Wang Jun, chairman, Poly Technologies; and Archibald Cox, former Watergate special prosecutor. A portion of these remarks could not be verified because the tape was incomplete.

Remarks at the White House Children's Christmas Party

December 20, 1996

The President. Thank you. Give them a hand. Weren't they great? [Applause] Hello.

Children. Hello. Hi, Bill Clinton.

The President. Thank you, Antonio. Welcome to the White House. We're very glad to have you here. Every year the First Lady and I love to meet with some children about this time and read the night before Christmas story, because Christmas is really a time for children, isn't it?

Children. Yes.

The President. And a time when we give gifts to each other and to our children to say how important you are. And it's a very special time for us. You know, Hillary wrote a book about

children and families, and just today she gave a great gift—she gave the money that came in from the book to children's hospitals all across the country and to other things for children.

And one of the things that we hope will come out of this is that not only all of you here but all the children all over our country will feel very special; and as Christmas celebrates the birth of Baby Jesus, that all the little children in our country will feel that they are very, very special.

So I want you to listen carefully to this story. A lot of you know this story, don't you?

Children. Yes.