

abroad—things like the World Health Organization's idea for some standards on labeling, or there have been bills introduced in Congress that would prohibit U.S. employees from promoting the export of tobacco products?

The President. Well, I think that there may be some multilateral actions that we would want to be a part of. And to be honest with you, I haven't had a great deal of time to think about it. I know that sales have been declining in the United States and in Latin America and going up in Asia and in Eastern Europe and that it's natural to expect that companies will try to accelerate the growing markets and, if they're dangerous to children here, they're dangerous to children there.

What I'm focused on now is completing my evaluation of this proposed settlement, protecting the jurisdiction of the FDA and the victories we've already won, and continuing to advance the health interests of the American people. But it is inevitable; it is as inevitable as the Sun coming out today that international institutions will be called upon and nations will be called upon to responsibly deal with this.

Yes, I'll take one question over here from the front.

India

Q. Next week, India will celebrate 50 years of independence, and you have been invited by New Delhi and also by the Indian community in Washington to attend the functions. Are you going to one of the functions? Also, how do you view the last 50 years of U.S. and India relations, the world's largest two democracies, under your administration?

The President. Well, first, I hope to do something here in Washington to recognize the beginning of what will be a yearlong celebration

of Indian independence. And also, as you know, at some time there will be some overlap in when Pakistan will be celebrating its 50th year of independence, and I think the United States should also be—its presence should be heavily felt in South Asia because of the long relationship we've had with India, to be specific to India, because it's been a democracy all the time, but also because of the enormous potential of South Asia for good if things go well and for ill if things don't.

You know, it's not a very hot issue here in the United States, but it's a source of continuing concern to me that the people of Pakistan and the people of India have not been able to work through their differences, because if they could do so, I am convinced that they could quickly begin to enjoy economic growth rates at the level of the highest East Asian communities and be our best partner for the future. So I'm hoping that not only can we observe India's anniversary but that we can be an even better friend in the next 50 years and a more constructive supporter of resolving these difficulties in the near term.

Thank you.

NOTE: The President's 150th news conference began at 2:02 p.m. on the South Lawn at the White House. In his remarks, he referred to Gov. Carl T.C. Gutierrez of Guam; Ambassador Dennis Ross, Special Middle East Coordinator; Prime Minister Binyamin Netanyahu of Israel; Yasser Arafat, Chairman, Palestinian Authority; the President's attorney, Robert S. Bennett; Deputy Counsel to the President Bruce Lindsey; and Mayor Marion S. Barry, Jr., of the District of Columbia. A reporter referred to Kathleen E. Willey, former White House volunteer who was subpoenaed in the Paula Jones civil suit.

Remarks to the Democratic Business Council

August 7, 1997

Thank you very much. Governor Romer, Tom, thank you. Thank you, Alan Solomont. I want to thank all the members of the administration who came to be with us tonight, and I thank all of you for your presence here and for your support.

I was—a little insight on Presidential decision-making; here are the notes my staff gave me. Here are the notes I made at dinner. [*Laughter*] You can have either speech. Which one do you like? [*Laughter*] Two, two!

I'd like to talk to you a little bit about how I think you fit into all this and what we've been trying to do and where we're going. When I ran for President, first, beginning in 1991, I was obsessed with the idea that we had to prepare this country for a new century and a completely different economy and a whole different way of living and relating to each other and the rest of the world and that we didn't have any strategy to do it. And I believed that if we were going to succeed we had to create a country where, as you've heard me say a thousand times, there was opportunity for everyone responsible enough to work for it, where we were coming together instead of being driven apart, and where we maintained our world leadership for peace and prosperity and freedom.

I thought to do that it would be necessary to save progressive Government and to save the progressive political party, to be vital forces as part of that future. I thought it was necessary to break through a lot of these dichotomies that seem to me to be false: that you were either for growing the economy or preserving the environment—if you have to choose, we're in trouble; that you couldn't be pro-business and pro-labor—if you have to choose, I think in the end the country loses; that you couldn't be tough on crime where it was appropriate and still be smart and compassionate where it made sense and where it was the right thing to do; that you couldn't be for respecting our diversity and still believe the most important thing is that we wind up being one America. I just think a lot of these dichotomies that have always been set up for us to argue about and take sides over are choices that we would never make in our own lives and that we should not make in the life of our Nation.

And you heard Tom talking about a little of it and Roy talking about a little of it. It seemed to me that the right thing to do for our country also in the end would wind up being the right thing to do for the progressive cause in America and for the Democratic Party, the progressive party in America. We almost had to save ourselves from a legacy in some ways that was not entirely of the Democrats' own making. It was obvious to me that if we didn't do something about the deficit there would be no more progressives in America because the middle class would always be completely insecure.

We had a meeting today at the White House, and my distinguished Treasury Secretary from

New York City, Mr. Rubin, was making a comment about how people viewed a certain economic situation. And Erskine Bowles said—did I say North Carolina? I meant New York. Erskine Bowles is from North Carolina. So Erskine Bowles says, “Mr. President, tell Bob that that's like the farmer in Louisiana with three hogs.” And Bob Rubin doesn't know many farmers from Louisiana. *[Laughter]* So I told him—some of you may have heard me tell this story before, but when Huey Long was Governor of Louisiana in the middle of the Depression, he was out on a country crossroads one day making a speech to all of these farmers. And he was railing against people that had too much and how it ought to be spread around. And he saw a farmer in overalls, and he said, “Now, Farmer Jones, if you had a million dollars, wouldn't you give up about a third of it and go out here on these crossroads and spread that money around so all the little kids could have plenty to eat and people would have a roof over their heads at night?” He said, “Of course I would.” And he said, “If you had a brand-new Cadillac car, wouldn't you ride up and down these roads and take the old folks to the hospital and the young people to school that couldn't afford to get there themselves?” He said, “You bet I would.” He said, “And farmer, if you had three hogs—” And he said, “Now, wait a minute, Governor. I've got three hogs.” *[Laughter]*

It seemed to me that we had to restore some economic discipline to this country so that people would know that their three hogs would be all right, so that people would know that at least they would not be robbed of the benefits of their own labor by the defects of the system in which they lived.

And so I proposed what, at the time, was a controversial and very difficult budget in 1993, that only members of our party voted for, that was predicted to drive us into a recession. And instead in 4½ years it cut the deficit by 80 percent—before this last budget even passed. And I'm proud of that. But no one doubts the ability of Democrats to manage the economy now.

I fought for expanded trade, and we had 200 trade agreements, and a lot of it was controversial, even within our own party. But it is clear from all the economic analysis that 25 percent of the growth that we have enjoyed in the United States in the last 4½ years has come from expanded trade, selling more American

products and services around the world. It is also clear that we have, on matters of principle, always kept a more open market so we don't continue to open other people's markets who are just going to take advantage of us.

It was clear to me that if people felt insecure on their streets, in their homes and their schools, that we would never feel fully free and prosperous even if the economy returned. So we tried to join what was already a developing movement toward community policing and other proven strategies to fight crime.

And I determined that ours would be the first administration that would ever take on the issue of the irresponsible use of handguns in this country. And I come from a State where more than half the people have a hunting or a fishing license or both, and I figured if I can't take this one and talk to people and talk sense to people, who can? And so we did the Brady bill, we did the assault weapons ban. I still want trigger locks on these guns that children can get their hands on. I think that these are responsible things.

But we've had a drop in serious crime in every single year, and last year we had the biggest drop in violent crime in 35 years. And the American people are safer, and they know it. And no one seriously doubts the ability of our party to be a responsible partner in keeping our streets safer and giving our children a more secure future. And I think that's important.

I had to fight a very difficult battle on welfare. I did not want the welfare reform bill to be an excuse to hurt children, and I vetoed two bills that I thought were. But it seemed to me that since there was already no uniform national benefit, that the States were already in effective control over what the size of a welfare check was, but they didn't have any real responsibility because the authority was divided between the States and the Federal Government. And it seemed to me the responsible thing to do was to set up a uniform set of standards about how we thought the welfare program ought to work, to put guidelines and limits on people who could go to work if there were jobs available and required them to do so or to be in education and training programs but to take better care of the children with adequate child care and other supports and nutrition and medical care.

And that's what the welfare reform bill was all about. There were a lot of things in it I

didn't like—cutting benefits to legal immigrants—but as you see, we've largely restored all the things that we didn't like. And we now have a bill that is contributing to by far the largest drop in the welfare rolls this country has ever seen. And we now have the smallest percentage of Americans receiving public assistance since 1970—smallest percentage since 1970. Now, I thought that was important.

I thought it was important that we prove that we can conduct the defense and the foreign policy operations of this country. I no longer think that's open to serious doubt. This country is stronger, more secure, and is helping to build the world of the 21st century in the aftermath of the cold war. And I feel good about that.

I also wanted to do things to increase people's sense of obligation to serve. That's what the AmeriCorps program was about. That's what the Presidents' service summit was all about.

And finally, let me say, in the Democratic Party what I tried to do is to bring in people who had previously not been active before. And the most important things we've done in our party are the Women's Leadership Forum, the Saxophone Club, and your group—your group, because we want people in this party to feel that they have a home, they have a role, and they have a contribution to make, and that their voices will be heard.

Now, we've had a very good first 7 months of this year. The budget is a good budget, and it is a progressive one. The tax cuts are confined. Some of us have received some criticism from people who believe that I should not have signed the tax bill because it had a capital gains tax cut, an increase in the estate tax. But let me just remind you that Republicans are still in the majority in the Congress. I hope it won't be so after '98, but they are now. But 80 percent of that tax bill went to the children's tax credit, to education, and to a whole array of urban and poor rural redevelopment initiatives designed to bring the areas that are still isolated from our prosperity into the mainstream—80 percent.

Secondly, there are strict caps on how much money can be spent in the first 5 years and in the second 5 years of this tax program. And even with the little we added on to the size of the tax package, it's still about one-eighth—one-eighth—the size of the tax bill adopted in 1981, which led to these permanent deficits. We did not go off in some sort of tax-cutting

binge designed to erode the future stability of this country. And we now estimate with conservative estimates that this budget will produce a surplus by 2002 at the latest and a surplus for several years thereafter.

So we are doing the right things, and we've had a good fall. We've also invited the first new members to join NATO. We've established alliance with Russia and Ukraine. We have worked very hard to get the country, for the very first time, to embrace national education standards. And I hope all of you will help us get every State in the country to do that.

We had the Summit of Service that I mentioned, and I launched a very important initiative on race relations which will last for at least a year, as we examine for the first time in a noncrisis way not only what the unfinished business is in America between the white majority and African-Americans or Hispanic-Americans but an equally, perhaps even more important question over the long run, which is what are we going to be like as a nation in 30 years when, unless something happens, there will be no majority race in America, and we will become the world's first truly great multiracial, multiethnic democracy. And unlike—there are many ethnic groups, for example, in a nation like Russia, but most of them live in discreet parts of the country. In our country, we're going to have 150—actually, more than 150 different racial and ethnic groups largely sharing the future together.

So it's been an exciting time. In the fall, we have a lot of other agendas coming up. And let me just mention some of the things that I hope to get done in the remainder of this year. I think it's important that we continue our work to expand trade. This year we have already concluded an agreement on information technology and telecommunications services that will amount to a \$5 billion tax reduction on American products in these areas sold around the world, that will open up 90 percent of the world markets to American products in an area where we lead the world and we are creating very good jobs. We need more of this.

I know there's going to be a great controversy over this trade debate, but let me put it to you this way: We have 4 percent of the world's population. We have 20 percent of the world's wealth. The rest of the world's economy, even though it's on a lower base, is growing at 3 times the rate of the American economy—even

under the astute management of our administration—[laughter]—because if you start from a lower base, you grow faster.

Now, if you want your children to live in a country that may have even less than 4 percent of the world's population and still around 20 percent of the world's wealth because of how hard we work and our skills and our ability, there are only two things we can do. The first is to go into our cities and our isolated rural areas and make markets and taxpayers and successful employers and employees and business people out of the people that haven't been reached in our own country, number one. And the second is to sell to the other 96 percent of the people in the world. This is not rocket science. We don't have an option. And the things that we sell by and large are higher value-added products that create good jobs in America.

Are there issues of trade fairness? Of course there are. We have relatively more open markets than other countries. We have done it for years as a matter of responsibility to try to help poor countries lift themselves up; also keeps us on our toes more and makes us more competitive, and that's one reason we're in the shape we're in today.

Should we fight for a fair deal for our workers? Of course we should. Should we fight to improve the global environment as we increase trade? Of course we should. But we can't walk away from this.

I'm going to Latin America in the fall. About a year after I took office, we had this great Summit of the Americas. And all the countries in the Americas said, "We want to have a free trade area that America and that Canada are a part of. We want our future to be with you." There will soon be a billion people in Latin America, second fastest growing area of the world. When I go down there, I want them to believe America is still leading the way toward greater prosperity. The rest of the world economy is on a fast track. The only question is whether we're going to be leading it or dragging up the rear. And I hope we can prevail upon the Congress to work through this in a way that is as satisfactory as possible to the people who have legitimate concerns about the disruptions that the global economy can cause.

The second thing we're going to try to do is pass the McCain-Feingold campaign finance reform bill. Now, the good news from my point

of view—it's not such good news for you; we can still have the Democratic Business Council with its price of entry under McCain-Feingold. [Laughter] But it will eliminate most of the serious questions people have about the campaign finance system at present, and it will put more pressure on both the Democrats and the Republicans to go out and get more people to contribute, to make more people feel like they're a part of the system, and that will be a very good thing. It will require us to involve more and more and more people.

But let me finally say—this is very important—if it's going to work, we have to lower the cost of campaigns. And the only way you can lower the cost of modern campaigns is to provide free air time or drastically reduced air time, which is why I have also worked so hard on that.

We're going to try to pass the juvenile justice bill, modeled on what has happened in a number of cities, but especially in Boston where—this may surprise you if you don't live in Boston—it has been almost 2 full years since a single child has lost his or her life to a handgun—almost 2 full years. And again, it's not rocket science. They have good community policing. They have good neighborhood block watch groups. The neighbors and the police work together. The police and the probation officers work together. They make house calls in Boston, just like doctors used to. The kids in trouble, they go to the child's home and they sit on the couch in the living room and they talk to the parents. And unbelievably enough, they have a 70 percent compliance rate with probation orders. There's no city in the country that's even close to that. Why? Old-fashioned, human contact in an organized, disciplined way, doing what is smart as well as being tough. We want to do that everywhere.

We want to begin the work of dealing with entitlement reform. And people say, "Well, there's not an emergency now. Social Security is all right until 2029. You just put another decade on the Medicare Trust Fund." That's true. But when the baby boomers retire, there will be just about two people working for one person in his or her retirement years. A lot of us will work longer, by choice. But the ratio will be awesome.

By making modest changes now, we can avoid imposing severe changes that will have to be made by our children. And for those of us that

are part of that baby boom generation, which is basically everybody between the ages of 34 and 50, it seems to me that we owe it to our children and to the strength and long-term health of our economy and our society to deal with the long-term entitlement issues now, when by making modest changes we can avoid more severe changes later.

We're going to have to deal with the issue of climate change in a responsible way. No one seriously questions anymore that the climate is warming and that it is going to have some adverse consequences. The question is, how do you do that and grow the economy. Is there a way to do it? Of course there is. If we would change our habits tomorrow, just some of our habits, we could with no extra charge, no cost at all on society, get rid of 20 percent of the greenhouse gases with presently available technology—tomorrow. So what we have to do is to try to find a way to organize ourselves, increase our awareness, and do this in a way that doesn't cripple the economy. I think we can do that.

Finally, the First Lady and I are going to have a conference on child care in late October. It is still the number one concern of many, many, many working people who believe that they cannot afford or find or have access to quality, affordable child care.

Now, those are the things we're going to be doing. In addition to that, Eli Segal, who's here tonight, heads my national organization where we are mobilizing employers who will agree to hire people from welfare to work. Next week we're going to St. Louis to announce several hundred businesses that have joined us in that endeavor.

We've still got a long way to go. We only have about 22 percent of the schoolchildren in the country committed, whose leaders have committed to take the national test, fourth-grade reading test, the eighth-grade math test, by 1999. We're going to keep working on that.

But the point I want to make is, every single one of these things is something that I hope you are proud of, that is part of a dynamic mainstream political movement in America, that your contributions and your support have made possible. And this is a better country because of it. It's a better country because we're not out there trying to split everybody all up and divide people every day and keep people full

of hot air instead of trying to get people together and keep working forward and moving forward. And that's what I'm trying to build for the future and what I want you to be a part of.

Let me just say this in closing. Every day I try to imagine what I hope the country will be like 30 years from now. And if that guides a President and you work back from there, you'll be amazed how much easier that makes the decisionmaking process. And when I think of the young people that are here tonight, all these fine young people that are working for the Democratic Party and did all the work to make this possible tonight—what will determine what kind of America they live in?

Number one, will we succeed in being a truly multiracial, multiethnic democracy, where we not only respect but celebrate our diversity and still say the most important thing is we're one America? Number two, will we stop making excuses for ourselves and finally embrace the idea that all children can learn, and we're going to see that they learn at internationally accepted levels of excellence? Number three, will we reach into the areas that have not been touched by our prosperity and figure out a way to hook

them into the future? Number four, will we figure out a way to grow the economy while enhancing the environment? And finally, will we continue to do what it takes to lead the world when it comes to peace and freedom and prosperity?

If we do those things, the best days of this country are still ahead. And when we are all much older we can look back on this moment and say, because we were here then and because we did what we did, we did prepare our country for the 21st century. We saved progressive Government for its higher purposes, and we revitalized America's progressive party to make it go on.

Thank you, and God bless you.

NOTE: The President spoke at 8:35 p.m. in the Colonial Room at the Mayflower Hotel. In his remarks, he referred to Gov. Roy Romer of Colorado, general chair, and Alan D. Solomont, national finance chair, Democratic National Committee; C. Thomas Hendrickson, chair, Democratic Business Council; and Eli J. Segal, president and chief executive officer, Welfare to Work Partnership.

Remarks at a Democratic National Committee Dinner

August 7, 1997

Thank you very much. Thank you, Governor. Thank you, Alan. Thank you, ladies and gentlemen, for being here. Mostly what I want to do is have a conversation tonight, but I would like to just briefly comment on the events of the last couple of days, in the context of what's happened for the last 4½ years.

When I came to Washington after our campaign in '92, I had a very clear idea of what I was trying to do. It seemed to me that the country had to make a number of changes if we were going to go into the next century with the American dream alive for everyone, leading the world in all the ways that are so important, and giving our children the future they deserve. And I felt, among other things, that our party, which has historically been the progressive party, had to advocate changes that would move beyond the old divisions between growing the

economy, preserving the environment, helping business, helping labor, being tough on crime, being compassionate and smart—all those what I have always thought were kind of false choices. And that we ought to have a simple strategy that asks, will this create opportunity for people who are responsible enough to work for it? Will this bring us together, rather than drive us apart? Will this preserve our leadership for peace and freedom and prosperity? That's what we've tried to do.

Before I signed the new budget law, we had reduced the deficit by 80 percent, we had a historic drop in welfare rolls, we have the smallest percentage of people on welfare we've had since 1970 now. We had dramatic drops in crime—last year, the biggest drop in crime in 35 years and a number of other very positive things happening.