

in Connecticut, to fill the gap with defense leaving, is casino gambling. And I wonder if you'd just share your thoughts with us on how you feel about legalized gambling coming to a State like Connecticut, if we should do it?

The President. I'm not the best person in the world to ask about that because I grew up in a town that had the largest illegal gambling operation in America—[laughter]—when I was a kid, until it was shut down in the mid-sixties.

First of all, I strongly believe it should remain a question of State law. That is, I don't think I should decide for you one way or the other—or the Congress. I think that it ought to be a local question. The second thing I would urge is that before you do it, you analyze very carefully what the benefits and the costs are, because it is not a free ride. That's the only thing I'll say. It is not an unmixed blessing. You may decide that it is, on balance, worth doing, but it is not an unmixed blessing. If you look at Nevada, for example, the fastest growing State in the country, one of the reasons they're growing fast is that they're diversifying away from gambling toward more broad-based convention work and other kinds of economic activity. So that would be my advice. Don't just take it at face value. And really think about it before you do it.

Thanks.

Military Base Closings

Q. —reviewing and tinkering with base closing list?

The President. No. The Secretary of Defense had the list, and he made the decisions. The only thing I asked him to do was to make sure that he had really evaluated the economic impacts of it all. And he said that he would do that. The only—he made a point to me that under the law, the Defense Department is required to do that, and it really couldn't be done by the services because they made their recommendations based on their needs within their services. So the Air Force and the Army and the Navy couldn't have foreseen the cumulative impact on any given State of what they recommended. And that's why the Secretary of Defense went through the process he did. But he did it. I think

it's very important that we leave the process in that way. And so that's what we did.

NOTE: The President spoke at 11:42 a.m. in the Cabinet Room at the White House.

Remarks in an Interview With the California Media

March 13, 1993

Winter Storm

The President. Hello, everybody. Welcome to sunny Washington. [Laughter] I want to basically just answer questions. I brought Mr. Panetta so he could help with any details of any questions you might have. I'm sorry we're a little late, but as you might imagine, I've had to take some time this morning to try to calculate what our response should be to this severe storm that is sweeping the east coast and that will move over Washington in its center not until about 7 o'clock tonight. So that's what I've been working on. And I know it doesn't concern you except you're here.

Yes.

Military Base Closings

Q. Mr. President, you got some of your highest vote totals from the San Francisco Bay area when you ran for President: San Francisco 78 percent, Alameda County. A lot of folks out there are wondering how you're letting them take such a big hit to lose five facilities when they're watching southern California facilities also, some of them being taken care of. What do you say to the people in the Bay area who supported you so strongly and now are looking at themselves taking a pretty big hit?

The President. Well, first of all, those decisions were not made on a political basis, and I did not intervene individually in those decisions, nor do I think I should have. I'll tell you what I did do. I asked the Secretary of Defense to be sure that he fulfilled his legal responsibility to consider the economic impact of every State, including California, and because it's so big, all parts of California, before sending the list on to the Congress. And he did that to the best of his ability.

There hadn't been a lot of naval closings in the first two rounds. The Navy strongly recommended all the sites, including the ones in the Bay area. I'm concerned about it. If you look at the whole country, the Bay area and perhaps Charleston, South Carolina, were the hardest hit, although the Charleston Yard won't close entirely.

But the way the process works, it seems to me, is the only way it can work. And that is for the services to make their recommendation and for the Secretary of Defense to try to evaluate the economic impact—something, by the way, that can't be done by the services because they don't know what each other is doing; so if the Secretary of Defense doesn't do it, no one can, because they've got the Navy, the Air Force, and the Army cumulatively coming in with these recommendations—and then to send it on to the Congress.

I believe that the Bay area ought to do—I think we ought to have two things to be sensitive to what's happened there. One is the base closing commission itself, which has in the two previous cases made modifications in the services' requests, should consider the strongest argument the Bay area can put together for some modification of it. But secondly, the areas that are disproportionately hit, it seems to me, should receive extra attention from this administration in the new conversion effort that we have announced just in the last couple of days. We are going to put into play this year over \$1 billion in funds not only for worker retraining but also for community redevelopment and for the development of new technologies and new purposes for economic activity where there has been a severe dislocation.

So I am prepared to do that for the Bay area, to make a special effort to focus on their long-term needs so that—and keep in mind, this is not going to happen overnight, this is a longer term phaseout—so that by the time the jobs were actually lost there, we would be ready to move forward with new economic activity, perhaps even before that time.

Another issue that relates to all the bases in California, and indeed all the ones in the United States, is that the environmental cleanup at a lot of these bases, especially the

air bases, has taken so long that by the time the bases close, they're not ready to be taken over by local community interests, even though if they were ready, economic activity would pick up almost immediately. So another thing we've really focused on is trying to make sure we are moving as aggressively, as quickly as possible on the environmental cleanup. I talked to the Secretary of Defense for an hour about that yesterday when we were on the helicopter going to visit the U.S.S. *Theodore Roosevelt*.

Q. Mr. President, how do you justify, although it's not your decision, but how would you justify spending \$320 million to close a working capable home for three nuclear carriers in Alameda to build a facility in—[in-audible]—that was conceived as part of an outdated home-porting strategy that won't post its first carrier, nuclear carrier, until 1996, that will require by the Navy's own estimates at least another \$140 million to complete, and that the GAO recommended closing 2 years ago on the grounds that it was a waste of money to duplicate facilities already present in Alameda?

The President. That's a question you should ask the Navy and the Secretary of Defense. As I said, I did not review that list. I didn't think I should. This law was established—this is the third round of base closings. The Navy's been pushing for base closings. I heard about the GAO report after the list was ultimately released yesterday, and that's one of the issues I think the Base Closing Commission ought to be required to confront.

Q. Mr. President, you said politics didn't play a role in this. Let's not talk politics, let's just talk simple fairness. Was this list fair to the Bay area?

The President. Well, let me answer you in this way. I think that the Secretary of Defense deleted a couple of the facilities in northern California because he thought the aggregate economic impact was too great. That's my impression of why he made the decision that he made. The Bay area still takes a big hit. The Navy was very adamant about the recommendations they made and pointed out that very few Navy installations had been closed previously. If the Navy can

be proved wrong, I think that's something we ought to consider.

I believe that a couple of those facilities, the Treasure Island one, for example, I think that the potential of even more economic benefits by turning some of those facilities over to nonmilitary uses are very great indeed. But again, I think that the people from the Bay area and the elected Representatives from California ought to make the strongest case they can to the base closing commission.

This is the public process. This sort of enables me in a way to discuss these things, to get involved, to evaluate them, because after the base closing commission makes their recommendations, they send it back to me so that there's no suggestion of closed doors or behind-the-scenes maneuvering. This is all out-in-the-open debating. And I think that the people in the Bay area ought to make the strongest case they can on all these things, including aggregate fairness, to the base closing commission. I'm going to review it very closely. I also think they ought to claim the right to have an extra intense effort in our conversion process if they're going to have to eat all these closings.

Q. Mr. President, the Naval Training Center in San Diego is now on the so-called hit list when it wasn't before. Do you have any insight as to why that changed?

The President. No, I don't. What do you mean it wasn't before?

Q. It never showed up on a list before, the Naval Training Center, and then it seemed to be on the list in the newspaper in the morning.

The President. No, because I didn't know whether the list that was in the press was right or not. You know, the Long Beach facility was on that list, and apparently it was not recommended for closing. So I can't comment on that. San Diego is going to net out a substantial increase in jobs in this. There will be a few thousand more people employed in the San Diego area when all these changes are made, I know that.

Q. Do you know why McClellan was removed from the list? It was the biggest one that was removed.

The President. You ought to ask the Secretary of Defense. The only thing I asked him to do was to realize that the law imposed

on us the responsibility of seriously taking into account the aggregate economic impacts not only on this round of base closings but on the previous two as well. And I think you should ask him about that.

Q. Mr. President, the people of California, the people of Los Angeles understand that we've got to cut the deficit, so we've got to cut the defense budget, so we've got to cut bases. But given the fact that the recession in California is so deep, many people there feel the timing is poor to cut so deeply now. What's your view?

The President. If we were cutting now, I would agree with that. But keep in mind, these are bases that starting between 3 and 5 years from now will be closed. And I certainly hope that 3 years from now the California economy will be in much better shape than it is now.

Right now, what I'm trying to do is to get a big infusion of capital into California through this stimulus program that will put a lot of money to work in community development block grants and highway projects and clean water projects and through some changes in the Federal aid programs that Mr. Panetta and I have worked very hard on, to try to get several hundred million dollars a year more into California in recognition of the fact that you have a big problem with immigrants that the Federal Government has let you struggle with for too long without appropriate response.

And during this 3-year period, I plan to start an intense effort to diversify defense contractors' production, to intensely retrain men and women who might lose their jobs, and to put real funds into communities to develop new and different economic strategies. I think there is an enormous potential in California, if we do all these things, to rebuild the high-wage job base that has been so savaged by this.

And let me just make one other point I made to the State legislators who were here last week about the base closing issue. Now, this doesn't answer the Bay area question, I don't pretend. But in the aggregate, let me make this point. We started reducing defense spending in 1986—topped out, and it started going down. And it's projected to go down until 1997. If we don't change anything

else—let's say we hadn't made this announcement yesterday. It doesn't answer any of the detail questions. You may be right about the specific one. If no announcement had been made yesterday, here's what would have been the picture by 1997: a 40-percent reduction in the defense budget, a 35-percent reduction in personnel, a 56-percent reduction in our presence overseas, and a 9-percent reduction in bases.

Now, if we permitted that to happen, what State would be hurt worst? California. Why? Because California, with 12 percent of the Nation's population, received 21 percent of the total defense budget last year. Why? Because you have a lot of the plants that make the high-tech defense products that are a critical part of this country's economic strategy. So the more you keep bases that can't be justified for strategic purposes, if you keep the same defense cuts, the more you wind up cutting contracts and laying factory workers off and putting pressure on those companies.

So if we want a balanced approach that maintains a smaller but still the best trained and best equipped military force in the world, with unquestioned technological superiority, and if we keep in place an industrial infrastructure that can be called upon to meet those needs and to expand if necessary, that's another reason we have to proceed with discipline on the base closing, so we can build up and maintain the private sector industrial production we need that gives us our technological lead.

Q. Mr. President, you made this point a couple of times, and I just want to make sure that we get it nailed down. Some Members of Congress are pointing to the exclusion of McClellan Air Force Base as evidence that the whole process was contaminated by politics. And they're saying we're going to get a coalition together, we're going to kill the whole list. What would you say to those delegates?

The President. I would say to them that, first of all, they ought to talk to the Secretary of Defense before they do that. Secondly, if they didn't want the economic impact on States considered, then that shouldn't have been part of the legislation. Thirdly, that there is no way the aggregate economic—

let me ask you this: Add back in McClellan and the Defense Language Institute to the Bay area closings, and calculate the impact on northern California, and add that to the impact on California of the previous two rounds of base closings, and tell me that that is fair or takes into account the economic impact.

My view is that the Secretary of Defense basically took the list that was submitted to him by the separate services and did two things they did not do. He aggregated them together so he could calculate the cumulative impact of Navy, Air Force, and Army closings and then considered the cumulative impact of the previous two rounds of base closings. And I believe that was his legal responsibility. That is all I asked him to do. We didn't get into any specifics. I just said, you've got to—that's part of your job—do that. And I think he'll be able to do that with great credibility.

There was also a lot of effort made in other areas to minimize the economic impact by the services themselves. For example, they didn't entirely close the Charleston Navy Yard. They didn't entirely close up some other operations that people had feared that they would. So, to me, he did the best job he could with a very difficult circumstance. And even with this, this round of base closings is the biggest we've had. And even with this, California takes the biggest hit. I think that's going to be a pretty hard sell for those other Congressmen.

Q. Mr. President, someone in the California delegation said the military base closure list was actually left over from the Bush administration, that more time and thought should be given to it in terms of what combination of bases should be closed for the best cost-effectiveness and also more knowledge of the military economic impact. They think that it should be slowed down—the process, even a new list started. What would be your response to that?

The President. I think it would be a mistake to discard the list. I think that the people in California—it is true that this is left over from the Bush administration in the sense that the legislation requiring a list to be produced in 1993 was signed previously and that the services surely were doing this work last year, working on this. But, after all, this list

was produced by the military services and only slightly modified by the Secretary of Defense under a discipline that has to be undertaken in this country.

I will say again, if you leave all these bases open it means more contract cuts. We're taking the military force down to 1.4 million people and keeping a base structure that supported nearly twice that many. These things have to be done.

That does not mean that the services made the right decision in every case. But that's why we have a commission. In each of the two previous commission hearings, even though the aggregate base closings were much smaller, the commission made some minor modifications to the recommendations. And I would say to the people who make those arguments that they ought to go forthrightly with those arguments to the commission; they ought to make them in public. There are some things that I might want considered by the commission as I have time to evaluate this. And I will seriously consider those things as they're made.

But that's why we're moving now to the public part of this process, and that's the time for those arguments to be made. But the people in the services had a very difficult and heavy responsibility. I don't suppose that the Naval officers or the Air Force officers or the Army officers in charge relished making the recommendations they made. They did it because they think that that is best for the national security, given the reductions in the defense budget.

Defense Conversion

Q. Turning to your defense conversion program, a lot of what you say—a lot of your program involves having companies in California compete for partnerships. And I'm not sure exactly what your program involves concerning defense contractors, but the problem in California is that a lot of jobs, a lot of high-wage manufacturing jobs have moved out of State. Some have moved to Arkansas. You, in fact, helped negotiate one deal where a company moved from southern California to Arkansas. How do you safeguard against that, and do you want to safeguard against that? Do you want to keep high-wage manufacturing jobs in California?

The President. Oh, absolutely. Well, I think part of that work has to be done in California itself. That's why I was very enthusiastic when the leaders of the House and the Senate and the Governors co-sponsored that bipartisan economic conference recently that I spoke to by satellite technology. I think California needs a manufacturing base, in my judgment. And there needs to be a serious evaluation of where you are with regard to that competitively and what you have to do to rebuild it.

But I believe that most of the companies will stay where they are if they have enough work to keep them going. And we are allocating over the course of the next 4 or 5 years, if my budget passes, about \$20 billion to help the private sector convert this economy and to deal with the dislocations caused by defense cutbacks and by other differences in the economy. And a lot of those companies are going to be able to—they will be competing with one another, but they'll be competing with one another for a much bigger economic pie in terms of the exploration of new technologies.

Let me just give you one example. There's an effort going on in California similar to the one I saw at the Westinghouse plant in Maryland 2 days ago to develop an electric car. There are now electric cars that run 80 miles or more an hour, that run over 100 miles without being recharged. You get up to about 200 miles without being recharged, and then you begin to talk about real commercial viability. That could put an unbelievable number of people to work in the State of California.

Q. But the problem with that is GM developed an electric car in southern California, and it is now building it elsewhere. With your technology partnerships and your other programs, are you going to have some sort of a safeguard to make sure that these companies keep these manufacturing jobs in California?

The President. Well, I don't think you can force—I don't think the national Government can force private companies not to cross State lines. I mean, that's almost a constitutional issue. I mean, under the commerce clause, that would be a hard sell.

Military Base Closings

Q. Mr. President, the reason there are so many political questions this morning—one of the reasons is that all the politicians in California are taking credit for saving a number of bases. The two Senators and the Governor have had press conferences and said, “We saved Long Beach.” And they said, “We took a list that was 11 and took it down to 6.” But when you check with the Pentagon, they say that’s not true. There were only two changes from the original list: McClellan and Monterey. And all this other stuff is just smoke. And that’s why we are confused here. Was there, in fact, only those two adjustments in the list, or was there, in fact, a grand salvage effort here, successfully completed by the two people out there, the two Senators and the Governor?

The President. Well, I can say this: I know that the Secretary of Defense recommended—decided to delete the two facilities. I know that now. I don’t know that there were any others that were deleted. Those were the only two that I know about. I know that your Senators and a number of the people in your congressional delegation made pleas to the Defense Department, contacted us, contacted others after the list was leaked. The list that was leaked was not accurate in some respects. The list that was leaked did have other facilities in California on it that I am not aware—that I don’t know that the Secretary of Defense deleted, nor—I wouldn’t say that wasn’t done. I’m just telling you I don’t know. I only know of two personally.

But I do think that at least the people who contacted him and contacted me probably had some impact on him. The only thing I said to him was that the law requires us to take into account economic impact, and I think you ought to do that.

I guess I ought to say one other thing. There were some people who weren’t from California who urged the Secretary of Defense not to delete the Defense Language Institute, including Senator Simon from Illinois who made a public plea about it. So there was a lot of support around the country for not doing that. But I do think you’ve got to give credit to the people who made that intense plea. I mean, they may have had

some impact on this. I’m sure they did in the sense that I told them that he should consider economic impact and he did and he made the decisions he did. But I don’t know that the list was as long as has been speculated about.

Immigration

Q. Mr. President, may I change the subject for a moment? You mentioned immigration. I’m from San Diego. Our drought ended with millions of dollars in flood damage and a tremendous loss of life of people trying to cross the river to come to California. We’re at a point now where the county, tragic in both senses, says it doesn’t even have the money to pay for the medical examiner to deal with the loss of life amongst immigrants, both legal and illegal.

How do you foresee dealing with some of our border problems—of dealing with the problem of immigration and the load on the county and the local jurisdictions, of issues that some would argue really are solely a Federal problem?

The President. Well, first of all, I think what I’d like to do is ask Leon Panetta to explain to you what we’ve got in this budget to deal with that, to deal with the whole immigration issue. But there’s no question in my mind that, for years, the Federal Government’s immigration policy or lack of it has had a profound impact on California and on Florida and on Texas, and that basically, immigration is a national policy, the lack of an immigration enforcement is a national responsibility, and that under the system we have for joint financing of all kinds of health and human services, California, Texas, and Florida, and to some extent New York—and to a much lesser extent some other States—have basically been unfairly financially burdened by Federal policy, and we’re trying to offset that.

Since Leon worked up the budgets, I’d like for him to describe in more specific terms what we’re trying to do. Would you do that? Let him answer that question first.

Director Panetta. We have been working on a program to try to target those States that are impacted by immigration, in part, legal immigration and refugee resettlement but also undocumented immigration as well.

And the key to our program is to try to develop an approach that, first of all, tries to fully fund the immigration assistance, the so-called SLIAG provisions that flow to States like California, Texas, and Florida. That's the legalized immigration assistance grants. While those grants have been there, they've never been fully funded for various reasons. We intend to fully fund those. So, for example, in a State like California, we estimate that SLIAG funding will approach almost \$600 million for '94.

Secondly, what we want to do is develop a program to expand refugee settlement assistance. That is a program that's in place. As a matter of fact, there were some cuts that were enacted in that program. There was an effort by the prior administration to, so-called, privatize it. Never worked, and as a consequence we're going to be asking for additional funds for refugee resettlement and a supplemental request that will follow the battle on the stimulus program; that's two.

Three, we're looking at additional funds for migrant education as well as Chapter I education. And then, fourthly, we're looking towards assistance, an assistance program to try to help those States that are providing health care to undocumented individuals.

Q. Is it realistic to assume that there might be Federal money for the hospital to treat so many, for all of the facilities that the county now pays for, to augment those with Federal dollars because—

Director Panetta. I can't tell you that there will be direct funding to that kind of hospital, but what we want to do is provide some assistance to the States that have to meet that responsibility, and that's what we're trying to fashion now. And there will be a program like this included in the budget presentation that we'll make at the end of this month.

Q. Mr. President, do you feel under siege on this issue from California?

Military Base Closings

The President. No, but I want to tell you that if you go back to the very first question I was asked, if this had been a purely political process, your question would have had a different answer. You know, this has been a very painful thing for me, seeing this thing happen

to the Bay area. The chairman of the House Armed Services Committee, a man I very much respect and admire, has taken—his district has the biggest projected loss. But was there—do the people who speak for California deserve some credit for making sure that the Secretary of Defense did fulfill his legal obligation? I think that's probably yes. The answer to that is, yes, that they did.

But I will say again, this is not going to happen tomorrow; this is going to happen between 3 and 5 years from now. If we want to maintain our high-wage base and technological lead in defense, we will have an easier time doing that if we close appropriate bases and if we do it in a timely fashion. The difference between now and what has been done in defense cutbacks, both bases and defense contractors—and keep in mind, most of the losses California has endured in the last few years has come from the loss of private sector jobs because of contracting cuts. And we have not got an aggressive and a well-funded program which we will pursue, which has not been done for the last 3 or 4 years, to try to make sure that we find jobs and economic opportunities for the people in the communities involved.

So I don't feel under siege. I wanted to do this today. I think you could make a compelling case if it hadn't been for the people of California, I wouldn't be the President of the United States. And I told them that I would work on these problems, and I will. But I cannot walk away from my responsibilities to continue this base closing process. And in the end, California is going to be better off if we preserve the capacity for high-tech employment in the defense industries and if we speed up the diversification process.

Thank you.

Winter Storm

Q. —about your response to the storm?

The President. What was that?

Director Panetta. There was a question on the storm.

The President. On the storm, we've got two FEMA people in every State now with a State operation. We're in touch with the State officials in every State involved, and we will be spending the remainder of the day

trying to assess the damage that has been done, the damage that might be done, and what other resources we should perhaps bring into play. I don't want to say any more about it than that because we're monitoring it as it goes along.

I will say that I just came from a meeting with press people on the east coast, and I would just urge our people to exercise caution as the center of the storm moves closer to their community and because what looks like a very enjoyable late-winter snow-storm—and it's not enjoyable maybe if you're from the South and you're not used to seeing it. But as you move from here on up, a lot of people will be used to seeing snows of this magnitude. And I don't want them to get careless in it, because behind the snow are very, very high winds. And so that we're trying to do is just prepare as best we can and deal with it. And we may have more to say later today.

Economic Stimulus Plan

Q. Mr. President, laid-off workers in California think this is too little, too late.

The President. I just got here. It's not too little, too late. This is a good program. It is very aggressive. The Congress appropriated \$1.4 billion last year, and none of it was spent. And we're going to spend it and move aggressively. Twenty billion dollars over 5 years is a lot of money to put into defense conversion.

Q. People will have lost their houses by then.

Q. —in California.

The President. Well, maybe people who were affected by decisions made before I got here will be, but these decisions we announced yesterday are going to take effect 3 to 5 years from now and we will have our programs in place and we'll be working on it. And we're going to do our best to reach out to those who have already been adversely affected.

That's one of the reasons the stimulus package ought to pass. California will get more than a billion dollars worth of benefits out of this.

NOTE: The President spoke at 12:25 p.m. in Room 450 of the Old Executive Office Building. Following the interview, Office of Management and

Budget Director Leon Panetta continued to answer questions from reporters.

Statement on Disaster Assistance for Florida

March 13, 1993

On March 12 and 13, excessive rainfall, tornadoes, flooding, high tides, and gale force winds caused death, serious personal injury, and property damage in the State of Florida.

In a telephone call to me today, Gov. Lawton Chiles requested individual assistance and public assistance from the Federal Emergency Management Agency (FEMA) for Alachua, Citrus, Columbia, Dade, Duval, Hamilton, Hendry, Hernando, Hillsborough, Lake, Levy, Manatee, Marion, Martin, Pasco, Pinellas, Polk, Putnam, Sarasota, Taylor, and Volusia Counties.

The situation is of such severity and magnitude that effective response is beyond the capabilities of the State of Florida and local governments. Therefore, I concur that supplemental Federal assistance is necessary, and FEMA is directed to provide such assistance.

Individual assistance can include temporary housing, grants, low-cost loans to cover uninsured property losses, and other programs to help individuals and business owners recover from the effects of the disaster. Public assistance is available to eligible local governments on a cost-sharing basis for the repair or replacement of public facilities damaged by the flooding.

Additional areas may be designated at a later date, if requested and warranted.

Exchange With Reporters Prior to a Meeting With Prime Minister Yitzhak Rabin of Israel

March 15, 1993

Middle East Peace Talks

Q. Mr. President, what do you think are the chances of resuming the Middle East