AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

ify. And I thank you all for being here and for the contribution you've all made.

[*Governor Carnahan, Representative Gephardt, and Governor Bond expressed their appreciation to the President for meeting with them.*]

The President. Governor Branstad wants a last word. He's earned it, since he's down to taking a shower every other day.

[*Governor Branstad presented the President with a T-shirt.*]

The President. Thank you.

NOTE: The President spoke at 10:22 a.m. at Fox Senior High School. A portion of this item could not be verified because the tape was incomplete.

Teleconference Remarks to the National Association of County Officials

July 19, 1993

The President. Good morning. I'm honored to address the National Association of County Officials today and very, very grateful for the strong support you've given to our economic plan. It's good for the counties of this country; it's good for America; it's good for the working people of this country.

I very much appreciate that nice introduction by your president and my long-time friend, John Stroger. He's been a valuable part of our team and a very effective advocate for county government. As Cook County Commissioner, he also represents one of the legendary counties in America. That was true even before my wife was born there. [*Laughter*]

Let me say just a few words about the terrible flooding throughout the Midwest. There's been extraordinary damage done to crops and homes and businesses, but not to the spirit of our people or to our commitment to join them as neighbors to help them to rebuild each of those communities.

As county leaders, you know more than most about the hopes and problems of families. For many, the efforts of local government represent the best ideals of America. But for too many years, since Washington has spent too much and invested too little and refused to make the tough decisions necessary to keep our economy healthy, the only clear message local leaders got from Washington was, ''You're on your own. And by the way, here are a few more burdens.'' Washington gave you make-believe budgets and mandates with no money. They drove up the debt from $1 trillion to $4 trillion and still invested less in the things that make our communities stronger.

Well, you've been at the forefront of trying to change this. You know that we must create high-wage, high-skill jobs again so there will be less crime, fewer transfer payments, and more revenues to support businesses and institutions that are the foundation of all stable communities.

I wish I could be with you in person today, and I'm looking forward to doing so when you have future meetings. But as you know, my first obligation to you and to our Nation is to keep fighting for change right here in Washington and for an economic plan that creates jobs and raises incomes, that invests in a stronger tomorrow and brings this terrible deficit down.

This economic plan is good for the country and the economy and good for the forgotten middle class. It contains the largest Federal reduction of the deficit in history, with over $250 billion of dramatic cuts in spending. It finally begins paying down the deficit and shifting the budget away from waste and toward sound investments in job creation and entrepreneurship, in new technologies, and in the health and education of our people. There couldn't be a more profound change from the old ways and the failed policies of the past to a new direction that will make our economy work again.

For starters, we make more than 200 specific cuts that slash over $250 billion from this budget. For the first time, we secure the savings from both tax increases and spending cuts in a trust fund so they can't be touched. While the old ways favor those at the very top income brackets, our plan asks the most from those who are most able to give. At least 70 percent of the new taxes in this plan will fall on those making over $200,000 a year, while millions of families earning below $30,000 will actually get a tax break. And

those who work full-time and have children at home will be lifted out of poverty. Over 90 percent of the small business who are unincorporated will have the opportunity for a reduction in their taxes through increasing their expensing provisions. So working families and the middle class, after 12 long years of being ignored, win in our program.

The old ways ignored the business incentives and the investments in technology and infrastructure that will allow our economy to create growth in a tough global economy. And while my plan does cut the deficit dramatically, it also empowers families and businesses to build better lives and stronger communities.

This plan reforms the student loan program, saving billions of dollars and making it easier for millions of our young people to pay for college. It creates a program of national service to allow young people to pay for college by serving their Nation in communities like yours. And for the majority who don't attend college, we've funded the boldest national apprenticeship program ever. Educating and training young people is the best investment we can make, and it's time we committed ourselves to doing that.

We empower communities to protect themselves by providing more funds for police officers. It empowers creditworthy small businesses to a new network of community development banks and creates empowerment zones to bring to bear the full power of free enterprise on our poorest large and small areas. And because I believe new environmental technologies and improved water systems and better roads and incentives for the private sector will mean more jobs and more growth, our plan creates a greater commitment to each.

I'm excited about our future. I know this plan will work. It's already beginning to work. In the last 5 months, as we have moved to reduce this deficit and to increase business incentives, interest rates have hit record lows. That will add billions to our economy as millions of Americans, including many in your audience, I bet, refinance their homes or their business loans or buy cars or borrow for college or consumer loans at much lower rates. In the last 5 months, the economy has been creating private sector jobs at 7 times the rate of the last 4 years. And inflation is flat.

Now, make no mistake about it, we still have a lot to do. Economic growth is still way too slow and too uneven. But putting our economic house in order is beginning to bring prosperity here at home and helping America to gain a new competitive edge in the global economy, as I learned at the Tokyo talks among the large seven industrial powers last week.

Because the American people are having the courage to change and because Congress is really moving to reduce the deficit and to invest in jobs, my hand was greatly strengthened at that meeting in Tokyo. Negotiations that had gone extremely slowly for years suddenly opened up, and we struck a new agreement to dramatically lower and in some cases to completely eliminate tariffs on a variety of manufactured products. That can mean hundreds of thousands more jobs for American workers in manufacturing areas with high wages and more growth for American companies, if we can now move to get that agreement accepted by all the other countries in a general agreement before the end of the year. I'm very excited about the prospect.

Our commitment to a balanced plan of deficit reduction and economic growth simply has raised our stature among the community of nations. This, combined with a pledge to fundamentally reform health care, which will be extremely significant for our counties in reducing our deficit and in helping our economy to recover, gave us the right to demand that the world's major trading countries take new steps themselves to create jobs and growth and to open their markets to our products.

After the meeting in Tokyo I am more confident than ever that we can make the world's new economy work for us. But we can only enjoy the opportunities created in Tokyo if we follow through on our own responsibilities to bring our deficit down, to invest in our people, to be more competitive. There is still a lot of work ahead of us. This economy has been in the doldrums for years. We have been following the wrong policies for more than a decade. We have to have the patience and discipline and conviction it takes, all of

us, to do our fair share to move this thing forward.

If you haven't said anything to your Member of Congress to let them know how you feel, now is the time. Without regard to party, I ask for your help and your active involvement. There are some who are standing on the sidelines who must be convinced to join with us. This is bigger than party or politics. Bringing down America's deficit, investing in America's future, helping us to open new trade opportunities and new investment opportunities and new job-creating opportunities at home and abroad, these things should be beyond politics.

So please pick up the phone and lend your voice to the call for change and jobs and growth that is beginning to make life better in America. Together we can build prosperity and hope again. Let's capture the spirit of our mighty Midwesterners, who for 2 weeks have refused to relinquish their dreams in the face of this terrible flooding and who have proven that nothing is impossible when we all pull together. In a few weeks, let's give ourselves a vote we can look back on with pride because together we helped to create a new era of American greatness.

Thank you very much.

Asia-U.S. Trade

Q. Good morning, Mr. President.

The President. Good morning.

Q. We're really glad that you could join us today. I'm from Florida, and we recently opened a trade office in Singapore, so I was particularly interested in your remarks relating to opportunities to participate aggressively in the global economy. What types of changes do you think we should have in our international policy so that we as a nation can expand our opportunities in all the countries in the Pacific Rim?

The President. Let me, first of all, say to all of you present that your county has done a smart thing, and I think that other counties should consider following suit. Forty percent of American trade is now with the Pacific region. It's the fastest-growing part of the economy in the world. About 2.5 million American jobs now depend upon trade with the Pacific. It's very, very important.

I would say there are three things that we should be doing at the national level. First, we need to complete an agreement before the end of the year on the General Agreement on Tariffs and Trade, the new world trade agreement. The meeting of the G–7 in Tokyo made that much more possible by having the big countries agree to reduce tariffs and to eliminate them entirely. A good study here in this country says that we could add $6 trillion to the world economy by the next decade if we would simply conclude this agreement. That will open a lot of new jobs for Americans in manufacturing and in agriculture and in services.

The second thing we need to do is to build stronger ties to these countries. I'm very proud that in the fall of this year I will host a meeting in Seattle, Washington, for the Organization of Asian Pacific Economic Cooperation. All these nations are coming here, and after the ministers meet, the next day many heads of state will meet with me.

The third thing we need to do is to redefine our trading relationship with Japan. And as I'm sure you know, at the very end of the G–7 meeting, the Prime Minister of Japan and I agreed to and announced a framework for a new trade relationship in which Japan pledged for the first time to substantially reduce its trade surplus with the United States and to have measurable objective measures of progress in several important areas of our trading relationship.

Now, even if we do all that, we still need more local governmental units and especially more American business men and women who are willing to aggressively exploit opportunities in the Pacific area. Americans have got to be better traders and more interested in selling their products and their services around the world. Even small businesses have to do a better job of that.

So we're going to do those big three things, but we need more folks like you who are interested in taking advantage of the global economy. Over half of our jobs in the last 5 years have been related in some way to trade and a lot of them to the Pacific. So that's what I think we should do in the Pacific region.

Unfunded Federal Mandates

Q. [*Inaudible*]—Texas, one of the poorest counties in the Nation. I also am a member of NACO board of directors and serve as—[*inaudible*]. We need your help, Mr. President. Every year Congress passes new laws that require us to provide new services or to meet new standards. But rarely does Congress appropriate the dollars to meet this mandate. We have to raise our county local taxes to meet these costs and these new mandates. What can your administration do to help us?

The President. Well, first of all, you've asked a great question. As a Governor for 12 years in one of the poorer States in America, I understood the burden of unfunded mandates very well. And I'm familiar with your county in Texas, and I hear your message loud and clear.

The first thing we can do is to do no harm. The first thing we can do is to be the first administration in a long time not to load any more unfunded mandates on you. And that is a commitment I will do my best to keep. The second thing we can do is to review the present pattern of Federal regulation and requirements as it affects local government. Vice President Gore, at my request, is heading a commission on reinventing the role of the Federal Government and we are examining everything we do from top to bottom to see how we can better serve the American people, either with greater efficiency or with lower costs or both.

And if there are some things that NACO specifically feels ought to be changed in terms of giving the counties greater flexibility in the way certain rules and regulations are applied, I want to invite you as an organization to make those recommendations known to the Vice President. I know you've been consulted on this. But those are the two things I think you can do and I hope that we can do, and we're going to do our best to do them.

Health Care Reform

Q. Mr. President, counties spend over $30 billion a year on health care. We own and operate more than 4,500 health facilities. We, in essence, take care of the uninsured in this country. What role do you see for county officials in your proposed health reform plan?

The President. I think the counties that are providing health care services may well continue to do so and will do so much more happily than they do now if our health reform plan passes, for a couple of reasons. First of all, we are looking for ways now, and I think we've found some, to provide basic health insurance to the uninsured, unemployed. If we do that, then as you provide those health services to those folks, you'll get a more reliable stream of income. And the only monies that will have to be matched at the State and local level are those that are now matched under the Medicaid program.

Secondly, the proposal that we will make will cut out a lot of the redtape, a lot of the regulation coming from the Government, coming from the way the insurance markets are now organized. And local public health units will be able to do much more with the money that they've got to serve people in ways that are more flexible and more creative.

So I would think that you will like this very much. People will be able to do this. If any of the counties want to get out of the business because there won't be anybody without basic insurance and think they can be handled in some other way, the counties will also have that option. But the counties that want to stay in the business will be able to do it with a much more reliable funding stream, in more innovative and comprehensive ways.

Welfare Reform

Q. Now Mr. President, when you've discussed the Nation's welfare system, you have pledged to end welfare as we know it. And as you know, many county governments contribute to AFDC programs, and many also administer their own general assistance programs. We have supported the welfare reform for years and actively supported the creation of the 1988 Family Support Act. My question is, Mr. President, what guiding principles will your working group operate under to ensure the end to welfare as we know it, that reform will in fact achieve the desired results?

The President. Thank you very much, Mr. Williams, and thank you, too, for the special

leadership role that San Diego County has played for years in the whole area of welfare reform. As you know, San Diego is repeatedly cited in every study as one of the places that's proved that we can move people from welfare to work. So you have a lot of credentials to ask that question. And I also appreciate the support you gave to the Family Support Act of 1988, which I as a Governor had a big hand in trying to fashion.

Let me tell you what the principles that animate us are and what we're doing about them. Number one, we need to make work pay. We need to make work pay. That means that as a starting point we should adopt the provision in the economic plan I presented to Congress which will use the earned-income tax credit to lift the working poor out of poverty if they have children in the home. Eighteen percent of America's workers today are working and still living below the Federal poverty line. An enormous number of working parents go home at night to children, having worked a full day and a full week, and still live below the poverty line. I believe we should change the tax system so that anybody who works 40 hours a week and has children in the home is lifted out of poverty. That rewards work and not welfare. It removes a dramatic incentive to stay on welfare and gives people an incentive to go to work and stay there.

Second, we need to have tougher child support enforcement. We are losing billions of dollars a year because people who can afford to pay something for their children do not do it. And we need to have a much stronger system. We have proposed that, and some of that program is now working its way through Congress.

Third, we need to fully implement the education and training aspects of the Family Support Act of 1988. As you know, that act has never been adequately funded in its education and training provisions so that we empower people to move off welfare.

Fourth, we need to pass a health care reform bill so that people are not without health insurance when they lose their jobs, or if they take jobs where the employer presently doesn't provide health insurance. The welfare check itself is no longer an incentive to stay on welfare. The real value of a welfare check in almost every place in America is far lower than it was 20 years ago. What keeps people on welfare is the cost of health care and child care for their kids and the inability to get a good job because of a lack of education and training. So we've got to have health care reform.

Finally, having put all that in place, I think we should move to a system in which if there's no incentive not to work, if people get education and training, if the children are covered with health insurance, if you have tough child support enforcement system, you shouldn't be able to stay on welfare without working for more than a couple of years. After that, you should have to work and earn income just like everybody else. And if you put the building blocks in, you can have a 2-year limit on welfare as we know it. You would end the system as it now exists. It would be temporary for everybody who is able-bodied.

Improved FEMA Performance

Q. First, on behalf of Iowans everywhere, I'd like to thank you for your efforts and your encouragement during the devastating floods that are occurring across Iowa and other midwestern States. The outpouring of help and support from our county colleagues and people throughout the U.S. is deeply appreciated, and we really do thank you.

My question relates to one of prevention. In the past, NACO has called for increased professionalism at FEMA, making it comparable to other Federal public safety agencies such as the FAA and the Centers for Disease Control. Your new Director, Lee Witt, has acted quickly in this crisis. But I'm wondering if you are going to propose any statutory changes that would allow FEMA to become more proactive and to increase that level of service.

The President. First, let me thank you for what you said about the work done by Mr. Witt and FEMA. And let me also say again how very sorry I am about what's happened and pledge our best efforts to stay in touch and keep working with you in the aftermath. As you know, Iowa's got a big clean-up job to do now. We still don't have—we don't have water back in Des Moines; we've got a lot of continuing problems.

With regard to the specific question you asked, we're going to review FEMA's operations to see what needs to be done to strengthen them. From the point of view of the Governors and the people at the local level, one of the biggest criticisms has been that FEMA has to go through this long approval process with the Governor asking for emergency aid. And we're looking at what can be done to maybe pre-position people and move this whole process faster.

With regard to the question of the professionalization of the Agency, Senator Mikulski has a bill now in the Senate that she's been working on. We are discussing it with her, we are working with her, and I want to evaluate it as we go along, as I'm sure you do.

This is very important to me. I live in a State, or I did before I became President, lived in a State that had the highest tornado occurrences per capita in America, that regularly had floods and ice storms and drought. I've been through a lot of experience with FEMA. And I think the American people are entitled to an emergency management agency that is as good and quick and competent and professional as possible.

Let me just mention one other issue that we have to really think through, and that is that FEMA is essentially set up to act quickly with problems that are immediate. But these disasters often leave a long rebuilding period in their wake. You can't just turn these things around overnight. Now, one of the things that we've tried to do is to set up a set of de facto solutions to this. For example, when I became President, I asked Henry Cisneros, the HUD Secretary, to take over coordinating the long-term response to Hurricane Andrew in Florida. I have asked Secretary Espy, the Agriculture Secretary now, to take over the long-term management of our commitment in the Midwest in the aftermath of the flood. But that also needs to be thought through because a lot of these problems we're going to be dealing with in the fall and the winter and next year as well. Senator Mikulski came to St. Louis with me last Saturday when we met with the Governors and other emergency personnel from all the States affected by the flood. And we're going to be talking about what else we need to do legally.

Thank you.

Mr. Stroger. Thank you, Mr. President. And frankly, as a fellow Arkansan, I can't think of a better time to be president of the National Association of Counties and have this opportunity to work with you. And I know that you're very sensitive, concerned. You're imbued with a sense of fairness for all Americans. And working with us here at NACO and with other groups of Americans like us, you're going to help us make America really, really great. So we stand here with you ready to face the challenges together and build on America's already greatness. Thank you very much, and God bless you. And I hope he continues to allow you to be strong to carry forth your charge.

The President. Thank you, John. God bless you. Thank you, ladies and gentlemen.

NOTE: The President spoke at 11:34 a.m. via satellite from Room 459 of the Old Executive Office Building. A tape was not available for verification of the content of these remarks.

Remarks Announcing the New Policy on Gays and Lesbians in the Military

July 19, 1993

Thank you very much. Secretary Aspin, General Powell, members of the Joint Chiefs, Admiral Kime, to our host, Admiral Smith, ladies and gentlemen, I have come here today to discuss a difficult challenge and one which has received an enormous amount of publicity and public and private debate over the last several months: Our Nation's policy toward homosexuals in the military.

I believe the policy I am announcing today represents a real step forward, but I know it will raise concerns in some of your minds. So I wanted you to hear my thinking and my decision directly and in person because I respect you, and because you are among the elite who will lead our Armed Forces into the next century, and because you will have to put this policy into effect and I expect your help in doing it.