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Government, and our entrepreneurs, an investment of historic proportions.

We have entered a new era of human communications where wireless technologies become information skyways, a new avenue to send ideas and masses of information to remote locations in ways most of us would never have imagined. And we've just seen in all these demonstrations, also provides new ways to improve people's lives in very practical ways, and perhaps to save lives in remote areas or emergency circumstances where once that was simply impossible. Wireless hand-held computers and phones will deliver the world to our fingertips, wherever we may be, with speed and flexibility.

Only last week the FCC reallocated emerging technology spectrum for the kinds of services and benefits we've seen here today. When a natural disaster hits, this technology can come to the rescue. When an emergency medical vehicle has a patient and the only hospital is a long way away, it can mean the difference between life and death, as we've seen this morning. In schools where wires may be too costly to run, this technology can link students with other students, with libraries in other schools. In manufacturing, this technology can give our companies the extra speed and production that today may make all the difference between staying ahead of the competition and going under.

When the race toward innovation knows no boundaries, this economic plan can keep America ahead of our competitors with information highways and skyways second to none and the best educated, best trained, and best equipped work force in the world. That's what this economic growth strategy is all about: historic change, more growth, more free enterprise, more innovation to put the American people to work and give them the future they deserve.

Thank you very much.

NOTE: The President spoke at 11:13 a.m. on the South Lawn at the White House. In his remarks, he referred to Katharine Graham, chairman of the board, Washington Post Co. A tape was not available for verification of the content of these remarks.

Letter to Congressional Leaders on Iraq

July 22, 1993

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102–1), and as part of my effort to keep the Congress fully informed, I am reporting on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council.

Over the last several months, we have seen more examples of the Iraqi Government's refusal to comply with relevant Security Council resolutions and international law. In May I reported on our investigation of allegations that Iraq attempted to assassinate former President Bush during his recent trip to Kuwait. We uncovered compelling evidence that the Iraqi Intelligence Service directed the attempt. I concluded that there was no reasonable prospect that new diplomatic initiatives or economic measures could influence the current Government of Iraq to cease planning future attacks against the United States and that a continuing threat was posed to the United States. Accordingly, I ordered a precise and limited strike against the headquarters of the Iraqi Intelligence Service in the exercise of our inherent right of self-defense under international law. In accordance with the Charter of the United Nations, we reported our actions to the Security Council immediately.

We will strive to use law enforcement and international cooperation to prevent the Iraqi regime from once again killing innocent people in pursuit of its ends. It should be clear, however, that we will strike directly at those who direct and pursue Iraqi policies when it is necessary to do so in our self-defense.

Also, on June 19, a U.S. aircraft fired a missile at an Iraqi anti-aircraft site that had displayed hostile intent. The site has not been active since the attack.

Inspections by the U.N. Special Commission on Iraq (UNSCOM) and the Inter-

national Atomic Energy Agency (IAEA) to date have forced Iraq to disclose, destroy, or render harmless all the major nuclear weapons facilities and equipment of which we are aware. Along with damage inflicted in combat, these inspections have effectively put the Iraqi nuclear weapons program out of business in the near-term and have substantially impaired Iraq's other weapons of mass destruction (WMD) programs.

Over the long-term, however, we believe that Saddam Hussein is committed to rebuilding his WMD capability, especially nuclear weapons. UNSCOM and the IAEA are therefore developing a program of long-term monitoring in accordance with Security Council Resolution 715. Iraq has refused to accept that Resolution, blocking UNSCOM from installing cameras to monitor Iraq's compliance with restrictions on long-range missiles and from sealing missile sites. The Security Council has declared these actions, along with Iraq's failure to comply with demands related to its chemical weapons program, to be a material and unacceptable breach of Resolution 687 and has warned Iraq of ''serious consequences'' if it fails to comply. Discussions between UNSCOM and Iraq on these issues are currently underway.

Iraq depicts itself as seeking consultations, rather than confrontation, in complying with Security Council resolutions. Iraq, however, has attempted to obstruct even the clearest Security Council requirements. In June, Iraq missed two deadlines to deliver equipment for producing chemical weapon precursors to UNSCOM for supervised destruction. UNSCOM has reported the matter to the Security Council, which has the matter under consideration. Iraq still refuses to divulge information indicating the foreign companies from which it purchased equipment and materials. Accurate information is integral to a workable and realistic mechanism for import control, as required by Security Council Resolution 715.

Iraq has also tried to restrict the exercise of UNSCOM's aerial inspection rights, impose limits on the duration of inspections and the size and composition of inspection teams, required advance notice of inspection activities, and limit inspectors' rights to take photographs. Vandalism, harassment, and theft have continued against inspectors and U.N. property. Iraq is responsible for improving this hostile environment.

We have received reports of Iraqi forces shooting at Saudi border guards across the Iraq-Saudi border. These acts appear to violate paragraph 3(a) of Security Council Resolution 686, which demanded that Iraq cease hostile or provocative acts against other states. These incidents are the first of their kind since the ceasefire and further call into question Iraq's intention to live in peace with its neighbors.

The ''no-fly zones'' over northern and southern Iraq permit the monitoring of Iraq's compliance with Security Council Resolutions 687 and 688. Over the last two years, the northern no-fly zone has deterred Iraq from a major military offensive in the region. Since the no-fly zone was established in southern Iraq, Iraq's use of aircraft against its population in the region has stopped, as have large-scale troop movements. However, the no-fly zone has not prevented the Iraqi army from conducting an ongoing campaign against Iraqi Shias in the southern marshes, involving the recent burning of several villages. We are continuing to work toward the placement of human rights monitors throughout Iraq as proposed by Max van der Stoel, Special Rapporteur to the U.N. Human Rights Commission, and to work for the establishment of a U.N. Commission to investigate and publicize Iraqi war crimes and other violations of international humanitarian law.

The international community has continued its efforts, consistent with Security Council resolutions, to alleviate suffering in Iraq. The United States is working closely with the U.N. and other organizations to provide humanitarian relief to the people of northern Iraq, in the face of Iraqi Government efforts to disrupt this assistance. We continue to support new U.N. efforts to mount a relief program for persons in Baghdad and the South and will ensure that the U.N. will be able to prevent the Iraqi Government from diverting supplies.

The U.N. sanctions regime exempts medicine and requires only that the U.N. Sanctions Committee be notified of food shipments. In accordance with paragraph 20 of

Resolution 687, the Committee received notices of 20 million tons of foodstuffs to be shipped to Iraq through June 1993. The Sanctions Committee also continues to consider and, when appropriate, approve requests to send to Iraq materials and supplies for essential civilian needs. The Iraqi Government, in contrast, has maintained a full embargo against its northern provinces and has acted to distribute humanitarian supplies only to its supporters and to the military.

The Iraqi Government has so far refused to accept U.N. conditions for selling $1.6 billion in oil as previously authorized by the Security Council in Resolutions 706 and 712, although talks between Iraq and the United Nations on implementing these resolutions were resumed in New York on July 7 for the third time in two years. Iraq could use proceeds from such sales to purchase foodstuffs, medicines, materials, and supplies for essential civilian needs of its population, subject to strict U.N. monitoring of sales and the equitable distribution of humanitarian supplies (including to its northern provinces).

Proceeds from oil sales also would be used to compensate persons injured by Iraq's unlawful invasion and occupation of Kuwait. The U.N. Compensation Commission has received about 800,000 claims so far, with a total of roughly two million expected. The U.S. Government has filed a fourth set of individual claims with the Commission, bringing U.S. claims filed to about 1,100. The Commission's efforts will facilitate the compensation of those injured by Iraq once sufficient funds become available.

Security Council Resolution 778 permits the use of a portion of frozen Iraqi oil assets to fund crucial U.N. activities concerning Iraq, including humanitarian relief, UNSCOM, and the Compensation Commission. (The funds will be repaid, with interest, from Iraqi oil revenues as soon as Iraqi oil exports resume.) The United States is prepared to transfer up to $200 million in frozen Iraqi oil assets held in U.S. financial institutions, provided that U.S. contributions do not exceed 50 percent of the total amount contributed. We have arranged a total of over $51 million in such matching contributions thus far and anticipate making another matching contribution of just over $40 million.

Iraq still has not met its obligations concerning Kuwaitis and third-country nationals it detained during the war. Iraq has taken no substantive steps to cooperate fully with the International Committee of the Red Cross (ICRC), as required by Security Council Resolution 687, although it has received over 600 files on missing individuals. Regional organizations have also been engaged—thus far to no avail—in trying to obtain Iraqi compliance on the issue of detainees. We continue to work for Iraqi compliance.

The United Nations has completed its technical task of demarcating the previously agreed Iraq-Kuwait border, and the President of the Security Council accepted its work. Iraqi Government officials have refused to recognize the boundary, despite the requirement to do so under Security Council Resolution 687. In accordance with Security Council Resolution 806, which responded to Iraqi disruptions on the border, the U.N. continues to seek the identification and deployment of an armored battalion to the United Nations Iraq-Kuwait Observer Mission (UNIKOM), so that UNIKOM has sufficient force to take necessary actions to prevent violations of the border and the demilitarized zone. The United States and our allies also continue to press the Government of Iraq to return all property and equipment removed from Kuwait by Iraq.

Iraq can rejoin the community of civilized nations only through democratic processes, respect for human rights, equal treatment of its people, and adherence to basic norms of international behavior. A government representing all the people of Iraq, which is committed to the territorial integrity and unity of Iraq, would be a stabilizing force in the Gulf region. The Iraqi National Congress (INC) espouses these goals and our support for the INC is a signal of the future we seek for Iraq.

I am grateful for the support of the Congress of our efforts.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Robert C. Byrd, President pro tempore of the Senate.

Remarks in an Interview With the New York and New Jersey Press

July 22, 1993

The President. Thank you very much, Mr. Vice President.

I'm sorry we are a little bit late. We had an unavoidable problem come up in the office a few minutes ago that we had to deal with. But I do want to echo a couple of things the Vice President said and make one or two specific points.

On Tuesday, the Chairman of the Federal Reserve Board, Alan Greenspan, appeared before the House Banking Committee. And in his testimony he said the most important thing we could do would be to urgently pass this plan for deficit reduction because there's no question that it is the primary thing driving down long-term interest rates and that the economy could absorb $500 billion in deficit reduction. And that plus trying to do something about the ever-increasing costs of health care to the Government budget and to the American people generally were two things which could give us a very vibrant economy. And I think he used the phrase, something like we could have more prosperity than we'd had in decades.

But I just want to emphasize that when you get outside of the political arena and you analyze this thing, there are Republicans as well as Democrats; there are small-, medium-, and large-sized businesses. Yesterday I had lunch with a significant number of small business people from around America, because most of the vocal support we have gotten for the economic plan had come from bigger businesses. And they were supporting the plan because of the capital gains incentives for investment in new businesses, enterprises that are capitalized at $50 million a year or less. They were supporting it because of the emphasis on research and development. They were supporting it because, frankly, over 90 percent of the small businesses in the country are in a position to get a tax cut under this bill with the expensing provisions, which says that if you invest more you pay less tax. They pay no income tax increase, and they can reduce their tax burden if they invest more. Now, you never get any of that in the rhetoric of our opponent, but that is the fact.

Let me make one other point. There's a lot of talk about spending cuts and people saying, well, there ought to be more spending cuts. Well, there are 200 specific spending cuts in this program, over 100 of them in excess of $100 million apiece. And when the Senate Finance Committee took up this economic plan and dealt with the spending cuts that were on the table, the Republicans on the committee did not offer one single spending cut in addition to the ones that we had put on the table. Not one, not one red cent. So it is very easy to talk in general terms about cutting spending and capping this and ''We'll figure out something later,'' and quite another thing to say, ''This is where we're going to cut the spending.'' And that's what we have done. And therefore, I think we put together a good and balanced plan.

I'm encouraged by the progress of the conference so far. There are still some difficult issues ahead and a lot of vote-getting to do, but the main thing is we have to resolve the uncertainty, keep the interest rates down, bring the deficit down, and get this economy moving again.

And that's why we're doing a whole series of these, and I'm glad to have so many of you from New York and New Jersey here. And if you have questions, I'll try to answer them.

Economic Program

Q. This scenario, as we heard today, to paint the picture of not passing this and economic catastrophe, is that your strategy for the next couple of critical days or critical weeks?

The President. No, I think we are going to pass it. But I think that if you look—there was an article in either the Times or the Wall Street Journal today, I can't remember which, which said there was a little bump up in the long-term interest rates yesterday because the bond markets, the people who