

to the contrary. It is a very big issue. We'll probably have more to say about that later in the day.

NOTE: The exchange began at approximately 12:34 p.m. at the San Francisco Hilton. A tape was not available for verification of the content of this exchange.

Remarks to the Community and an Exchange With Reporters in San Francisco

October 4, 1993

The President. Thank you very much, ladies and gentlemen. It's wonderful to see all of you here. I thank you for coming. I want to apologize for our lateness, but I have, as you might imagine, had to spend a little extra time this morning on events around the world which have required me to be on the phone, and it pushed our schedule back a little bit. I thank you all for waiting.

I'd like to particularly acknowledge in the crowd today, once again, at the beginning, the Secretary of Energy, Hazel O'Leary, who has done a lot of work on the project that we're here to announce. I see Congresswoman Pelosi, Congresswoman Anna Eshoo, Congressman Tom Lantos here. The Mayor of Oakland, Elihu Harris, and I know Speaker Brown was here. He may have had to leave. Is he still here?

I want to thank, too, some Members of Congress who are not here who worked very hard on this issue: Senator Boxer and Senator Feinstein and Congressman Dellums and Congressman Stark. The president of Stanford is here, Gerhard Caspar; the slide director, Burt Richter; and the Stanford chairman of the board of trustees, John Freidenrich. And the Cypress Freeway area council member, Natalie Baten, is here. And there are others here, but I wanted to acknowledge them because they will be affected by some or all of what I have to say today.

I spent a lot of time in California during the Presidential campaign, and I said, if elected, I would come back and that I would remember what I saw and what I learned. This is my sixth trip to California as President, and around those visits many members of my administration have come here. Today,

along with the Secretary of Energy, the Secretary of Labor, Bob Reich, is also here.

We have tried to work together in what has been an unprecedented effort, coordinated by the Secretary of Commerce, Ron Brown, to develop a strategy to revitalize the California economy. We have tried to continue to study what the problems are and what the opportunities are, given the difficulties of the Federal budget. We can't underestimate the problems of this State. Its unemployment rate is about 3 percent above the national average. About 25 percent of the total unemployed people in America are in this State, even though the State only has 12 percent of the Nation's population.

Many of the people who are out of work in California are people who helped to build the economic engine of America, people who worked in high-tech industries, people who worked in defense industries, people with very high levels of skills and major contributions to make to our future.

It is clear to me that the economy of this Nation cannot recover unless the economy of this State recovers. And it is also clear to me that if what we are doing here works, it will really change the nature of what a President's job is, because it is perfectly clear that as we move into the 21st century, the sweeping global economic changes which will affect our country will over time affect one area more than another, inevitably. That has clearly been the case for the last 15 years. So that what we try to do today for California is what we may be doing tomorrow for the New England region, or for the South where I grew up, or for the Midwest. We are going to have to focus on the fact that not every set of economic changes will affect every part of this country equally.

And that is what we have tried to do. Just in the last 7 months, we've worked on getting more infrastructure money to southern California. The biggest infrastructure announcement that has been made so far in this administration was around \$1 billion for a project in the Los Angeles area.

We have worked very hard on trying to change the tax laws in the way that will benefit all of America but will especially benefit

the high-tech industry here: increasing of research and development tax credit; having a capital gains tax for people who invest their money in new businesses, especially in high-tech areas; changing some of the real estate tax rules in ways that will revitalize the incredible depression that California, as well as south Florida and New England have had in their real estate industry. A lot of these things have been targeted to have a significant long-term impact on this State.

I have to say that as hard as we are working, I think that all of you know that these problems did not occur overnight, and they cannot be turned around overnight. And there is no way that there is going to be a single Government spending program that will do it. We should have strategies that target the investment of our Government in ways that are likely to produce other investments and create other jobs and other opportunities.

That's why I am particularly hopeful that the empowerment zone legislation that was adopted by the Congress in the economic program will lead to the selection of one or more sites in California that will prove that we can get private investment capital back into distressed areas in this country, both urban and rural. There is not enough Government money, with the kind of debt we've run up in the last 12 years, to solve all these problems, but they cannot be solved without Government initiative and new and different kinds of partnerships like the ones we're here to announce today. We can't be, in other words, hands off, and we can't do it all on our own.

Let me tell you the things I want to focus on today. And I want to tie them to some things that we've announced in the last week or so that will affect this economy. It's been said that you can't create genius, all you can do is nurture it. Among the many blessings this State has is a scientific and engineering genius and a high-tech infrastructure to support it. Instead of nurturing it for the last several years, we have been denurturing it because you've seen all these defense cuts since 1987 with no offsetting conversion strategy.

When I became President, I found a law on the books that the Congress passed in

1992 with my strong support as a Presidential candidate to allocate \$500 million, finally, 5 years too late, but finally, to defense conversion. Not a penny of it had been spent because of the ideological opposition of the previous administration. We are releasing the money for defense conversion. That's important; it has to be done. We have to find ways for all the people who won the cold war to help to win the aftermath. And we have waited too long to begin.

There is a lot of that genius in California that is being inadequately used today. If nurtured, it will help to bring about not only an economic turnaround for California but for the entire Nation.

Now, that is the background to what leads to the first announcement. Today the Secretary of Energy, Hazel O'Leary, who is here, and my Science Adviser, Jack Gibbons, have given me their recommendation for the site of a major science project known by the deceptively simple name of the B-Factory. It doesn't have anything to do with honey. *[Laughter]* The importance of the B-Factory, however, is literally universal. It may give us critical answers on how the stars, the planets, and the heavens came to be. After much study and serious comparison of all the proposals, the Secretary and Mr. Gibbons have recommended that the B-Factory go to the Stanford Linear Accelerator Center.

There was strong competition for this project by scientists who have worked in this area for literally years, people whose contributions have, and will continue to be, outstanding. The B-Factory is a \$240 million international project to create an electron/positron collider. Can you say that? *[Laughter]* Sounds good—for studying the underpinning of all science, the relationship of matter and antimatter. It will involve hundreds of scientists and build on decades of previous research at the Stanford facility.

In that same spirit of encouraging innovation as a path to prosperity, we are also moving forward with the administration's technology reinvestment project. This is a part of our general effort to convert from a defense to a domestic economy. The program is designed to support defense conversion by taking proposals and providing matching

public funds to private funds from all over America.

When we put out the proposals we had an overwhelming response, over 2,800 projects with about \$8 billion worth of proposed investments. One-quarter of them came from the State of California, the State with one-quarter of the unemployed people in America. An interesting parallel.

Soon we will be announcing the winners of the first round of technology reinvestment proposals for about \$500 million. I'm happy to say that not long ago we reached agreement with the Congress to add to next year's projects another \$300 million, which will mean that next year we'll have even more money for these projects than this year.

The Silicon Valley has been like a cradle for dual-use technology. For example, the Trimble Navigation Company developed a technology used to navigate our tanks in the Gulf war, and now it's adapted to navigate ambulances. This month when we announce the matching grants, you will see that many of the leading contenders are in California, on the merits, companies that need to have the opportunity to move from where we were as an economy to where we have to go.

I'm also pleased to be able to announce today some help for California on another front, an area we must target for further action, urban development. The Department of Housing and Urban Development today is announcing the awarding of grants totaling more than \$100 million to California, here in the bay area and in southern California. About a fifth of the money is aimed for Los Angeles County. These funds will go towards housing subsidies for the working poor, housing for the elderly, the disabled, and for public housing.

This country has not had a housing policy in a dozen years, and that's one reason in the last dozen years we have seen an explosion of homelessness. So this is part of our effort not only to encourage more investment but also to restore the fabric of community in every city in this country. It is part of economic recovery. It's also a part of redefining who we are as a people.

I want to pay a special word of compliment to the HUD Secretary, Henry Cisneros, in his absence here today. We are desperately

trying to find some solutions to the very complex problem of homelessness, and we are also trying to use our Nation's Capital to prove that we can not only find ways to move people off the streets but to move them from the permanent population of the homeless that has grown at such an alarming rate in our Nation over the last few years.

The severity of the economic problems here is very significant, but I hope all of you still believe that it's not as significant as the potential for renewed greatness. We have to help California rebuild in ways that are mental and ways that are physical. Today I've asked Congress, in addition to the things I mentioned above, to provide an additional \$315 million to the Department of Transportation to complete repairs to the Cypress Freeway which was destroyed by the earthquake in 1989. This request clears the way for Congress to allocate money California needs and, in my view, is entitled to, to restore this vital link to the east bay. And it is the kind of thing that we need to be focusing on. You can't rebuild unless you have the materials to rebuild.

Finally, let me say that in trying to help the California economy we've also targeted increasing trade opportunities. When we can no longer count on the cold war to increase high-wage jobs, we know that we can count on increased trade to do it. A significant percentage of the net new jobs coming into the American economy in the last 5 years have come from increasing trade, increasing trade to the Pacific region, increasing trade in Latin America, increasing trade in other parts of the world. That's why I believe we should have a new General Agreement on Tariffs and Trade, which lowers the tariffs especially that all the advanced countries apply on manufacturing products and why I have fought so hard to persuade the Congress to adopt the North America Free Trade Agreement.

I just had an interesting encounter with my friends at the AFL-CIO, who, as you know, have an opposite position, in which I made the following argument, which I will make again. The objections to NAFTA are basically objections to the system that has existed for the last 12 years, of being able to go down just across the border, set up a plant, have lower wages, lower environmental costs,

export back into America with no tariffs. The question the American people should be asking is, if we adopt this trade agreement, will it make it better or worse? It will plainly make it better.

We will raise environmental and labor costs across the border. We will lower requirements to produce things sold in Mexico in Mexico. We will lower their tariffs, which are 2½ times as high as ours. They are already the second biggest purchasers of American goods. And California will be the biggest beneficiary of increased trade both to the Pacific and to Mexico and to the rest of Latin America, with the possible exception of Texas to the Mexican case. You must be first or second in any economic scenario.

So my argument is we ought to adopt this deal because it will make the problems better than they are, and it will create vast new opportunities. And it also opens the door to expanded trade on similar terms with the whole rest of Latin America, the second fastest growing part of the world, where no one expects investment will lead, to renewed trade back to America and the loss of American jobs. This is a job winner and an economic opportunity for America.

But there are other things we can do as well, and I want to emphasize them if I might. Last week I announced two projects which I think could really help this State. The first is an effort by the automakers and the UAW and all the Government labs to triple the fuel efficiency of American cars by the end of the decade. That could create hundreds of thousands of new environmentally based jobs.

The second is the most sweeping revision of our export control laws in my lifetime. We have swept away limitations on the export of American computers, supercomputers, and telecommunications equipment, comprising 70 percent of all that equipment produced in America, a potential of \$37 billion worth of production now eligible for export all over the world, without increasing the dangers of proliferation. This will have an incredible impact in the State of California. It needed to be done before, but we finally got it done.

Every single high-tech executive with whom I have talked, and we developed this policy in cooperation with a lot of people

from your State, including people in this room today, and every one of them believes this means a huge economic boost for this State, a huge economic boost for our country, and more jobs, the kind of good jobs that we desperately need. Companies like Hewlett-Packard and Sun Microsystems and Silicon Graphics have all said, explicitly, this policy means more jobs for California and, therefore, a better American economy.

So this summarizes where we are. Are we done? No. Have miracles occurred? No. Are we making progress? You bet we are. Is there any precedent for this kind of effort directed toward a single State or a single region? No, but I want this to set a precedent for my Presidency and other Presidents to do the same thing when other regions are troubled. We have got to bring this national economy back. Bringing down the deficit, keeping interest rates low, adopting sensible policies that help everybody, that's important. But we also have to focus on the real problems. Whether they're in California or Florida or New England or the Midwest or the South, we have to do it. And that is what today is all about.

I wish you well with the B-Factory. I want you to fix the roads, but most important, I want you to create new jobs with the economic opportunities we are committed to providing. Thank you. Good luck. And let's keep working.

Thank you. Thank you. You all wait for me, okay? I want to come out and shake hands and meet the children. You all stand right there. But I have to take a couple of questions from the press because of all the events that are unfolding today. So just—you all will get to watch a mini press conference here. We'll do it. Go ahead.

Somalia

Q. Mr. President, What more have you learned about American GI's who may have been taken captive in Somalia? Has there been any contact at all with their captors? Are you ensured of their safety? And do the incidents over the past couple of days give just still more ammunition to those in Congress who want to pull U.S. troops out of Somalia?

The President. Well, you asked me about four questions. Let me try to answer them.

First, we do have some troops who are missing, a small number. One or more may have been captured. We have issued the sternest possible warning that American troops captured in the course of doing their duty under international law for the United Nations are entitled to be treated with all the respect accorded to such troops under international law, which means not only no physical abuse but adequate medicine, food, housing, and access to personal contact by international inspectors. We are pursuing all of that even as I speak.

We have also issued the sternest warning that if anything happens to them inconsistent with that, the United States, not the United Nations, the United States, will view this matter very gravely and take appropriate action.

Now, let me go on to the second question. I think it has become clear that our forces have been subject to greater risk in the last several weeks by the coincidence of two developments. One is the drawdown of American forces. We used to have nearly 30,000 troops in Somalia. We're now down to 4,000 in part of the agreement we made with the United Nations to terminate our involvement. We have been replaced by the forces of other countries who are, I think, doing their best under the circumstances to man their various positions but are not as able to be part of a coordinated effort to protect our forces that are still the front line of defense of the policy of the United Nations.

The second is I think, ironically, the fact that the U.N. mission largely succeeded in stopping the hunger and the starvation and the death from disease and the total chaos, so that the hospitals and the schools were open and people could sleep in peace at night. And that created a circumstance in which people, forgetting how bad it was before, could be stirred up for some political activity, at least in one part of Mogadishu. So those two things have happened.

What we have done our best to do is to actually enforce the law against people who committed murder and try to continue our timetable to withdraw and get other forces in without doing anything that would let the

country revert to the system of anarchy and chaos that existed before we got there.

I have no reason to believe that a majority of the Somalis really want to go back to the way it was. In fact, all the evidence we have is just to the contrary. So I can't give you any other answer than that today. I do not want to do anything which would imperil the fundamental success of one of the most successful humanitarian missions we've seen in a long time.

All I have done today is to, first of all, authorize the replacement of those people who are entitled to come home, who have done more than their fair share of the Somali peacekeeping, and to authorize a few more troops with armored capacity so that we can do a better job of protecting the people who are there while they're there as long as they are there. That is very important to me. I am not satisfied that we are doing everything we can to protect the young Americans that are putting their lives on the line so that hundreds of thousands, literally hundreds of thousands Somalis can stay alive who would not otherwise be alive, as part of the U.N. mission.

I will have more to say about this in the next few days. I am going, as soon as I leave here, immediately to Los Angeles, where I will spend a few more hours working on this during the day. And then tomorrow when I get back to Washington, we're going to spend several more hours on it. So I will have more to say about this in the next 48 hours, but I think that's all I should say at this time.

Russia

Q. Mr. President, on Russia, can you tell us, given that fact the President Yeltsin had to use force to put this down, are you concerned that you may have embraced him a little more tightly than you wished?

The President. Absolutely not. Absolutely not. What choice did he have? The truth is he bent over backwards to avoid using force, and as a result, as the only person who has ever been elected to anything by all the people of Russia, he and his forces were abused very badly. And if you look at what happened, they broke through a police line that was not as well armed as the opponents and not as willing to use force as the opponents, and

things got out of hand. And I don't see that he had any choice once the circumstances deteriorated to the point that they did.

The government did not start the rioting or the shooting or the violence. If such a thing happened in the United States, you would expect me to take tough action against it, as the only person who has been elected by the people of this country. And he did that. As long as he goes forward with a new constitution, genuinely democratic elections for the Parliament, genuinely democratic elections for the President, then he is doing what he said he would do. I am still convinced the United States did the right thing.

Q. Well, if you dismissed the Congress, as Yeltsin did, I think it would be a quite different situation in the United States, even though it's a different kind of Congress and a different kind of law. The question I have, Mr. President, is Senator Sam Nunn yesterday on television said that the United States and the IMF may have been partly responsible for the economic situation developing in Russia, that is, the privatization may create unemployment 20 to 30 percent if the shock treatment of the—[inaudible]—government is opposed by the Russian people. And what I wanted to know from you is what is the economic solution which is driving people in Russia to feel that their problems are not being resolved by the introduction of the market economy?

The President. Well, the United States—all Sam Nunn said was what we've said several times, which is we don't always agree that the IMF's policies are good for a country like Russia. That's been the United States position. We pushed IMF quite vigorously about it.

But all of these old command and control economies are having trouble making the transition. Even East Germany, that had the phenomenal good fortune to be integrated with the German economy and to get literally untold billions of dollars not available to Russia, not available to Poland, not available to Hungary, not available to any of these countries, is having difficulty. And they're going to have to sort through exactly how they want to do it and what they want to do. Meanwhile, we're doing what we can to support programs and policies that will reduce unem-

ployment in Russia, not increase it, and that will give us the opportunity to help them develop their resources in ways that will put people to work.

But what Senator Nunn said about the IMF is no more than I have said on several occasions. We don't tell these people exactly what they should do or how they should do it. And we don't think the IMF is always right in trying to apply very strict standards to them that they may make their economic problems worse.

But, after all, there is no real precedent for this. We've got all these ex-Communist countries that are doing their best trying to make it as democracies and trying to develop some sort of modified market economy, and we're going to do our best to help them. And I think it's still a whole lot better and the world's a whole lot better off today that we're worrying about this problem instead of whether the Soviet Union will drop a nuclear weapon somewhere or cause some international crisis somewhere.

After all, there are always problems in the world and there will be as long as we are on this planet. I'd rather have this set of problems than the problems we might have had if the Berlin Wall hadn't fallen.

Thank you very much.

NOTE: The President spoke at 1:55 p.m. at the San Francisco Hilton.

Statement on Rebuilding the Cypress Freeway in California

October 4, 1993

Most Americans will never forget the picture of the Cypress Freeway collapsed upon itself after the Loma Prieta earthquake. As repairs continue, I want the people of California to know that we will be there to get the job done. Communities around our Nation have always been able to count on the Federal Government to assume the cost of repairing Federal-aid highways hit by natural disasters. That is a commitment that we are helping to fulfill today.