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harsh feelings people have about the Congress.

Middle East Peace Process

Mr. Meyer. I know that you have to go in a moment, but I wanted to ask you a quick question about Syria. You're making the trip to the Middle East this week, and you're visiting Syria, a country that we still consider a renegade nation, a country that has not done enough, say some, to control radical elements in the region. What do you hope to accomplish there this week?

The President. I don't expect a dramatic breakthrough, and I want to caution the American people about that going in. I mean, the primary purpose of going to the Middle East is to stand shoulder-to-shoulder with Israel and Jordan, particularly given the difficult events of the last couple of weeks and the violence that they've undergone. I was asked to come there and witness the signing because the United States played a major role in this peace agreement.

But I'm going to Syria because achieving a full peace in the Middle East requires a peace between Israel and Syria, which will make possible a peace between Israel and Lebanon. And that would be a huge plus for the United States and all the world to have a comprehensive peace there. I'm going because progress has been made. Terrorism is still an issue with Syria, and it will continue to be. But it seems clear to me that the best way to end terrorism in the Middle East is to have a comprehensive peace settlement there. And I do believe we're making progress. And I think if I go to Syria we will make further progress. Since I am in the region, I think that I ought to keep working and not just celebrate what we've done already, but to keep making progress toward the future.

Mr. Meyer. Mr. President, thank you very much for your time, and enjoy your trip to northern Ohio today.

The President. I'm looking forward to it. Thank you.

Mr. Meyer. I'm sure that was the chilliest jog you've had in a while, but I hope it was okay this morning.

The President. To tell you the truth, I got in late so I slept in. I was a derelict this morning, I didn't go jog. [*Laughter*]

Mr. Meyer. Well, shame on you, but we'll give you this one.

The President. Thanks.

Mr. Meyer. Thanks again for your time.

The President. Goodbye.

NOTE: The interview began at 8:35 a.m. in the Sheraton City Centre.

Remarks and a Question-and-Answer Session at the Cleveland City Club

October 24, 1994

The President. Thank you. It's kind of nice to be out of Washington. And it's very nice to be back here for my third appearance. On the way in I told Steve, I said, ''Shoot, if I show up again, you're going to have to start charging me dues.'' He said, ''You've forgotten Senator Metzenbaum's already paid your dues.'' [*Laughter*] So I thank you, Senator, for paying my dues.

I'm glad to be joined here by so many guests and especially by some of your distinguished political leaders. I want to thank Howard Metzenbaum, as he leaves the Senate, for the things he's done for Ohio and for the United States over the years.

This is not what I came to talk about, but I want to mention in particular a bill that he got into the very last set of bills that passed in the filibuster-wild Senate at the end of the session. It's a bill that has achieved, finally, some long overdue national notice, to make it easier for parents to adopt children and to make it easier to get these kids out of long-term interminable delays in foster homes and into solid adoptive homes. And it's a great contribution to what I think ought to be the pro-family position of the United States of America. I thank you for that, sir. It was great.

I'm glad to be here with Senator Glenn and Congressman Fingerhut, Congressman Stokes, Congressman Sawyer, Congressman Hoke, former Congressman Mary Rose Oakar is here and as an Arab-American is going to the Middle East with the American delegation. I'm glad to see you here. Mayor White, I thank you for meeting me at the

airport last night at midnight. I thought, now, there is a guy who is leaving no stone unturned. I thought Cleveland already had all the Federal money the law allowed, and there was Mike at the airport at midnight. [*Laughter*]

Your ex-treasurer, our new Treasurer, Mary Ellen Withrow is here. [*Applause*] Thank you. The only person happier than I was when Mary Ellen Withrow was appointed was Lloyd Bentsen, the Secretary of the Treasury, because you can't print a new dollar bill until you've got a Treasurer, and he didn't have his name on any dollar bills. So after Mary Ellen was confirmed, Lloyd Bentsen sent me the first dollar bill with his name on it and with her name on it, which is framed in the White House.

I'm glad to see my friend Joel Hyatt here, and so many other friends of mine here in Ohio. I thank you for coming.

Eighteen months ago I had the privilege of speaking here at your club and outlining our economic programs to get the economy moving again. That was on May 10th of 1993. Ninety days after I spoke to this distinguished gathering, Congress passed that economic program by a landslide, you may remember, one vote in both Houses. [*Laughter*] As the Vice President always says, he's the most successful member of my administration; whenever he votes, we win. [*Laughter*]

Today I wanted to come back here to discuss with you the progress that's been made and what we still have to do and the decisions that lie before you as citizens of this great country. We have made an important beginning with a comprehensive economic strategy designed to empower American workers to compete and win in the 21st century. That is, after all, our mission.

The key elements of the strategy are simple and direct and important: First, reduce the deficit; second, expand trade and intensify the efforts of the United States Government to be a partner with American business in doing business beyond our borders; third, increase our investment in education and training, in technology and defense conversion; fourth, bring the benefits of free enterprise to areas which have been isolated from it, in our inner cities and rural areas, with new strategies, including but not limited to welfare reform; fifth, reinvent the Federal Government, make it smaller, more effective, less regulatory, more efficient.

These strategies have all been implemented. And I want to go through them point by point, but I want to say what is clearly obvious. The implementation of these strategies required a reversal of the policies of the past 12 years. It required much more aggressive, innovative partnership with the private sector. We recognized that Government's role cannot be either to save the economy, because we don't have the capacity to do that in the global economy, or to sit on the sidelines but instead to do everything we can to create the right climate, the right conditions and to empower people so that they can compete and win by taking responsibility for themselves and their families. The increasing changes in the world make this imperative.

The course of the last 21 months is very different from the previous course, as I have said, and one of the great questions in this election season is whether we will press on this course or return to the course we abandoned just 21 months ago, a course with easy promises and superficial attraction, but which is a proven failure. We cannot afford to bankrupt the country when we need to invest and grow the economy.

Let's look at the record. Business leaders here and all around the country understand that a nation like any successful enterprise needs a clear mission, a strategy to achieve the mission, the determination and the patience to implement the strategy, and a willingness to look at the bottom line, to measure success and failure and to make adjustments as indicated by results. The mission is clear, to empower the American people to compete and win. The strategy is sound; I just outlined it. We clearly have pursued it with determination, and the bottom line is getting stronger every day.

Let's look at the elements of the strategy, starting with the national deficit. You all know that the deficit exploded in the 1980's and that the aggregate debt of the United States quadrupled in only 12 years from what had been accumulated in the previous 190-plus years.

Last year we began to change that. We passed huge reductions in Federal spending, cuts in over 300 Federal programs, outright eliminations in scores of programs, a 5-year freeze on domestic discretionary spending, restrictions on entitlements. In the budget I just signed we not only reduced defense spending, we reduced discretionary domestic spending for the first time in 25 years.

The Congress enacted the reinventing Government program in which the Vice President has taken such a lead and in which we committed to reduce the size of the Federal Government by 272,000 over a 6-year period, bringing the Government to its smallest size since President Kennedy served in this office. Already there are more than 70,000 fewer people working for the Federal Government than there were on the day I became President. One hundred percent of this money is going to help you and people like you all over America fight crime at the grassroots level. That is how the crime bill is paid for. That is how we are going to increase the police forces of this country by 20 percent, build another 100,000 jail cells for serious offenders to enforce the tougher penalties in the bill, and pay for the preventive strategies that the law enforcement officers and the community leaders and the mayors say will work, not by increasing the deficit, not by raising taxes but by shrinking the Government.

One other part of this strategy that I think is terribly important, especially in Ohio, to mention is the procurement reforms. The United States spends about $200 billion a year buying goods and services under rules and regulations that would give anybody a headache. It was the rules and regulations, not outright venality which caused the famous stories you've all heard of the $500 hammer and the $50 ashtray, rules and regulations which literally added $50 to every Government purchase that cost $2,500 or less—$50. If it was a $50 purchase, it cost $100. If it was a $1,000 purchase, it cost $1,050. After years of haggling about it, we have finally passed procurement reform which will save hundreds of millions of dollars a year and put an end to the policies which brought us the $500 hammers, thanks largely to the leadership of Senator John Glenn, and I thank him for that.

Well, all this has led to deficit reduction. When I spoke here last year the Federal deficit for 1994, the fiscal year that ended on the last day of September, was estimated to be $305 billion. Today the Treasury has announced its preliminary estimate, $203 billion, $102 billion less than was projected before the plan was passed. The decline in the deficit since 1992 is the largest 2-year decline in our history, and the first time in 20 years the deficit has gone down for 2 years in a row.

Let me go over here and try to illustrate what this means, and I hope this microphone works. It does. That's the technology wizards in our administration having their way.

So you can get a feel for this, the deficit, which was very small in 1979, began going up dramatically. It was at about $60 billion, or $65 billion in 1980, and then it began really rising. It had gone to $220 billion by 1990; you see where it was in 1992. Our budget took quite a bit off of it last year. And what these figures mean is that now we are drawing the line on the deficit down to $200 billion, a dramatic change.

So you can get an idea of the difference, if we hadn't passed that deficit reduction plan last year, the deficit would have been off the charts, up here at $305 billion. And because we did, next year it will be off the charts down here at about $170 billion. And when that happens, it will be the first time that the deficit's gone down 3 years in a row since Harry Truman was the President of the United States. The Congress deserves credit for doing this and helping to lift a burden of debt from our children and helping to free up funds that would otherwise have been consumed in financing Government debt to finance homes and businesses all across the United States.

The second thing I want to emphasize is that the remarkable thing about this budget is that while reducing the deficit and reducing spending, we have actually been able to increase our investments in education and training and technology. We increased Head Start. We increased funds to help all States develop apprenticeship training programs for young people who don't go to college but

do want to get good jobs. With the new individual education accounts that I announced on Friday, we are reorganizing the college loan program to provide lower interest loans, lower fees on the loans, longer repayment options for young people who get jobs when they get out of college with modest wages and should not have to pay more than a certain percentage of their income. Over the next few years, this will make 20 million Americans, including almost a million in Ohio, eligible for lower interest, longer term repayment on their college loans. At a time when what you earn depends upon what you can learn, these investments are very, very important for the economic future of the entire United States.

In addition to that, we have increased our investments in defense conversion, including in several sites here in Ohio. This is especially important because defense has come down rather dramatically since 1987, and we had built a huge high-wage, high-tech infrastructure around the defense industries that can make a major contribution to our moving into the 21st century if we have the kind of partnerships to help them make the transition.

The third thing we did was to expand trade and to intensify America's efforts to promote the sales of American products. We passed NAFTA. We negotiated a new trade deal with Japan which has opened markets for everything from cellular telephones to American rice and apples for the first time. We have negotiated the GATT agreement. And I believe Congress will pass it after the election when they come back in a special session to do that. That will add $100 to $200 billion a year to the gross national product of the United States.

We've also changed the time when the American Government thought that it should be totally passive in helping American companies pierce foreign markets when other governments were doing everything they could to help their companies do the same. We've worked hard from Saudi Arabia to South Africa to China to open up contracts for American businesses that they can win on the merits.

The fourth thing I mentioned I want to take a minute of time to talk about because it relates to the kind of things that Mayor White has tried to do here in Cleveland. We know that even as the economy grows, there are pockets of our country that have not been affected by the economic recovery, where investment has not come, where jobs have not come, where people are still despondent, places where free enterprise has not reached. This is true, by the way, in every advanced country, but it's more true in the United States, in our inner cities and in some of our isolated rural areas. What are we to do about it?

The first thing we have to try to do is to change the job mix, keep getting more good jobs here, which we're doing. The second thing we want to do is to try to provide special incentives for people to invest in isolated areas, the empowerment zones, the enterprise community concept, all of which offer incentives for people to put their money into areas that are otherwise not so attractive.

You know, for years we've had special incentives for our business people to invest in the Caribbean. I don't quarrel with that, but we ought to have the same sort of advantages for people who invest in places in the United States that have no jobs and no hope and no future.

I signed a bill not very long ago that will set up a network across the country of community development banks, modeled on successful experiments in Chicago and even in rural areas in our country and in other parts of the world, to make small loans to lower income people at a profit to generate capital in areas that otherwise don't have it. There are markets all across this country in areas where people live, but there aren't very many jobs. And we need to bring capital investment to development banks there.

The last thing I'd like to say is, we've tried to make Government a better partner with deregulation of banking and trucking and exports of high-tech products and by just having our Government work better. The Small Business Administration when I took office was, for most small business people, kind of a bureaucratic pain. We have reorganized it now so that the loan applications are one page long; and you're supposed to get an answer, yes or no, if you put the documents in, within 72 hours. That's the kind of service

the American people ought to get if we're going to have an agency of that kind.

Now, this strategy of ours has a lot of critics. When the deficit reduction plan passed, there were speech after speech after speech saying, "Gosh, if we do this the economy will collapse; the deficit will explode; middle class taxpayers will be bankrupted. This will be the end of the world." I heard it all. Then when NAFTA passed we had a different set of critics who said there would be a giant sucking sound—I think that was his phrase—[*laughter*]—do you all remember that?—to destroy our industry. Well, the economic program passed, and jobs went up, and the deficit went down. Middle class families did not have their tax rates hiked. The wealthiest Americans and corporations with incomes of over $10 million did, but all the money went to deficit reduction. And we built a new partnership with business by things like deregulation of banking and deregulation of intrastates trucking, which saves billions of dollars a year which then can be freed up to invest in this economy.

Since NAFTA passed, exports to Mexico are up 21 percent. The Big Three automakers report their exports are up 500 percent to Mexico. NAFTA isn't a year old and I just got back from Detroit where the biggest problem in Detroit is now complaints by auto workers working overtime. That is a high-class problem.

So that's the strategy; that's what we've done. What are the results? We are in the midst of the first investment-led, low-inflation, productivity-driven economic expansion in over three decades. New businesses are up. Exports are up. Jobs are growing. The deficit is falling. In the last 21 months there have been 4.6 million new jobs in the American economy, 90 percent of them in the private sector. In 1994 something perhaps more fundamental and important has finally begun to happen. More than half the new jobs created by our economy in this year are above average wage, more high-wage jobs in this year than in the previous 5 years combined. And that is good news for the American working people.

Investment in new equipment is 8 times what it was in the last 4 years. And the Federal Government's purchases are down almost 8 percent. This is not a Government-inspired, deficit-driven recovery. This is more enterprise and less Government, better for the long run.

For the first time since 1979 America leads the world in the sales of automobiles. For the first time in a decade we've had 9 months of manufacturing job growth in a row. For the first time in 9 years the annual vote of international economists said America, not Japan, was the most productive economy in the entire world.

Now, you might say, if all that's so, why aren't we happier? [*Laughter*] Well, partly because the atmosphere in which we operate today is particularly contentious and, I believe, entirely too partisan. Partly because the way we get our information guarantees that we'll know more about our failures than our successes, guarantees that we'll know more about our conflicts than when we cooperate. Partly because we're dealing with long-term problems that haven't really affected a lot of real people's lives yet.

If you look at the problems of crime, violence, family breakdown, drugs, gangs, and guns, they are a complex of social problems that have been developing over 30 years. You can't just wipe away their reality in a few months. If you look at the economic anxieties of people—average hourly wages in this country actually peaked about 20 years ago, and working people have been losing their health insurance steadily for about 10 years, the only advanced country in the world where this is the case. Another million Americans in working families lost their health insurance last year. So there are real reasons that a lot of hard-working Americans don't feel more secure or more happy with good statistics and growth rates. They're still not sure that guarantees them a good future and a good job, the ability to keep their kids' health insurance or put aside money for their college education. They're still not sure that we're going to be able to solve a lot of the problems that violate our values and our conscience in our society. They're still not sure that they're going to be able to achieve the American dream or that their children will be able to.

I want to say to you, the only way to do that is to keep facing our problems and facing

our challenges and moving into the future with a strategy we know has the best chance to work and to resist easy promises, quick fixes, and things that have already caused us trouble in the past. The realities of the modern world are that the economy is so globalized and change is so institutionalized that no government of any nation can promise to protect people from the changes of the world economy. You can't make the world go away, to use the phrase from the old song. You cannot do that.

So if change is inevitable and if we will never have a single economy anymore—we'll have a local economy in Cleveland and a State economy in Ohio and a regional economy in the Middle West and a national economy in America and a global economy in the whole world—if that is the reality, then what do we have to do? We have to facilitate people making the changes that will make change our friend and not our enemy, that will make change a source of security for us, not a source of insecurity. And we have to do it in a way that promotes those institutions of society that are most important to us, principally our families and our communities.

Companies are making changes like this all the time. And the changing nature of work is placing enormous demands on working people. The average worker today in every kind of work has to be able to work with more information, to be more creative, to solve more problems on his or her own initiative. We have to see more responsibility being devolved down to workers at the grassroots level. And they have to learn more skills and information than ever before because the average worker will change jobs six or seven times in a lifetime, even if he or she stays with the same firm. This is the law of change with which we all will live and which we will either use to help make us more prosperous or walk away from and pay the penalty.

Since every American has to face these forces, and every American family does, the job of the Government ought to be to try to empower people to make the most of them.

A family can't treat these problems just like a business can. You know, if a family's under economic stress, you can't divest yourself, although some people with teenagers would like to from time to time. [*Laughter*] You can't really downsize. You can't restructure. I mean, you're sort of stuck with who shows up at the dinner table at night. [*Laughter*]

So when the family is under economic stress, what are their options? You either have to learn and to become more productive or get a better job or you face increased competition by hunkering down, working harder for less, and just trying to be as tough as the times are.

Now, that is what has happened to millions and millions of American families for the last 20 years, that latter alternative, working harder for less. The average working family is spending more hours at work today than 25 years ago for about the same hourly wages, adjusted for inflation. When working families are doing everything they can and small business people are and they lose their health insurance or their health insurance deductibles are so high that all they really have is the insurance that if they get sick they won't lose their home, it's tough on them. It's hard to maintain the sense of security and optimism that a country like ours needs to lead the world into the future and to keep our own dreams alive.

So what are we are going to do about that? Well, we need more pro-family policies, like family and medical leave. We need to pass welfare reform that enables people to move from welfare to work, to be successful parents and successful workers. And we can do that. I sent a bill to the Congress last spring. We've given 19 States permission to get out from under all the crazy Federal rules that keep them from moving people into the workplace. And we're going to pass it next year.

We need to set up a national network of these manufacturing extension centers, like the Great Lakes Manufacturing Technology Center here in Cleveland, to help small firms to accommodate new challenges, to compete, and to get new technologies. We need to pass the telecommunications reform bill which died at the end of this Congress, which will help us to get along that information superhighway and provide unbelievable numbers of high-wage jobs for our people.

We need to reform our job training programs, especially our unemployment system, and transform it into a reemployment system. We are still stuck with the same unemployment program we've had for 40 years. It's not fair to working people, but it's not fair to employers either to pay a FUTA tax which you pay to somebody when they're unemployed so that they have enough money to get along on. It's less than they were making at work but more than they'd be making on welfare. The whole assumption is they're going to be called back to work. Eighty percent of the people who lose their jobs today don't get called back to their old jobs. We are stuck with the 1950's system, when we need one for the 21st century that will encourage continuous retraining and placement in the work force. So these are some of the things that we have to do.

Let me just say one last word about health care. By the time the people who like the system the way it is got through spending between $200 and $300 million to convince the rest of you that I was trying to have the Government take over your health care and take away your choice of doctors, you didn't like my plan too much. That didn't happen to be what I was trying to do, but there was nothing I could do to stand against that.

Here is the problem that we'll have to face. No country in the world spends more than 10 percent of its income on health care except us. We spend 14 percent. That is $260 billion more than the other most expensive system in the world. Now, if we were just buying better health care, who would complain? The problem is no other advanced economy in the world—the other countries that are about as rich as we are, they cover everybody. Their costs are more nearly in line with inflation, and people don't lose their health care when they move from job to job, all of which happens here.

I will say again, the 1,100,000 people who lost their health insurance last year, almost all were in working families. They weren't people who were on welfare; they were in working families. So we have to find a way that you folks can accept and feel comfortable with that lets you keep what you've got if you've got it and you like it, gives people the security that they won't lose their health insurance when they change jobs or if they happen to have a baby born with an illness, and still brings costs in line with inflation and provides coverage to the people who don't have coverage now, 85 percent of whom are workers. We've got to find some way to do that.

Now, keep in mind, we have reduced defense about all we can. We have reduced domestic spending for the first time in 25 years. The only thing driving the Federal deficit now is Medicare and Medicaid costs going up at 3 times the rate of inflation. This is a serious problem. We'll have to face it.

Now, having said all that, I hope that you are optimistic about the future. I hope that you will make a decision in these coming elections that is consistent with keeping on this course, because it is working.

This is not necessarily a partisan issue. There are a lot of Republicans who have good, serious ideas for how we keep bringing the deficit down and be discriminating about what we invest in. But I don't think this contract is a good idea because it promises everybody a tax cut, it promises a defense increase, promises to revive Star Wars, and promises to balance the budget. Now, that will indulge the present instead of preparing for the future. It will cut college loans explicitly, when we ought to be educating more people. It won't reduce the deficit; it will explode it. But it sounds good; it's a trillion dollars in promises. We're just 2 weeks away from the election. After all I've been through, I'd love to make you a trillion dollars' worth of promises. I could show everybody here a good time on that. [*Laughter*] We could have a good time.

But it wouldn't be the responsible thing to do. The responsible thing to do is to take your licks and say, look for the long run. Look for the long run. You know, I know people are frustrated and angry. One of the first things that every parent learns to try to teach your children is not to make decisions based on frustration and anger but to make decisions based on what you really know, when you're thinking, is best for the present and for the future.

So I ask you to think about this. We have made a substantial start at building the kind of America that will be strong in the 21st

century. There are reasons for Americans to still feel uncertain and worried. But the reasons can be addressed only if we keep going forward, not if we go back.

And the last thing I want to say is this—[*applause*]—thank you. Sometimes we have to see ourselves as others see us. Sometimes where you get discouraged or so caught up in the day-to-day business that it's hard to make our contract with the future, our commitment to the long run, our covenant to revive the American dream, we need to remember how other people see us.

Other people think, folks, this is a pretty great country. It's no accident that when they want to have elections in South Africa, they ask us to come help put them on, or when after hundreds of years of fighting in Northern Ireland, they want the United States to bring people here who are on opposite sides and let them come to America and see people who share their roots and try to work through this. It's no accident that when Saddam Hussein reared up again in the Gulf, the countries there that want to be free look to the United States for quick leadership. It's no accident that in the Middle East, it was the United States that was asked to witness this historic peace agreement between Israel and Jordan. That is not an accident. It was no accident. If you could have looked into the eyes of those young men and women we sent to Haiti in uniform when President Aristide went back and all the Haitian people had those signs in Creole saying ''Thank you, America''—they know, other people know, this is a very great country.

It is our job to build on that greatness, even when it requires difficult decisions and looking toward tomorrow and not giving in to the easy path today. That is what is before us. And I believe that today you can see that we are a very different place than we were 21 months ago. We're in better shape than we were 18 months ago. We are going in the right direction. We should stay on this economic course and make it a bipartisan commitment to a strong America and a global economy that keeps the American dream alive into the next century.

Thank you very much.

Steve Smith. Thank you, President Clinton. We now turn to our traditional question-and-answer period, a long tradition of the City Club. But because there were so many members who wished to ask questions today, we selected questioners by lottery a few minutes before the President arrived. In front of this audience, in fact, the names were drawn.

The questions, however, have not been submitted either to the President or to the City Club in advance. We'll both be hearing them for the first time. Please, those of you who are asking questions, please remember that President Clinton is the only one authorized to give a speech today so be sure your questions are, in fact, succinct questions. [*Laughter*]

And President Clinton, if you'll come back up here, I want to tell you that our membership director handed me a note while you were speaking, indicating that your renewal for City Club membership is now due. [*Laughter*] First question.

Republican Contract With America

Q. Mr. President, my question is about the Republican contract with America which includes several of the same proposals that you campaigned for 2 years ago, like the line-item veto, a middle class tax cut, requiring welfare recipients to work. But you have called this contract, on at least a half a dozen occasions, a contract on America. Your advisers may think that this is cute rhetoric, but I think it's outrageous because as one of its signers——

Audience members. Boo-o-o!

The President. Let him finish. Let him finish. He wanted to do this; let him finish.

Q. Thank you, Mr. President. [*Laughter*] Because as one of its signers, your suggestion that I would take out a contract on my constituents is a suggestion that I take very, very personally. My question is this: At a time when the public is so concerned about violent crime, why would you resort to using such talk, in such an inflammatory way, especially when you have spoken yourself saying that you personally want to reduce the amount of partisanship in the debate?

Audience member. Ignore him.

The President. No, I don't want to ignore him. First of all, I agree with the line-item veto. I agree that we still should have some

tax relief for middle class taxpayers. The earned-income tax credit relief that we provided went to 15 million middle class families, including a half a million families in Ohio—10 times as many people here as got a tax increase—and it went up to $27,000. I think we should do more; I agree with that. There are some things in there I agree with. I certainly agree with welfare reform.

And so I do agree with that. What I do not agree with is saying, ''Put us in control, and we will cut everybody's taxes, balance the budget, increase defense, and increase Star Wars. And we'll tell you how we're going to do it after the election.'' That's what I don't agree with. And I do think that's a contract on our future.

And let me say this. And you may think that partisan rhetoric is rough, but I see Mr. Fingerhut over there. It was the Republicans, not the Democrats, that killed lobby reform and campaign finance reform in the last week of the session. And I appreciate your concern about crime and violence. I wish you hadn't voted against the Brady bill and the crime bill.

Q. Mr. President, it's an honor to be able to ask a question of the President of the United States. You have indicated your dislike for the contract with America. In particular, what do you dislike about the balanced budget amendment, requiring welfare recipients to work, a middle class tax credit, or reducing the size of Government, which all American people want?

The President. Okay. Stand there. Let's go through them all. First of all, I proposed welfare reform not all that different from the Republican plan. My bill was there, been in the Congress since March.

Secondly, I'm strong for the line-item veto, and I recognize that some members in my party in the Senate prohibited it from passing, and I'm going to do everything I can to pass it. I've always been for it.

Thirdly, I believe that we should do more to provide tax relief to middle class families, especially with children, although I would remind you that we did provide substantial relief last time with no help from members of the other party. And—wait a minute—70 percent of the tax relief in the contract goes to upper income people.

But my fundamental problem is how it all fits together. On the balanced budget amendment, I've lived under a balanced budget amendment. The problem with the way the balanced—it depends on how it's written. But no matter how it's written you've still got to lower the deficit, I mean—and cut the size of Government. It was the Democrats, we've cut the size of the Government. When the Republicans were in, they didn't cut the size of the Government. The Federal Government has 70,000 fewer people working for it today than it does on the day I became President. It's going to have 270,000 fewer people working over a 6-year period. It will be the smallest Federal Government since Kennedy. We are shrinking the Federal Government. We are doing that, and we are doing it in a good way. So yes, I'm for that.

And insofar as those ideas are in there, I am fine on them. But here is the problem. My problem is it doesn't add up. You cannot promise that in a fixed period of time, you're going to cut everybody's taxes, raise defense, bring back Star Wars, and balance the budget. That is exactly what we heard before. It is almost exactly what we heard before. And what did we get? The debt of this country was quadrupled in 12 years.

A lot of the isolated elements are very popular, and they sound wonderful. But when you add it up, you wind up with more deficits, which will take the economy down, cause massive—I'm talking massive—cuts in all Government programs, including education and Medicare and other things, we're not talking about minor things. We're talking about huge cuts. You'll still have a bigger deficit. The economy will be weaker, and we'll go right back where we were when we tried this before. That's my problem, not the specifics. The specifics sound great. But the package is cynical because when you say, ''How are you going to pay for it?'' ''I'll tell you later.'' And it's the same thing as it was before. It's more red ink when we ought to be investing and growing. That's the way to put the American people first.

Q. First of all, I'd like to say, I think you're doing a great job, and I'm proud that you're my President.

The President. Thank you.

Let me say before you ask your question, I'm glad to have this opportunity to have this kind of discussion. And I want people who disagree with me to ask their questions. And I don't believe that any party or group has a monopoly on political wisdom. But I'll tell you something, when you hired me to be President, you knew that no matter who was President, this country had a lot of serious problems, and we had to face them, and that all the solutions wouldn't be popular. If it were easy, somebody would have already done it. The only thing I don't want you to do is to fall into the path of just taking another easy way out.

Go ahead. I'm sorry.

Q. That's okay. [*Laughter*]

The President. Go ahead.

Middle East Peace Process

Q. In light of the recent events that are going on in Israel and your upcoming trip, what kind of assistance will you give to or pressure will you put on Arafat to control what's going on in terms of the violence coming out of the territories?

The President. That's an excellent question, first of all. Let me tell you a little about my trip, so I can answer that question. The King of Jordan and the Prime Minister of Israel are going to sign this peace agreement in a couple of days, and they've asked the United States, the President, to be the witness of it because we worked so hard on it.

I'm going to go to Cairo to see President Mubarak, who's been a real partner of ours in this Middle East peace process, and to visit with Chairman Arafat there in Egypt about all the issues you just raised. I'm also going to Syria, as you know, to hope to make further progress there because until we have a peace with Syria, we can't get a peace with Lebanon and a comprehensive peace in the area.

There are two questions in the question you asked. One is the question you asked, what are you going to do to see that Chairman Arafat keeps his commitments under the agreement he made with Israel? The second question is, what can we do to increase his capacity to keep those commitments?

Keep in mind, the really difficult thing in this Middle East peace package is, if Israel makes an agreement with Jordan, they are two nations, with two systems of law enforcement, two armies, two sets of borders. They can—they have a real capacity to enforce their agreement, the same as if we can ever get this agreement with Syria or with Lebanon; you will have borders, armies, institutions, law enforcement.

With the agreement with the PLO in the West Bank and—I mean, in Gaza and Jericho—I mean, in Jericho and the West Bank, you have only the beginnings of the capacity to honor this. Now, when Corporal Waxman was kidnapped, I believe that Mr. Arafat really made an effort to help find out where he was and to share intelligence with the Israelis, and it was a good first step. But I will press him to honor the agreements in spirit and letter, but we also have to develop his capacity to honor the agreements. That is very important because, keep in mind, the PLO had never—not only never run a police force or an army before but never had to see the lights come on or do all the things Mayor White has to worry about: does the sewer system work; does the water system work; what is the order and structure of events?

So the challenge is not only to get them to want to keep their commitments but to ensure that they can keep their commitments.

Q. Good afternoon, Mr. President. First of all, I'd like to say I'm a native of Camden, Arkansas, a Razorback, 45 miles from Hope, Arkansas.

The President. Thank you.

Q. Watermelon capital of the world. [*Laughter*]

The President. The chamber of commerce thanks you.

Communication of Administration Accomplishments

Q. All right. I am a staff rep with the international union of Communication Workers of America—President Morton Bahr, out of Washington, DC, headquarters; Jeff Rechenbach, our newly elected vice president here in district 4.

My question is—and you already alluded to most of what I'm going to say—all the good things you're doing leading our country,

good things, signing the bill, the family leave bill, the crime bill, and also you just signed the education bill the other day. Why—I'm getting to the question—[*laughter*]—I want to know why you're not getting that—the media, rather, is not getting that out for all the good things. All we are hearing is the negative side of it.

The President. Well, I told my press conference the other day in Washington that I arranged it that way because I didn't want to peak too soon. [*Laughter*]

It's a complicated thing, really it is. Let me—it is a complicated thing. First of all, there is a highly political chain of communication on the other side of people that disagree with me about everything, and they have their own kind of media outlets. And the Democrats really never developed such a thing in the time when we didn't have the White House and I think didn't appreciate it because the—the national media tends to be—during the—while Congress is there, the things that go on longer get more coverage than the things that go on shorter. So if you pass a bill and it's good news, it's news for one day or maybe one night on the television, and then it's gone. If you have a bloodbath over health care for 4 months, you hear about it every day. And you remember what Mark Twain said, that there are two things people should never see, sausage and laws being made. [*Laughter*]

And I think sometimes just the—it's hard to see the forest for the trees sometimes. And I think that, you know, I need to give more thought about what my responsibility in this is, how I can do a better job of communicating with the American people, getting this information out. But it's always easier when the Congress goes home because then I can go out and have meetings like this, we can talk, and we can communicate.

It is one of the great frustrations of the job, you know, because all the research shows that only a very small percentage of the American people know about the family leave law or the middle class college loans or the apprenticeship programs or immunizing all the kids in the country under 2 or the Head Start program. Senator Glenn showed me an excerpt from Time magazine which said that this Congress had enacted a higher percentage of my proposals than any Congress had done for a President since the end of World War II, except for President Eisenhower's first 2 years and President Johnson's first 2 years. And I dare say nobody in America knows that.

So I would say I have to do a better job of that. I think sometimes, you know, I get so busy working on things I forget that the American people hired me to communicate with them as well as to work. And frankly—and our adversaries, if they just want to stop us from doing things, then they don't have to do as much work as we do because all they have to do is just keep saying no out in the country, so it's easier. They have an easier burden than I do because they don't have to get anything done if they just want to stop things.

So I just have to do a better job. And any of you got any good ideas about how I can do a better job of communicating, I'd like to have them. I'm not as good a talker as I thought I was when I got this job. [*Laughter*]

Thank you.

Q. Mr. President, I'm Tom Corey from Brook Park, Ohio. And I want to add our welcome to you, as well.

The President. Thank you.

Middle East Peace Process

Q. My question is the Middle East again, back to that, Lebanon, and how soon do you think we can expect a treaty between Lebanon and Israel? And the second part of the question is, can we get the travel ban to Lebanon lifted? And then, I believe you are more than a candidate for the Nobel Peace Prize.

Thank you.

The President. First of all, I think there will be a peace with Lebanon, for reasons that you clearly understand by the question you asked. Peace with Lebanon will probably come about the time peace with Syria does. I think we have some chance of getting there. I wouldn't expect some sort of immediate breakthrough; I don't want to unduly raise expectations. But we are making good, steady progress. And I think it is very much in the interests of the people and the governments of Syria, Lebanon, and Israel to keep going with the peace process. I cannot set a time

for you on that. If I knew, I probably couldn't say, but I don't know.

But I can tell you, we're making good progress. The travel ban is an issue which will come up. We are trying to take these issues one by one, as we can. I'm encouraged by the travel that's going back and forth in other countries now, especially between Israel and Jordan. I'm encouraged by the lifting of the embargo against Israel by the GCC countries. So this is another barrier that will surely fall; even though I can't tell you when, I think it'll be sooner rather than later because we seem to be on a pretty good roll here.

If the people of Israel can keep their courage up and the people of the Middle East can keep their courage up and we won't be intimidated by these terrorists and enemies of peace, I think we'll get there in a reasonable time. And I thank you for your question.

Q. Mr. President and ladies and gentlemen, this will be the last question.

Health Care Reform

Q. President Clinton, my question is about health care and how it might be paid for. My proposal is that to keep the taxpayers constantly informed as to the cost of health care, that a national sales tax be put on every purchase at the retail level, and that this—if the expenditures on health care increase or if they decrease, then that this is—as quickly as possible be reflected in the amount of the percent of the tax; also that tax stamps be put out—Ohio wants to do that—so the people knew they were paying for the program. So, sir, to keep the taxpayers informed, I think the regular tax and the sort of thing should be adjusted as a function of time and as a function of the total expenditures.

Would you comment, sir? [*Laughter*]

The President. Well, there are—I know you're laughing, but there are some people in the Congress who think that health care should be funded that way, too, with a national—some sort of national sales levy.

Let me tell you what my problem with it is. My problem with it is that we are already, let me say again, we are already spending 14 percent of our income on health care. Canada spends 10; Germany and Japan are a little under 9 percent of their income.

Now, part of the reason we spend more is that we have higher rates of AIDS and higher rates of violence and higher rates of some other health problems than they do. So if we had more people showing up at the emergency rooms in Cleveland that are cut up or shot or have drug problems, just to take three, we're going to pay more for health care.

But a lot of it is because our system is so incredibly inefficient in so many ways. And the problem I've always had with just passing some sort of a tax to cover the uninsured is that you just build in all the inefficiencies into the system and you force the people who are already—many of whom are already paying more than their fair share for health care to pay for everybody else's health care as well, without knowing whether they're going to pay their fair share.

So there are a lot of people, good people, who agree with the proposal that you have outlined. But I'm just reluctant to embrace it until I believe we've done more to build in some competitive pressures to take waste out of the system and to make sure the people who can pay their own way are doing their own part before we ask the rest of Americans to do anything for them.

Thank you very much.

NOTE: The President spoke at 12:40 p.m. at the Statler Tower Building. In his remarks, he referred to Steve Smith, club president; Mayor Michael R. White of Cleveland; Representative Eric Fingerhut; King Hussein of Jordan; Prime Minister Yitzhak Rabin of Israel; and President Hosni Mubarak of Egypt.

Remarks at a Reception Honoring Representative Tom Sawyer in Akron, Ohio

October 24, 1994

Thank you. Thank you so much for being so enthusiastic. I thank Congressman Sawyer and Joyce and Mayor Plusquellic and Deputy Mayor Jackson. Thank you for helping us get through this today. Bless you. Joel and Susan Hyatt and our wonderful Senators here,