

larger issue. The forest summit involves, as you know, what will happen to the old growth forest and to adjacent forests in the Pacific Northwest which are the habitat of the spotted owl, but which also are now a very small part of what once was a massive old growth forest up there. Thousands of jobs are at stake, but the very ecostructure of the Pacific Northwest is also at stake. The parties on both sides have been paralyzed in court battles, and all timber sales have been frozen, including many timber sales that virtually all environmentalists think should go forward, because of the impasse. One of the problems has been that the United States itself has taken different positions across the Agencies. So the first thing I hope to do is to be able to at least adopt a uniform legal position for the United States.

The second thing I want to do is go out there along with the Vice President and listen, hammer out the alternatives, and then take a position that I think will break the logjam. The position—it may be like my economic program—it'll probably make everybody mad, but I will try to be fair to the people whose livelihoods depend on this and fair to the environment that we are all obligated to maintain. And let me say, I live in a State that's 53 percent timberland. I have dealt with a lot of these timber issues for many years. The issue is, in this case, what is the right balance, given some facts that are inevitable about what's going to happen. And I think we can hammer out a solution. And as I said, everybody may be somewhat disappointed, but the paralysis now gripping the lives of the people out there is totally unacceptable.

Economic Stimulus Package

Q. Sir, did you screen those projects in the economy stimulus package before you sent them to the Hill? The Republicans are saying there are so many things in there that are totally unnecessary. I can't believe that you sent those up there; and maybe somebody did it for you. [*Laughter*] But there are—[*inaudible*—]in there and swimming pools and copying statues—

The President. No.

Q. —and even a project on studying the religion in Sicily.

The President. No—[*laughter*]—let me say, you will read those bills for years in vain and not find those projects. The—

Q. Well, the—

The President. Let me say, I have a letter here, dated on March 22d, to Senator Byrd from Leon Panetta about those alleged projects. What Mr. Panetta points out is to say that none of the specific projects referenced are actually in the legislation proposed by me. What they have done is to go to these Departments and say, if you had this much more money, give me every absurd thing you could possibly spend the money on. I am not going to let those things be done.

The other thing they have done is to go to some isolated parts of the country and pick atypical examples of community development block grant funds. I would remind you that it was the Republicans who've always supported the community development block grant proposal on the theory that we ought to rely more on the States and local governments to make judgments about how best to create jobs. So, I will do everything I can to keep undue waste and abuse from coming into this process. I do not support it.

We've got to quit. Thank you. We'll do it again sometime. I like this. [*Laughter*]

NOTE: The President's seventh news conference began at 1:02 p.m. in the East Room at the White House.

Remarks to Democratic Governors Association Members and State and Business Leaders

March 23, 1993

Thank you very much. Governor Walters, thank you for that introduction. That was spoken with a fervor that could have only been mustered by someone who, a year and a month ago, was freezing to death in the Super 8 Motel in Manchester, New Hampshire. [*Laughter*]

I also want to tell you that we just had a press conference at the other end of the hall, and I was upstairs on the telephone, and

I didn't know you were here yet. And I was told that I had been introduced, so I rushed downstairs, only to find that I would be introduced twice or thrice. [*Laughter*]

I'm delighted to see you all. I thank you for being here. I thank the leaders of business and labor and State and local government for coming along with my colleagues in the Democratic Governors group to endorse this program.

Last week was a remarkable week here in this Capital. The House of Representatives took a strong stand for the most credible deficit reduction program in anybody's memory. At their request and based on the Congressional Budget Office estimates and based on what the Governors asked, we took another \$60 billion-plus in deficit reduction spending cuts so that now we'll have \$500 billion in deficit reduction over 5 years; a significant amount of tax increases, most of them on upper income people whose incomes went up the most in the 1980's, but a broad-based BTU tax that we think will both preserve the environment, promote energy conservation, and raise money in a fair way; big spending cuts; and finally, some very significant but very targeted investment increases.

The debate moves to the Senate this week, and I want to tell you a little about that, because there is an honest philosophical debate going on, as well as an underlying political one that I need your help on. In the last 12 years I think you could argue that your Government had two big problems: one is that the deficit literally exploded, and the public debt quadrupled. We started the decade of 1980 with a \$1 trillion debt; we in 1992 had it up to \$4 trillion, with huge projected annual operating deficits. That is a massive problem. It led to a big gap between short- and long-term interest rates, and it clearly had a major contributing impact on our trade deficit, our ability to save and invest, and our long-term economic growth. We had to do something about it.

The other big problem was that we were actually seeing reductions in investment by the National Government even as all of our competitors were increasing their investment. And that may seem inconsistent. I mean, how could we be making a relatively smaller contribution at the national level to

the education, for example, of people who graduate from high school but don't go to college and need apprenticeship programs? How could we be retrenching in our commitment to the education of our young children and to dealing with the problems of poor children? How could we be retrenching in our commitment to develop new technologies and new partnerships in the public-private sector and new partnerships for dual-use technologies between defense and domestic technologies?

Well, the answer is pretty clear. We're spending more and more money every year, first on defense in the first part of the 1980's. And then the latter half of the 1980's, while we have cut defense, we spend even more on interest on the debt and more money for the same health care. And then as all of you know, those of you who are employers in particular, about 100,000 Americans a month are actually losing their health insurance; and many of them, the lower wage working people, are coming onto the public rolls.

So that's what's happened to us. So we run the deficit up. We run investment down at the same time. That is a huge problem. Our plan seeks to address both of these.

There are those who really don't want a change. They don't want any tax increases, or they don't really want the cuts that I have offered. And they're going to maneuver this process for political paralysis.

But underneath that or over that, if you will, there are a group of people who do want to reduce the deficit but just don't agree that an investment strategy is important. And they are the people that I urge you to reach out to, because it is important to reduce the deficit. But it's also important to increase investment. And if you do one without the other, you won't get the full benefits of this plan.

I would argue to you that we have gotten a major benefit out of deficit reduction. Look what has happened to long-term interest rates: down almost a full point since the election. You have millions of Americans refinancing business debt, consumer debt, home mortgages, getting the benefit of variable interest rates on various kinds of debt payment. That will unleash billions of dollars, tens of billions of dollars into this economy this year, which in turn will be reinvested, which will

create new jobs. That is very important. I don't think the marginal amount of deficit reduction you would get by killing this investment package or killing our emergency jobs program would bring interest rates down any more. You just can't get them down much more. But we would, if we killed it, forgo the chance to jumpstart the job engine of this economy by half a million jobs. And that is a serious thing. That's about a half a percent on the unemployment rate. That's a very substantial impact.

Now, let me make one other comment that, again, the employers here as well as the employees will not find surprising. There has been a dramatic restructuring of our economy and of the global economy which has been going on for the better part of 20 years, and we've been clearly aware of it for a decade now, where the biggest companies in America have been forced to restructure their operations here, either because they're going global and they have to put production overseas or because they just have to increase productivity and do more with less through technology. But many of them have also provided for outsourcing or contracts with smaller businesses, and the American entrepreneurial economy for the entire decade of the 1980's was able to create more jobs in the small business sector and the medium-size business sector than big business lost.

Two years ago, it stopped. And it started slowing down about 4 years ago, so that over a 4-year period we had almost no net job growth in the private sector. Virtually all, not quite all but almost all the net job growth for the previous 4 years was, believe it or not, in State, local, and national government.

Job growth was canceled out by job reduction in the private sector. Now, why did that happen? The truth is, no one knows all of the answers. It's an international phenomenon. In Europe during the 1980's, where they didn't have the vital small business sector that we had and all the entrepreneurial culture, there were two major economic recoveries where the economy was growing like crazy and no new jobs were created. So this is a global phenomenon.

But we also know that part of the problem here has been the credit crunch, the general recession, the cost of hiring new workers be-

cause of the back-breaking costs of health care as well as other attendant costs. So more and more people are relying on part-time workers or asking their existing work force to work overtime.

I say that to make this point: We have gotten the maximum short-term benefits we can get now out of a very, very tough and vigorous deficit reduction program. We are going to get long-term benefits out of it. The time has come to put in the other piece to create jobs and to lay the foundation for an educated work force and for a high-technology future. And that is what the rest of this program does.

So I ask those of you who are living out there at the grassroots, in the private sector or at the State and local level, to go make that honest policy argument in the United States Senate. We've done our work on deficit reduction. Let's do our work on investing in our people and putting them back to work, too.

Thank you very much.

NOTE: The President spoke at 2:38 p.m. in the State Dining Room at the White House. In his remarks, he referred to Gov. David Walters of Oklahoma, chairman, Democratic Governors Association.

Nomination of Pamela Harriman To Be United States Ambassador to France

March 23, 1993

President Clinton announced today his intention to nominate Pamela Harriman to be Ambassador to France.

"Anyone who has been involved with the Democratic Party for any length of time is certainly familiar with Mrs. Harriman's talent for diplomacy," said the President. "Her many years of dedicated service to the United States and her unceasing devotion to the cause of world peace are only two of the many qualifications that she will bring with her to Paris."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.