

Statement by the Press Secretary on the Haiti Reconstruction and Reconciliation Fund

July 1, 1993

On June 25, 1993, the President signed Presidential Determination No. 93-28 on the Haiti Reconstruction and Reconciliation Fund. The determination, signed after careful consultation with the relevant committees of the Congress, waives legal restrictions on providing assistance to Haiti in order to provide up to about \$37.5 million from prior year Haiti foreign military financing and development assistance funds and from prior year Bolivia and Peru economic support and foreign military funds.

President Jean-Bertrand Aristide, who requested outside assistance, including for military professionalization, in a letter to the U.N. and OAS Secretaries-General, has indicated his agreement with these broad objectives.

This assistance package is designed to support negotiations to restore democracy to Haiti and the implementation of a phased political solution. Disbursement will be carefully timed to support the negotiations and respond to concrete progress toward restoring democracy. The Department of State is notifying the relevant committees of its intention to carry out the reprogrammings this Presidential determination authorizes and will consult further with the Congress on the military assistance component of this assistance package.

Our current aid program in Haiti of \$52 million consists solely of humanitarian assistance, feeding and health activities, funneled through nongovernmental organizations. The new assistance package would provide continued support for the U.N./OAS International Civilian Mission (\$10 million), which monitors human rights in Haiti; economic support and stabilization once the democratic government of President Aristide is restored (up to about \$12.7 million); the beginning of an administration of justice program to strengthen democratic institutions such as the Justice Ministry (\$3 million), and including the creation and training of a new civilian police force (\$4 million) as well as a modest, nonlethal military professionalization pro-

gram to reduce its size and train it to address the needs of Haiti's society and missions set forth in Haiti's Constitution, particularly civic action, engineering, disaster relief, and coastal patrol (about \$2.1 million).

Remarks Announcing the Defense Conversion Plan and an Exchange With Reporters

July 2, 1993

The President. Good morning. On Monday, I leave for Tokyo for the G-7 summit, where the world's leading economic powers will seek to build a new era of global growth.

While international summits were once dominated by the drama of the cold war confrontation, today we compete in a quieter field, the world of global economic competition. Now that the cold war is over, we see the opportunity around the world and in this country to reduce defense spending rather dramatically and to devote our attention to rebuilding our country here at home. But we know now clearly, since defense has been coming down since 1987, that this is not an unmixed blessing in the short run for Americans here at home.

Among other things, reduced defense spending means reduced spending on defense contracts. And people, therefore, who work in defense plants are affected by it. And it is impossible to reduce the number of men and women in the armed services without an appropriate reduction in the base structure of the United States at home and abroad.

That is the difficult and painful, but important work the base closing commission has had to do. I have received their latest report, and I have decided to forward that report on to Congress. As I transmit that report to Congress, I am ordering an unprecedented Federal effort in the form of a new five-point program to ensure that when we close these bases we also open a new and brighter economic future for the affected workers and their communities. And this week my administration announced that we were going to shut down not only the bases implied in the base closing commission, but also some 90

bases overseas, to be fair and also because our interests are served by that.

These five points are as follows: First, we will provide an average grant of a million dollars to each community affected by a major base closing. Second, we will establish for the first time a single Federal coordinator for each community so that all the resources and opportunities that attend this reconstruction effort can be made available as quickly as possible. Third, we will establish a fast-track cleanup program for environmental problems. This has been an enormous problem in the past in trying to move bases to commercial uses. Fourth, we will establish a fast-track disposal of Federal property emphasizing those uses most likely to create new jobs for the communities affected by base closings. And finally, we will have a coordinated effort to pool all Federal resources giving all the affected communities easier access to Federal assistance. Compared to the past, we will respond more quickly, cut redtape more aggressively, and mobilize resources more assertively to help these communities so that when they lose their bases they do not lose their future.

In the past, base closings forced communities to cope with a jarring economic upheaval without tools or resources. Many bases were heavily polluted, the cleanup seemed to take forever. Redtape and bureaucracy frustrated local officials when they sought help. And people in the community saw an employer of thousands turn into a destroyer of economic security. For communities from coast to coast affected by base closings, the Federal Government will now work aggressively to help these patriotic citizens, cities, and towns prosper. We will help them to use their valuable assets as engines of economic growth.

This Governmentwide effort will cost over \$5 billion in the next 5 years. We will respond rapidly and spend money more wisely. Let me give you one vivid example of this new approach. Current law actually requires the Federal Government to charge communities full price for these closed bases if they are used for job creation and economic development. But the Government could give away a base for free for recreational uses. That gets it backwards. I believe if a community has

pulled together and produced a real plan for job creation and economic growth, the Federal Government must pitch in by giving that base to the community at a discount or, in some cases, even for free.

Today I am directing the Department of Defense and the National Economic Council to write a legislative proposal within 90 days allowing us to give job creation and economic development the highest priority in the disposition of these assets. This law will be a sizable commitment by the Federal Government. These bases are worth, in some instances, hundreds of millions of dollars. But it's the least we can do for the communities and the people who supported our troops.

To avoid bureaucratic confusion, one week from now we will appoint a team of transition coordinators, senior military personnel who will slash redtape and untangle bureaucracy to help these communities. Cleanup will proceed faster than before. We've increased the size of planning grants to help communities map out their future. And a creative worker training program will visit the bases within the next 2 weeks to let workers know of their opportunities.

Even with all these aggressive efforts the closing of a military base, as with any large employer, will inevitably be traumatic for the host community. And I cannot promise that every job will be saved. But this will be a great test for our Nation. Over the past 50 years these communities have literally hosted millions of American men and women in uniform who were defending our freedom. When we needed them, these cities and towns did their duty. When they need us today, we can do no less. And I am confident that we will be able to make dramatic progress.

I'd like now to introduce the Defense Secretary to make a couple of remarks. I see you raising your hands. We have four other Secretaries who have briefings to give, but after Secretary Aspin speaks, I will take a couple of questions on this subject. You'll have access to me I think later on other matters, but on this subject I will take a couple of questions. But I would like the Secretary of Defense to speak first.

[At this point, Secretary Les Aspin outlined the defense conversion program.]

The President. Let me make two other quick comments, and then I'll take a couple questions.

This is one program that I think will benefit from the fact that I was a Governor who managed a base closing from the other end before we went through this. I have had experience with every single problem that this five-point program seeks to address, working with a major base closing that occurred along the Mississippi River in a county that had double-digit employment at the time the base closing was announced. And I believe this is a very practical program that will have a huge practical difference in the lives of these communities, based on my personal experience on the receiving end of the base closing.

The second thing I want to say is, because I won't be here when they speak, is this group of Cabinet officers was here—we had a different group yesterday when we announced our program for the Pacific Northwest. It will make a big difference for people in these communities. Keep in mind a lot of these people have only dealt—the only thing they know about the Federal Government is the Defense Department and the bases. They have never dealt with the Labor Department, the EPA, HUD, Transportation, and Commerce. They don't understand how to deal with all these folks at once. And the fact that we're going to make it possible for them to access the resources of all these Departments at one time and through one person will be a huge boon. It's difficult enough for all of you to figure out your way through the maze of the Federal Government. For a lot of these folks it is an unending nightmare and a practical impossibility. So I did want to make those two points.

Yes, in the back. You had your hand up first. Go ahead.

Q. Mr. President, when you go to Asia, how do you plan to alleviate concerns that these closings might restrict the forward basing of air and sea forces?

The President. Well, I plan to make clear statements about our commitment to Asia and our involvement in Asia, in both Japan and Korea. And I think that we will clearly be able to do that, and it will be more explicit

when the Secretary of Defense finishes his review.

Q. Will you address the forward basing question, sir?

The President. Yes. Go ahead.

Q. Mr. President, if this is all new money, this \$5 billion, and not reprogrammed money, how do you expect to get it from Congress in this budget climate? Your stimulus package got killed. Everything else has been watered down. There isn't money available.

The President. First of all, I think events will prove that I was right to ask for the jobs package.

Q. Such as today's unemployment numbers?

The President. We can't discuss that yet. It's not 9:30 a.m. [Laughter] But that's not the point. You can't tell anything from the month's figures anyway. This thing is moving forward in fits and starts, and we're doing a pretty good job of creating jobs, the American economy is now. But the global economy dictates a more aggressive response at this moment from America.

But the reason I think that this will work is I think, first of all, it's a 5-year program. Secondly, keep in mind, we had allocated in the budget, as you remember when we went to the Westinghouse plant, some \$20 billion over 5 years that could be used for the total aggregate amount of defense conversion. And some of that money was counted in this. But we allocated another \$2 billion to environmental cleanup because that's a huge deal. We can move these bases in a hurry if we can figure out who's responsible for the environmental cleanup and then get about doing it. So, the details can be answered.

I believe the Congress will support this, because I think there's enormous bipartisan understanding that you simply cannot take this away from communities without reinvesting something in them. And if it is a net savings to the Government over the long run, we have to invest something back to justify the cut.

Q. How much will you take?

The President. Secretary Aspin knows the number.

Q. Military downsizing in general is getting the blame for the higher unemployment figures which were released an hour ago. Do you worry that you're losing the battle on a broader scale on trying to create jobs?

The President. Well, I think that—let me repeat, there are two things at work here. In any given month, military downsizing—and keep in mind, these decisions we're announcing today will have an impact on the economy a year and a half, 2 years from now, some of them even longer than that, some of them 3 years from now, the base closing commission's recommendations today. So we're giving some advance planning time on that. The military cutbacks that are manifesting themselves in this unemployment rate were based on decisions made a couple of years ago.

Again, I will say you've got two things at work there. Because of the size of the deficit, we are not reinvesting as much as I think we should be reinvesting to generate jobs here at home. But the larger problem is that two-thirds of our jobs in the last 5 years have been generated, or new jobs, have been generated through exports. And with Europe down and Japan down—we've got Europe with the lowest economic growth in 20 years and Japan with the lowest economic growth in longer than that, more than three decades. That's why I'm going to the G-7. Because if we don't find a way for all of us to do things together, it's going to be difficult to sustain jobs.

Now, notwithstanding, the country has produced a substantial number of new jobs in the first 5 months of this year. We're so far behind in coming out of the recession that it's going to be difficult to do unless we can have a global strategy of growth so we can start getting some jobs out of exports again.

Q. What is the economic impact of this overall base closing? You said that you can't guarantee that everybody will get a job. How may people do you—I mean, do you have any estimate of how many people are thrown out of work?

The President. Well, let me say this. What I can tell you based on my personal experience with this is that you've got a lot of very creative, innovative people out there in these

communities. And some of these bases have been rumored about now for a couple of years. So in a lot of these communities, as a practical matter, you've had the community leaders out there imagining the worst for a long time, thinking about what they might do, wondering about what they will have to do if something like this happens. I am confident, again based on my personal experience, if we correct the problems and create the opportunities that are embodied in this five-point program, you're going to see a lot of economic growth.

And let me say, the traditional economic analysis is that you can create the same number of jobs in the commercial domestic sector that we create in defense for roughly half the investment. So that if we can get a combination of public effort now and private investment later, we might wind up creating more jobs in some of these communities. Some of these communities, I think, you've got enormous resources out there in these bases, and they'll create more jobs. The only thing I want to say is I don't want to over-promise because I can't foresee the next 5 years with any kind of precision. I just know that this program is going to help these people a lot more than anything that's been done since we started defense downsizing.

Q. On the G-7, as you're about to head off—by the way that's a very nice tie. [Laughter] I wish the American public could see that tie. [Laughter]

The President. This was designed by a 12-year-old. It's a Save the Children tie.

Q. I remember when you spoke about Gene's ties.

Q. Do you want this one?

Q. No, I don't want it.

The President. If it weren't a gift, I would give it to you.

Trade With Japan

Q. Is there any prospect of an agreement with Japan on trade during this G-7 summit?

The President. I don't think I should raise any expectations of that just because it's difficult for us to predict now what will happen. I can tell you this: We're going to keep talking to them, and in the end we're going to get this worked out. I think that the changes now going on in Japan over the long run are

going to be good for the Japanese people and good for the American people. It may be painful for them now, but a democracy is an uneven and inexact process. I think that we are moving toward a greater integration of the global economy in ways that will be good for them and good for us. That's what I believe. But this is a transition period for them, and agreements are always more difficult than transition periods.

I'm sorry, I have to go. We have to finish this.

NOTE: The President spoke at 9:15 a.m. in the Briefing Room at the White House.

Proclamation 6577—Agreement on Trade Relations Between the United States of America and Romania
July 2, 1993

By the President of the United States of America

A Proclamation

1. By the authority vested in me as President by the Constitution and the laws of the United States of America, I, acting through duly empowered representatives, entered into negotiations with representatives of Romania to conclude an agreement on trade relations between the United States of America and Romania.

2. These negotiations were conducted in accordance with the requirements of the Trade Act of 1974, Public Law 93-618, as amended (19 U.S.C. 2101-2495) (the "Trade Act").

3. As a result of these negotiations, an "Agreement on Trade Relations Between the Government of the United States of America and the Government of Romania" ("Agreement"), including exchanges of letters which form an integral part of the Agreement, the foregoing in English and Romanian, was signed on April 3, 1992, by duly empowered representatives of the two Governments and is set forth as an annex to this proclamation.

4. This Agreement conforms to the requirements relating to bilateral commercial agreements set forth in section 405(b) of the Trade Act (19 U.S.C. 2435(b)).

5. Article XVI of the Agreement provides that the Agreement shall enter into force on the date of exchange of written notices of acceptance by the two Governments.

6. Section 405(c) of the Trade Act (19 U.S.C. 2435(c)) provides that a bilateral commercial agreement providing nondiscriminatory treatment to the products of a country heretofore denied such treatment, and a proclamation implementing such agreement, shall take effect only if approved by the Congress under the provisions of that Act.

7. Section 604 of the Trade Act (19 U.S.C. 2483) authorizes the President to embody in the Harmonized Tariff Schedule of the United States the substance of the provisions of that Act, of other acts affecting import treatment, and actions taken thereunder.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to sections 404, 405, and 604 of the Trade Act (19 U.S.C. 2434, 2435, and 2483), do proclaim that:

(1) This proclamation shall become effective, said Agreement shall enter into force, and nondiscriminatory treatment shall be extended to the products of Romania, in accordance with the terms of said Agreement, on the date of exchange of written notices of acceptance in accordance with Article XVI of said Agreement. The United States Trade Representative shall publish notice of the effective date in the *Federal Register*.

(2) Effective with respect to articles entered, or withdrawn from warehouse for consumption, into the customs territory of the United States on or after the date provided in paragraph (1) of this proclamation, general note 3(b) of the Harmonized Tariff Schedule of the United States, enumerating those countries whose products are subject to duty at the rates set forth in rate of duty column 2 of the tariff schedule, is modified by striking out "Romania".

In Witness Whereof, I have hereunto set my hand this second day of July, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the Unit-