

partments, agencies, and independent instrumentalities shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) Upon request of the Chairperson of the Commission, the head of any Federal agency or instrumentality shall, to the extent possible and subject to the discretion of such head, (1) make any of the facilities and services of such agency or instrumentality available to the Commission; and (2) detail any of the personnel of such agency or instrumentality to the Commission, to assist the Commission in carrying out its duties.

(c) Members of the Commission shall serve without compensation for their work on the Commission. While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701–5707) to the extent funds are available for such purposes.

(d) To the extent permitted by law and subject to the availability of appropriations, the Department of Health and Human Services shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. The Secretary of Health and Human Services shall perform the functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.) ("Act"), except that of reporting to the Congress, in accordance with the guidelines and procedures established by the Administrator of General Services.

(e) The Commission shall adhere to the requirements set forth in the Act. All executive branch officials assigned duties by the Act shall comply with its requirements with respect to the Commission.

Sec. 4. General Provision. The Commission shall terminate 30 days after submitting its report.

William J. Clinton

The White House,
November 5, 1993.

[Filed with the Office of the Federal Register, 3:10 p.m., November 5, 1993]

NOTE: This Executive order will be published in the *Federal Register* on November 9.

Teleconference on NAFTA With Midwest Farmers, Ranchers, and Agricultural Broadcasters and an Exchange With Reporters

November 5, 1993

The President. Hello?

Q. Hello, Mr. President.

The President. How are you?

Q. Well, pretty good today, sir. How are you?

The President. I'm great. Thank you for taking this time to visit with us.

Q. Thank you for affording us the opportunity.

The President. I know that all of you have some questions, but I'd like to make just a brief opening statement, if I might. As all of you know, I think, before I took this job I was a Governor of an agricultural State, and I learned very early that the future of agriculture in America is in exports. We've got over 700,000 agriculture jobs in America today that are export-related. And if NAFTA passes, that number will continue to rise, meaning more jobs for people in our farm communities.

I know now that a big part of my job as President is going to be to continue to raise more and more opportunities for exports in America, and I'm doing that and the negotiations we have going on with Japan now, we even have some hopes that we're going to be able to sell some rice in Japan before too long, which is a big issue for farmers in my part of the country.

We're working hard across the board to get a new GATT agreement that will open agricultural markets for our farmers. And NAFTA is a part of our comprehensive strategy to boost farm income.

Since 1986, our agricultural exports to Mexico have nearly tripled. Mexico is now our fastest growing major export market. In 1992 we exported almost \$4 billion worth of

products to Mexico, 40 percent higher than 1990. And the Agriculture Department—and Secretary Espy is here with me today as you know—estimates that we will export \$2.6 billion more with NAFTA than without it by the end of the transition period in the agreement.

So I think this is a good deal for our farmers. It's an even better deal this week than it was last week because of some of the agreements made by the Mexican Government affecting sugar and citrus and, to a lesser extent, vegetables. But it is clearly a good thing for America's farmers. That's why most of the major farm groups have endorsed it. And I'm looking forward to discussing it with the farmers today and with the people from the ag radio networks. So maybe we ought to get right into your questions and go forward.

I think Howard Hardecke is first. Is that right?

Q. That is correct, Mr. President.

The President. I remember when I was at your school.

Q. You're kidding.

The President. [*Inaudible*—it was a great night.

Q. Yes, it was.

The President. My second grade teacher was there. I hadn't seen her since she left Arkansas. She was my second and third grade teacher. I really enjoyed that.

[*At this point, Mr. Hardecke asked if other cattle-producing countries could import cattle duty-free through Mexico under NAFTA.*]

The President. That's a good question. And believe it or not, it's a question that applies not only to agriculture but to some of our manufacturing. We have strict rules of origin that apply to our agriculture as you know already—

Q. Yes.

The President. —and there is nothing in the NAFTA agreement which changes that, so that the rules of origin that apply to Australian beef coming here directly would apply to them with equal force after NAFTA passes if they pass through Mexico. In other words, there's no loophole in the agreement to escape our rules of origin. So you'll be all right with that.

Q. Okay, appreciate it.

The President. Thank you. Terry Baer, are you next?

Q. Yes, sir.

The President. Howard, did you have another question? I want to make sure I've got this right, now.

Q. We were told we had one question, so—

The President. Okay. Well, go ahead, Terry.

Q. Okay. Greetings, Mr. President, from central Illinois. I live near Edelstein, Illinois, which is near Peoria in central Illinois, and I have a grain production operation, consisting of corn and soybeans, and then I also work at Caterpillar, Inc., in Peoria.

The President. Good for you. I've been there.

Q. Yes well, I personally met you there when you were campaigning.

The President. It's a great company.

Q. Yes it is, and I'm glad they're as close to my farm as they are. It works out real well.

The President. It cuts the transportation cost of the equipment, too, doesn't it?

Q. It sure does. So, Mr. President, I have a question on NAFTA for you. And that is, if NAFTA does not pass, what efforts do you see of Mexico forming treaties with other countries who also compete for the same markets as our U.S. farmers, and what effect might that have on our future farm economy and foreign competition for our U.S. products?

The President. I think it'll make it a lot tougher on us. Keep in mind Mexico has been opening its economy, its purchases of foreign products have been going up across the board. They want to give us some special opportunities to export into the Mexican market in return for being able to attract more investment to their country. So they will have to pursue their strategy of getting more investment and opening their markets to get it somewhere else if we don't take advantage of this. And, therefore, it could be an enormous setback for us. It would just give our competitors a big leg up in one of the fastest growing markets in the world.

And of course, depending on whom they reached out to, it could really hurt the farmers. If the European Community, for exam-

ple, decided that they would try to replace the United States in NAFTA, it could really foreclose a lot of farm markets. You know all the troubles we've been through just trying to get a new GATT agreement. I'm very, very concerned about it.

I would also point out to all the farmers who are listening that we believe if we do NAFTA, and Mexico as the example will lead us to the same opportunities in other Latin American countries with big possibilities for agricultural exports of all kinds. So I think it's a big plus if we do it, but frankly I think we have to face the fact that Mexico has got to have a plan B. And if we turn out to be unreliable, if we can't see through this trade agreement, they will be forced to turn elsewhere to try to get capital and in return for that will almost certainly be willing to give the same kind of extra access to their market that the United States now has just for the asking if we'll go ahead and adopt this agreement.

Q. Well, I agree with you if they do seek treaties with other countries and we fail to ratify NAFTA, it will put us at a big disadvantage. And so you feel that Mexico is aggressively seeking agreements whether it's with us or whether it's with our competitors.

The President. Right now they've aggressively sought it with us. But they've made it clear, and they've been very much willing to let us put some things in this trade agreement, I might add, that have never been in any other trade agreement. I mean, they've agreed with us to invest more money in cleaning up the environment and to subject their own environmental code to the trade controls of this agreement. They've agreed to do the same thing with their labor code. No other country's ever done that in a trade agreement. So they very much want to deal with the United States. Mexican people like American products of all kinds. They are now the second biggest per capita purchasers of American products, even though their incomes aren't very high. We sell over \$40 billion worth of stuff down there every year. Seventy cents of every dollar the Mexicans spend on foreign products are spent on American products. And we have a chance to dramatically increase that or run the risk

of shutting it down. And I think it would be a terrible mistake to turn away from it.

Q. Yeah, I agree, and rest assured that I will do all I can to help you get this passed. I would hate to think that our U.S. Congress would pass up a chance at free trade.

The President. Also good for Caterpillar, you know. Caterpillar's one of the greatest exporting companies in the whole United States.

Q. Yeah, I realize that.

The President. One of the few companies that's been able to really triumph in the Japanese market. And the more per capita income goes up in Mexico, the better that company will do, too. I appreciate that. Thank you very much.

Q. Thank you.

Secretary Espy. Mr. President, could I just jump right in one second just to agree with you.

The President. Sure.

[Secretary Espy stated that Mexico is interested in expanding the trade relationship with the United States but would quickly look elsewhere should NAFTA fail and institute old tariff barriers as well.]

The President. Is Bill Wheeler on the phone?

Q. Hello, Mr. President. Hello, Secretary Espy.

The President. You calling us from Montana?

Q. Yes sir, from Missoula, Montana. That's the western part of the State.

The President. I've been there. I know it well.

Q. Well, we hope that you see fit to come again. We would extend the invitation certainly.

The President. Thank you

[Mr. Wheeler described the regional impact on grain producers of Canadian grains crossing the border under the Canada-United States Free Trade Agreement and asked if NAFTA would rectify this situation.]

The President. Well, let me first of all say that the agreement itself won't rectify it, but it will make it somewhat better, and by opening other markets it'll make a big difference. Let me make three or four comments. First of all, for all the others that are

listening, there's been a special problem with a lot of our farmers in the northern part—[*inaudible*—especially the wheat farmers, because of exports from Canada and because the support of the prices in Canada comes primarily in transportation supports, something that were not covered. Those supports were not covered when the United States negotiated its agreement with Canada several years ago.

Now, under this agreement, there will be certain provisions which should help to address the problem a little bit, such as end use certificates for Canadian imports that will help improve it. [*Inaudible*—no, in an attempt to offset the impact of the Canadian imports, I approved export enhancement supports for American wheat to Mexico recently.

Thirdly, I've asked the Secretary of Agriculture, now that there's been a Canadian election and there's a new Canadian Agriculture Minister ready to take office, to go to Canada and to sit down and meet with him about this issue, because it is not covered by the agreement, to see what we can do to go forward.

The last thing I'd like to say is, I think that the prices are going to go up here in America if we adopt the NAFTA agreement, because the primary thing NAFTA does is to give us access to sell more of our wheat and other grain crops to Mexico so that we'll have access to that market, and that will help to not only provide more sales but, as you know, increase the price.

So I think it will be better, but it does not specifically address the provision you don't like from the Canadian agreement that was made several years ago. We're going to try to do that in these negotiations the Secretary of Agriculture is going to undertake. And I think we sent a signal to the Canadians that we're concerned about it when we use the export enhancement program to try to sell some of our wheat to Mexico to offset what had happened to the farmers.

Q. Well, Mr. President, if Congress approves NAFTA, when will NAFTA go into effect, and will all parties involved sign simultaneously?

The President. The answer is, it'll go into effect everywhere at the same time. But the

different provisions are phased in over several years.

Mike, were you going to say something?

[*Secretary Espy acknowledged several weak points in the Canada-United States Free Trade Agreement and indicated that NAFTA did not have these weak points.*]

The President. But to go back to your question, if we can pass it now, it will go into effect starting the first of 1994, at the beginning of the next year. But there are some provisions that are phased in. We will get the lion's share of the benefits from the tariff reductions almost immediately, and we'll see a big increase in American exports in 1994 if it goes in. But there are some things—for example, some of our markets phase out their protection over a period of 7 or 8 years.

Q. Thank you, Mr. President.

The President. Thanks.

Now, Murray Corriher? Is that right?

Q. China Grove, North Carolina.

The President. Where is that?

[*Mr. Corriher briefly described several economic conditions working against the farmer and asked if NAFTA will increase prices enough to allow farmers to stay in business.*]

The President. The answer to that is, it should. Having lived on a farm and having been a Governor of a farm State for many years, I've learned never to say that something will increase farm prices. But the answer is that it should for this reason: There's no question that American exports will increase in the aggregate if NAFTA passes, and that Mexico is our fastest growing farm export market. Normally, when there's an increased demand for products abroad, that has an impact in increasing prices at home. That is, unless there is something that happens here at home that dramatically reduces domestic consumption, increasing demand abroad will increase the prices, because the aggregate supply and demand relationship will change. So it should happen.

Secondly, farmers should have their prices rise because they'll recover some of the monies that now go to tariffs in their trade. And we know that that will have some positive impact.

So for those reasons, I certainly would be real surprised if there was not an increase in the price and an increase in farm profits. You know, most Americans don't know this, but when the cost of production goes up 5 times as fast as the price of the product, the only way the farmers or any farmers are still in business in America is that we have the most productive farmers in the world. But there is a limit to how much you can do, and one of the things I like about NAFTA is, by giving the tariff relief and by increasing the total volume of agricultural sales, we should be able to have a positive impact on the price.

Q. I certainly hope so.

The President. I do, too. I wouldn't be for this if I didn't think it was going to help you, and I think it will.

Q. I wouldn't be for it, either, if I didn't think it would help.

The President. Thank you, Murray.

Q. Thank you.

The President. I think we're supposed to turn to the broadcasters now, and I think we're staying in North Carolina.

Bill Ray?

Q. Yes, Mr. President.

The President. You're from Elizabeth City, North Carolina?

Q. That's true. We sure are. The question that I had for you, Mr. President, this afternoon is, how do you think NAFTA will affect U.S. positions of negotiations at the GATT? What happens if this thing doesn't pass?

The President. It weakens our ability to get a GATT agreement by the end of the year because—well, let me back up and say I think most farmers know we're worked real hard to open up more European markets and other ag markets. As I said earlier, we're working hard to make some progress in the Asian markets, in Japan, especially, with some of our products. The GATT agreement is critical to that. If we beat NAFTA, then other countries who are reluctant to support GATT will say, "Well, look at America. They're becoming more protectionist. Why shouldn't we?" On the other hand, if we pass NAFTA, it will dramatically increase our credibility in the GATT negotiations. And it will reinforce our commitment and, I think, give a lot of courage to people in the Euro-

pean countries who want to do the same thing. The truth is that we've had so many hard economic years that nearly everybody thinks we're in a sort of a win-lose situation, that there's no such thing as a win-win trade agreement. But no wealthy country, whether it's the United States or the European countries or Japan and Asia, can grow and increase incomes unless you increase the volume of world trade. That's the only way we can do it today.

So we need the GATT agreement. It will help us in the short run, in terms of jobs, even more than NAFTA because it involves so many more people. Over the long run, NAFTA's going to help us because it will bring in all of Latin America. But if we don't adopt NAFTA in November, it's going to be hard to get the GATT done in December. And I can't promise that every country is going to agree in December, regardless. But we will have a much, much better chance to pass that GATT deal if Congress will adopt NAFTA. And that's a huge thing for America's jobs and incomes.

Q. Mr. President, it looks like it would be really tough on Mickey Kantor if he has to go back to Brussels without a NAFTA deal.

The President. It will be tough on him. Right after the NAFTA vote, I'm going out to Washington State to meet with the leaders of many of the Pacific countries, trying to convince them to buy more of our products and trying to work out a new trade relationship there. And again, if NAFTA passes, I'll have a lot of leverage in dealing with that. If it doesn't pass, it will make it more difficult for me to argue that the United States is trying to lead a big, broad-based coalition of trading nations. And after all that we've been through in the 1980's with our industries changing and restructuring, we now in agriculture and in industry are the most productive country in the world. We can sell anywhere. We can do well even in the countries with wages much lower than ours if we just have access to the markets.

So this GATT thing is a big deal. And if we pass NAFTA, I'll have a lot better chance of bringing home that bacon along with Ambassador Kantor.

The next person is, I think, Max Armstrong in Chicago.

Q. Hi, Mr. President.

The President. How you doing?

[*Mr. Armstrong asked if Mexican producers would be held to the same standard as American producers in areas such as pesticides and food safety requirements.*]

The President. Yes. Absolutely. And I might say a related thing, since you're calling me from Chicago and we've got a lot of teamsters in the upper Middle West and a lot of trucking enterprises: If a Mexican truck driver under this agreement stays with a load of produce, agricultural produce, or an industrial product or anything else, crossing from Mexico into the United States, then that truck driver must meet all the same standards that an American driver would have to meet on an American highway.

Our standards control, whether it's on the safety of food or on the safety on our highways. And that's very important. That's one of the things that we worked hard—and the flip side is true, too. We have to comply with their standards when operating in their country or when selling food into their country. And one of the biggest problems we had, one of the reasons that I insisted on these side agreements before I would agree to present this trade agreement to Congress is that Mexico, historically, has had some good laws on the books that weren't vigorously enforced. And so what we wanted to make sure of was that, not only would our laws be observed on food coming into our country but that they would observe their own laws, just as we have to observe ours.

So I think that, overall, the quality of all of these operations will go up if we honor that.

Q. So there should be no concern among U.S. consumers about quality?

The President. Absolutely not. No. We are not going to permit food to be sold here which does not meet the standards that American food has to meet.

And, by the way, we import other food from a lot of other countries now, and it's the same thing there. We didn't change that at all, and we wouldn't think of it.

Q. Thank you, Mr. President.

The President. Is Taylor Brown next?

Q. Yes, Mr. President, thank you.

The President. And you're from Billings, Montana?

Q. Sure am. I'm a long way from Bill Wheeler, but we're in the same State.

The President. You sure are. I've been to Billings, too. It's the third biggest State, isn't it?

[*Mr. Brown asked if the President planned to act on the issue of Canadian grain imports.*]

The President. Let me tell you what I think I should do first. And let me remind you, when I came into office, I raised this issue. I acknowledged it. Our Trade Representative embraced it. To send a signal to the Canadians that we were serious about this, we used the export enhancement program to give our own wheat an advantage down in Mexico. We also did it with barley. So I know this is a problem, and I've tried to send a clear signal to the Canadians that we intend to see it addressed.

If you've been following this in the last few days, you know they've got some issues that they want to discuss with us, also, that don't have anything to do with the NAFTA agreement, but two-way trade agreement between the United States and Canada. So I have asked the Secretary of Agriculture to go up there, and before we take any further action, at least sit down face to face with the new government, hear them out, and have them hear us out.

The reason I want to do that is because we do have, still, a significant trade surplus in agriculture with Canada through bread, pasta, and other processed foods, including products that contain American wheat. I've always followed the policy that before I put another person I'm dealing with in a position of retaliating, at least they have to know where we're coming from and why. So I want the Secretary of Agriculture to go up there and sit down and try to work through this.

But there is no question that when the last agreement was made several years ago with Canada, we did not reach to the subsidies that relate to their transportation and to the unique way in which the Canadian Wheat Board operates, which every wheat farmer in America now understands and which puts our folks in a difficult position.

I will say again, on the NAFTA agreement, whatever you think about that, this is a net advantage to an American wheat farmer because it opens more products, more markets to American wheat. And so it'll certainly help, and it'll help to get the price up.

Mike, do you want to say anything else about what you're going to do?

[Secretary Espy stated that he would continue to work to find solutions to these problems.]

The President. Is George Lawson on the phone?

Q. Yes, Mr. President.

The President. Are you calling from Wichita?

Q. Yes, sir. Can you hear me okay?

The President. I can hear you fine.

Q. Mrs. Clinton and Vice President Gore were in Wichita during the campaign. I hope you'll get a chance to visit our all-American city at some point.

The President. I'd like to. I was there a couple of years ago, and I really enjoyed it. It's a beautiful town.

Q. Can you explain for us how NAFTA will be able to add jobs to the U.S. agriculture sector?

The President. Yes, and let me say since you're in Wichita, I might just mention we talked a lot about wheat and grains and how the markets will grow there as the tariffs go down. But I also think, given where you are and the people that listen in mid-America AgNet, I ought to emphasize that Mexico is also one of the fastest growing markets for American wheat—I mean American meat, especially processed meat products. And all these exports will increase with NAFTA because the tariff on beef will be phased out to zero.

Mexico already accounts for about a quarter of U.S. pork exports, and as the tariffs go down, incomes go up, we'll expand those exports to Mexico. Poultry exports have increased from \$16 million in 1987 to over \$153 million in 1992, and that demand is just growing like wildfire. And interestingly enough, it's a nice compliment to the American consumption habits, because of the preference for different kinds of meat. So, I think you're going to see obviously more grains, just pure and simple, because the tariffs are

coming down and because we've got access to the market and we can get the grain there in a hurry and efficiently. But I also want to emphasize there's going to be a big increase in meat exports, too.

[Secretary Espy added that the increase in exports to Mexico will lead to the creation of jobs in the United States.]

The President. Is Rodney Peeples—Roddy Peeples?

Q. That's correct, Mr. President.

The President. San Angelo, Texas?

[Mr. Peeples expressed his concern that the President has turned over the NAFTA debate with Ross Perot to the Vice President.]

The President. I thought I elevated the debate by allowing the Vice President to debate with him. I don't consider Ross—first of all, in the Congress Ross Perot is not the primary problem we've got. The primary problem we've got in the Congress is the united, intense, and sometimes vociferous endorsement—efforts of the labor movement to beat this and to convince Republicans that they basically like, they'll get them opponents, and Democrats, if they like, they'll never give them money again. So that's the big problem we've got.

Mr. Perot's arguments have been largely discredited when he's been questioned on them and when the evidence has been examined. But it was the Vice President's idea all along to challenge him to a debate. So I debated him three times last year, and the more we got to talk about the issues, the better it got. So I think the Vice President will do just fine. I've got a lot of confidence in him.

Q. And the follow-up question to that one, sir—and this one's probably a minor point except for those who are affected by it—watermelon producers in Texas. Can you take a watermelon question?

The President. Yes. You know I was born in a town that grows big watermelons, so I can do that.

Q. [Inaudible]—and under the yoke of a lot of labor and wage and environmental regulations that Mexican producers do not have.

The President. Yes.

Q. The question is, is there any chance that the phaseout period for the present 20

percent tariff on imported watermelons could be extended from the proposed 10 years to 15 years, since the phaseout on the tariffs on some of the other crops I'm told are going to be that long?

The President. I don't think so. We think it's enough for our folks to be okay under it. Keep in mind, one of the things that's going to happen—and I want to emphasize this very strongly because—and this relates to another question that was raised earlier—one of the things that's plainly going to happen in this trade with agriculture, even though the agreement streamlines customs and inspection procedures, is that we're going to have a very vigilant oversight of safety standards and quality. And I believe what you're going to see, when you've got a 10-year phaseout period with Mexican incomes rising more rapidly across the board because of this trade, is that you are not going to see the kind of economic disadvantage at the end of this phaseout period to a lot of the agricultural products that some fear now because the cost of production in Mexico, in terms of sheer labor, is lower. I mean, I really believe that we're going to do a lot better on some of these things than we think. Now we have in the agreement—I want to emphasize this—there is a provision in the agreement that allows us to slow anything down if there is a so-called surge, that is, if there is a totally unforeseeable development that threatens to take out some sector of our economy.

By the way, the Mexicans have the same thing if we do that to them, if there's some totally unpredictable or unforeseen economically adverse development here in the term of—in the businesses—the surge—that there is provision in this agreement to slow that down and take another look at it. So there is sort of a safety hatch here. And I think that, plus the fact that we're going to be quite vigilant in making sure that the safety standards are going to be observed for the production and the delivery of our food, will provide the protection that we need.

The Secretary of Agriculture just passed me a note and reminded me, too, that just last—we are this week, we got an agreement from the Mexicans to do a yearly review of the impact of this trade agreement on all vegetables. So there may be an argument

about what a watermelon is, but it's included in the agreement.

Secretary Espy. Yeah, Mr. President, as you said, we are conscious of impact on commodities across the board, and we've made improvements when it comes to sugar and citrus, but also when it comes to fruits and vegetables. There will be a yearly review of impact on fruits and vegetables, and if we think that there is deleterious and a huge negative impact on American vegetable industry then these agreements allow for consideration of a snapback.

Q. Thank you very much, Mr. President and Secretary Espy.

The President. Thank you. I want to thank all the farmers and all the broadcasters for their questions today and for listening. And for those of you who support this agreement, I want to tell you I'm very grateful. I think it's a very, very important part of our attempt to open America to the rest of the world, to take advantage of the high productivity of our farmers and our manufacturing workers, our service industries, and to build bridges to the rest of Latin America and to get this GATT agreement done. And I know that every active farmer in this country understands what it could mean to us if we can pass this GATT agreement by the end of the year. I believe that passing NAFTA is a big first step to getting that done. It will plainly put America on the side of expanded trade and give us some leverage as we go down the road.

So I hope you'll do whatever you can to tell your Members of Congress, without regard to party, that you're for this, that this is good for America. And meanwhile the Secretary of Agriculture and I will keep working on the problems that all of you outlined today. We won't forget them. We've taken the steps that we thought we could to date. And the Secretary is going up to Canada soon.

Mike, would you like to say anything before we get off the phone?

Secretary Espy. No, sir, I think you've said it all. Thank you.

The President. Thank you for your hard work. Thanks, appreciate it, fellas.

[At this point, the teleconference ended, and the President answered reporters' questions.]

Interest Rates

Q. Mr. President, are you concerned about interest rates creeping up?

The President. No. I mean, what's happened is, the economy's getting much healthier. And you've had huge increases in home sales. We've had big increases in other economic activity. And when that happens, when the economy really begins to show signs of recovery, it's hard to keep interest rates at a 25- or 30-year low.

Because there is no inflation apparent in this economy, I don't expect a big increase in the rates. And we're going to watch it very closely obviously. But we've had an awfully good run with low interest rates, and a lot of people have taken advantage of them. From the time we announced the intention to have a serious effort to reduce the deficit, until I introduced my economic plan, until it passed, the interest rates dropped dramatically. And they've stayed down.

I was on a plane the other day coming back from one of my NAFTA meetings, and two of the people riding with me told me they've refinanced their homes this year. And one was saving just under \$300 a month, the other was saving about \$500 a month on the refinancing. These things have happened to millions of people around the country, and there's still good opportunities there for home mortgages, both for new ones and for refinancing.

But if the economy really picks up, there will have to be some movement in the interest rates. I don't think there will be a lot because—as long as we can keep inflation down. And I wouldn't be surprised, by the way, to see, as one of the experts reported in the press today, I wouldn't be surprised to see them drop again. I was kind of concerned when we had this big surge in housing and big surge in new investments that there might be a little pickup in it. But I'm not alarmed by it right now.

NAFTA Debate

Q. Mr. President, Ross Perot says he doesn't like the idea of the debate forum that the Vice President suggested. He says the Vice President ought to bring you and some of your spin doctors to his event. Is there any chance you'd agree to that?

The President. No, what Ross Perot wants, as always, is a show, not a debate. I mean, he basically wants Al Gore to show up at a rally that he's paid for with a crowd full of people that don't like NAFTA in the first place so they can shout at Al Gore, and in the hope that the shouting will obscure the arguments and the evidence and the facts. And that's not a debate or a discussion. What we suggested, and what Al did—it was all his idea, was that he call Larry King—Larry King host an honest and quiet and straightforward discussion that the American people could watch in their living rooms, one that would shed light and not heat. And I could understand why that's not Mr. Perot's preferred format. I mean, he'd rather have a rally where he's paid for it, has organized all these people to come, they're all against it anyway, and they shout at Al Gore. I don't blame him, but no sensible American would expect that to substitute for a debate. I mean, I think everybody can pretty well figure out—

Q. Do you think he's trying to wimp out?

The President. Win what?

Q. Wimp out of a head-on-head debate?

The President. You know, you all get into that name-calling character. I'm not going to do that. I think he's trying to negotiate the best possible position for himself. But it wouldn't be a credible debate for us to show up at his rally.

NOTE: The teleconference began at 1:23 p.m. in the Oval Office at the White House.

Letter to Congressional Leaders Reporting on the Cyprus Conflict

November 5, 1993

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I am submitting to you this report on progress toward a negotiated settlement of the Cyprus question. The previous report covered progress from the remainder of February, through July 15, 1993. The current report covers the remainder of July through September 15, 1993.