

**Appointment of a Member of the Permanent Committee for the Oliver Wendell Holmes Devise**

*March 2, 1994*

The President today announced the appointment of Laura Kalman as a member of the Permanent Committee for the Oliver Wendell Holmes Devise. The Committee was established to prepare a history of the Supreme Court of the United States, to finance an annual lecture or series of lectures, and to prepare and publish a memorial volume containing the writings of Justice Holmes.

"Laura Kalman's extensive background in law and American history will be a great asset to the Committee," the President said. "I am delighted to announce her appointment."

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

**Remarks on the National Performance Review and an Exchange With Reporters**

*March 3, 1994*

**The President.** Good morning everybody. Please sit down. I'm sorry we're starting late, but I had to have a conversation with Prime Minister Hosokawa of Japan, and it was getting very late there, and I couldn't put it off until after this meeting. And we'll have more to say about that later in the day. I apologize, but it was unavoidable. We had to make the call.

One year ago today, I asked the Vice President to conduct a review of our entire Government, to find out how we could do more and do better with less. Six months ago, he presented his report to me and to the American people. Today, we tell the American people that we are keeping our commitment. This report is not gathering dust in a warehouse. It is still our blueprint for building a Government that gives the taxpayers real value for their hard-earned dollars.

Here's the most important reason why this report is different from earlier ones on Government reform. When Herbert Hoover finished the Hoover Commission, he went back to Stanford. When Peter Grace finished the

Grace Commission, he went back to New York City. But when the Vice President finished his report, he had to go back to his office—[laughter]—20 feet from mine—and go back to working to turn the recommendations into reality.

Throughout the Government, agencies are talking to their employees, involving their unions and improving services and cutting costs. Eighty percent of the recommendations in the Vice President's report have already been started on the way to implementation. And almost every dollar of the savings this report recommends has been built into the 1995 budget to help us make the tough budget reduction targets. I'm pleased that throughout the Government people are asking themselves how they can meet the challenges in the report: put customers first, cut redtape, empower employees to provide better services at lower cost.

Yesterday I signed performance agreements with Secretary Cisneros, Secretary Reich, Secretary Babbitt, and Ambassador Bowles of the Small Business Administration, Ambassador Roger Johnson of the General Services Administration—Administrator Roger Johnson of the General Services Administration. All these agreements set specific goals for their Departments to improve the quality and efficiency of service.

I'm pleased that Congress is also answering this challenge. Legislation to offer the early retirement incentives to Government employees whose jobs are no longer necessary has now passed the House and the Senate. As private industry has learned, buyouts are the best way to streamline a work force while keeping it both productive and diverse.

And when Congress passes the crime bill, we'll take the savings from reducing the Federal bureaucracy by a quarter million and use it to put 100,000 more police officers on our streets. I'm also pleased by our progress in getting more value for taxpayers' money in the goods and services Government buys. Americans have a right to be angry when they hear their Government is spending too much for a hammer or a toilet seat. They have a right to demand that tax dollars be spent with discipline and judgment. From now on, Government's going to do what ordinary citizens

do, comparison shop for goods and services we buy and get the best value for every dollar. That's common sense, and it needs to be more common in Government.

You know, just last night, there was a story on the evening news about some defense contractors billing the Government for Caribbean travel junkets and season boxes for baseball seats, even after all the cutbacks in defense. That story underscores the need for reform of our procurement system. The procurement reform bills being considered in Congress make it a violation of Federal law to bill the Government for entertainment expenses and knowingly submit unallowable costs. Government contractors are entitled to a vacation just like anybody else but not at taxpayer expense.

Finally, we're working to reform the civil service, to create a modern, flexible work force. As the first step, the Office of Personnel Management has already gotten rid of the hide-bound and hated 10,000-page personnel manual. Step by step, we're cutting the redtape and removing the reams of paper from the forklifts the Vice President and I stood in front of just 6 months ago. We're finding new ways to make Government serve the taxpayers better and less expensively.

And now I'd like to introduce him in the way that he often introduces me, "the person who made this all possible"—[laughter]—the Vice President of the United States.

[At this point, the Vice President discussed progress made by the National Performance Review. He introduced Roger Patterson, Bureau of Reclamation, Department of the Interior, and Joan Hyatt, Occupational Safety and Health Administration, Department of Labor, who described streamlining efforts in their agencies.]

**The President.** Thank you. First let me say, I think that the Vice President has done a terrific job. I want to thank Elaine and all the people who have worked on this. I want to thank Leon Panetta and the folks at OMB and Roger Johnson and the people at General Services Administration, and Jim King and the folks at the Office of Personnel Management for the progress that they have made and the work that they have done to make this possible.

And most importantly, I'd like to thank the people who work for the Federal Government. These two employees who stood up here today, I think, reflect what most people who work for this Government are like. They want to do a good job. They want the taxpayers to be proud of the work they do. And they don't want to spend all their time wading around in paperwork and unnecessary rules and regulations. They represent our Government at its best. And I thank both of you, and I thank all of you for coming. Thank you.

You all relax now, we've got to do a few questions. [Laughter]

Go ahead Andrea [Andrea Mitchell, NBC News].

### **Whitewater Investigation**

**Q.** Mr. President, are you concerned about the appearance of impropriety of these meetings between Treasury officials and the White House?

**The President.** Yes.

**Q.** Have you been able to find out if there have been any other meetings other than the one that was reported? And what will be done about it?

**The President.** Well, first of all, the answer is, yes, I'm concerned about that. Nearly as I can determine, no one has actually done anything wrong or attempted to improperly influence any Government action. But I think it would be better if the meetings and conversations hadn't occurred.

I think now that there is an actual formal process underway, everyone will be much more sensitive. But I have directed Mack McLarty to prepare a memorandum about how we should handle and respond to any such contacts coming our way in this office so that we will bend over backwards to avoid not only the fact but any appearance of impropriety. It is very, very important to me.

I was a Governor for a long time, and there was never a hint of impropriety or scandal in my administration. And to the best of my knowledge the people who come here to work every day in this administration, there has been no suggestion of abuse of power or anyone pursuing some personal advantage. And I want the American people to feel that. So I have told Mr. McLarty that we have

to—we've already talked to people here in the office to make it clear that they understand that I—first of all, I feel that this—all these investigations, they should go forward, unimpeded and as quickly as possible. And I have every confidence in what the facts will reveal. So I think that it's very, very important that while all this is going on, that the activity around it should be handled in such a way as to avoid even the appearance of a conflict.

Later today, I think, we will have the memorandum for you, and we'll be glad to answer any questions surrounding that.

**Q.** Well, shouldn't your lawyer be more sensitive to this—

**The President.** I think there was a difference—what we have to do—let me say, we are also researching exactly what the actual rules are for what kinds of meetings can occur when. And I don't want to get into all the hypotheticals, but for example, if the press asks questions one place that are known in another place—the answers might be known in the White House but someone's asked in the agency, can they talk or not, I mean, that was one of the meetings that was discussed in the morning paper.

I want to make exactly—I want to make it clear that we know what the rules are, but as I said—and so I can't answer all those questions, in fact, right now. But in addition to what the rules are, what I want the people here to understand is, never mind what the rules are, bend over backwards to avoid the appearance of it. Let's let this thing go forward. There is an investigative process. The records are in hand, as far as I know, for the investigators to do their work. Let it go forward. We don't need to have any implication that we are in any way trying to manage or affect this process. We are not. We must not. And I don't want the American people to give it a second thought.

So the memorandum today should make that clear. And I don't think there will be further problems on this.

### **Japan-U.S. Trade**

**Q.** Mr. President, can you elaborate for us on your conversation with Prime Minister Hosokawa?

**The President.** Well, I called him to discuss the trade issue. And the Trade Ambassador will have an announcement on that later today, and then we'll be glad to answer questions about it. But I think I should let him make the announcement first.

**Q.** —was it a friendly conversation—

**The President.** It was a friendly, a forthright conversation. It's consistent with the tone that we've established in our relationship. But it was one that I had to have today.

**Q.** Are we ready to reimpose Super 301?

**The President.** We'll have an announcement about that later today.

**Q.** Actually, can I just ask on this subject—

**The President.** Yes.

**The Vice President.** How refreshing! [Laughter]

**The President.** Wow—[laughter]—I was beginning to think that we were the only two policy wonks in the world that love—[laughter]. There they go again.

### **Reinventing Government**

**Q.** When this report was released 6 months ago, you were predicting, I think it was \$108 billion in savings—

**The Vice President.** \$106 billion. Be careful not to inflate that number. [Laughter]

**Q.** —and over 5 years—I mean, are you confident that the targets can be met?

**The Vice President.** Absolutely. There was a fundamental misunderstanding about the difference between savings and CBO scoring. If you have savings and the caps are not adjusted, then the CBO says that's zero, but the savings are real. And that is the case for every single one of the savings in the report.

I'll give you a quick example. We recommended the closing of a uniformed military medical school. The savings involved each year in closing that are about, what, \$200, \$300 million per year. Under the arcane rules of scoring, that's called zero, because the caps aren't changed. But in the real world where the money is spent, that is a real savings.

And when this all plays out, you'll see that they're real. For example, in the '94 budget year, which was only—we only caught part of that because we were well into it when

the report was released—but in that part of the '94 budget year and in the '95 budget year, we called in the report for the portion of the \$106 billion in savings reflected there for \$12.6 billion. Out of that amount, \$12.5 billion will be gained. Those savings are in the budget, so give us time. We'll demonstrate how and where the savings occur, and they will be real.

**The President.** Thank you.

NOTE: The President spoke at 11 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Elaine Kamarck, Senior Policy Adviser to the Vice President.

### **Statement on the National Performance Review**

*March 3, 1994*

We are changing the way Government works. We're cutting redtape. We're empowering employees to get results, and we're treating each and every citizen as if they were our most valued customer. It's an ongoing commitment that this Government has made to its citizens, and it starts at the top.

The National Performance Review is not another boring Government reform report that sits gathering dust on the shelves of the White House. It is the blueprint for change that's taking place right now.

NOTE: This statement was part of a White House press release on reinventing Government.

### **Executive Order 12891— Identification of Trade Expansion Priorities**

*March 3, 1994*

By the authority vested in me as President by the Constitution and the laws of the United States of America, including sections 141 and 301–310 of the Trade Act of 1974, as amended (the "Act") (19 U.S.C. 2171, 2411–2420), and section 301 of title 3, United States Code, and to ensure that the trade policies of the United States advance, to the greatest extent possible, the export of the products and services of the United States and that trade policy resources are used efficiently, it is hereby ordered as follows:

**Section 1. Identification.** (a) Within 6 months of the submission of the National Trade Estimate Report (required by section 181(b) of the Act (19 U.S.C. 2241)) for 1994 and 1995, the United States Trade Representative ("Trade Representative") shall review United States trade expansion priorities and identify priority foreign country practices, the elimination of which is likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent. The Trade Representative shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, and shall publish in the *Federal Register*, a report on the priority foreign country practices identified.

(b) In identifying priority foreign country practices under paragraph (a) of this section, the Trade Representative shall take into account all relevant factors, including:

- (1) the major barriers and trade distorting practices described in the National Trade Estimate Report;
- (2) the trade agreements to which a foreign country is a party and its compliance with those agreements;
- (3) the medium-term and long-term implications of foreign government procurement plans; and
- (4) the international competitive position and export potential of United States products and services.

(c) The Trade Representative may include in the report, if appropriate, a description of the foreign country practices that may in the future warrant identification as priority foreign country practices. The Trade Representative also may include a statement about other foreign country practices that were not identified because they are already being addressed by provisions of United States trade law, existing bilateral trade agreements, or in trade negotiations with other countries and progress is being made toward their elimination.

**Sec. 2. Initiation of Investigation.** Within 21 days of the submission of the report required by paragraph (a) of section 1, the