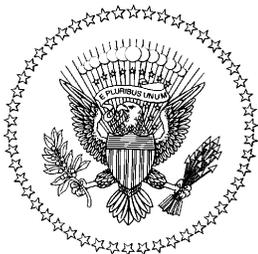


Weekly Compilation of
**Presidential
Documents**



Monday, January 16, 1995
Volume 31—Number 2
Pages 31–60

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Editor's Note: The President was in Cleveland, OH, on January 13, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

Beginning with Volume 31—Number 1, January 9, 1995, a cumulative index to previous issues will no longer be printed in each issue. Indexes will be published quarterly and distributed separately.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under

regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for \$80.00 per year (\$137.00 for mailing first class) and to foreign subscribers for \$93.75 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is \$3.00 (\$3.75 for foreign mailing).

There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents*.

Week Ending Friday, January 13, 1995

The President's Radio Address

January 7, 1995

Good morning. Now that the holidays are over, it's back to business around the country and back to the people's business here in Washington.

I'm looking forward to working with the new Congress. If they'll put politics as usual aside and put the American people and our future first, we've got a great opportunity to make progress on our mission: restoring the American dream of opportunity to all Americans and making sure we enter the next century, now just 5 years away, still the strongest and greatest nation in the world.

Earlier this week, I met at the White House with Republican and Democratic congressional leaders. I challenged them to work with me and with each other, and they assured me that they are willing to cooperate.

Many of the toughest decisions we made in the last 2 years are paying off for us now. We've reduced the deficit by \$700 billion; that's \$11,000 in less debt for every family in America. We've cut the Federal Government, eliminating over 100 programs, and there are already 100,000 fewer people working for the Federal Government than when I took office.

We've taken the savings and invested in the American people, in their education and training by expanding Head Start and apprenticeship programs and making college loans more affordable to 20 million people, providing the opportunity for national service to thousands of others.

Just yesterday, we saw new evidence that this economic strategy that has been pursued with such discipline over the last 2 years is still working. Unemployment is now down to 5.4 percent from over 7 percent when I took office; 5.6 million new jobs have been created in the almost 2 years since I became President. Nineteen ninety-four was the best year for job growth in a decade. And the vast

majority of these new jobs are in the private sector. This was the first year that manufacturing jobs increased in every month since 1978. These new jobs are a testament to what can be accomplished when we combine the phenomenal ability and productivity of American businesses and workers with responsible and visionary political leadership willing to make tough choices. I will work with the new Congress to keep this recovery going. I will not go back to the failed policies of the past, which may have short-term attraction but will undermine our economic future.

We've still got a lot more to do, things that we must do in the months ahead. Because for all the good statistics and all the legislative accomplishments of the last 2 years, the average American simply is not receiving enough benefit from this recovery. And Republicans and Democrats have to work together to change that.

Here's the problem: For about 20 years, the incomes of Americans without college educations have been stagnant. They've been working harder for the same or less income; their benefits are less secure. What caused this? Technology and the global competition that we face mean that even when the economy is growing, inflation is low, and that's good. But wages often don't go up either, and that's not. There's a bigger educational premium than ever before. That is, workers who have more education are more likely to have higher incomes compared with workers without than at ever before in our history.

What's the answer to this dilemma? First, we have to create more high-wage jobs. I'm heartened that in 1994 we had more high-wage jobs coming into our economy than in the previous 5 years combined. But second, and even more important, we have to get more education and training opportunities to all of our people and an increase to take-home income of middle class Americans.

That's why I want Congress to adopt what I call the middle class bill of rights, four new ideas to help middle class Americans build a future that lives up to their dreams. Like the GI bill of rights after World War II, the middle class bill of rights will help people go to college, raise their children, and build a future. Like the best of all Government programs, the middle class bill of rights offers opportunity, not a guarantee; it emphasizes personal responsibility; and it's open to all so that it can help build the strength of our entire American community.

Now, anybody can say, "I want to give you a tax cut," and make people very happy in the short run. What I want to do is cut taxes so that people can invest in the education of their children and in their own education in training and skills. That will raise incomes and lead to a stronger America. I want our people to have more than a quick fix. I want them to have the resources they need to fulfill their hopes and dreams over the long term.

Here's what's in the middle class bill of rights: first, a tax deduction for the tuition costs, up to \$10,000, of all education after high school, for college, community college, graduate school, professional school, vocational education, or worker training for families with incomes of \$120,000 or less; second, for families with incomes of \$75,000 a year or less, a tax cut phased up to \$500 for every child under 13; third, for those with incomes of under \$100,000, the ability to put \$2,000 a year, tax-free, into an individual retirement account, but also the ability to withdraw that money, tax-free, not just for retirement but for education, for health care, for the care of an elderly parent, or to buy a first home. Finally, the middle class bill of rights will take the billions and billions of dollars Government now spends on a variety of job training programs and consolidate that money and instead make it directly available to working Americans, so that when people are eligible for the funds, because they lose a job or because they're training for a better job, they'll be able to get the cash and spend it where they want in the education program of their choosing.

Every single penny of this middle class bill of rights proposal is paid for by dramatic cuts in Government that I've proposed. We have led the way to the largest 2-year deficit reduction in the history of our country, and I will not allow anyone to destroy this progress in reducing the deficit and to threaten our economic recovery. We've already seen that progress is possible in Washington this year. The House of Representatives this week voted to apply the laws that apply to the rest of America to Congress. That's long overdue. They did that last year, but the Senate didn't follow suit. I hope the Senate will follow suit now.

But we have to do more to change politics as usual. We desperately need to pass lobbying reform. The lobbyists didn't go away with the last election, and we still believe that they shouldn't be allowed to give gifts, entertainments, or trips to lawmakers. Unfortunately this week, the new majority in Congress voted not to enact lobby reform—at least for now. It's not too late for them to do it, and I urge them to do it as quickly as possible. If we want middle class Americans to benefit from what we do, then the public interest, not those of special interest, should have the loudest voice in Washington.

That's why I'll apply one simple test to every policy, every piece of legislation that comes before me: Does it advance the interests of average American families? Does it promote their values, build their future, increase their jobs and incomes? If it passes that test, I'll support it, and if it doesn't, I won't.

If we work together to do the job the American people hired us to do, 1995 will be a terrific year for all Americans who work hard and play by the rules. We've seen for too long how people in Washington can obstruct progress for partisan gains. Now, sincerely, we must prove that we can work together to keep our country moving forward for America's gain.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

**Remarks at Carl Sandburg
Community College in Galesburg,
Illinois**

January 10, 1995

Thank you for that wonderful and warm welcome. It is wonderful to be here. Thank you, Dr. Crist, for making me feel so much at home. Thank you, Congressman Evans, for coming down, and Congressman Poshard, delighted to see you. And Mayor Kimble, thank you for making me feel welcome here. The representatives of Knox College and Blackhawk Community College as well as Carl Sandburg Community College, I'm glad to see all of you here.

I'm glad that Secretaries Reich and Riley came with me, and I understand they have already spoken, which makes anything I say perhaps redundant. *[Laughter]*

I met a college president the other day. He looked at me and said, "I've got a lot of sympathy with you. Being President is just like running a cemetery. You've got a lot of people under you, and nobody is listening." *[Laughter]*

I want to begin by saying how very, very happy and proud I am to be here today. I believe as strongly as I can state that community colleges represent the very best of America in 1995 and where we need to go as a country with all of our institutions, community based, flexible, committed to quality, opportunity for everyone, with a real sense of community. I'm honored to be here, and I'm honored to have all of you here.

I'd also like to recognize the people who were with me just a few moments ago who participated in our little roundtable, who have had some experience with this institution. I'd like to ask all of them to stand up that were in my private conversation because I want to thank them. *[Applause]* Thank you. They're employers of people who came out of this community college. They're students. They're former students. They're people who have taught here. They are a picture of America.

I came here to talk about America, about where we are and where we're going. And I don't think we could have picked a better place. This place is so steeped in our national history, just as this community college is so

representative of the best of our present and our future. The Underground Railroad came through Galesburg, and as all of you know and as you saw just a few moments ago, over 135 years ago, Abraham Lincoln and Stephen Douglas met here for one of their famous debates. How'd they do just a few minutes ago? *[Applause]* Thank you. I met them outside, and they were still arguing about who really won. *[Laughter]*

I identified with what President Lincoln said. He performed so brilliantly in those debates, but he lost the Senate race anyway. And he said that it hurt too much to laugh, and he was too old to cry. And then he said something I have always kept with me. In fact, I've got a copy of the exact quote on the wall in my private office in the White House. He said after Douglas defeated him for the Senate, he was walking home, and it had been raining that day and the path was muddy, and one of his feet slipped and hit his other foot and knocked his footing out from under him. But just before he fell, he righted himself and he smiled, and he said, "This is a slip and not a fall." Well, I think we all ought to try to keep that in our own minds as we deal with life's challenges and adversity.

The Lincoln-Douglas debates, as you just heard for a few moments, were about the course of our country and the proper role of government in a time of great change. In 1858, of course, the issue was slavery. Lincoln believed that it was a national issue. Long before he believed the Government could abolish slavery, he at least believed the Government could stop it from expanding. Douglas believed it was not a national issue; that it should just be up to the States or the territories. If they wanted to keep slavery, they could vote for it and then come on in to the Union.

The Republican Party was born out of a conviction that even though we are a country deeply devoted to limited government, there are some things that the times demand national action on and that at that moment, the times demanded first, national action to stop the spread of slavery and then national action to stop slavery.

About a half a century earlier, the Democratic Party was born in the Presidency of

Thomas Jefferson, who passionately believed in limited government. I was driving across the beautiful Illinois farmland today, feeling very much at home thinking about how Jefferson loved being on his farm more than he liked being at the White House, and how he wanted to limit government. But when he became President, he knew there were certain things that he had to use the power of the National Government to do because the times demanded it.

He bought the Louisiana Purchase, \$15 million—peanuts, really, to us for all that land. I like it because it included Arkansas. So if he hadn't done it, I could never have been an American, much less President. *[Laughter]* But at the time it was a stunning, sweeping thing. The price of Louisiana was the entire budget of the National Government for a year. Can you imagine what you'd think of me if I wanted to spend that much on any piece of real estate? *[Laughter]* But he did.

Both believed in limited government. Both approved of action by the National Government to meet the demands of the time, to do what the people needed. Our Founders established this great country under a Constitution that limits government. Mostly it limits what government can do to private citizens and gives us a lot of elbow room to think what we please and say what we please and go where we please and worship God as we please. It also limits government in other ways, dividing it at the State and local as well as the national level; the President, the Congress, the courts. But it was set up to allow all of us to pursue life, liberty, and happiness. And it was set up with enough flexibility so that over time we could have the kind of government that we needed as a people, not the kind of people that the Government needs but the kind of government that we need as a people.

Now we're at another great sea-change period of American history. Everyone knows we are moving from an information age—I mean, to an information age from an industrialized age in which all organizations were bigger, more hierarchical, more bureaucratic, to a time which is more flexible, more rapidly changing, more full of opportunity and uncertainty. And so we will have to have some

changes in what we expect our Government to do, but we have to be clear about our purpose.

I think our purpose has to be to keep the American dream alive for all the people in this country into the 21st century and to make sure we cross the threshold of the next century still the strongest country in the world, still a force for freedom and peace and democracy at home and around the world.

Every American who works hard and obeys the law should be able to get ahead in this new world. It should not be a province of opportunity for a few. To get that done we face enormous challenges. Most of the people who are at a community college know better than I that for the last 10 or 15 years the majority of our people have worked longer and longer work weeks for the same or lower wages, that in the last year alone over a million Americans in working families lost their health insurance.

This is quite a new phenomenon for us. From World War II until 1978, the American economy grew, and all income groups grew at about the same rate that the American economy did. So we were rising together. For the last 15 years, the top 20 percent of Americans had a dramatic increase in their income; the next 20 percent, a modest increase; the next 20 percent were stagnant; the bottom 40 percent had declines in their incomes. We're talking now about working people, not people who are on welfare.

So if a lot of Americans, about half of us, are working harder for lower wages—and actually, we also know now, sleeping a little less at night—it's no wonder that there's a lot of stress in this country. We also know that this is a time of great change. It's not just the workplace that's changing; the nature of our communities are changing. Our families are under great stress. Life seems to be too random and too insecure for too many people. And yet, we have to admit there is no country in the world that has remotely an economy as strong as ours, as full of opportunity, as full of hope.

So what's the trick to bridge the gap, to make sure that everybody who wants to do the right thing has a chance to make that leap into the economy of the future and suc-

ceed? That must be the mission of the United States in these last 5 years of this century.

I told these folks that were good enough to spend about 45 minutes visiting with me that I probably enjoyed it more than they did because before I became President, when I was a Governor, I did this sort of thing all the time. I knew that my mission was to generate more jobs and increase the education and skills of our people. And I lived in a place that was small enough where it was more possible for people to talk about political life in nice, calm terms, instead of what normally tends to dominate the debate today. But I couldn't help being just over-come almost in my admiration for their individual stories, which wouldn't be all that much different from your individual stories.

I ran for President because I wanted to do just what you clapped for. I do not believe that we have to go into the future taking advantage of all these opportunities for some and letting others fall behind and becoming more divided. But I think, as I have said now for more than 3 years, we must do three things. We've got to have a new economic policy designed to help the American people compete and win in a global economy in which the Government is a partner with people in their private lives and in private business in expanding opportunity.

In the first 2 years, that meant that we had to cut the deficit because we spent the 1980's dealing with our economic problems, trying to spend our way out of them and exploding the deficit. Now, I know that's not very popular. It's kind of like going to the dentist. Everybody's for going to the dentist, in general. Did you ever see anybody who wanted to do it in particular when it came their time to go to the dentist? That's the way the deficit is. Everybody says—you take a poll; people will say, "Yes, cut the deficit." But then we have to do the things to do it. It's not very popular. It's like going to the dentist. So I had a drill in your tooth the last 2 years. But we cut the deficit by \$700 billion, thanks to the help of those two gentlemen. And that's \$11,000 a family. That's not a small piece of change.

And we expanded trade, and that was controversial. A lot of my best supporters said, "Why are you trying to do all these trade

deals. The more we trade, the more we have low-cost products from low-wage countries coming into America, putting pressure on American wages." That's true, but it's only half true. Now, if we don't do anything, that's happening. That's been happening for years. And it is true that some of our people have either lost their jobs or can't get wage increases because they're competing with products overseas, produced by people who work for wages we can't live on. That's true. It's also true that when we sell things to other countries, on balance the people who make the things and the services we sell to other countries make wages above the national average. So if we don't do the trade deals, we'll get the downside of the trade war. The reason I fought for the trade agreements was so we could create more high-wage jobs in America by selling more world-class American products around the world. And it's working. So we need a new economic policy. We've got to sell. We've got to produce. We've got to be productive, and it has to be a partnership.

The second thing we need is what I called during my Presidential campaign a new covenant, a new approach to our society. It was then, it has been for 2 years, and it will always remain my contract with you. But it's about more than a tax cut, although cutting taxes are part of it. I believe what this country needs on a national basis is what I see at the community college here. What those of us in the position to do so ought to be doing is expanding opportunity but only for those who will exercise the personal responsibility to make the most of those opportunities.

You build a community with opportunity and with responsibility, with rights and responsibilities. You can't have one without the other and last for a long time. You can't have people being responsible all the time and never getting anything for it. Pretty soon they get tired. But neither can you have people getting things all the time and never giving anything back. Pretty soon the well runs dry.

So that's what we've been trying to do. That's what the crime bill was all about. We cut the Government bureaucracy over 5 years by 270,000 people and gave all the money back to local communities to hire police, to build prisons, to drug treatment pro-

grams, to do things that would lower the crime rate at the grassroots level for people who use the money right and were responsible.

That's what I hope this welfare reform debate that we're ginning up again after a year will be all about in Washington. I do not believe that most Americans really want simply to reduce welfare so that we can punish poor people. I think what most Americans want is a welfare system that puts an end to welfare, that puts people to work and lets them be responsible parents instead of just having kids. I think that's what we want.

And that's why we have invested so much in education, because education by definition is part of a covenant. You cannot educate somebody who will not be educated. All you can do is throw the lifeline of opportunity out there, and someone either does it or not. They either exercise their own responsibility or not.

So we worked to expand Head Start and to set standards that are great for our Nation's schools and to have new partnerships for young people that don't go to college to get further education. And we reformed drastically the college loan program so we could cut the costs and string out the repayments and make it something that could really be used by people instead of just another headache. And that's all made a difference I think. So a new economic policy, a new covenant, a new social policy.

The third thing we've tried to do is to give you a different kind of Government, to have the Government in Washington change, the way the economy is changing, to have it be smaller, yes, but also more effective; to literally reinvent Government, to use the Vice President's phrase, by cutting the bureaucracy to its smallest size in 30 years but increasing our ability to solve problems that the Federal Government needs to solve. There are 100,000 fewer people working in Washington, DC, or for the Federal Government today than there were on the day I was inaugurated President, but we have solved a lot of problems that were left too long. And I would just give you one or two examples.

Small business people used to have to fill out a multipage form that took them hours to fill out to get an SBA loan. We've taken

that down to one page, and you can get an answer in 3 days now. So that's an example of what we're trying to do to reinvent the Government.

I don't know if the Secretary of Labor mentioned this, but at the end of last year, we reformed the Pension Benefit Guaranty Corporation—that's a mouthful. That's the group in Washington that's supposed to keep your pension well. And it's going to help save the pensions of 8.5 million Americans whose retirement was at risk after years and years and years of hard work.

There are problems the Federal Government still should be solving. And when the floods were raging here—the 500-year flood—up and down Illinois and Iowa, after years in which the Federal Emergency Management Agency was to go to the Federal Government and everybody complained about it, I think you saw by the way they showed up and the way they performed that it is working now. It is effective. It is doing its job.

So we're moving in these directions. But it is not enough. What are the results of the first 2 years, not from our point of view in what we did but from your lives. Well, we have 5.6 million more jobs, and that's a good thing. And the unemployment rate has dropped very low by historic standards, although not low enough to suit me. It's still dropped quite a bit, by more than 2 percent. And 5.6 million new jobs is nothing to sneeze at.

And manufacturing jobs went up in every month in 1994 for the first time since 1978, which means that manufacturing is not inconsistent with the information age. It helps our manufacturing come back when we increase productivity and use computers and educate our workers. So that's good; that's all good. But most folks still haven't gotten a pay raise out of this recovery. Many people are still worried about losing their jobs. Another million Americans lost their health insurance. Why is that? That is because the wages are still set in an environment that is highly competitive because of technological changes and foreign competition.

So if we want to raise incomes, the only way you can do it is to get more high-wage jobs in this country, take less out of working

people's pockets, or increase their education and training. There is no other way to do it. And that's what we have to do. So what I want to do now is—we worked hard to get the fundamentals fixed for 2 years—I want to spend 2 years working on lifting incomes and prospects and optimism and real hope for the future among people who are carrying the load in this country. That's what we can do. And that's what the middle class bill of rights is all about.

I might as well have called it the bill of rights and responsibilities, because it doesn't do anything for anybody who's not already doing something for himself or herself. Anybody can give a tax cut, but what I want to do is cut taxes in a way that strengthens families and raise incomes. That's what we need to be doing in this country: We need to strengthen families; we need to raise incomes.

Fifty years ago, the GI bill of rights helped transform a wartime economy into the most successful peacetime economy in history. It literally built the great American middle class, helping them get houses and education and to raise their kids. And now what I want to do is to implement this middle class bill of rights, these ideas that will help us move into the 21st century with the American dream alive for everyone.

Now, if you agree with the analysis I just gave you, I hope you will agree with the particulars. First of all, I think people ought to be able to deduct the cost of education after high school from their taxes. If you think about it, you can deduct the interest on your home. Why? Because we want people to buy homes; we want people to be homeowners. We think it's a good thing. It's important to being an American and having a solid life. Well, in the 21st century, and in 1995, and with all the people I just finished talking to, having a decent education is also important to being in the middle class. And you may not get to the homeownership stage if you don't have an education in the first place. So we ought to let people deduct the cost of an education.

Secondly, we ought to try to support working families more, and so I recommended a tax credit, or a tax reduction, of \$500 a child for every child under 13 in families with

incomes of \$75,000 a year or less. In 1993, we cut taxes an average of \$1,000 a year for working families who were on really modest incomes and having a hard time making ends meet. It's now \$26,000 a year or less will get an average of \$1,000 tax cut below what the taxes were when I took office. But this will help people raise their children.

Third, I believe we ought to bring back the IRA, the individual retirement account, let people put \$2,000 in it. But under our proposal, you could take the money out in any year, tax-free, as long as you spent it on education, health insurance, buying a home for the first time, or the care of an elderly parent. This would empower people to solve their own problems. It's something that government can let you do for yourself. It requires no bureaucracy. It requires no program. It requires nothing, just letting you withdraw money you save, tax-free, to solve a problem for yourselves and for the United States.

Finally, finally, we propose to take the literally billions of dollars the Government now spends on dozens, literally dozens, of different training programs and consolidate those programs and make that money directly available to people who are now eligible for it. That is, today, people who are unemployed can get help from a government training program. And people who are on quite modest incomes who are eligible, for example, to participate in a job training and partnership act, training programs, can get help through a training program.

But there are literally dozens of these programs. You've got to figure out what you're eligible for, what the criteria are, what the program is, are you going to be in it. I mean, by the time you get through fooling with it, it may seem like it's not worth the trouble. We discovered that we could collapse 50 of these programs and just give you the money if you're eligible for it, and it would make people who are eligible able to get a chit, a voucher for education only worth up to \$2,600 a year for 2 years.

Now, that's better than having a Federal bureaucracy. It's better than giving the money to a State bureaucracy. Everybody in America, just about, is within driving distance of a community college now. We do not need

all these separate government programs telling people what to do. We ought to just give you the money if you're eligible for it and let you bring it here and get a good education. That's the fourth element of our program.

I like this middle class bill of rights a lot because it furthers all three objectives that I had when I ran for President. It helps us build a new economy. The more people we educate, the more powerful our Nation will be, the stronger our economy will be. It helps us build a new covenant. We offer more opportunity to people if they exercise the responsibility to take it, they have the power to improve their own lives. All of you do. You know that, or you wouldn't be here today.

And it changes the way Government works. Government is still being used to help expand opportunity but in a less bureaucratic, less mandatory, more empowering way. I like it, and I hope the Congress will like it as well. And I hope you will help them like it by telling them that you like it.

Under this last proposal—let me just give you one example. If we want to set up centers where what the Government does is make sure you have information on the jobs that are available in an area and the educational opportunities that are available in one place, you could show up at the local one-stop center and find out, for example, here about jobs opening up at Maytag because of the new \$164 million retooling project they've got underway. Then you could figure out whether you could get the skills needed to be a part of that project in this place. And if you could, you qualified, you could simply take your certificate, show up here, and start to school. Much better than having to enroll in some sort of program.

Here at this community college—and this is true all over the country, maybe not quite this good, but this is typical—there is an extraordinary job placement rate of over 94 percent at an average wage of nearly \$12 an hour. And believe me, that's a lot better than a lot of people are facing who have no education and training and who have been left behind by the changes that are going on in our economy.

This is the kind of opportunity that I believe the middle class bill of rights can help create. This will enable us to finish the job. Yes, we have laid the foundations of a disciplined, responsible economic policy. Yes, we have taken a strong stand against crime. Yes, we know—and I hope we'll have a bipartisan consensus on what to do about problems like welfare. But until we know that we have done everything we can to use the power of this country to give every American the opportunity to win in this global economy, the job will not be finished. That, more than anything else, can keep the American dream alive in the 21st century.

So, as I go back to Washington, I ask all of you, Republicans and Democrats, to tell the people who represent you in Washington to adopt the same attitude about these challenges that you have. If you think about it, in every new time our country faces, there are new problems that have no necessary partisan solution. And the problems fall over everybody and the opportunities come to people without regard to their party, their philosophy, their race, or their region today. We should be united in tackling these problems. They are America's problems and America's opportunities.

You have seen over and over and over again, probably enough to make you scream, that people in Washington know how to stop things for partisan gain. It's now time for us to join together and do things for the people's gain. That's what you expect us to do. That's what we need to do. That's what will take us into the next century with the American dream alive and well, stronger than ever, and America stronger than ever.

I am convinced—I am convinced—having traveled the world now on your behalf, having seen what is going on in Europe, having seen what is going on in Asia, having met with the leaders of all the Latin American countries, having a feel for what is happening in this world, I am convinced more than ever in my life that the best days of this country are still ahead of us if we remember that there are no guarantees.

The Founders gave us the right to pursue life, liberty, happiness. That's what they gave us the right to do. Over 70 years ago, your namesake here, Carl Sandburg, wrote a

poem inspired by the Washington Monument. And I want to close with the line from that poem that meant the most to me: "Nothing happens unless, first, a dream." More than anything, more even than our Constitution and laws, this country is a dream. And it is our job to renew it.

Thank you very much, and God bless you all.

NOTE: The President spoke at 12:44 p.m. in the gymnasium. In his remarks, he referred to Don Crist, president of the college, and Mayor Fred Kimble of Galesburg.

Remarks to Students at Galesburg High School in Galesburg January 10, 1995

The President. Thank you. Wow! Thank you. Thank you very much. I don't know where everybody else in Galesburg is today, but I'm glad you're here. I'm glad to see you all. [Applause] Thank you. Thank you. Thank you so much.

I would like to begin by paying my compliments to the band. Didn't they do a good job? I thought they were terrific. [Applause]

I also want to thank—I understand that you all heard the speech I gave. Is that right? No, yes? No? Somebody is saying yes; somebody is saying no. Anyway, I was over at the community college, as you know, and I met there with about 20 people who had either been students there or are now students there or who taught there or who hired people who graduated from there. And I went there to talk about education with the Secretary of Labor, who is not here with me, and the Secretary of Education, Dick Riley, the former Governor of South Carolina, who is here with me, and your fine Congressman, Lane Evans. I'm glad to see him. Give him a hand. [Applause]

I would like to say, first of all, on behalf of myself and all of those who came with me from Washington today, we have had a wonderful welcome in this terrific community. And we're very grateful to all of you for that.

I must say, when I landed at the airport and they told me that I couldn't take the helicopter to Galesburg, I'd have to drive, I was

actually kind of happy because I got to drive across the farmland. And I looked at all the land, and it kind of made me feel—no, I liked it. It made me feel right at home. That's where I grew up.

I would like—I want to say a couple of things about what I came here to talk about today, since some of you heard what I said and some of you didn't. I'll be brief, but I want to talk about it because I think it's important.

When I ran for President in 1992 and I came here to Illinois and I went up and down the State—

Audience member. To Peoria.

The President. Yes, to Peoria and other places—I always knew it was a very big State, but when I visited Southern Illinois University in the southern part of the State, I looked at a map, and I realized I was south of Richmond, Virginia. And I said, this is a very big State and a very beautiful one and, of course, my wife's home. So I like it a lot.

I believed then and I believe now that we are going through a time of great change which, if we do the right thing, will lead us to America's greatest days. I think the young people here in this school can live in the most peaceful, most exciting, most prosperous, most exhilarating times this country has ever known if we do the right thing.

And if you look at what's going on in America today, it just reinforces in my mind the things I have always wanted to do. I worked as a Governor for 12 years, and I knew what my mission was in this global economy: I had to improve the schools, improve education for people of all ages, and get more jobs into my State.

If you look at where we are as a country now, I ran for President committed to doing three things. I wanted a new economic policy so that the Government would be working with ordinary working people and with business so that we would be able to compete and win in a global economy, we'd be able to get good jobs and keep them.

I wanted to change the way the Federal Government works. I wanted the Government to be smaller but more effective. I wanted it to be able to solve people's problems but to be flexible and creative and not waste money. And I thought we could do

that, and I've come back to that. I think we've done a good job of making those changes.

And the third thing I wanted to do was to institute what was my version of the contract with America. I called it the new covenant. I believe that we need a new sense in this country that the Government's job is to do what it can to provide more opportunity, but we need more responsibility from our citizens as well. If we're going to rebuild the American community, we have to have more rights and responsibility. And you can't have one without the other. If people go around being responsible and no opportunities ever come their way, they get tired and quit. But if you just give people things and they never act like responsible citizens, the whole country comes apart at the seams. What we need is more of both: more opportunity and more responsibility. And if we have it, we can rebuild America.

Now, after 2 years, I can make this progress report to you. We had to first work on the economy. We had to bring the deficit down. We had to open some markets around the world to our goods and services because we were seeing people selling things in America who worked for wages we couldn't live on. We saw people losing jobs here and losing incomes. We had to open those markets around the world. Well, after 2 years, we've reduced the deficit by \$700 billion. That's \$11,000 a family in less debt for you and your future, \$11,000 a family. And we've had more opening of markets to American products and services than in any period in our history. So we're moving. What have we got to show for it: 5.6 million new jobs, the lowest unemployment rate in Illinois in 20 years. We are moving in the right direction.

Now, we've changed the way the Government works. There are 100,000 fewer people working for the Federal Government today than there were working for the Federal Government on the day I became President. We are going to reduce the Government now by over 300,000. It will be the smallest it's been since John Kennedy was President, but it's doing things. It's doing things. When you had the terrible floods here, the Federal Emergency Management Agency, which had been condemned for years as an ineffective agency, showed up here and was ready to

serve the people in the middle of the worst emergency you've had in a long time. It delivered. It worked. That's the kind of Government we need, smaller but effective and strong and there.

Third, and maybe most important, we tried to expand opportunities for communities and individuals in a way that would enable people to take responsibility for their own lives. That's what our crime bill is all about. The crime bill that Lane voted for will reduce the size of the Federal Government by 270,000 over 5 years and take every penny of that money and give it back to you and your local community to hire more police, to have drug treatment and drug education programs, to do things that will lower the crime rate. And everywhere I go in America, law enforcement officers or mayors come up to me and say, "We're going to lower the crime rate because of that crime bill. Thank you very much." That's the kind of thing we ought to be doing.

And I hope, let me say, I hope when the new Congress gets around to debating welfare reform, that's what I hope they'll do with welfare reform. The problem with welfare is not that it is so costly; it's only about 3 percent of our national budget. The problem is that it encourages dependence instead of independence, encourages welfare instead of work. What we want is not a program that punishes poor people but that requires poor people to take those steps that will enable them to move from welfare to work, to be responsible parents and responsible workers, not punishment but reward.

So we did that for 2 years, but there's still a real problem in America. Why are a lot of people not very happy? Because most Americans still have not felt any personal benefit from this economic recovery. This is a new thing in our history, and all the young people here should listen to this. We created all these new jobs in America with these productive American industries. Why aren't people happy? Because their wages aren't going up, right? And because a lot of people still feel uncertain about their jobs, and because another million Americans lost their health insurance last year who are in working families, and because millions of Americans are worried about their pensions. All these

changes are going on, and people don't feel secure even when we create more jobs.

Now, how do you raise wages? There are only three ways to raise wages. You have to get more high-wage jobs in the economy. You can take less out of the pocketbooks of middle class wage earners and let them keep more of the money they do earn. Or you can increase the education and skill level of people.

Now, let me say, we're getting more high-wage jobs into the economy. And I want to support a middle class tax cut like the one I have outlined in the middle class bill of rights that will give people more take-home pay. But the most important thing of all is to do it in a way that will support the mission of education and training, not only for our schoolchildren but for the adults I met at that community college today, because we know now that for the first time in history, we're going to have economic recovery and job creation that don't benefit ordinary people unless we can raise the education levels of all the people in the United States in the work force, the adults. That means we've got to get more people to the colleges, more people back to the community colleges. We've got to help people work and train and raise their kids at the same time. That's what I talked about today.

Whether you are a Democrat or a Republican, I hope you will support these ideas because they're American ideas. Let's give a tax deduction for the educational expenses that people have after high school, whether they're in a college or a community college. Let's let working people invest in an IRA, an individual retirement account, but be able to withdraw money from that tax-free for education, for health care, for caring for their folks. Let's give tax relief to working people for their children in their homes so they can help be successful parents and successful workers. And finally, I propose to take all these Government programs that are paid to train people and consolidate the money. And if you qualify because you're unemployed or because you're a low-income person, if you want to go to school, I propose, in effect, letting you send a check to the local community college and not having to go through all these Government programs and redtape.

Just go to school, get the education, go forward. Just do it.

Now, folks, these are good ideas. They're American ideas. I don't care who gets credit for it, but I want us to do them. There is no party label that will change the reality that the most important thing we can do for Americans is to give everybody a good education, give people the skills to compete and win in this global economy, and give not only our schoolchildren but their parents and their grandparents, if they need it, the ability to go back to these community colleges and get the skills to have a better life and a stronger life and do a better job for themselves and the rest of this country. That is the most important thing we can do to lift the income of the American people.

So, that's what I said over there, but I took about 5 minutes longer to say it. I care about you and your future. My job is to make sure that when all these young people get out of this high school, the American dream is alive and well; this is still the strongest country in the world; we are still a force for peace and freedom and opportunity. But in order to do it, you, every single one of you has got to make a commitment that we are going to develop the capacity of our people. That's how we're going to win. That's how we're going to get wages up. That's how we're going to bring security back. That's how we're going to bring this country together again. That's how we're going to do it. And we can with your help.

Thank you, and God bless you all.

NOTE: The President spoke at 2:23 p.m. in the gymnasium.

Statement on Disaster Assistance for Floods in California

January 10, 1995

Tonight I have declared that a major disaster exists in California caused by the damaging floods in northern and southern California. I have directed Federal Emergency Management Agency Director James Lee Witt to oversee the Federal response in the recovery.

FEMA officials are already working closely with State and local officials to ensure a quick

response to this flood. Director Witt is in California making sure disaster funds begin to flow quickly to help the people affected by the flood damage. These funds will help to begin the process of recovery.

Californians have a resilient spirit and great sense of community. You have shown over the past year during the earthquake, the fires, and now the current floods that you are a people that come together in times of crisis. The American people support you as you would them in a similar time of need. Our hearts are with the thousands of victims affected by the floods and the family members of those who have died.

NOTE: This statement was included in a White House statement announcing disaster assistance for California.

Radio Address to California Flood Victims

January 11, 1995

Last night I declared a major disaster in the State of California. The necessary assistance will be made available to thousands of victims of the flooding in both northern and southern California.

The Federal Emergency Management Agency, FEMA, is working closely with State and local officials to ensure a quick response to the flood. FEMA Director James Lee Witt is in California to ensure that disaster funds begin to flow quickly to the State. These funds will help to begin the process of recovery, and we'll be with you for the long haul.

I want to say a special word of thanks to all the young volunteers from AmeriCorps, our national service program, for the quick and good work they have done. Californians have proven over the last few years that they have a resilient spirit and a great sense of community. You have shown in the earthquake and the fires and now in these floods that you are a people who come together in times of crisis. The American people are with you.

Hillary and I send our thoughts and prayers to the thousands of victims, and we wish you well.

NOTE: The address was recorded at approximately 9:20 a.m. in the Oval Office at the White House for later broadcast.

Exchange With Reporters Prior to Discussions With Prime Minister Tomiichi Murayama of Japan

January 11, 1995

California Floods

Q. Mr. President, we know you're having this meeting, but can you help us with any comments on the situation in California?

The President. We're going to have a press conference after our lunch. I'd be happy to talk about it then. I talked with Mr. Witt last night at 1 a.m. in the morning our time, so I'm up to date. But I'd rather defer questions until our lunch, until our press conference after the lunch.

Japan

Q. Can you tell us if you do expect to make some progress here today given the political situation in Japan?

The President. When the Japanese press come through here, they may say, "Do you expect to make some progress here given the political situation in the United States?" [*Laughter*] Of course I do.

Q. [*Inaudible*]

The President. Do you want to—what did you say? Sure. Should we have a handshake? It's a big table, but—[*laughter*].

[*At this point, the President and the Prime Minister shook hands. Then one group of reporters left the room, and another group entered.*]

California Floods

Prime Minister Murayama. I wish to extend my sincere condolence to the victims of the torrential rain and the flood in California.

The President. The people of California have suffered a lot in the last 2 years. They've had earthquakes, fires, and now floods. It's a very—it's a wonderful place to live, but they bear a great burden.

NOTE: The exchange began at 11:28 a.m. in the Cabinet Room at the White House. Prime Minister Murayama spoke in Japanese, and his re-

marks were translated by an interpreter. A tape was not available for verification of the content of this exchange.

**The President's News Conference
With Prime Minister Tomiichi
Murayama of Japan**

January 11, 1995

The President. Good afternoon. I am delighted to welcome Prime Minister Murayama here for his first official visit. It comes at a very important time, a time when we are beginning to mark the 50th anniversary of the end of World War II, a time when we must move to strengthen the vital partnership between our peoples for the 21st century.

We are starting this year in exactly the right way, working together as representatives of two great democratic nations, committed to solving the problems we face together. We know America has no more important bilateral ties than those with Japan. In a dramatically changing world, we look to Japan as an unwavering friend, one devoted, as are we, to promoting peace and advancing prosperity.

Recently, the vitality of our relationship has been illustrated again by our cooperation to diffuse the danger of nuclear weapons on the Korean Peninsula. Working together with our South Korean allies, we have confronted the nuclear threat and stopped it. The agreement we reached with North Korea already has frozen their nuclear program in a way that is verifiable. North Korea will be giving up control of nuclear materials that could be used in bombs. Construction of new and dangerous reactors has stopped. Ultimately, this program will be dismantled. And all of this is being done, as I said, with strict outside monitoring and verification.

Prime Minister Murayama and I talked about our two countries' roles in implementing the North Korean nuclear agreement, including some activities each of us will undertake. I want to express my appreciation for Japan's strong support for this agreement, including its willingness to play a significant financial role. I reaffirmed my intention to Prime Minister Murayama that the United

States will also continue to play a leading role in implementing the agreement.

This year, the United States and Japan will also work together to develop a comprehensive blueprint for liberalizing trade among the rapidly growing Asian-Pacific economies. We're confident that during its chairmanship of APEC, Japan will show the leadership necessary to chart the course and fulfill the goals of the agreements announced in Indonesia in November. Free and fair trade in Asia will deliver more high-paying jobs for American workers, and those are exactly the jobs that will give more Americans a chance to pursue the American dream.

The Prime Minister and I discussed our bilateral economic relationship. Under our framework agreement, I'm pleased to announce that this week we reached an accord that will open up Japan's financial services sector to American businesses. Over the past 4 months, we have also forged agreements to open Japanese Government procurement as well as Japan's glass and insurance markets to American companies. These agreements must, of course, be fully implemented to ensure that real results are achieved, and more remains to be done. But in the last calendar year, we have reached 8 separate agreements and a total of 14 in the 2 years I have been in office.

Still, Japan's current account surplus is too high, largely because it is just coming out of a period of recession. But further progress must be made, especially in the areas of autos and auto parts, which make up the bulk of our trade deficit with Japan. Negotiations there are set to resume soon. I am firmly committed to opening the market in this and other areas. We must redouble our efforts to assure further progress.

Finally, let me say that the Prime Minister and I will release today the first report detailing the tremendous achievements that have been made in a range of joint projects on global issues. In programs that address such problems as explosive population growth and AIDS, the eradication of polio and the battle against the drug trade, our common agenda for cooperation is making great strides in confronting issues that know no national boundaries.

These are just a few of the projects that our nations are working together on, and they are proof of a relationship that no one could have dreamed of 50 years ago or perhaps even 20 years ago. Today, we have every confidence that the extraordinary bonds between Japan and the United States will only grow stronger in the years, the decades, and the new century to come.

Mr. Prime Minister.

Prime Minister Murayama. At the beginning of the year marking the 50th anniversary of the end of World War II, President Clinton and I confirmed the importance of Japan-U.S. relations today, which have been built by the peoples of Japan and the United States over 50 years. And we agreed to further develop Japan-U.S. relations towards the future.

I took this opportunity to express my gratitude for the magnanimous assistance which the United States had provided Japan after the war. Both our Governments share the view that it is important for Japan and the United States to firmly maintain the Japan-U.S. security arrangements. We reaffirmed that both our countries would further advance cooperation for the peace and prosperity of the Asia-Pacific region.

Japan will cooperate with the United States towards the success of the APEC meeting in Osaka to be held this autumn. We'll also further advance the common agenda which emphasizes the Asia-Pacific region. Today the joint report on the common agenda was submitted. During this summit meeting, we agreed to add women and development as a new area under the common agenda. In my talks with the President, I stressed the importance of advancing exchanges between the peoples of our countries and cited the exchange of students as a specific example.

We also exchanged our views on international issues of common interest. The Government of Japan strongly supports last year's agreed framework between the United States and North Korea. I stated that to ensure the success of the light-water reactor project, which directly relates to the security and stability of the northeast Asian region, including Japan, the Government of Japan intends to play a significant financial role in the LWR,

or light-water reactor project, under an overall project scheme in which the Republic of Korea is expected to play the central role.

As regards the economic aspects, since the end of September last year, discussions have been concluded on the flat glass and financial sectors, and agreement was reached to resume the automobiles and auto parts talks. We commended such progress and confirmed that we would continue to seriously engage ourselves in the Japan-U.S. framework talks.

During this pivotal year, I'm resolved to make efforts to advance the Japan-U.S. creative partnership together with President Clinton, building on today's meetings as a good starting point. Furthermore, I look forward to welcoming President Clinton to Japan as a state guest this autumn.

Thank you.

The President. Thank you. We'll alternate between the American and the Japanese press. Terry [Terence Hunt, Associated Press], go ahead.

Japan-U.S. Trade

Q. Mr. President, Japan's trade surplus is running at more than \$60 billion. Last year at this time, you said that you'd rather admit failure than accept an empty agreement or try to paper over differences. Where do things stand now? Do you think that you've made any breakthrough with these agreements that you've mentioned, or are things pretty much about where they are?

The President. I do. I think I would point out two things. First of all, in the last calendar year, we have reached eight agreements. If they're all implemented fully and in good faith, there's going to be a timelag between the time those specific market sectors are opened and we begin to feel the benefits of it here in the United States.

The second point I would make is that at any given time, the trade relationships between two countries will depend upon the state of the economies in those two countries. We had the good fortune of coming out of our recession more quickly than did Japan. Our growth rate has been higher for the last 2 years. Theirs is now picking up again. I would expect it would be very strong.

One thing I can say to you is that imports and exports increased equally in the last 2 years, that is, by the same percentage. It was an 11 percent increase—I mean, excuse me, in this last year there was an 11 percent increase in imports from Japan and an 11 percent increase in exports to Japan. If we can implement these agreements that we have reached and if we see the Japanese economic growth rate coming up to about the American rate, then I think you will see a tightening of that trade deficit.

The final point I would like to make is that it will never be in rough parity unless we continue to strengthen and discipline our own economy and, most important, unless we make some progress on autos and auto parts, because that's about 60 percent of the trade deficit. So that's a part of our framework agreement. We're about to start the talks again there. That's all in the private sector in Japan, but that's what's going to be necessary to finally get this relationship where it ought to be.

But I don't think you can overread the figures from this year because of the impact of the recession and because of the time delay in implementing the eight agreements we made in '94 and their impact. We're clearly making progress, but not enough, and we have to move on auto parts and autos.

World War II Commemorations

Q. Mr. President, how are you going to commemorate the 50th anniversary of the end of the war? Did you, or are you going to invite the Prime Minister to some ceremony which will be held later this year?

The President. Well, there will be a number of commemorations, as you probably know, throughout the Pacific. But we have not yet decided precisely what I will do and how we will do it.

Let me say this: I know there's a debate going on in Japan about this whole issue now and how it should be handled. I can only say that the last three leaders of Japan have expressed in the sincerest terms their regret about the war. We have had a remarkable relationship, a partnership, and a growing friendship with Japan. And I would hope that we could mark this year by saying this is something that civilized nations can never

permit to occur again. But looking toward the future and what our responsibilities and what our opportunities are in the future by working together to change the world for the better, that is what I think we should do. And I hope that all these areas of cooperation that the Prime Minister mentioned that will be in the report we're mentioning today, we're releasing today will be at the forefront of what people in the world think about the United States and Japan in the years ahead.

Mexico

Q. Can you tell us something more about what the United States is doing to help stabilize the Mexican economy, what effect the crisis there is having on the U.S. economy or what effect it may have? And can you answer people who are beginning to say that this proves that getting involved, further involved with Mexico and Latin America in treaties like NAFTA may have been a mistake?

The President. Let me—there's two separate questions; let me answer them both. First of all, let me say again I have confidence in the long-term future of Mexico. What we have now is a short-term liquidity crisis. There was inevitably going to be some correction in the Mexican currency value because they had run a rather high budget deficit. But they have had stable political leadership, a good economic direction, a commitment to the right kind of future. And they have shown real discipline. President Zedillo's latest moves will require genuine sacrifice from the Mexican people.

And so the United States is committed to doing what we can to help Mexico through what I believe is and should be a short-term crisis. We have considered a number of options. We have consulted with people in our Government and, obviously, among the leadership of Congress. I spoke with President Zedillo myself last evening again. And we are watching this closely and may have more to say specifically in the days ahead.

But I think it's—this is very important to us. Mexico is our neighbor and has been a constructive partner, has tried to work with us on issues ranging from the drug trade to immigration, as well as on our economic issues. Mexico is sort of a bellwether for the

rest of Latin America and developing countries throughout the world. So we have to work on the confidence and the liquidity crisis. And I think that it's in our interest to do so.

Now, let me say on the second question, the people who were opposed to NAFTA made exactly the reverse argument. What they said was that the Americans would be taken to the cleaners, and Mexico would get rich off NAFTA, and America would be greatly disadvantaged. As it turned out, because of our high levels of productivity, the recovery of our economy, and the particular needs of the Mexican economy and the Mexican people now, we did quite well under NAFTA for the last 2 years.

And what has happened is something that no one really foresaw. But I would think this should reaffirm our determination to try to have both democracy and progress, not only in Mexico but throughout Latin America. And for those who can remember what it was like for the United States when Latin America was in depression and when Latin America did not have democratic governments, I think there's no question that it is better for us to have the sort of atmosphere and the sort of reality we saw at the Summit of the Americas. So I just disagree with those who make the second assertion.

Anyone have a question for the Prime Minister?

Q. Mr. President, following Mexico, I want to know if you can tell us the amount of the increase in the credit facility you're going to announce and when, and second, if you plan to keep your support for the candidacy of President Salinas for the WTO over this international criticism for his role in this grand monetary crisis in Mexico?

The President. The answer to the first question is no, I can't give you a specific answer. The answer to the second question is yes, I still support President Salinas.

Is there a Japanese journalist who has a question, a Japanese journalist, a question for the Prime Minister?

North Korea

Q. [*Inaudible*—support for the light-water reactor project, the President mentioned there was a strong support by Japan,

and the Prime Minister mentioned Japan intends to play a significant financial role. I wonder what specific commitment you gave to the President? Also, since you've mentioned Japan intends to play a significant financial role, I wonder if there was any specific ratio indicated, any number given to that financial role? And now there is some criticism with regard to the rather ambiguous solution reached in that agreed framework, and I wonder if there was any comment on that?

Prime Minister Murayama. Well, with regard to the resolution of the North Korean nuclear issue, I would like to say that this issue has a bearing not just on Japan and the neighboring areas but for Asia-Pacific region as a whole. And we've watched very carefully the progress in the U.S.-North Korean talks. And thanks to the tenacious efforts made by the United States, agreement has been reached, and we appreciate that very highly.

In relation to that nuclear issue, we're now discussing the light-water reactor project. As I mentioned earlier, the Government of Japan intends to play a significant financial role in relation to that LWR project. That is what I told the President. However, we have not decided on the specifics of that financial role. For example, we have not commented on how much that financial role is going to be. It is not merely that the Government of Japan intends to cooperate; rather we take this issue as a matter of—for itself as well. And I think it's with that very engaged attitude that we have to address the problem.

The President. Rita [Rita Braver, CBS News]. We'll take, I think, one more each.

Minimum Wage

Q. Mr. President, your aides have said that you are definitely considering a raise in the minimum wage in this country. Have you signed off on that? What's the area in which you're talking about raising it, and when do you think you'll have a final decision? And are you worried about Republican opposition already building?

The President. Well, I have not—let me say, number one, I haven't received a recommendation yet on that from my economic advisers. So I don't want to comment on it until I do.

I think we should look at three things, basically, in making this decision. First of all, the minimum wage is at a 20-year low. Second, inflation is at a 30-year low. And then we need to analyze whether—so there's an argument—and thirdly, the number one mission of the country in this recovery is to raise incomes.

Now, you can argue, well, there are a lot of people on the minimum wage who are actually young people who live at home with parents, and they're not low-income people, and they don't need it. You can argue, there are also a lot of people who are contributing to the support of their children.

Two years ago we attempted to do something really significant about this through the dramatic increase of the earned-income tax credit, which was made refundable, so that today working families in America with an income averaging \$25,000, \$26,000 a year or less will get an average of a \$1,000-a-year tax cut below what their tax rates were before I took office. For those on the low end of the wage scale, that was in part designed to offset the fact that the minimum wage had fallen so far behind inflation and had not kept up with wage growth. There are those who argue that the structure of the American economy has changed so much that this would be burdensome. That's what my economic advisers are evaluating now. They will give me a recommendation.

But my goal, the reason I focused on the earned-income tax credit and the reason I've said we ought to pass the middle class bill of rights, is that we have to raise incomes. Ultimately, the way to raise incomes in America is to increase the skills of the American work force, which is why the most important thing we can do, more than anything else, is to pass the bill of rights: the education tax deduction, the IRA with education withdrawals, and the training voucher program I've proposed to let all the training programs be collapsed and let American workers have up to \$2,600 a year in just cash money to get training. That will raise their incomes.

But I will seriously consider this recommendation when I get it. I have simply not received it yet.

Q. Any idea what the—[inaudible]—rate would be?

Japan-U.S. Security Arrangements

Q. On Japan-U.S. security arrangements, I understand that you reaffirmed the importance. Now, with regard to host-nation support, I wonder how Japan intends to address that issue? What did you tell the President? And also, with regard to the future, was there any discussion of the possibility of cooperation between the two countries on PKO under the United Nations?

Prime Minister Murayama. The necessity, the need for Japan-U.S. security arrangements was discussed, and we see eye-to-eye with each other completely. Although the cold war structure has disappeared, regionally there still remain numerous unresolved issues. And we believe we should look at the Japan-U.S. security arrangements not simply as something for Japan and the United States. The role that the setup plays for the security and stability of the Asia-Pacific region as a whole is very significant. And therefore, we have to continue to maintain that relationship.

And we should take that security relationship or security setup as the pivot and not simply build on that in the security area but also in the other areas as well. And I think that is very important. And we would like to, therefore, continue to strengthen that relationship from that vantage point.

Your second question was on peacekeeping operations. As you know, Japan is a country that has a constitution, a peace constitution, and therefore we cannot provide cooperation that involves the use of arms. However, we have already sent our self-defense forces to Rwanda and other parts of the world for humanitarian purposes. And for such humanitarian purposes and within the extent that the Japanese Constitution will allow, we have been saying consistently that Japan is willing to cooperate with the world. And I think there is full understanding between the two countries on that.

Japan-U.S. Trade

The President. Let me say that the Prime Minister has to leave. And before he does, I want to make a presentation. Yesterday for the first time, the Japanese market was opened to apples from the United States. And as the Prime Minister left, he was telling

me the marketplaces were being filled with the apples, but he didn't have a chance to get any. Now, shortly, the American market will be open to apples from Japan. And we're looking forward to them. I personally like them a great deal. But since the Prime Minister left before the markets opened, I want to give him a basket of Washington State apples to take home to Japan with him. [*Laughter*] This is the symbol of our progress.

Prime Minister Murayama. The Japanese people are enjoying the taste of American apples, and I hope that American people will enjoy the taste of Japanese apples.

Thank you very much.

NOTE: The President's 83d news conference began at 2:05 p.m. in the Grand Foyer at the White House. Prime Minister Murayama spoke in Japanese, and his remarks were translated by an interpreter.

Remarks to California Flood Victims

January 11, 1995

Good afternoon. I want to speak to you today about the ferocious floods now battering California.

In recent times, unrelenting rains have ravaged many places across our great country, rains that have destroyed people's homes, devastated families, carried away the fruits of many, many years of hard work. There can be no greater challenge to a community than facing down these terrifying tides. Yet that is what Americans can do so well. And that is what you, the people of California, are doing at this very minute.

I want you to know that you have my support and the support of our administration to fight this battle the way it has to be fought. Late last night, I declared a major disaster across California and asked James Lee Witt, the Director of the Federal Emergency Management Agency, to oversee our efforts to quickly provide the necessary assistance and to get you moving on the road to recovery. At 1 o'clock our time last night, he assured me that that is exactly what he would do. We're working closely with Governor Wilson, Senator Boxer, and Senator Feinstein, with all the local, State, and Federal officials to fight the flooding.

Let me say a special word of thanks to all the young volunteers from AmeriCorps, our national service program, and the other volunteers for the quick and good work they have done and are doing. Californians have proven over the last few years they have a very resilient spirit. And in a great sense of community, with the earthquakes and the fires, you have shown that you're a people who can come together in times of crisis and overcome those crises.

Our administration has stood with you. Almost a year ago, those of you in the Los Angeles area were awakened by that terrible quake. We stood by you then, by making available billions of dollars and thousands of workers to help in the rebuilding effort, and we'll stand with you again.

Hillary and I send our thoughts and our prayers to the families whose loved ones have died and the thousands of you whose lives have been disrupted. We wish you well. We'll get through this in good American style.

NOTE: The President spoke at 3:02 p.m. by satellite from the Roosevelt Room at the White House.

Statement on the Economic Situation in Mexico

January 11, 1995

I have spoken with President Zedillo and conveyed our continued support for Mexico.

The Mexican President has outlined a comprehensive economic program, which has won the support of the International Monetary Fund.

We have a strong interest in prosperity and stability in Mexico. It is in America's economic and strategic interest that Mexico succeeds.

We are in close touch with the Mexican authorities. I have instructed the Treasury, working closely with the Federal Reserve, to continue to take appropriate steps to help Mexico get through these short-term financial pressures and build on the strong foundation for economic growth created in recent years.

If appropriate, I am prepared to authorize the extension of the maturity of our existing credit facility and to increase those commit-

ments to assist Mexico in meeting its short-term financial obligations.

I am calling on the international financial institutions to work quickly to put in place a substantial lending program to support Mexico's economic program.

Proclamation 6764—National Good Teen Day, 1995

January 11, 1995

By the President of the United States of America

A Proclamation

For many of the 24 million teenagers in the United States today, the future can seem uncertain and distant. Confronted with challenges the likes of which their parents could scarcely have imagined, many of our young people are too busy with the trials of daily life to spend much time hoping and dreaming. But empowered with the courage to try, all teens—even those who may feel troubled and lost—have the potential to succeed.

The choices teens make today will determine the future for all of us, and we must strive to set an example of hard work and responsible behavior. On the occasion of National Good Teen Day, we pause to recognize the teens who set just such an example for their peers—young people who make invaluable contributions to our society, bringing their remarkable talents and energies to bear in their studies and activities, in caring for their families and friends, and in helping their communities. We can learn a lot from these youth, from the creativity, optimism, and resilience that enable them to navigate the complex path to adulthood.

In return for all they give, teens need our understanding, compassion, and love. They require our attention, and they deserve our respect. America's young people have so much to look forward to, so much to share with our world. With firm guidance and gentle reassurance, we can help teenagers to recognize their strengths and realize their dreams.

In celebration of teens throughout the Nation, the Congress, by Public Law 103-463, has designated January 16, 1995, as "National Good Teen Day" and has authorized and re-

quested the President to issue a proclamation in observance of this day.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim January 16, 1995, as National Good Teen Day. I urge all Americans to observe this day with appropriate programs and activities.

In Witness Whereof, I have hereunto set my hand this eleventh day of January, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and nineteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:05 a.m., January 11, 1995]

NOTE: This proclamation was published in the *Federal Register* on January 12.

Proclamation 6765—Martin Luther King, Jr., Federal Holiday, 1995

January 11, 1995

By the President of the United States of America

A Proclamation

As long as there is poverty in the world I can never be rich, even if I have a billion dollars . . . I can never be what I ought to be until you are what you ought to be. This is the way our world is made. No individual or nation can stand out boasting of being independent. We are interdependent.

With resolution and eloquence, Dr. Martin Luther King, Jr., stirred people around the globe to action. He dedicated his life to ending the oppression of racism, and his vision of a nation driven by love instead of hate changed our world forever. We are all the beneficiaries of his legacy, and we are grateful.

Dr. King taught that the goals of civil rights are not merely the goals of any specific group—they are the goals of our Nation. To give people opportunity, to treat them with fairness, and to distinguish them only by their potential—we will continue to work toward these goals as long as people in this Nation

are in need of housing, medical care, and subsistence. We will continue to work as long as neighborhoods are ravaged by drugs and violence. We will continue to work as long as any person, because of circumstance of birth, is granted anything less than the full measure of his or her dignity.

Three decades have passed since Dr. King stood in front of the Lincoln Memorial and told the world of his dream for a future in which our children are judged “not by the color of their skin, but by the content of their character.” Today, with an entire generation of voting Americans who did not witness firsthand the great civil rights victories of the 1960s, it is more important than ever to remind the Nation about Dr. King and his inestimable gifts to this country, so that all of us continue to grow in our commitment to justice and equality.

This year, the Martin Luther King, Jr., holiday is celebrated with a national day of service, a call to join together in purpose and care for one another. On this occasion, I urge the citizens of this great country to reflect upon Dr. King’s teachings and to take positive and life-affirming action in his memory. Give back to your community, help the homeless, feed the hungry, attend to the sick, give to the needy. In whatever way you choose to serve the public good, do something to make life better for the people around you. As Dr. King said on many occasions, “Life’s most persistent and urgent question is, ‘What are you doing for others?’”

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim January 16, 1995, as the “Martin Luther King, Jr., Federal Holiday.”

In Witness Whereof, I have hereunto set my hand this eleventh day of January, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and nineteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:07 a.m., January 12, 1995]

NOTE: This proclamation was published in the *Federal Register* on January 13.

Statement on the Democratic National Committee

January 12, 1995

Later this month, at the Democratic National Committee (DNC) meeting in Washington, I will formally ask DNC members to support the appointment of two capable and committed party advocates for General Chairman and National Chairman. I have asked Senator Chris Dodd (D-CT) and Don Fowler to accept these assignments, and I am enormously grateful that they will be my partners in strengthening the Democratic National Committee.

With their help, we will return to the important business of electing Democrats at all levels of government, and assuring that the voices of the people who work hard and play by the rules—our constituents—are heard and heeded at the seats of government throughout our land.

Senator Chris Dodd is one of Congress’ most eloquent and effective advocates for children and working families. He wrote both the Family and Medical Leave Act and the child care and development block grant, 1990’s landmark child care legislation. He has also been a leader in the Senate on foreign policy and business issues. As General Chairman, Senator Dodd will complement his Senate duties by serving as our spokesman and as a leading strategist for the party.

A little more than 30 years ago another gentleman from Connecticut named John Bailey helped direct our party to victory in landmark elections, and I am convinced that my friend Chris Dodd will repeat that precedent in the elections of 1995 and beyond.

Don Fowler of South Carolina, a DNC member since 1971, will serve as National Chairman, doing the hard but important work of running a political party. In the past, Don has served as chairman of the South Carolina Democratic Party, president of the Association of State Democratic Chairs, and CEO of our convention in Atlanta in 1988. No one knows more about our party’s operations and strategy, and no one is more serious or qualified than Don to guide and direct

Democrats to win elections. He will also be a leading strategist and will be the operational head of the DNC.

While many organizations and entities contribute resources and ideas that make our party stronger, it is the Democratic National Committee that works to elect the local, State, and Federal elected officials who serve the working people of our country.

As we move toward the next century, and as we face the challenges of expanding middle class participation in the recovery, reforming Government, restoring values and decency in our society, and holding fast to the principles of justice and fairness, retaking the Congress and electing Democrats to office is the work of our party committee, and its work must be successful. I thank Chris and Don for taking on this challenge.

I know they join me in thanking Debra DeLee for her service as Democratic Party Chair since November. She was remarkable in giving her energy, her commitment, and her strength to sustaining the party at a challenging time in its history. We have asked her to take on another assignment as CEO of the party's nomination convention in Chicago in 1996, and I am thrilled that she will be serving in that capacity.

Statement With Congressional Leaders on the Economic Situation in Mexico

January 12, 1995

We agreed that the United States has an important economic and strategic interest in a stable and prosperous Mexico.

Ultimately, the solution to Mexico's economic problems must come from the people of Mexico, but we are pursuing ways to increase financial confidence and to encourage further reform in Mexico.

We agreed to do what is necessary to restore financial confidence in Mexico without affecting the current budget at home.

NOTE: The statement was announced jointly with Newt Gingrich, Speaker of the House of Representatives, Robert Dole, Senate majority leader, Thomas Daschle, Senate minority leader, Richard Arney, House majority leader, and Richard Gephardt, House minority leader.

Remarks at the White House Conference on Trade and Investment in Central and Eastern Europe in Cleveland, Ohio

January 13, 1995

Thank you very much. Mayor White, Congressmen Stokes and Sawyer and Brown, distinguished officials here from Cleveland and Cuyahoga County. Secretary Brown, thank you for your kind introduction. That was an illustration of Bill Clinton's second law of politics, that introduction: Whenever possible, be introduced by someone you've appointed to high office. [Laughter] You always get a good one. [Laughter]

I do want to say here that I believe, in the history of the Department of Commerce, there has never been a better Secretary than Ron Brown. I am grateful to him for his dedication to the American business community and to the growth of the American economy, and for his commitment to international outreach.

I thank the Commerce Department and the Business Council for International Understanding for organizing this conference. You've assembled an impressive and diverse group, delegations from Central and Eastern Europe, business leaders from the United States and Europe, American ethnic leaders from all around our country, and so many outstanding State and local officials. I thank you all for being here.

I have to say, I'm especially pleased we're meeting in Cleveland. Many of the men and women who made this great city a foundation of America's industrial heartland came to our shores from Central Europe. With just a little money but lots of determination and discipline and vision, they helped to build our great Nation. And now their children and their grandchildren are leaders in Cleveland and in dozens of other American communities all across our country. Strong bonds of memory, heritage, and pride link them today to Europe's emerging democracies. So it's fitting that we should be meeting here.

I also chose Cleveland because people here know what it takes to adapt to the new global economy. Whether you're in this great State or in Central Europe's coal and steel belt, meeting the challenges of change are

hard. But Cleveland, Cleveland is transforming itself into a center for international trade. And it is a real model for economic growth throughout our country. Already, Cleveland exports \$5.5 billion worth of goods every year. And that trade supports 100,000 jobs.

Cleveland was one of the cities to recently win a highly competitive effort to secure one of our empowerment zones. And Cleveland was selected because of the remarkable partnership that has been put together here between the public and private sectors. So I'm very glad to be here.

I came to this office with a mission for my country that involves all the countries represented here today. I came because I believed we had to make some changes to keep the American dream alive in the United States, to restore a sense of opportunity and possibility to our people in a time of great and sweeping change, and to give us a clear sense of purpose at the end of the cold war, as we move toward the 21st century.

But I also wanted us to move into that new century still the world's leader for peace and democracy, for freedom and for prosperity. This conference symbolizes both those objectives. We have worked hard in the United States to get our economy going again, to get our Government deficit down, to invest in our people and the technologies of the future, to expand trade for our own benefit. We have been fortunate in this country in the last 2 years in generating over 5.5 million new jobs, and having a new sense that we could bring back every important sector of our economy. But we know that over the long run, our success economically in America depends upon our being true to our values here at home and around the world.

And so I say to you that I came here today because I know that America must remain engaged in the world. If we do so, clearly, we have an historic opportunity to enhance the security and increase the prosperity of our own people in a society that we hope will be characterized forevermore by trade and culture and learning across national lines than by hatred and fighting and war.

Many of you in this room are proving that proposition every day. The new partnerships that you are forging between America and Central Europe bring tangible benefits to all

the people involved. Increased trade and investment promotes our exports. It gives our people new skills and creates good jobs—but not only for us, for our trading partners as well. And it plays another very important role: It gives us a dividend by helping the nations with which we trade, and especially the nations in Central Europe, to consolidate their hard-won democracy on a foundation of free enterprise and political freedom.

In all of our countries, we stand at the start of a new era, an era of breathtaking change and expanding opportunities. The explosion of trade and technology has produced a new global economy in which people and ideas and capital come together more quickly, more easily, more creatively than ever before. It is literally true that the end of the cold war has liberated millions of Europeans and introduced both free markets and democracy to countries not only there but on every continent of the globe.

But this promise is also clouded by fear and uncertainty. Economic uncertainty, the breakdown of the old rules of the social contract is a problem in every advanced Western democracy. And in wealthy countries in the East, like Japan, and beyond that and even deeper, aggression by malicious states, transnational threats like overpopulation and environmental degradation, terrible ethnic conflicts and the proliferation of weapons of mass destruction, all these problems beyond our own borders make it tempting to many Americans to retrench behind our borders, to say, "Look, we've got a lot of possibilities, and we've got more problems than we can handle here at home, so let's just forget about the rest of the world for a while. We did our job in the cold war. We spent our money to keep the world free from communism, and we are tired, and we've got plenty to do here."

There are many people who believe exactly that in this country and in our Congress. But the very fact of democracy's triumph in the cold war, while it has led some to argue that we ought to confine our focus to challenges here at home and to say we cannot afford to lead anymore, in fact, imposes on us new responsibilities and new opportunities. And I would argue that we cannot benefit the American people here at home unless

we assume those responsibilities and seize those opportunities.

Those who say we can just walk away have views that are shortsighted. We must reach out, not retrench. I will continue to work in this new Congress with both the Republicans and the Democrats to forge a bipartisan coalition of internationalists who share those same convictions. The agreement we reached yesterday with congressional leaders from both sides of the aisle to help Mexico restore full confidence in its economy demonstrates the potential of a coalition committed to America's interests in the world of tomorrow. And I will do everything in my power, as I have done for 2 years now, to keep our country engaged in the world. I won't let anyone or anything divert the United States from this course. The whole future of the world and the future of our children here in the United States depend on our continued involvement and leadership in the world.

History teaches us, after all, that security and prosperity here at home require that we maintain a focus abroad. Remember that after World War I the United States refused the leadership role. We withdrew behind our borders, behind our big trade barriers. We left a huge vacuum that was filled with the forces of hatred and tyranny. The resulting struggle to preserve our freedom in World War II cost millions of lives and required all the energy and resources we could muster to forestall an awful result.

After the Second World War, a wise generation of Americans refused to let history repeat itself. So in the face of the Communist challenge, they helped to shape NATO, the Marshall Plan, GATT, and the other structures that ensured 50 years of building prosperity and security for America, for Western Europe, and Japan.

Ultimately, the strength of those structures, the force of democracy and the heroic determination of peoples to be free produced victory in the cold war. Now, in the aftermath of that victory, it is our common responsibility not to squander the peace. We must realize the full potential of that victory. Now that freedom has been won, all our people deserve to reap the tangible rewards of their sacrifice, people in the United States and people in Central Europe. Now that freedom

has been won, our nations must be determined that it will never be lost again.

The United States is seizing this moment. History has given us a gift, and the results are there to prove it. Because of the agreements we reached with Russia, with Belarus, with Kazakhstan, with Ukraine, for the first time since the dawn of the nuclear age, Americans can go to bed at night knowing that nuclear weapons from the former Soviet Union are no longer pointed at our children.

Our patient but hardheaded diplomacy has secured an agreement with North Korea on nuclear issues that is clearly and profoundly in our interest. The critics of that agreement are wrong. The deal stops North Korea's nuclear program in its tracks. It will roll it back in years to come. International inspectors confirm that the program is frozen, and they will continue to monitor it.

No critic has come up with an alternative that isn't either unfeasible or foolhardy. Our troops who maintain their preparedness and their enormous capacity to stand up for freedom as the finest fighting force in the world have stood down Iraq's threat to the security of the Persian Gulf. They caused the military regime in Haiti to step down peacefully, to give the Haitians a chance at democracy.

We're using our influence constructively to help people from the Middle East to Southern Africa to transform their conflicts into cooperation. We have used our ability to lead on issues like GATT and NAFTA and the Asian-Pacific Economic Cooperation Council and the Summit of the Americas to help to create a new trading system for the next century.

Already trade is becoming more free and more fair and producing better jobs for our people and for others around the world. In Central Europe, as elsewhere, the United States has moved aggressively to shape the future. The reasons are simple, helping Central Europe to consolidate democracy, to build strong economies is clearly the best way to prevent assaults on freedom that, as this century has so painfully demonstrated, can turn quickly into all-consuming war. A healthy and prosperous Central Europe is good for America. It will become a huge new market for our goods and our services.

America is also engaged with Central Europe because it's the right thing to do. For four and a half decades, we challenged these nations to cast away the shackles of communism. Now that they have done so, surely we have an obligation to work with them—all of you who are here—to make sure that your people share with our people the rewards of freedom that the next century and the new economy can bring.

Some argue that open government and free markets can't take root in some countries, that there are boundaries, that there will necessarily be boundaries to democracy in Europe. They would act now in anticipation of those boundaries by creating an artificial division of the new continent. Others claim that we simply must not extend the West's institution of security and prosperity at all, that to do so would upset a delicate balance of power. They would confine the newly free peoples of Central Europe to a zone of insecurity and, therefore, of instability.

I believe that both those visions for Europe are too narrow, too skeptical, perhaps even too cynical. One year ago this week, in Brussels, in Prague, in Kiev, in Moscow, and in Minsk, I set forth a vision of a different Europe, a new Europe that would be an integrated community of secure and increasingly prosperous democracies, a Europe that for the first time since nation states came into existence on the European Continent would not be subject to a dividing line. With our engagement with the countries of Central Europe and the former Soviet Union, we can help to make that vision a lasting reality.

First, Europe must be secure. The breakup of the Soviet Union has made the promise of security more real than it has been for decades. But reform in Russia and all the states of the former Soviet Union will not be completed overnight, in a straight line, or without rocky bumps in the road. It will prove rough and unsteady from time to time, as the tragic events in Chechnya remind us today. Chechnya is part of the Russian Federation, and we support the territorial integrity of Russia, just as we support the territorial integrity of all its neighbors. But the violence must end. I call again on all the par-

ties to stop spilling blood and start making peace.

Every day the fighting in Chechnya continues is a day of wasted lives and wasted resources and wasted opportunity. So we again encourage every effort to bring to a lasting end the bloodshed. We encourage the proposals put forth by the European Union and the Organization for Security and Cooperation in Europe. These proposals deserve to be heard and embraced.

Some have used this conflict in Chechnya to question continued American support for reform in Russia. But that conflict, terrible though it is, has not changed the nature of our interest. We have a tremendous stake in the success of Russia's efforts to become a stable, democratic nation and so do all the countries represented here today. That is why the United States will not waiver from our course of patient, responsible support for Russian reform. It would be a terrible mistake to react reflexively to the ups and downs that Russia is experiencing and was bound to experience all along and will continue to experience in the years ahead, indeed, perhaps for decades, as it undergoes an historic transformation.

If the forces of reform are embattled, we must renew not retreat from our support for them. So we will continue again to lead a bipartisan effort here at home and an international coalition abroad to work with Russia and also with the other new independent states of the former Soviet Union to support reform, to support progress, to support democracy, to support freedom.

We are well aware, too, of Central Europe's security concerns. We will never condone any state in Europe threatening the sovereignty of its neighbors again. That is why the United States protected Baltic independence by pressing successfully for the withdrawal of Russian troops.

In this period of great social and political change, we want to help countries throughout Central Europe achieve stability, the stability they need to build strong democracies and to foster prosperity. To promote that stability, the United States established the Partnership For Peace. And we have taken the lead in preparing for the gradual, open and inevitable expansion of NATO. In just a year,

the Partnership For Peace has become a dynamic forum for practical military and political cooperation among its members. For some countries, the partnership will be the path to full NATO membership. For others, the partnership will be a strong and lasting link to the NATO alliance.

Last month, clearly and deliberately, NATO began to map out the road to enlargement. Neither NATO nor the United States can today give a date certain for expansion, nor can we say today which countries will be the first new members. But let me repeat what I have said before: The questions concerning NATO expansion are not whether NATO will expand, not if NATO will expand, but when and how. And when expansion begins, it will come as no surprise to anyone. Its conditions, its timing, its military implications will be well and widely known and discussed in advance.

NATO membership is not a right. We expect those who seek to join the alliance to prepare themselves through the Partnership For Peace, for the obligations of membership; they are important. Countries with repressive political systems, countries with designs on their neighbors, countries with militaries unchecked by civilian control or with closed economic systems need not apply.

And let me say once again: Only the 16 members of NATO will decide on expansion. But NATO expansion should not be seen as replacing one division of Europe with another one. It should, it can, and I am determined that it will increase security for all European states, members and nonmembers alike. In parallel with expansion, NATO must develop close and strong ties with Russia. The alliance's relationship with Russia should become more direct, more open, more ambitious, more frank.

European security embraces a democratic Russia. But for Central Europe to enjoy true security, its nations must also develop not only military ties and security arrangements, but also successful market economies. If we have learned anything about the new century toward which we are moving, it is that national security must be defined in terms that go far beyond military ideas and concepts. That's why we're all here. From Tallinn to Tirana, people must have good jobs so that

they can provide for their families and feel the self-confidence necessary to support democracy. They must have the tools to adapt to this rapidly changing global economy. They must have economic confidence, in short, to believe in a democratic future.

Since the fall of the Berlin Wall, the United States has played an important role in promoting these goals. We have strongly supported Central Europe's integration into the European Union. We have taken significant steps to improve access to our own markets, and we have provided Central Europe with financial aid, with technical support, and with debt relief. This assistance has been used for a staggering array of projects, from helping the Czech Republic draft a modern bankruptcy code, to training commercial bankers in Slovakia, to advertising and equipping modern and independent media throughout the region.

But for all our Government has done and will continue to do, the fact remains that only the private sector can mobilize the vast amounts of capital and the human skills and technology needed to help complete the transformation of Central Europe's free markets.

President Walesa put it to me this way last July: "What Poland needs," he said, "are more American generals, like General Electric and General Motors." [Laughter] That's not a commercial; I could have advertised the other auto companies, the other electric companies. [Laughter] Congressman Stokes reminded me that Lincoln Electric here in Cleveland just got the Secretary of Commerce's E Award last night. But the point is that President Walesa's comment defines national security for Poland in a broader context and demonstrates an understanding of what it will take for democracy and freedom to flourish.

In just 5 years, most of the countries in Central Europe have undertaken many of the difficult reforms necessary to build credibility with investors and trading partners, to make themselves attractive to the General Electric and the General Motors. Bold economic reform works. Countries that have pursued it with the greatest conviction have rebounded most quickly from the recession. They are among Europe's fastest growing

economies. And they are drawing the most foreign trade and investment.

More trade and investment is good for Central Europe. But make no mistake about it, it's also very good for the United States. For all of us, it means more jobs, higher wages, an opportunity to learn the new skills we need to succeed in the new global economy. And I say again, it means more real security.

Consider the benefits of just two recent American ventures in Central Europe: The International Paper Company of New York bought a major mill in Poland, retrained its work force, and turned it into a thriving exporter. It also acquired a strong presence in the competitive European market that will generate \$30 million in American exports in support of hundreds of jobs back here at home.

Denver-based US West will soon bring nationwide cellular phone service to Hungary. That will give Hungarians, who now wait an average of 12 years to get a phone, immediate access to modern communications. And it will produce \$28 million in United States exports and support hundreds of jobs here in the United States. I have to say, sort of off the record, that we'll also soon make the Hungarians as frayed around the edges and overbusy as Americans are with their cellular phones. *[Laughter]* But if they want it, we should help them have it. *[Laughter]*

I am very proud that these and literally dozens of other projects went forward with the help of loans and insurance and other guarantees from the United States Government. But I know what our trade and investment in Central Europe could do if we were all to make the most of the opportunities that are there. Our involvement should be much greater. American companies and investors are second to none in identifying good opportunities. But they will reject a project if roadblocks to getting it done efficiently and fairly are too high, especially given the fierce competition for trade and investment from Latin America and Asia.

Our companies need to be sure that when they make a deal, it won't be arbitrarily reversed. They look for full information and reasonable regulation. They want clear commercial tacks and legal codes. And of course

they want private sector counterparts, the driving force of Central Europe's economies, with whom they can do business.

One of the most effective roles the United States can play is to promote continued reform and to help businesses do business, which of course is what this conference is all about. But our efforts did not begin and will not end here in Cleveland. Already we have concluded investment and taxation treaties with many of the countries represented here. The Trade and Development Agency has identified thousands of business opportunities throughout Central Europe. Peace Corps volunteers are teaching business, banking, and finance skills to new entrepreneurs. Our Export-Import Bank is promoting the use of America's products for major infrastructure products and for bringing environmental technology and expertise to Central Europe.

And today I am pleased to announce that the Overseas Private Investment Corporation has set up two new equity funds that, together with funds OPIC already supports, should leverage more than \$4 billion in private investment. Every United States economic agency is working hard to help American business, big and small, to take advantage of the opportunities in Central Europe and around the world. And I want to say that what I said about Secretary Brown and the Commerce Department could also be said about the Export-Import Bank and the Overseas Private Investment Corporation. It is the strongest economic team the United States has ever put in the field of international business, and we intend to see it keep working until we make a success of the ventures like the one we're engaged in here today.

All of their teamwork has proved that Government can work for the American people, a proposition very much in doubt in our country today. I know how difficult and unsettling this period of change is for so many people all over the countries represented in this room and here at home, as well. Sometimes it seems that the more you open your eyes to the world around you, the more confusing it becomes. But we must not lose sight of the fact that even greater forces of history are working for the development of human capacities and the fulfillment of human

dreams than the forces working to undermine them.

And if we use these great positive forces, if we guide them, if we shape them, if we remain committed to making them work for us, we can make our people more secure and more prosperous. Look at what is happening in Central Europe. Every day, open societies and open economies are gaining strength. Every day, new entrepreneurs and businesses are spurring growth and are creating jobs in their own countries and for us back here in America as well. It is in our national interest to help them succeed. We cannot afford to do otherwise.

Just 6 years ago, the countries of Central Europe were still captive nations. Now, 120 million people have the freedom to speak their own minds, to create, to build, to prosper, to dream dreams and try to fulfill them. This new freedom is the fruit of Europe's struggle and America's support. We owe it to those who brought us this far—more importantly, we owe it to ourselves and to our children—not to turn our backs on their historic achievement or this historic moment. That is why this administration will not retreat. We will continue to reach out, working together, trading together, joining together. We will fulfill the great promise of this moment.

Thank you very much.

NOTE: The President spoke at 10:15 a.m. in the Grand Ballroom at the Stouffer Renaissance Hotel. In his remarks, he referred to Mayor Michael R. White of Cleveland. A tape was not available for verification of the content of these remarks.

Statement on Bilateral Investment Treaties With Albania and Latvia

January 13, 1995

These bilateral investment treaties put in place a strong foundation for expanded U.S. trade and investment with the reforming democracies of Central and Eastern Europe. They are another step toward integrating Europe's new democracies with an expanding transatlantic community. Americans and Central Europeans alike will benefit through the increased business.

NOTE: This statement was included in a White House statement announcing the signing of the bilateral investment treaties.

Statement on New Investment Funds for Central and Eastern Europe

January 13, 1995

In Prague last January, I promised we would create investment funds for Central and Eastern Europe. This January we have four of them. They can mean billions of dollars in capital investment to help fuel economic development in the region while creating jobs for Americans at home.

NOTE: This statement was included in a White House statement announcing the new investment funds.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

January 10

In the morning, the President traveled to Galesburg, IL. Following his arrival, he went to Carl Sandburg College where he participated in an informal discussion with area students, graduates, and employers.

In the afternoon, the President returned to Washington, DC.

The White House announced the President has invited President Mircea Snegur of Moldova to meet with him at the White House on January 30.

The White House announced the President, at the invitation of the Canadian Government, will make his first state visit to Ottawa on February 23–24.

January 11

The President announced that he has nominated Sheila C. Cheston to be General Counsel of the United States Air Force.

January 12

In the evening, the President and Hillary and Chelsea Clinton attended the play "Tommy" at the John F. Kennedy Center for the Performing Arts.

The President announced his intention to appoint Kay Dickersin to the National Cancer Advisory Board.

The President announced his intention to appoint Timothy Finchem and Al Mead to the President's Council on Physical Fitness and Sports.

The President announced his intention to appoint Samuel J. Simmons to the Policy Committee of the White House Conference on Aging.

The President announced his intention to designate William T. Esrey to be Chairman and Charles R. Lee to be Vice Chairman of the President's National Security Telecommunications Advisory Committee.

January 13

In the morning, the President traveled to Cleveland, OH, where he met with a group of Central and Eastern European-Americans and with representatives of Central and Eastern European news organizations at the Stouffer Renaissance Hotel.

In the afternoon, the President met with participants of the White House Conference on Trade and Investment in Central and Eastern Europe. He then went to Cleveland-Hopkins International Airport where he met with the editorial board of the Cleveland Plain-Dealer in the conference room at the IX Jet Center. He then returned to Washington, DC.

In the evening, the President and Hillary and Chelsea Clinton traveled to Camp David, MD, for the weekend.

The White House announced the President moved the effective date of the latest California flood disaster back from January 6 to January 3.

The President announced his intention to appoint S. David Fineman to the Board of Governors of the U.S. Postal Service.

The President announced his intention to appoint the following individuals to the National Skill Standards Board:

- James R. Houghton;
- Vera Katz;

- Marc S. Tucker; and
- Alan L. Wurtzel.

**Nominations
Submitted to the Senate**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted January 10

Ray L. Caldwell,
of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Deputy Assistant Secretary of State for Burdensharing.

Johnnie Carson,
of Illinois, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zimbabwe.

Herman E. Gallegos,
of California, to be an Alternate Representative of the United States of America to the 49th Session of the General Assembly of the United Nations.

Lawrence Harrington,
of Tennessee, to be U.S. Alternate Executive Director of the Inter-American Development Bank, vice Richard C. Houseworth, resigned.

Lee C. Howley,
of Ohio, to be a Representative of the United States of America to the 49th Session of the General Assembly of the United Nations.

Jeanette W. Hyde,
of North Carolina, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Antigua and Barbuda, and as Ambassador Extraordinary and Plenipotentiary of the United States of

America to St. Kitts and Nevis, and as Ambassador Extraordinary and Plenipotentiary of the United States of America to Grenada.

Martin S. Indyk,
of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

Isabelle Leeds,
of New York, to be an Alternate Representative of the United States of America to the 49th Session of the General Assembly of the United Nations.

Bismarck Myrick,
of Virginia, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho.

Philip C. Wilcox, Jr.,
of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Coordinator for Counter Terrorism.

Jacquelyn L. Williams-Bridgers,
of Maryland, to be Inspector General, Department of State, vice Sherman M. Funk, resigned.

Frank G. Wisner,
of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

Submitted January 11

Sandra L. Lynch,
of Massachusetts, to be U.S. Circuit Judge for the First Circuit, vice Stephen G. Breyer, elevated.

David Folsom,
of Texas, to be U.S. District Judge for the Eastern District of Texas, vice Sam B. Hall, Jr., deceased.

Thadd Heartfield,
of Texas, to be U.S. District Judge for the Eastern District of Texas, vice Robert M. Parker, elevated.

John D. Snodgrass,
of Alabama, to be U.S. District Judge for the Northern District of Alabama, vice E.B. Haltom, Jr., retired.

Sidney H. Stein,
of New York, to be U.S. District Judge for the Southern District of New York, vice Pierre N. Leval, elevated.

Lacy H. Thornburg,
of North Carolina, to be U.S. District Judge for the Western District of North Carolina, vice Robert D. Potter, retired.

**Checklist
of White House Press Releases**

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released January 9

Announcement on release of funds for earthquake assistance to California

Released January 10

Statement by Press Secretary Mike McCurry on the President's invitation to President Mircea Snegur of the Republic of Moldova to a meeting on January 30

Statement by Press Secretary Mike McCurry on the President's planned state visit to Canada on February 23-24

Transcript of a press briefing by Labor Secretary Robert Reich and Secretary of Education Richard Riley on the middle class bill of rights

Released January 11

Statement by Press Secretary Mike McCurry on the planned White House Conference on Trade and Investment in Ireland on May 18-19

Transcript of a press briefing by Ambassador Walter Mondale, Deputy Assistant to the President for Economic Policy Bo Cutter, and Senior Director for Asian Affairs Stanley Roth on the President's meeting with Prime Minister Tomiichi Murayama of Japan

Transcript of a press briefing by Education Secretary Richard Riley, Secretary of Commerce Ron Brown, Housing and Urban Development Secretary Henry Cisneros on the middle class bill of rights

Text of a report to the President and Prime Minister Murayama of Japan entitled, "Common Agenda for Cooperation in Global Perspective"

Released January 12

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Director of the Federal Emergency Management Agency James Lee Witt on the flooding in California

Listing of Democratic freshmen Members of Congress meeting with the President

Listing of retired military officers at a luncheon meeting with the President

Announcement of the President's intention to nominate Lawrence Harrington to be Alternate Executive Director of the Inter-American Development Bank

Released January 13

White House statement on the White House Conference on Trade and Investment in Central and Eastern Europe

White House statement on Ex-Im Banks expansion of programs with Central and Eastern Europe

**Acts Approved
by the President**

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.

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Government
Printing Office**

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OF DOCUMENTS

Washington, D.C. 20402

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