

cluding section 9A of the Act, it is hereby ordered as follows:

Section 1. Establishment of the Board. There is established effective February 22, 1995, a board of three members to be appointed by the President to investigate these disputes. No member shall be pecuniarily or otherwise interested in any organization of railroad employees or any carrier. The board shall perform its functions subject to the availability of funds.

Sec. 2. Report. The board shall report to the President with respect to the disputes within 30 days of its creation.

Sec. 3. Maintaining Conditions. As provided by section 9A(c) of the Act, from the date of the creation of the board and for 120 days thereafter, no change, except by agreement of the parties, shall be made by the carrier or the employees in the conditions out of which the disputes arose.

Sec. 4. Records Maintenance. The records and files of the board are records of the Office of the President and upon the board's termination shall be maintained in the physical custody of the National Mediation Board.

Sec. 5. Expiration. The board shall terminate upon submission of the report provided for in section 2 of this order.

William J. Clinton

The White House,
February 22, 1995.

[Filed with the Office of the Federal Register, 3:09 p.m., February 23, 1995]

NOTE: This Executive order and the attached annex were published in the *Federal Register* on February 27.

Message to the Congress Transmitting Budget Rescissions and Deferrals

February 22, 1995

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one revised deferral, totaling \$7.3 million, and two revised rescission proposals, totaling \$106.7 million.

The revised deferral affects the Department of Health and Human Services. The

revised rescission proposals affect the Department of Education and the Environmental Protection Agency.

William J. Clinton

The White House,
February 22, 1995.

Remarks to the Business Council

February 22, 1995

Thank you very much. Ed, you did such a good job, I was thinking there wasn't much more for me to say. I'll just—what if I say I agree and sit down and get a free meal? [Laughter] I'm delighted to be back here with this group, and I'm glad to see many old friends. I've tried to make a couple of the tables, and afterward, I want to go around to say hello to everybody I missed.

I, more than anything else, want to say, too, I appreciate the receptivity that many, many members of this group have had to working with me and with the members of our administration. I have many members of the Cabinet here and sub-Cabinet members, and we've worked on a whole range of issues.

As a gesture of good will, I left my golf clubs home tonight—[laughter]—so none of you are in danger of being hit by errant balls. Actually, I didn't hit anybody last week, either. I didn't hit it far enough to hit anybody. I was trying, but I couldn't get the ball up in the air.

I've given some thought to what we ought to talk about tonight. There are several issues I want to speak about. Maybe I should try to do pretty much what I did last year, which is to just give you an update as big stockholders in America on where I think we are and where we have to go.

I'd like to begin by thanking you for the work we've done together in trade, particularly, and the support many of you have given to our deficit reduction and budget control and Government reduction efforts over the last couple of years and the involvements we've had in building new and, in many ways, unprecedented partnerships with the private sector to try to promote American products and services around the world.

But even more fundamental than that, I'd like to say that perhaps the thing we have

most in common is not that we run big operations. Some of you may have heard the story I've been telling about the college president who told me over New Year's that being president was like running a cemetery. You had a lot of people under you, but nobody was listening. [Laughter] And sometimes you may feel that way as well.

But what we really have in common is that we've had the chance, each of us in our different ways, to live the American dream. We've had opportunities to do what we want to do, to live out the dreams of our childhood, to be rewarded for our labors in ways that very few people in this country and in this world have had. And it may be just because we're eminently deserving, but I'm sure we'd all admit we've been the beneficiaries of good fortune and a lot of help along the way as well. I know that I certainly feel that way.

And I think we have a peculiar obligation at this moment in our country's history when there is so much change going on to try to make sure that we preserve the dream that we've lived for all the people that are coming after us. That's really the mission that I think we should all be on at the end of the 20th century.

As you look ahead to the future, it is so full of excitement and opportunity and unimaginable benefits. But it is also full of a range of changes and challenges to ordinary people that are truly intimidating. And these challenges, these great opportunities that are sweeping across our country as we hurdle into the global economy of the 21st century are having very uneven impacts out there in America, even among people who are all trying to do the right thing as hard as they can. All the downsizing and rightsizing and changing all the challenges and all the rewards that come to people who meet the education premium of the knowledge society, they all have a different side which brings upheaval and uncertainty and insecurity to an awful lot of our folks.

And at a time like this, it's very important that the people who are out there, trying to make sense of what's going on in the world as it affects their lives at least know that those of us who are in positions of leadership and who have responsibility for capturing and

keeping and preserving and passing on the American dream are doing our dead level best to do that and to keep a world in which, if you're in this country and you're doing the right things, you've got a good chance to be rewarded for your efforts in making a successful career and raising a successful family.

I ran for President because I thought we were running away from too many of our major challenges, because it was too easy to play the politics of the moment. There is, as we find repeatedly, a price for taking the long view and doing things that are difficult and unpopular, but nonetheless, that's work that has to be done.

When I got here, we began by passing the biggest deficit reduction package in history, one that would reduce the deficit by \$600 billion-plus over 5 years. We cut or eliminated outright more than 300 programs, reduced the Federal Government already by over 100,000 positions and, if no new laws were passed by the new Congress, the size of the Federal Government would be shrunk by 272,000 now over 5 years, making it the smallest it's been since Mr. Kennedy was the President of the United States.

In that budget, we were able to give tax relief for working families with incomes of under \$26,000 a year, increase the expensing provision for the small businesses of our country in ways that benefited large numbers of them, and of course, we've worked together to lower export barriers and to pass NAFTA and GATT, to get the APEC nations to agree to a free trade zone in Asia early in the next century, and at the Summit of the Americas, we've agreed to work on a free trade zone here in our own back yard.

We've had the most active and aggressive efforts on behalf of American interests by the Export-Import Bank and the Overseas Private Investment Corporation, at least, in all of my experience, and I think of that of most of yours. We've tried to harness the power of science and technology and the downsizing of the defense budget to make them opportunities for us to develop new commercial products that we can sell around the world.

It is important in all these things to realize that we have made a fundamental choice as Americans, a choice we've been making now

for many decades, and that is that we're going to compete and win in the world; we're not going to run away from it; we're not going to attempt to hide behind barriers; we're going to face the very vigorous challenges that global competition presents; and we're going to make them work for the American people and for our future.

Not everyone believes that that's a course we should take. That has not only economic implications but also security implications. And so I ask that those of you who understand that support the decisions that we will have to make that may be unpopular in the short run.

Many of you have already written to me or called me, supporting the action that I took with regard to the financial crisis in Mexico. I appreciate that. It is an important issue for the workers and the business interests of this country, long-term, and as many of you know not simply because of Mexico but because of Argentina and Brazil and all of Latin America and, indeed, the developing world at large. We have a stake in seeing that people who are committed to democracy and to free market economics and to open trade have a chance to succeed in a difficult world. And we should not be surprised when there are certain rocks in the road when the path is uneasy and uneven. And so I hope that all of you believe that I did the right thing, but I do want to say for those of you who have expressed your support, I appreciate that.

The second point I want to make is that this is not just an economic issue. The burdens of leadership, if we want to benefit from them, also require us to be involved in the world in foreign policy issues, require us to take the lead, for example, in trying to resolve the nuclear issue with North Korea, require us to do things that are wildly unpopular in the short term but are in our long-term interest, like restoring democracy in Haiti and require us to continue to support responsible operations in the United Nations.

Now, in this new Congress, there will be many debates designed basically to try to withdraw the United States from a role of world leadership. And I understand why people who voted for both parties in the last congressional election are overwhelmingly pre-

occupied with their own problems at home. But what you understand is, we cannot solve our problems at home unless we remain a leader in the world. It is a false choice.

And so, I urge you to engage the new Congress in a constructive debate from your perspective about our responsibilities to maintain the leadership of the United States in economic affairs, in support of freedom and free markets, and in security affairs. And the two things go hand in hand. We should be prudent. We should be restrained. We should not be involved in every conflict. We cannot solve every problem. But where we can make a difference, where it is plainly in the interest of the United States, we must be in a position to do so, in terms of our economic interests and our security interests. So that's the first request I would make of you in our common obligation to preserve the American dream into the next century.

The second thing I'd like to say is that we have cut Government, and we've made it work better. We've tried to do things that other people talked about. We've deregulated much of the banking operations. We've deregulated interstate trucking. We have lowered dramatically export controls on high-tech products. We've reformed the Federal procurement system, which was an unbelievable mess and which the Vice President liked because it got him on the David Letterman Show, breaking up \$10 glass ashtrays. [Laughter]

We cut the SBA loan form from an inch thick to a page long and the response time to nearly nothing. We did the same thing with FHA processing. We are working hard with this new Congress in many ways that I think all Americans support. I was glad to sign the law applying to Congress any requirements it imposes on private employers, and I think that will make the Congress think a while when they start passing laws that affect you, when they have to consider how it will affect them.

We are working now to pass a bill that will reduce the burden of unfunded Federal mandates on State and local governments, and I think we should. We are trying to resolve the conflicts in Federal regulations that have often occurred between one agency and another, and we are making some specific

progress there in getting the Labor Department and the EPA to work together.

All of these things have been part of an economic strategy that, when combined with your remarkable efforts and those of American businesspeople large and small and American workers all across this country, booming productivity, all these things together have given us the lowest combined rate of unemployment and inflation in 25 years, nearly 6 million new jobs—93 percent of them in the private sector—the highest rate of private sector job growth in any recovery in the last 20 years.

For the first time in 9 years, last year our country's economy was voted the most productive in the world. We've reduced our deficit to about half the percentage of our national income it was when I became President. And the Council of Economic Advisers gave me an interesting chart the other day which showed the annual deficit of the country, except for interest on the debt—to show you what a problem that is—you take away interest on the accumulated national debt; the last time we had an operating surplus in the Federal budget was in Lyndon Johnson's term, and it was tiny. In the Kennedy-Johnson term, it was larger. In our first 2 years, our operating surplus, without interest on the debt, is as large as it was in the Kennedy-Johnson term, the first time in 30 years that's been the case through Republican and Democratic administrations alike. So we have worked hard to control Government spending, but the accumulated burden of interest on the debt has changed the dynamics rather dramatically of managing that problem.

We had to make some tough decisions to get to this point. They were characterized by our opponents in the last election in ways that benefited them politically and burdened us. People accused us of raising their taxes when we didn't and accused us of expanding the Government when we were contracting it.

But the important thing is not the results of any particular election but that we did the right thing and that the country is moving in the right direction, and we must continue to do that and take on the jobs that are still ahead. We know we've got a lot more work to do in changing the way the Federal Gov-

ernment works. And I believe now more than anything else, we are in place and on the way to eliminating and consolidating any number of Government programs. In this new budget, we cut or eliminate another 400 and consolidate them.

We've proposed the "GI bill" for America's workers, which I hope every one of you will support, which would consolidate 70 Federal training programs into one program and give an unemployed worker or a worker with a wage so low that he or she qualifies for Federal training funds the right to a \$2,600 a year voucher to take to the nearest community college or to any other approved training program to get whatever training they need. So that instead of having all these piecemeal Federal programs of uncertain impact, we just put the money in a pot and use it to educate and retrain workers who are moving between jobs. That will increase the productivity of the work force, reduce the time of unemployment, and increase the earning capacity of a lot of workers.

Those are the kinds of things we're working on. I think perhaps the most important thing we can do, to go back to something Ed said, is to try to change this sort of culture of regulation which has accumulated over the last 30 or 35 years in both Republican and Democratic administrations, unrelated to whether the objectives of the regulation are in conventional terms, if you will, liberal or conservative.

We have regulators who have not wanted to be arbitrary, so they've tried to think of every conceivable circumstance that could happen in a certain area and then write rules with overwhelming precision, the impact of which was to be so incapable of understanding that the administration of them was as arbitrary as if you had written something very general.

We have other rules which focus too much on the process rather than the end product. Instead of saying, this is the clean air standard that State X must meet, they say, here are the 25 things you have to do because they will produce the clean air standard whether they will or not.

We have too many rules where the process of enforcing the rules is evaluated more than the results. We've found, for example, that

we had Customs officials who were evaluated on their jobs based on how many shipments of imported toys they commandeered. Well, not surprisingly, we had more toys than other products in certain Customs places, because that's how you determine whether you were doing a good job, not whether there was anything wrong with the toys or not. We have other places where people are qualified and evaluated for promotions based on the volume, the number of fines that they write, not whether or not they eliminate the problem which causes people to get fined in the first place.

So this whole culture, it seems to me, needs a thorough reexamination. Yesterday, the Vice President and I made an appearance before all of the Federal regulators from all of the agencies, and introduced some of our success stories, a banker from Oklahoma who came to talk about how the Comptroller of the Currency was dealing with banks from his point of view better than anybody had in decades. We also introduced some reminders of why we need regulation, a man whose wife was saved by air bags, a man whose son was lost to *E. coli* poisoning because the rule we now have in place on meat inspections was not there when his son ate contaminated food. And we talked about the changes we were going to try to make.

I instructed these regulators to review every single regulation they have by June 1st and make a report to me by June 1st based on which ones they thought could be scrapped altogether, which ones could be modified, and whether any of the regulation could better be done at the State and local level or by some self-policing mechanism. I asked them to look for new measures of success that focused more on results as opposed to process.

Finally, the Vice President's conducting a review of all of the regulations covering food, health, the environment, worker safety, and financial institutions to make further recommendations for reforms in those areas.

I want to work with the Republicans in this area to try to help to break and change a culture of regulation that makes people hate the Federal Government when they think it is grinding on them in ways that don't make sense and which don't necessarily—the

culture often doesn't necessarily give us better regulation and better results. And I hope that we can work together to do this, but I don't think we ought to roll back or wreck things that do work or walk away from our obligation to elevate the quality of life in this country.

One of the reasons our economy is strong, in my judgment, is that we have found a way to pursue economic growth and pursue environmental protection. We have found a way to pursue increasing productivity, and we have seen a reduction in injuries in the workplace.

So I don't think most people believe we ought to walk away from our obligation to have safe food or safe toys or clean air or clean water. I don't believe that it's wrong to make sure that our cars are safe or that mammograms are accurate. I think that these safeguards really work. The question is, how can we change them in ways that really make sense?

I find that a lot of the things we have to do, like a lot of the things you have to do, are not particularly sexy, flashy changes; they require hard work. And the impact of them accumulates over time. It's just like these 102,000 employees that don't work for the Federal Government anymore. A lot of people are genuinely surprised because they didn't see any of them leaving on the news at night. And they didn't, because we managed the process in a very disciplined way to try to minimize disruption in people's lives, the same way you would manage the process.

Now, the temptation is always to try to do something that will make a statement that will pierce the public consciousness even if it's not the right remedy. That's what we're facing on regulation now, from my point of view. Some of the people in the Republican Congress are proposing that we freeze all Federal regulations for an extended period of time in a way that would override every single pending health and safety law on the books. To me, that's not acceptable. And there are a whole lot of pending regulations that we have people in this room who want to go through. And it will create unimaginable headaches. The last time we did it, every single analysis was that it cost more money

than it saved, that it led to lawsuits, that it turned out to be a headache.

I know we need to change the way the Federal Government regulates. We have already done it in some areas. We have not done nearly what we need to do. We have a process in place that we've been working on for months to do it. But I ask you to help us do it in the right way. I also hope that when we get into this whole budget, we will be able to proceed in the right and responsible way.

A lot of you here, for example, have argued in the past and have testified in the Congress for expanding Head Start, for the Women, Infant, and Children program, for continuing to invest in the education and training of our people. We know that the only way to raise incomes in America and the global economy is to improve the education and training of the work force and to improve the overall productivity and wealth-generating capacity of the economic system itself. We clearly have an obligation there. And so, I would hope that the second thing I would ask you—the third thing, after the regulatory issue—support regulatory reform, insist on it, demand on it, demand it, give us your ideas, but let's don't do something that looks good that will have a perverse impact.

And the third thing I would ask is that you would support an investment budget for the Federal Government that gives people the chance to make the most of their own lives. It gives people the chance to get the education and training they need.

You know, one of the best things we've done is this direct student loan program. When I ran for President—and I had been a Governor for a dozen years; I had listened to students who dropped out of college; I listened to people who couldn't go to college; I listened to older people who wanted to go back—and one of the things I kept hearing complaints about was the loan program, and how a lot of people wouldn't go to school or would drop out because they didn't want to borrow so much money, and they didn't think they could pay it back. So under our system now, people who borrow money, number one, get it at lower cost, and number two, have the option of paying the money back as a percentage of their income, so that

if they get out of school and take a modestly paying job, they can still pay their loans back no matter what the burden is.

And believe it or not, because we went to direct loans and got out of the middle-man system where we essentially guaranteed student loans to banks who made them so that there was no risk and very little incentive on collecting and no incentive to go to court to collect, because we were going to pay anyway, we actually have cut the cost of the student loan program by over \$5 billion over a 5-year period and increased the volume of loans and lowered its cost.

These are the kinds of things, it seems to me, we ought to be doing. And by the way, every now and then the Government does something right. When I became President, you were paying out \$2.8 billion a year in tax money because of loan defaults. We've cut that to \$1 billion a year. We've cut it by almost two-thirds, the costs.

So these are the things, it seems to me, we ought to be doing. And so I would say to you that on this last point—this is very important—it's not only important for us to say what the Government should not be doing—and I will support this new Congress, as I said, in many ways; we're going to have a big fight on the line-item veto, and a lot of people in my party aren't for it, but I am strong for it; I think we ought to have it; I will support it—but there are some things we should be doing, things that we do right. And I hope that you, of all people, who understand the critical importance of education and training for a lifetime will support a responsible Federal role here.

Let me just tell you that this is not an idle discussion I'm having. Just today, just for example, the chairman of the relevant House committee introduced a bill that would eliminate the Federal commitment to food and nutrition for children, throw the money into two block grants, and send it to the States, and freeze the money, which will effectively mean the end of the school lunch program.

Now, that has been a remarkable success. It feeds 25 million kids every day. It has a low administrative overhead, and we are in the process of simplifying the ability of the schools to participate in the program, cutting their costs, cutting their hassles.

We have done everything we could, by the way, to make flexibility the order of the day for States. We've granted more waivers in welfare reform and health care reform than the two previous administrations put together, so that States who were serious about changing their own systems could get around all these Federal rules. But doing away with the school lunch program is not my idea of reinventing Government or saving tax money.

When I was growing up, a conservative was somebody who said if it ain't broke, don't fix it. And now we've got lots of folks in Washington—there are all these things that are broken we ought to be fixing, and they're running right by them, trying to fix things that are working just fine.

The school lunch program does not need to be destroyed in our common lust to reduce the Federal Government where it has to be reduced. In 1991 as I said, there were five major CEO's who appeared before Congress to say that the WIC program, the Women, Infants, and Children was a good idea. Three of them are here tonight: Bob Allen, John Clendenin, and Bob Winters. They said WIC was, I quote, "a triple-A rated investment" in the future. They were right then; they're right now. At that time, a bipartisan group in the Senate, led by Senator Leahy and Senator Dole, helped to save that program. We have expanded that program, and we're going to have healthier children and a stronger future as a result. So I ask you, please to stand up for that.

Lastly, let me say that a lot of you supported, a lot of you opposed, and a lot of you sat on the sideline and scratched your head when we had the big health care debate last year. I want to put this issue before you. As has always been the case—at least since President Nixon first tried to do it in '72, I don't know what happened when Harry Truman did it; I know what happened to him, but I don't know what happened to health care costs—but there was a dramatic moderation of health care costs last year. More people are going into managed care plans. But there are still serious problems with it.

The only part of the Federal budget that's going up at faster than the rate of inflation are Medicare, Medicaid, and interest on the

debt. We've now had 2 years in a row where we have reduced both defense and domestic discretionary spending and produced what I said before, an operating surplus, except for interest on the debt.

The only responsible way to deal with the entitlements problem over the long run is to keep working to help to solve the health care problem. And in spite of the moderation in health care costs, you should know that another million Americans in working families lost their health insurance last year. We're the only country in the world with an advanced economy that has a smaller percentage of people under 65 with health insurance today than had it 10 years ago. And most of you represent companies that are paying for that, because these people do get health care when they're too sick and it's too late and they show up at the emergency room, and you get the bill in indirect costs. You know that.

So as I have said in the State of the Union Address, we bit off more than we could chew last time. We tried to do too much. But piece by piece, we need to have some insurance reforms. We need to think about people whose families are without insurance when they're unemployed. We need to think about what we can do to put some pieces in place that will stop the cost-shifting and allow some long-term reform of this system and bring the Medicare and Medicaid programs within line of inflation without having even more costs passed along to you.

Those are things that I can report to you this country's in better shape than it was 2 years ago, but these are things that we need to work on. We need to maintain America's economic and security leadership in the world. We need to continue to work to downsize the Government and to change the culture of regulation in the right way. We need to stand up for what is necessary and appropriate from our National Government in terms of preserving the quality of life and more important than anything else, empowering people to make the most of their own lives. And we need to keep working at this entitlement/health care problem piece by piece so that we can help the economy to grow, help the deficit to be controlled, and provide health care to the people who de-

serve it. If we do those things, we will be doing what we should do to give the next generations of Americans the American dream that brought us all here tonight.

I think it is a very exciting time to be here. I enjoy it. I enjoy working with the new Congress, and I don't mind the disagreements with the new Congress. But the most important thing is, this is not a game, and it is not a dress rehearsal. We are taking the American people into the next century, and we owe it to them to do it in a way that gives countless generations that come behind us the chance to be in rooms like this for generations from now and to do whatever they want to live up to their God-given ability.

Thank you very much. Thank you. Ed, tell them to go serve dinner, and I'll go shake hands. [*Laughter*] Thank you.

NOTE: The President spoke at 7:40 p.m. at the Park Hyatt Hotel. In his remarks, he referred to Edgar S. Woolard, Jr., chief executive officer, E.I. du Pont de Nemores & Co.; Robert E. Allen, chairman and chief executive officer, AT&T Corp.; John L. Clendenin, chairman and chief executive officer, BellSouth Corp.; and Robert C. Winters, chairman emeritus, Prudential Insurance.

Remarks on Arrival in Ottawa, Canada

February 23, 1995

Governor General and Mrs. LeBlanc, Chief of Protocol Lederman, Ambassador and Mrs. Blanchard, Ambassador and Mrs. Chrétien, ladies and gentlemen: *Je salut nos voisins, nos alliés, nos amis.* I salute our neighbors, our allies, our friends.

I must say that on this beautiful day I can't help recalling the wonderful visit that Vice President and Mrs. Gore enjoyed here last July. I thank you for the hospitality you showed them. And I also want to tell you what I told the Vice President, Governor General: The next time, I get July and he gets February.

I come to Ottawa to celebrate the vital friendship and the partnership between Canada and the United States and the work to make it even stronger. Our relationship is

centered on a shared continent, shared values, shared aspirations, and real respect for our differences. Its very success makes it easy to take for granted, but we must never take it for granted.

In a world in which too many nations still choose conflict over cooperation and erect barriers instead of bridges, our partnership has been and must ever be a model for others and the foundation on which to build a common future.

Over the years, our alliance has been enriched by strong leadership from Canada, and I have come to appreciate that firsthand. Prime Minister Chrétien possesses an extraordinary breadth of experience in government and a passion for this great nation from Halifax to Vancouver. He has forcefully advanced Canada's interests. Fair in settling our differences, he has been a true friend in working with me on the dozens of concerns our countries share.

Our nations have forged the most comprehensive ties of any two nations on Earth. They bind not only our Governments but also our economies, our cultures, and our people. From NORAD to NAFTA, Canadians and Americans have seized opportunities to provide for our common security and prosperity. We've tackled tough problems from acid rain and water pollution to differences over beer and grain in the spirit of friendship and in pragmatism.

We've grown so close that some Americans find it uncomfortable that your Blue Jays have won the last two World Series. We hope and we believe they will not be the last World Series, and we were grateful for a little equal time when our Rangers got bragging rights to the Stanley Cup.

This week we'll focus on commerce between our countries, which last year exceeded \$270 billion. It is the largest bilateral trading relationship in the world. It supports millions of good jobs, and thanks to NAFTA, it's growing by more than 10 percent every year. It sends a powerful message around the world that open markets can be the key to greater prosperity. Now, to take greater advantage of the opportunities free trade offers our people, we'll sign a new aviation agreement that makes it easier for passengers and cargo to travel between our countries.