

humane severance programs to the people who left the Federal employment. That is, we gave them good early retirement packages or good early-out packages and time to work out a new education program or a new line of work.

The other reason is that the people that are left are doing a better job. I mean, there's a dramatic increase in productivity of these Federal workers that are left. And I know it kind of contradicts a lot of people's preconception about the Government, but I think it's interesting that you can cut the Federal work force that much and literally nobody knows it happened because there's been no undermining of the quality of service that these Federal employees have given. I think it's really—and I thank you for saying that about it.

[A participant suggested a tax incentive for something other than a fixed asset.]

**The President.** Let me just say, that's an interesting point. Small business people in America, particularly when they first start, is the only economic unit that's in the same position as most American families are—most American families now pay more tax on the payroll than they do on the income tax. And the problem with the payroll tax is you have to pay it whether you make any money or not.

Now, since it supports the Social Security system that, no matter what they tell you, is still solvent until the year 2019—we are going to have to make some changes in Social Security for when the people my age, the big baby boomer generation, retires because you'll have fewer people working and more people drawing. But we have to have some mechanism of keeping the system funded—but it really—I think that's a good point because the payroll tax is something—since you have to pay it whether you make any money or not is an extraordinary burden on both a lot of middle class families and small businesses.

Q. Mr. President, we want to thank you for coming here and sitting with this forum today. Tony has probably got another shift coming in the door here in a little bit, but we want to thank you for listening to the issues and it's been a great opportunity.

**The President.** Let me say too, I thank all of you for your support of the SBA. I thank you, Pat, and Administrator Phil Lader and his predecessor Erskine Bowles—I put two people in charge of the SBA, one of them, Erskine Bowles, spent 20 years starting small businesses. It occurred to me that for a change we ought to have somebody in there that had actually done that; and then Mr. Lader has spent most of his life running them.

And it makes a big difference if you have people that have actually lived with this and know what they're doing. I'm very proud of them and all the people that work at SBA. I thank you for your support. It looks to me like from your example that's money well spent.

Thank you. Thank you all.

NOTE: The roundtable began at 1:40 p.m. in the New Hampshire Hydraulics Co.

### **Remarks on Departure From Manchester, New Hampshire February 3, 1996**

I was deeply saddened to learn of the death of an American soldier this morning in Bosnia. This is the first fatality suffered by American service personnel in Operation Joint Endeavor. Hillary and I join all Americans in extending our deepest sympathies to his family and his friends. Our prayers are with you this afternoon and so is the pride of the Nation, for he gave his life in the noblest of causes, the search for peace.

I have been clear since before this operation began that our mission to secure peace in Bosnia would entail some risks. We have done everything we could to minimize those risks, and all Americans should know that we have provided our troops with the best training, the best equipment, to confront the challenges they face in Bosnia, and they are very well-led in a careful implementation of their mission. We will continue to take every precaution we can to protect our troops as they work to secure an enduring peace in Bosnia. And all of our troops should know that today our thoughts and our sincere gratitude are with them, especially on this difficult day.

Thank you very much.

NOTE: The President spoke at 3:30 p.m. at the Manchester airport. In his remarks, he referred to Sgt. 1st Class Donald A. Dugan, USA.

**Statement on the Death of Donald A. Dugan**

*February 3, 1996*

I deeply regret the death today in Bosnia of an American soldier who was killed this morning when he stepped on a landmine. This is the first fatality that U.S. forces have suffered in Operation Joint Endeavor.

Hillary and I join all Americans in extending our deepest sympathies to his family. They should know that he died in the noblest of causes, the pursuit of peace.

Since before Operation Joint Endeavor began, I have said it entails real risks. But our commanders have provided our troops with the finest training and equipment to confront the challenges in Bosnia. We will continue to take every precaution to protect American troops as they continue to perform this critical mission of securing an enduring peace in Bosnia.

**Remarks at the National Governors' Association Dinner**

*February 4, 1996*

Good evening. Governor and Mrs. Thompson, Governor and Mrs. Miller, ladies and gentlemen, welcome back to the White House. It's always a delight to have all of you here. I look forward to it every year, but I especially look forward to it this year.

As all of you know, we are living through a time of enormous change and great opportunity. I rather think the Founding Fathers would enjoy what is going on here today because we are debating a lot of first principles of American Government; what should Government do, which level of government should do it, what are our ultimate objectives. These are questions that Governors live with in a very practical and immediate way every single day. And they are questions that, frankly, I have relished being a part of this public debate in America.

We are obviously moving into a time that is very different from any the American peo-

ple have ever lived in before. Our economy is changing. We are now clearly in a global village that will be dominated for the rest of our lifetimes by information and technology. That requires certain changes in government, as well.

I believed when I came here, and I believe more strongly today, that the great questions before us are how we can make the American dream available to all Americans who are willing to work for it, how we can come together to deal with our challenges and our problems as one community amidst all our diversity, and how we can maintain the leadership of our great country for peace and freedom throughout the world.

We have many challenges, and I tried to deal with those at some length in the State of the Union Address. One of our greatest challenges is to give the American people a Government that commands their confidence and that does its part in meeting our common problems. We have reduced the size of the Government in the last 3 years; it's now as small as it was in 1965. Next year it will be as small as it was when President Kennedy was living in this house. We have also given an unprecedented amount of power back to State and local governments and to individual citizens. We are about to do some more of that. And that is obviously what you are here to work on and try to reach common agreement among yourselves first, and then with the leaders of Congress and the White House. I am looking forward to this.

The thing I wish more of our citizens knew is how hard we are working to do the right thing over great issues of high principle. This is not a normal political debate. It is a profoundly important discussion of the direction our country will take and what all our responsibilities will be in seeing that that direction is achieved in a way that benefits all the American people.

I am looking forward to our discussion tomorrow morning, to all the times that we have together, and I know that all the members of the Cabinet and the White House are as well. To each and every one of you who has participated in trying to formulate the new policies and trying to reach across partisan and other divisions to reach common