

1 ask for your support not only in the resolution but  
2 in the debate as we begin the farm bill discussion in  
3 the Congress this year.

4 GOVERNOR ROMER: (presiding) Thank you,  
5 Governor Branstad.

6 The President will be here momentarily.

7 GOVERNOR BRANSTAD: Is it appropriate to  
8 go ahead and move the policy on agriculture unless  
9 there are questions? Are we waiting on the President  
10 momentarily?

11 ANNOUNCER: Ladies and gentlemen, the  
12 President and Vice President of the United States,  
13 accompanied by Governor Harry Dean and Governor Tommy  
14 Thompson.

15 (Applause.)

16 GOVERNOR DEAN: Ladies and gentlemen, my  
17 colleagues, I present to you the President of the  
18 United States of America.

19 (Applause.)

20 REMARKS BY PRESIDENT WILLIAM JEFFERSON CLINTON

21 PRESIDENT CLINTON: Thank you very much.

22 Governor Dean, Governor Thompson, fellow

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1     Governors, ladies and gentlemen, it is a pleasure for  
2     me to be back here.

3                     I have enjoyed our visits in this meeting.  
4     I was delighted to have you at the White House on  
5     Sunday evening, and I very, very much enjoyed our  
6     discussion yesterday, our discussions of welfare  
7     reform and a whole range of other  
8     issues.

9                     Last year, you may remember when I was  
10    here, Governor Carroll Campbell and I both lost our  
11    voices before our talks, making collectively millions  
12    of people in both parties happy.

13                    (Laughter.)

14                    PRESIDENT CLINTON: Unfortunately for you,  
15    I am fully recovered this year, and I would like to  
16    begin, if I might, by thanking you for your vote just  
17    a few moments ago on the Mexican stabilization  
18    package.

19                    I want to underline the critical nature of  
20    the financial problem in Mexico. All of you  
21    understand it, and I applaud your vote across party  
22    and especially across regional lines, because a

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1 number of you are not in the moment as directly  
2 affected as others are. This crisis poses, however,  
3 great risks to our workers, to our economy, and to  
4 the global economy, and it poses these risks now.  
5 We must act now.

6 It has gotten rose day by day since I  
7 asked for the legislative action about two weeks ago.  
8 Rather than face further delay, I met with the  
9 congressional leadership this morning and told them  
10 that I will act under my executive authority, and I  
11 have asked for their full support. We cannot risk  
12 further delay.

13 I tell you today frankly that your strong  
14 support is very, very helpful and very welcome.

15 The situation in Mexico continues to  
16 worsen, but the leadership advised me that while  
17 they believe Congress will, or at least might well  
18 eventually, act, it will not do so immediately.  
19 Therefore, it will not do so in time because Congress  
20 cannot act now, I have worked with other countries to  
21 prepare a new package.

22 As proposed now, it will consist of a \$20

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1 billion share from the United States Exchange  
2 Stabilization Fund, which we can authorize by  
3 executive action without a new act of Congress, \$17.5  
4 billion from the International Monetary Fund, and, in  
5 addition to that, there will be a short-term lending  
6 facility of \$10 billion from the Bank of  
7 International Settlements.

8 That means that in the aggregate, we will  
9 be able to have an action that is potentially even  
10 more aggressive than the \$40 billion one I originally  
11 proposed, with more of the load being taken by  
12 international institutions and our trading partners  
13 around the world, which I applaud, but with a  
14 significant part of the burden still being borne by  
15 the United States.

16 This is in the interest of America,  
17 contrary to what some have said, not because there  
18 are large financial interests at stake, but because  
19 there are thousands of jobs, billions of dollars of  
20 American exports at stake, the potential of an even  
21 more serious illegal immigration problem, the spread  
22 of financial instability to other countries in our

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1 hemisphere and indeed to other developing countries  
2 throughout the world, and the potential of a more  
3 serious narcotics trafficking problem.

4 All these things are at stake in the  
5 Mexican crisis, and therefore I will act to protect  
6 our interests. I have asked the bipartisan  
7 leadership of Congress to support these actions, and  
8 I hope and believe they will at some later point  
9 today.

10 The risks of inaction are greater than the  
11 risks of decisive action. Do I know for sure that  
12 this action will solve all the problems? I do not.  
13 Do I believe it will? I do. Am I virtually certain  
14 that if we do nothing, it will get much, much worse  
15 in a hurry? I am.

16 This is the right thing to do. You have  
17 understood it, and I thank you very, very much for  
18 your vote a few moments ago.

19 Since our first meeting two years ago, we  
20 have enjoyed unprecedented cooperation, which has  
21 included seven major waivers in the health care  
22 reform area and 24 in the welfare reform area, a

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1 partnership in a successful fight for the crime bill  
2 last year, which as you know reduces the Federal  
3 Government and gives all the money back to States and  
4 local communities to fight crime at the grassroots  
5 level.

6 We have had innovative and more  
7 comprehensive agreements with the States of West  
8 Virginia and Indiana, in the area of children and  
9 families, and the remarkable agreement that we signed  
10 recently with the State of Oregon and seven of our  
11 Cabinet secretaries ending federal micromanagement  
12 across a whole range of areas in return for the  
13 statement by the State of Oregon of clear goals and  
14 performance measures for the future.

15 This is the kind of thing that we need to  
16 be doing more of. It is the kind of thing that I  
17 believe we are in the process of doing on welfare  
18 reform.

19 I was informed of the Speakers' remarks  
20 just a few moments before I came here. I applaud  
21 them, and I think we have a real chance now to have a  
22 partnership between the White House and the Congress,

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1 the Governors, and others who care deeply about this  
2 issue.

3 Our next goal must be to dramatically  
4 restructure the relationship between the Federal  
5 Government and the States, to create a stronger  
6 partnership on behalf of our people that goes to the  
7 heart of what I have called the New Covenant of  
8 Opportunity and Responsibility. I believe the  
9 Federal Government's job is to expand opportunity and  
10 shrink bureaucracy. Therefore, I think it is clearly  
11 the thing for us to do to try to shift more  
12 responsibility to the States, to the localities and,  
13 where appropriate, to the private sector, and  
14 therefore give you the opportunity to solve problems  
15 working with your people that have eluded all of us  
16 for too long.

17 The system we inherited was based  
18 fundamentally on a kind of a benign distrust from an  
19 era when, let's face it, in the past States might not  
20 have always done what they should have done to  
21 protect their citizens.

22 As a Southerner, I can tell you that I

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1 don't know what we would have done if the Federal  
2 Government had not been willing to take some of the  
3 action that it took in civil rights and in some other  
4 areas to help poor children in my State and others.

5           So we cannot and we need not condemn the  
6 past to say that the whole nature and character of  
7 State government, the expertise that is there, the  
8 knowledge that is there, the connections that are  
9 there with volunteer groups, with the community  
10 groups, with the nonprofit groups, is totally  
11 different than it used to be and the nature of the  
12 work to be done and the problems to be solved are  
13 different than they used to be.

14           Therefore, the system we have inherited  
15 needs a searching reexamination and, where it is  
16 yesterday's government and not tomorrow's, it ought  
17 to be changed.

18           We have tackled this problem with energy  
19 and some success. We have done it with real support  
20 from the Cabinet and some opposition from some within  
21 the bureaucracy that have been there through  
22 Republican and Democratic Administrations alike and

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1 some in our Congress who have questions about what we  
2 are doing.

3 But I have spent too many years of my life  
4 around this table to have forgotten where I learned  
5 it. I think I came to this office with a profound  
6 understanding of the challenges that you have faced  
7 in working with the Federal Government. To build on  
8 that understanding is part of the Reeinventing  
9 Government Initiative.

10 The Vice President came here with me today  
11 for this announcement because he has worked so hard  
12 to make it possible. He has talked literally to  
13 thousands of State and local government workers, and  
14 they have been among the most helpful in shaping our  
15 reinvention blueprint.

16 The message is loud and clear. They want  
17 us to stop the micromanagement, trust them to do  
18 their jobs, hold them accountable for results when  
19 federal money and national interests are involved.  
20 That is why we wish to create a new Federal  
21 Government and a new partnership based on trust and  
22 accountability.

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1           You know better than anyone that a great  
2 deal of what our national government does is already  
3 carried out by States, by counties, by cities. That  
4 is why we must change the relationship and trust them  
5 more.

6           I believe we should shift decision-making  
7 authority from bureaucracies in Washington to  
8 communities and States and, where we can, directly to  
9 individuals. Part of my job is to keep pushing the  
10 focus of the national government back to grassroots  
11 America where we can solve so many of our problems  
12 more effectively.

13           We have begun that work, first by cutting  
14 the size of the Federal Government. We have already  
15 cut over a quarter of a trillion dollars in spending,  
16 more than 300 domestic programs, more than 100,000  
17 positions from the federal bureaucracy. Those cuts  
18 will total, if no more laws or budgets are passed,  
19 over 270,000, making in the process your Federal  
20 Government the smallest it has been since the Kennedy  
21 Administration.

22           Cutting government is not enough. We also

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1 have to make it work better. And we have done that  
2 too, in many ways. We have streamlined the  
3 Agriculture Department, closing 1,200 field offices.

4 We moved FEMA from being a disaster to  
5 helping people in disasters. The Department of  
6 Transportation worked with private businesses and  
7 helped to rebuild southern California's fractured  
8 freeways in record time and under budget, also, with  
9 partnership from the State by changing the laws and  
10 the procedures and making it work. We have cut an  
11 SBA loan form from an inch thick to a single page.

12 We have cut the time it takes to get an  
13 FHA loan endorsement from four to six weeks to three  
14 to five days.

15 We have reformed the procurement system of  
16 the government so that governments can buy the way  
17 businesses do--putting an end to the Vice President's  
18 opportunity to go on the Letterman Show and break \$10  
19 ashtrays that ought to cost \$1.50.

20 We have reformed the college loan system,  
21 the direct loan program. We will literally save the  
22 taxpayers billions of dollars, lower interest rates

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1 and fees and improved repayment schedules for  
2 students and lower paperwork, bureaucratic time for  
3 our institutions of higher education.

4 Much of this work is simple common sense.  
5 The Bureau of Reclamation used to require 20 people  
6 to sign off on building special fish ladders in  
7 northern California, taking three and a half years.  
8 The fish were dead by then.

9 (Laughter.)

10 PRESIDENT CLINTON: But at least the  
11 ladder was approved. Well, we removed 18 approval  
12 layers and cut the time down to six months, in time  
13 for the fish to spawn--to their great relief.

14 (Laughter.)

15 PRESIDENT CLINTON: I say this to make the  
16 point that a lot of this is common sense, and an  
17 enormous amount of this still remains to be done.

18 I suppose I have gotten more comments from  
19 you in these last few days, pro and con, about the  
20 process of federal regulation than anything else.  
21 Some of you have said, "Well, I am getting better  
22 cooperation from the EPA than ever before. Thank you

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1 very much." Others have said, "What the policy is  
2 sound goods, but there is nothing happening in our  
3 State to make it better."

4 We have a long way to go, but we can do  
5 this, and we ought to do it not simply with general  
6 rhetoric but also taking these issues one by one by  
7 one until we make it right.

8 I have asked the Vice President too, in  
9 Phase II of his review, to continue to shrink federal  
10 departments, and we are making sure that the  
11 remaining government will be more economical, more  
12 entrepreneurial, less bureaucratic, and less  
13 dictatorial.

14 A year ago I signed an executive order to  
15 encourage creative partnerships with the private  
16 sector in the ownership, financing, and construction  
17 of infrastructures, responding to your insistence  
18 that you needed the same kind of flexibility the  
19 private sector has when you raise funds for major  
20 infrastructure projects.

21 Today I am happy to say that Secretary  
22 Pena is announcing a series of 35 new infrastructure

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1 projects in 21 States that will mobilize almost \$2  
2 billion in investment capital to build roads,  
3 bridges, and other infrastructure, relying on trust  
4 and accountability, not rules and bureaucracy.

5 (Applause.)

6 PRESIDENT CLINTON: Tens of thousands of  
7 new jobs will be created this year, not by rocket  
8 science but by simply adopting the financing  
9 techniques the private sector uses all the time. We  
10 wouldn't have any of these projects if we followed  
11 the old rules and allowed that to get in the way of  
12 innovation.

13 In the budget I am submitting to Congress,  
14 I will propose turning this approach into national  
15 policy by building performance partnerships with  
16 State and local governments. We want to consolidate  
17 categorical funding and call on you to take  
18 responsibility for meeting the performance standards.

19 Trust and accountability are the  
20 foundation of these new partnerships. We have to  
21 trust you, our partners, to make the right choices in  
22 spending public funds. Even though you will have

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1 more flexibility to solve your problems, you must be  
2 held accountable for how you spend the federal money.

3 I am excited because this approach gives  
4 us a new opportunity to work together to move  
5 forward. On Saturday, Governor Engler captivated  
6 the Nation by rolling out a list of 335 programs on  
7 parchment, sacred programs he wanted to put in the  
8 block grant that he could write on a piece of  
9 notepaper. He didn't know it, but next week we want  
10 to announce plans that we have worked on for months  
11 to consolidate 271 programs into 27 performance  
12 partnerships. A lot of those were on Governor  
13 Engler's list. I would like to help him cut it.

14 (Applause.)

15 PRESIDENT CLINTON: One of those I have  
16 already announced, the new performance partnership  
17 for education and job training, as part of our  
18 middle-class bill of rights.

19 We propose to collapse 70 separate  
20 programs to make them more efficient and effective.

21 A GI bill for America's workers who need  
22 new skills to meet the demands of changing times.

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1 States and local governments will have broad  
2 flexibility to help them meet those needs. But we  
3 propose not to just give this money back to State  
4 training programs but instead to let the workers  
5 themselves get a voucher and choose where they want  
6 to go.

7 Almost every American is now within  
8 driving distance of a community college or some other  
9 kind of high training program with a proven rate of  
10 success, far better than anything w need to design.  
11 So we ought to put more power not only back to the  
12 local level but also directly into the hands of  
13 citizens for the purposes that are plainly in the  
14 national interest.

15 (Applause.)

16 PRESIDENT CLINTON: In public health, we  
17 want to consolidate 108 programs into 16 performance  
18 partnerships, to abolish a dozen environmental grants  
19 and give you more power to achieve environmental  
20 goals.

21 (Applause.)

22 PRESIDENT CLINTON: I guess, in

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1 parentheses, I thank Governor Carper for his repeated  
2 lectures to me on that subject, citing the Delaware  
3 example.

4 We want to continue to combine the 60 HUD  
5 programs into three. The Federal Government has  
6 worked in one way for decades. Now it is time to try  
7 a new way, a way that is proven in its performance in  
8 the private sector. It is time for these and other  
9 changes, and many of them are drawn directly from  
10 your own experience in your own laboratories of  
11 democracy.

12 When our country was founded, the founders  
13 rejected government based on central control and  
14 distrust of people. Our Constitution provides a few  
15 profound guiding principles. It puts deep trust in  
16 the American people to use their common sense to  
17 create a shared vision, not a centralized vision, and  
18 to give life to those ideals.

19 We have to take advantage of this rare  
20 moment to renew that ideal, to reshape the  
21 relationship between the national government and the  
22 States.

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1           The American people have voted twice in  
2 the last two elections for dramatic change in the way  
3 our country works. They want more for their money,  
4 better schools, safer streets, better roads, a clean  
5 environment. But they want a greater say in how this  
6 work is done, and they don't want the Federal  
7 Government to do what can better be done by private  
8 citizens themselves or by government.

9           They also have a deep feeling about our  
10 national commitment and our national responsibility  
11 and our national interest, things like the welfare of  
12 our children, the future of our economy, our  
13 obligations to our seniors. They know that we can  
14 meet these national obligations and pursue our  
15 national interests with a dramatic evolution of power  
16 and responsibility and opportunity to the State  
17 governments of this land.

18           I look forward to making all of this  
19 happen with you. Thank you very much.

20           (Applause.)

21           GOVERNOR DEAN: Mr. President, you have  
22 come before us many times now, you have been a true

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