Weekly Compilation of

Presidential Documents

Monday, August 9, 1993
Volume 29—Number 31
Pages 1507–1588

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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).

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Week Ending Friday, August 6, 1993

Remarks on Flood Aid

July 29, 1993

The President. I have made three trips now to the Midwest during this flood. My Secretary of Agriculture and the Director of FEMA have been there many, many more times. We've seen so many people who have lost their homes, their farms, their businesses, but they are carrying on very, very bravely.

Here in Washington, we're working hard to get a multibillion dollar emergency aid package through the Congress to help rebuild the communities, the businesses, the homes, to help to provide basic assistance. But the Federal Government can't do it all. Our country always has had a system in which the National Government would come to the need of States and communities and citizens when they needed help, but we've never been able to cover all the costs, and we won't be able to now. That's why we need your help.

The Red Cross has done a magnificent job; so has the Salvation Army; so have the churches and the other community groups; so have thousands of people, young and old and all in-between, who have come to help. But we need your help. And I hope that you, too, will contribute whatever you can afford to help these wonderful Americans put their lives back together. They need your encouragement and your support. We'll do our part. We need you to help, too.

Q. [*Inaudible*]

The President. The aid should be there very soon. Of course, some of the emergency aid is there now. The Federal Emergency Management Agency and the Department of Agriculture have been giving cash and food stamps to people who are totally out of all resources and money. But the big aid will be there just as quickly as we can get it through the Congress. I think it will happen very soon. And we're all set up to move the checks out very quickly, I think within a couple of weeks after I can sign the bill. And that should be just in the next day or so.

In terms of the long run, we've already got a group established to look at that. I met with the Governors of the affected States here in the White House just a couple of days ago, and we're going to work hard in the long run, too. I don't want this to happen again to you or to anybody else.

Q. [*Inaudible*]

The President. There is an 800 number that gets several thousand calls a day just from Iowa, down in Texas. If you don't have it, I will arrange to have it called in while the telethon is going on. We've tried to set up a one-stop telephone so that all Americans who are affected by the flood could call. We're going to do our best, as I said, to take care of this and also to take care of the long-term problems. I can't control the weather, but we're going to work hard to help you.

NOTE: The President spoke at 8:15 p.m. via satellite from the Library at the White House. A portion of these remarks could not be verified because the tape was incomplete. This item was not received in time for publication in the appropriate issue.

Interview With the Arizona Media

July 30, 1993

The President. Thank you for joining me by satellite. I'm glad to have the opportunity to speak with you and through you to the people of Arizona. I'd like to make a brief opening statement and then preserve as much time as possible for your questions.

The Senate and the House conferees are nearing agreement on a budget program which preserves the essential principles that I began with in this whole endeavor back in February.

First, it will reduce the deficit by about $500 billion with divisions equally between spending cuts and revenue increases.

Secondly, it will restore fairness to the Tax Code by asking 70 percent or more of the burden of the new revenues to be borne by people with incomes above $200,000, the top 1.2 percent of our country, the people who received most of the economic gains of the last 10 years and got a tax reduction during that period.

Third, the burden on the middle class, people with incomes above $30,000 for family incomes, but less than $180,000, will be asked to pay a modest fuel tax, about 4.3 cents, which will be less than $50 a year on average for the average family.

Fourth, for the first time ever, we will be able to say to working people with children that if they work 40 hours a week, if they play by the rules, they will not be taxed into poverty but lifted out of it because of a dramatic expansion in the earned-income tax credit. This is an essential downpayment on welfare reform, really rewards work and family, and it's very, very important.

And finally, and perhaps most important of all, this plan brings down the deficit and keeps interest rates down and at the same time provides important new incentives for business investment and job growth and new incentive to invest in small businesses capitalized at $50 million a year or less, very important to the high-tech community; a huge increase in the expensing provision for small businesses, meaning that 90 percent of the small businesses in America will actually be eligible for a tax reduction under this program if they reinvest in their businesses; third, an expansion of the research and development tax credit, very important to the growing economy; and fourth, something that will affect Arizona because you've got a lot of new people coming in there, some real incentives to revitalize homebuilding and real estate in ways that will generate a lot of a new jobs.

So for all these reasons, I very much hope that this plan will pass. The more the American people know about it, the more they are likely to support it. Almost all of the opposition has been generated by false claims that this plan has no deficit reduction, no spending cuts, and too much of a tax burden on the middle class. All three of those things are wrong.

And finally, let me say just one other point, because I've had this conversation with Senator DeConcini so often. There's a difference in this plan and the plan that passed in 1990, which didn't produce deficit reduction. First, we don't have unrealistic revenue forecasts. We have cold-blooded, hard facts in our projections that are agreed to by all the expert analysts. Secondly, all this money goes into a trust fund and can only be spent for deficit reduction. Thirdly, under the House version of the bill, there is an actual enforcement mechanism so that if we miss our deficit reduction target in any of the next 5 years, the President would be legally bound to correct the miss on the target, because nobody can foresee the future with absolute precision, and the Congress legally bound to vote on it or vote on another proposal to do the same thing.

So we have some protections here that have not been there before, that will bring this deficit down, revitalize our economy, and enable us to go on to the other crucial issues facing this country, including health care, welfare reform, the crime bill, the immigration issue, a lot of the other things we need to face. And I hope that your Members of Congress will support it. I thank Representative English for doing so the first time around. I'll be glad to answer your questions.

Deficit Reduction

Q. Mr. President, thank you very much for being with us by satellite this afternoon. And as we begin in the interest of fairness and full disclosure to the viewing audience and to the people listening on the radio, I think it's important to point out that the White House has imposed a ground rule here today that there will be no followup questions from reporters.

That being said, Mr. President, it's clear that most Americans do want to see a deficit reduction here. The plan which is likely to come out of the Senate Conference Committee, maybe even yet today, is somewhat short of your $500-billion-dollar-over-5-year target. Arizona Senator Dennis DeConcini, whom you talked about just a moment ago,

says that he can't vote for it when it comes up for a full Senate vote because there are, quote, no assurances that new taxes will be used for deficit reduction—[*inaudible*]—retire the debt. Those words were spoken by him this morning.

Now, I understand what you just said, but obviously, he doesn't believe it's going to reduce the deficit far enough. What's your response to that?

The President. I have a twofold response. First of all, they are arguing about the details. They are talking about a deficit reduction package somewhere in the range of $490 billion to $496 billion or $497 billion; anything in that range would be 98 percent of where we are.

Secondly, the taxes will not legally be able to be spent on anything other than deficit reduction. They will be put into a trust fund which must be spent on deficit reduction. They can't legally be spent on anything else.

Now, Senator DeConcini wants a strong budget control mechanism to go into the plan. But as he pointed out to me, I supported his amendment, too, which is very much like the one we passed in the House. The only reason that the DeConcini amendment did not pass in the Senate is that all the Republicans voted against it because they don't want us to have good budgetary control. I don't know why; you'll have to ask them. But I'm going to have the strongest possible controls to guarantee that all the tax money goes to deficit reduction. If you put it into a trust fund and if we have to make annual corrections if we miss the targets, that's about as well as we can do, I think.

Senior Citizens' Investments

Q. Mr. President, the readers of my newspaper are nearly all senior citizens. They've seen the returns on their nest eggs decline considerably in recent years. Will your economic plan strengthen their investments, and if so, how?

The President. I think it will strengthen their investments by promoting economic growth. A lot of senior citizens who have their investments in primarily interest-earning accounts have had earnings drop as interest rates have gone down. But that's one of the reasons that you've had in Arizona, for example, a big increase in homebuilding and more people working in construction.

But I think what you will see over the long run is a very strong stock market, highly reliable bonds, and interest rates that will be lower as long as we can keep inflation low, but that will grow with the economy. And I think over the long run, what the senior citizens need is stable economic growth. They may have to balance their investment portfolios more between equities and plain bonds that depend on long-term interest rates. But I think all of us are helped over the long run if we can keep long-term interest rates down.

Economic Program

Q. Mr. President, why did you decide to do this in Arizona this afternoon? Is it because your tax plan is in trouble here? Is it because this morning Dennis DeConcini said again he wouldn't vote for it and because the Republicans are busy running a bunch of radio ads encouraging Karan English to vote against it?

The President. Well, it's because I think that I ought to answer these questions directly and because, frankly, the Republicans have willfully misrepresented the truth and the facts about this all over the country and especially in Arizona. I have been doing this, however, in many other States. You've actually—you helped to support the Republican rhetorical campaign by just what you said.

This is not a tax plan. This is an economic plan. Fifty percent of the deficit reduction is in spending cuts. We're cutting the Federal work force by 150,000. We're cutting everything from agriculture and veterans benefits to all kinds of other programs, all across the board. We have asked the wealthiest 1.2 percent of the American people who got big tax cuts during trickle-down economics to pay over 70 percent of the tax burden. We've held families with incomes under $30,000 a year harmless. We have actually rewarded the working poor of whom there are many in Arizona with a change in the Tax Code so that they'll be lifted out of, not kept in, poverty by taxes. And we've got big incentives for small business investment.

I will say this again: The Wall Street Journal has now run three articles in the last 2

weeks pointing out how a lot of these lobbying groups have willfully misrepresented the facts of this program to the small business community. Over 90 percent of the small businesses in the United States of America will be eligible for a tax reduction under this program if they reinvest in their businesses.

And I think when people know the facts—Senator DeConcini pointed out to me in my conversation with him 2 days ago—he said it's really too bad that people don't know the facts. He said, "This program had real support on February the 18th when you spoke to the Nation and went through the facts, point by point by point." And now the program is even better for average Americans than it was then. We've improved it. But all they've been told by the Republicans is, no deficit reduction, all taxes.

Let me just point out one other thing for all the Republican ads that are being run. When this budget came up in the Senate Finance Committee and the Republicans, with all their talk about needing more budget cuts, were given their chance, the Republicans did not offer one nickel in budget cuts over the ones that I had already offered, not one red cent.

When Senator Dole presented his plan in the United States Senate it was a joke, from people who thought we ought to have $500 billion of deficit reduction. He had $100 billion less than I did, and $66 billion of his spending cuts were, quote, unspecified, meaning, "Trust me, I'll figure that out later. I don't want to make anybody else mad."

Now, if you look at my spending cuts, they're specific. There are 200 of them. We've got a plan. All I want the people of Arizona to know is the truth. When they get the facts, they can make their own conclusions.

Small Business

Q. Mr. President, in the past week we've heard from several small business groups who say increasing taxes on the most successful small businesses, which according to figures are 4 percent, would hurt those who are providing all of the new jobs, especially here in Arizona. I want to know your response to that.

The President. My response is that there are 700,000 small businesses that are organized and pay taxes under the Tax Code as individual taxpayers. Of that, 94 percent of them will have no income tax increase but will be eligible for a very big increase in their expensing provisions, which means they'll be eligible for a tax cut.

I think for the top 6 percent to say they should have no responsibility in paying down the deficit is wrong. And for them to say they're the only ones creating new jobs is wrong. All of them, anybody that's that big has the option of converting to the regular corporate status, and regular corporations don't pay a tax increase in this until they have taxable income in excess of $10 million. But people who get the benefits that come from being taxed as individual taxpayers should be taxed as individual taxpayers. They also have options to reinvest in their businesses and get tax benefits down the road, I might add.

Economic Program

Q. Mr. President, in the past few weeks we've had interviews with Al Gore, with Bruce Babbitt, with David Wilhelm. All were sent out to Arizona or called on the telephone to talk about this program. And now today we're getting to speak with you. You seem to be expending a tremendous amount of political capital over this program. I know you don't like to think about this, but I wonder, if the worst happens and this package loses, how big of a setback will it be for your administration?

The President. It will be a big setback for America. Let me remind you—this is an interesting thing—that we had 67 business executives here in the White House a couple of days ago endorsing this plan. About half of them were Republicans. We had the heads of four energy companies here. Lod Cook, who was one of President Bush's cochairs in 1992, was here endorsing our economic program.

This is not a partisan issue. Alan Greenspan, a Republican who is head of the Federal Reserve Board, has repeatedly said if we don't pass this deficit reduction plan, it means higher interest rates, a weaker economy, more uncertainty for America. What I'm trying to do is to cut through the incred-

ible partisan fog that our adversaries have created and look at the facts. Republican business people who have looked at the facts are overwhelmingly supportive of this program. The Republican head of the Federal Reserve Board is supportive of this program.

When I represented the United States in Tokyo recently and got an agreement from other countries to lower tariffs on our manufactured products which, if we can get everyone in the General Agreement on Trade to sign off on by the end of the year, will put hundreds of thousands of manufacturing jobs into America. I got that agreement because we were bringing down our deficit. It was the first time in 10 years the leaders of the other industrialized countries had not attacked America in their statement, instead, they complimented us.

This has nothing to do with party or with me personally. Look, I want to get on to other things. I'll tell you what will happen if we don't do that. We'll spend 60 days or 90 days fooling around with this. You'll get less deficit reduction. You'll get higher interest rates. And the United States Congress will not go on to deal with health care, which every American has a stake in seeing resolved so that we can stabilize and make secure health care for all Americans and bring costs within inflation. We won't go on to welfare reform. We won't go on to the crime bill. We'll just sit here and flail around, and it'll be bad for America. I'll get up and go to work the next day, try to get the Congress to do its part. But I don't think that's going to happen. I don't think the United States Congress is going to let interest rates go up because of the fog of misinformation that's put out here. I think they're going to trust their people, go home and tell them the truth. And I'll tell you something else: I think the Republicans will begin to vote with us on other issues. You can already see it now on national service. We're going to pass the national service program I campaigned so hard on next week with broad, bipartisan support because people are tired of all this partisanship.

Q. I'd like to go back to the question we talked about a moment ago, and that is why we're doing this. Half of our congressional delegation clearly will not vote for the plan, and three of the Democrats either will not or may not. I think we would all learn a little bit from the kind of personal interaction you're having with DeConcini, Coppersmith, and English to try to get them to be on your side.

The President. Well, I've asked them all to vote for the program, and I've told them that I would do what I could to get the facts out. But let me say this: There are two categories of people who are holding out now and trying to make up their mind how to vote. There's one group of people who desperately believed that this program ought to pass, but they're simply afraid that they'll never be able to convince their own voters, because of all the sort of rhetoric that's come out of the Republicans, that it's good for them. That is, I don't know how many Members of Congress have said to me, "This is a good deal for the people of my district. If they knew the facts, they would like the program. I don't know if I'll ever be able to get them the facts because of the dominance of the sort of 'tax, tax, tax' attack on it." So I think for those folks, I have to get out there and give them the facts. That's what I'm trying to do here today with you.

There are others who have certain specific objections that I have tried to meet. One of them is the objection that Senator DeConcini always raises, that we can't go back to 1990. If we have a deficit reduction package, the taxes have to go to reduce the debt, and we have to have an enforcement mechanism. And we have done that, and we will do that.

Let me assure you: I'm doing this with a lot of other States, too, for the same reasons. I want to try to at least explain to people directly what the issues are and what the facts are so they can make up their own minds. And I believe that, as President, I should be directly accountable not only to the people but also to press out in the country and not just depend upon whatever the nightly controversy is that dominates the evening news and the political press corps here to get the information out, to you. I think I owe you more than that, and I'm just trying to do my job.

Manufacturing

Q. Mr. President, much of the economic projections we hear about have to do with growth in the services industry. And yet many of the economists tell us that America only moves its engine forward when industry prospers, when manufacturing is doing its thing. What plans do you have for rejuvenating and improving the manufacturing engine of the United States?

The President. Good question. Let me mention, if I might, three things. First, let me compliment you on the question. I do think that services are important, but no great nation can give up its manufacturing base. I'm working on three things.

First of all, in this economic program, there are plain incentives for manufacturers, tax incentives, to invest in new plant and equipment to be more competitive, or to start new businesses, especially in the high-tech area.

Secondly, in the budget we are actually spending more on a couple of things. One of the most important things is more money on defense conversion to try to take advantage of the incredible skills of these companies that have lost their defense contracts but have the capacity to produce for the high-tech, nondefense economy of the world.

The third thing we're trying to do is to find more markets for our manufactured products. The most important thing I did at Tokyo was to get these other countries to agree to drop their tariffs, in many cases eliminate their tariffs on everything from pharmaceuticals to electronics so that Americans can sell more abroad. And I might say that there is virtually no disagreement on this. Everybody agrees that if the big seven nations can get what we agreed to into a world trade agreement by the end of the year, it will bring hundreds of thousands of manufacturing jobs back to the United States. So those are the three things we're really trying to hammer.

Economic Program

Q. Mr. President, given the job that the opponents of this economic package have done in selling it here in Arizona and elsewhere as a tax-and-spend plan, and we have two freshman Democrats who are sort of laying their careers on the line if they vote for this, what specifically can they tell their constituents, not in general terms but in very specific terms, what can they tell their constituents is in this package for them?

The President. First of all, they can tell their constituents that almost every small business in their district will be eligible for a tax reduction if they invest more in their business.

Secondly, they can tell their constituents that California is a growing State with a vibrant population where a lot of new businesses will be started. And this plan has dramatically increased incentives for getting capital for new businesses.

Thirdly, they can tell their constituents who are working hard for limited wages that this plan holds them harmless if they're families with incomes of less than $30,000 a year, and actually if they're at a low income and still working full time, they'll get a tax break out of this. Those are personal, immediate benefits.

And finally they can say that all of them will benefit from low interest rates. How many Arizonans have refinanced their homes since we've been able to bring interest rates down by taking on this deficit? How many more will be able to do it in the next few years or get a lower business loan or a lower car loan or a consumer loan or a college loan? These are personal, immediate, tangible benefits.

The other thing they can say is that when they do pay taxes to the Federal Government, we won't have to spend so much of it paying interest on the debt. We can spend more of it investing in the future of Arizona and America. These are things that I hope your freshman Congressmen can say.

But let me say that the opponents have a lot easier case. If you don't care what the facts are and you just want to say ''tax and spend,'' it's an easy task. But let me just point out, it was under Republican Presidents that the debt of this country went from $1 trillion to $4 trillion. And you can look at the evidence. The Congress actually appropriated slightly less money than those Presidents asked them to spend over the last 12 years.

And a lot of the people that are raising all this cain now helped us to get in the fix

we're in. I was a Governor during that period, and you look at my record. My State was always in the bottom five States in the country in the percentage of income going to State and local taxes. We never had to raise any money to pay off a debt. I don't like this. I hate the idea of raising taxes to reduce the deficit. But no one seriously believes that we can do what we need to do unless we reverse some of the things that happened during the trickle-down years of the eighties. I'm doing the best I can to take the tough decisions now to free up our economy as we move toward the 21st century. And I hope that Republicans, independents, and Democrats in Arizona who can think about that in terms of the future will be supportive.

Health Care

Q. Good afternoon, Mr. President. This question maybe is not related to the budget plan, but it's so important to the Hispanic community. Three days ago, you asked the Congress for $172 million in order to reinforce the immigration law and reduce the number of people that is coming illegally to this country. The majority of these people, Mr. President, are not criminals but working people. They are paying taxes. And they need medical care. My question, Mr. President, is, in your health care reform, is going to protect community health centers who right now treat illegal aliens here in Arizona? They are the only one. Are you going to protect these centers?

The President. The final shape of the health care reform has not been decided. But I believe that the likelihood is that American citizens will be individually covered but that public health centers will also be funded and that people who come into their doors will be eligible for care. That's what I think will happen. I think that is the likelihood.

I don't think you can see that sort of entitlement, the health care card that Americans might get otherwise, will go to illegal aliens. I think that is probably not going to happen. But I do think we will continue to fund public health facilities, and I think we must. I think that there are a lot of American citizens who would otherwise have no access to health care if we did not do so, particularly in urban areas that are quite poor or rural areas without access to other health care.

Consumer Confidence

Q. Mr. President, I guess I want to go back to something you said just a moment ago. You said no one believes that we can change things unless we reverse the policies of the eighties, to paraphrase what you said. But there's something I don't understand, and that is why most Americans or many Americans at least don't seem to agree that the consumer outlook, the economic outlook, is good. The consumer confidence level has dropped to its lowest point in 10 months this July. And more importantly as they look out over the next 6 months, consumers, according to most of the surveys, aren't very optimistic about the economy and things improving even with your economic plan.

The President. I think there are—[*inaudible*]—reasons for that. First of all, keep in mind, America's economic difficulties that most Americans face—that is, most people are working harder for lower wages and not keeping up with inflation, while health care and education and housing costs have outstripped inflation—those trends have been in the making for 20 years and are a function of our inability to adjust as well as we should have over those 20 years to the new challenges of the global economy. Secondly, there was a great deal of optimism right after I was elected, but you can't expect results overnight. These forces have been in play for years and years. You can't turn them around overnight. Thirdly, most of these people have been given an enormous amount of misinformation about what is actually in the economic plan. And finally as I tried to say in response to a lot of the very good questions which have been asked, this economic plan alone is not the answer. It is an essential first step. We still have to have a more aggressive trade policy to sell our products. We've still got to reinvest in the skills of our people. We've still got to have a good defense conversion policy. We've cut all these defense workers out without reinvesting in their potential to contribute to the economy.

So there are many other things we have to do. But once we do this, I think you'll see an upturn in confidence: We can move

on the health care; we can move on the other job-creating policies; we can move on to welfare reform. And those things together will make a real difference in the economy and a real difference in the outlook for most Americans.

But most folks in this country have had a pretty tough time for 20 years now. And I want to turn it around, but it is not going to happen overnight. And we have to have the courage and the fortitude and the constancy to take on a whole lot of issues and not expect a silver bullet or an easy answer.

Q. Mr. President, I wish we had more time, but thank you very much for being with us.

The President. Thank you, sir—[*inaudible*]—and thank you, ladies and gentlemen.

NOTE: The interview began at 4:44 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. In his remarks, he referred to Lodwrick M. Cook, chairman and chief executive officer, ARCO, and David Wilhelm, chairman of the National Democratic Committee. This item was not received in time for publication in the appropriate issue.

Interview With the California Media

July 30, 1993

Q. I know you'd like to start out this afternoon with an opening remark, sir.

The President. I would, and thank you very much for allowing me to join you in this way. I hope I'll get back to the Central Valley in person before long. I had some wonderful times there during the election, and I'm glad to have the chance to visit with you directly.

As you know, in the next few days the Congress will take up a final vote on the economic plan, which they have been debating now since February. So far the Congress has moved with great speed in trying to deal with this plan and trying to keep its essential features intact. I want to just review those features today and why I think it's important as a first step in our long-term efforts in redeveloping the American economy and the California economy.

First, the plan will reduce the deficit by very close to $500 billion, equally divided between spending cuts and revenue increases, put in a trust fund so that the money cannot legally be spent on anything else but deficit reduction.

Secondly, the plan will ask of the tax increases that 70 percent at least of those come from people with incomes above $200,000, the top 1.2 percent of our economy, people who got most of the economic gains and a tax cut in the 1980's.

Thirdly, the middle class burden will be quite modest. I wish there didn't have to be any middle class tax, but the deficit has gotten much larger just since the election, and we have to address it now. And that burden will be for a middle class family of four with an income of between $40,000 and $60,000, less than $50 a year. Next, the plan holds working families with incomes of under $30,000 a year harmless and gives the working poor, those who still live below the poverty line, actual tax relief so that we'll be able to say for the first time, if you work 40 hours a week and you have children in your home, you'd be lifted above the poverty line. This is a profoundly important thing.

And next, and perhaps most important for California, the plan has real incentives for private sector business growth: Incentives that the high-tech community in California wanted very badly for investments in new companies with $50 million a year or less in capitalization, big cuts for them; an increase in the expensing provision for small business that will give over 90 percent of the small business operations—and farms that qualify, too, I might add—a tax benefit, not a tax increase but a tax benefit when they reinvest in their businesses; next, an increase in the research and development tax credit; and finally, some incentives to invest in areas that are traditionally underdeveloped, both rural and urban areas, to get free enterprise in there to do that job.

So for all these reasons, this economic plan is good for the country, and it's good for California. It is not the end-all and be-all. We have to move on to health care. We have to move on to a trade policy that enables us to sell more of our products and services abroad. We have to move on to welfare reform. We have a crime bill. We have an im-

migration initiative up. All these things are important.

Secretary Babbitt is working with the farmers in your area to resolve some of your water problems. But all these things cannot be brought to fruition completely until we pass an economic plan and a budget and get this country moving again, keep the deficit down, and keep the interest rates down.

Let me finally say that this plan has the support of an enormous number of Republicans and independents who are not politicians and have no stake in misrepresenting the facts. Earlier this week, about 67 business leaders from around the country, including the heads of four energy companies, equally divided pretty much between Republicans and Democrats, endorsed this plan. And one of the people who endorsed it was Lod Cook, the chairman of ARCO, who was a cochairman of President Bush's campaign. So this is not a partisan effort on my part. It's just a tough decision to deal with problems that developed in Washington long before I showed up. And I hope the people of California and the Central Valley will support it.

I'll be glad to answer your questions.

Immigration

Q. Mr. President, you mentioned just a moment ago immigration. I'd like to ask you about that. As you know, we in California are struggling with the problem of immigration, both legal and illegal. One-third of all new arrivals in the United States wind up in California. I know you've asked for additional funds to speed up asylum processing and hearings and also border patrol, but we're wondering if $172 million in new dollars is enough. Can you offer any specific additional Federal help for California alone to try and deal with the immigration problem?

The President. Well, I'm glad you asked that. Let me, first of all, just reiterate very briefly what you said. We're trying to deal with, in effect, three different problems. We're trying to deal with the problem presented by the fact that our airports are too porous and terrorists or potential terrorists can get in, and we're trying to tighten up all those procedures in foreign airports and here. We're trying to deal with the problem of alien smuggling, which is something California is familiar with, by tightening the control procedures and also increasing penalties for that. And finally, we're trying to deal with illegal aliens coming into the country generally. We do have more border patrol people coming in, 600 of them. California will get a good number of them. And Senator Feinstein and Senator Boxer were both particularly active in this regard.

The second thing that I want to mention is that before any of this was done, we had changed some Federal laws in this economic plan to give California some more money under existing laws because it has a disproportionate burden of immigrants. So we'll be giving you some more money over and above this to handle the immigrant burden that's already there. That will free up some of your State money for other problems there in California.

I know you've had a lot of terrible budget problems. So we changed the formula by which the Federal Government gives money to the States to deal with immigration, to put more money into California because of your extra problems. And Leon Panetta, who, as you know, used to serve California in the Congress and is now my Budget Director, had a lot to do with that. I hope that will help. I believe it will.

Water Management

Q. Mr. President, I wanted to know—you mentioned a moment ago Secretary Babbitt coming to the Central Valley to talk about water issues. And one of the big water issues for us down here is the Endangered Species Act. What I wanted to know is, is the Act going to be changed at all in the next year or so to allow for economic burdens that are being suffered on the west side of the valley?

The President. Well, let me say first of all, the Act as it's presently written has an economic impact provision, which has not been used very often but which plainly can be used. Secretary Babbitt asked me before we commit to make any changes in that to give him the chance to work out the problems that the farmers had. As you know, we've had a drought for many years and the allocations this year, given the amount of water that's out there since the drought went away, has not satisfied a number of the farm-

ers. And we know there are some other distributional issues. Some of them involve the Endangered Species Act, but Bruce Babbitt believes, anyway, that he can work out a fair treatment for the farmers without an amendment to the Act. And I think I ought to give him a chance to continue to work with the farmers before I commit to change it. So that's the position I'm going to take. I want to wait and see how he does with his negotiations with the farmers first and how they come out.

Crime

Q. Mr. President, we in Los Angeles, of course, have been crippled in terms of quality of life, and also economically, by burgeoning crime and not enough more police to fight it. Our new Mayor, Richard Riordan, was recently in Washington, as was police chief Willie Williams, both of them begging for assistance. Is there anything that your administration can do to help?

The President. Absolutely, there is. We intend to push a crime bill which, along with some other legislation we're pushing, will have the Federal Government help local communities to put up to 100,000 more police officers on the street in this country over the next 4 years.

This summer I got an emergency bill through Congress which will provide funds to Los Angeles and other cities to rehire police officers that have been laid off and otherwise staff up a little bit. It's a down payment on that. As soon as this budget—economic plan—is over in the Senate and in the House, I will be developing a crime bill which will provide more funds to local communities for this purpose. We have got to get some more police officers on the street.

When your new chief was a police chief in Philadelphia, he had some real success in lowering crime rates in very tough neighborhoods by adopting community policing strategies that included people actually walking beats that previously had only been driven. I know this can work. I actually walked down some of those streets that the chief helped to change in Philadelphia, and I talked to the people who live in the houses there. So I know it can make a difference. I saw play yards that had formerly been taken over by gangs and were unsafe for children now open for basketball for the kids.

We can do this. We're going to have to have more police. I hope that the crime bill will enjoy broad bipartisan support. We can bring it up if we can get this budget business done.

Agricultural Subsidies

Q. Mr. President, what farm policy have you and Secretary Espy outlined or are outlining? And would you consider any reductions or elimination of farm subsidies and irrigation subsidies?

The President. Well, let me say, first of all, if you look at our budget this year, because there are $250 billion in spending cuts over the previous budget, we have reduced some of the agricultural programs along with everything else. We've cut just about everything, so there is some reduction in agriculture. But I don't think we should do any more until we have an agreement on world trade. That is, I am reluctant to have more unilateral reduction in agricultural programs because I think that hurts our competitive position. If we can reach agreement on a new trade agreement with our competitors in which those nations that subsidize agriculture much more than we do also reduce their subsidies, then I would also support doing something here at home, because I'm convinced that on a level playing field our farmers can compete with anybody in the world.

So my answer to you, sir, would be I'm hoping we can get a new trade agreement by the end of the year which will permit some reduction in agricultural subsidies but only because our competitors will be reducing them even more. Otherwise, I think we'll have to wait 'til we reauthorize the farm bill in 1995 to look at these issues.

I come from a farming State, and I really want to see us maintain our competitive position in agriculture. I had to cut agriculture some this year. I cut everything, but I don't want to cut it so much we are at a competitive disadvantage.

1990 Deficit Reduction Program

Q. Mr. President, I was wondering if you believe that the deficit reduction plan of 1990 was successful in its goal of slashing the

deficit. And if not, how can you assure America that this year's plan will work any better? What are the differences between the two plans?

The President. There are several differences. First of all, the 1990 plan was not completely successful for a couple of reasons, and I'd like to point out what was wrong with it. I'd also like, in fairness, to tell you a couple of good things about it.

The main thing that was wrong with it is that the administration and its supporters in Congress, the people who were in Washington then, made too many claims for it. That is, they said it would reduce the deficit by $480 billion, and they based that on wildly optimistic revenue growth forecasts. We have based our plan on very conservative revenue forecasts, so that when the recession continued, they didn't get the money they thought they were going to get out of any of the new revenues.

The second problem they had was that health care costs in particular increased at a far more rapid rate than they had projected. We have attempted to deal with that by having some stricter controls on health care costs.

So those are the two things that really got them in trouble. The third thing, of course, was the economy just stayed in a slump for a long time. Now, the one thing they did right that we're also doing, except we're doing it even tougher, is they had some pretty stiff caps on spending programs, domestic spending programs. So there were some greater controls on spending after 1990 than had been the case in the past. I think I ought to give them credit for that, and we're trying to live with those now.

But we think we can do better. This plan you have more specific budget cuts, better controls on health care spending, and more realistic revenue estimates. And you've got all this money being put in the trust fund, and furthermore, another big difference is I will be under the obligation if we miss the deficit reduction target to come in on an annual basis and say, "Hey, we missed it a little. Here's my plan to make sure we make it. Here's where you've got to cut more. Here's what else you have to do." We're going to do that every year.

I think all Americans know it would be hard for any business to estimate for 5 years in advance exactly what will happen, but we haven't had to correct ourselves. Now we're going to do that.

I will say this. Let me say this in my own behalf. A reporter for the Philadelphia Inquirer a couple of weeks ago went around to all the budget experts for big private companies like big private accounting firms, and asked them what they thought of this. And the consensus was that we had a very good chance to meet our deficit reduction targets. The budget analyst for Price Waterhouse, the big accounting firm, said that it was the most honest budget presented to the Congress in more than a decade and that the only thing he thought I was wrong about is he thought we'd actually have more deficit reduction than we're projecting.

So let's hope he's right. We've done our best to be very tough about this.

Health Care

Q. Mr. President, you mentioned the importance of health care in the budget situation as we went through the nineties and into the early nineties we're in now. I'm wondering what specifically we can look forward to as regards to health care reforms within the next 6 to 8 months.

The President. You can look forward to a plan which will, first of all, protect the health care benefits that Americans enjoy now and enable people to move their jobs without losing their health coverage. One real problem we've got now is millions of Americans locked into their jobs because somebody in their family's been sick. So I think you can look forward to ending the job lock. People will be able to move jobs. We'll have a system that will enable people to keep having health care for their families if they lose their jobs through no fault of their own.

If all the plan passes, we will reorganize the insurance markets so that farmers and self-employed people who are in nonfarm jobs will be able to purchase health insurance at lower rates, more generous insurance because they'll be able to purchase it more on terms that people who work for big employers purchase it today.

And we'll also have a system that, if it all goes through, will actually dramatically lower the rate of increase of health care. You know, health care costs have been going up at roughly twice the rate of inflation or 3 times the rate of inflation, and we've got to bring that within inflation plus our population growth. And that will be good for business, good for agriculture, and good for individual Americans. So those are the main things we're going to try to do. I think we'll be able to do it. It's very, very important.

Let me say that if you look at the American budget now, the only thing that's really going up a lot in the Government's budget is health care costs for Medicare and Medicaid. The only way we can take this deficit from where it is now down to zero, which is where I want it, is to do something to control health care costs. This plan will lower it for 4 or 5 years, after which it starts to go up again, unless you control health care costs. That is the thing that is strangling the American economy long-term. And I believe we can do better. That's what the health care plan is designed to do. And as soon as the economic plan is over, we'll be able to begin a great national discussion about that.

Jobs

Q. Mr. President, Governor Wilson predicts that in the next 2 years this State is going to—rather, in the next 5 years, this State is going to lose 2 million jobs. Your economic plan is boasting 1.9 million jobs, yet we're seeing an exodus of manufacturing jobs from the Central Valley. What is your plan proposing to do to try to keep some of these companies from leaving not only the State but the country and taking jobs elsewhere? And what's also being done in your plan to put more Californians to work?

The President. Let me talk about manufacturing specifically, if I might, about what we can do and what you have to do. And I'd like to establish my credentials. I was Governor of Arkansas for 12 years. When I became Governor of my State, we had an unemployment rate nearly 3 percentage points above the national average; we were losing manufacturing jobs rapidly, plants closing down like crazy. And we devised a plan to retrain our work force and to make our State more attractive to manufacturing. At a time when they said we were going to lose manufacturing jobs, we didn't even need to try that. We were able to increase the percentage of our work force involved in manufacturing.

For the last 4 or 5 years we were among the Nation's leaders in job growth. In 1992 we ranked first or second in every month. And now the State has an unemployment rate of about 5.2 percent. It took about 8 years to do that. But we did it, and it worked. So you can increase your manufacturing base. Now, what does the United States have to do to help California do that? I think in your case, three things. Number one, we've got to do something to help you with all these people who have been laid off or lost their jobs because of defense cutbacks. We started defense cuts in America in 1987. I wasn't in Washington when it started, but it was unconscionable to start cutting all these contracts with no plans for conversion to help companies, to help individuals, to help communities to maintain a manufacturing base in nondefense areas. We have an aggressive defense conversion plan that, if it's done right, will be greatly beneficial to California. We have already begun working on that.

Number two, our economic program has some significant incentives to promote manufacturing: incentives for bigger companies to invest in new plant and equipment, incentives to start and capitalize smaller manufacturing operations.

The third thing we're doing is finding new markets for American manufacturing. When I was in Tokyo recently, the world's seven industrial powers agreed to lower or eliminate tariffs in a sweeping fashion, more than has been done in years and years. And every independent analysis says that if we can get all the countries of the world that are in our trading group, the General Agreement on Tariffs and Trade, to accept this by the end of the year, it will put hundreds of thousands of manufacturing jobs back into the American economy in the next few years.

Now, if we do all that, that will help California. California also has to examine its situation. Why would someone close a plant down in California and move it to another State? What do you have to do to make the

State more attractive? There are some things we can do on that. Our apprenticeship programs, our worker training programs will help California. Our health care cost control programs may help you not only with health care but with the enormous cost of worker's comp out there.

But a lot of these decisions need to be asked and answered in California. If California is losing manufacturing jobs to other States, you need to think through what changes can be made there to make you more competitive.

Small Business

Q. Mr. President, you said that your economic plan will provide most small businesses with a tax break. Won't these breaks be offset and surpassed by what you're going to ask small business to pay to support your new health care plan, and what kinds of increases can small business expect?

The President. No, well, let me answer—the short answer is no. Seventy percent of the small businesses in this country are providing some health coverage for their employees. Many of them may wind up with lower costs because of the insurance reforms that we'll recommend. Many of them are paying way too much for limited coverage.

For those who provide no coverage at all, I think there will be some requirement that they make a contribution to the coverage of their employees and that the employees provide a contribution, too. But the burden is likely to be far more modest than anything I've been reading about. I've not signed off on all the final provisions yet, but we're really working hard to make sure anything we do is phased in and the burden is kept as light as possible on small businesses to help them maintain their ability to generate jobs.

But let me just point out to you that everybody in this country can eventually get some health care, even if they have no health insurance. But if they don't have any health insurance, they often get it when it's too late and too expensive and when it's paid for by someone else. We are the only advanced nation that does not have some system by which all people are covered for health care. Most countries require some contribution by employers and employees across the board. We are also the only advanced nation in the world that spends more than 10 percent of its income on health care. We spend over 14 percent of our income on health care. Only one other nation, Canada, is over nine. Our major competitor, Germany, is just over 8 percent of their income. That means of every dollar made by anybody in this country, we're putting 6 cents more into health care. That is a phenomenal amount of money that might be reinvested to create manufacturing jobs, to strengthen agriculture, to strengthen small business.

So I believe the small business community as a whole will be dramatically strengthened by this, and I'm going to do everything I can to minimize the burden on those that presently offer nothing to their employees. But it is not responsible for those who offer nothing to ask everybody else to pay for the hospitals, the clinics, the infrastructure of health care that they then get to take advantage of when they need it.

California Recovery

Q. Mr President, you talk about economic growth by creating new jobs in California. And we're seeing, like we said earlier, we're seeing a lot of jobs leaving the State. But from where you stand and from some of the things you pointed out, do you see a turnaround at all for California in the next year?

The President. I do for a couple of reasons. I think there will be a turnaround. I don't want to pretend that this is going to be an easy, quick miracle. I think there are some things that are going to have to be done to preserve your manufacturing base. I already said that.

But I think the likelihood is good that California will turn around for a couple of reasons. First of all, you have enormous human and physical resources. That is, a lot of these people who have lost their jobs are very well-trained, very well-educated people, are highly productive workers, even if they don't have a lot of formal education. And have a huge infrastructure that can be revitalized, that was built up in part by defense developments in the 1980's.

Secondly, more than any other State involving trade, California's tied not only south of our border but also to the Pacific, and the

Pacific is the area of the world most likely to revitalize its economy quickest. One of the things that's hurting you in California is that it's hard to make a lot of money off manufacturing and service jobs tied to trade when Japan's in a recession, when Europe's in a recession. For the last 5 years, more than half of our new jobs in America have been tied to trade. And if everything is flat everywhere else, it's hard for us to grow when they're not. It is more likely that the Pacific will grow more quickly and come out of this recession more quickly than the rest of the world. And that will disproportionately benefit California.

So for all those reasons, I think there'll be some turnaround by next year. But I don't want to kid you. The California economy was built up over the last 20 years, with some things that will carry you right into the next century and other things, like the defense base, which have to be refigured if you're going to have those folks doing well and making a contribution to your economy.

So we're going to have to make some changes. We can do it. But the intrinsic health of the California economy, I think, is still there.

One last point about that. We're also going to have to make an extra effort to help the areas that have been really hurt by base closings. The Bay Area, for example, which took a big hit, I think that they'll wind up net economic winners because of the enormous resources there.

But we're going to have to plan to do that. And we're going to have to have incentives to invest in places like the distressed areas of Los Angeles to bring free enterprise in there. And I've offered a dramatic plan to create those kinds of enterprise zones. I call them empowerment zones. It goes far beyond what previous administrations have recommended. That plan is working its way through Congress, and I think that will help.

Job Creation

Q. To go back to jobs, you're promising 8 million jobs nationwide and about 1.9 million in California. Smaller citywide programs like Build in Baltimore cost millions and failed miserably, creating low-paying temp jobs with no benefits. How is your plan going to succeed? What kind of jobs are going to be created? And do you have a timetable for the job creation?

The President. Most of the jobs that we believe, based on our economic analysis, will be created are private sector jobs that will be full-time jobs. The private sector has got to be the engine of economic growth. If you look at this economic plan, we do invest some more money in partnerships for new technologies and in defense conversion and to help companies train their workers. But most of the new jobs are going to be created by the private sector. We want to invest in more jobs, in infrastructure building, road-building, and things of that kind.

But the great vast bulk of these jobs will be private sector jobs. Let me just give you some examples of how they'll be created. First of all, to keep interest rates down, you'll create more jobs. Secondly, this plan provides economic incentives for people to invest in new plant and equipment, for people to invest more in their small businesses, for people to do more research and development. All those things are directly related to job development. If you have more investment in the private sector, you will have more job development. So I see this as a private sector job initiative.

And exactly on what timetable these jobs will be created depends on the general recovery not only of the American economy but of the global economy. The one thing that could prevent us from meeting this goal is if the other countries of the world don't join us in a new trade agreement and pursue foolish economic policies and collapse their own economies. In order to grow the American economy, we need a growing world economy. But I think we're going to have some good success in coordinating our economic policies to generate more jobs.

Let me just say this. In spite of all the fits and starts in the economy since the beginning of the year, through the first 6 months, we've had about 900,000 new jobs created, over 90 percent of them private sector jobs. And I hope that we can accelerate that pace in the months and years ahead. I think we can if we can get this economic plan passed and put the health care plan out and, to respond to one of the earlier questions,

to allay the fears of some of the people in the business community about the health care plan so they can see it will be good for business, not bad for business. Then I think you'll see a lot more investment coming out of the lower interest rates.

But most of this job growth is going to have to come in the private sector. The Government can't do it.

Q. Thank you, Mr. President. We've flat run out of time. We were going to try and squeeze in another couple of questions, but I guess we can't do it.

The President. I'll stay if you can.

Q. Well, hey, we'll stay. We'll stay all night. No satellite. We lost the satellite.

The President. They say we're going to lose the satellite. I'm sorry.

NOTE: The interview began at 5:20 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. This item was not received in time for publication in the appropriate issue.

Remarks on the Economic Program

July 31, 1993

Good morning, and welcome to the Rose Garden.

My fellow Americans, 5 months ago when I addressed the Congress in my State of the Union Address, I pledged to the American people that I would do my best to change the way Washington works; to revive our economy by reducing our deficit; cutting spending; reversing trickle-down economics and asking the wealthiest Americans to pay their fair share of our tax burden; increasing incentives to business to create new jobs; helping the working poor to stay out of welfare and stay in the work force; and renewing the skills and productivity of our workers, our students, and our children. I presented to Congress an economic plan designed to achieve those objectives.

Now the Members of both Houses of Congress are close to deciding on a final version of an economic growth plan that meets these objectives. The plan will contain the largest deficit reduction plan in our Nation's history, about $500 billion, with nearly a quarter of a trillion dollars in real and enforceable spending cuts. The plan creates a trust fund in which all the spending cuts and all the tax increases are placed and dedicated by law for 5 years only to reducing our Nation's debt. Every new dollar of taxes will be matched by a dollar of spending cuts. And now, thanks to the efforts of the last few weeks, 80 percent of the new taxes will come from individuals earning over $200,000 a year, the top 1.2 percent of our income bracket, people who got most of the economic benefits of the 1980's and, unlike most Americans, also received tax cuts in that decade. No working family earning less than $180,000 will pay a penny more in income taxes. That will be a real change from the trickle-down economics of the past dozen years.

Average families, that is, people with family incomes above $30,000 and below $180,000, will be asked to pay but one tax, less than a dime a day, or about now $33 a year, in an energy tax devoted entirely to reducing our deficit. I believe that is a modest and fair price to pay for the change we seek and the progress it will bring. I pledged always in the beginning of this program to seek the least possible burden on middle income taxpayers, and I believe this is the least possible burden we can have and still achieve meaningful deficit reduction.

Because we need the private sector to grow, we also recommended investing in the job creating capacity of American business and in the education and skills of our people. This plan offers 90 percent of the small businesses in the United States of America the chance to actually reduce their tax burden if, but only if, they invest more in their businesses to strengthen their businesses and their capacity to hire new people. The plan offers new incentives, especially to high-tech, high-growth companies, to invest more in research and development. It offers incentives to larger companies to invest more in new plant and equipment. It gives a groundbreaking new incentive to people of all kinds to invest in new companies to help them grow the economy. A significant percentage of new American jobs come from the creation and expansion of new enterprises. And

this plan will open the door of college education to millions of Americans by dramatically changing the way the student loan programs works.

And next week when the national service plan passes, these two plans together will enable us to say to the young people of this country: If you want to go to college now, you need not fear the costs. You can borrow the money, but you won't have to pay it back until you actually have a job. And if the job is a lower paying job, you will not be asked to pay more than a certain fixed percentage of your income in paying back the loan. But this time, you will have to pay it back, because the tax system will be used to help collect the loan. And if you want to work the loan off, you can do some of that by participating in a program of service to your community before, during, or after college. That will give us the chance to solve a lot of America's problems and educate a whole new generation of young Americans. All this is done without imposing harmful cuts on older Americans. We build a better future for our children without asking unreasonable sacrifice from their grandparents.

It is time for Congress to pass this plan. It is time for Washington to show the courage to change. It is time for the Members of Congress to roll back the fog of misinformation that has shrouded this whole debate for the last 5 months. To the people who have told the American people there is no deficit reduction, there are no spending cuts, and the burden is on the middle class, the facts of this plan stand in stark contrast. This plan will keep interest rates down and grow the American economy.

This week I had the honor of meeting with many Americans from all walks of life who are taking personal responsibility for their families, their workplaces, and their country. On Monday, I attended a conference that our administration sponsored in Chicago where workers and managers talked about how they could work together to improve the quality of their goods and services and increase the security of their jobs and incomes. I met an executive from Missouri who turned around a failing plant by sharing information and giving a sense of ownership to workers who previously had been totally shut out of all those decisions. Once he did that and the employees understood the big picture, they did better at their jobs, they turned the company around. Their jobs and incomes were more secure, and they're making money. I met a widow from Detroit with no prospect of a job, thinking she would have to go on welfare because of her children, perhaps forever. Instead, she found a job as a machinist after enrolling in a 6-year advanced training program. When she completes that program, instead of being on welfare she'll have the equivalent of a master's degree in engineering.

On Wednesday, I met with more than 60 corporate executives from all over America, from all kinds of companies. Many of these executives were Republicans who will have to pay higher taxes under this plan. But they had made the hard-headed decision that it was important to pass this economic plan because they knew that their companies, their shareholders, and their country would be better off if we reduced the Federal deficit, kept interest rates down, and got investment going back into the American economy. As the chief executive officer of one of these corporations said, it's time to quit fooling around and act.

And I want to tell you about one more group of people who are quiet heroes of this economy. On Thursday, I met with three families who work hard for low wages from the States of Georgia, Kentucky, and Oklahoma. Thanks to the earned-income tax credit in our Tax Code, which reduces the tax burden on low income workers, they are supporting their children instead of going on welfare. Now, this is very important, because 18 percent, almost one in five, of American workers today actually work for wages that will not support a family of four above the poverty line. This plan has a revolutionary expansion of the earned-income tax credit so that for the first time ever, we can say to American workers: If you work full time and you have children in your home, you will not live in poverty. The tax system will lift you out of poverty, not drive you into it. This is the biggest incentive for people we have ever provided to get off welfare and go to work, to reward work and family and responsibility. It is not a partisan issue; it is an

American issue. And it will empower all kinds of Americans to seize a better life for themselves.

I'm proud a lot of Americans have decided to do what is right for themselves and their families. They're looking for new skills, looking for new ways to work with their bosses in the workplace. They're choosing work over welfare. I'm proud so many people now are tired of the old divisions in our country. They don't want to see this country divided between labor and management or Democrats and Republicans. They want us to unite as Americans.

As your Senators and Representatives conclude work on this budget, I'd like to say a special word to those of you here in the Rose Garden and all of those listening to me across the country. The time has come to act. Unless the Congress acts on this budget, we cannot remove the uncertainty that exists in the economy, we cannot continue to bring interest rates down, and we cannot possibly move on to the other challenges that await us. We still have to provide security and health care to all Americans and bring the cost of health care down within inflation. We still have to face the fact that we have to reform our welfare system. We still have to pass a crime bill to put 100,000 more police officers on the streets over the next 4 years. There are many challenges awaiting this Congress and our Nation, and we cannot move on unless we pass this plan. And most importantly, we will not have a framework within which we can work for jobs and higher incomes for the American people.

If you believe we ought to do it, now is the time to make your voices heard. Your Senators and Representatives have been subject to an amazing amount of unfair pressure and flat wrong and false information. I need your help. Tell your Senators and your Representatives if they have the courage to finally bring this deficit down and turn the country in the right direction and create jobs, you would appreciate it, you will support it, and you will stand with them. Now is the time to act. We have talked and dawdled for long enough.

In 1980, this country had a $1 trillion national debt after 200 years. Today, it is $4 trillion. We have got to turn this around for our children, for our grandchildren. And funny enough, this is something that will help us all today, right now, too. I need your help, and I hope you'll tell your Senators and your Representatives the time has come to move forward.

Thank you, and good morning.

NOTE: The President spoke at 8:52 a.m. in the Rose Garden at the White House.

The President's Radio Address

July 31, 1993

Good morning. Five months ago in my State of the Union Address to Congress, I pledged to the American people that I would do my best to fulfill the campaign commitment of 1992 to change the way Washington works. That means reviving our economy by reducing our deficit; cutting spending; reversing trickle-down economics by asking the wealthiest Americans to pay their fair share of taxes; increasing incentives to business to create new jobs; helping the working poor; and renewing the skills and productivity of our workers, our students, and our children.

Now the Members of both Houses of Congress are preparing to decide on a final version of my economic growth plan that meets the objectives I discussed when I presented it 5 months ago. This plan will contain the largest reduction in our deficit in the Nation's history. With nearly one quarter of a trillion dollars in real, enforceable spending cuts, every new dollar of taxes will be matched by a dollar of spending cuts. And 80 percent of the new taxes now will be raised from individuals earning over $200,000 a year. No working family earning less than $180,000 will pay more in income taxes. That will be a real change from the trickle-down economics of the past dozen years. The average family will pay only one tax, less than a dime a day in an energy tax devoted entirely to deficit reduction. That's about $33 a year for a family of four with an income of $40,000 or $50,000 a year. I think that's a modest and fair price to pay for the change we seek and the progress we're making. We pledged to have the light-

est possible burden on the middle class; and I think that, we have done.

Because we need the private sector to grow, the plan provides investments in job-creating capacities of American business and in the education and skills of our people. For example, the plan supports small business by dramatically increasing the tax incentive they get to invest in their own operations. Under this plan, more than 90 percent of the small businesses in America will actually be eligible for a reduction in their taxes. The plan also gives other incentives to business for new plant and equipment, to invest in research and development for high-tech firms, to invest in new fast-growing firms that create so many of our jobs. And perhaps most important to many middle class families, this plan opens the doors of college for millions of families by reforming the student loan program and making college affordable again to all Americans.

We do all this without imposing harmful cuts on programs that benefit older Americans, and building a better future for our children without asking unreasonable sacrifice from their grandparents. It's time for Congress to pass this plan. It's time for Washington to show the courage to change, just as people all across America are showing that kind of courage.

This week I had the honor of meeting with many Americans who are taking personal responsibility for making their lives and our country even better. On Monday, I attended a conference in Chicago where workers and managers talked about how they can work together to improve the quality of their goods and services, increase the strength and security of their own jobs and incomes. I met an executive from Missouri who turned around a failing plant by sharing information with employees about the company's performance. When the employees understood the big picture, they did even better at their jobs. And I met a woman from Detroit who got a job as a machinist after enrolling in a 6-year advanced training program. When she completes the program, she'll have the equivalent of a master's degree in engineering.

On Wednesday, I met with more than 60 corporate executives who support my economic growth plan. Many of them are Republicans who will have to pay higher taxes under the plan. But they made the hard-headed economic decision that their companies, their shareholders, and their country will be better off with this economic plan because it means lower deficits, lower interest rates, and a more stable environment to grow. As the chief executive officer of one of these corporations said, it's time to quit fooling around and pass the plan.

And I want to tell you about one more group of people who are quiet heroes in our economy. On Thursday, I met with three families who work hard for low wages. Thanks to the earned-income tax credit, which under this plan reduces the tax burden on low income workers, they can support their children without going on welfare. This plan increases that earned-income tax credit so that we can finally tell every working parent in America: If you work full time and you have children at home, we will lift you out of poverty. This will have more to do with encouraging people to get off welfare and go to work than anything else we've done.

I'm proud that so many people have the courage to learn new skills, to choose work over welfare, to look beyond the old divisions between labor and management, between Democrats and Republicans, to the things that unite us as Americans. These people are ready to change.

As your Senators and Representatives conclude work on our budget, I'd like to say a special word to each of you listening to me today. There's been a lot of misinformation about this economic plan. Now you know the truth: $500 billion in deficit reduction, equally divided between cuts and revenues; 80 percent of the new revenue is going to the top 1.2 percent of our people; a trust fund so that all the money goes to reduce the deficit; real investments to help the working poor, to help middle class families sending their children to college, without undue cuts on the elderly.

This is a new economic direction for our country. If you want it, if you want the jobs it will provide and the growth for our economy, you must make your voices heard. Tell your Senators and Representatives that this

plan, with its deficit reduction, with its lower interest rates, with its investment in private sector jobs, means more jobs and a better future for America, and it is time to pass it.

Thank you for listening.

NOTE: This address was recorded at 8:40 a.m. in the Oval Office at the White House for broadcast at 10:06 a.m.

Proclamation 6584—Helsinki Human Rights Day, 1993

August 1, 1993

By the President of the United States of America

A Proclamation

Since its inception in the 1970's, the Conference on Security and Cooperation in Europe (CSCE) has been the premier forum in which the ongoing struggle for human rights and the dignity and worth of individuals in European nations has been waged. In the wake of the instability created by the outbreak of war in the former Yugoslavia, the CSCE states have embraced a strategy of preventive diplomacy as a way of resolving differences before they lead to conflict. The CSCE's approach of combining a strong emphasis on human rights, preventive diplomacy, and multilateral action is an example of the kind of foreign policy I seek to pursue.

Yet, the dire situation in the former Yugoslavia gives pause to those who want to believe that the CSCE's principles will be respected in nations emerging from totalitarian rule. We must work with these nations in order to guide them toward the principles we hold dear.

The CSCE has made a major contribution even in areas of instability and conflict. Through conflict-prevention missions, monitoring of sanctions, sponsorship of the Nagorno-Karabakh negotiations, activities of the High Commissioner on National Minorities, and the energetic program of the Office for Democratic Institutions and Human Rights, participating states have demonstrated their collective political commitment to transform CSCE principles into reality.

As we grapple with the great challenges the CSCE faces, we reaffirm our belief that security cannot be divorced from respect for human rights and the democratic process. We also reaffirm our commitment to the advancement of the rights of individuals, for it was individuals who stood in front of tanks and tore down the walls that split East from West. Individuals braved the wrath of repressive regimes in order to call on them to live up to their CSCE commitments. And individuals today continue to struggle to build democratic societies at peace with their neighbors. The groundbreaking work of the CSCE in establishing human rights and other standards to which all CSCE states have committed themselves has permanently strengthened European security.

In recognition of the contributions of the CSCE toward the expansion of human rights, the Congress, by Senate Joint Resolution 111, has designated August 1, 1993, as "Helsinki Human Rights Day" and has requested 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 August 1, 1993, as Helsinki Human Rights Day and reaffirm the American commitment to upholding human dignity and freedom—principles that are enshrined in the Helsinki Final Act. As we Americans observe this day with appropriate programs and activities, let us remember our courageous citizens who have made sacrifices to secure the freedoms that we enjoy. Let us work together to encourage respect for human rights and democratic values in all CSCE states.

In Witness Whereof, I have hereunto set my hand this first day of August, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 3:39 p.m., August 3, 1993]

NOTE: This proclamation was published in the *Federal Register* on August 5.

Exchange With Reporters Prior to a Meeting With the Progressive Caucus

August 2, 1993

Bosnia

Q. Mr. President, could you clarify U.S. policy towards Bosnia? Is the U.S. prepared to unilaterally use military force to break the siege of Sarajevo and get humanitarian supplies in? Or will it work only in conjunction with the NATO allies?

The President. Well, let me say, I think the stories this morning perhaps exaggerate our position a bit. Our position is we are working with the allies. We're going to try to work through to a common position. We believe we will be able to work through to a common position. And I don't think it serves much of a purpose to speculate what might otherwise happen.

I don't believe that the allies will permit Sarajevo to either fall or to starve. I just don't believe that will happen. So I think we'll have a common position. There are some concerns; there always have been by those who have forces on the ground there, particularly those in the exposed positions. And I think we'll work it through, and I want the talks to continue. My goal has always been to work with them and to proceed together, and I think we'll be able to do that.

Q. Are you concerned about the reports that the talks may be delayed because the Bosnians expect you to come in on their side militarily?

The President. No, I don't think that will happen. Let me say this: I think peace has been delayed by the reverse perception that because the allies have not done anything to try to stabilize the position. The situation has until very recently gotten much worse since they were all in Athens talking—because the allies did nothing. Now, I think it's getting a little better again because, in part, because we're talking about what ought to be done for humanitarian reasons and to protect our own forces there, the U.N. forces.

So I'm very hopeful. I think they've made real progress in the peace talks, and I'm hopeful that will go on. I don't think the Bosnian Government will pull back.

Economic Program

Q. Are you going to win?

The President. America is going to win. Not me, it's not about me; it's about the country.

NOTE: The exchange began at 10:14 a.m. in the Roosevelt Room at the White House. A tape was not available for verification of the content of this exchange.

Interview With Newspaper Editors

August 2, 1993

The President. Hello?

Senator Herb Kohl

Q. Mr. President, I want to give you the first question and to point out that the attention you've given our Senator Herb Kohl in the last couple of days has raised his level of notoriety to a point that he hasn't known since he was elected. Now, I know you wouldn't trade a vote, but is there anything that you and Senator Kohl mutually want in terms of legislation or other benefits for Wisconsin that you have an interest in?

The President. The main thing that Senator Kohl was concerned about—he was interested in two things, to be fair, and there was—in the national interest. One was to minimize the burden on middle class taxpayers. And when he looked at the whole package and saw that working families with incomes under $30,000 were held harmless and that working families with incomes of $50,000 and $60,000 were looking at a $33-a-year burden with the spending cuts, I think that really made a big difference to him.

The other thing that he was interested in that I think is certainly as significant over the long run is he wanted a program that had some real economic growth incentives, that had some business help in it. And this program does a lot for small businesses. Over 90 percent of the small businesses in the country are eligible for a tax reduction if they reinvest more money in their businesses. It does more for research and development. It does more for revitalizing homebuilding and real estate. It does more across a whole range

of issues. For the heavy industry in Wisconsin, under this plan, there will be more incentives to invest in new plant and equipment in Wisconsin to be competitive there as opposed to going overseas. So all those things were important.

And then the third issue that he raised, which I certainly agree with him on, is that we need to bring this deficit down to zero. And in order to do that, we're going to have to cut more. But to do that, we have to reform the health care system. So the next issue is how to bring down health care costs so we can get this budget deficit down to zero and not just take $500 billion off of it.

Q. Have you convinced him, Mr. President, that these changes are enough to get his vote on this issue?

The President. Well, I hope so. I've worked hard on that. That's going to be up to him, not me, and I don't think I should speak for him. But let me say this: I think he has really done a good job here, and he has been very important in bringing a business, projobs perspective to the whole debate. So we'll just see. But we've got a $495, $496, $497—something in that range—billion dollar deficit reduction package. We're now going to have more cuts than tax increases in the package. The top 1.2 percent of the American people, of people with incomes over $200,000 will pay more than 75 percent of the burden now. And there are quantifiable spending cuts now in excess of $250 billion across the whole range of Federal programs. So it is a very important first step here.

Senator David Boren

Q. Mr. President, you haven't had quite as good a success with our Senator Boren, who, I think, like many people in Oklahoma are concerned that the spending cuts to come later—when we went through that in 1990, and they never came. Why should things be different this time?

The President. Well, for one thing I'm going to have a trust fund and all the money will have to be put into the deficit reduction package, both the spending cuts and the tax increases. What actually happened in 1990, Jim, to be completely accurate about it, is that the Congress adopted a plan based on the previous administration's rosy revenue estimates. And no one really thought the revenues would grow that much; so they didn't. And then spending increased because the recession went on and more people were entitled to Medicare and Medicaid. And between those two things, they were in deep trouble.

Now, let me just address the major objections Senator Boren has, because I think what he says is right, but it's not a good reason to vote against this program. What he says is that in order to take the deficit from where we're taking it down to zero, you have to do something about the entitlement programs, especially about Medicare and Medicaid. Now, that is true. But the problem is if you don't reform the health care system, that is, if you don't fundamentally restructure the system of the way health care is insured against and the way the—cutting out a lot of the paperwork and a lot of the things that are more expensive in America than anywhere else that have nothing to do with health care, and you cut the medical expenses of the Federal Government, all in the world you're going to do is have a hidden tax on the private sector because the providers will do what they always do. They'll pass their costs on to people that have insurance. So that, for example, the Daily Oklahoman would have its medical premiums go up more than otherwise would be the case because the Government's not paying the full cost of its health care.

So I don't disagree that we have to do something about health care costs and entitlements. But the time to do that is in the context of a health care reform debate, which we're going to start as soon as we can get this budget out of the way. If we don't adopt the budget, we'll never get there. Everybody who looks at it can see that this budget's a lot better deal than the one in 1990. The numbers are more realistic. The growth package is realistic. We've got new business capital gains tax in there and all kinds of other incentives for small businesses to grow. Over 90 percent of the small businesses can get a tax reduction under this plan because of it. This is going to create some jobs, too. So it's a better package.

But you can't solve all the problems of the world in this bill. That's my quarrel and dis-

pute with Senator Boren. He's right, you've got to get the entitlements if you want to go to zero, but we're going to have to do it in two steps, not one.

Spending Cuts

Q. Mr. President, a lot of people are concerned with, out here, the fact that the spending reductions, the major ones, seem to come so late in the plan, and the tax increases come so early. Wouldn't it be better to go back in and make another slash, even if this means delaying the budget a little bit?

The President. Here's the problem with it: First of all, there are going to be more spending reductions all the way along. The House of Representatives has already approved $10 billion in spending reductions over and above what's in this budget, but working with me. I've encouraged them. The Vice President is going to have a reinventing Government report out sometime next month, which will provide a lot more savings. So we're just getting started on the spending reductions. And then as I said, we'll be able to project a decade of spending controls in the health care area if we do health care reform.

The problem is that no matter what you do with that, the budget we have now and the budget we're going to have next year—we're already preparing to cut more off next year right now. But that is not an excuse not to act now. Still the big reductions in spending are those that aggregate up over time. That is, if I cut $10 billion this year and $10 billion next year, then that's $20 billion over this year's figure and then $30 billion and $40 billion. You see what I mean? So the spending cuts are always going to look bigger in the out-years because they compound one another.

Small Business

Q. Mr. President, we're relaying some of our readers' questions. One of them was, how can the job market grow when small businesses are afraid new taxes and the health plan will put them out of business?

The President. Well, first of all, new taxes and the health plan won't put them out of business. We've tried to send a clear signal to the small business community that there won't be a tax problem here. But if they have to have a premium to cover their own employees, we will limit how much of their payroll it can be, and it will be phased in over a period of years.

But let me flip it over to you on the other side. Seventy percent of the small businesses in America provide some health care coverage for their employees, and almost all of them pay much more than they should because we're the only country in the world that forces employers who cover their employees to subsidize employers who don't, and that's what happens. Everybody in this country gets health care, but if you don't have health insurance and you can't pay for it, you get it too late when it's too expensive. You show up at the hospital; you get cared for, and then the providers, the doctors and the hospitals, in effect, raise their costs to everybody else. So you could argue that the small business community as a whole in this country is more hurt by the system we have than by the one we're moving to.

Also, let me make one other point. We spend about 10 cents on the dollar more than any other country in the administrative costs of our health care system because we have 1,500 separate health insurance companies writing thousands of different policies, all with different rules and regulations, so that the cost of compliance is staggering, and then the Government aggravates it.

So I think the small business community will wind up ahead on this. But we've tried to send some clear signals that we're not going to pop them with a big payroll tax, and I do think employers who don't provide anything for their employees should bear some responsibility through the private insurance system. But it ought to be limited and phased in so that nobody goes broke doing it.

Getting the Message Out

Q. Mr. President, on Friday, last Friday we had a conversation with Roger Altman about your budget plan, and one of the questions we asked him was what the administration would have done differently to sell this plan. And he was very frank about it. He said, "We would have started a lot earlier." And I'm curious in terms of your strategy why you didn't really start giving everybody the hard sell a lot earlier.

The President. You mean not in the Congress but in the country?

Q. Yes, talking to the people.

The President. Well, actually we did a lot of that, but we didn't have our war room set up, and we were, frankly, just overwhelmed by the day-to-day news coverage of Republicans carping about taxes and unable to kind of break through about what the facts of the program were.

I worked hard—for 2 months after I made my State of the Union Address I went out into the country once a week. I did my best to talk about the program. But we didn't have the kind of organized disciplined effort we've had for the last few weeks in reaching out to local newspapers and television and radio stations and bringing in opinion leaders and doing all these things we're doing now. And I think we did lose control of the debate. Also, to be fair to them, to Roger Altman and the others, an issue like this tends to go through cycles. I told the people about it on February 17th, and they liked it. Then the sort of negative rhetoric took over. Now we're kind of coming back to reality, and all the surveys show we're bringing it back our way now.

Interest Rates

Q. Mr. President, Alan Greenspan has been giving some subliminal signals about raising interest rates. Wouldn't that sort of derail your plan for reducing the deficit if the interest rates went up? And are you worried about that?

The President. Yes, I am. I don't think you should raise interest rates until there's real economic growth that brings on real inflation. I mean, there's no real inflation in this economy, and we can have growth without inflation. And I think we may be reading too much into his remarks.

Q. Have you talked to him directly about what he did mean since he made those remarks?

The President. No, but I talk to him fairly often, and I'm scheduled to have another session with him pretty soon. I know him pretty well, and my read on what he said was if inflation warranted it, he might raise interest rates. But if you think about it, what we're trying to do in bringing the deficit down is to justify keeping the interest rates down even when there's economic growth because the Federal Government will be taking less capital away from the markets, and therefore, there won't be as much competition for it, and we ought to be able to keep lower interest rates. That's our theory. He has constantly and consistently supported the deficit reduction efforts of this administration in very explicit terms. So I would be surprised to see him raise interest rates when we're doing something to support the reverse. If we were having 4 or 5 percent growth and inflation was getting out of hand, I could understand it. But there's no grounds for it now.

Economic Program

Q. Mr. President, obviously, in this part of the country it would have been more popular to cut spending first, raise revenue later. You used the early year forecast of the deficit to go back on your pledge for a middle class tax cut. Since, there have been other estimates, why haven't you gone back to a cut spending first program?

The President. Well, first of all, we are cutting spending. We are cutting spending. This idea that we're raising taxes—taxes come in constant amounts, whether it's a fuel tax or an income tax.

This is a dodge. David Stockman, who pioneered Reagan's program in 1981, has now admitted in repeated interviews that they cut taxes twice as much as they meant to because they got into a bidding war with Congress, that there is no way to restore any kind of fairness to the Tax Code or reduce the deficit to zero unless there is a revenue component. So if I were to say, "Okay, we'll put these spending cuts in for a couple of years, and then we'll raise taxes," all we would do by doing that is basically have a bigger deficit in the first years because we'd have the spending cuts but not the taxes, and we would have higher interest rates, and we'd have slower economic recovery.

Let me just say, in the year that I'm in now—which I'm not even responsible for this budget until October the 1st—our deficit is going to be about $25 billion less than it was predicted to be when I became President.

But to go back to the middle class tax argument, after the election but before I took

office, the previous administration said, ''Oh, by the way, the deficit's going to be $165 billion bigger over the next 5 years.'' So I always in that campaign said I am not going to say ''read my lips'' because I've run a government long enough at the State level to know that sometimes circumstances can change on you. I've been very candid with the American people about that. I think most people with incomes of $50,000 a year don't think $33 a year is too much to pay. I think what most people have believed is, they've been told that they're going to be paying a fortune. And——

Q. Mr. President——

The President. Now, wait a minute. Let me just finish this. I want to make this point. I'm going to be President 4 years. We've got opportunities to have even more fairness in the Tax Code if we're bringing down the deficit and we are opening up economic growth. There are all kind of options to do things over the next 4 years. But the most important thing now is to do something about the deficit. The truth is that all these people who say they want to cut spending now, what they really want is an accounting practice which still would have all the spending cuts come in the 3d, 4th, and 5th year of this budget cycle.

What they're really saying is let's pass a bill that says it's going to cut spending later now before we raise taxes. They don't propose more spending cuts in these first years than I do, none of them do. And to go back to Senator Boren's bill, particularly the one he offered in the Senate didn't have nearly as much support as the one I offered, because it didn't have the kind of deficit reduction unless you did what he proposed to do, which was to take more out of Medicare for middle class people. And even then it wasn't going to happen for the 3d, 4th, or 5th year, most of it.

So the people that say cut spending now are saying, ''We don't want to cut any more spending than Bill Clinton does right now, but we want to pass a bill that cuts spending in the 3d, 4th, and 5th year in health care without health care reform and then talk about whether we should tax the wealthiest Americans later.'' That's what they're really saying.

Q. Is there any chance, do you think, that this bill will go down? Is there any chance that it will not pass in the Senate?

The President. Well, sure there is. But I think it will pass. And the reason I think it will pass is this: I think most of those people are going to say, is this a better bill than we've ever had before and better than we had in 1990? And the answer to that will be, yes. Is this fairer to average Americans than the ones we've been considering? The answer to that will be, yes. Does this restore some economic growth incentives for small business, for new high-tech businesses, for housing, for real estate that we haven't had in the Tax Code for 7 or 8 years? And the answer to that will be, yes. Does this bill lift the working poor out of poverty and encourage people to get off welfare, not with a Government program but by using the tax system to reward people who work, even at very low wages? The answer to that will be, yes. And then the last question is, do we want to hang around here in Washington for 60 or 90 more days and debate this, and either come back here and pass something very like it or something that's so much weaker that we'll have higher interest rates, more uncertainty, and we'll waste 2 or 3 months when we could be dealing with health care, with welfare reform, with a crime bill, with things that will grow this economy with a new world trade agreement, all these things we need to get on about the business of doing.

We are literally paralyzed here. We can't get anything else done. The only other major initiative that's going to come out of this is the national service bill that I've been working on for a long time. Other things cannot even be dealt with.

And again I want to say to those of you interested in the cut issue, keep in mind the Vice President is going to issue our reinventing Government report within 60 days. The Congress is still cutting some other spending with my strong support. We are going to have more cuts even than we have now. But to delay this program is a great mistake. All it will do is paralyze the Government, paralyze the financial markets, and leave us with uncertainty. We've been talking about this since February. It's time to move.

NOTE: The interview began at 3:25 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. Participating in the interview were the editorial page editors of the Milwaukee Sentinel, the Milwaukee Journal, the Arizona Republic, and the Reno Gazette Journal.

Interview With Newspaper Editors

August 2, 1993

Economic Program

Q. As you are well aware, Louisiana's Senator, Bennett Johnston, is or was at last report among the small, key group of Democrat Senators who've indicated reluctance to vote for your deficit reduction package. What are you doing or what can you do to get Senator Johnston's vote? And do you think you will ultimately get it?

The President. I don't know the answer to the last question, but what I've done is to try to take the strengths of both House and Senate versions of the bill and try to put them together. The strength of the Senate version was it had fewer overall taxes and was even more progressive. The strength of the House version was it had much more economic incentives, more economic growth incentives, for research and development, for investment in new firms, for small business, the things of that kind.

So the argument that I'm going to be making to all these Senators is that this plan now clearly has $500 billion in deficit reduction; it will now have more spending cuts than tax increases in it; it will have over 75 percent of the new tax burden now borne by people with incomes above $200,000; that the middle class tax burden is now down to $33 a year; and that the economic growth incentives qualifying, for example, 90 percent plus of the small businesses in the country for a reduction in taxes if they invest more in their companies; and enabling the working poor through the earned-income tax credit to lift themselves above poverty by working full time, these are very, very important things. And the time has come to act.

Now, let me say just as a generic thing, since this may help to shape some of the other questions: The people who are leaning against this program or have announced against it—not the Republicans, that's almost entirely a political deal; the Republicans have even opposed the conservative amendments to our budget to control entitlements and impose discipline. But the Democrats basically fall into two categories: There are those who think it's the right thing for the country, but they're afraid there's been so much misinformation out there about it that they'll get beat if they vote for it. And then there are those who think that it's a good first step, but it doesn't go far enough.

The only thing I would say to the latter group is that we do have to do something on entitlements, but we can't get there until we do something to reform health care spending overall, and that this is a major step that will stabilize the financial markets, keep interest rates down, and enable us to move on to health care reform, to getting a world trade agreement, to welfare reform, to the crime bill, to all these things that are out there crying for attention that we can't even address if we don't go ahead and get this budget out of the way. And also, there will be further budget cuts. The Vice President's report on reinventing Government is due next month. It will have many more suggested budget cuts. And the House of Representatives has already cut another $10 billion off the budget that we can't fully count yet because the Senate hasn't acted. But when they do, we'll have even more cuts.

Deficit Reduction and Taxes

Q. Mr. President, good afternoon.

The President. Good afternoon.

Q. Let me pass on to you a question I'm getting increasingly from Constitution readers. How can you assure that your tax increase package does not have the same result as Mr. Bush's 1990 tax increase package, which is to say no result at all except higher taxes?

The President. I can do that in two ways. First of all, let's look at what happened in 1990. Why did the deficit reduction package in 1990 not produce the deficit reduction it was intended to? There were basically two or three reasons. But one big reason is that they overestimated how much the revenues

would bring in; that is, they had some very, very liberal revenue estimates, and those revenues did not materialize. So that within 60 days after the package passed, they revised downward the amount of deficit reduction by $130 billion. Now, we have instead taken the most conservative revenue estimates we could get.

The second thing is that I have pledged to the Congress that by Executive order, I will put all of this money, the spending cuts and the revenue increases, into a trust fund and that every year if we miss the deficit reduction target, I will come forward to the Congress and give them a plan to meet the target, that is, to have further cuts to meet the target, and ask them to vote on it. I might say that we had those requirements in the law, and through the parliamentary rules of the Senate, the Republicans took it out of the law. One hundred percent of the Republicans agree with that budgetary discipline, and they took it out because they thought it was good politics for them to take it out and weaken the bill further. So I'm going to do it by Executive order. So it is different.

Now, let me say, there was one other thing different from 1990. Because this plan has been taken much more seriously by the financial markets, it has already had a big impact in bringing down long-term interest rates, and that has led millions of people to refinance their homes and their business loans. And I'm convinced once we actually pass the plan, we'll release a lot of investment into the economy. The other thing we do that was not done in 1990 is have investment incentives: the 75-percent in small business expensing—that will qualify over 90 percent of the small businesses in the country for a tax cut if they invest more in their business; a new business capital gains tax which will really help in high technology areas; we've got incentives to reinvest in homebuilding and to reinvest in new plant and equipment through changes in the alternative minimum tax. So there are a lot of pro-growth incentives in this plan that were not there in 1990, and those are the principal differences.

Ross Perot and the Economic Program

Q. Mr. President, good afternoon. Ross Perot is saying that this proposal should be rejected so Members of Congress can go back home, visit with their constituents, get a better feel for the spending cuts that would be accepted, come back in September and cut some more. Why should that not be done?

The President. Well, because we've already got more spending cuts than revenue increases, number one; because we're going to keep cutting spending, as I have said. But no one who looks at this budget deficit believes it can seriously be brought under control unless there are some revenue increases. And you know, I think it's pretty funny—I mean, I've got a 4.3 cent gas tax in my plan. Ross Perot proposed a dime a year for 5 years or a 50 cent gas tax increase in his plan, something he was running from yesterday on television. I have more verifiable spending cuts than he proposed in his plan. We have done what we need to do here to get a budget out.

Here is the problem: Nothing precludes us from cutting more spending. We're going to cut more spending. But until we pass this budget, we are paralyzed from going on to the next big problem with the deficit, which is health care costs and entitlements there. And that's got to be dealt with in the context of health care reform. We can't get to health care reform; we can't consider the next big round of spending cuts through reinventing Government; we can't do the crime bill, which is very, very important; we can't do welfare reform; we can't do anything until we pass a budget. And we've debated this from February to August. These Members have been going home every weekend. There will be more spending cuts. There will be more spending cuts in every year I'm here. But the time has come to pass this budget and get on with it. The tax burden is fair. Spending cuts now will exceed the tax increases. And we're going to put it all against the deficit. And we've just got to do this so we can go on and do the rest of it. To keep wallowing around in it won't serve anybody very well.

Q. What do you do about Mr. Perot?

The President. Well, nothing. He doesn't have a vote in Congress. I think what was done yesterday was wonderful. The press kept saying, "Well, what would you do?

Here's your plan; how can you criticize the President? Yours was off by $400 billion. You're going to raise the gas tax by 50 cents.'' And so I don't have to do anything. I think, you know, it was nice to see him answer some questions for a change. There's nothing for me to do. I've got a plan, and it'll work, and I want to pass it. And it's good for the country.

Let me just say this: We had 67 business executives here from big and small companies last week, 4 energy company executives—half of them were Republicans, one of them was President Bush's cochairman—supporting this plan. And every one of them said we've got to do it because we've got to bring the deficit down, we've got to keep interest rates down, we've got to stabilize the economy, we need some incentives to grow—every one of them. I mean, there is very broad support for this program among people who really understand it.

When I went to Tokyo to meet with the leaders of other industrial nations at the G–7 summit, for 10 years the statement coming out of that meeting had criticized the United States for its budget deficit. For the first time in 10 years, they complimented the United States. And they agree with me that we ought to go and try to get the 111 countries that are in the General Agreement on Tariffs and Trade to lower tariffs on a whole range of issues, eliminate them on a lot of other products. And everybody concedes, who's studied this, that this could add hundreds of thousands of jobs to the American manufacturing sector this year. Why? Because we're doing something about our deficit.

We have got to move. We don't need to delay this another month or 2 months or 3 months. That's what they did in 1990, by the way. One of your questions was what didn't work in 1990. In 1990 they said, well, we just can't make up our mind, so we'll delay. So instead of adopting it in August, they adopted it at the end of October. That's 90 precious days almost from the first week in August to the end of October, 90 days we could be dealing with health care; we could be passing the Vice President's recommendations on reinventing Government, which would be even more spending cuts; we could be passing a crime bill to help make our streets safer; that we could be dealing with welfare reform; all these things to strengthen the economy. None of this can be done unless we get this out of the way.

Spending Cuts

Q. Sir, there's been a good bit of discussion about the timing of the spending cuts, particularly saying that they mostly come in the later years. Could you please comment on the timing of the spending cuts?

The President. Well, they weren't timed to do that. The fact is that we have more control—when I took over this budget—these budgets are done on a 5-year cycle. If you're going to make deep cuts, it's easier to plan for them if you have a little time to plan for them. And also under the previous budget that we inherited, the budgets were already tighter in the early years, and they were much looser, I thought, in the later years.

But I assure you, we're not waiting for that. I've already given instructions to my Cabinet to prepare more budget cuts for the coming year. We have reduced the deficit in this year since I've been in office, mostly because of lower interest rates, by about $25 billion over and above where it was projected to be. So there are budget cuts in the early years, but it's like planning anything else. If you're going to take big whacks out of a large organization, the longer time goes on, the more you have to plan, the bigger the cuts you can make.

Now, let me say one other thing. Other people talk about ''cut first and tax later;'' most of their cuts are in the later years, too. They just want to pass them first and then avoid the tough decisions on the taxes. But if you look at the cuts that are proposed by others, if you look at Senator Boren's cuts on entitlements, almost all of them come in the later years, the meaningful ones. That's where they come, except the proposals that would have raised the costs of health care to middle class Medicare recipients or upper class ones. I'm not against, for example, raising the premiums on Part B. That's what he called a spending cut. But if you're going to do it, it ought to be done in the context of overall health care reform and not just trying

to get more money from those folks. I think we need to reform the health care system.

The people who talk about spending cuts first are basically saying this. If you ask the people who say they're opposed to this but they understand the budget, they will tell you the following things: We are cutting defense sharply and about all we can. I'm concerned that we should not do more. We've cut it quite deeply. There is an overall freeze on domestic spending. For example, that means every dollar we increase Head Start, every dollar we increase education and training for workers that have been displaced by defense plants closing down, every dollar we put into new technologies for defense conversion—those are the three areas where we basically have increased—we have to cut in veterans affairs, in agriculture, in all these other areas. Already we have a budget that will reduce the Federal work force by over 100,000 people in the next 5 years, and there will be more cuts coming to that, so that's flat.

The only thing that's increasing in this budget are the so-called entitlements, and that's basically Medicare and Medicaid and Social Security cost of living. We have restrained Federal pay increases and Federal pension increases below where they have been under the previous administrations. They are getting some cost of living, but less than they ordinarily would, and I called for a freeze in the first year. So the real growth is in Medicare and Medicaid, in the health care programs. If you put a lid on them now without reforming the health care system, you must do one of two things that I think are not good. One is to charge middle class elderly people more for their Medicare and much more if you're going to make them pay it all. Or the second is to not charge them any more, just limit how much the Federal Government pays, and force the doctors and hospitals to shift all the costs to the private sector, which would raise the health insurance premiums of every newspaper on this telephone. That's what's been going on for years.

I guess I need to say this as clearly as I can: I do not dispute those who say if you want to take the deficit from where I take it to down to zero, you have to deal with entitlements. And it will require more spending cuts, not more tax increases beyond where we are. I agree with that. But my point is you don't get to that until you do this first. You've got to pass the budget first, then reform the health care spending in the country. Otherwise, what's going to happen with health care cuts, it's going to be very, very unfair to the elderly on Medicare or to people who are paying private insurance. They're going to bear the costs.

Space Station and Super Collider

Q. Mr. President, down here you're talking about budget cutting in Texas; that means two things basically, the SSC and the space station. How do you see their future? Are they going to hang in there? And if push comes to shove, how would you put them in priority of importance if you have to keep one and get rid of one?

The President. Well, let me just say this. They're both very important to me for different reasons. And I think they're both important to the country. I think, if you're asking how they're doing now, I think the space station is more secure than the super collider, because the space station passed a House vote. It was a narrow vote, as you probably know, the first time. The second time we got some more votes. But the first time we only carried it by a couple of votes when two good friends of mine who went down to vote against it stayed to the end and changed their vote so we could save it because they knew it was important to me and, I think, to the country, as I said.

So we have redesigned the space station after a serious review by an eminent team of national scientists. It is very important to maintain our leadership in space technology. It's very important in terms of new partnerships with Russia to keep them involved in this kind of technology, to reduce the incentive they have to sell weapons and keep them taking their nuclear force down. But most important, it's a big economic boom to us. If we get out of this, the Europeans will move right in, take this over, and have a lot of those high-wage jobs that Americans should have. So I think it is critically important.

The super collider is important, in my judgment, for science and for research, not so much for applied technology now. We

don't know for sure what it will produce, but we know that it has the potential to produce a great deal, and we know that other major science research projects like this have often had unintended benefits.

It's in more trouble now. And frankly, whether we can save it or not depends entirely on whether we can save it in the Senate. And the climate's not as good as it was last year when it was saved. I think then-Senator Bentsen clearly saved it in the Senate last time. It got beat by 70 more votes in the House this time than it did last year. I really don't know whether that's the real sentiment of the House or not. And then I don't know how much that had to do with the fact that, at the moment they were voting on the super collider, your Senators and Mr. Perot were out on the steps of the Capitol screaming at them to cut more spending, at the very moment the bill came up. I don't know whether that had anything to do with it or not, but I know it lost by 70 more votes than it did last year.

And you know, it's pretty tense in the Senate now over a lot of these issues. But I am strongly supporting it. I'm going to do what I can to pass it, and I think we've got a chance to pass it. The key to passing it, frankly, is asking the Senate to look at the national interest and look at the fact that we have to make a significant investment in nondefense research and development and technology. Now that we've cut defense a great deal and we have not offset all the cuts in technology with domestic investments in technology, and that's where a lot of these high wage jobs of the future come from, we can't permit this to become a debate where the people in California took 40 percent of the base closing cuts last time and they complained that Texas took no cuts and that they're voting for new revenues and the Texas Senators want—I mean, if it becomes a deal, you know, a State-by-State deal, I think it's gone. The only way we can save it is if people will recognize that it is in the national interest to do so. I'm hoping we can do it.

Q. There's time for one more question.

The President. I can't believe all these editorial writers don't have another question. [*Laughter*]

Economic Program

Q. You spoke about now having more spending cuts than tax increases. I wonder if you could give us the figures, the current state of affairs.

The President. Well, you know, they're still negotiating. It could change, but the last time I talked to Senator Mitchell it was about $254 billion in spending cuts and about $242 billion or $241 in taxes, or something like that. They were at about $496 billion. And like I said, it could change in the next few days, but—I mean in the next day or so. You know, let me close by, if I might—you asked me a question when you started, and I didn't really give you a very good answer about how I could get Senator Johnston's vote. I think, frankly, he's worried about looking like he reversed himself from voting against it the first time, and I can understand that.

But let me say, without identifying anybody, if you look at the people who have opposed the program or the people who voted for it with reluctance, their basic objections break down into two categories. One is a political one, pure and simple: "I think this is the right thing to do for the country, and I hope it passes, but I'm scared I'll get beat if I vote for it." And we have tried to help in several ways: first of all, by recreating an aggressive communications strategy, more like what we did in the campaign, to try to combat what we think are false claims against this plan and just to get the information out about it; and secondly, to ask everybody to imagine what it's going to be like, not the day after the vote but after we've had a chance to continue our spending cut program through the Vice President's reinventing Government initiative and through other cuts that will come when we've got a chance to deal with health care and welfare reform and the crime bill and these other issues.

Then there's a whole second category of people who say that this is okay, this is a legitimate and honest effort to do better, and it does, but it doesn't do enough. Senator Nunn, for example—we've got the Atlanta Journal on here—Senator Nunn is sort of in that category, you know, said you've got to deal with entitlement costs, too. And my argument to that group of people—and that's the argument that Senator Boren made yes-

terday—is that you're right, it doesn't do enough. But that's not a good reason to vote against this because what it does is very good, indeed. And unless you do this, you can't get to the second stage. That is, I completely agree we have to control entitlement costs and that that begins overwhelmingly with Medicare and Medicaid costs. I just don't think it's fair or right to do it unless it's part of an overall health care reform plan which brings down the cost of health care to all Americans and stops cost-shifting and doesn't impose unfair burdens on elderly people on Medicare. And my argument is, we're just beginning this process; we're not ending it. But if we don't pass this budget now, we'll fool around here for 60 or 90 more days debating the same old thing. We'll wind up with a program that may be marginally different than the one we've got, but it will in all probability have much less deficit reduction if we have to go into some sort of situation where we're paralyzed on this.

So the real issue here—I think the reason that we've had so many Republican as well as Democratic business leaders supporting this is that they want a decision, they want certainty, they want real deficit reduction, and they think this meets all those criteria and also has some real incentives to grow the economy, and it will free us to move on to these other things. That's what I keep emphasizing to Members of Congress who say this is not perfect. I say, look, we've got a 4-year contract here to deal with all these problems, and you can't expect this one bill to solve all the problems of the country. It won't carry that much water. But this is very, very important, but only a first step.

Health Care Reform

Q. Mr. President, since you brought up health care reform, what do you say to reassure Americans—looming over this budget package with its various tax increases is the specter of more increases to pay for health care. How can you reassure Americans that they're not getting ready to get hit by a one-two punch?

The President. First of all, I think we tried to be pretty clear from the beginning that a cigarette tax was just about the only thing we had under consideration to deal with the Government's part of this responsibility, which is how to provide health care for the unemployed uninsured.

Now, the other big question that the small business community raised is what's going to happen to the employed uninsured, virtually all of whom work for small businesses. And I don't, myself, think that it's right to raise everybody else's taxes to cover those people because everybody else is paying too much already. I do think that if we're going to join the ranks of every other advanced country in the world and we're going to bring our costs down, we've got to cover everybody. An employer should bear some responsibility for their employees. And the employee should bear some responsibility, too. But my own view of that is that the best way to do that is to limit the ultimate cost to small business and phase any new requirements in over a period of years so that nobody is adversely affected too much.

But let me say on that point, it's important to remember that 70 percent of the small businesses in America already provide some coverage to their employees. Most of them pay too much for too little coverage because of the way our insurance market is organized. Most of them, in other words, are disadvantaged by the present system. For those who don't provide any coverage for themselves or their employees, they still get health care. But if they can't pay for it, the cost of that health care is simply shifted onto everybody else by the providers.

So my argument there is that we're going to do this with extreme sensitivity to the economy. I think that most business groups will like this program. I think most provider groups will like the program. And I think everybody recognizes that there's something badly wrong when we're spending over 14 percent of our income as a country every year on health care and no other country in the world except for Canada is even over 9. They're just barely over 9. We're competing with the Germans, who are at 8, and the Japanese, who are 8 percent of their income. And with no discernible effect on our life expectancy or anything else—we've got some serious problems they don't have.

Now, we'll never get down to where they are because we have more poor people, more

violence, and because for good reasons we emphasize more technology and breakthroughs. So we'll never get down to where they are, but we have got to bring these costs under control or the deficit will never get down to zero, and we can't really restore the competitiveness of our private sector.

So I would say that people should look forward to this with eagerness. Also, this is not going to be jammed through the Congress overnight. We're going to have an honest and open debate on this. I want the American community to sit down and really visit about this health care thing and talk it through. This is not going to be some sort of a blitzkrieg deal. We're going to take some time and really discuss it and debate it, just as we have for the last 6 months.

Thank you very much.

NOTE: The interview began at 3:49 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. Participating in the interview were the editorial page editors of the New Orleans Times-Picayune, the Atlanta Journal, the Daily Oklahoman, the Dallas Morning News, the Houston Chronicle, and the Houston Post.

Message to the Congress on Iraq

August 2, 1993

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of February 16, 1993, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq), then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. U.S. persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. member states temporarily to transfer to a U.N. escrow account up to $200 million apiece in Iraqi oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq. These funds finance Iraq's obligations for U.N. activities with respect to Iraq, including expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds will also fund the activities of the U.N. Compensation Commission in Geneva, which will handle claims from victims of the Iraqi invasion of Kuwait. The funds placed in the escrow account are to be returned, with interest, to the member states that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the United Nations Security Council. No member state is required to fund more than half of the total contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders Nos. 12724 and 12817 (the "Executive Orders"). The report covers events from February 2, 1993, through August 1, 1993.

1. There have been no amendments to the Iraqi Sanctions Regulations during the reporting period.

2. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. These are intended to deter future activities in violation of the sanctions. Additional civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi Sanctions Regulations with respect to transactions involving Iraq.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to the Office of Foreign Assets control's listing of individuals and organizations determined to be Specially Designated Nationals of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, the Office of Foreign Assets Control directed the Federal Reserve Bank of New York to establish a blocked account for receipt of certain post-August 6, 1990, Iraqi oil sales proceeds, and to hold, invest, and transfer these funds as required by the order. On May 18, 1993, following the payment of $1,492,537.30 by the Government of the United Kingdom to a special United Nations-controlled account, entitled United Nations Security Council Resolution 778 Escrow Account, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of $1,492,537.30 from the blocked account it holds to the United Nations-controlled account. Future transfers from the blocked Federal Reserve Bank of New York account will be made on a matching basis up to the $200 million for which the United States is potentially obligated pursuant to United Nations Security Council Resolution 778.

5. Since the last report, there have been developments in two cases filed against the Government of Iraq. Another ruling was issued in *Consarc Corporation* v. *Iraqi Ministry of Industry and Minerals et al.*, No. 90–2269 (D.D.C., March 9, 1993), which arose out of a contract for the sale of furnaces by plaintiff to the Iraqi Ministry of Industry and Minerals, an Iraqi governmental entity. In connection with the contract, the Iraqi defendants opened an irrevocable letter of credit with an Iraqi bank in favor of Consarc, which was advised by Pittsburgh National Bank, with the Bank of New York entering into a confirmed reimbursement agreement with the advising bank. Funds were set aside at the Bank of New York, in an account of the Iraqi bank, for reimbursement from the Bank of New York if Pittsburgh National Bank made a payment to Consarc on the letter of credit and sought reimbursement from the Bank of New York. Consarc received a down payment from the Iraqi Ministry of Industry and Minerals and substantially manufactured the furnaces. No goods were shipped prior to imposition of sanctions on August 2, 1990, and the United States asserted that the funds on deposit in the Iraqi bank's account at the Bank of New York, as well as the furnaces manufactured for the Iraqi government or the proceeds of any sale of those furnaces to third parties, were blocked. The district court ruled on December 29, 1992, that the furnaces or their sales proceeds were properly blocked pursuant to the declaration of the national emergency and blocking of Iraqi government property interests. However, according to the court, due to fraud on the part of the Ministry of Industry and Minerals in concluding the sales contract, the funds on deposit in an Iraqi bank account at the Bank of New York were not the property of the Government of Iraq. The court ordered the Office of Foreign Assets Control to unblock these funds, and required Consarc to block the proceeds from the sale of one furnace and to hold the remaining furnace as blocked property. On January 27, 1993, the Office of Foreign Assets Control complied with the court's order and licensed the unblocking of $6.4 million plus interest to Consarc. On March 9, 1993, the court affirmed its ruling in response to Consarc's motion to clarify the December 29 order and the Office of Foreign Assets Control's motion to correct the judgment to conform to the December 29 opinion. The Office of Foreign Assets Control and Consarc have each appealed the district court's ruling.

In *Brewer* v. *The Socialist People's Republic of Iraq,* No. 91–5325 (D.C. Cir., 1993) the United States Court of Appeals for the District of Columbia Circuit affirmed the district court's ruling denying appellant's motion to attach U.S.-located assets of the Government of Iraq and its state tourism organization. Following the holding of *Dames & Moore* v. *Regan,* 453 U.S. 654 (1981), the court upheld the power of the President to freeze foreign assets and prevent their attachment by private litigants in times of national emergency.

6. The Office of Foreign Assets Control has issued a total of 391 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Since my last report, 54 specific licenses have been issued. Licenses were issued for transactions such as the filing of legal actions against Iraqi governmental entities, for legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, and food intended for humanitarian relief purposes.

7. The expenses incurred by the Federal Government in the 6-month period from February 2, 1993, through August 1, 1993, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are estimated at about $2.5 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Assistant Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near East and South Asian Affairs, the Bureau of International Organizations, and the Office of the Legal Adviser), and the Department of Transportation (particularly the U.S. Coast Guard).

8. The United States imposed economic sanctions on Iraq in response to Iraq's invasion and illegal occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions, including those calling for the elimination of Iraqi weapons of mass destruction, the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, and the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait. The U.N. sanctions remain in place; the Unite States will continue to enforce those sanctions under domestic authority.

The Baghdad government continued to violate basic human rights by repressing the Iraqi civilian population and depriving it of humanitarian assistance. The United Nations Security Council passed resolutions that permit Iraq to sell $1.6 billion of oil under U.N. auspices to fund the provision of food, medicine, and other humanitarian supplies to the people of Iraq. Under the U.N. resolutions, the equitable distribution within Iraq of this assistance would be supervised and monitored by the United Nations. The Iraqi regime so far has refused to accept these resolutions and has thereby chosen to perpetuate the suffering of its civilian population. Discussions on implementing these resolutions resumed at the United Nations on July 7, 1993.

The policies and actions of the Saddam Hussein regime continued to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. Because of Iraq's failure to comply fully with United Nations Security Council resolutions, the United States will therefore continue to apply economic sanctions to deter Iraq from threatening peace and stability in the region, and I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

William J. Clinton

The White House,
August 2, 1993.

Remarks on Signing the Government Performance and Results Act of 1993 and an Exchange With Reporters

August 3, 1993

The President. Thank you very much. Thank you. Ladies and gentlemen, when I took this office with a real determination to engage in what we've come to call reinventing Government around here, it was really encouraging to me to see that there were Members of the Congress who had been examining these questions for years and seriously trying to address them. I want to say a special word of thanks to Senator Glenn, in his absence, and to Senator Roth; to my friend Congressman Conyers and Congressman Clinger and the other Members who have worked so hard to try to put us on the road to seriously reexamining how this Government works. It is important to restore the confidence of the American people in their Government. It is important because, to the extent that our Government works with greater efficiency and effectiveness and less unnecessary cost, it will strengthen the American economy as well as the bonds of our citizenship.

This law holds a lot of promise to do both things. The legislation itself mainly involves the inner workings of Government, things that most people don't think about and maybe don't ever want to think about. It requires the formulation of strategic plans, of setting yearly goals and targets for every program, of measuring and reporting how well programs actually perform compared to the targets set for them, and more accountability for achieving results. But we should view this structure in much simpler terms, terms that every American should be able to identify with. The law simply requires that we chart a course for every endeavor that we take the people's money for, see how well we are progressing, tell the public how we are doing, stop the things that don't work, and never stop improving the things that we think are worth investing in.

Earlier this year I met with our staff to discuss this. The Vice President and I were both enthusiastic about this bill, and I am very, very pleased that it has passed so rapidly. I do want to point out that it is, as the Vice President said, an important first step in the efforts to reform the way the Federal Government operates and relates to the American people. It may seem amazing to say, but like many big organizations, ours is primarily dominated by considerations of input, how much money do you spend on a program, how many people do you have on the staff, what kind of regulations and rules are going to govern it, and much less by output, does this work, is it changing people's lives for the better, can we say after we take money and put it into a certain endeavor that it was worth actually having it away from the taxpayers, into this endeavor, and their lives are better? These may seem like simple questions, but for decades they haven't been answered in a very satisfactory way. We are determined to do that.

I think it's fair to say that most Americans will understand that no organization as large and complex as the National Government can be transformed overnight. I also want to say that a lot of the things that this Government does, it does pretty well, and there are a lot of dedicated employees out there who do their jobs well. But everyone who has ever spent any time looking at how we do things, how decisions are made, how they tend to pile one on top of the other, year-in and year-out, without ever being examined in total or in terms of their effect would say that this is an effort that is long, long overdue.

So I ask, as I sign this bill, for the support of the American people to continue the work of reinventing Government and for their careful attention to the report that the Vice President will present to me next month. I ask for the support of the Congress in being willing to reexamine all of our assumptions and to try to take a fresh look at the way we spend the people's money. And I ask for the support of the fine people who work for the Federal Government to try to find a new spirit of renewal and change that I think will make their jobs more satisfying, and I know will help to restore the credibility and confidence of the American people in the public enterprise.

Thank you very much.

[*At this point, the President signed the bill.*]

Income Tax Increases

Q. Mr. President, sir, on the subject on which you're not getting bipartisan support, on the budget, can you respond to Republican, very sharp Republican criticism of the retroactivity of the income tax increases?

The President. Well, as you know, we had supported moving it up for 6 months. But in the conference committee there was a very strong demand to do some other things that made it very difficult not to put it back retroactively, apparently. For example, the conference wanted to raise the income threshold to which Social Security recipients were subject to higher income taxes so that now no one on Social Security, and I think it's about the bottom 90 percent, will not be subject to any higher taxes.

And the people that we have to get votes from asked for the following: They said, we want the economic incentives in, we want $495 billion of deficit reduction, and we don't want a higher energy tax number. And I think the conferees—I don't think any of them were very happy about that, but I think they thought that since that had been announced in January, or February, since a lot of people were already making adjustments on the basis of that, that that was a fairer way to do it than to run the risk of dropping below $490 billion in deficit reduction and, frankly, not being able to pass the program.

Q. Won't it be underwithheld, and won't it be a drag on the economy——

The President. It depends on what else we do. We think we have some options to offset it, but it is ironic that the same people who filibustered the jobs program earlier this year are worried about a drag on the economy. They had a chance to put a half a million Americans to work and turned away from it.

This money will be spent to reduce the deficit and to provide economic incentives to many of those same people who will provide the higher taxes. So I think that, on balance—I understand the decision the conferees made. I wish it hadn't been necessary. But part of it was just dictated by the size of the deficit reduction package we wanted and the low energy number. I think it is a good package; it's solid; it's clearly real numbers. It's very different from the 1990 package in many ways. So I feel quite good about it.

Bosnia

Q. Mr. President, what message is being sent to Bosnian Serbs and Muslims with this agreement that NATO has reached?

The President. The message is, first of all, that the allies are determined to protect the United Nations forces there, determined to secure the humanitarian relief program. And the other message is that we would very much—all of us—like to see a successful agreement and a fair peace agreement that can then be enforced. We'd like to see an end to the fighting. There should be an end to the shelling of Sarajevo, an end to the misery before we go through another winter with grave, grave difficulties ahead. And I hope the message will be there. I feel very good about what happened yesterday, and I appreciate the support of the allies for the United States position.

Q. How long do the Serbs have before air strikes would begin?

The President. Thank you very much.

Spending Cuts

Q. Did you notice they kept the honeybee subsidy, the one thing you had promised to get rid of?

The President. We'll eventually get it.

The Vice President. Phil Lader and I are going to get rid of that.

The President. Let me tell you, there will be many more budget cuts. This is the beginning, not the end. The House has already embarked on that course. There will be more.

NOTE: The President spoke at 9:43 a.m. in the Roosevelt Room at the White House. S. 20, approved August 3, was assigned Public Law No. 103–62.

The Office of the Press Secretary issued a statement on August 2 concerning the NATO decision on air strikes against the Bosnian Serbs, with the text of the NATO resolution attached.

Remarks With Judge Ruth Bader Ginsburg and an Exchange With Reporters

August 3, 1993

The President. Good afternoon. My fellow Americans, today we heard the sound of gridlock breaking in Washington, and I liked what I heard. Today the Senate passed our national service program, one of my top legislative priorities. Within months, thousands of young people will be at work in their communities helping our country and helping to pay for their own education. And middle class students everywhere will have an easier time affording college.

Also today, the Senate Judiciary Committee voted unanimously to confirm Judge Louis Freeh to be Director of the FBI. This support for a crime fighter of iron will and unshakable integrity affirms that he is clearly the right person for the job.

But I am most gratified today by the overwhelming vote in the United States Senate to confirm Judge Ruth Bader Ginsburg to be Associate Justice of the United States Supreme Court. Too often in the past, judicial nominations have prompted a partisan brawl and generated more heat than light. Today we've put aside partisanship, and the national interest won out.

I have no doubt that Ruth Ginsburg will be a great Justice. She has the opportunity to move the Court not left or right but forward. Her legal brilliance, wisdom, and deep devotion to justice has brought our Nation together around her nomination. When I announced her appointment, she spoke about her grandchildren. Someday, I believe my grandchildren will benefit from and learn from the contributions she is about to make.

We've done some good work today, but there's more to do. Tonight I will address the Nation about my plans to put our economic house in order. I hope that my remarks will be persuasive. But this afternoon, I just wanted to take a few moments to congratulate now Justice Ginsburg and to give her a chance just to say a sentence or two about this very important day in her life and the life of our Nation.

Judge Ginsburg. I am so glad to be part of what has been a very good day for the country. And last time I was here I don't think there was an opportunity for any questions. So if one of you has a question, I'll do my best to respond.

Q. Justice Ginsburg, what do you think that you'll bring to the Court that has not been present before in the Court? What insights, what experience, what background?

Judge Ginsburg. I think you must reserve judgment. I'll do the very best I can in this job, and then you can write a review of my performance in a year or so from now.

Q. You've been called a liberal; you've been called a conservative; you've been called a moderate. What are you?

Judge Ginsburg. I think you could report on that, too. But I don't believe that every child that's born alive is either a little liberal or else a little conservative, except in Gilbert and Sullivan.

Q. But you're not a child.

Judge Ginsburg. That's every child that grows to become a woman or a man, yes.

Economic Program

Q. Mr. President, even though this is Justice Ginsburg's moment, could we ask you what you hope to accomplish with your speech tonight? What persuading do you need to do? What misperceptions perhaps are there?

The President. Well, I think there is still a continuing job to do to make sure the American people know again exactly what is in this program and why I think it is good for the country, and what it means in terms of our long-term economic health and well-being to regain control over our economic destiny; to keep interest rates down; to have these economic incentives to create jobs; to lift the working poor out of poverty; to enable us to move on to deal with health care, with welfare reform, with an important crime bill. All these things will help to strengthen our efforts at economic recovery. And therefore, this moment in this debate is very, very important because it's decisionmaking time, not delay time. And I hope that I can persuade the American people that that time has come.

Q. Mr. President, throughout the budget process, people have seemed to be able to roll you and get away scot-free. Senator Boren, the prime example, got you to back

away from the broad-based energy tax and now says he won't support the deal. That begs the question, sir, how can you expect people to support a very—or take a very politically difficult vote when there doesn't seem to be any penalty for those who won't?

The President. How can you expect me to answer a question which is not credibly put? He had a veto on the Senate Finance Committee, didn't he, because the Republicans refused to engage in responsible budgetary discussions? So I didn't agree to do anything. He didn't roll anybody. He exercised his vote, and his vote was enough. And that's the way the legislative process works, near as I can tell, from the beginning of the country. Now, perhaps you know more than I do.

You know, I saw a lot of people talking about Lyndon Johnson. When Lyndon Johnson was the Senate majority leader, a Senator could not introduce a bill unless he signed off on it. Would you like to return to that system? Would the press favor that? That would give us a little more party discipline around here if no Republican or Democrat should introduce a bill unless they signed off on it. I've done the best I can. I think we've got a very good program.

Look at the principles that we've got. Look what we started with. We've got $500 billion in deficit reduction. We've got a very progressive tax program that asks, now, 80 percent of the money will come from people with incomes above $200,000. The middle class, that is, couples with incomes of under $180,000 down to $30,000, will be asked to pay this gas tax. It's about $33 a year. Families with under $30,000 of income will be held harmless.

We have the economic incentives that we have long asked for: for small business, over 90 percent of them getting a tax break; the working poor lifted out of poverty; new investments for children and for families. This is a very good program very much like what I recommended and very different from what we've been doing for the last 12 years. And if it passes, I will be very glad. And to do it with no help from the opposition party will be remarkable.

Q. Do you have the votes yet for this plan? And you've been waging this full-court press now for several weeks, and it doesn't seem to have persuaded any Senators to come to your side. Do——

The President. We'll wait—watch and see. See if we win.

Q. Why do you think you've had such a hard time persuading the Democrats in your own party?

The President. Well, I think for one thing, I think we've shown a lot more party cohesion than the Republicans have. You know, more Republicans voted against the House Republican budget than Democrats voted against mine. And last year, 75 percent of the Republicans voted against President Bush's budget. So I think we've done pretty well. And also they've had to do it against a withering barrage of misinformation from the Republicans, trying to convince people there were no budget cuts, no deficit reduction, all the taxes on the middle class, all things that were totally untrue that they just kept saying. I think that the Democrats that are with us have shown a remarkable amount of political courage.

It's hard to get people to be brave when they see for 12 years we took the debt from $1 to $4 trillion and reduced investment in our future. And people made those decisions and were rewarded by them by just always taking the easy way out. I'm not asking them to do something easy. I'm asking them to do something hard. And I'm proud of the ones that are doing it. And I think when they vote, there will be a majority. I feel very good about it.

Partisanship

Q. Mr. President, I don't want to detract from your beautiful day, but you said that partisanship had been set aside; but almost unprecedented is the way the Republican Party in both Houses has united against you on this bill. Do you think it's personal? Do you think that there is some—over and beyond the political implications?

The President. No, I think it's all politics. I think that the guiding spirit there is incredible partisanship. I think they think their job is to hurt the Democrats in Congress politically and hurt the President politically on this bill. I don't think it has anything to do with principle, and I don't think it's personal.

But I'll tell you this: I don't think it will happen again. I think if you look at Judge Ginsburg's vote; if you look at the national service vote and the fact that they didn't sustain the filibuster all the way through until we voted on the economic program; if you look at the genuine dialog that's occurred on health care; if you look at the bipartisanship we'll have on trade issues, on the crime bill, on welfare reform, and I think on future budgets; if we prove we can take the tough decisions now and we're rewarded for it by resuming control of our own destiny, I don't think we'll have this level of partisanship on any other issue.

Q. Why not?

The President. Because there will be no incentive for them to do it. The only way they can win with this strategy is if the Democrats don't adopt the program. Once this is done, all the rhetoric goes away and the reality takes place. People will see that the middle class are not burdened, that they're benefited by the program. They'll see that the wealthiest Americans who can afford to pay are carrying the lion's share. They'll see the spending cuts. They'll see the working poor rewarded. They will see the reality.

The only thing that benefits them now is delay and denial and more of what we've had for too long. And I think if we move tonight and move tomorrow and move the next day and move this week on this program, then we'll get this country back on a forward movement. The momentum will be there to face the health care crisis, to face the welfare crisis, to face these other problems. And I believe we will do it in a bipartisan manner. I'm very, very hopeful about it.

Thank you.

Address to the Nation

Q. So have you finished the speech already? Are you still writing or is it done?

The President. I'll fool with it some more, but I'm done.

Q. Is it a good speech, sir?

The President. I'll give the Judge Ginsburg answer: That's for you to determine. It's what I believe.

NOTE: The President spoke at 4:44 p.m. in the Rose Garden at the White House.

Statement on the Confirmation of Judge Ruth Bader Ginsburg

August 3, 1993

I am extremely pleased at the swift and determined action by the U.S. Senate in overwhelmingly confirming Ruth Bader Ginsburg to the United States Supreme Court. I want to thank Chairman Biden, Senator Hatch, and their colleagues on the Judiciary Committee and the Senate as a whole for prompt consideration of her nomination.

As President, I am proud of having nominated such an outstanding jurist who demonstrated in the confirmation process tremendous intellect, integrity, comprehension of the law, and compassion for the concerns of all Americans. I am confident that she will be an outstanding addition to the Court and will serve with distinction for many years.

Statement on Senate Action on National Service Legislation

August 3, 1993

I am extremely pleased by action taken today by the Senate in passing the National and Community Service Trust Act. I am also gratified that Republicans and Democrats were able to work together to turn this landmark legislation into reality.

National service will take on our Nation's most pressing unmet needs while empowering a new generation to serve as leaders of change. National service is about enhanced educational opportunity and rebuilding the American community. Most importantly, national service is about getting things done.

A number of Senators played crucial roles in helping pass this bill. In particular, I would like to thank Senator Kennedy for the leadership and dedication he has shown throughout this process. Thanks to the efforts of the Senate today and the House last week, young people will soon be serving their country in their communities here at home.

I've always said national service is the American way to change America. I commend the United States Congress for taking action that will prove that true.

Interview With the Nevada Media

August 3, 1993

The President. Thank you, Gary, and thank you, Paula. First of all, let me thank all of you for giving me a few moments of your time today in order that we might together communicate directly with the citizens of Nevada about a whole range of issues, but especially about the economic program that the United States Congress will be voting on in the next few days.

I've worked hard to put together a program that would achieve the very important principles I outlined when I became President. We want to reduce the deficit by $500 billion. We want to do it in a way that focuses on specific spending cuts, over 200 of them, and has at least as many cuts as new taxes. We want the new tax burden to be fair. And in this program, now over 80 percent of the burden will be borne by people with incomes above $200,000. The average cost for a middle class family with an income of about $60,000 a year will be $33 a year in the 4.3 percent fuel tax. Working families with incomes of under $30,000 will be held harmless. The fourth thing we want to do is to make sure that this program promotes jobs and growth. After all, that's the objective. If we pass the program, we'll keep interest rates down and that will make it possible for people to refinance their homes and businesses and invest at low interest rates for high growth.

We also have incentives in this program that I think are very important. Number one, over 90 percent of the small businesses in America will be eligible for tax reductions if they invest in their businesses and in new jobs and growth and opportunity. Number two, we support research and development. Number three, we support new firms, especially new high-tech firms, and their attempts to get new capital by giving a capital gains break of 50 percent for people who invest in these new and small firms for 5 years or more. And finally, this program lifts up work and family, supporting most importantly the working poor. For the first time ever if this program passes, through the tax system, people who work hard, have children in their homes, and are still below the poverty line will be lifted above poverty, not by a Government program but by reductions in the tax system. This is a program that will get America on the move.

Finally, I want to say that if we do what others ask and just delay, we might run the risk of what happened in 1990, fooling around for 3 months, wasting valuable time when we ought to be dealing with the health care crisis, with welfare reform, with a new crime bill, with urgent matters that will bring more jobs into this economy, and winding up with a program as in the 1990's that doesn't work. This is a good, fair bill. It will make a good difference to America. And I hope that the Senators and the Congressman from Nevada will support it. I hope, most importantly, that the people of Nevada will support it.

I'll be glad to answer your questions.

Q. Mr. President?

The President. Yes.

Q. Hi, Mr. President. Greetings from Nevada.

The President. Thank you.

Economic Program

Q. First of all, many Nevadans appear to be losing some trust in Washington. At the same time, too, Nevada has been a State that has created quite a few jobs over the past few years. But now you offer a budget package that seems to hurt our big business, in other words, tourism, with the gas hike. Why should Nevadans buy into this gas hike?

The President. Well, for several reasons. First of all, it is a modest one, and gasoline is at its lowest real price in 30 years. In other words, if you adjust for inflation, gas is cheaper now than it has been for 30 years. This fuel tax increase is quite modest and, for example, will be a much lower burden on fuel than the Btu tax which the House of Representative originally passed.

Secondly, there are offsetting benefits to the job-generating engine that Nevada has become. As I said, over 90 percent of the small businesses are eligible for an actual tax reduction. Bigger businesses will be able to get incentives to invest in new plant and equipment. There are all kinds of other things that really help the business community. That's why the Home Builders, the Re-

altor Association, the American Electronics Association, any number of business groups have endorsed this program, because it will create jobs. And keeping interest rates down while there's so much building going on in Nevada is very important because you have to borrow money to finance construction. So that also will have a big boon to the Nevada economy. You will get a lot more out of it than the 4.3 cent gas tax will cost.

Spending Cuts

Q. Mr. President, we've been taking phone calls from our viewers for the past 24 hours, and the overwhelming percentage have been asking, why not cut spending more first before raising these taxes?

The President. First of all, we do cut spending at the same time. There are $255 billion in spending cuts over a 5-year period and about $241 billion in taxes over a 5-year period. They are going into a trust fund so the money can't be spent on anything else. And if we miss the reduction targets, every year I will be bound by the system we're now following to come in and correct this. Secondly, there will be more spending cuts. We are going to have a report in September from the Vice President's Commission on Reinventing Government, which will recommend some substantial increases in spending cuts. And finally, as we deal with health care, we'll be able to deal with the exploding costs of entitlement spending on health care to our Federal budget. But the only fair way to do that is to provide health security and to reform the health care system. So I assure you, there will be more spending cuts coming up.

But let me finally say that no person who's studied this believes that we can bring this deficit down and eventually get it down to zero unless we also ask primarily those people who got most of the income gains in the 1980's, that is, the top 1½ percent of our income earners; they got most of the benefits of the eighties, and they got the tax cuts of the eighties. All we're trying to do here is to restore some fairness and ask those who can pay to do so. Together these things will make a balanced package. We can't get there with just spending cuts. If I were, for example, to take all the revenue increases out, just have the spending cuts, and wait for the others to trigger in, I believe what would happen is that you'd have a substantial increase in interest rates as all these people who thought we were serious about reducing the deficit will say, well, there they go again. So we are going to cut spending more and more and more, but we need the revenues, too.

Senator Richard Bryan

Q. Mr. President, are you disappointed that a moderate Democrat like Dick Bryan is not supporting your budget? And what message does that send?

The President. Well, I'm always disappointed if we don't get 100 percent of the votes. But I think that Senator Bryan had some questions about the bill that was in the Senate last time that I hope that this conference report will answer. And let me just mention a few things that I think will make the bill more attractive to him, and I hope may still secure his vote.

For one thing, there are clearly more spending cuts and tax increases in this bill. For another, there is a provision in this bill that—it does something that many of the people in the hotel business, the restaurant business have wanted for some time, which gives them a credit against the Social Security taxes they have to pay on their waiters' tip income, which is an important thing that's been passed by the Congress before but never actually written into law because it was vetoed previously. Thirdly, the economic incentives that were in the House of Representatives bill that were not in the Senate bill have now been put back in, for research and development, for high-tech industry, new business capital gains. We almost double the expensing for 94 percent of the small businesses in America.

A lot of things that are in this final bill in much greater degree than they were in the bill that Senator Bryan voted against. So I'm hopeful that these things plus the fact that we are going to have this trust fund, which was not in the Senate bill, to guarantee that the money goes to deficit reduction, will be enough for him to say that the bill has improved to the point where he can join Senator Reid and Congressman Bilbray in supporting it.

Reaganomics

Q. Mr. President, can you respond to former President Reagan, who wrote in today's New York Times that he felt your budget plan was unwise and would plunge the economy into the deep doldrums?

The President. Sure. When President Reagan became President, we had a $1 trillion debt. We now have a $4 trillion debt. For the last 10 years under Presidents Reagan and Bush, we have pleaded with our allies to work with us to support a higher rate of growth to create more jobs in all the rich countries of the world, and they have said publicly for 10 years the biggest problem is the American deficit: ''You won't do anything to get your own house in order; don't tell us what to do.'' This year, the allies, Germany, Japan, all these other countries, for the first time in 10 years when I met with them complimented the United States for finally doing something about our deficit and said now we're going to be able to work together to grow the economy and create jobs.

And finally, we saw the end of Reaganomics in the last 3 or 4 years, where we had 4 years with only a million new jobs coming into the economy. And the record came in on the eighties, where 60 percent of the economic growth went to the top one percent of the people. And we didn't grow very many jobs compared to previous decades.

So my answer is that President Reagan's program, which was to cut taxes and increase spending and have a huge deficit and try to borrow and spend our way out of our economic problems worked pretty well in 1983 and 1984, but after that, it began to have serious problems. And for 6 or 7 years, it's now apparent that we can no longer borrow and spend our way to prosperity. We have to have some more discipline in our national life.

Taxes

Q. Good afternoon, Mr. President. You've said that your plan will create 8 million jobs, but half of the proposed deficit reduction package comes in the way of new taxes. How do you plan to reconcile those two, when history has proven that increased taxes does not create new jobs?

The President. I don't know that history has proven that. Under President Bush's administration, where he railed against taxes and finally signed a program in 1990 which was basically a middle class tax increase that had 2½ times the burden on the middle class that this program does, we didn't have new jobs. There were times in American history when we had much higher tax rates than we will have under this program, much, much higher, where we were creating any number of jobs.

I think what has killed this economy is that so much of our money is going to deficit financing that that has kept interest rates high. People have not been able to afford money to borrow and to invest, and we have seen ourselves losing control of our financial future. So I don't think all taxes are by definition bad for the economy. Do I think you can overtax the economy? Sure I do. But we still are going to have, on the whole, lower taxes than our major competitors and much lower taxes than we've had at times past when we created more jobs. I think we will lose more if we do nothing now and let this deficit get out of hand and run the interest rates back up. I think that will be much worse. If I didn't, I wouldn't recommend this.

Let me just make one point here by way of just kind of trying to establish my credibility on this issue. Before I became President, I was Governor of a State for 12 years where we never had to raise taxes to balance the books, where I routinely cut spending—I ran a tight balanced budget—and where, in every year I was Governor, our State was in the bottom five in the country in the percentage of our people's income taken up by State and local taxes. The only time we ever raised any new taxes was when we had heavy majority support for dedicated support for either schools or roads. That's it.

Now, what we're facing now in this country is a situation not of my own making. I wasn't in Washington the last 12 years, in either party, voting to run the debt from $1 trillion to $4 trillion. But I have to face the fact that that's where it is. And we're either going to do something to regain control of our own destiny, or we're going to let the economy continue to spin out of control and we'll be

helpless to influence it. So it's just a question of whether we're going to do this for the long run or not.

And let me just make one final comment, because it relates to the last two questions. If you go back and look at Japan in the mid-1970's, they had a deficit about as big as ours now, a big part of their income. They decided they would balance their budget over a 10-year period. They brought it down with a disciplined balance of tax increases and spending cuts. It did not hurt their economy; it strengthened their economy. And I think if we take the long view, we will see we've got to get ourselves out of debt and invest in job growth and our future.

And keep in mind, most new businesses and most existing businesses can have their taxes reduced under this program. Only the top 4 or 5 percent of the businesses and the top 1½ percent to 2 percent of the income earners are going to pay any substantial income tax increases under this program. There are no income tax increases for businesses earning under $180,000 or for couples earning less than that.

The Environment and the Economy

Q. Good afternoon, Mr. President. Nevada poses some interesting possibilities here in terms of the jobs and growth that you've talked about. But there are also a number of environmental concerns. We have it at Yucca Mountain and also at the Nevada test site in nuclear terms. Then in northeast Nevada, there is a mine whose reopening has been delayed because of environmental concerns. What can Nevadans expect from the White House in terms of any overall policy whenever the environment clashes with the economy?

The President. You can expect an honest attempt to do what the Secretary of the Interior, Bruce Babbitt, and the EPA Director, Carol Browner, are doing all over the country, to try to do our best to reconcile the two in ways that are good for the economy, in that if the environment has to foreclose some economic activity, we believe the Federal Government has a responsibility to try to help open another avenue of activity.

You mentioned those three things, so let me run through them quickly. With regard to the magna site, I have asked the EPA to accelerate review of that. It's in an economically depressed area. If we can find a way to permit that in an environmentally responsible way, I think we ought to do it sooner rather than later. And if we can't do it, we ought to tell the people sooner rather than later. So I've asked the Government to expedite review of that.

With regard to the nuclear testing site, as you know, I have called upon the other nuclear powers of the world to observe a moratorium on nuclear testing. If that holds up, I think we have an obligation to work with you to try to find ways for the resources there and the people there to find other forms of economic activity. And with regard to Yucca Mountain, we've already ordered an independent financial management review. We're working on an independent management review. And the Governor and your congressional delegation have also talked to me very often about the question of the scientific basis on which Yucca Mountain was selected, and we have under review what we ought to do about that.

So I think we're on top of all three of those issues. And I believe ultimately, sound environmental policy is good for the economy, and I think we'll find a way to create more jobs than we lose out of it if we do it right.

Next question.

Nuclear Testing Sites

Q. Mr. President, you just mentioned the Nevada test site. And as you know, the Nevada congressional delegation has several suggestions for different types of activity that would go on there. There's 8,000 jobs at stake. They have all kinds of ideas, from solar energy research facility to plutonium storage. Could you be more specific about what plan you have for the test site?

The President. No, I can't, because I didn't know until just a few weeks ago, as you know, that we would not be resuming nuclear testing. I had not made a final decision on that, and I had not had a chance to consult with our allies.

I can tell you this—let me say this again as clearly as I can. I think that your congressional delegation and your Governor will come up with some very good ideas. I believe

we have a strong obligation to work with them to develop alternative economic activities for the site. First of all, the United States has a great investment there. And secondly, we have an obligation to the people of Nevada.

And let me say, for 2 or 3 years now, long before I even started running for President, I was complaining that the Federal Government started cutting defense spending way back in 1987 with no plan for helping the people affected to convert and succeed in a domestic economy. We are now trying to deal with that and play catch up on defense cuts. I don't want the same thing to happen in Nevada at the nuclear testing sites. So I'll do what I can to help and to be there and work with your local leadership.

Next question.

Immigration

Q. Mr. President, I'd like to know a little bit about what you plan to do about illegal aliens coming into our country. There's been a big hue and cry about that nationwide, people settling into California, Arizona, and Nevada. It's becoming an increasing problem. I'd like to know if you have a plan for getting these people either legal or helping to keep them from our shores and our borders.

The President. I do, and about 10 days ago I announced a plan and presented it to the Senate. And I'm very proud of the fact that this is one of those issues where we haven't had any gridlock. The Senate passed a major part of our immigration reform bill, 87 to 13, just a couple of days ago.

Let me tell you essentially what we're dealing with. Basically, there are three substantial alien problems. There is the problem of access to our country by terrorists or potential terrorists or people who will work with terrorists. And we have enacted some reforms to change the way we exercise security at airports here in the United States and security at other airports.

Secondly, there's the problem of all these people being smuggled in in, in effect, slave boats, all the folks coming in from China, for example. We have a plan designed to deal with that now and to impose a much stiffer penalty on those who do that kind of thing and also to process those people much more quickly than they have been in the past.

Then the third problem is just the problem of large numbers of illegal aliens coming. The big States that receive them now are California, Texas, and Florida, but many, many other States also have a large number of illegal aliens. We're going to have 600 more border patrol operations, faster review, and expedited review and return of people that we find who are illegal. We will observe their constitutional rights. We will be as precise and fair as we can, but we're going to expedite the review.

I support legal immigration. I think immigrants have made an enormous contribution to this country and have made us a stronger nation and a much better prepared nation to face the 21st century because we have so many different racial and ethnic groups in America. But you can only keep America safe for legal immigration if you do something firmer than we've been doing for years on illegal immigration. So that is the basic outline of the plan. We're proceeding with vigor to implement it. And we're looking at what other options we have to do more.

Yes, sir.

Economic Program

Q. Mr. President, if I might, sir, I'd like to revisit a question or perhaps broaden the scope a bit of a question a moment ago. You hold the distinction, sir, of being the first Democratic candidate to run for President who won the State of Nevada in 28 years. That said, why then do you deserve the continued support of Nevadans when your budget package adversely affects tourism here by increasing fuel taxes, asking more money for resort companies, the engine of job growth here, and lowering deductions for meal expenses?

The President. Because Nevada will also benefit from this. Every small business in your State has a chance to lower its tax burden by investing more in its business. Every person who wants to invest in a new business in Nevada capitalized at $50 million or less has a chance to cut their tax burden by 50 percent by investing for 5 years in such a business. There are all kinds of incentives to grow jobs in Nevada. And the most important

thing is all Americans benefit when we reduce this deficit and keep our interest rates down.

If you look at what has happened to long-term interest rates since I've proposed the deficit reduction plan and it started making its way through Congress and since Alan Greenspan, the head of the Federal Reserve Board and a Republican, consistently said that this is what we need to do more than anything else to get control of our deficit. The cost of borrowing to all those Nevada businesses you just mentioned are going—by and large, for any of them that have to borrow any substantial amount of money or who can go out and refinance their business debt, they will save much more than they will be hurt by the extra burdens imposed by the changes here. So there are national interests at stake which will benefit people in Nevada, and there are specific things which will benefit people in Nevada. We have to decide—if we're going to do something about this deficit, we're all going to have to contribute.

You know, I come from a State which has the highest, or second or third highest amount of gasoline usage per vehicle in the United States of America. But the fact remains that gasoline is at its lowest price in 30 years and that the average person's annual bill is going to be around $35 for this. And I don't think that's going to keep anybody from coming to Nevada to vacation.

Single Parent Families

Q. We took calls this morning from our audience to find out what to ask you, and we had so many different calls about, ''Hey, ask him to come and play his saxophone for us in Las Vegas, the entertainment capital of the world.'' But——

The President. I'd love to do that.

Q. ——on a more serious note, we did get a lot of calls from single parents that wanted to know what your economic plan will do to help reward them; say, they are raising a child, a full time job, and you alluded to that earlier in the opening. Could you be more specific on this topic, please?

The President. Sure, very specific.

If I might, I'd like to answer that question, but I'd like to also say one other point in response to the young man who asked the previous question about the fuel tax. I believe that most people or at least a huge percentage of people who come to Nevada to vacation or to convention, fly there. And one of the things that Congress and the administration were very concerned about was the impact of this on an already troubled airline industry, on whether that would lead to big increases in fares, which really might have had an adverse impact on you. And as a result of that, relief was granted from airline fuel from this tax. So I think that was a big concession that I think will be very helpful to you and will avoid any adverse damage.

Now, to go back to the other question, single parents who work and have children in the home, have family incomes of under $30,000, all of them will be held harmless from the impact of the fuel tax by an offset in their income tax. Those who are at or near the poverty line may actually get a refund on their income tax to make sure that they will be lifted above the poverty line if they're working 40 hours a week and they have children in the home.

Interestingly enough, this expansion of the earned-income tax credit, which has received relatively little attention, is probably the most significant social reform that is profamily and prowork that the Congress has enacted in 20 years, because it will say to people like the very person you're talking to: We know you're out there working hard. We know you don't need any more taxes. We know you're doing everything you can to support your children. And because of the way the income tax system will be changed, if you're making a pretty good income, that is, let's say $29,000, $28,000, $27,000, something like that, you'll be held harmless from this. We'll give you an income tax offset for the gas tax increase. But if you make lower wages and if you're down around the poverty line, we will give you a tax refund so you can be lifted above the poverty line and support your children in dignity. Now, this will really help us to encourage people to move off welfare and into work.

One of the next things that I want to take up, along with health care, when this is over, is a fundamental reform of the welfare system that will literally end welfare as we know

it. In order to do that, you've got to take all the incentives out of welfare and put them into work and enable people to be successful parents and successful workers. So this is a very, very important part of this provision. And that's one reason I would hope all the single parents in America will support it. Almost all of them will benefit from it.

Administration Accomplishments

Q. Mr. President, this will be the last question. I know we're supposed to be Mike Wallace here and ask you all these important questions. But it's been a pretty rough first 6 months for you. Is it what you expected, and are you having fun?

The President. I am having a great deal of fun. I'm excited by this job. I knew it would be rough if we came in and tried to change a bunch of things at once, because it's easier if you don't try to do much and you just kind of take it easy; then you can make sure you don't have so much rough sledding.

But I feel good about it. I mean, today my appointee to the Supreme Court, Ruth Bader Ginsburg, was confirmed by a 96-to-3 vote in the Senate. I think she will be an historically important Justice. Today the United States Senate on a bipartisan basis adopted one of the heart-and-soul ideas from my 1992 campaign, the national service bill, which will enable hundreds of thousands of our young people, as we get it up and going, to earn credit against their college costs by doing service for their communities, enable people at the grassroots level in Nevada, for example, to work with their friends and neighbors to solve problems and earn credit against college while doing it. I am very excited about that. We passed the family leave law, which becomes effective this week, which protects the right of people to go home if their child is sick or their parents are ill without losing their jobs. We've gotten an awful lot done.

So I think we're moving in the right direction. And we've got a health care bill, a crime bill, and a welfare reform bill ready to go when we get the budget out of the way. So change is always hard, but I am very excited about it, and I am having a good time. And believe it or not—Governor Miller will be glad to know this—I'm trying to find a way to play golf once a week, in spite of all this work I'm doing. And most weeks I get it done. And maybe I can come out there and enjoy some of your courses once I get a little of this work out of the way.

Q. We have some great courses. Thank you, Mr. President. I've always wanted to say that.

The President. Thank you.

Q. Thank you, Mr. President, for spending this half hour with us. I think this is the best kind of television there is, and we get a little longer than the sound bite that we're used to.

NOTE: The interview began at 5:09 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. In his remarks, he referred to Gary Wadell and Paula Francis, Nevada journalists. A tape was not available for verification of the content of this interview.

Address to the Nation on the Economic Program

August 3, 1993

Good evening. Tonight I want to report to you on the progress we've made and to ask for your help on our Nation's most urgent priority, reviving the American dream by restoring the American economy.

It's been at least 30 years since a President has asked Americans to take personal responsibility for our country's future. It's been 25 years since our Government had a balanced budget. For at least 20 years, middle class incomes have been nearly stagnant, with too many Americans working nights, weekends, and holidays just to make ends meet. For at least 10 years costs in our health care system have exploded while millions of Americans go to bed each night worrying that if they lose their jobs or their children get sick, their health insurance will be taken away. And for the last several years our economy has failed to generate jobs, good jobs that pay enough to own a home, buy a car, pay the bills, educate your children, and retire with dignity.

For too long, our Government has failed to tackle these problems. We've been given

the politics of entitlement, Government handouts without asking anything in return. And we've been given the politics of abandonment, cutting taxes on the well-off and asking nothing of them in return either, while raising taxes on the middle class to pay more for the same Government, instead of investing in our jobs and our future. The results: fewer jobs, stagnant incomes, a massive debt for ourselves and our children, higher cost and greater insecurity in health care, and a host of problems simply neglected.

Well, tonight we're on the verge of breaking out of that old false choice, between tax-and-spend and trickle-down; between abandonment and entitlement; on the verge of a new way of doing things grounded in our most enduring values, a philosophy that says America owes all of us an opportunity if we'll assume responsibility for ourselves, our communities, and our country. No more something for nothing. We're all in this together.

This means we must make Government work for the people who pay the bills. All of us have been awed in the last few weeks by the vast power of the Mississippi River breaking its banks and the devastation that has followed. But we've also been awed by the courage of the flood victims and the compassion of other Americans who have joined them in fighting back the waters and trying to restore normal life. I'm especially proud that this time the Federal Government has been fighting alongside the people.

That is what we must do on all fronts. We must do more, much more, to turn this country around. and now we have the chance to change. We're on the eve of historic action. This week, Congress will cast a crucial vote on my plan for economic recovery. In a comprehensive economic plan, there are always places for give and take, but from the first day to this day, I have stood firm on certain ideas and ideals that are at the heart of this plan.

Tonight I can report to you that every one of those principles is contained in the final version of the plan: first, the largest deficit reduction in history, nearly $500 billion, with more spending cuts than tax increases. Rather than the games and gimmicks of the past, this plan has 200 specific spending cuts, and it reduces Government spending by more than $250 billion. We cut more than 100,000 positions from the Federal payroll by attrition. We freeze discretionary spending for 5 years. We limit pay increases for Federal employees.

Why must we take extraordinary action now? Well, this chart shows you why. America faces a choice. We can continue on the path of higher deficits and lower growth, or we can make a fundamental change to improve our Nation's economy by adopting my economic plan.

Now, it won't be easy, and it won't be quick. But it is necessary. Without deficit reduction, we can't have sustained economic growth. Economists and business leaders alike warn us that growth will falter if we don't take dramatic steps to tame this deficit, and soon. With so much at stake it would be irresponsible not to take decisive action. With this plan in place, the economy will grow, and more than 8 million new jobs will be created in the next 4 years. Without it, we put the economy and our standard of living at further risk. if we take this important first step now, over the long run we will see deficits go down and jobs go up.

The second principle of this plan is fairness. Those who have the most contribute the most. As this chart shows, we asked the well-off to pay their fair share, requiring that at least 80 percent of the new tax burden fall on those making more than $200,000 a year and very little on any other Americans, not to punish the successful but simply to ask something of the very people whose incomes went up most and whose taxes went down during the 1980's. For working families making less than $180,000 a year, there will be no income tax increase. I repeat: For working families making less than $180,000 a year, there will be no income tax increase.

The third principle is that we must protect older Americans from punitive cuts in Social Security, Medicare, and veterans benefits that some have proposed. While all Americans must do their part, I will not balance the budget on the backs of older Americans while protecting the wealthy. Every alternative offered by the opponents of change begins with deep cuts in the health care of older Americans. I believe we must build a better future for our children without sac-

rificing the security of their grandparents. We can control health care costs, but only by reforming the health care system, not simply by hurting the elderly.

The fourth principle is that we must keep faith with the hard working middle class families who are the heart and strength of our Nation. We've worked hard in this plan to ensure the lowest possible tax on the middle class. The plan asks an average working family to pay no more than $3 a month in new taxes, less than a dime a day, with a 4.3-cent-a-gallon increase in a gas tax. This is the only new tax working people will pay.

Let me be plain about where the deficit reduction comes from. Look at this chart: out of every $10 in deficit reduction, $5 and actually a little more comes from spending cuts, $4 comes from taxes on incomes of those with more than $200,000 a year in income, and just $1 comes from everyone else. This plan is fair. It's balanced. And it will work.

Finally, we must have an economy that creates jobs and lifts up the American people. In the past, deficit reduction efforts have failed because they neglected incentives for business growth and investments to make Americans smarter and stronger and safer. This plan is very different. It generates jobs. In fact, over 90 percent of the small businesses in this whole country are eligible for tax reductions, tax cuts, if they invest in their future and create new jobs.

If you have the courage to invest in a new business and the vision to hold that investment for 5 years, this plan will cut your capital gains tax in half. If your business invests in research and development, this plan will reward you. If your small business creates new jobs and buys new equipment, this plan will provide incentives for growth by nearly doubling the expensing provision for new investments.

While we make deep cuts in spending, we also make room for some needed investments. Our plan invests in people and makes special investments in our children and in our families through Head Start, nutrition for pregnant mothers, and immunizations for poor children. These things pay for themselves in healthy, growing, strong children.

We will revolutionize the student loan program so that all Americans can better afford to finance a college education. And we make bold changes in worker training so that high school graduates can get high-skilled, high-wage jobs.

Perhaps most important, this plan rewards work over welfare, by lifting out of poverty every parent with children at home who chooses full-time work over lifetime welfare. We do this through the earned-income tax credit, which reduces taxes for 20 million working families and households earning less than $27,000 a year. It does this without creating a new Government bureaucracy and simply using the Tax Code.

This sends an enormously powerful message to the people who struggle against great odds to raise themselves and their families. It empowers them. It says we're on the side of people who work and care about their children. It's pro-work. It's pro-family. And it is a critical first step to one of my most important priorities, ending welfare as we know it.

Every element of this plan is a departure from business as usual. And if there's anything our country needs, it's to put business as usual out of business. I know full well that Americans are very skeptical of any claim by the Government. You must wonder if these cuts are for real and whether the taxes will really be used to pay down the deficit. Well, our plan is fundamentally different from business as usual. Here's why:

First, the plan is based on conservative estimates of future revenues. It presents line by line, year by year, specific cuts in Government spending. And it offers new incentives so we can expand the economy and generate jobs. It minimizes the burden on the middle class and asks the wealthy to pay their fair share. And finally, it puts into place two clear safeguards to keep a watchful eye on future Federal spending while protecting the savings produced by this plan.

All the money we save will be locked away in a deficit reduction trust fund so the savings will not be spent on politicians' pet projects. Because some in the Senate have used technicalities to block Senator DeConcini's amendment to create the deficit reduction trust fund and frustrated the efforts of many other Senators and a clear majority of the House of Representatives who support it and who support controls on annual spending and

entitlement programs, I will sign Executive orders tomorrow putting both these safeguards in place so that you know the money must be spent on deficit reduction. And if we miss our deficit reduction targets over the next 5 years, I will be obliged to present a plan to correct the course to make sure we keep doing what we're telling you we're going to do. Now, this is a new direction.

This plan has been carefully examined by the most conservative and skeptical critics of all, those who run our Nation's financial markets. They've studied the plan and determined that over the long term, paying down the deficit will be good for the country. And as we have made progress in enacting this plan, the markets have lowered interest rates. Lower interest rates, in turn, make it easier to own a home, finance a business, buy a car, pay off credit cards, and borrow for college. For example, if you are a middle class family with a $100,000 mortgage at 10 percent interest, you should be able to refinance the mortgage today down to 7.5 percent and save $175 a month right away, as millions of Americans have already done.

The chief executive officers of 80 of our country's most successful companies, Republicans and Democrats alike, have also supported this plan; so have many small business organizations from the National Small Business United and the National Association of the Self-Employed, to the National Venture Capital Association. The men and women whose business it is to create jobs and growth have been solid in their support of this historic endeavor.

At this exceptional moment of promise, why are so many in Washington so reluctant to take action? Why is it so hard for so many in this city to break the bad habits of the past and take the steps we all know we have to take? For 5 months our critics had the chance to offer alternatives, and all the major plans came up with the same thing: less deficit reduction or more paying for older Americans or both; protections for the wealthy from paying their fair share of the taxes; and no new incentives for business to create jobs or investments in the American people. And every one of these alternatives was soundly rejected in the Congress. Now there are only two choices, our plan or no plan.

Our opponents want to bring the plan down. The guardians of gridlock will do anything to preserve the status quo, to serve special interests, and to drag this thing out. They practice partisanship when we need progress. They call for delay when we've been waiting for 12 years and working on this project for months. They talk and talk about what to do, instead of doing what must be done.

When I was the Governor of Arkansas, our State had one of the lowest tax burdens in the country. I inherited this big Federal deficit just like you did. And I don't like taxes any more than you do, but our Nation is in economic danger, and now we've got to take this problem we inherited, you and I, and do something about it. We have to take responsibility for change. Passing this plan will be a bold step and the first step on a longer journey toward giving our Nation a comprehensive national economic strategy.

This economic strategy begins with putting our house in order, but it cannot end there. We must also have the courage to reform our health care system, so never again will a family be denied health care or a business be bankrupted by health care costs.

Let me show you this first chart one more time. If you look at this deficit, under our plan we can bring the debt down solidly for 5 years. If you want the deficit to go down to zero, as I think almost all of you do, we have got to challenge the health care system. It is bankrupting the private sector, bankrupting the public sector, and millions of Americans live in insecurity and constant fear of losing their health care. So dealing with health care is good for the economy, good for bringing the deficit down further, and good for the American people.

We also have to end welfare as we know it. We can move millions of idle Americans off the welfare rolls and on to the work rolls if we'll change the system. And we've got to revolutionize Government itself, cleaning out waste, corruption, bringing state-of-the-art management that will give more saving to the taxpayers, have Government work better and put it back in charge of the people who are paying the bill. And we must continue to work to open foreign markets to create American jobs.

All of these things come together to form an economic strategy that will give opportunity to every American, and ask responsibility from every American. But we can't take any of the steps if we don't take the first step.

That's why the decision Congress must make this week is so terribly important. We cannot afford not to act. I need your help. I need for you to tell the people's representatives to get on with the people's business. Tell them to change the direction of the economy and do it now, so that we can start growing again, producing jobs again, and moving our country forward again.

In the last 6 months, we've won some important battles here: a new family and medical leave law just taking effect that allows young parents to take time off to care for a new baby or a sick child or an ill parent without losing their jobs; a new national service corps that will help tens of thousands of our young people to pay for college through service to their country in their communities; a new Supreme Court Justice confirmed just today without partisanship or rancor; new policies to develop high-technology jobs into converted defense facilities and plants to productive civilian purposes, expanding jobs and opportunity. And, from a summit in Vancouver, Canada, to help save Russian democracy, to a summit in Tokyo to help revive the world economy, there are many new opportunities for Americans and a new respect for America's leadership.

We Americans are a people both privileged and challenged. We were formed in turbulent times, and we stand now at the beginning of a new time, the dawn of a new era. Our deeds and decisions can lift America up so that in our third century we will continue to be the youngest and most optimistic of nations; a people on the march once again, strong and unafraid. If we are bold in our hopes, if we meet our great responsibilities, we will give the country we love the best years it has ever known.

Good night, and may God bless you all on this journey.

NOTE: The President spoke at 8 p.m. from the Oval Office at the White House. A tape was not available for verification of the content of this address.

Statement on an Agreement on Pacific Northwest Timber Sales

August 3, 1993

We are committed to working to enhance the long-term economic and environmental health of the region. That commitment means a responsible forest management plan and a responsible but determined effort to get timber moving back into the mills. We have offered an innovative, comprehensive, and balanced plan to solve a difficult set of problems. Now we are taking steps to implement that plan and get timber to the mills.

NOTE: This statement was part of a White House press release announcing the agreement.

Nominations for Commissioner of Social Security and Director of the National Institutes of Health

August 3, 1993

President Clinton announced his intention today to nominate Texas Woman's University president Shirley Chater to be the Commissioner of Social Security and Nobel laureate Harold Varmus to be the Director of the National Institutes of Health at the Department of Health and Human Services.

"It gives me great pleasure to announce these nominations today," said the President. "Shirley Chater is an accomplished administrator with a strong background in health care issues. I am convinced that she will do an outstanding job of running this enormous and enormously important Agency. Likewise, as one of the world's leading medical researchers, Harold Varmus will bring great strength and leadership to the National Institutes of Health."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Executive Order 12856—Federal Compliance With Right-To-Know Laws and Pollution Prevention Requirements

August 3, 1993

Whereas, the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11001–11050) (EPCRA) established programs to provide the public with important information on the hazardous and toxic chemicals in their communities, and established emergency planning and notification requirements to protect the public in the event of a release of extremely hazardous substances;

Whereas, the Federal Government should be a good neighbor to local communities by becoming a leader in providing information to the public concerning toxic and hazardous chemicals and extremely hazardous substances at Federal facilities, and in planning for and preventing harm to the public through the planned or unplanned releases of chemicals;

Whereas, the Pollution Prevention Act of 1990 (42 U.S.C. 13101–13109) (PPA) established that it is the national policy of the United States that, whenever feasible, pollution should be prevented or reduced at the source; that pollution that cannot be prevented should be recycled in an environmentally safe manner; that pollution that cannot be prevented or recycled should be treated in an environmentally safe manner; and that disposal or other release into the environment should be employed only as a last resort and should be conducted in an environmentally safe manner;

Whereas, the PPA required the Administrator of the Environmental Protection Agency (EPA) to promote source reduction practices in other agencies;

Whereas, the Federal Government should become a leader in the field of pollution prevention through the management of its facilities, its acquisition practices, and in supporting the development of innovative pollution prevention programs and technologies;

Whereas, the environmental, energy, and economic benefits of energy and water use reductions are very significant; the scope of innovative pollution prevention programs must be broad to adequately address the highest-risk environmental problems and to take full advantage of technological opportunities in sectors other than industrial manufacturing; the Energy Policy Act of 1992 (Public Law 102–486 of October 24, 1992) requires the Secretary of Energy to work with other Federal agencies to significantly reduce the use of energy and reduce the related environmental impacts by promoting use of energy efficiency and renewable energy technologies; and

Whereas, as the largest single consumer in the Nation, the Federal Government has the opportunity to realize significant economic as well as environmental benefits of pollution prevention;

And In Order To:

Ensure that all Federal agencies conduct their facility management and acquisition activities so that, to the maximum extent practicable, the quantity of toxic chemicals entering any wastestream, including any releases to the environment; is reduced as expeditiously as possible through source reduction; that waste that is generated is recycled to the maximum extent practicable; and that any wastes remaining are stored, treated or disposed of in a manner protective of public health and the environment;

Require Federal agencies to report in a public manner toxic chemicals entering any wastestream from their facilities, including any releases to the environment, and to improve local emergency planning, response, and accident notification; and

Help encourage markets for clean technologies and safe alternatives to extremely hazardous substances or toxic chemicals through revisions to specifications and standards, the acquisition and procurement process, and the testing of innovative pollution prevention technologies at Federal facilities or in acquisitions;

Now Therefore, by the authority vested in me as President by the Constitution and the laws of the United States of America, including the EPCRA, the PPA, and section 301 of title 5, United States Code, it is hereby ordered as follows:

Section 1. *Applicability.*

1–101. As delineated below, the head of each Federal agency is responsible for ensuring that all necessary actions are taken for the prevention of pollution with respect to that agency's activities and facilities, and for ensuring that agency's compliance with pollution prevention and emergency planning and community right-to-know provisions established pursuant to all implementing regulations issued pursuant to EPCRA and PPA.

1–102. Except as otherwise noted, this order is applicable to all Federal agencies that either own or operate a ''facility'' as that term is defined in section 329(4) of EPCRA, if such facility meets the threshold requirements set forth in EPCRA for compliance as modified by section 3–304(b) of this order (''covered facilities''). Except as provided in section 1–103 and section 1–104 below, each Federal agency must apply all of the provisions of this order to each of its covered facilities, including those facilities which are subject, independent of this order, to the provisions of EPCRA and PPA (*e.g.*, certain Government-owned/contractor-operated facilities (GOCO's), for chemicals meeting EPCRA thresholds). This order does not apply to Federal agency facilities outside the customs territory of the United States, such as United States diplomatic and consular missions abroad.

1–103. Nothing in this order alters the obligations which GOCO's and Government corporation facilities have under EPCRA and PPA independent of this order or subjects such facilities to EPCRA or PPA if they are otherwise excluded. However, consistent with section 1–104 below, each Federal agency shall include the releases and transfers from all such facilities when meeting all of the Federal agency's responsibilities under this order.

1–104. To facilitate compliance with this order, each Federal agency shall provide, in all future contracts between the agency and its relevant contractors, for the contractor to supply to the Federal agency all information the Federal agency deems necessary for it to comply with this order. In addition, to the extent that compliance with this order is made more difficult due to lack of information from existing contractors, Federal agencies shall take practical steps to obtain the information needed to comply with this order from such contractors.

Sec. 2–2. *Definitions.*

2–201. All definitions found in EPCRA and PPA and implementing regulations are incorporated in this order by reference, with the following exception: for the purposes of this order, the term ''person'', as defined in section 329(7) of EPCRA, also includes Federal agencies.

2–202. *Federal agency* means an Executive agency, as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

2–203. *Pollution Prevention* means ''source reduction,'' as defined in the PPA, and other practices that reduce or eliminate the creation of pollutants through: (a) increased efficiency in the use of raw materials, energy, water, or other resources; or (b) protection of natural resources by conservation.

2–204. *GOCO* means a Government-owned/contractor-operated facility which is owned by the Federal Government but all or portions of which are operated by private contractors.

2–205. *Administrator* means the Administrator of the EPA.

2–206. *Toxic Chemical* means a substance on the list described in section 313(c) of EPCRA.

2–207. *Toxic Pollutants.* For the purposes of section 3–302(a) of this order, the term ''toxic pollutants'' shall include, but is not necessarily limited to, those chemicals at a Federal facility subject to the provisions of section 313 of EPCRA as of December 1, 1993. Federal agencies also may choose to include releases and transfers of other chemicals, such as ''extremely hazardous chemicals'' as defined in section 329(3) of EPCRA, hazardous wastes as defined under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901–6986) (RCRA), or hazardous air pollutants under the Clean Air Act Amendments (42 U.S.C. 7403–7626); however, for the purposes of establishing the agency's baseline under 3–302(c), such ''other chemicals'' are in addition to (not instead of) the section 313 chemicals. The term ''toxic pollutants'' does not include hazardous

waste subject to remedial action generated prior to the date of this order.

Sec. 3–3. *Implementation.*

3–301. *Federal Agency Strategy*. Within 12 months of the date of this order, the head of each Federal agency must develop a written pollution prevention strategy to achieve the requirements specified in sections 3–302 through 3–305 of this order for that agency. A copy thereof shall be provided to the Administrator. Federal agencies are encouraged to involve the public in developing the required strategies under this order and in monitoring their subsequent progress in meeting the requirements of this order. The strategy shall include, but shall not be limited to, the following elements: (a) A pollution prevention policy statement, developed by each Federal agency, designating principal responsibilities for development, implementation, and evaluation of the strategy. The statement shall reflect the Federal agency's commitment to incorporate pollution prevention through source reduction in facility management and acquisition, and it shall identify an individual responsible for coordinating the Federal agency's efforts in this area.

(b) A commitment to utilize pollution prevention through source reduction, where practicable, as the primary means of achieving and maintaining compliance with all applicable Federal, State, and local environmental requirements.

3–302. *Toxic Chemical Reduction Goals.* (a) The head of each Federal agency subject to this order shall ensure that the agency develops voluntary goals to reduce the agency's total releases of toxic chemicals to the environment and off-site transfers of such toxic chemicals for treatment and disposal from facilities covered by this order by 50 percent by December 31, 1999. To the maximum extent practicable, such reductions shall be achieved by implementation of source reduction practices.

(b) The baseline for measuring reductions for purposes of achieving the 50 percent reduction goal for each Federal agency shall be the first year in which releases of toxic chemicals to the environment and off-site transfers of such chemicals for treatment and disposal are publicly reported. The baseline amount as to which the 50 percent reduction goal applies shall be the aggregate amount of toxic chemicals reported in the baseline year for all of that Federal agency's facilities meeting the threshold applicability requirements set forth in section 1–102 of this order. In no event shall the baseline be later than the 1994 reporting year.

(c) Alternatively, a Federal agency may choose to achieve a 50 percent reduction goal for toxic pollutants. In such event, the Federal agency shall delineate the scope of its reduction program in the written pollution prevention strategy that is required by section 3–301 of this order. The baseline for measuring reductions for purposes of achieving the 50 percent reduction requirement for each Federal agency shall be the first year in which releases of toxic pollutants to the environment and off-site transfers of such chemicals for treatment and disposal are publicly reported for each of that Federal agency's facilities encompassed by section 3–301. In no event shall the baseline year be later than the 1994 reporting year. The baseline amount as to which the 50 percent reduction goal applies shall be the aggregate amount of toxic pollutants reported by the agency in the baseline year. For any toxic pollutants included by the agency in determining its baseline under this section, in addition to toxic chemicals under EPCRA, the agency shall report on such toxic pollutants annually under the provisions of section 3–304 of this order, if practicable, or through an agency report that is made available to the public.

(d) The head of each Federal agency shall ensure that each of its covered facilities develops a written pollution prevention plan no later than the end of 1995, which sets forth the facility's contribution to the goal established in section 3–302(a) of this order. Federal agencies shall conduct assessments of their facilities as necessary to ensure development of such plans and of the facilities' pollution prevention programs.

3–303. *Acquisition and Procurement Goals.* (a) Each Federal agency shall establish a plan and goals for eliminating or reducing the unnecessary acquisition by that agency of products containing extremely hazardous substances or toxic chemicals. Similarly,

each Federal agency shall establish a plan and goal for voluntarily reducing its own manufacturing, processing, and use of extremely hazardous substances and toxic chemicals. Priorities shall be developed by Federal agencies, in coordination with EPA, for implementing this section.

(b) Within 24 months of the date of this order, the Department of Defense (DOD) and the General Services Administration (GSA), and other agencies, as appropriate, shall review their agency's standardized documents, including specifications and standards, and identify opportunities to eliminate or reduce the use by their agency of extremely hazardous substances and toxic chemicals, consistent with the safety and reliability requirements of their agency mission. The EPA shall assist agencies in meeting the requirements of this section, including identifying substitutes and setting priorities for these reviews. By 1999, DOD, GSA and other affected agencies shall make all appropriate revisions to these specifications and standards.

(c) Any revisions to the Federal Acquisition Regulation (FAR) necessary to implement this order shall be made within 24 months of the date of this order.

(d) Federal agencies are encouraged to develop and test innovative pollution prevention technologies at their facilities in order to encourage the development of strong markets for such technologies. Partnerships should be encouraged between industry, Federal agencies, Government laboratories, academia, and others to assess and deploy innovative environmental technologies for domestic use and for markets abroad.

3–304. *Toxics Release Inventory/Pollution Prevention Act Reporting.* (a) The head of each Federal agency shall comply with the provisions set forth in section 313 of EPCRA, section 6607 of PPA, all implementing regulations, and future amendments to these authorities, in light of applicable guidance as provided by EPA.

(b) The head of each Federal agency shall comply with these provisions without regard to the Standard Industrial Classification (SIC) delineations that apply to the Federal agency's facilities, and such reports shall be for all releases, transfers, and wastes at such Federal agency's facility without regard to the SIC code of the activity leading to the release, transfer, or waste. All other existing statutory or regulatory limitations or exemptions on the application of EPCRA section 313 shall apply to the reporting requirements set forth in section 3–304(a) of this order.

(c) The first year of compliance shall be no later than for the 1994 calendar year, with reports due on or before July 1, 1995.

3–305. *Emergency Planning and Community Right-to-Know Reporting Responsibilities.* The head of each Federal agency shall comply with the provisions set forth in sections 301 through 312 of EPCRA, all implementing regulations, and future amendments to these authorities, in light of any applicable guidance as provided by EPA. Effective dates for compliance shall be: (a) With respect to the provisions of section 302 of EPCRA, emergency planning notification shall be made no later than 7 months after the date of this order.

(b) With respect to the provisions of section 303 of EPCRA, all information necessary for the applicable Local Emergency Planning Committee (LEPC's) to prepare or revise local Emergency Response Plans shall be provided no later than 1 year after the date of this order.

(c) To the extent that a facility is required to maintain Material Safety Data Sheets under any provisions of law or Executive order, information required under section 311 of EPCRA shall be submitted no later than 1 year after the date of this order, and the first year of compliance with section 312 shall be no later than the 1994 calendar year, with reports due on or before March 1, 1995.

(d) The provisions of section 304 of EPCRA shall be effective beginning January 1, 1994.

(e) These compliance dates are not intended to delay implementation of earlier timetables already agreed to by Federal agencies and are inapplicable to the extent they interfere with those timetables.

Sec. 4–4. *Agency Coordination.*

4–401. By February 1, 1994, the Administrator shall convene an Interagency Task Force composed of the Administrator, the Secretaries of Commerce, Defense, and Energy, the Administrator of General Services,

the Administrator of the Office of Procurement Policy in the Office of Management and Budget, and such other agency officials as deemed appropriate based upon lists of potential participants submitted to the Administrator pursuant to this section by the agency head. Each agency head may designate other senior agency officials to act in his/her stead, where appropriate. The Task Force will assist the agency heads in the implementation of the activities required under this order.

4–402. Federal agencies subject to the requirements of this order shall submit annual progress reports to the Administrator beginning on October 1, 1995. These reports shall include a description of the progress that the agency has made in complying with all aspects of this order, including the pollution reductions requirements. This reporting requirement shall expire after the report due on October 1, 2001.

4–403. *Technical Advice.* Upon request and to the extent practicable, the Administrator shall provide technical advice and assistance to Federal agencies in order to foster full compliance with this order. In addition, to the extent practicable, all Federal agencies subject to this order shall provide technical assistance, if requested, to LEPC's in their development of emergency response plans and in fulfillment of their community right-to-know and risk reduction responsibilities.

4–404. Federal agencies shall place high priority on obtaining funding and resources needed for implementing all aspects of this order, including the pollution prevention strategies, plans, and assessments required by this order, by identifying, requesting, and allocating funds through line-item or direct funding requests. Federal agencies shall make such requests as required in the Federal Agency Pollution Prevention and Abatement Planning Process and through agency budget requests as outlined in Office of Management and Budget (OMB) Circulars A–106 and A–11, respectively. Federal agencies should apply, to the maximum extent practicable, a life cycle analysis and total cost accounting principles to all projects needed to meet the requirements of this order.

4–405. *Federal Government Environmental Challenge Program.* The Administrator shall establish a ''Federal Government Environmental Challenge Program'' to recognize outstanding environmental management performance in Federal agencies and facilities. The program shall consist of two components that challenge Federal agencies; (a) to agree to a code of environmental principles to be developed by EPA, in cooperation with other agencies, that emphasizes pollution prevention, sustainable development and state-of-the-art environmental management programs, and (b) to submit applications to EPA for individual Federal agency facilities for recognition as ''Model Installations.'' The program shall also include a means for recognizing individual Federal employees who demonstrate outstanding leadership in pollution prevention.

Sec. 5–5. *Compliance.*

5–501. By December 31, 1993, the head of each Federal agency shall provide the Administrator with a preliminary list of facilities that potentially meet the requirements for reporting under the threshold provisions of EPCRA, PPA, and this order.

5–502. The head of each Federal agency is responsible for ensuring that such agency take all necessary actions to prevent pollution in accordance with this order, and for that agency's compliance with the provisions of EPCRA and PPA. Compliance with EPCRA and PPA means compliance with the same substantive, procedural, and other statutory and regulatory requirements that would apply to a private person. Nothing in this order shall be construed as making the provisions of sections 325 and 326 of EPCRA applicable to any Federal agency or facility, except to the extent that such Federal agency or facility would independently be subject to such provisions. EPA shall consult with Federal agencies, if requested, to determine the applicability of this order to particular agency facilities.

5–503. Each Federal agency subject to this order shall conduct internal reviews and audits, and take such other steps, as may be necessary to monitor compliance with sections 3–304 and 3–305 of this order.

5–504. The Administrator, in consultation with the heads of Federal agencies, may conduct such reviews and inspections as may be necessary to monitor compliance with sec-

tions 3–304 and 3–305 of this order. Except as excluded under section 6–601 of this order, all Federal agencies are encouraged to cooperate fully with the efforts of the Administrator to ensure compliance with sections 3–304 and 3–305 of this order.

5–505. Federal agencies are further encouraged to comply with all state and local right-to-know and pollution prevention requirements to the extent that compliance with such laws and requirements is not otherwise already mandated.

5–506. Whenever the Administrator notifies a Federal agency that it is not in compliance with an applicable provision of this order, the Federal agency shall achieve compliance as promptly as is practicable.

5–507. The EPA shall report annually to the President on Federal agency compliance with the provisions of section 3–304 of this order.

5–508. To the extent permitted by law and unless such documentation is withheld pursuant to section 6–601 of this order, the public shall be afforded ready access to all strategies, plans, and reports required to be prepared by Federal agencies under this order by the agency preparing the strategy, plan, or report. When the reports are submitted to EPA, EPA shall compile the strategies, plans, and reports and make them publicly available as well. Federal agencies are encouraged to provide such strategies, plans, and reports to the State and local authorities where their facilities are located for an additional point of access to the public.

Sec. 6–6. *Exemption.*

6–601. In the interest of national security, the head of a Federal agency may request from the President an exemption from complying with the provisions of any or all aspects of this order for particular Federal agency facilities, provided that the procedures set forth in section 120(j)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. 9620(j)(1)), are followed. To the maximum extent practicable, and without compromising national security, all Federal agencies shall strive to comply with the purposes, goals, and implementation steps set forth in this order.

Sec. 7–7. *General Provisions.*

7–701. Nothing in this order shall create any right or benefit, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

William J. Clinton

The White House,
August 3, 1993.

[Filed with the Office of the Federal Register, 4:37 p.m., August 4, 1993]

NOTE: This Executive order was released by the Office of the Press Secretary on August 4, and it was published in the *Federal Register* on August 6.

Statement on the Executive Order on Federal Pollution Prevention

August 4, 1993

With this Executive order, the Federal facilities will set the example for the rest of the country and become the leader in applying pollution prevention to daily operations, purchasing decisions, and policies. In the process, Federal facilities will reduce toxic emissions, which helps avoid cleanup costs and promotes clean technologies.

NOTE: This statement was part of a White House press release announcing the signing of Executive Order 12856.

Remarks and an Exchange With Reporters on the Economic Program

August 4, 1993

The President. Thank you very much. Let me just briefly say I had the opportunity to meet with the House caucus today. We have been informed that several Members who voted no when the bill came up the first time for different reasons had decided to vote yes on the bill this time. Some of them are here with us today, and others are not. It was a very good meeting.

I told them that for the last couple of months, and even last night in speaking to

the American people, I felt much as I did when I was a young man in school and I belonged to all these little clubs who would try to earn money for club events by washing cars. I felt like a lot of what I was doing was trying to clean dirt off of windshields so that the American people could see out of the windshield again. There has been so much misinformation put out about this plan, about who bears the burden of it and whether it reduces the deficit, exactly how it's going to be done, that a lot of what we have been doing in the last 6 weeks or so was just trying to get the facts out. All the evidence is that the more facts we get out, the better we do. And so I am encouraged on what has happened in the last few days. I'm very hopeful.

The fact remains that every other plan which has been raised has gotten more opposition and less support than the administration's plan. Every other one had less fairness and/or less deficit reduction. And now the choice is whether we're going to do this, or do nothing and flail around for another 60 to 90 days.

I think it is clear that the Congress will vote to act and to move forward and to make this enormous downpayment on solving the deficit problem and giving some incentives to the economy to grow. I'm very hopeful about it, very optimistic today. And I want to thank the Speaker and the leadership and the members of the House caucus for hearing me today.

Mr. Speaker, you may want to say another word or two before we take questions. But this was a very, very good meeting this morning.

[*At this point, House Speaker Thomas S. Foley made brief remarks.*]

Economic Program

Q. Mr. President, what would you say to those economists who say that this deal had been so diluted with compromises and deals that it would be ineffective?

The President. I don't believe any economists are saying that. My response is, look what happened to interest rates after the speech last night and then after the progress we were making yesterday. I mean, the interest rates once again were lowered in anticipation of the plan's successful passage.

The economic incentives that were in the House bill are in the final conference for job growth. They have been slightly scaled back because we reduced the tax burden by over $40 billion and reducing the energy tax. And that's another that some of the economists said that we ought to do.

So I think that you've got the same deficit reduction. You've got the economic growth incentives. You have real fairness in the Tax Code, and you made 90 percent of the small businesses in this country eligible for a whole wide range of tax reductions if they invest in their businesses. So I think it's a good plan, and I think that they're wrong.

Q. You're not concerned about the number of deals that have been cut to get this through?

The President. No, absolutely not. Since when has a big piece of legislation like this ever moved through the Congress unamended? I mean, give me one example of that. Most things of this magnitude, when you turn the country around, take years to get done. We put it together in just a few months.

I think that the things that I cared about are there. The plan has $500 billion in deficit reductions. There are now more spending cuts than taxes. The tax system is very fair, indeed, more progressive than it was when I presented it. Now 80 percent of the burden falls on couples with incomes above $200,000. There are enormous incentives in here for business growth which were not in any of the Republicans' plans—a new business capital gains tax; there are research and development incentives; we nearly double the expensing for small businesses in this country. Then finally, the thing which I think will really have a huge difference in terms of our society: The earned-income tax credit lifts working families out of poverty. It's a huge incentive to leave welfare and go to work. So the big guts of the things that I proposed way back in February have survived this whole legislative process. And I feel good about it.

Q. Mr. President, you've apparently padded the margin here on the House side. But obviously the really, really close vote is going to come on the other end of this building. What are your feelings at this point? Does

it still come down to that one vote over there? Is there any other outlook for you at this point?

The President. I think it depends upon, obviously, what happens in the next couple of days. I think if we carry the House, I think we'll carry in the Senate. I don't think the Senate will let this plan go down. I don't think they will do that to the country.

There are two groups of Senators that basically are either declared against or leaning against, some who have said forthrightly to me, ''This is the right thing for the country, but there's been so much misinformation about it, people will never know the real truth, and I will never recover politically if I vote for it, even though it's good,'' and others who say that ''This is a very good first step, but it doesn't do everything that needs to be done. Therefore, I won't vote for it.''

And my argument to the second group is going to be that this bill cannot possibly be expected to carry the burden of solving all the problems of the last 12 years; that we do have to control entitlement spending; we do have to control health care spending. I will be for such controls in the context of reforming the health care system, and I still think we've got a shot to get a lot of those.

Also, the spending reductions, for those who say there ought to be more spending cuts, I remind them that the House of Representatives has already adopted over $10 billion in spending cuts in excess of those in a reconciliation bill which the Senate will have a chance to adopt. The Vice President's report on reinventing Government is coming up, and the health care debate is coming up. There will be further spending reductions by this Congress and this administration.

So I'm going to keep making that argument to them, and I think we'll prevail.

Q. What's it going to take for you to get in the Senate the security that you apparently now feel in the House?

The President. I don't know if that will ever happen. [*Laughter*] We need the votes to win over there, and as I said, I believe that the Senate will pass the plan if the House does. I think that there clearly is a majority in the Senate who know that this is far better than the alternative—there is no other available alternative—and that the worst thing this country could do would just be to flail around for 60 to 90 days, instead of moving on with all the things that are there before us: the health care issue, further efforts to deal with the budgetary problem.

Helen Thomas. Mr. President, did you hear Senator Dole's rebuttal, and what did you think of it?

The President. My response to Senator Dole's rebuttal is to wish you a happy birthday. [*Laughter*]

Ms. Thomas. Oh, no. [*Applause*] Thank you.

The President. I would like to respond to a couple of those things. First of all, Senator Dole says too many of our budget cuts are in the latter half of our plan. My response to that is he has a higher percentage of his budget cuts in the last 2 years than we do. That is a smokescreen to continue the intransigent Republican position that we should not ask the wealthiest Americans to pay their fair share of the burden, even though they got the tax cuts in the eighties and received well over half the economic gains of the eighties.

Secondly, my response to Senator Dole's claim that this bill imposes burdens on people who are no longer living—you heard all that—that implies that somehow the Democrats are voting to raise the estate taxes on people who have—estate taxes are not imposed on people who have no estate, that is, who have not yet died. But that is totally misleading. All the Congress did was to extend the estate tax rates imposed back in the late eighties. And I haven't checked this this morning, but I believe Senator Dole voted for that. I believe that this bill extends the estate tax rates that Senator Dole voted for. I believe that. In any case, the Congress voted for it. He knows that this bill does not somehow increase taxes on citizens after they die. That is totally misleading.

Let me see what else he said. Oh, he said we didn't cut the deficit enough. My answer to that is we don't cut it all the way to zero, but we will. And we cut the deficit much more than the Dole plan did, and we do it specifically. We have a lot more deficit reduction than he did, and in his plan he had $66 billion in, quote, unspecified cuts. He

wouldn't even say where the tough cuts were coming from.

Q. Retroactivity is what he——

The President. Well, the retroactivity, my answer to that is twofold. Number one, on the merits, it applies to the same couples with incomes above $200,000, individuals with incomes above $150,000 to $160,000; that they will be given 3 years without penalty, a subsequent 3 years to pay the taxes; that all the tax cuts are retroactive and some of the tax incentives go back to the middle of 1992, not just to the first of '93.

So those would be my answers to the attacks he made on the program.

NOTE: The President spoke at 10:07 a.m. in Statuary Hall at the Capitol. A tape was not available for verification of the content of these remarks.

Remarks to the National Urban League

August 4, 1993

Thank you very much. Reg Brock, John Jacob, distinguished dais guests, and ladies and gentlemen. It was just about a year ago that we were together at the Urban League convention in San Diego. What a difference a year makes.

Many of you in this audience have been friends of mine for a very long time. Those of you from my home State of Arkansas have worked with me in partnership there for many years. I know what the Urban League can do to make a difference in the lives of people and in the minds and hearts of people.

I want to say at the outset today that while I came here to talk about what we're trying to do in Washington, what we can do in Washington is in no small measure determined by what lives in the hearts and minds and visions of Americans throughout this land. I know that the Urban League, for more years than I have by far, has struggled to remind Americans that, without regard to our race or creed or station in life, we must go forward together; that there is no place for hatred or division.

And yet we know today that we are challenged by that on every hand. When people would bomb the NAACP headquarters in Tacoma or Sacramento, when people would threaten your own John Mack in Los Angeles, when people would seek again to divide us by race instead of to take the hard and difficult path of making the changes we all need to make together as a country, we need the Urban League. America needs it. The President, the Congress, the politicians alone cannot do nearly as much as you can do to reach to the truth of the human heart and stand up against bigotry. But there are things that we can do. I know the Attorney General appeared before you in this conference, along with at least four other members of my Cabinet. No wonder I couldn't find any of them this week. They were over here. [*Laughter*]

But I tell you, one of the reasons that we picked Judge Louis Freeh from New York to head the FBI is that he was not only committed to continuing the long overdue work of opening the FBI to women and minorities but also because he had successfully, heroically, and determinedly prosecuted the criminals who murdered a Federal judge and a civil rights leader in the South when others had given up and thought it could not be done.

I am especially in debt to the Urban League because the Urban League not only gave to the Nation such great leaders as Whitney Young, but you gave to me a lifelong friendship and the service in this administration of Vernon Jordan and Ron Brown. I would have never met either one of them if it hadn't been for the Urban League.

I also want to say to all of you that it is terribly important as we seek to bring America together that we continue our struggle to remind the doubters and the naysayers that we can go forward together.

There was an especially reassuring article, at least to me, in the Washington Post a few days ago by the distinguished columnist William Raspberry, in which he pointed out that when I said I wanted a Cabinet that looked like America I was subject to ridicule in many quarters, who claimed that I was about to diminish the quality of the Government by imposing some sort of quota system on the

Cabinet. Well, it turned out that I produced a Cabinet with more women and more minorities than had ever served in a President's Cabinet. And most people think it's one of the best Cabinets that ever served the United States of America.

And as Mr. Raspberry pointed out, when Janet Reno speaks as Attorney General now, people don't think of her as the first woman Attorney General. When Mike Espy's out there up to his ears in mud in the middle of the Mississippi River Valley flooding, and people are saying we've got the best response to a national emergency they've ever seen, nobody says he's the first black Secretary of Agriculture; he's somebody out there helping the farmers to put their lives back together.

In the last 6 months, a great deal has happened in this town. The pace of change has been dizzying. And with all the change there has been strong opposition, and it's been a little ragged around the edges from time to time. But let me ask you this: If on Inauguration Day someone had told you that this administration, with the most diverse Cabinet in history, would work with the Congress and with our allies in the country and around the world to produce the Family and Medical Leave Act, twice vetoed by the previous administration, which became effective this week, to guarantee that working people can take a little time off when a baby's born, a child's sick, or a parent's ill, won't lose their jobs; would produce the motor voter bill, which is a significant advance in voting rights for the young, the poor, and the dispossessed; would produce a bill with the National Institutes of Health, which would take the politics out of medical research and finally do what ought to be done in medical research with regard to women and their health care problems; would produce a dramatic change in environmental policy, which would be applauded all around the world for putting the United States back in the forefront of energy conservation, of responsible efforts to deal with the population explosion, of all kinds of efforts to reconcile the conflicts between the environment and the economy; if someone had told you that we would take the lead in trying to keep democracy alive in Russia in ways that would be good for ordinary Americans by continuing to reduce the threat that nuclear weapons will ever be used and by opening up future markets there; that the United States would be able to go to a meeting of the great industrial nations of the world in Tokyo and for the first time in a decade not be attacked because we are a drag on world growth because of our deficit, and instead, we would be complimented and they would agree with us to lower tariffs on goods in a way that every American analyst concedes will add hundreds of thousands of jobs, good, high-paying manufacturing jobs, to the world economy if we can get all the other nations to agree with it; and that in the middle of this budget debate we would pass the program for national service which will give Americans a chance to bridge the gaps of race and income and earn credit against their college education by dealing with the human problems of Americans at the grassroots level—I'd say that's a pretty good record for 6 months, and I think the American people ought to be proud of it.

But let me say to you that there is much, much more to be done. And whether we can get about the business of doing it will be determined in the next 48 hours or 72 hours or so by how the Congress of the United States responds to the challenge presented by the economic plan.

I thank the Urban League for its early endorsement and support of this plan, and I would remind you here briefly how you did it, what is in it, how it makes a difference to ordinary Americans. Remember that for 20 years now, literally 20 years in 1993, most working Americans have seen the power of their incomes eroded. Wages for wage earners have been virtually stagnant for 20 years as the cost of health care, housing, and education had exploded.

In 1980, we had a Presidential election which said that this problem that the American people were having paying their bills and dealing with global economic forces was a problem of too much Government in America and what we needed to do was to cut taxes, get Government out of the way, and everything would be wonderful. What that rhetoric masked was an old-fashioned attempt to cut taxes and increase spending, except it was done in a different way. We cut taxes on the wealthiest Americans, increased

primarily defense spending, and got out of the way.

And for a couple of years it worked. We had a couple of years in which jobs came into the economy because we were spending a lot more than we were taking in and putting a lot of people to work in defense industries. But after that, the patterns imposed on the United States by the realities of the global economy returned with a vengeance and were made worse by the decisions made in the early eighties where we cut taxes on the wealthy, ran the deficit up.

What happened later? When the Congress and the President started going back at it, we had a decade in which taxes were cut on the wealthy, and the top one percent got more than half of the income gains on the 1980's. Taxes were raised on the middle class whose incomes were going down. We reduced our investment in our children, their education, our economy, and our future. We cut defense spending without reinvesting in California, Connecticut, Massachusetts, and the other States that were hurt. And all of the money went to pay more for the same health care, to pay more interest on the massive debt, and to deal with the fact that we were creating a whole new class of poor people. It reached the point that by 1992, 1 in 10 Americans was on food stamps.

So I say to you, that path didn't work very well. We now have evidence that it didn't work. In the last 4 years, only a million new jobs came into the economy. We are 3.5 million jobs behind where we would have been in a normal economic recovery.

And so I presented a plan to the Congress—and I have asked them to adopt it, and I asked the American people to support it last night—which brings down the deficit by $500 billion over the next 5 years. Why should liberals be for that? Why should people in urban constituencies be for that? I'll tell you why. Because as long as that deficit keeps getting bigger, we'll spend more and more of your tax money, hard-working middle class people's tax money, paying bond payments to wealthy bond holders instead of investing in reinvigorating the American economy. Interest rates will go back up, and we won't be able to provide the things that people need.

If we pay the deficit down—look what happened against yesterday. It looks like we're going to pass the plan—the interest rates dropped to an all-time low. I'm telling you, folks, we need to have a consensus in America without regard to race or political philosophy that we have to gain control over our economic destiny again and stop being paralyzed. If we don't do something about this, within 5 years we'll be spending all of our money paying more for the same health care and interest on the debt. And there will be nothing to grow America and grow our people and bring us together. That is the first issue.

The second thing is that this plan is fair. This plan is fair: 80 percent of the new revenues will come from people with incomes above $200,000—80 percent—80 percent; no income tax increases on couples with incomes below $200,000, actually $180,000 in adjusted gross income. The 4.3-cent gas tax that is in this plan amounts to about $35 a year for a family of four with an income of $50,000. Working families with incomes of under $30,000 are held harmless. This is a fair plan. In 1990 when there was virtually no burden on the wealthiest Americans in the budget plan, the burden on the middle class was 2½ times as great as this.

The third point I want to make is, unlike 1990 and unlike the other plans which have been offered to the Congress this year, this plan has real incentives for economic growth that will affect a lot of you in this room. Every small business in America will be eligible to increase their expensing provision by almost double. What does that mean in plain terms? It means that over 90 percent of the small businesses in this country are going to get a tax cut out of this bill if they reinvest more money in their business. Now, that's something the Republicans haven't told you in the last few weeks: Over 90 percent will get a tax cut.

For those of you who live in California and are worried about the economy out there, this plan increases the incentives for companies out there to invest in research and experimentation. That's where a lot of it is going on. That will create more jobs. For those of you who live in Michigan, Ohio, other States with heavy industry, this plan

gives those big companies some relief from the minimum tax provisions if, but only if, they invest in new plant, new equipment, and they do things that will make them more competitive and able to hire more people and create new jobs.

This plan gives a sweeping new investment incentive for people with the courage to invest in new and small businesses. It says if you do it and hold the investment for 5 years, you get a 50 percent cut in the tax you'd otherwise have to pay to get people into that. This plan will grow the economy.

Finally, let me say this plan is fair to people who deserve our support. There is some more money in this plan for Head Start, to help pregnant mothers, to start people off well, to invest in the apprenticeship training of our young people, to help to pay for national service, and for more access to college education. And the most important thing of all, which has received very little attention until the last few days, this plan arguably has the most important piece of social reform in the last 20 years because it puts $21 billion into the earned-income tax credit program, which means we can say to the working poor, if you have children in your house and you work 40 hours a week, you will be lifted out of poverty. We are tired of seeing people work their heads off and work their fingers to the bone and be in poverty.

That is something that every conservative in this country who's talked about how well the welfare system is for years ought to embrace with tears of joy. Think about it. For the first time in the history of the country we can say, "If you go out and work hard and play by the rules and you're still living in poverty"—and almost one in five, 18 percent of the workers in this country work for a wage that will not support a family of four above the poverty line—this says "the tax system, not a Government bureaucracy, not a program, the tax system will lift you out. You will be rewarded for your work."

That is a dramatic advance. It will change the lives of millions of Americans who are out there just killing themselves to raise their kids and to obey the law and to do what is right. And that, too, is in this program.

But when they say, our opponents, "This thing doesn't do anything for jobs. It doesn't do anything to cut the deficit. It taxes the middle class, not any different from what we've done, before." It is just not so. And I ask you in these closing hours if you have a Senator or a Representative who is potentially a vote for this, call them and tell them you'll be with them.

I've spent a lot of time talking to the Members of Congress. I hear two arguments from people who say they may not or they won't vote for the program. Argument number one is a terrible indictment of democracy, but a lot of them have said it: "This is a good program; it's good for America; it's good for my district, but our people don't believe it. So much misinformation has been put out. They don't believe there's any deficit reduction. They don't believe there's any spending cuts. They believe the middle class is paying the taxes. They don't think there's any incentives for growth. And we'll never convince them of that. So even though it's good for America, I can't vote for it because my people are not capable of hearing the truth." I think that is wrong.

As soon as this bill passes, we will clear away the murky fog of misinformation and reality will take over. And we've been doing a better job of that in the last month. But you need to give courage to those people.

There are others who say, quite rightly, that "This bill doesn't solve every problem America has, and therefore, I won't vote for it." Well, we'll never vote for any bill if that's the test.

It is true, this bill brings the deficit down for 5 years, and then it will start going up again unless we do something about health care costs. But the time to do that is when we reform the health care system and provide affordable health care to all Americans and control health care costs in the private sector as well as the public sector. It is not fair to say we're going to control health care costs and doing it by slashing Medicare benefits to middle class elderly people or by simply shifting the costs onto the private sectors.

Now, I want to say this again. This is something we all have a common interest in. We do spend too much on health care. We spend it in the private sector and in the public sector. We spend over 14 percent of our income on health care. Only Canada, of all the other

countries in the world, spends as much as 9 percent of their income on health care. Everybody else is less. And we spent it partly because the whole system costs too much to administer—it is a bureaucratic nightmare—and because we are the only advanced country that doesn't provide some quality coverage to all of our citizens and security of people so that they'll have health care coverage even if they lose their jobs or if they move jobs or if somebody in their family has been sick before. We have to deal with this.

But if we did what these folks are saying and tried to solve the health care problem now by slashing what we spend on Medicare and Medicaid without reforming the system, do you know what would happen? We'd either hurt the middle class elderly or the poor, or we'd keep on doing what's been done in this country now for about 15 years: We'd be sending the bill to the private sector. All of you who are in the private sector—most of you are paying health insurance premiums that cost too much already. If we just cut what the Government pays, you'll pay more.

So I say to those people who say we have to do something about these entitlement programs and health care, you are right. Let's do it right. Let's not use that as an excuse not to move forward with this program. There's too much good in it.

And finally, let me say we have a lot more to do. We have to move on to health care. We have to move on to welfare reform. We have to move on to the crime bill, which will do a great deal to help us to put more police officers on the street in community policing settings where we will be working with people in the community to make them safer and to prevent crime from occurring in the first place. We need to pass the Brady bill. We have fooled around with this too long. It is time to pass it.

I had a heartbreaking conversation over the weekend with a friend of mine who is a Member of Congress who had a friend whose son was shot in one of these blind, mad encounters between children over the weekend where four young boys got in a fight with four others, and they didn't know the other guys had guns. And finally they just took out the guns and started shooting them. This is crazy. This is crazy.

Our television news is filled at night with horrible incidents of violence in Bosnia and other places in the world that break our heart. Twenty-four people were killed in this town, our Nation's Capital, in one week last month. We have to get on with that.

You had Hugh McCall here the other day, my friend, Hugh McCall, one of the most enlightened bankers in America, a supporter of our community development banking proposal. We've got to prove we can bring free enterprise and investment back to distressed urban and rural areas in this country. That is out there waiting for action. None of this stuff is going to be addressed until we get this budget economic plan passed and get it behind us and move forward.

The Vice President is going to present a stimulating plan to reorganize the Federal Government in ways that serve you better at the grassroots level and still save the taxpayers money. We are not done with trying to control the budget. But we cannot move forward unless we act on this now.

And so I say to you, my fellow Americans, we have tried delay, denial, gridlock. We've had all this tough talk and easy action. I've been criticized in some quarters for not talking tough enough. My theory is if you do the tough things, your actions can speak louder than your words. We've had too many words that didn't mean a thing in this town for too long.

So I ask you as Americans to continue your support of these endeavors. I ask for your partnership for the future. Let's make the national service program work and make it an instrument of healing and unity and real problemsolving, just what the Urban League has always been about. Let's prove we can deal with the health care issue in America, that we don't have to be the only advanced country in the world that can't seem to find a way to either control health care costs or provide security to our families. Let's prove that we can bring our deficit down and grow our economy.

In short, let us prove that together we will assume more responsibility, create more opportunity, and come together again in this great American community. I am tired of hearing about all the things we cannot do. I am tired of hearing about cynicism and

skepticism being the excuse for inaction and paralysis.

This is a very great country. And when you travel abroad and you see the problems that these other nations are having and you see all these other rich countries with higher unemployment than we have, you know that there is nothing before us that we cannot deal with if we simply have the vision and the will to do it. We are being given a chance now to demonstrate that vision and that will. It is consistent with everything the Urban League has ever stood for or done.

I ask for your prayers, your support, and your memory that—President Kennedy once said it better than I ever could, ''Here on Earth, God's work must truly be our own.'' Our work is before us. I'm trying to do my part. I hope you will do yours.

Thank you, and God bless you all.

NOTE: The President spoke at 10:48 a.m. at the Washington Convention Center. In his remarks, he referred to Reginald K. Brock, Jr., chairman and chief executive officer, Time, Inc.; John Jacob, president and chief executive officer, National Urban League, Inc.; and John W. Mack, president, Los Angeles Urban League. A tape was not available for verification of the content of these remarks.

Remarks on Signing Executive Orders on Budget Control and Deficit Reduction and an Exchange With Reporters

August 4, 1993

The President. Before I sign these orders, I'd like to make a brief statement, if I might. Nothing has done more to erode the confidence of the American people in our Government than our chronic failure to manage our finances and to stabilize the economy so that it can create jobs. Year after year, the public has been told that sustained economic growth and deficit reduction would come from actions taken here. And as deficits have grown larger and incomes have shrunk, the people have become more and more skeptical, even cynical, about everything that is said and done here even with the best of intentions.

We have a budget deficit, we have an investment deficit, and we clearly have a trust deficit in America. I am determined to do something about all three. I know the American people are doubtful about any claim by our Government, and I know they wonder if the cuts that we are proposing are real and if the taxes will really be used to pay down the deficit. That's why I want to go the extra mile to ensure that this plan is fundamentally different from what has been done in the past.

This plan is based on conservative revenue estimates of future revenues, with year-by-year, line-by-line specific spending cuts; new incentives to expand the private sector's contribution to economic growth; minimizes the burdens on the middle class; and now creates two safeguards to keep a watchful eye on future spending, especially in entitlements, while protecting the savings produced by the plan.

We owe the Executive orders I am about to sign to the hard work of the Members of Congress who are here today. The House included both provisions in its version of the reconciliation bill. The Senate would have done the same with similar amendments supported by Senator DeConcini, Senator Feingold, recommended publicly by Senator Bradley and others, but for the procedural maneuvering by people who feed the public cynicism by talking about deficit reduction on the one hand and nonetheless have prepared to block action for these needed reforms on the other.

The fact that the Senate required these Executive orders today, that we could not do it by statute, is something that should be debated at a later time. But I want to make it clear that the Senators who are here and others, strongly support what is being done.

These orders are almost completely identical to the provisions adopted by the House and approved by a majority in the Senate. The deficit reduction order creates a deficit reduction trust fund, an account in the Treasury that guarantees that the savings from the reconciliation bill are dedicated exclusively to reducing the deficit. This locks in deficit reduction and mandates all members of the executive branch to follow these procedures.

The entitlement and review order requires that entitlement spending be limited to the estimated levels included in the reconciliation bill. If those levels are exceeded, I will present recommendations to Congress on corrective action. No longer can we permit entitlement spending to soar out of control without some concrete action being taken to restrain it.

These Executive orders are the product of years of hard work by the men and women represented here today. I am grateful to them for their inspiration and their tenacity in getting this work done.

As important as this plan is for reducing the budget and investment deficits, these Executive orders deal also with the trust deficit. They are the assurance to the American people that our good words about deficit reduction and economic growth will be matched by good works as well.

[*At this point, the President signed the Executive orders. Senator Dennis DeConcini then made remarks.*]

Economic Program

Q. Mr. President, what have you offered——

The President. Good Government. [*Laughter*]

Q. Can you have the—will you have the vote without him?

The President. I guess I ought to say one other thing about this. I still think these things should be adopted in the law. And I would be prepared to support, as quickly as we can get it up and voted on, a separate piece of legislation to do these things. And I do want to emphasize that.

These Executive orders are identical, virtually identical, word for word, for what the Congress, the majority in the Congress, wanted. They clearly bind the executive branch just as much as an act of Congress. But I think it would be better, from the point of view of the public trust and also more binding on Congress, if we can pass a separate piece of legislation.

So I do want to make it clear that while I support these ideas strongly and I will faithfully adhere to them in the Executive order, I have also told the Members of Congress who care about this that I am prepared to strongly support a separate legislation to achieve these objectives in the law. And I'd like to see it brought up just as quickly as we can after the August recess is over.

Thank you.

Q. Mr. President, did you know it before now that Senator DeConcini had not made up his mind yet?

The President. Senator DeConcini and I agreed that this press conference would be about this, and not——

NOTE: The President spoke at 12:39 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

Executive Order 12857—Budget Control

August 4, 1993

By the authority vested in me as President of the United States by the Constitution and the laws of the United States of America, including section 1105 of title 31, United States Code, it is hereby ordered as follows:

Section 1. *Purpose.* The purpose of this order is to create a mechanism to monitor total costs of direct spending programs, and, in the event that actual or projected costs exceed targeted levels, to require that the budget address adjustments in direct spending.

Sec. 2. *Establishment of Direct Spending Targets.* (a) *In General.* The initial direct spending targets for each of fiscal years 1994 through 1997 shall equal total outlays for all direct spending except net interest and deposit insurance as determined by the Director of the Office of Management and Budget (Director) under subsection (b).

(b) *Initial Report by Director.* (1) Not later than 30 days after the date of enactment of the Omnibus Budget Reconciliation Act of 1993 (OBRA), the Director shall submit a report to the Congress setting forth projected direct spending targets for each of fiscal years 1994 through 1997.

(2) The Director's projections shall be based on legislation enacted as of 5 days before the report is submitted under paragraph

(1). To the extent feasible, the Director shall use the same economic and technical assumptions used in preparing the concurrent resolution on the budget for fiscal year 1994 (H. Con. Res. 64).

(c) *Adjustments.* Direct spending targets shall be subsequently adjusted by the Director under Section 6.

Sec. 3. *Annual Review of Direct Spending and Receipts by President.* As part of each budget submitted under section 1105(a) of title 31, United States Code, the Director shall provide an annual review of direct spending and receipts, which shall include (1) information supporting the adjustment of direct spending targets pursuant to Section 6, (2) information on total outlays for programs covered by the direct spending targets, including actual outlays for the prior fiscal year and projected outlays for the current fiscal year and the 5 succeeding fiscal years, and (3) information on the major categories of Federal receipts, including a comparison between the levels of those receipts and the levels projected as of the date of enactment of OBRA.

Sec. 4. *Special Direct Spending Message by President.* (a) *Trigger.* In the event that the information submitted under Section 3 indicates—

(1) that actual outlays for direct spending in the prior fiscal year exceeded the applicable direct spending target, or

(2) that outlays for direct spending for the current or budget year are projected to exceed the applicable direct spending targets, the Director shall include in the budget a special direct spending message meeting the requirements of subsection (b) of this Section.

(b) *Contents.* (1) The special direct spending message shall include:

(A) An explanation of any adjustments to the direct spending targets pursuant to Section 6.

(B) An analysis of the variance in direct spending over the adjusted direct spending targets.

(C) The President's recommendations for addressing the direct spending overages, if any, in the prior, current, or budget year.

(2) The recommendations may consist of any of the following:

(A) Proposed legislative changes to reduce outlays, increase revenues, or both, in order to recoup or eliminate the overage for the prior, current, and budget years in the current year, the budget year, and the 4 outyears.

(B) Proposed legislative changes to reduce outlays, increase revenues, or both, in order to recoup or eliminate part of the overage for the prior, current, and budget year in the current year, the budget year, and the 4 outyears, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, only some of the overage should be recouped or eliminated by outlay reductions or revenue increases, or both.

(C) A proposal to make no legislative changes to recoup or eliminate any overage, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, no legislative changes are warranted.

(3) Any proposed legislative change under paragraph (2) to reduce outlays may include reductions in direct spending or in the discretionary spending limits under section 601 of the Congressional Budget Act of 1974.

Sec. 5. *Proposed Special Direct Spending Resolution.* If the President recommends reductions consistent with subsection 4(b)(2)(A) or (B), the special direct spending message shall include the text of a special direct spending resolution implementing the President's recommendations through reconciliation directives instructing the appropriate committees of the House of Representatives and Senate to determine and recommend changes in laws within their jurisdictions to reduce outlays or increase revenues by specified amounts. If the President recommends no reductions pursuant to Section 4(b)(2)(C), the special direct spending message shall include the text of a special resolution concurring in the President's recommendation of no legislative action.

Sec. 6. *Adjustments To Direct Spending Targets.* (a) *Required Annual Adjustments.* Prior to the submission of the President's budget for each of fiscal years 1995 through 1997, the Director shall adjust the direct spending targets in accordance with this Section. Any such adjustments shall be reflected

in the targets used in the report under Section 3 and message (if any) under Section 4.

(b) *Adjustment for Increases in Beneficiaries.* (1) The Director shall adjust the direct spending targets for increases (if any) in actual or projected numbers of beneficiaries under direct spending programs for which the number of beneficiaries is a variable in determining costs.

(2) The adjustment shall be made by—

(A) computing, for each program under paragraph (1), the percentage change between (i) the annual average number of beneficiaries under that program (including actual numbers of beneficiaries for the prior fiscal year and projections for the budget and subsequent fiscal years) to be used in the President's budget with which the adjustments will be submitted, and (ii) the annual average number of beneficiaries used in the adjustments made by the Director in the previous year (or, in the case of adjustments made in 1994, the annual average number of beneficiaries used in the Director's initial report under Section 2(b));

(B) applying the percentages computed under subparagraph (A) to the projected levels of outlays for each program consistent with the direct spending targets in effect immediately prior to the adjustment; and

(C) adding the results of the calculations required by subparagraph (B) to the direct spending targets in effect immediately prior to the adjustment.

(3) No adjustment shall be made for any program for a fiscal year in which the percentage increase computed under paragraph (2)(A) is less than or equal to zero.

(c) *Adjustments for Revenue Legislation.* The Director shall adjust the targets as follows:

(1) they shall be increased by the amount of any increase in receipts; or

(2) they shall be decreased by the amount of any decrease in receipts, resulting from receipts legislation enacted after the date of enactment of OBRA, except legislation enacted in response to the message transmitted under Section 4.

(d) *Adjustments To Reflect Congressional Decisions.* Upon enactment of a reconciliation bill enacted in response to a message submitted under Section 4, the Director shall adjust direct spending targets for the current year, the budget year, and each outyear through 1997 by—

(1) increasing the target for the current year and the budget year by the amount stated for that year in that reconciliation bill (but if a separate vote was required by Congressional rules, only if that vote has occurred); and

(2) decreasing the target for the current, budget, and outyears through 1997 by the amount of reductions in direct spending enacted in that reconciliation bill.

(e) *Designated Emergencies.* The Director shall adjust the targets to reflect the costs of legislation that is designated as an emergency by Congress and the President under section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 7. *Relationship to Balanced Budget and Emergency Deficit Control Act.* Recommendations pursuant to Section 4 shall include a provision specifying that reductions in outlays or increases in receipts resulting from that legislation shall not be taken into account for purposes of any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 8. *Estimating Margin.* For any fiscal year for which the overage is less than one-half of 1 percent of the direct spending target for that year, the procedures set forth in Section 4 shall not apply.

Sec. 9. *Means-Tested Programs.* In making recommendations under Section 4, the Director shall seriously consider all other alternatives before proposing reductions in means-tested programs.

Sec. 10. *Effective Date.* This order shall take effect upon enactment of OBRA. This order shall apply to direct spending targets for fiscal years 1994 through 1997 and shall expire at the end of fiscal year 1997.

William J. Clinton

The White House,
August 4, 1993.

[Filed with the Office of the Federal Register, 10:15 a.m., August 5, 1993]

NOTE: This Executive order was published in the *Federal Register* on August 6.

Executive Order 12858—Deficit Reduction Fund

August 4, 1993

By the authority vested in me as President of the United States by the Constitution and the laws of the United States of America, including sections 1104 and 1105 of title 31, United States Code, it is hereby ordered as follows:

Section 1. *Purpose.* It is essential to guarantee that the net deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993 is dedicated exclusively to reducing the deficit.

Sec. 2. *Deficit Reduction Fund.* (a). *Establishment of the Fund.* There is established a separate account in the Treasury, known as the Deficit Reduction Fund, which shall receive the net deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993 as called for in subsection (b) of this order.

(b) *Amounts in Fund.* Beginning upon enactment of the Omnibus Budget Reconciliation Act of 1993, the Deficit Reduction Fund shall receive any increases in total revenues resulting from enactment of such Act on a daily basis. In addition, on a daily basis, the Secretary of the Treasury shall enter into such account an amount equivalent to the net deficit reduction achieved as a result of all spending reductions resulting from such Act. The cumulative fiscal year amounts for the combination of all such revenue increases and spending reductions shall be equal to:

(1) for fiscal year 1994, $60,292,000,000;
(2) for fiscal year 1995, $70,437,000,000;
(3) for fiscal year 1996, $92,061,000,000;
(4) for fiscal year 1997, $125,881,000,000;
(5) for fiscal year 1998, $146,939,000,000.

Within 30 days of enactment of the Omnibus Budget Reconciliation Act of 1993, the foregoing amounts may be adjusted by the Director of the Office of Management and Budget to reflect the final scoring of such Act.

(c) *Status of Amounts in Fund.* (i) The amounts in the Deficit Reduction Fund shall be used exclusively to redeem maturing debt obligations of the Treasury of the United States held by foreign governments in the amounts specified in subsection (b).

(ii) The amounts in the Deficit Reduction Fund as set forth in subsection (b) that result from increases in total revenues and spending reductions shall not be available for new spending or to finance measures that increase the deficit for purposes of budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901–922).

(d) *Effect on Other Funds.* Establishment of and transfers to the Deficit Reduction Fund shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 or any other provision of law.

Sec. 3. *Requirement for the President To Report Annually on the Status of the Fund.* The Director of the Office of Management and Budget shall include in the President's Budget transmitted under section 1105 of title 31, United States Code, information about the Deficit Reduction Fund, including a separate statement of amounts in and Federal debt redeemed by that Fund.

Sec. 4. *Implementation.* The Secretary of the Treasury and the Director of the Office of Management and Budget shall each take such actions as may be necessary, within their respective authorities, promptly to carry out this order.

Sec. 5. *Effective Date.* This order shall take effect upon enactment of the Omnibus Budget Reconciliation Act of 1993.

William J. Clinton

The White House,
August 4, 1993.

[Filed with the Office of the Federal Register, 10:30 a.m., August 5, 1993]

NOTE: This Executive order was published in the *Federal Register* on August 6.

Interview With the Louisiana Media

August 4, 1993

Economic Program

Q. Do you have a commitment from Bob Kerrey or did DeConcini do it for you?

The President. I think I should always let the Senators speak for themselves. I've always believed that if the program passed in

the House, it would pass in the Senate. I don't think they will let it go down.

If you listen to the criticisms of—for the people who are voting no, they all basically say, at least in private what they say, they say one of two things: They either say that this is a good program; it's serious deficit reduction; it's progressive; it has incentives for growth and new jobs; 90 percent of the small businesses in the country get a tax break if they invest in their businesses; the working poor are lifted out of poverty. That affects 390,000 taxpayers in Louisiana, working families. But they say that the adversaries have put so much bad news on the people and they've convinced so many people that it doesn't reduce the deficit, it doesn't cut spending, and it taxes the middle class, that we can't ever fix it. So it's just bad politics even though it's good for the country.

The other argument is that it doesn't solve every problem. We still have to control health care costs. We still have to deal with that to bring the deficit down to zero. That is true, but you can't do that in this bill. You have to reorganize and reform the health care system to do that. You've got a classic example with Charity Hospital or with any of your health care providers that get Medicare funds. If we did what some of our critics say here and we just slash Medicare, put a cap on it without reforming the underlying health care system, one of two things would happen: We would either really hurt middle class Medicare recipients plus the hospitals and other providers of Medicare, or those providers would take the shortfall and pass it on to your employers so that everybody who has private health insurance would pay more.

So I think most people know this is a good program. It's good for the country, and I think it'll pass.

Q. So that means that DeConcini did lock it up for you, then?

The President. I believe it will pass. I'm not going to—all the Senators will have to speak for themselves. I believe if the House passes it, the Senate will pass it, I believe. But we haven't passed the House yet. That's tomorrow's test.

Q. We've heard all day about how good this plan is for Louisiana. Yet, many Louisiana Democrats, two in the House, maybe three, and of course Senator Johnston, plan to vote against it. Disappointed, considering that——

The President. Sure, I'm disappointed, But you know, they took a terrible licking on all the sort of negative attacks on the plan early on. Senator Johnston told me, he said, "I know there are a lot of good things in this plan, but the people of Louisiana don't know it. And I don't think they will know it."

I don't know how in the world we could ever make any decisions in this country if we made decisions on that basis. But you know, the truth is that 15,000 Louisianians, according to our research, will pay the higher income tax rates, and 390,000 Louisianians will benefit from the earned-income tax credit reductions for the working poor, and over 90 percent of the small businesses will be eligible for substantial tax reductions if they invest in their businesses. I mean, those are the facts. And the average family of four with an income of $50,000 will pay $35 a year under this program, and all the money goes to reduce the deficit. And there are now more spending cuts than tax increases in the deficit.

All I can do is take the people who have not declared and keep hammering home the facts. And I hope we will get those—but a lot of your House Members said the same thing to me. They said they were just afraid that the public had been so misinformed that it would never get all straightened out. My argument is that it will get straightened out if it passes, because once the bill passes, reality takes over and the rhetoric shrinks. I mean, either you are affected by it, or you aren't. You know how it works, or it doesn't.

Q. Mr. President, what about Congressman——

The President. No, go ahead. I've got to give other questions.

Spending Cuts

Q. How do you expect the Congressmen to go along with the spending cuts in the long run? I mean, if they vote tomorrow yes, they're voting for, what, $255 billion——

The President. Billion dollars, that's right.

Q. ——billion in tax cuts. But, I mean, you down, down the road—I mean, we've seen this happen before and——

The President. Well, I want to make two points about it and what's different about it this time.

The first point is that today I issued an Executive order which is legally binding on my Government, which requires all the tax increases and all the spending cuts to be spent on deficit reduction for the 5-year life of the budget. And that has the force of law. So if any of our people divert from that, they are breaking the law.

The second thing is that if we miss the target in any given year, because it's impossible for any of us to calculate to the dollar what's going to happen to our enterprises for 5 years, any year we miss it I have to come back in with a plan to fix it.

In addition to that, I told the House Members today that we were going to try to pass these requirements as a separate piece of legislation in September, and I feel confident we will. The Republicans essentially—we could have put it on the budget, but the Republicans in the Senate threatened to filibuster it if we did. I don't know why, because they were for it, I thought.

Now, the other point I want to make about the spending cuts: There are three other opportunities we're going to have to cut spending to continue to drive the deficit down. Opportunity number one is in the health care debate. If we reform the health care system properly, over this decade we will spend less money on Medicare and Medicaid than we otherwise would. But if we do it right, then we'll be saving money for the private sector as well as the public sector. For example, we spend about 10 cents on the dollar in administering the health care system, because of all the various insurance and governmental regulations that no other country spends. We can do better. We can cut health care spending.

Second, the Vice President has a reinventing Government report coming to me next month which will recommend a substantial amount of reorganization of the Government to eliminate both waste and corruption, that will bring us new savings. The Government is just like any other big company. It needs to go through a period of restructuring now. But this Government has not fundamentally been reexamined since Herbert Hoover's civil service report in the late fifties. So there will be more cuts coming there.

The third thing I want to say, because I know there's a lot of skepticism about the Congress that you should know, that Congress will have further opportunities between now and September 30th to cut spending in the regular appropriations process. In other words, what this bill says is they have to cut at least this much spending, at least $255 billion. That's what this bill does. But they can cut more. The House of Representatives has already approved more than $10 billion in spending cuts over and above what we require and sent it on to the Senate. And I've been working for the last 2 days on trying to organize a Senate-House effort to continue to cut spending when this is over. So, we're just getting started. This is the first step, not the end of this road.

Conservative Democrats

Q. Congressman Stenholm announced that he would not vote for the plan. Mr. McLarty said don't cut him out yet. He may be—put him in a middle column. My first question is, are you going to try to attempt to persuade Mr. Stenholm to join the yes voters? And the second question is, do you think Mr. Stenholm can pull away enough conservative Democrats who were perhaps going to vote for the plan if Stenholm did, so they could say "a good conservative Democrat like Stenholm voted yes so I can, too." Do you think he can pull away enough that will threaten passage in the House?

The President. I don't think he can. I think he could, but I don't think he will. That is, I think he is in a very unique position. I like and admire him very much. He was very disappointed when the parliamentary maneuvers by the opposition party in the Senate made it impossible for us to put these budget control mechanisms on the final bill. But he came over today to the White House when I issued the Executive orders, and he said he would do everything he could to pass it.

He made a statement that he's sort of stuck with now. And I think it's a statement that he thought was responsive to his constituents. He said, ''Look, I voted for the Btu tax, and I'm from Texas, but it raised $70 billion. If you're going to have this gas tax, which only raises $23 billion, that's the only thing the Republicans can claim we're doing to the middle class. Why don't we just get rid of it.''

The problem is with getting rid of it is that we also have a whole lot of Democrats who will only vote for deficit reduction if it's the biggest package in history and if it's over $495 billion. They want it to be real deficit reduction. And we couldn't ever get a majority weigh to make up that $23 billion to get rid of the fuel tax. So I think Stenholm has taken some public positions which narrow his options. And he knows that several people who voted no before have declared yes today. We had three of them in a press conference today, including Charlie Wilson from Texas. But there are at least two others from Texas who are changing from no to yes.

So I believe we'll have enough to pass it in the House. But I will say again to you, to respond to your question, the key in my judgment is the House. I do not believe the Senate will let the bill fail and let the whole thing come apart if the House passes it. But we've got to keep our focus on first things first.

Republican Opposition

Q. How disappointed are you that all 215 members of the GOP delegation in Congress are united against your plan?

The President. Oh, I'm terribly disappointed. Let me give you an example. There are 20 to 30 Republicans in sort of a moderate caucus in the House who told me in the beginning that they didn't mind voting for taxes on upper income Americans, that their problem was the Btu tax and the Social Security tax, you know, extending the income tax to some Social Security income.

So we took the Btu tax out, and now the Social Security tax only affects the upper 10 percent of Social Security recipients who have a net worth, average net worth in excess of $1 million, and who will still get what they put into the Social Security system plus interest back without taxation. So I wish they would come with us, because I know that there are Republicans who want to vote for this.

I have talked to Republicans in the Senate who tell me they think that this is a good plan and better than the alternatives anyway. And I regret it. But, you know, the leadership basically have said they were all going to go on strike, and that's what they've done.

But let me say this. I think if we pass this plan tomorrow and the next day, I do not believe this will ever happen again, because then the dynamics of every other debate favor broadening the base of the country and the party. If you look at health care, the crime bill, the welfare reform bill, the trade issues, there will be supporters and perhaps opponents in both parties on all issues. We will really be able to have a more bipartisan coalition. And every budget issue we have to deal with in the future that I can foresee will be nontax spending control issues. And they won't have the maneuverability, I don't think, to control all those Republicans. I think you'll see more of what we saw in the national service bill, which Senator Breaux and I worked very hard on, where we did get Republicans who broke the filibuster in the Senate, got a big Republican vote in the House, and a nice group of Republicans supporting us in the Senate. I think you'll see more of that.

Economic Program

Q. Mr. President, tell me—people that we see in our polls just don't believe that higher taxes and Government cutting is going to help them. I mean, that's what the polls show, and obviously you're trying to change that. Can you tell people in Shreveport, Louisiana, and Hope, Arkansas, and Longview how directly their lives will be better next year than they are right now because of this?

The President. Yes, and I can tell you three or four specific reasons. Number one, if we bring down this deficit, we will be able to keep these interests rates down at historically low levels. Interest rates started to drop from the minute we announced this program. And every time we've made progress on it, they dropped some more. And every time there was some rumor that we were going

to lose control of it, interest rates spiked up a little bit.

If you have low interest rates stable for a couple of years, what happens is people refinance all this huge debt from the eighties, their home loans, their business loans. That lowers their cost of carrying that debt, puts money directly in their pocket. And if they know it's going to be stable, then they turn around and reinvest it. So there are already millions of Americans who have refinanced their home loans because of these low interest rates that the deficit fight has brought about. If we can keep it back down for a year, then a lot of that money will be reinvested. So they will benefit directly if they refinance their homes or their business loans or take out a lower loan for consumer credit or college or a car or if they reinvest it.

The second thing is that, I will say again, 90 percent of the small business people in this country are eligible—which is probably more than 90 percent in Arkansas and Louisiana—are eligible for significant and retroactive tax reductions if they invest in their business. We almost doubled the expensing provision for small businesses. That means that over 90 percent will have a net tax cut if they reinvest.

We increase incentives for people to invest in new businesses and small businesses. If you hold the investment for 5 years, you cut your income tax rate by half. And the smaller businesses, the newer ones, are the ones that created the jobs. So that will directly affect them.

Then, the last thing I want to say is that over a quarter of the working families of Louisiana will be eligible for relief under the earned-income tax credit, because they earn less than $30,000 a year. And working families with children with earnings of less than $30,000 a year will be held harmless from the gas tax through income tax cuts. And if they're much lower than that, they'll actually get a tax break out of it.

So there will be more cash in Louisiana, in Shreveport and more economic incentives to invest in the economy. And a lower deficit helps everybody.

Otherwise, let me say what happens if we don't do this. If we don't do it, this deficit will move up toward $500 billion and $600 million a year, and every year more and more of our tax money will go to pay interest on the debt instead of to invest in education and other things.

The other thing this plan does, I think it's worth pointing out, that's very helpful to Louisiana and Arkansas is it invests more money in Head Start; in early childhood health programs, which are real problems in our two States; in job training programs; in defense conversion programs for people who have been hurt by military cutbacks to train them for new jobs and to help communities adjust; and in making college more available to young people. So those are the specific ways that people will be benefited by it.

Q. Certainly, Mr. President, there's an antitax sentiment out there. The Btu tax was scrapped. Now we have a 4.3-cent gas tax. Why should Louisianians feel good about that?

The President. They shouldn't necessarily feel good about that; they should think it's a price worth paying to get the deficit down and to get these incentives for the economy to grow. If you look at it, gasoline in real dollar terms—that is, adjusted for inflation—is at its lowest price in 30 years. So this is the least burdensome time to put this on. Let me compare it. If you compare the tax burden imposed on the middle class in the 1990 tax bill and this one, that bill imposed a burden 2½ times greater than this one. So we tried to minimize the burden on the middle class, hold working families with incomes under $30,000, which is a big percentage of Louisiana and Arkansas, harmless from the tax increase and asked the people in the upper 1.5 percent, people with incomes above $200,000, to pay 80 percent of the taxes, because they got a majority of the income gains of the 1980's; literally the top 1 percent got over 60 percent of the income gains and got a tax cut.

So I think this is a fair program. The main thing is, we're going to lock all this money up and put it to bringing the debt down. And we all win if that happens.

Spending Cuts

Q. Mr. President, why are so many of your spending cuts postponed for 4 or 5 years? And will they really ever take place?

The President. Oh, yes. They're legally bound to take place. But let me say this in response to what Senator Dole said last night. You ought to go study the program he presented the Senate. A higher percentage of his cuts occur in the last 2 years than mine. The reason for that is that these cuts tend to be cumulative. That is, if you start right now and you want to shave a program—let me give you a program that I tried to shave that we are going to cut, the subsidy for people who grow wool and mohair, you know? The wool and mohair subsidy is $600 million. It's money that can't be justified. It goes back to the Korean war. Because the people that represent those farmers didn't want to eliminate it altogether, we're phasing that in. If you cut farm subsidies, which we're doing, it's fairer to phase that in. You want to give people time to prepare for that.

The other reason, frankly, is that we have already gotten for next year and the year after in our budget virtually flat spending from this year. So if you want to go from flat spending to big cuts, you've got to give people time to adjust to that. But these cuts are absolutely real, and they have to be put in.

The only thing that could derail this budget is if there's a big recession and the revenues don't come in or we don't with discipline, deal with the health care issue, which I intend to do.

Deficit Reduction

Q. You said the debt would be going down just a second ago. But isn't it true it will actually be going up but at a slower rate?

The President. No, the deficit, the annual deficit will go down. But since there will be a deficit, the national debt will go up but at a much lower rate.

What we need to do is to work toward bringing the deficit down to zero. If you look at my little chart that I was showing last night, what it shows—and by the way, all charts show this. Anybody else's chart would show the same thing, the other plans would show the same thing. You can bring this deficit down substantially in 5 years, but because of the exploding cost of Medicare and Medicaid and because health care spending is going up at twice the rate of inflation or more, after 5 years that becomes such a big percentage of the budget, unless you control that, the deficit starts to go up again.

If you want to bring it down to zero, what we have to do is to make sure we reform the health care system and do it in a way that by the time this budget ends it cycle in the 5th year, you start having health care costs go down. And believe me, health care costs—in this budget, what that means is health care would go up at the inflation rate plus population. Or in other words, if we could take it up to 6 percent a year instead of 9 percent a year, we could bring the deficit down to zero in about 9 years.

And let me say, that would be a very good thing. You can contract the economy too much. Let me just say there are a lot of economists who say, not conservative economists but traditional progressive economists, who say in all periods of slow growth you should cut taxes and increase spending. The problem is our debt is so big we can't do that, that's crazy. So how can we reduce the deficit and grow the economy? By keeping the interest rates down and having people refinance. But you can't do it too fast.

So if you go back and look, we're about where Japan was in 1975. They were in the same fix we're in now. They had a deficit that was about the same percentage of their income. And they said, "We're going to bring this thing down to zero. We're going to do it in 10 years." And 10 years later they did it. And now they've run a balanced budget or had a small surplus for the last 5 years as a result of that, even though their economy is growing slower than ours. They have more flexibility to deal with their system than we do. So we've got to do this. And I feel very good about it. I think it's going to work. But we've just got to realize we didn't get into this fix overnight; we're not going to get out of it overnight.

Let me just close with this. There are two issues here. One is, what's the condition of the economy and what caused it? The second is, what's the proper response from Government? The economic problems we face have been developing over a 20-year period. Average workers' wages in this country peaked in 1973, if you adjust for inflation. Since '73 more than half of the American people have been working harder for the same or lower

wages, while they paid more for health care, housing, and education. That's because of all these changes in the global economy. That's run through Republicans and Democrats. That's a fact of this age and time.

The Reagan response, which was continued by President Bush, was cut taxes, tilted heavily to the wealthiest Americans on the theory that they would reinvest it, and spend more money on defense because that will balloon the high-tech economy at home. What happened was, when we had to start bringing down defense at the end of the cold war, by that time health care costs were going up faster than defense was going down. We had to keep spending money on the same health care and interest on the debt. And because they were unwilling to cut other spending or to ask the wealthiest Americans who got the big tax cuts in the eighties to just restore some—we don't even restore all of it. Tax rates are still going to be lower than they were in 1980 before this happened. Because we were unwilling to do that, we had this big imbalance.

So what I'm trying to do is to say—I'm not blaming anybody for the larger economic things. These are 20 years in the making. We can turn it around, but we have to have a different response. We have to change from trickle-down economics to an invest-and-grow economics. And that means bringing the deficit down and targeting investments for business, because that's what we're trying to do.

Public Works Projects

Q. One last question, Mr. President. I cover Eldorado and Monroe, and you've inflated a lot of people's appetites with all the talk of the interstate coming through there, I–69. Eldorado doesn't have one. Northeast Louisiana would like to get more than its share because it's through Senator Johnston's wording in the bill—the proposal's going through Shreveport. What assurances can you give us in northeast Louisiana and southern Arkansas that we get a fair share of the public works project?

The President. Well, the Congress, of course, will ultimately approve the route. But I can tell you that basically if you look at my record at home, I've always supported those things. And that's one way that we're going to keep jobs and incomes up in this country. We're going to have to continue to invest—that's a Government program, if you will, that in my judgment is not waste. We have to continue to invest in these things. And I will do what I can to see that we keep the investments on schedule. Especially because of where I'm from, I can't be in the position myself of picking the routes. But I think the Congress will do that, and it looks to me like you're in pretty good shape on that score.

Deficit Reduction

Q. Mr. President, an old friend of yours and a man who many Louisianians admire very much said today at noon, I heard him: ''His deficit reduction plan just won't work,'' unquote, Buddy Roemer. What can we take back—[*laughter*].

The President. Spoken like a good Republican. Let me say, I believe first of all that what the Republicans have done, they ran this Government for 12 years. We went from a $1 trillion to a $4 trillion deficit. Now, the Democratic Congress has voted for that, but you need to know that under both the Reagan and Bush administration Congress actually appropriated a little bit less money than the Presidents asked for.

My answer to you, sir, is that not very long ago one of our Nation's newspapers, the Philadelphia Inquirer, went around and interviewed what you might call neutral experts on the deficit reduction plan, basically the budget analysts for the big accounting firms and other big finance firms. And they all concluded that my budget was the most honest one presented in a decade, the first Presidential budget to be taken seriously by Congress since the first Reagan budget. And the budget analyst for Price Waterhouse, the big accounting firm, whom I have never met and don't know and obviously doesn't work for me, said that my budget was the best budget in more than a decade, and the only thing I was wrong about is that it would reduce the deficit more than I was saying, not less. So let's just hope he's right. I think he is.

Thank you.

NOTE: The interview began at 5:32 p.m. in the Red Room at the White House. A tape was not available for verification of the content of this interview.

Remarks Honoring Teachers Hall of Fame Inductees and an Exchange With Reporters

August 5, 1993

The President. Thank you, Mr. Secretary, and good afternoon to all of you. I'm sorry we started a little late, but I think you know I've been in there on the telephone to the Congress.

It's a great pleasure to welcome all of you here, especially the inductees into the National Teachers Hall of Fame. I'd also like to thank the representatives of Emporia State University, the Emporia public schools, and the city of Emporia, Kansas, for all their hard work in establishing the National Teachers Hall of Fame. Recognizing our teachers is a wonderful idea, and I hope I can help to do it every year I'm here.

We're here to honor the spirit and the dedication of teaching that motivates this wonderful group of educators, people who every day in small towns and large cities bring to our young people the gift of learning. Every one of us has a memory of a teacher who literally changed our lives. A good teacher does more than pass on information. A good teacher inspires a thirst for learning that lasts a lifetime, instilling confidence, conveying values, shaping our understanding of the world around us. I'm reminded of a quote from Henry Brooks Adams: "A teacher affects eternity; he can never tell where his influence stops."

The 10 men and women we recognize today, chosen from hundreds of nominees, are examples of our Nation's finest teachers. Not only do they bring a special gift for teaching, they've all made other contributions to their communities. Each of them has a unique style of teaching and a vision for the role of education that must be played now and well into the 21st century.

I'd like to acknowledge each of these inductees, beginning with the ones from 1992. First, Sheryl Abshire from Lake Charles, Louisiana. She served—I'm going to see if I can pronounce this, and I'm from Arkansas, I should be able to pronounce this—she served the Calcasieu—is that right?—Calcasieu Parish schools for 18 years as an elementary school teacher and library/media specialist. Today she is the principal of Westwood Elementary in Westlake, Louisiana. She's made technology a part of the total elementary curriculum and has brought such innovative learning projects to her State that the president of the Louisiana Association of Teachers credits her for setting the standard in Louisiana for instructional technology.

The second winner is Anna Alfiero of Norwichtown, Connecticut, who has taught science and math at Clark Lane Junior High in Waterford, Connecticut, for 31 years. She has found new ways to bring economics to the classroom and to make math real to her enthusiastic students. This is particularly important because one of our Nation's most pressing educational challenges is to improve the math skills of the next generation.

Third is Helen Case from El Dorado, Kansas. She attended a one-room rural school in the early 1900's. I hate to say that. [*Laughter*] And she has dedicated her life to serving others. She began teaching at the tender age of 17 and went on to teach in the Kansas public school system for 45 years. She integrated innovative teaching methods into her curriculum long before they became widely popular. I hear she used to hold mock sessions of Congress, national party conventions, and elections in her classes. Maybe she can give me a tip or two today. [*Laughter*]

I'd next like to acknowledge Shirley Cunningham Naples from Detroit, Michigan. During each of her 23 years in the schools of Ferndale, Michigan, Mrs. Naples issued a challenge to her students to be the best. And every year they did just that, because she did. Parents in Ferndale started planning as early as kindergarten for their children to be in her class because of the personal commitment she made to the education of each and every one of her students. She also contributes her teaching skills to help immigrant boat children become successful English-speaking members of the school community.

Next is Joseph York of Memphis, Tennessee, who teaches senior English at Adamsville Junior-Senior High School. Practically no one in his community is beyond his reach. In addition to teaching his regular students during the day, he tutors other teachers and children and teaches 4 nights a week at area universities, including the regional State prison. This incredible energy and devotion to teaching stems from his belief that a student's learning ability is directly related to his or her self image.

Let's give them all a hand. [*Applause*]

And now, the 1993 inductees: Leslie Black from Northport, Alabama. During her 25 years of teaching, Mrs. Black has been recognized for her efforts to strengthen and encourage a better link between home and school, something that I believe very strongly in, as I had experience in my State with a preschool program that my wife brought to Arkansas called the home instruction program for preschool youngsters. Mrs. Black has brought individualized instruction to the classroom and has worked to integrate music, the arts, and cultural awareness into the daily curriculum. She was also awarded the 1992 Presidential Award for Excellence in mathematics.

Next is Stewart R. Bogdanoff of Yorktown Heights, New York. For 28 years a physical education teacher for the Lakeland Central School District in Thomas Jefferson Elementary School, he's helped develop the physical fitness curriculum and after-school programs that not only enriches the lives of students but also provides stimulating learning environments as well. He's dedicated countless hours to working with disabled athletes and received the Point of Light award from President Bush for his dedication to community projects.

I'd like to say just parenthetically, I become more and more concerned about the physical health of our people as we enter into this great debate about national health care. I think it is very important that we not overlook the fact that it is my judgment a real mistake to cut back on physical education for all students in schools at a time when we're trying to build better health habits in all the American people.

Next, Ida Daniel Dark of Philadelphia, Pennsylvania. During 31 years of teaching music, she has been dedicated to providing a culturally rich learning environment to all of her students, including physically and mentally challenged children. She's developed a music curriculum for severely and profoundly impaired children which is now being used throughout the United States and Canada and has established a program that allows inner-city students to attend theater, art, and music presentations on the weekends.

Next is James K. Jackson, Sr., of Wauconda, Illinois, a true visionary, an industrial education teacher at Mundelein High School who's made students and parents part of his dream of building and flying airplanes. He's found imaginative ways to teach technology-advanced subjects that can help students prepare for the rigors of a rapidly changing world. His students built the airplane that he flew to the National Teachers Hall of Fame induction ceremony in Emporia. Now, that's real confidence in your students. [*Laughter*] Is that true?

And finally, Christine Lungren-Maddalone of Long Beach, California, an elementary teacher at John Greenleaf Whittier Elementary School in Long Beach. After the Los Angeles riots in 1992, she set up after-school self-esteem enhancement classes for her students and talked to them about the need for a responsible change in the aftermath of the riots. She tries to teach her students to learn from life's experiences and has proven that all children, when given the chance, can succeed.

Let's give them a hand, too. [*Applause*] Good for you.

I do want to say that in recognizing and honoring these teachers, I know they would want us to, through them, honor the contributions of teachers throughout our Nation. These teachers are reminders that we must allow teachers to do what they do best, to teach. And we must struggle here in Washington and in every State capital and in all the central offices of all the school districts to empower teachers to teach and not to break them down with the burdens of bureaucracy and requirements that have nothing to do with whether their children can

learn. We have to allow teachers and principals and parents to make more of their own decisions, to set the agendas and to chart the future course of their schools and their children's education with clear standards so they can know whether our children are doing as they should in a tough, global environment.

We in Washington are trying to recommit ourselves to making the Federal Government a real partner in education. That's why Secretary Riley and I have worked so hard to make the national education goals the foundation of true reform. We have to make sure that our children start school ready to learn and have the opportunity to succeed. And we have to challenge all of them to meet rigorous, world-class standards of learning. We owe this to them, to their future, and to all the rest of us as well. That's why I'm so proud to be here to honor the achievements and dedication of these wonderful teachers.

I thank them for coming, and I'd now like to invite here Robert Glennen, the President of the National Teachers Hall of Fame, to the stage to make a few remarks. Mr. Glennen.

[*At this point, Mr. Glennen made brief remarks.*]

Economic Program

Q. Mr. President, can we ask you what you're telling these Congress Members you're on the phone with, what appeals are you making, and what more can you do?

The President. Well, we've done a lot of work today to try to sketch out what will happen in the next couple of months after this process. And the argument I'm making is that this is the beginning, not the end, of our efforts to have responsible budgeting. There will be one more round of budget cuts. There will be the unveiling of the Vice President's report on reinventing Government, which will have billions of dollars in further savings that can be achieved. There will be the opportunity to control health care costs in the context of the health care reform bill in a way that will not be unfair to older people on Medicare.

So, what I am suggesting to them is that this is clearly the best chance for real deficit reduction, for a fair apportionment of the spending cuts and revenue increases and for an economic plan that will grow the economy. And no one I have talked to, including people who say that they may not vote for it, has suggested that anybody believes seriously that a better result will occur if the bill does not pass. So I feel pretty good.

Q. ——convene a special conference to find more budget cuts or a session of Congress, similar to what Kerrey is proposing?

The President. I've been working with them for 2 or 3 days. And I'm very much open to that. We have to do something like that anyway to deal with the Vice President's reinventing Government report. And what we had planned to do was to suggest that there be a bipartisan commission, including Members of both parties of Congress, to review these recommendations. So we can certainly accommodate this.

What I keep trying to tell all the Members is this is the beginning of this process, not the end. There's a whole lot more work to be done. We've just been here 7 months. You know, finally they've got somebody here who's serious about responsible budgeting instead of just talking about it. And the argument I'm making to them is there is no alternative. And every alternative we saw from the other side had less deficit reduction, more bogus spending cuts, and did not ask the wealthy to pay their fair share. And there were no economic growth incentives. And after all, the whole purpose of this is to generate jobs and revitalize the economy. So I feel pretty good about it.

Q. Have you spoken to Senator Kerrey, sir? And whether you have or not, do you know where he is on this?

The President. I'm going to follow my ironclad rule on this. I'm going to let the Members speak for themselves. Yes, I have spoken to him.

Bosnia

Q. ——Sarajevo, it looks like the siege is getting worse and may not be able to wait until Monday. Do the allies and the United States need to move it up to protect the city before it falls?

The President. I can't answer that now, because I haven't been briefed on it. But I

may have something to say about it later. I'm sorry.

Economic Program

Q. Have any of the Members you've spoken with made it a prerequisite that there be a so-called budget session or whatever for them to vote for this package?

The President. Well, let me say, I have offered a whole series of things that are consistent with what I have believed in all along. I mean, a lot of the Members want a separate bill which contains the budget control measures that the House adopted, that the Senate rules wouldn't permit. They want further opportunities to shave the budget, which I have committed to and which I strongly support, have from the beginning. They want opportunities for other issues to be debated between now and the end of the year relating to the structure of the budget, all of which I have agreed to. So I think there is no question here—there is no serious suggestion that we could get a better result if this bill does not pass. So I think that we've got a very good chance to pass it. But you know, I never predict until they vote.

Thank you.

Q. Any Republican votes, Mr. President?

The President. A lot of them want for it.

Q. How do you know that?

The President. ——several of them say they'd like to vote for it——

Q. Who did you talk to today—round number?

The President. I don't know, a bunch.

Family and Medical Leave Act

Q. ——today, what do you say to the people, the businessmen who are now complaining about this new mandate?

The President. That if we're going to be prowork and profamily, we have to make it possible for people to succeed as parents and as workers. We cannot force people to choose between the two. Most parents have no choice but to work. But parenting is still the most important job of society.

And all these nations with which we compete provide for those kind of family supports. We were one of the very few nations in the world that had achieved any kind of standard of living that didn't provide this basic protection for families. I think it will increase productivity in the work force, increase the morale of workers, and people will make a lot more money out of it than it will cost them by sticking up for the families.

NOTE: The President spoke at 4:20 p.m. in the Rose Garden at the White House. A tape was not available for verification of the content of these remarks.

Remarks on Action by the House of Representatives on the Economic Program

August 5, 1993

The President. I want to congratulate the Members of the House and their leaders for breaking gridlock tonight and entering a new era of growth and control over our destiny. In the future, the American people will thank them for their commitment to moving away from the horrendous legacy of debt, underinvestment, and slow growth of the 1980's and putting the national interest ahead of the narrow interest, putting tomorrow ahead of today's pressure.

The margin was close, but the mandate was clear. I will continue to fight for this economic package with everything I have. And I urge the Members of the Senate to act on it in a positive way tomorrow. The fight is still on, and we have just begun to fight.

This economic plan represents an important first step in changing America. For the first time in a very long time we are making a meaningful downpayment on the Federal deficit, with deep spending cuts locked away in a trust fund that cannot be spent for anything else. For the first time in a dozen years the tax burden that is a part of the deficit reduction trust fund will be borne largely by those best able to bear it, with 80 percent of the new revenues coming from those with incomes above $200,000. And still, there will be shared contributions. The middle class is asked to make a modest contribution to paying down the deficit and growing the economy. For the first time in a decade we are

making a serious effort to invest in our children, reward work over welfare, strengthen our families, and give genuine incentives to business to grow new jobs. These incentives are very, very important because the purpose of bringing the deficit down is to keep interest rates down, be able to control our financial destiny, and permit people with the right incentives to put the American people back to work.

Finally, as I said, this is just a first step to putting our financial house and our economic house in order. This program is shared sacrifice for shared benefit. We're all in this together, but we have just begun.

If the Senate acts favorably tomorrow, and as soon as the August recess is over, I am committed to further steps for discipline in the Federal budget, in getting rid of unnecessary spending and waste, including reenacting the controls that the House originally passed and that I embodied in my Executive orders of yesterday. After that, we will move on to the Vice President's report on reinventing Government, which will contain a myriad of exciting possibilities for making the Government more efficient and reducing unnecessary and inefficient spending.

Then we will move on to deal with the health care issue, to provide the security of affordable health care to all families and to lower the growth in health care costs over the long run, without which we will never bring this budget into balance or restore real financial health to the private sector. Then there is the process of ending welfare as we know it, making our streets safer, and most important of all, putting all this together in a program to restore jobs and growth for the American people.

We have set our sights high, but for 20 years our people have struggled harder on stagnant wages with too little investment and too few new jobs and exploding debt. For 12 years we have tried trickle-down economics while the debt went up and investment went down. Now we want a new direction to invest and grow this economy.

We began by seizing control of our destiny on a daily basis with this heroic vote today by the House of Representatives. I congratulate those who voted. I urge the Senate to follow their lead. And I look forward to continuing the battle tomorrow.

Good evening.

NOTE: The President spoke at 10:55 p.m. in the Rose Garden at the White House. A tape was not available for verification of the content of these remarks.

Nomination for an Assistant Administrator at the Agency for International Development

August 5, 1993

The President announced his intention today to nominate career Foreign Service Officer John F. Hicks to be Assistant Administrator of the Agency for International Development, U.S. International Development Cooperation Agency, and Director of AID's Africa Bureau.

"John Hicks is a dedicated and capable professional who is one of the Foreign Service's leading experts on African development," said the President. "I expect him to do an outstanding job in this position."

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

Nomination for President of the Government National Mortgage Association

August 5, 1993

The President announced today that he intends to nominate Dwight P. Robinson to be the President of the Government National Mortgage Association in the Department of Housing and Urban Development.

"Throughout his career in Michigan and here in Washington, DC, Dwight Robinson has distinguished himself as a leader in the housing field. I am grateful for his service," said the President.

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

Message to the Senate Transmitting a United Nations Convention on International Trade Law

August 6, 1993

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to accession, I transmit herewith the United Nations Convention on the Limitation Period in the International Sale of Goods done at New York on June 14, 1974, and the Protocol amending the Convention done at Vienna on April 11, 1980. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Convention.

This is the second Convention in the field of international sales of goods law produced by the United Nations Commission on International Trade Law (UNCITRAL) that has been transmitted to the Senate for its advice and consent. The first, the 1980 United Nations Convention on Contracts for the International Sale of Goods, was ratified by the United States and entered into force for this country on January 1, 1988. Both of these Conventions establish uniform international standards in the commercial law of sales of goods in order to facilitate commerce and trade. Both benefit the United States by removing artificial impediments to commerce that arise from differences between the national legal systems that govern international sales of goods.

The Secretary of State's Advisory Committee on Private International Law, on which 11 national legal organizations are represented, in May 1989, and the House of Delegates of the American Bar Association, in August 1989, endorsed U.S. accession to the Convention and amending Protocol, subject to a U.S. declaration permitted under Article XII of the Protocol. The declaration is set forth with reasons in the accompanying report of the Department of State.

I recommend that the Senate promptly give its advice and consent to accession to this Convention together with its amending Protocol.

William J. Clinton

The White House,
August 6, 1993.

Remarks on Senate Action on the Economic Program

August 6, 1993

Thank you. Thank you very much. What we heard tonight at the other end of Pennsylvania Avenue was the sound of gridlock breaking. It was the sound of progress and change which can now resound throughout every corner of our great and beloved Nation.

I want to thank the United States Senators who voted for change tonight, especially the Senate majority leader, George Mitchell, for his untiring efforts, and all the others who worked so hard for so long to see this night come about. I want to thank the Vice President for his unwavering contribution to the landslide. I thank the economic team who worked so hard on this from last November: Leon Panetta, who is here; Secretary Bentsen; Mr. Rubin; and all the people who work with them. I thank Mr. McLarty and all the members of the White House staff. I thank Mr. Altman and the war room for the work they did in the last several weeks. I thank especially Howard Paster and Steve Ricchetti and all those who worked for us in the Senate. I hope that they will get some well-deserved rest.

After 12 long years, we can say to the American people tonight we have laid the foundation for the renewal of the American dream. The days of endless gridlock, rising deficits, and trickle-down economics are over. The days of economic growth and real opportunity for the working families of this country have begun.

This was not easy, but real change is never easy. It is always difficult. It is always easier to sustain the status quo and to talk as if you were changing. But that is not why I was elected President, nor is it why we were sent here.

When we came here, our national debt had quadrupled in 12 years, and the incomes of our forgotten working families had been stagnant for nearly 20 years. Our heritage of investment in our people and our economy had been gradually forsaken and the people of our Nation questioned whether anyone here in this city would take responsibility for our future, change the direction of our country,

and ensure a better life for them and their children.

After a long season of denial and drift and decline, we are seizing control of our economic destiny. To be sure, as I have said repeatedly, this is just the beginning, just the first step in our attempts to assert control over our financial affairs, to invest in our future, and to grow our economy, to deal with the health care problems, the welfare reform problems, the problems of crime in the streets, and the other things that deal with the daily fabric of life for our people. But make no mistake about it, this is a very, very important beginning.

The economic program that Congress passed tonight puts $500 billion into a trust fund locked away for deficit reduction; $255 billion in specific, real, enforceable spending cuts; tax cuts for 20 million working Americans with marginal incomes who are trying to raise their children. This will reward their desire to choose work over welfare. It is an important advance in the fabric of opportunity and responsibility in this country.

This new direction includes new opportunities for the sons and daughters of middle class families to go to college because it reforms the student loan programs in ways that make student loans more accessible to more people and cuts the cost in the program through waste reduction. It provides immunizations to give a healthy start to millions of American children. It provides significant new incentives for small businesses to grow and expand. In this sharp departure from business as usual, this program will create jobs, reduce the deficit, and put the American people first.

In the lifetime of this country, the courage and wisdom of the American people in difficulty have always prevailed when we faced a challenge and needed a change. Sometimes in the past they have prevailed by the narrowest of margins in the beginning but always picking up steam, always marching confidently toward the future. That will be true in this time as well.

We're determined not to let the American dream founder. We are determined to stop avoiding our problems and start facing them, to embrace them as challenges, to turn them into opportunities, to seize the future that rightfully belongs to every American willing to work hard, play by the rules, and take care of their children. We are determined that the next generation of Americans will inherit a brighter future than we have known, just as we did from our parents. For more than two centuries, that has been the promise of the American dream. Tonight, because of the bold action taken by courageous men and women in the House and the Senate, that dream will not be deferred but rather be fulfilled.

I am profoundly grateful tonight for the opportunity to stand here not simply as President but as an American citizen seeing our Nation once again roll up our sleeves together, tackle our problems, and march to tomorrow.

Thank you, and God bless you all.

NOTE: The President spoke at 11:05 p.m. at the North Portico at the White House. A tape was not available for verification of the content of these remarks.

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.

August 3

In the morning, the President went jogging with Democratic National Committee "Break the Gridlock" student volunteers. In the late afternoon, the President met with Oklahoma State leaders. In the evening, he attended a dinner honoring Representative Jack Brooks at the Hyatt Regency Hotel on Capitol Hill.

The President announced his intention to nominate Robert Fossum to be Assistant Secretary of the Air Force for Space Policy and Ernest Dubester to be a member of the National Mediation Board. He also announced that he has designated Jessica L. Parks as Vice Chair of the Merit Systems Protection Board.

August 6

The President extended his condolences to Queen Fabiola and the people of Belgium on the death of King Baudouin I. The White House announced that former President Gerald Ford will lead the delegation to the funeral on August 7 in Brussels.

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 August 2

William Green Miller,
of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ukraine.

Submitted August 4

Reginald Bartholomew,
of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Italy.

Roger R. Gamble,
of Virginia, 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 Suriname.

Mark Gregory Hambley,
of California, 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 Republic of Lebanon.

William Dale Montgomery,
of Pennsylvania, 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 Republic of Bulgaria.

John Roggen Schmidt,
of Illinois, for the rank of Ambassador during his tenure of service as the Chief U.S. Negotiator to the Uruguay round.

John J. Hamre,
of South Dakota, to be Comptroller of the Department of Defense, vice Sean Charles O'Keefe, resigned.

Reed E. Hundt,
of Maryland, to be a member of the Federal Communications Commission for a term of 5 years from July 1, 1993, vice Alfred C. Sikes, resigned.

Jean C. Nelson,
of Tennessee, to be an Assistant Administrator of the Environmental Protection Agency, vice E. Donald Elliott, resigned.

Nora Slatkin,
of Maryland, to be an Assistant Secretary of the Navy, vice Gerald A. Cann, resigned.

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 August 2

Transcript of a press briefing by Press Secretary Dee Dee Myers

Statement by Press Secretary Dee Dee Myers on the NATO decision on air strikes on Bosnian Serbs

Released August 3

Transcript of a press briefing by Press Secretary Dee Dee Myers

White House statement on administration action on timber sales

Released August 4

Transcript of a press briefing by Director of the Office of Management and Budget Leon Panetta

Transcript of a press briefing by Director of Communications Mark Gearan

White House statement on the Executive order on Federal compliance with right-to-know laws and pollution prevention requirements

Released August 5

Transcript of a press briefing by Press Secretary Dee Dee Myers

Released August 6

Transcript of a press briefing by Deputy Secretary of the Treasury Roger Altman and Council of Economic Advisers Chair Laura D'Andrea Tyson

Transcript of a press briefing by Press Secretary Dee Dee Myers

Acts Approved by the President

Approved August 2

H.R. 843 / Public Law 103–56
Cave Creek Canyon Protection Act of 1993

H.R. 847 / Public Law 103–57
To provide for planning and design of a National Air and Space Museum extension at Washington Dulles International Airport

H.R. 1347 / Public Law 103–58
To modify the boundary of Hot Spring National Park

H.R. 2683 / Public Law 103–59
To extend the operation of the migrant student record transfer system

S.J. Res. 54 / Public Law 103–60
Designating April 9, 1994, as ''National Former Prisoner of War Recognition Day''

S.J. Res. 111 / Public Law 103–61
To designate August 1, 1993, as ''Helsinki Human Rights Day''

Approved August 3

S. 20 / Public Law 103–62
Government Performance and Results Act of 1993

S. 1311 / Private Law 103–1
For the relief of Olga D. Zhondetskaya

Approved August 4

H.R. 63 / Public Law 103–63
Spring Mountains National Recreation Area Act

H.R. 236 / Public Law 103–64
To establish the Snake River Birds of Prey National Conservation Area in the State of Idaho, and for other purposes

Approved August 6

H.R. 416 / Public Law 103–65
To extend the period during which chapter 12 of title 11 of the United States Code remains in effect, and for other purposes