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as well.

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

Economic Program

Q. Mr. President, what have you offered him to—[*inaudible*]

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. The Executive orders are listed in Appendix D at the end of this volume.

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.

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. ——in tax cuts. I mean, down the road, you know—I mean, we've seen this happen before.

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.

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 way 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.

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 has 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.

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 are creating 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 1½ 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.

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 defi-

cit 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.

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: The President's statement was included in a White House statement announcing the signing of the Executive order of August 3, which is listed in Appendix D at the end of this volume.

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