

Letter to Congressional Leaders on Bipartisan Tax Cut Legislation October 25, 2000

Dear Mr. Speaker: (Dear Mr. Leader:)

We are well beyond the time when Congress should have finished its work, with many of our most important issues still left unresolved. It is crucial that we now take all possible steps to find common ground.

In that spirit, I would like to put forward a consensus tax offer to help resolve the impasse on taxes. This offer does not contain everything that my Administration and Congressional Democrats would prefer; nor does it contain all that Congressional Republicans hope to see. Rather, it recognizes that both sides need to give a little in order to accomplish bipartisan tax legislation this year and that we should keep the overall tax cut size to an amount that ensures we continue on our path of debt reduction and fiscal discipline.

First, we can raise the minimum wage without eroding traditional worker protections, while at the same time providing reasonable and targeted tax relief for small businesses. Accordingly, in exchange for my proposed minimum wage increase, I would accept the core elements of Speaker Hastert's offer on a small business tax package, costing approximately \$30 billion over 10 years, provided that the FLSA and FUTA provisions are eliminated, the welfare-to-work tax credit is extended, and modifications are made to the meals and entertainment deduction and amortization of reforestation expenses. I discuss your health care proposal later in this letter.

Second, it is essential that the Labor/HHS bill include the Rangel/Johnson proposal to build and modernize 6000 schools through \$24.8 billion in school construction financing, costing \$8.5 billion over 10 years. Considering the estimated need for \$125 billion to meet our nation's demand for safe and modern schools, this proposal is the least we should do for our children.

Third, the offer includes pension legislation adopted by the House and Senate, costing about \$50–60 billion over 10 years, provided that certain modifications that the Treasury Department has discussed with the tax-writing committees are made to ensure that employer-provided pensions for workers are not harmed, to provide meaningful protections for workers affected by cash balance conversions, and to provide pro-

gressive savings incentives for low- and moderate-income workers.

Fourth, the package includes the tax and other incentives from the bipartisan New Markets/Community Renewal legislation, at a cost of about \$25 billion over 10 years, with some changes that we have previously discussed and other associated items upon which we can agree. This will be an historic commitment to expand the promise of free enterprise and entrepreneurship to our nation's poor and underserved urban and rural areas.

It is also important that we provide the bipartisan credit for vaccine research and purchases, which will save lives and advance public health, costing about \$1.5 billion over 10 years.

Finally, it is essential for our commitment to economic growth to include the replacement of the Foreign Sales Corporation regime, which has passed the House and Senate with broad bipartisan support, costing about \$4.5 billion over 10 years.

I believe the package I have outlined above can be the basis for bipartisan consensus on a tax package.

While Congress has failed to send me a strong, enforceable Patients' Bill of Rights and a voluntary Medicare prescription drug plan for all seniors, I believe it is possible to forge a bipartisan agreement that would expand health care coverage for uninsured working Americans. The best way to do this is through the FamilyCare plan that builds on the successful Children's Health Insurance Program and expands affordable insurance to over four million parents. A deduction for the purchase of private health insurance in the individual nongroup market is an inefficient and costly way to do coverage, is far less equitable than other options that use refundable tax credits, and could lead to private employers dropping health coverage. However, in the spirit of bipartisanship and breaking gridlock, I propose that your deduction be modified to a credit with necessary consumer protections in the individual insurance markets and that the credit be coupled with the bipartisan FamilyCare proposal.

I further believe we should find a common agreement to ease the burden of long-term care

on American families. The best means to accomplish this goal is through our proposal to provide a \$3,000 tax credit for people with long-term care needs or the families who care for them. This tax credit would provide immediate assistance to those burdened by these long-term care costs today. While I cannot support your proposal to turn this into a deduction, on grounds of both equity and effectiveness, if you are willing to support our \$3,000 tax credit, I would be willing to agree to your proposal to provide an enhanced deduction for the purchase of private long-term care insurance provided there are appropriate consumer protections. This bipartisan, long-term care package has already been

endorsed by the AARP, the Alzheimer's Association, and the Health Insurance Association of America.

In the spirit of compromise, I believe we can work together quickly to pass this balanced legislation that I can sign into law and that can benefit the American people.

Sincerely,

WILLIAM J. CLINTON

NOTE: Letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Trent Lott, majority leader of the Senate. An original was not available for verification of the content of this letter.

Remarks at a Birthday Tribute to Hillary Clinton in New York City October 25, 2000

Audience members. Four more years! Four more years! Four more years!

The President. Wait, wait, wait, wait. You're off message. [Laughter]

Look at this guy. This is why I don't have birthdays anymore. [Laughter] Has Tom Cruise had a great career, or not? Let's give him a hand. Isn't he wonderful? Thank you. Bless you. [Applause]

Now look, before I say anything else, I just want you to know, if anybody has the remotest doubt that in about 90 days I'm going to be perfectly happy to leave the White House and come to New York and be a real, honest-to-goodness New Yorker—[laughter]—wait a minute—if you have any doubt about that, here's what I have to say. Forget about it. [Laughter] Why are you laughing? Why are they laughing?

Actor Robert De Niro. Well, I told you. I told you, if you want to make it in this town, let's work on this.

Fuggeddaboutit. [Laughter]

The President. Forget about it. [Laughter]

Mr. De Niro. Fuggeddaboutit.

The President. Forget about it!

Mr. De Niro. No, no. Fuggeddaboutit. Whatsamaddawityou? [Laughter]
Fuggeddaboutit.

The President. You talkindame? [Laughter]

Mr. De Niro. Fuggeddaboutit.

The President. Hey, I know I just got here, but who was that guy, anyway? [Laughter] Fuggeddaboutit. [Laughter]

I want to thank Robert De Niro. He has been a wonderful friend to me and to Hillary. And I just appeared between two guys that make more money in 8 minutes than I made in 8 years. [Laughter] Maybe they can get me into that apartment we talked about earlier tonight. [Laughter]

I have a role tonight. I'm going to play my role. I am campaigning hard out here for Spouse in Chief. And I want to tell you that I met Hillary when she was 23 and I was 24, and we were in law school. And I saw her kind of moseying around the law school, you know. And I'm embarrassed to say, for all you young people who are still students, I hate to admit this, but I was not totally absorbed by my studies at that point in my life. [Laughter]

And so I saw Hillary kind of floating around the law school. And she was sort of a presence there and a rather famous figure. I was a scruffy guy who was stylistically challenged. [Laughter] And so anyway, I had a lot of sense not to speak to her. I knew; I said, "If I talk to this woman, this is going to be nothing but trouble. I am not going to talk to her." True story.

So one night I was in the library at Yale Law School, and this guy is trying to talk me into joining the Yale Law Review. And I said,