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too. And if we keep doing that, I think the chances are we're going to come out okay.

I think I can say for the other elected officials here, I'll bet you they're pretty proud of their constituents in Ohio after this town meeting.

Who is last, Mayor? Who did you select, Mayor?

Mayor Sulzer. Right over there, Mr. President.

Education Reform

Q. Mr. President, I'm a sixth grader at Smith Middle School, and I'm wondering, do any parts of your education plan deal with children my age?

The President. Good for you. Okay. The answer is, yes, but most of them don't. And let me tell you why—the answer is yes, they do. We emphasize more funds and more efforts in math and science education, for example. And I have asked the Congress to give the Education Department some funds that will enable us to target learning strategies in elementary and junior high and high school that work, and try to get schools to repeat them.

Do you know that every problem in American education has been solved by somebody, somewhere? I mean, this is not like looking for a cure for some disease we haven't found a cure for yet. What we are not good at in American education is taking what works in one place and putting it in place of another. So the two major things are, we're trying to repeat education strategies that have given young people in the sixth grade great performance in some places, we want to try to put them in all the schools in the country. And secondly, we're going to make a special effort on math and science education.

Now, let me answer the other question. Most of the funds that I have recommended in education, most of the effort will be going to try to make sure kids get off to an equal start in school: fully funding the Head Start program, supporting schools and their preschool programs, trying to make sure that child nutrition and child health care is good, and then when children leave school, trying to make sure that they have a vocational program, a job training program, a college program to go to.

Why? Because over 90 percent of the cost of the public schools, kindergarten through 12th grade, comes from the State and local level. I can have an impact on your education only if we focus on a few issues where we can really help, like: How do you get more computers in schools, how do you do better with math and science? But most of the money comes from the State and local level. Whereas, a lot of what we have to do for children before they start school and after they graduate from high school has to come from the national level, and that's why we do it that way.

Thank you very much. You were great.

NOTE: The President spoke at 9 a.m. at Chillicothe High School. In his remarks, he referred to Mayor Joe Sulzer; Richard Cline, superintendent of schools; Vernal G. Riffe, Speaker, Ohio House of Representatives, and Melissa Hagen, student council president. These remarks were not received in time for publication in the appropriate issue.

Remarks on the Economic Plan in Hyde Park, New York

February 19, 1993

Thank you very much, my good friend, James Roosevelt, who has likewise been an inspiration to me over the years, and who knows and cares a great deal about a subject that we must all come to grips with this year, the crisis in health care; to Senator Pat Moynihan, one of the most productive people in public life in the 20th century in America.

And Mrs. Cuomo, I'm delighted to see you here, and we wish Governor Cuomo good health. He might have thought to himself on deciding whether to do the responsible thing and take to his sick bed today that he's probably heard this speech before, and he's probably given it before. [*Laughter*] I can't tell you how grateful I am to your Governor for his support and his wise counseling. We had a delightful time in the White House, Hillary and I and Governor and Mrs. Cuomo, not very long ago. It's something I will treasure for a long time.

I'm glad to see Lieutenant Governor Lundine and attorney general Abrams and Mem-

bers of the Congress, and members of both parties from the New York Assembly and State senate, and people here who are here because you are Americans. You're Republicans, Democrats, independents. I am glad to see you all here in this monument to America's possibility.

I wanted to come here for a thousand reasons; some of which are obvious. During the New York primary, which was successful in its conclusion but rather rough in its prelude on me—[*laughter*]—I was absolutely enthralled by a book about President Roosevelt called ''The First Class Temperament'' written by a man named Jeffrey Ward. And I read a lot about Hyde Park. And the thing that moved me most was the way President Roosevelt came to grips with the fact of his polio and learned to live with it and learned to triumph over it and learned to use it to make himself stronger inside and not to be defeated by it. And ever since, I have been transformed from someone who had a mild interest in coming here to someone who had a burning passion to see this place. And I am honored to be here today.

I want to say one more word, if I might, about Senator Moynihan because we've worked together over the years on a lot of things. I helped him to rewrite the welfare laws of our Nation in the late eighties and what he said was the most significant social welfare reform in 30 years, if only we could implement it. And one of the reasons I ran for President is to try to change the welfare system as we know it. I have watched him over more than two decades personally warn us about the decline of America's families, the development of a new and possibly permanent underclass in America, the importance of restoring the value of work to our social programs, a decade ago warning about the breakup of what was then the Soviet Union when most people thought that he was speaking a foreign language. And I can tell you that with leadership like his we can solve the problems this country faces today.

I think of that because—[*applause*]—yes, you can give him a hand. That's good. We were about 45 or 50 minutes away from here when we landed in the airplane, and all along the way there were people, school children, hundreds of them, lining the way with their signs; and the young people at Marist College having even printed signs; many people were young; some were older. A lot of them were terribly young. Most of them were I'd say between 20 and 50, anyway. [*Laughter*] That's young to me, you know. I find myself redefining that word every year. And there are all kinds of incredible things: ''Get the U.S. fit,'' one sign said. ''I want to give something to my country,'' another said. One I might have to give a trip to the doctor. It said, ''I want to pay more taxes.'' I couldn't believe that. [*Laughter*] One sign said, ''Shake 'em up, Bill.'' One sign said, ''Give Bill a chance.'' One said, ''Turn my country around.'' Another said, ''I've got a B.A. and no job; I'm ready to change.'' Another said, ''Just do something.''

Then, of course, there were a few that weren't so favorable, but that's all right. That's what this country's all about, too. But I couldn't believe the number of people who were there. And I say that because as much as anything else, I think our country now is infused with a new sense of possibility.

One of the things that really used to depress me as I crossed America last year was the look I saw in so many people's eyes of skepticism, almost a painful unwillingness to believe that we can make things better, that we could change, that we could come to grips with the challenges of our time and overcome them and move forward.

One of the things that I think—perhaps the most important thing that was achieved in the last election year was we had a huge increase in turnout, an even bigger increase among younger people, and now every day the White House switchboard and the mailroom are fuller than they have been in decades and decades because people believe that it matters again.

This country has been kept going through two centuries now because of the peculiar mix of the energy of its people at the grassroots level and the vision of its leaders. But if you have one without the other, the country can't go forward. There have been times in the past when leaders have foreseen the future and known what needed to be done, but there was no connection with the people and so nothing could happen. There have been many times, I'm convinced, when the

people have been ahead of their leaders. But if they had no visionary leaders, nobody to put all that energy together with the levers of public authority, nothing happened. We all hope, I think, from whatever perspective we come, that we now have a moment in our history where we have the energy of the people and a direction we can take.

I ran for President because I believe this was a critical moment in our country's history. And there have been many over the last two centuries. I think of the Founding Fathers, who actually welded a Nation out of 13 independent colonies when many people—maybe if you'd even taken a poll, a majority of the people would have said, "Who wants one army? Who wants one currency? Who wants to really give up all this independence we have in New York or South Carolina? What do we have in common with those people down there?"

I think of Thomas Jefferson. Some people thought he was crazy when he ponied up $15 million to buy something then called the Louisiana Purchase, which most Americans could not even imagine and hardly anyone had ever seen. And if he hadn't done it, since I live on the edge of the Louisiana Purchase, you'd be listening to somebody from somewhere else give this speech today.

I think of Abraham Lincoln. We now take it for granted that the Union would be preserved, that the slaves would be freed, that all this would happen. The truth is that a great many people thought there was no way to hold this Nation together. And a great deal of what did it was his vision and his sheer will.

I think of President Roosevelt in the depths of the Depression, having gone through his personal journey, to cope with his personal problems, summoning interior strength and reserve to lift the Nation's vision and to make people believe again that by taking one step at a time, by coming and building a beautiful school like this with the WPA; that if you did enough things like this and you just kept trying long enough, sooner or later we would go forward, we would work our way out of it by what he called then bold, persistent experimentation.

Today, I think we need that kind of experimentation based on the plain evidence that we are in a rut. What we have been doing is not working to deal with the problems we face.

For about two decades, through administrations of both parties' Presidents, we've been steadily moving into a global economy which is much more competitive, where other countries have been growing more rapidly than we and moving toward our standard of living, where we have to compete in all forms of economic life in ways that can force us to endure real pain, as you folks in this part of the country have seen recently with the difficulties that a magnificent company, IBM, has been forced to come to grips with. This is not an isolated event. This is part of the passage of time and the economic realities in which we live.

That global economy abroad has presented us with a lot of challenges and a lot of opportunities here. But our ability to deal with it has been limited by a lot of the educational and training and social problems we have here at home, our racial and ethnic and income diversity, the high rates of violence, and the whole pockets of poverty we have in this country and lack of investment. We have seen that there are a lot of things that are just not quite fitting very well.

And now we've had two decades in which the wages of most Americans have been stagnant compared to inflation. And when you look at the rising cost of education, health care, housing, the tax burden, most Americans are working harder today than they were 10 year ago for real, disposable income that is less because of these sweeping trends.

For 12 years, we have tried a clear approach to our country's problems. When President Reagan was elected in 1980, he ran with a clear sense of what he wished to do. He said, "The Government is the problem here. It causes inflation. It causes middle-class people to have trouble. What we need is a very restricted role for Government. And we will also lower taxes on everybody, but most of all on the wealthiest Americans. Because if we give them their money back, they will invest it in America, create jobs, drive up incomes, increase jobs, and we will be the most prosperous country in the world."

Well, I believe that free enterprise is the engine of growth in America. We are fun-

damentally a conservative, private, capitalist free enterprise country. But every other nation with which we compete decided to take a slightly different course. They said to themselves in Germany and Japan: Well, we're in a global economy in which the government and the people in the private sector have to work together. We've got to work together to train and educate our people as well as possible. We've got to work together to have economic policies that encourage investment over consumption so we can always be competitive. We've got to have a good trade policy, and we've got to do things that make it possible to create high-wage, high-growth jobs so that all the students who go to school here will have a future, and so that America will be strong. That's what I think we have to do.

In other words, that is my vision. That is not what we have done. What we have done is to try for 12 years to cramp the role of Government. Now, look what's happened in practice. In practice, we have lowered taxes on the wealthiest Americans. Taxes on the middle class have actually gone up in the last 12 years. We have run a horrendous Government deficit. The deficit is now 4 times as big as it was in 1980.

We have seen spending go up in areas that the Government would have to move to control, mostly health care and then interest on the debt, because when the deficit gets bigger and bigger and bigger, you spend more money on the debt. So we have reduced investment, increased the debt, moved money upward so that there's been much more inequality of income distribution, but we have not seen the kind of investment that creates high-wage, high-growth jobs in the emerging technologies that guarantee a future for all the young people that live here and throughout our land.

So I ran for President because I really believe we ought to try a different course. Not to blame past Presidents. If you look at what's happened in Washington, none of it could have happened if there hadn't been bipartisan support for the course and support in Congress as well as in the White House. This is not about blame.

I want to simply take responsibility. And as I told the Congress the other night, if we turn this country around, I don't care who gets the credit for it, either. I just think the time has come to make a change. We have tried one thing 12 years. It obviously has problems. It is time to change.

Now, what does that mean? Change for change sake is not good. What does it mean? It means to me that we should do the following things. First of all, the Government should pursue a policy of increasing investment in those things which contribute to a growing economy. What are those things? We should invest more than we are now and more toward what our competitors do, in the infrastructure of the country, in transportation and communications, in environmental cleanup, in those things which increase productivity and put people to work.

It means we should do whatever it takes to educate people for a lifetime at very high levels, because the skill level of the work force is the single most important determinant of income and the capacity to grow new jobs rapidly as new areas of opportunity open up. It means that we should invest in partnership with the private sector in new technologies which will determine the future of the country. And it means we should not give up on those areas where we have a lead. And let me just give you two examples:

One is in computer technology and information technology. That's why what's happening to some of our big companies is very disturbing and why I'm going to California this weekend to announce a new technology policy to try to revitalize this whole sector of our economy.

I'll give you another example which doesn't affect New York much, but it affects our country desperately, and that is aerospace. Boeing just announced 23,000 layoffs when we know that aerospace jobs are growing in number worldwide, high-wage jobs. And we sat here for 10 years and let Europe put $26 billion into an airbus program, direct government subsidies, to throw Boeing workers, McDonnell-Douglas workers, and other aerospace workers in America out of work because we said, "Well, we don't practice those kind of partnerships." So we have got to face the fact that we've taken a new direction.

And finally, it means that we must reduce the Government's debt. Why? Because if the debt gets bigger and bigger and bigger, two bad things happen: Bad thing number one is the Congress spends more of your tax money every year paying interest on the debt rather than investing in your future. It's now up to 15 cents on the dollar. If we do not change present spending patterns—when you hear people oppose the program I outline, ask them what the cost of the status quo is.

If we behave for 4 more years like we have for the last 12, here's what will happen: By the end of the decade, the deficit will be $650 billion a year, and we'll be spending about 22 cents of every one of your tax dollars just paying interest on the debt. We'll be spending by then, because of the growth of health care costs, about 65 cents of your tax dollars on entitlements, and being in Congress will be a matter of how you spend 5 or 6 cents on every dollar. The rest of this will be just be rubber stamped. You can just have a computer instead of Congress.

I know what you're thinking. Please don't say that. [*Laughter*] So, forgive me, Senator Moynihan, I had to say that. [*Laughter*] But you get it. I mean, it's squeezing the life out of the money you're giving up in taxes.

The second reason, even more important, is the more money the Government borrows every year, the less money there is for people to borrow in the private sector and the higher the cost of the money is. Just since the election, since we made it clear that there was going to be a determined effort to lower the deficit, interest rates long-term have dropped considerably. I'll come back to this in a moment.

But if you think about it, this year if we pass this budget, everybody in America who borrows long-term to finance a business, to finance a car, to finance a home, to finance credit card purchases, everybody that has access to variable interest rates will have those interest rates go down. And in my judgment, virtually everybody who has credit will save more money in lower interest costs than they will pay in higher taxes. Now, that's very, very important.

Now, how are we going to do this? The first thing we have to do, and I mean the first, is to cut inessential Government spending. I've been President 4 weeks, and I've found things that I wouldn't have believed. The White House, when I became President, was running on Jimmy Carter's telephone system and Lyndon Johnson's switchboard. [*Laughter*] In this—true—high wage, this high technology era with a procurement system that would have broken Einstein's brain. [*Laughter*]

There were a lot of things that needed to be changed in the Federal Government, and there still are. But in 4 weeks, we have cut the White House staff by 25 percent, starting at the beginning of the next fiscal year, and reorganized the White House so it will work more efficiently; not just cut but serve better. We have authorized in this budget administrative cuts in every Government Department, totaling 14 percent over the next 4 years for a savings of $9 billion. And there have been 150 specific cuts in Government programs, including programs that help a lot of good people but that I don't think we can afford at the present level anymore, programs like the two uranium enrichment facilities we have when we now know we only need one. And I was in one congressional district where one of those two facilities are this morning.

You can say these cuts are not difficult, but when you look into the eyes of people who may be personally affected by them, they are, including reductions in the interest subsidies to the Rural Electrification Authority, something that brought electricity to my relatives in my State and which is still a very major force. Things that have some good in them, but we simply can't afford them.

We've cut things out that have no good purpose anymore as far as I can tell, including a whole slew of commissions. Do you remember when we had the Tall Ships come into New York Harbor for the Bicentennial? That was a long time ago. Remember that? There's still a Bicentennial Commission. [*Laughter*] That's just one example. It's the funniest, but not the most costly. There are a lot of others.

We have cut back on programs that involve subsidizing activities more than we should. The Superfund, for example, has, in my judgment, too much contribution from the tax-

payer, too little from those who are responsible for the problem, and none of the money is being spent right. So far it's all going to lawyers. It's all going to lawyers.

There is a program that I think helps a lot of wonderful people. It's a subsidy to sheep growers. You laugh. I asked Senator Moynihan if anybody in New York still raised sheep. We had sheep on the farm when I was a boy, so I'm more sensitive to this than some are.

But when I got to studying this, we started to subsidize the sheep growers in World War I because we needed plenty of wool for uniforms. But the program is still on the books exactly as it was, not designed to help the small farmers stay in business, necessarily, but an across-the-board subsidy of that kind. So I recommended cutting it back. All these things have constituencies. But I can tell you, we are going to have to prove that we can cut things.

When Roosevelt talked about bold, persistent experimentation, you know what an experiment is in science. It is trying out a new thesis. If it works, you incorporate it. You build on it. You go on to the next experiment. If it doesn't work, you quit. Government has a one-way experiment. We're very good at starting things and absolutely terrible at stopping them.

So what we're going to try to do is start some new things. I want to fully fund Head Start. I want a big, new technology initiative. I want a big, new technology issue. I want to make it possible for every student in this country to borrow the money to go to college and then pay it back on favorable terms or work it off in national service as teachers or police officers, or working with kids in trouble.

But we can't do that if we keep on doing everything we used to do. We have to stop doing some things we used to do to free up some money for things we should do. And we have to cut more in the past than we're going to spend in the future, because we have to use some of that money to reduce the deficit, too. So I ask you to support that.

Now, in 4 weeks we found 150 specific cuts. As I said to the Congress the other night, in all good conscience to both the Republicans and the Democrats, I've just been there 4 weeks. Some of them have been there a lot longer than I have, and if anybody's got any other ideas, I'd like to have them. I just got started. You can look forward to more.

I also think as I said in the campaign that we have to raise some more money. I now believe what I said might be true in the campaign, but I didn't think it was, that we have to raise it from a broader base than just people that make over $100,000, and I want to deal with that.

After the election in December, the Government increased its estimates of our deficit by about $50 billion a year over the next 4 years. Now, if I had stayed with exactly the same plan that I recommended in the campaign, the first thing my critics who now attack me for raising taxes would say is, ''Oh, he's going to increase the deficit. Oh, he's being too optimistic.''

I decided that when they revise deficit figures up one more time $50 billion a year, that somebody had to take this thing and shake it up and say, ''We are definitely going to have a plan of spending cuts, new investments, and revenue increases that will bring this debt down.'' And I plead guilty to doing that.

And I think almost any of you, if you had been in my circumstance, would have done the same thing if you were thinking about what was in the long-term best interest of the country. And you can see it by how much interest rates have come down just since the election. People who control these things desperately want to believe that our Government can exercise some discipline again, that we can have some focus, that we can show some restraint as well as some activity.

Now, the taxes that I propose to raise—let me just basically go through them—are essentially three. There are more minor ones, but the big-ticket items are as follows:

Number one, an increase in the income tax on the top 1.2 percent of income earners; an increase in the corporate income tax on corporations that have income in excess of $10 million a year.

Number two, an increase in the income subject to taxation of people who draw Social Security but also have other income in excess of $32,000 a year if they're couples, or indi-

viduals in excess of $25,000 a year. In other words, anyone who is not paying tax on Social Security now will not pay tax under my plan. That's 80 percent of the Social Security recipients. The upper 20 percent will be asked to pay taxes on a higher percentage of their income, but we will still leave enough of that income free so that almost all of them will get back what they put into the Social Security system plus interest without taxation. The rest will be subject to the income tax. I think that is fair.

Since 1985—I'm very proud of this—since 1985—as an American, you should be proud of it—the people of this country over 65 have had a lower poverty rate than people under 65. That's the good news. The bad news is that one in five American kids is living in poverty. So it seems to me that this is a fair thing to do under these circumstances.

And then the third thing I recommended was an energy tax that will raise $20 billion a year and will help us to clean up the environment, promote conservation, and make us more independent of foreign oil. It is a broad-based tax to try to be fair to every part of the country.

And I want to deal with this because I'm in New York now. There were some who said tax carbon, that's a fancy way of saying tax coal, which is very tough on West Virginia, Virginia, Ohio, Pennsylvania, coal States that have been very hard hit. So I said, no. There were others who said put a huge tax on gasoline, which is good for city dwellers but tough on people that live in the country and that live in those big western States where they have to drive very long distances and a carpool is not an option. So we said, no. And some said tax the value of energy, which sounds great, except whenever one source of energy goes up the taxes go up. So you reinforce price increases. So we decided the most environmentally responsible and regionally fair way to do it was to tax the heat content of energy, oil, gas, coal in a very modest way, and then to have an offset over the next 4 years where any disproportionate impact in the Northeast for home heating oil, and real incentives for conversion.

Now finally, let me say this program exacts no new taxes for the 40-plus percent of our income tax payers whose taxable income is under $30,000. About $20 a year for people at $30,000 goes up to something between $10 and $15 a month, depending on what your purchasing habits are for people at $40,000. Seventy percent of it comes from people whose incomes exceed $100,000.

There are also some other things here I want you to know about. This program has some tax incentives, which is a fancy way for saying tax cuts for people who invest their money: for the next 2 years, an investment tax credit for all businesses in America large and small who increase their rate of investment; then after that, some tax changes asked for by the manufacturing community for bigger businesses that will always encourage investment; and, for the first time, I think, ever, a small business investment tax credit that is a permanent 7-percent investment tax credit for the 90-plus percent of our businesses that operate on $5 million or less in revenues but create most of our new jobs.

This is a very significant thing that will encourage the private sector to invest in job-generating activities and very important, because in every year of the 1980's, big business lost employment and small business overcame it with more new jobs; but for the last 2½ years small business has not been creating enough jobs to offset the losses in big business. So we've got to reverse that.

There's one final point I want to make as strongly as I can about this. Our plan will bring the deficit down dramatically over the next 4 years. In the fourth year, it will be $140 billion a year lower than it would otherwise be. But unless we also tackle the health care crisis this year, the deficits will start going up after that no matter what we do, because the cost of health care is going to overtake every other thing in the budget and swallow it whole, and not for new health care. We will be paying more for the same health care. So there is no more urgent item on our national agenda than getting all the people involved in health care together and trying to hammer it out.

I asked the First Lady, as all of you know, to head a task force on this. She is increasingly less grateful to me for having asked her to do that. [*Laughter*] But she's very good at bringing people together on a complex matter and bringing them to conclusions and

coming to a clear plan. And we have got to do that, or we can't turn this country's economic health around.

You talk to any major manufacturer and ask them what their biggest problem is. Nine out of ten of them will tell you, ''my health care costs.'' You talk to the steel people and the auto people and ask them, and a lot of them will tell you, ''just paying the health care costs of our retirees.'' So we have to face that.

Now, that's all of the bad news. Now, what's the good news? What are you going to get out of this? A half a million new jobs in the next year and a half in a job stimulus program, and a long-term program to raise our levels of investment and our quality of education and training, to be fairer to the lower income working people and create an environment that moves people from welfare to work, to have policies that really support families who are working and trying to raise children, and to have an investment program that breaks the barriers of new technologies and actually tries to create more new jobs than we are losing every year.

No one can promise you, nobody, to stop anything bad from happening in this world. The world you're living in is so dynamic; there's going to be so many changes; no one can repeal the law of change. But change has been too many enemies for too many people. I seek to make change the friend of the American people. That's what this program does. It will make change our friend instead of our enemy. But we first have the courage. We must have the courage to seize control of our own destiny.

So I want to say to you, just as I said to Congress the other night, I need your help. I can't do this alone. If you think there's something wrong with my program, fine. Come up with an alternative. But I promise you, the cost of the status quo is the most expensive course of all. Staying with what we've been doing is plainly unacceptable. Every American ought to be able to see that. The price is entirely too high. The price of my program is far lower with far higher results.

I ask people of good will all across this country, just as I asked the Congress: If you can think of more things we can cut in spending that are really good for this economy and the American people over the long run, have at it. Let's go. I'm just getting started. I will not, I will not support any tax increase without the spending cuts. I'm not for that. I think we would also be very foolish to say that we don't need to invest more in our children and in our technology and in our economic future in putting the American people back to work. After all, the bottom line of all this is the chance that Americans need to have a dignified life.

We are here in this beautiful school building today. It still looks fabulous after all these years because President Roosevelt knew it was wrong to let all those energetic, hard-working, family-oriented, God-fearing craftsmen and people who could work, sit idle month after month, year after year, when they had a contribution to make that would be good for themselves and good for the country.

I ask you now to give me your support so that we can mobilize the energies of a whole generation of Americans. It will be good for you, but more important, it will be good for the country.

Thank you very much.

NOTE: The President spoke at 3:46 p.m. in the auditorium of Haviland Middle School. In his remarks, he referred to Lt. Governor Stan Lundine and Attorney General Robert Abrams of New York. These remarks were not received in time for publication in the appropriate issue.

Radio Address to the Nation on the Economic Plan

February 20, 1993

This is Bill Clinton. As you know, this week I sent Congress my economic plan to create new jobs and to lift the living standards of Americans and their children. This morning I want to talk with you directly about it.

Let's begin with the children. If you're on your way to soccer practice or to take your children to a grocery store, if you can see from the window of your apartment children riding bikes or tossing a snowball, you know why we care so much about our schools and our neighborhoods and why we feel so