

Remarks Following a Luncheon With Business Leaders and an Exchange With Reporters

July 28, 1993

The President. Thank you very much. Please be seated. First let me thank all the business leaders who are here: Felix Rohytan, John Johnson, Ron Hall, Harry Buckley, and Mike Walsh for the fine words that they said but all those who are also on this platform behind me today. They represent companies of all sizes and shapes from Main Street to Wall Street.

They're here united in an unwavering desire and commitment to the health of the American economy over continued political rhetoric, to productivity over politics, to action over gridlock. They are here, just as I am, not because anyone agrees with every last line and jot and tiddle of this economic program as it will doubtless come out of the conference, but because of what it does and because it does far more good than harm; because it brings down the deficit by \$500 billion; because it has an equal apportionment of cuts and new revenues; because the revenues are fairly apportioned. And I was very proud of the speakers because the people who are up here with me are the ones who are really going to pay all the revenues that others are complaining about. And they have determined that they will do it to bring the deficit down, to keep interest rates down, to restore the stability and health of the American economy.

We talked a lot today about a few other issues at lunch, and I just would emphasize what I have tried to emphasize before, which is that over 90 percent of the small businesses in this country will be eligible for a tax cut if this plan passes; that working families with incomes under \$30,000 will be held harmless; the working poor with children in their homes who spend 40 hours a week on the job will, for the first time, be able to work themselves out of poverty; that we have new and important incentives for high tech companies, extension of the incentives for research and development, and a real commitment to grow this economy.

I want to say again, as I have on so many other occasions, that for every \$10 of deficit

reduction, \$5 is in spending cuts; \$4 in new revenues from the upper 6 percent of the American work force; and \$1 from middle class families with incomes of between \$30,000 and \$140,000.

The people on this platform today represent what makes America work—the fact that they have become more involved in this, that they are willing to put their own names on the line. And many of them are Republicans; some are Democrats; some are independents. They're all united here because they're Americans, and they know that we've neglected our problems long enough.

I thank them for their presence here, for their willingness to lobby the Congress. And I assure them that together our best efforts, I believe, will produce a victory in this economic battle.

Thank you very much.

Bosnia

Q. Mr. President, if I could turn your attention to the situation in Bosnia. The United States has long promised to provide air support if U.N. peacekeepers are threatened. French peacekeepers have now been fired on for 2 days in a row. Are you now prepared to deliver your air power, and would that alone be enough to deter Serbian aggression?

The President. We are prepared to fulfill our commitments, yes. The procedure is as follows: The United Nations forces in Bosnia must ask the Secretary-General of the United Nations for assistance. He will then relay that request to NATO, and we would act through NATO. And the answer to your question is, we are prepared to move if we are asked to provide that assistance by the Secretary-General.

Will it be enough to deter aggression, to stop the shelling of Sarajevo, to bring the parties to the peace table? I don't know. But we are prepared to do our part.

Q. Mr. President, do you feel that the United States and its NATO allies already have the assets in place, the air power and the air traffic controllers to go ahead with these kinds of air strikes? And what does your gut tell you? Do you think the U.S. and its allies will be bombing Serbian targets in Bosnia within the next few days?

The President. There are a few questions on which a President's conversation with his gut should not be made public until the facts present themselves. [Laughter] Let me say this: If the request comes, we certainly can be prepared. NATO can be prepared within a very brief time span.

Middle East

Q. [Inaudible]—bombing—near silence of the United States during this fourth day of bombardment of Lebanon—the civilians being driven from—is being interpreted in the Middle East as supportive of these assaults. What are you going to do to stop the bombing, and would Christopher really be welcome in these outraged capitals?

The President. The reason I asked—well, I didn't ask; Secretary Christopher and I had a conversation, and we agreed that he should come home—is because we are so concerned about what is going on in the Middle East. I think Hezbollah should stop its attacks, and I think Israel should stop the bombardments. I think that Syria should go from showing restraint to being an active participant to try to stop the fighting. And we ought to do whatever we can to stop the fighting as quickly as possible.

Economic Program

Q. Mr. President, on the subject of the budget, at least eight Democratic Senators, possibly as many as 10 or 12, have said that they are leaning against voting for it. And five Democratic Senators have written to the conference committee chairman and have said that they do not want the gasoline tax or any form of energy tax. Do you believe you will have to make major compromises, such as eliminating the gasoline tax entirely, in order to get it past the Senate? How do you propose to get Senator—

The President. I don't.

Q. —Boren and Senator Nunn—

The President. I don't, because I haven't—no one's answered the question that—almost all the ones who say that also say I want \$500 billion in deficit reduction and, by the way, put all the economic incentives for growth in. It becomes an arithmetic problem at some point. And that's really basically what it is. The fuel tax that's in there now is modest. It will not promote a great

deal of energy conservation. It has very little environmental significance. The real question is, is it necessary to get \$500 billion in deficit reduction to have real tax fairness in terms of what's provided in terms of the earned-income tax credit and to have the economic incentives. And no one so far has been able to give a credible alternative. So I would say to you I think our plan is still the best one on the table.

Q. You've been meeting one-on-one with them. Have you been able to persuade any of the opponents to switch?

The President. Let me say this: The atmosphere and discussions here is not as bad as—if anything, it's a little better than it was before the initial votes were taken in the Senate and the House. We'll just have to see. I mean, I think in the end a lot of them, whatever the situation is, they're going to have to make up their minds whether the consequences of voting no for the country are graver than the consequences of voting yes. If that's the question, they'll all vote yes.

Bosnia

Q. Mr. President, I just want to clarify on the Bosnia situation. Is it your interpretation that if we do engage in air strikes there, that we will go not after the source of fire if it can be identified but also, if necessary, against other Serbian targets, headquarters, or logistical sites? And just as a followup to that, if I could, are you concerned that in doing this that we'll send a signal possibly to the Moslems that it could be overinterpreted by them that the cavalry is coming and maybe now they should hang back a little bit?

The President. Let me try to answer both questions. First of all, I have not yet had a meeting with the Secretary of Defense and the Chairman of the Joint Chiefs. I have not been briefed on our options. And I don't think I should comment on that at this time.

Secondly, we have, at the request of President Izetbegovic, agreed to have Reg Bartholomew go and participate in the discussions about whether a peace agreement can be reached. We have made it clear to all the parties all along that we would never seek to impose an agreement on the Bosnian Government. We've also made it clear to the

Bosnian Government that we think that they should always be willing to talk, but we're not going to try to impose a settlement on them. I think that they know that our position would be that we should continue to discuss a peaceful resolution to this.

Middle East

Q. Do I detect correctly, sir, a slight shift in your attitude towards Syria, which you commended yesterday for its role in the current trouble in the Middle East? And do you think you might have been too hasty yesterday and have you changed your mind?

The President. No. I don't think anybody thought that Syria was exactly behind Hezbollah. I just believe that they could do more. I think it's now time for all the players to do more to bring an end to the fighting. I think Syria, and Israel, Jordan, the Palestinians, and the Lebanese, everybody except these political groups that make their living from the continued misery of the Palestinians, everybody else has a vested interest in continuing the Middle East peace process, and I hope that we can get it going again.

NAFTA

Q. On the free trade agreement, you are coming to the end of the collateral negotiation with Canada and Mexico. I understand they'll be meeting here tomorrow—country are talking about—deficit reduction. What new facts are you getting from them on the free trade agreement, are they backing you on that?

The President. I think most of them are for it. I certainly hope they are, and I believe they are. I'll take one more.

Bosnia

Q. Mr. President, Boutros-Ghali has said in the last few hours that he thinks the NATO air cover should be able to start early next week. Based on what you know about it now, and this plan has been around since May, how do you calculate the risk? Do you feel like you have any obligation to go to Congress before that first plane takes off or to go to the public with this?

The President. I think I should wait. I asked the Secretary of State to come home to discuss the Middle East. He is now home.

I want to talk about Bosnia with him, with the Secretary of Defense, with some others, before I decide on what next has to be done. I think that the commitment that we have had all along to defend the United Nations forces there if they were attacked is, I think, fairly clear and has been highly publicized. But of course, if we have to take any action, I will have appropriate consultations with Congress and appropriate conversations with the American people.

Thank you.

NOTE: The President spoke at 2:12 p.m. in the East Room at the White House. In his remarks, he referred to Felix Rohytan, senior partner, Lizard Freres; John Johnson, chairman and chief executive officer, Johnson Publishing Co.; Ron Hall, president and chief executive officer, Citgo Petroleum Corp.; Harry Buckley, president and chief executive officer, H&R Block Tax Services, Inc.; Mike Walsh, chairman and chief executive officer, Tenneco, Inc.; and Alija Izetbegovic, President, Republic of Bosnia-Herzegovina.

Interview With the Texas Media

July 28, 1993

The President. It's nice to see you all here. And I know you've all received other briefings today. And so I think that probably the best thing to do would be to start, and I'll answer your questions.

Texas Senatorial Election

Q. [Inaudible]—we are aware of the fact that did carry the State in the election last year. And more recently Texas rejected the Democratic-appointed Senator in what some people, such as Senator Gramm, characterized as repudiation of you and your policies. So to paraphrase Admiral Stockdale, why are we here?

The President. [Inaudible]—several others who wanted to support it and felt that there had never been an adequate defense made in Texas. I thought, given the fact that I had two Texas opponents, I did rather well there in the last election. And I don't, with all respect, I don't think the Senate race in Texas was a referendum on our program, because nobody defended it; nobody said what was in it.