

city hospitals, the therapeutic services? What about the veterans? Have they decided—what do they want to spend for defense? And we have to protect Social Security.

Now after we do all that, then they ought to ask themselves what their revenue estimates—or whatever revenue estimates they intend to use—what is left? And then that is how we ought to determine the size of the tax cut. We're doing this backwards. So you have this curious situation where the majority party is both passing a big tax cut, and passing big spending bills without any sense of how this is going to be reconciled. So to me, the most important thing is that we engage in the same process, that we put first things first.

Now, if we can agree on an amount, do I have to be flexible on how it's done? Of course I do; they have more votes than we do. Even the Democrats in Congress had a different plan than I did, and I thought they had some good ideas. The most important thing is that we engage in a process that saves Social Security and Medicare, that pays the debt off, and that continues to invest in education, defense, and the things we have to invest in. Then I think we ought to give whatever's left back to the American people in a tax cut. I obviously will argue for the fairest possible way.

I mean, if you look at the tax cut they adopted, the top one percent get 25 percent, the bottom 81 percent get 25 percent. So I think that, you know, 75 percent of the benefits go to the top 20 percent of the people. I think that there are problems with it, but I'm—clearly we'd have to negotiate the content, the details. But the amount should be determined not by politics but by arithmetic and by what we agree on in Medicare and the investments we agree to make in our country's future and our education and defense and the environment and by what we have to spend for the agriculture, for the veterans, for the problems that are now out there with the teaching hospitals, the inner-city hospitals—the therapy services have been cancelled, those kinds of things. We need to find out what we are going to do and what we have to do and what is right for the long-term interest of America, and then we can have the short-term tax cut.

And let me just make one other point about that, as we celebrate 300,000 more jobs and finally breaking the 19 million job barrier. We have seen warning after warning after warning in the business press in the last 2 weeks that a big tax cut in the face of this growing economy would be viewed as an inflationary measure which would cause the markets to raise interest rates, which would turn right around and take the benefits away from ordinary Americans that they get from tax cuts. If you get a tax cut today and the tax cut causes higher home mortgage rates, higher car payment rates, higher interest—credit card rates, higher college loan rates, and a weaker economy, then it won't take long for that tax cut to disappear in the flash of an eye. And that's another thing that ought to be considered here.

Inflation and Interest Rates/FED Chairman Alan Greenspan

Q. Mr. President, regardless of the tax cut debate, the unemployment report today was only the latest in a series this week that have raised concerns about inflation. Would a small increase in interest rates now be an understandable response to that? And secondly, have you made any decisions on Chairman Greenspan and another term at the FED?

The President. Well, first of all, I think he has done a terrific job, and they will make their own judgments. But what I am doing is designed—he testified in the Congress along these lines. Now I'm very gratified that the actual inflation rate is not high. It is true that we're finally getting some wage increases the last 2½ to 3 years for ordinary people, and they're getting ahead again after 20 years of falling behind. And I think that's good. But we—what—we should do everything we can—those of us with political responsibilities in the Government, to fight inflationary pressures so we continue to create jobs and raise incomes without inflation which will certainly raise interest rates. The market will raise them, whatever the FED does, if we really have big inflation come back into the economy.

So I'm doing my best to hold inflation down. And that's the signal that I want to send today. I never comment on the interest

rate decisions of the FED, and I don't want to start now. I think that we have had an independent policy, but our policies have reinforced one another, which is to have growth and jobs without inflation. And that's what I think we should do.

Thank you very much.

End of Fiscal Year

Q. The end of the fiscal year is just 2 months away. Do you think we'll have a train wreck, sir?

The President. No.

NOTE: The President spoke at 9:50 a.m. on the South Lawn at the White House. A portion of these remarks could not be verified because the tape was incomplete.

Statement on the Anniversary of the United States Embassy Bombings in Kenya and Tanzania

August 6, 1999

One year ago twin explosions at America's Embassies in Nairobi and Dar es Salaam claimed the lives of 12 dedicated Americans, 44 Kenyan and Tanzanian nationals working to support our diplomatic efforts, and more than 200 others going about their daily lives. Thousands more were injured, many seriously.

The intended victims of this vicious crime stood for everything that is right about our country and the world—Americans and Africans, working together for peace and progress and a better future. They were good people, taken from us precisely because they were doing good.

Terrorists murdered these men and women and tore the hearts of those who loved them. But their violence could not and did not destroy the ideals for which their victims stood. Instead, we have only intensified our commitment to fundamental values: democracy and human rights, justice and tolerance.

Their violence could not and did not damage America's bonds with Kenya, Tanzania, and the other striving nations of Africa. Instead, our governments and peoples worked hand in hand to respond to the tragedy, and

we remain united in our determination that terrorism will not destroy Africa's progress.

Their violence could not and did not make America shrink from the world. Instead of giving in to those who wish us harm, we have stayed engaged—to promote freedom and opportunity, fight hunger and disease, build peace and stability, and thereby, protect our national interests. And we have intensified the struggle against terrorist violence and strengthened security to protect our people. We have increased pressure on the Taliban and Afghanistan to deliver suspects in the Embassy bombings. Working with our friends abroad, we have tracked down, arrested, and indicted key suspects. And we will not rest until justice is done.

The terrorists who bombed our Embassies could not and did not erase the lives of selflessness, courage, and joy that these 12 proud Americans lived. Today their names are inscribed at the State Department, so that all who pass through its halls will be reminded of them and their good deeds: Sergeant Jesse Nathan Aliganga; Julian Bartley, Sr.; Julian Bartley, Jr.; Jean Dalizu; Molly Huckaby Hardy; Sergeant Kenneth Hobson; Prabhi Gupta Kavalier; Arlene Kirk; Dr. Mary Louise Martin; Ann Michelle O'Connor; Senior Master Sergeant Sherry Lynn Olds; Uttamlal "Tom" Shah.

We remember their contributions, their sacrifice, and the happiness they brought to those who knew them. And we will remember our obligation to all the men and women who serve our country overseas and to their families—to help them do their jobs and live their lives in the face of peril and to reward their service and faith in America with our gratitude and support.

The struggle against violent hate, and for a peaceful and tolerant world is far from over. But in the end, we will prevail against terrorism, because the spirited dedication of men and women like those who perished last August 7th lives on among people of good will all over the world. No bullet or bomb can ever destroy it.