

Exchange With Reporters Prior to a Meeting With Democratic Congressional Leaders February 16, 1993

Economic Program

Q. Mr. President, are you going to expand the millionaires surtax and apply it to everyone earning more than \$250,000—

The President. Stay tuned.

Q. —as has been reported?

Q. Mr. President, Senator Gramm says this isn't contributions from everybody, it's just raw pain.

Q. Which Gramm? [Laughter]

The President. I think when you see the whole program, it won't be raw pain. I think most middle class Americans, when you look at the costs plus the benefits, are going to be much, much better off. It's a very progressive program. And a lot of the wealthiest American business leaders I've talked to believe that their businesses will be much better off with stable long-term low interest rates and the availability to invest and grow. And they think that the price is a small one compared to the long-term economic health of their own businesses as well as the economy.

Q. Are you going to have a second round of tax increases to pay for health care, as a memo advising your task force—

The President. Tune in.

Q. But will that be necessary—

The President. Depends on how you do it.

Q. Is it harder to cut spending than you thought it would be? Is it more difficult?

The President. We've cut quite a bit of spending. I think it is difficult to justify cutting big health care spending unless it is in the context of providing affordable health care to everybody, because you don't want to do it in a way that's really burdensome on the consumers with health care. The people we help now with Government money in health care are elderly and the poor. So we can control that spending in the years ahead but only in the context of an overall health care program. So if you take health care off the books and you take interest on the debt off the books, it's more difficult to get big spending cuts. But I think we've done a pretty good job, and tomorrow night we'll outline it.

NOTE: The exchange began at 9:50 a.m. in the Cabinet Room at the White House.

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Economic Program

Q. Mr. President, do you think you can get Ross Perot to at least not criticize this economic plan?

The President. I don't know—

Q. Have you been in touch with him or anybody on your staff been in touch with him to try to get him on board?

Q. Do they treat you like this all the time?

The President. Tomorrow night, all the time. [Laughter] All the time.

Q. What a job. [Laughter]

Q. Mr. President, what—

The President. —budget practices—it's truth in budgeting, truth in budgeting. We're

using objective numbers, the most conservative revenue estimates. It'll be the most candid budget Congress has received in a long time. And I think there will be a lot of people who understand it and will respond very positively to it.

Q. Well, the markets are down sharply this morning. Do you think that's an immediate reaction to your—

The President. No. Look, the bond market's a better indicator, because they—and that response has been very positive. And I think when the business community, those people who come

in here from the business community who actually know pretty well what's in this program, have responded very positively to it. So I wouldn't say that.

NOTE: The exchange began at 11:25 a.m. in the Roosevelt Room at the White House. A tape was not available for verification of the content of this exchange.

Teleconference Remarks to the California Economic Conference *February 16, 1993*

Thank you very much, Willie Brown. And thank you, ladies and gentlemen, for letting me join you by high-tech communications for just a few minutes.

First of all, let me say how very impressed I was by the comment of the previous speaker. He may not have been in California very long, but I think his prescription for how to solve our Nation's problems, concentrating on investment and achieving consensus, is what we all have to focus on.

I wish I could be with you in person today. You know, I have spent a great deal of time in California in the last 16 months talking to people about the problems and the promise of your State. I don't believe for a moment that America's economy can recover until California recovers, and I applaud what you are doing in this economic summit.

I understand the economic summit that I sponsored down in Little Rock for our Nation may have been part of the inspiration for this meeting, and if so, I'm very grateful. I applaud Willie Brown and Senator Roberti and Governor Wilson for cosponsoring this, and all the rest of you who are part of it.

Let me get to the point very quickly because I think that these summits work so much better when there is interaction, so I don't want to intrude on what I think is going very well. First, I want to reaffirm my commitment to the economic revitalization of California. Californians played a major role in my election as President and play a very major role in my Presidency now, people who are important to your future. Our Trade Ambassador, Mickey Kantor, has already spoken this morning; you know he's from California. The Secretary of State, Warren Christopher, is from California, and we're increasingly involving the State Department in the revitalization of the American economy. Our Budget Director, the Director of the Office of

Management and Budget, Leon Panetta, was a Congressman from northern California and is here with me; I'm in his building as we speak today. And of course, the Chair of the Council of Economic Advisers, Laura Tyson, is from northern California. All of these people are in a position to bring their experience and knowledge to bear on what we in the National Government can do.

In addition to that, I've already had an extensive visit with Senator Feinstein. I've talked with Senator Boxer. I've talked with many members of your congressional delegation about the issues that they have brought to my attention. And as I said, the time I spent there taught me a lot about the problems in California that are caused by reducing employment in the defense industry, by the collapse of real estate, by the problems in the financial institutions, by the general manufacturing difficulties, and by the increased costs brought on by immigration as well as the population increase generally in California.

Let me say first that I'm convinced we're going to have to solve this problem by partnership. I am offering the American people a program which will reverse three big trends in our country which have affected California. We built an American dream, especially after World War II, based on increasing economic prosperity in a high-wage, high-growth economy, increasing equality among our working people, and making more and more strength out of our diversity. The economic and social difficulties we have faced in the last few years threaten to reverse all those trends. Wages are stagnant. Inequality has increased over the last decade, and our diversity has often been a source of great tension and division in California and elsewhere throughout the country.

I'm convinced that in order to change this, the National Government has to take the lead,