

farmers, defense, foreign aid, every part of the Federal Government. The Republican leader said a couple of days ago he was willing to raise taxes on the wealthy, but apparently the people in his caucus who want to protect high income people and the tax cuts they got in the eighties, while the middle class got a tax increase, are going to win once again. So what he'll have to do is come up with some version of the same plan they have in the House. The Republican plan in the House, I will remind you, lost more Republican votes than the Democratic plan lost Democratic votes. And the reason is it was unfair to the middle class, the working people, the elderly, and to others because it protected upper income people. And I think you're going to see the same thing. We'll see what they have to say, but I can't imagine what else they can do.

We've got a 5-year freeze on domestic discretionary spending. We're cutting defense all we should, in my opinion, and then some. The only thing that's going up in this budget is health care next year. The only thing that's going up is health care. So it's going to be very interesting

to see when they have to face the music what they'll say. But we're all eagerly waiting.

*Q.* When do you think you can get this reconciliation through a conference committee, assuming the Senate passes it?

*The President.* Well, one step at a time. We have to get it through the Senate first. We have to get the Senate Finance Committee bill on the floor, watch the amendments come forward, see what happens, and try to pass a bill in the Senate to go on to Congress. And then once we do that, we'll talk about the conference committee.

*Q.* Leon Panetta said yesterday that one of the goals was going to be to restore veterans. How are you going to do that, go more toward the House plan of raising taxes or the Senate plan, which is more cutting entitlements?

*The President.* We're going to do a good job of that. Just watch.

NOTE: The President spoke at 9:45 a.m. in the Cabinet Room at the White House, prior to a meeting with congressional leaders. A tape was not available for verification of the content of this exchange.

## Remarks on the Economic Program and an Exchange With Reporters

June 23, 1993

*The President.* I just want to make a couple of remarks about where we are in the Congress today. We're at the eleventh hour of this budget debate. It's been going on for months now. And the Republican Senators say finally they're going to offer a plan. The plan clearly, if you look at all the options, will be to protect the privileged and to punish the middle class and the most vulnerable.

The Senate Finance Committee bill which was reported out last week now has 78.5 percent of the burden of new taxes falling on people with incomes above \$200,000. All the analysts say that my plan is an honest budget plan, that it will reduce the deficit at least as much, if not more, than we're saying, and it is fair. And we're working hard to pass it in the Senate.

But we ought to have some bipartisan support. We ought to have some Republican support for this. And the fact that the Republican Senators are thinking about coming out with

a plan now, calling it a no-tax plan, which is really nothing but a shield to keep the wealthiest Americans from paying their fair share, even though their taxes went down for the last 12 years while the deficit exploded, is a real disservice to this country.

### *Economic Program*

*Q.* Why, Mr. President, do you think the Republicans want to protect the privileged?

*The President.* Well, that's what they did. That's what their 12-year economic policy was all about. That's what trickle-down economics was based on, that if you just lower taxes on the wealthy enough and when you have to increase them, increase them on the middle class, and that upper income people, when they get all the economic gains, will then reinvest it, create jobs, and raise incomes. It didn't work. It has never worked in the history of the country.

I want to emphasize, I do not want to punish success. This is not what this is about. I want to reward success. My plan has real incentives for small business, for new business, for new technology. I want to reward success, and I want people to make a lot of money. But we have to have a fair tax system, and this plan should require the vast majority of the new revenues to come from people with incomes above \$200,000 because they're the ones that got the benefits of the 1980's.

Q. Do you think their plan will get anywhere? And do you have any Republican support?

*The President.* No—well, I mean, look at what happened in the House when they had the same sort of thing. The Republican plan in the House lost more Republican votes than the Democratic plan lost Democratic votes.

Q. Are you looking for some kind of middle ground compromise where you might be able to bring on some Republicans?

*The President.* Well, I'm going to try to pass—what I think we have to do is to get this bill

into conference, come out with a bill that meets our objectives: \$500 billion in deficit reduction; more cuts than tax increases; progressive tax increases; and then real incentives to reward work, to reward families, to reward investments in this economy. That's what we're trying to do. And I think we're getting close.

#### *Interest Rates*

Q. Are you willing to, sir, accept a mild increase in interest rates?

*The President.* For what?

Q. From the Fed.

*The President.* Well, whatever they do, I think, long-term interest rates will stay down. That's the key to the economy. But there's no inflation in this economy now that we can see.

Q. So they should not raise rates?

*The President.* That's a decision they have to make.

NOTE: The President spoke at 12:44 p.m. in the Rose Garden at the White House.

## Remarks at the Presidential Scholars Awards Presentation Ceremony June 23, 1993

I want to thank you all for being here and welcome the Members of Congress who are here and those who were here who had to leave for a vote. I want to say a special word of—it's a good vote—[laughter]—I want to say a special word of thanks to the Marine Band for being here to play for us today. Thank you. Since my office is just over there, when they come out here to play for you, they also keep me in a far better frame of mind as I work through the day.

I thank the Commission on Presidential Scholars for all the work that they have put into selecting this year's recipients. I especially want to thank my good friend Governor Florio of New Jersey for his work as Chairman. I asked him to serve as Chairman because I admire the courage and conviction with which he has conducted himself as Governor of New Jersey and particularly the bravery that he showed in dealing with the educational needs of the people of his State.

The Secretary of Education, Dick Riley, formerly was Governor of South Carolina, and in

that connection he labored mightily for years to improve the education of the children of his State and served as a mentor of mine. And I thank him for his leadership.

As I look out at this group today of proud parents and family members and friends and educators, I'm reminded once again of the curious mix of things that produces the sort of achievement that we see embodied in the young people on this stage today. There are, unfortunately, still a lot of people in the United States who believe that how much you learn and how well you do in life depends primarily on your IQ. And yet we know that if you strung all the people on the globe together from first to last by IQ, you couldn't stick a straw between any of the two. A remarkable combination of ability and intangible things like encouragement and love and support as well as personal effort and drive and commitment go into making up really gifted learners who are committed to doing it for a lifetime.