

make lower wages and if you're down around the poverty line, we will give you a tax refund so you can be lifted above the poverty line and support your children in dignity. Now, this will really help us to encourage people to move off welfare and into work.

One of the next things that I want to take up, along with health care, when this is over, is a fundamental reform of the welfare system that will literally end welfare as we know it. In order to do that, you've got to take all the incentives out of welfare and put them into work and enable people to be successful parents and successful workers. So this is a very, very important part of this provision. And that's one reason I would hope all the single parents in America will support it. Almost all of them will benefit from it.

#### *Administration Accomplishments*

Q. Mr. President, this will be the last question. I know we're supposed to be Mike Wallace here and ask you all these important questions. But it's been a pretty rough first 6 months for you. Is it what you expected, and are you having fun?

*The President.* I am having a great deal of fun. I'm excited by this job. I knew it would be rough if we came in and tried to change a bunch of things at once, because it's easier if you don't try to do much and you just kind of take it easy; then you can make sure you don't have so much rough sledding.

But I feel good about it. I mean, today my appointee to the Supreme Court, Ruth Bader Ginsburg, was confirmed by a 96-to-3 vote in the Senate. I think she will be an historically important Justice. Today the United States Senate on a bipartisan basis adopted one of the heart-and-soul ideas from my 1992 campaign,

the national service bill, which will enable hundreds of thousands of our young people, as we get it up and going, to earn credit against their college costs by doing service for their communities, enable people at the grassroots level in Nevada, for example, to work with their friends and neighbors to solve problems and earn credit against college while doing it. I am very excited about that. We passed the family leave law, which becomes effective this week, which protects the right of people to go home if their child is sick or their parents are ill without losing their jobs. We've gotten an awful lot done.

So I think we're moving in the right direction. And we've got a health care bill, a crime bill, and a welfare reform bill ready to go when we get the budget out of the way. So change is always hard, but I am very excited about it, and I am having a good time. And believe it or not—Governor Miller will be glad to know this—I'm trying to find a way to play golf once a week, in spite of all this work I'm doing. And most weeks I get it done. And maybe I can come out there and enjoy some of your courses once I get a little of this work out of the way.

Q. We have some great courses. Thank you, Mr. President. I've always wanted to say that.

*The President.* Thank you.

Q. Thank you, Mr. President, for spending this half hour with us. I think this is the best kind of television there is, and we get a little longer than the sound bite that we're used to.

NOTE: The interview began at 5:09 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. In his remarks, he referred to Nevada journalists Gary Wadell and Paula Francis.

## Address to the Nation on the Economic Program

*August 3, 1993*

Good evening. Tonight I want to report to you on the progress we've made and to ask for your help on our Nation's most urgent priority, reviving the American dream by restoring the American economy.

It's been at least 30 years since a President has asked Americans to take personal responsi-

bility for our country's future. It's been 25 years since our Government had a balanced budget. For at least 20 years, middle class incomes have been nearly stagnant, with too many Americans working nights, weekends, and holidays just to make ends meet. For at least 10 years costs in our health care system have ex-

ploded while millions of Americans go to bed each night worrying that if they lose their jobs or their children get sick, their health insurance will be taken away. And for the last several years our economy has failed to generate jobs, good jobs that pay enough to own a home, buy a car, pay the bills, educate your children, and retire with dignity.

For too long, our Government has failed to tackle these problems. We've been given the politics of entitlement, Government handouts without asking anything in return. And we've been given the politics of abandonment, cutting taxes on the well-off and asking nothing of them in return either, while raising taxes on the middle class to pay more for the same Government, instead of investing in our jobs and our future. The results: fewer jobs, stagnant incomes, a massive debt for ourselves and our children, higher cost and greater insecurity in health care, and a host of problems simply neglected.

Well, tonight we're on the verge of breaking out of that old false choice between tax-and-spend and trickle-down, between abandonment and entitlement; on the verge of a new way of doing things grounded in our most enduring values, a philosophy that says America owes all of us an opportunity if we'll assume responsibility for ourselves, our communities, and our country. No more something for nothing. We're all in this together.

This means we must make Government work for the people who pay the bills. All of us have been awed in the last few weeks by the vast power of the Mississippi River breaking its banks and the devastation that has followed. But we've also been awed by the courage of the flood victims and the compassion of other Americans who've joined them in fighting back the waters and trying to restore normal life. I'm especially proud that this time the Federal Government has been fighting alongside the people.

That is what we must do on all fronts. We must do more, much more, to turn this country around. And now we have the chance to change. We're on the eve of historic action. This week, Congress will cast a crucial vote on my plan for economic recovery. In a comprehensive economic plan, there are always places for give and take, but from the first day to this day, I have stood firm on certain ideas and ideals that are at the heart of this plan.

Tonight I can report to you that every one of those principles is contained in the final

version of the plan: first, the largest deficit reduction in history, nearly \$500 billion, with more spending cuts than tax increases. Rather than the games and gimmicks of the past, this plan has 200 specific spending cuts, and it reduces Government spending by more than \$250 billion. We cut more than 100,000 positions from the Federal payroll by attrition. We freeze discretionary spending for 5 years. We limit pay increases for Federal employees.

Why must we take extraordinary action now? Well, this chart shows you why. America faces a choice. We can continue on the path of higher deficits and lower growth, or we can make a fundamental change to improve our Nation's economy by adopting my economic plan.

Now, it won't be easy, and it won't be quick. But it is necessary. Without deficit reduction, we can't have sustained economic growth. Economists and business leaders alike warn us that growth will falter if we don't take dramatic steps to tame this deficit, and soon. With so much at stake it would be irresponsible not to take decisive action. With this plan in place, the economy will grow, and more than 8 million new jobs will be created in the next 4 years. Without it, we put the economy and our standard of living at further risk. If we take this important first step now, over the long run we will see deficits go down and jobs go up.

The second principle of this plan is fairness. Those who have the most contribute the most. As this chart shows, we asked the well-off to pay their fair share, requiring that at least 80 percent of the new tax burden fall on those making more than \$200,000 a year and very little on any other Americans, not to punish the successful but simply to ask something of the very people whose incomes went up most and whose taxes went down during the 1980's. For working families making less than \$180,000 a year, there will be no income tax increase. I repeat: For working families making less than \$180,000 a year, there will be no income tax increase.

The third principle is that we must protect older Americans from punitive cuts in Social Security, Medicare, and veterans benefits that some have proposed. While all Americans must do their part, I will not balance the budget on the backs of older Americans while protecting the wealthy. Every alternative offered by the opponents of change begins with deep cuts in the health care of older Americans. I believe

we must build a better future for our children without sacrificing the security of their grandparents. We can control health care costs, but only by reforming the health care system, not simply by hurting the elderly.

The fourth principle is that we must keep faith with the hard-working middle class families who are the heart and strength of our Nation. We've worked hard in this plan to ensure the lowest possible tax on the middle class. The plan asks an average working family to pay no more than \$3 a month in new taxes, less than a dime a day, with a 4.3-cent-a-gallon increase in a gas tax. This is the only new tax working people will pay.

Let me be plain about where the deficit reduction comes from. Look at this chart: Out of every \$10 in deficit reduction, \$5 and actually a little more comes from spending cuts, \$4 comes from taxes on incomes of those with more than \$200,000 a year in income, and just \$1 comes from everyone else. This plan is fair. It's balanced. And it will work.

Finally, we must have an economy that creates jobs and lifts up the American people. In the past, deficit reduction efforts have failed because they neglected incentives for business growth and investments to make Americans smarter and stronger and safer. This plan is very different. It generates jobs. In fact, over 90 percent of the small businesses in this whole country are eligible for tax reductions, tax cuts, if they invest in their future and create new jobs.

If you have the courage to invest in a new business and the vision to hold that investment for 5 years, this plan will cut your capital gains tax in half. If your business invests in research and development, this plan will reward you. If your small business creates new jobs and buys new equipment, this plan will provide incentives for growth by nearly doubling the expensing provision for new investments.

While we make deep cuts in spending, we also make room for some needed investments. Our plan invests in people and makes special investments in our children and in our families through Head Start, nutrition for pregnant mothers, and immunizations for poor children. These things pay for themselves in healthy, growing, strong children.

We will revolutionize the student loan program so that all Americans can better afford to finance a college education. And we make

bold changes in worker training so that high school graduates can get high-skilled, high-wage jobs.

Perhaps most important, this plan rewards work over welfare by lifting out of poverty every parent with children at home who chooses full-time work over lifetime welfare. We do this through the earned-income tax credit, which reduces taxes for 20 million working families and households earning less than \$27,000 a year. It does this without creating a new Government bureaucracy and simply using the Tax Code.

This sends an enormously powerful message to the people who struggle against great odds to raise themselves and their families. It empowers them. It says we're on the side of people who work and care about their children. It's pro-work. It's pro-family. And it is a critical first step to one of my most important priorities, ending welfare as we know it.

Every element of this plan is a departure from business as usual. And if there's anything our country needs, it's to put business as usual out of business. I know full well that Americans are very skeptical of any claim by the Government. You must wonder if these cuts are for real and whether the taxes will really be used to pay down the deficit. Well, our plan is fundamentally different from business as usual. Here's why:

First, the plan is based on conservative estimates of future revenues. It presents, line by line, year by year, specific cuts in Government spending. And it offers new incentives so we can expand the economy and generate jobs. It minimizes the burden on the middle class and asks the wealthy to pay their fair share. And finally, it puts into place two clear safeguards to keep a watchful eye on future Federal spending while protecting the savings produced by this plan.

All the money we save will be locked away in a deficit reduction trust fund so the savings will not be spent on politicians' pet projects. Because some in the Senate have used technicalities to block Senator DeConcini's amendment to create the deficit reduction trust fund and frustrated the efforts of many other Senators and a clear majority of the House of Representatives who support it and who support controls on annual spending and entitlement programs, I will sign Executive orders tomorrow putting both these safeguards in place so that you know the money must be spent on deficit

reduction. And if we miss our deficit reduction targets over the next 5 years, I will be obliged to present a plan to correct the course to make sure we keep doing what we're telling you we're going to do. Now, this is a new direction.

This plan has been carefully examined by the most conservative and skeptical critics of all, those who run our Nation's financial markets. They've studied the plan and determined that over the long term, paying down the deficit will be good for the country. And as we have made progress in enacting this plan, the markets have lowered interest rates. Lower interest rates, in turn, make it easier to own a home, finance a business, buy a car, pay off credit cards, and borrow for college. For example, if you are a middle class family with a \$100,000 mortgage at 10 percent interest, you should be able to refinance the mortgage today down to 7.5 percent and save \$175 a month right away, as millions of Americans have already done.

The chief executive officers of 80 of our country's most successful companies, Republicans and Democrats alike, have also supported this plan. So do many small business organizations, from the National Small Business United and the National Association of the Self-Employed to the National Venture Capital Association. The men and women whose business it is to create jobs and growth have been solid in their support of this historic endeavor.

At this exceptional moment of promise, why are so many in Washington so reluctant to take action? Why is it so hard for so many in this city to break the bad habits of the past and take the steps we all know we have to take? For 5 months our critics had the chance to offer alternatives, and all the major plans came up with the same thing: less deficit reduction or more paying for older Americans or both, protections for the wealthy from paying their fair share of the taxes, and no new incentives for business to create jobs or investments in the American people. And every one of these alternatives was soundly rejected in the Congress. Now there are only two choices, our plan or no plan.

Our opponents want to bring the plan down. The guardians of gridlock will do anything to preserve the status quo, to serve special interests, and to drag this thing out. They practice partisanship when we need progress. They call for delay when we've been waiting for 12 years and working on this project for months. They

talk and talk about what to do, instead of doing what must be done.

When I was the Governor of Arkansas, our State had one of the lowest tax burdens in the country. I inherited this big Federal deficit just like you did. And I don't like taxes any more than you do, but our Nation is in economic danger, and now we've got to take this problem we inherited, you and I, and do something about it. We have to take responsibility for change. Passing this plan will be a bold step and the first step on a longer journey toward giving our Nation a comprehensive national economic strategy.

This economic strategy begins with putting our house in order, but it cannot end there. We must also have the courage to reform our health care system, so never again will a family be denied health care or a business be bankrupted by health care costs.

Let me show you this first chart one more time. If you look at this deficit, under our plan we can bring the debt down solidly for 5 years. If you want the deficit to go down to zero, as I think almost all of you do, we have got to challenge the health care system. It is bankrupting the private sector, bankrupting the public sector, and millions of Americans live in insecurity and constant fear of losing their health care. So dealing with health care is good for the economy, good for bringing the deficit down further, and good for the American people.

We also have to end welfare as we know it. We can move millions of idle Americans off the welfare rolls and on to the work rolls if we'll change the system. And we've got to revolutionize Government itself, cleaning out waste, corruption, bringing state-of-the-art management that will give more saving to the taxpayers, have Government work better, and put it back in charge of the people who are paying the bill. And we must continue to work to open foreign markets to create American jobs.

All of these things come together to form an economic strategy that will give opportunity to every American and ask responsibility from every American. But we can't take any of the steps if we don't take the first step.

That's why the decision Congress must make this week is so terribly important. We cannot afford not to act. I need your help. I need for you to tell the people's representatives to get on with the people's business. Tell them to change the direction of the economy and

do it now, so that we can start growing again, producing jobs again, and moving our country forward again.

In the last 6 months, we've won some important battles here: a new family and medical leave law just taking effect that allows young parents to take time off to care for a new baby or a sick child or an ill parent without losing their jobs; a new national service corps that will help tens of thousands of our young people to pay for college through service to their country in their communities; a new Supreme Court Justice confirmed just today without partisanship or rancor; new policies to develop high-technology jobs and to convert defense facilities and plants to productive civilian purposes, expanding jobs and opportunity. And, from a summit in Vancouver, Canada, to help save Russian democracy, to a summit in Tokyo to help revive the world economy, there are now new opportunities for Americans and a new respect for America's leadership.

We Americans are a people both privileged and challenged. We were formed in turbulent times, and we stand now at the beginning of a new time, the dawn of a new era. Our deeds and decisions can lift America up so that in our third century we will continue to be the youngest and most optimistic of nations, a people on the march once again, strong and unafraid. If we are bold in our hopes, if we meet our great responsibilities, we will give the country we love the best years it has ever known.

Good night, and may God bless you all on this journey.

NOTE: The President spoke at 8 p.m. from the Oval Office at the White House. The Executive orders of August 4 on budget control and the deficit reduction fund are listed in Appendix D at the end of this volume.

## Statement on an Agreement on Pacific Northwest Timber Sales *August 3, 1993*

We are committed to working to enhance the long-term economic and environmental health of the region. That commitment means a responsible forest management plan and a responsible but determined effort to get timber moving back into the mills. We have offered an innovative, comprehensive, and balanced plan to solve

a difficult set of problems. Now we are taking steps to implement that plan and get timber to the mills.

NOTE: The President's statement was included in a White House statement announcing the agreement.

## Nomination for Posts at the Department of Health and Human Services *August 3, 1993*

The President announced his intention today to nominate Texas Woman's University president Shirley Chater to be the Commissioner of Social Security and Nobel laureate Harold Varmus to be the Director of the National Institutes of Health at the Department of Health and Human Services.

"It gives me great pleasure to announce these nominations today," said the President. "Shirley Chater is an accomplished administrator with

a strong background in health care issues. I am convinced that she will do an outstanding job of running this enormous and enormously important Agency. Likewise, as one of the world's leading medical researchers, Harold Varmus will bring great strength and leadership to the National Institutes of Health."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.