

Remarks and an Exchange With Reporters on the Economic Program August 4, 1993

The President. Thank you very much. Let me just briefly say I had the opportunity to meet with the House caucus today. We have been informed that several Members who voted no when the bill came up the first time for different reasons had decided to vote yes on the bill this time. Some of them are here with us today, and others are not. It was a very good meeting.

I told them that for the last couple of months, and even last night in speaking to the American people, I felt much as I did when I was a young man in school and I belonged to all these little clubs who would try to earn money for club events by washing cars. I felt like a lot of what I was doing was trying to clean dirt off of windshields so that the American people could see out of the windshield again. There has been so much misinformation put out about this plan, about who bears the burden of it and whether it reduces the deficit, exactly how it's going to be done, that a lot of what we have been doing in the last 6 weeks or so was just trying to get the facts out. All the evidence is that the more facts we get out, the better we do. And so I am encouraged on what has happened in the last few days. I'm very hopeful.

The fact remains that every other plan which has been raised has gotten more opposition and less support than the administration's plan. Every other one had less fairness and/or less deficit reduction. And now the choice is whether we're going to do this, or do nothing and flail around for another 60 to 90 days.

I think it is clear that the Congress will vote to act and to move forward and to make this enormous downpayment on solving the deficit problem and giving some incentives to the economy to grow. I'm very hopeful about it, very optimistic today. And I want to thank the Speaker and the leadership and the members of the House caucus for hearing me today.

Mr. Speaker, you may want to say another word or two before we take questions. But this was a very, very good meeting this morning. [At this point, House Speaker Thomas S. Foley made brief remarks.]

Q. Mr. President, what would you say to those economists who say that this deal had been so

diluted with compromises and deals that it would be ineffective?

The President. I don't believe any economists are saying that. My response is, look what happened to interest rates after the speech last night and then after the progress we were making yesterday. I mean, the interest rates once again were lowered in anticipation of the plan's successful passage.

The economic incentives that were in the House bill are in the final conference for job growth. They have been slightly scaled back because we reduced the tax burden by over \$40 billion in reducing the energy tax. And that's another that some of the economists said that we ought to do.

So I think that you've got the same deficit reduction. You've got the economic growth incentives. You have real fairness in the Tax Code, and you made 90 percent of the small businesses in this country eligible for a whole wide range of tax reductions if they invest in their businesses. So I think it's a good plan, and I think that they're wrong.

Q. You're not concerned about the number of deals that have been cut to get this through?

The President. No, absolutely not. Since when has a big piece of legislation like this ever moved through the Congress unamended? I mean, give me one example of that. Most things of this magnitude, when you turn the country around, take years to get done. We put it together in just a few months.

I think that the things that I cared about are there. The plan has \$500 billion in deficit reductions. There are now more spending cuts than taxes. The tax system is very fair, indeed, more progressive than it was when I presented it. Now 80 percent of the burden falls on couples with incomes above \$200,000. There are enormous incentives in here for business growth which were not in any of the Republicans' plans—a new business capital gains tax; there are research and development incentives; we nearly double the expensing for small businesses in this country. Then finally, the thing which I think will really have a huge difference in terms of our society: The earned-income tax credit lifts working families out of poverty. It's

a huge incentive to leave welfare and go to work. So the big guts of the things that I proposed way back in February have survived this whole legislative process. And I feel good about it.

Q. Mr. President, you've apparently padded the margin here on the House side. But obviously the really, really close vote is going to come on the other end of this building. What are your feelings at this point? Does it still come down to that one vote over there? Is there any other outlook for you at this point?

The President. I think it depends upon, obviously, what happens in the next couple of days. I think if we carry the House, I think we'll carry in the Senate. I don't think the Senate will let this plan go down. I don't think they will do that to the country.

There are two groups of Senators that basically are either declared against or leaning against, some who have said forthrightly to me, "This is the right thing for the country, but there's been so much misinformation about it, people will never know the real truth, and I will never recover politically if I vote for it, even though it's good," and others who say that "This is a very good first step, but it doesn't do everything that needs to be done. Therefore, I won't vote for it."

And my argument to the second group is going to be that this bill cannot possibly be expected to carry the burden of solving all the problems of the last 12 years; that we do have to control entitlement spending; we do have to control health care spending. I will be for such controls in the context of reforming the health care system, and I still think we've got a shot to get a lot of those.

Also, the spending reductions, for those who say there ought to be more spending cuts, I remind them that the House of Representatives has already adopted over \$10 billion in spending cuts in excess of those in a reconciliation bill which the Senate will have a chance to adopt. The Vice President's report on reinventing Government is coming up, and the health care debate is coming up. There will be further spending reductions by this Congress and this administration.

So I'm going to keep making that argument to them, and I think we'll prevail.

Q. What's it going to take for you to get in the Senate the security that you apparently now feel in the House?

The President. I don't know if that will ever happen. [Laughter] We need the votes to win over there, and as I said, I believe that the Senate will pass the plan if the House does. I think that there clearly is a majority in the Senate who know that this is far better than the alternative—there is no other available alternative—and that the worst thing this country could do would just be to flail around for 60 to 90 days, instead of moving on with all the things that are there before us: the health care issue, further efforts to deal with the budgetary problem.

Helen Thomas. Mr. President, did you hear Senator Dole's rebuttal, and what did you think of it?

The President. My response to Senator Dole's rebuttal is to wish you a happy birthday. [Laughter]

Ms. Thomas. Oh, no. [Applause] Thank you.

The President. I would like to respond to a couple of those things. First of all, Senator Dole says too many of our budget cuts are in the latter half of our plan. My response to that is he has a higher percentage of his budget cuts in the last 2 years than we do. That is a smokescreen to continue the intransigent Republican position that we should not ask the wealthiest Americans to pay their fair share of the burden, even though they got the tax cuts in the eighties and received well over half the economic gains of the eighties.

Secondly, my response to Senator Dole's claim that this bill imposes burdens on people who are no longer living—you heard all that—that implies that somehow the Democrats are voting to raise the estate taxes on people who have—estate taxes are not imposed on people who have no estate, that is, who have not yet died. But that is totally misleading. All the Congress did was to extend the estate tax rates imposed back in the late eighties. And I haven't checked this this morning, but I believe Senator Dole voted for that. I believe that this bill extends the estate tax rates that Senator Dole voted for. I believe that. In any case, the Congress voted for it. He knows that this bill does not somehow increase taxes on citizens after they die. That is totally misleading.

Let me see what else he said. Oh, he said we didn't cut the deficit enough. My answer to that is we don't cut it all the way to zero, but we will. And we cut the deficit much more than the Dole plan did, and we do it specifically.

We have a lot more deficit reduction than he did, and in his plan he had \$66 billion in, quote, unspecified cuts. He wouldn't even say where the tough cuts were coming from.

Q. Retroactivity is what he—

The President. Well, the retroactivity, my answer to that is twofold. Number one, on the merits, it applies to the same couples with incomes above \$200,000, individuals with incomes above \$150,000 to \$160,000; that they will be given 3 years without penalty, a subsequent 3

years to pay the taxes; that all the tax cuts are retroactive and some of the tax incentives go back to the middle of 1992, not just to the first of '93.

So those would be my answers to the attacks he made on the program.

NOTE: The President spoke at 10:07 a.m. in Statuary Hall at the Capitol. A tape was not available for verification of the content of these remarks.

Remarks to the National Urban League

August 4, 1993

Thank you very much. Reg Brock, John Jacob, distinguished dais guests, and ladies and gentlemen. It was just about a year ago that we were together at the Urban League convention in San Diego. What a difference a year makes.

Many of you in this audience have been friends of mine for a very long time. Those of you from my home State of Arkansas have worked with me in partnership there for many years. I know what the Urban League can do to make a difference in the lives of people and in the minds and hearts of people.

I want to say at the outset today that while I came here to talk about what we're trying to do in Washington, what we can do in Washington is in no small measure determined by what lives in the hearts and minds and visions of Americans throughout this land. I know that the Urban League, for more years than I have by far, has struggled to remind Americans that, without regard to our race or creed or station in life, we must go forward together; that there is no place for hatred or division.

And yet we know today that we are challenged by that on every hand. When people would bomb the NAACP headquarters in Tacoma or in Sacramento, when people would threaten your own John Mack in Los Angeles, when people would seek again to divide us by race instead of to take the hard and difficult path of making the changes we all need to make together as a country, we need the Urban League. America needs it. The President, the Congress, the politicians alone cannot do nearly as much as you can do to reach to the truth

of the human heart and stand up against bigotry. But there are things that we can do. I know the Attorney General appeared before you in this conference, along with at least four other members of my Cabinet. No wonder I couldn't find any of them this week. They were over here. *[Laughter]*

But I tell you, one of the reasons that we picked Judge Louis Freeh from New York to head the FBI is that he was not only committed to continuing the long overdue work of opening the FBI to women and minorities but also because he had successfully, heroically, and determinedly prosecuted the criminals who murdered a Federal judge and a civil rights leader in the South when others had given up and thought it could not be done.

I am especially in debt to the Urban League because the Urban League not only gave to the Nation such great leaders as Whitney Young, but you gave to me a lifelong friendship and the service in this administration of Vernon Jordan and Ron Brown. I would have never met either one of them if it hadn't been for the Urban League.

I also want to say to all of you that it is terribly important as we seek to bring America together that we continue our struggle to remind the doubters and the naysayers that we can go forward together.

There was an especially reassuring article, at least to me, in the Washington Post a few days ago by the distinguished columnist William Raspberry in which he pointed out that when I said I wanted a Cabinet that looked like Amer-