

NOTE: The President spoke at 10:48 a.m. at the Washington Convention Center. In his remarks, he referred to Reginald K. Brock, Jr., chairman and chief executive officer, Time, Inc.; John Jacob,

president and chief executive officer, National Urban League, Inc.; and John W. Mack, president, Los Angeles Urban League.

Remarks on Signing the Executive Orders on Budget Control and the Deficit Reduction Fund and an Exchange With Reporters

August 4, 1993

The President. Before I sign these orders, I'd like to make a brief statement, if I might. Nothing has done more to erode the confidence of the American people in our Government than our chronic failure to manage our finances and to stabilize the economy so that it can create jobs. Year after year, the public has been told that sustained economic growth and deficit reduction would come from actions taken here. And as deficits have grown larger and incomes have shrunk, the people have become more and more skeptical, even cynical, about everything that is said and done here even with the best of intentions.

We have a budget deficit, we have an investment deficit, and we clearly have a trust deficit in America. I am determined to do something about all three. I know the American people are doubtful about any claim by our Government, and I know they wonder if the cuts that we are proposing are real and if the taxes will really be used to pay down the deficit. That's why I want to go the extra mile to ensure that this plan is fundamentally different from what has been done in the past.

This plan is based on conservative revenue estimates of future revenues, with year-by-year, line-by-line specific spending cuts; new incentives to expand the private sector's contribution to economic growth; minimizes the burdens on the middle class; and now creates two safeguards to keep a watchful eye on future spending, especially in entitlements, while protecting the savings produced by the plan.

We owe the Executive orders I am about to sign to the hard work of the Members of Congress who are here today. The House included both provisions in its version of the reconciliation bill. The Senate would have done the same with similar amendments supported by Senator DeConcini, Senator Feingold, rec-

ommended publicly by Senator Bradley and others, but for the procedural maneuvering by people who feed the public cynicism by talking about deficit reduction on the one hand and nonetheless have prepared to block action for these needed reforms on the other. The fact that the Senate rules required these Executive orders today, that we could not do it by statute, is something that should be debated at a later time. But I want to make it clear that the Senators who are here and others strongly support what is being done.

These orders are almost completely identical to the provisions adopted by the House and approved by a majority in the Senate. The deficit reduction order creates a deficit reduction trust fund, an account in the Treasury that guarantees that the savings from the reconciliation bill are dedicated exclusively to reducing the deficit. This locks in deficit reduction and mandates all members of the executive branch to follow these procedures.

The entitlement and review order requires that entitlement spending be limited to the estimated levels included in the reconciliation bill. If those levels are exceeded, I will present recommendations to Congress on corrective action. No longer can we permit entitlement spending to soar out of control without some concrete action being taken to restrain it.

These Executive orders are the product of years of hard work by the men and women represented here today. I am grateful to them for their inspiration and their tenacity in getting this work done.

As important as this plan is for reducing the budget and investment deficits, these Executive orders deal also with the trust deficit. They are the assurance to the American people that our good words about deficit reduction and economic growth will be matched by good works

as well.

[At this point, the President signed the Executive orders. Senator Dennis DeConcini then made brief remarks.]

Economic Program

Q. Mr. President, what have you offered him to—[inaudible]

The President. Good Government. [Laughter]

Q. Can you have the—will you have the vote without him?

The President. I guess I ought to say one other thing about this. I still think these things should be adopted in the law. And I would be prepared to support, as quickly as we can get it up and voted on, a separate piece of legislation to do these things. And I do want to emphasize that.

These Executive orders are identical, virtually identical, word for word, for what the Congress, the majority in the Congress, wanted. They clearly bind the executive branch just as much as an act of Congress. But I think it would be better, from the point of view of the public

trust and also more binding on Congress, if we can pass a separate piece of legislation.

So I do want to make it clear that while I support these ideas strongly and I will faithfully adhere to them in the Executive order, I have also told the Members of Congress who care about this that I am prepared to strongly support a separate legislation to achieve these objectives in the law. And I'd like to see it brought up just as quickly as we can after the August recess is over.

Thank you.

Q. Mr. President, did you know it before now that Senator DeConcini had not made up his mind yet?

The President. Senator DeConcini and I agreed that this press conference would be about this, and not—

NOTE: The President spoke at 12:39 p.m. in the Oval Office at the White House. The Executive orders are listed in Appendix D at the end of this volume.

Interview With the Louisiana Media August 4, 1993

Economic Program

Q. Do you have a commitment from Bob Kerrey, or did DeConcini do it for you?

The President. I think I should always let the Senators speak for themselves. I've always believed that if the program passed in the House, it would pass in the Senate. I don't think they will let it go down.

If you listen to the criticisms of—for the people who are voting no, they all basically say, at least in private what they say, they say one of two things: They either say that this is a good program; it's serious deficit reduction; it's progressive; it has incentives for growth and new jobs; 90 percent of the small businesses in the country get a tax break if they invest in their businesses; the working poor are lifted out of poverty. That affects 390,000 taxpayers in Louisiana, working families. But they say that the adversaries have put so much bad news on the people and they've convinced so many people that it doesn't reduce the deficit, it doesn't cut

spending, and it taxes the middle class, that we can't ever fix it. So it's just bad politics even though it's good for the country.

The other argument is that it doesn't solve every problem. We still have to control health care costs. We still have to deal with that to bring the deficit down to zero. That is true, but you can't do that in this bill. You have to reorganize and reform the health care system to do that. You've got a classic example with Charity Hospital or with any of your health care providers that get Medicare funds. If we did what some of our critics say here and we just slash Medicare, put a cap on it without reforming the underlying health care system, one of two things would happen: We would either really hurt middle class Medicare recipients plus the hospitals and other providers of Medicare, or those providers would take the shortfall and pass it on to your employers so that everybody who has private health insurance would pay more.