

Remarks on the Economy and an Exchange With Reporters August 1, 1996

The President. Good morning. A strong and growing economy is the best way to offer opportunity to every American who is willing to work for it. Today we received fresh news that our economy grew at a strong 4.2 percent rate in the last quarter. This robust growth, 4.2 percent, is touching the lives of all our people with 10 million new jobs, low unemployment, and inflation in check. This is good news for America and more evidence that our economy continues to surge ahead and that our economic strategy is working.

Four years ago today, the economy was drifting, unemployment was nearly 8 percent, job growth was weak, the deficit was at an all-time high, great American industries were falling behind. For the last 3 years, we have had in place a comprehensive plan to put our economic house in order and to create opportunity for the American people. My economic team, which has joined me here today, has worked day and night to put this strategy in place over stiff partisan opposition who said our plan wouldn't work and would actually make things worse. But today's good news shows that the plan we put in place is the right plan to move us forward into the 21st century.

This strong growth is reflected in other ways as well. American industry is on the rebound. We have 900,000 new construction jobs; once again we lead the world in autos and semiconductors; 4.4 million people have become new homeowners; and 10 million Americans have refinanced their existing home loans to get lower mortgage rates. We now have a record number of women-owned businesses; exports are at an all-time high.

We learned this week that consumer confidence is at its highest level in 6 years, and real wages, which had fallen for a decade, are on the rise again. The deficit has been cut by more than half so that it is now the smallest since 1981. This plan has been based on investing in our people, developing new technologies, selling our products overseas, and getting the deficit down to get interest rates down—growth without inflation. Without fiscal responsibility, this dramatic move forward could not have been achieved—strong growth, low inflation, new

jobs, higher wages, the strongest American economy in a generation.

But even as we celebrate this good economic news, we must remember that there is more to do to make sure all Americans can benefit from this growing economy. Yesterday we took a step forward by giving the American people a welfare reform bill. Though not perfect, it offers the best chance we've had to move people from dependence to independence, from welfare to work, giving them a real opportunity to succeed at home and at work.

I'm pleased that Congress has made progress toward the passage of other critical measures which also will give our people the capacity to make the most of the growing economy. An increase in the minimum wage will honor work and family. The small-business provisions in that bill will help small businesses, the engine of economic job growth, to invest more in their businesses and will help small-business owners and their employees to take out and maintain retirement plans over their careers.

The Kassebaum-Kennedy bill will give millions of Americans access to health care. I must say in passing, I was disappointed that the mental health provision was taken out, and I certainly hope we can get it as soon as possible in the future. It should remain a high priority.

These two bills, when they pass, will also make a real difference to millions and millions of Americans. And I call upon Congress to finish the work on both these bills before leaving for the August recess.

Again, let me say that this economic news shows that our strategy is working, the economy is growing, our Nation is moving in the right direction. This is not the time to make dramatic changes that reverse our discipline on the deficit. It is the time to bear down and improve upon the strategy we have been following for 3½ years that has reversed the previous course and brought us such good results. We cannot turn our backs on that progress. The American people do not want to go back to where we were 4 years ago. This plan is working, and we have to press forward.

Taxes

Q. Mr. President, if the Republicans come forward with an across-the-board tax cut, what do you think that would do in the light of the economic statistics today?

The President. Well, if it calls for a big increase in the deficit, I think it would have a very adverse impact on the economy. And I think the—I would be surprised if the private sector didn't have a very adverse reaction to it. We know that historically you may get a little bump from a tax cut in the short run that increases the deficit, but if it's a huge structural problem, in the long run the price is enormous.

Look what happened in the last 12 years. We had a couple of good years because the economy was in a deep recession. When it came out of the recession, which would have happened anyway, the huge tax cuts pumped more money into the economy in the short run, but we wound up quadrupling the debt in 12 years. The crushing burden of the debt kept interest rates high, weakened our economy, weakened our position in the global economy, and had us in a virtual straitjacket when I took office. I think it would be a mistake to go back to that strategy.

No one I know of who has participated in real, stable, sustained long-term growth, not only in the United States but elsewhere, believes this is a very good way to proceed. And I think it would be a mistake.

Yes, Bill [Bill Plante, CBS News]?

White House Travel Office

Q. Mr. President, will you call on the Senate to resurrect the bill to pay the legal expenses of the people who were fired from the Travel Office? Democrats seem to have blocked it. And will you call on them to pass it? And will you sign it if it gets here?

The President. Well I told you before, there are a lot of people who were never even charged with anything, much less offering to plead guilty to anything, who have been dragooned and pulled up and had thousands and tens of thousands of dollars of legal expenses, who were completely innocent but have been subject to abject harassment. And I said before when you asked me that question, are we going to pay their legal expenses, too? Are we going to pay

the legal expenses of every person in America who is ever acquitted of an offense?

So, no, I'm not going to call upon them to bring it up again. If they send it to my desk, it depends—whether I sign it or not depends upon whose legal expenses are included and whether it's a fair and balanced bill.

Q. Sir, does that mean you're going back on your promise? Your White House said earlier, in fact this morning, Mr. Toiv said that if it came here, you would sign it.

The President. Well, he didn't talk to me before he said that.

Q. So you wouldn't sign it?

The President. I didn't say that. I said, I don't know what's going to be in it. But I don't believe that we should give special preference to one group of people over others. Do you? Do you?

Q. You said you would do this earlier, sir.

The President. Do you think we should—do you think that Congress should pay for the legal expenses for all these middle class people that they harassed and brought up there and cost them tens of thousands of dollars in legal expenses when they never even accused them of doing anything and they certainly never offered to plead guilty to anything? Do you believe that?

Q. I just wanted to know if you were going to keep your word, sir.

The President. I didn't—I never gave my word on that. You go back and see what I said when I was asked that question. I asked, are they going to pay the expenses of anybody else? That's what I said. Don't talk to me—go back and see what I said. What did I say? What word did I give, sir?

Q. Your spokesman, sir, was asked—

The President. Well, my spokesman—they do a very good job, but I have made clear to Mr. McCurry what my position is on this. And if an error was made by my spokesman, I'm sorry. But I have not broken my word to anybody. I have been asked about this one time, and I asked whether we were going to provide for other people's legal expenses who were never accused of anything and who did not offer to plead guilty to anything. And I have heard nothing about that. So the answer to your question is, I do not know what I will do if such a bill comes to my desk, but I have no intention of asking Congress to interrupt its work on Kennedy-Kassebaum, on the minimum wage, on

antiterrorism, to get involved in this. No, I do not.

Terrorism

Q. Mr. President, on the subject of terrorism, some critics are saying that the measures that you're working on now with lawmakers really aren't going to make that much of a difference. And I know Republicans have been critical of the administration for not spending all the funds that it had earmarked for terrorism.

The President. Well, all I can tell you is, what we're doing here is what our law enforcement agencies have asked us to do. And I would remind you that our law enforcement agencies succeeded in cracking the World Trade Center case, that there is a trial going on in the Oklahoma City case, that they thwarted what was apparently and allegedly a big operation in Arizona recently. And we know they have prevented other incidents from occurring. So all I'm trying to do is to work with the law enforcement agencies of our country and the people that we have brought together to work on this antiterrorism initiative. And we followed their recommendations, and we're doing our best to get the job done.

White House Employee Drug Policy

Q. Mr. President, would you discuss the rationale for allowing individuals with a background of more than casual drug use to serve on the White House staff? Doesn't that send a poor signal to parents and children who want to avoid drugs, and one argument for it is that it will return to haunt you later in life?

The President. Well, if that were the whole story it might be. That is not the whole story. Compare the difference in the White House

drug policy and the Congress drug policy. We are the branch of Government, the White House, that has a zero-tolerance policy. A complete—everybody was tested. Then people are subject—everybody who works here is subject to random testing. And people that have any kind of recent drug problem who were hired because they were felt to be drug-free at the time are subject to regular drug testing.

So the truth is we know that the people here, insofar as we can possibly determine it, are drug-free and that we have had a zero-tolerance policy. And I think the question is if people have put their lives in order and are prepared to be tested and are prepared to be held accountable and are judged as best as possible not to present a threat in any way, shape, or form and are doing a good job and are clearly drug-free, should they be denied the right to work because of some problem they have in their past?

Now, at the time these decisions were made in '93, the people who made them concluded no, as long as we had a system for regular testing. And I find it interesting that we get criticism from the Congress, from people who can't make that same assertion about their own staffs because they don't have anything like the testing program we do to hold people accountable.

So we have done our best to tell you what I think you want to know, which is, do we have a strict zero-tolerance policy here, and do we have a means for knowing whether we're right or not?

Thank you.

NOTE: The President spoke at 10:02 a.m. in the Rose Garden at the White House.

Remarks Prior to a Meeting With Democratic Congressional Leaders and an Exchange With Reporters

August 2, 1996

The President. I'd like to make some brief remarks and then ask Senator Daschle and Congressman Gephardt to speak. And then we'll be glad to answer a few questions.

On this last day before Congress goes home, I wanted to invite the Democratic leadership

down to the White House to thank them for their hard work and eventual successes on behalf of the working families of this country. The Congress is going to send me two measures that this caucus has worked hard on for a long time, the minimum wage bill, which also has