

The President's Radio Address
February 3, 2001

Good morning. This coming week I will send to Congress my tax relief plan. It is broad and responsible. It will help our economy, and it is the right thing to do.

Today, many Americans are feeling squeezed. They work 40, 50, 60 hours a week and still have trouble paying the electric bill and the grocery bill at the same time. At the end of a long week, they collect their paycheck, and what the Federal Government takes is often unfair.

Picture a diner in one of our cities. At the table is a lawyer with two children. She earns \$250,000 a year. Carrying her coffee and toast is a waitress who has two children of her own. She earns \$25,000 a year. If both the lawyer and the waitress get a raise, it is the waitress who winds up paying a higher marginal tax rate. She will give back almost half of every extra dollar she earns to the Government.

Both of these women, the lawyer and the waitress, deserve a tax cut. Under my plan, both of these women and all Americans who pay taxes will get one. For the waitress, our plan will wipe out her income tax bill entirely.

My plan does some important things for America. It reduces taxes for everyone who pays taxes. It lowers the lowest income tax rate from 15 percent to 10 percent. It cuts the highest rate to 33 percent, because I believe no one should pay more than a third of their income to the Federal Government. The average family of four will get about \$1,600 of their own money returned back to them.

There's a lot of talk in Washington about paying down the national debt, and that's good, and that's important. And my budget

will do that. But American families have debts to pay, as well. A tax cut now will stimulate our economy and create jobs.

The economic news these days is troubling—rising energy prices, layoffs, falling consumer confidence. This is not a time for Government to be taking more money than it needs away from the people who buy goods and create jobs.

My plan will keep all Social Security money in the Social Security System, where it belongs. We will eliminate the death tax, saving family farms and family-owned businesses. We'll reduce the maximum rate on small-business income to 33 percent, so they can help create the jobs we need. Above all, my plan unlocks the door to the middle class for millions of hard-working Americans.

The country has prospered mightily over the past 20 years. But a lot of people feel as if they have been looking through the window at somebody else's party. It is time to fling those doors and windows open and invite everybody in. It is time to reward the work of people trying to enter the middle class and put some more money in their pockets at a time when they need it.

My tax reduction plan does all these things, and I hope you'll support it.

Thank you for listening.

NOTE: The address was recorded at 8:30 a.m. on February 2 in the Oval Office at the White House, for broadcast at 10:06 a.m. on February 3. The transcript was made available by the Office of the Press Secretary on February 2 but was embargoed for release until the broadcast.