

Remarks Following Discussions With Business Leaders and an Exchange
With Reporters in New York City
October 3, 2001

The President. It's an honor to be back in New York City. I want to thank the mayor and the Governor for welcoming us back. I'm pleased that Secretary Don Evans and Larry Lindsey from the White House staff are traveling with me, and I want to thank the business leaders from not only New York but others who have come from around the country to discuss the state of the Nation.

And we've had a very frank discussion about the state of our economy. I think there's no question we all agree that the events of September 11th shocked our economy, just like it shocked the conscience of our Nation. But like those terrorists, they can't affect our soul; they can't affect the greatness of America. We all believe that the underpinnings are there for economic recovery.

And we all must do our part, and the Federal Government has a role to play. Today Secretary Paul O'Neill testified at Congress, saying that the administration believes that we ought to have 60 to 75 billion dollars more of stimulus to encourage consumer confidence, to enhance business investment, as well as to take care of displaced workers.

I have shared that with the business leaders here. They understand that there is a role for the Federal Government, a strong and active role. And I assured them it's a role that we intend to play. I know there are people hurting in America; there are people who have lost their jobs. But as I assured these leaders, that our Government will do everything we can to get our economy growing, to make it as strong as possible.

I am saddened by the sight of the World Trade Center again, once again. But through my tears I do see a much better future for the country. This is a great na-

tion. It's an entrepreneurial nation. It's a nation that has got such generous and kind people. The leadership, the business leadership here has contributed \$150 million to the funds, the variety of funds here in the New York City area, to help people, the victims. It speaks volumes about what America is about.

And I want to thank everybody for coming. I'm now going to ask Ken Chenault to say a few words.

Ken.

[*At this point, Kenneth I. Chenault, chairman and chief executive officer, American Express Company, made brief remarks.*]

The President. Thank you, Ken.

Betsy.

[*Betsy Holden, chief executive, Kraft Foods, made brief remarks.*]

The President. I appreciate that. Thanks. I'd be glad to take a few questions.

Economic Stimulus Plan

Q. What form might this stimulus take? Are we looking at tax cuts for individuals, corporations?

The President. You bet. I know we need to provide more tax relief to individuals to boost consumer confidence. We've just finished passing out \$40 billion of rebate checks; they were completed by October 1st of this year. There is going to be tax relief started next year as a part of the package that the Congress and I agreed to. We believe there ought to be more, to make sure that the consumer has got money to spend, money to spend in the short term.

Secondly, there needs to be business relief as well, to encourage investment.

And finally, there needs to be a displaced worker package. We've got to recognize

that as a result of September 11th, folks have been laid off, and we need to make sure they're able to survive until this economy gets going again.

And I've got to tell you, I had a great conversation with the leadership of the Congress yesterday. We're coming together on a plan that I believe needs to get passed as quickly as possible.

Q. Mr. President, is this going to eat up the rest of the surplus for the year, and does it matter?

The President. Well, as I said in Chicago during the campaign, when asked about should the Government ever deficit spend, I said only under these circumstances should Government deficit spend: if there is a national emergency, if there is a recession, or if there's a war. And you know, we've now got a reason to do what it takes to not only provide security at home, to do what it takes to win the war on terrorism, but we've also got to do what it takes to make sure this economy gets growing, so people can find work.

And we've got the basis for growth. We're an entrepreneurial nation. There's a lot of small-business growth in America. By and large, the banking system is very solid. The energy prices are reasonable. And now we've just got to be aggressive and make sure we do what we need to do at the Federal level to provide a kick-start to give people reasons to be confident. And we will do that.

This isn't a Republican idea or Democrat idea; it's an American idea. And it's the right time for us to come together to get it done.

Yes, ma'am.

Q. Mr. President, should the country brace itself for a recession? I mean, one of your advisers said yesterday that he can forecast it being likely that two negative quarters of growth are—

The President. We'll leave all that talk up to the statisticians. You're asking me about statistics, and we've got people who count numbers there in Washington, DC,

and that's fine. Here's my attitude: One person laid off is one person too many. And therefore, we've got to do what it takes to make sure that that person who got laid off is able to find work.

I'm not going to dwell on the past; I'm looking forward. And I believe we've got a fantastic opportunity to invigorate this economy and to assure the business leaders around America that the Government is playing a very active role and that we will take the steps necessary to provide growth and stimulus.

And that's why I believe we need additional stimulus beyond some of the spending that we've already put in place, to the tune of about 60 to 75 billion dollars. We'll let the accountants come up—they call it what they want; there's no question that the economy has been affected by September 11th.

Q. [*Inaudible*—signed off on that \$60 billion to \$75 billion—

The President. No, they have not, yet. But they do understand we need to have a range, that as you go into a debate about or discussions about how to stimulate the economy, first and foremost, it's important to come up with a total figure so that we don't undershoot or overshoot the mark. And they do recognize that some of the actions that we've all taken together, including the 40 billion supplemental plus the 15 billion for the airline, will have a positive effect on economic growth, and I do believe they recognize there needs to be more. And so one of the things that I'm doing is providing the leadership necessary to try to set the parameters on what the definition of "more" is.

Again, I want to repeat: We've just finished with \$40 billion of rebate from the tax package we agreed upon earlier in the year, plus we'll have about 70 billion in the rate reductions starting next year. And so, what we're looking at is how to bridge into next year.

Q. Sir, are you confident that the size of the package you're talking about will do

the stimulating you need at this end, without putting pressure on interest rates—

The President. That's a very good question. I finally got one—no—anyway—[*laughter*]*—I believe—I think you ought to ask the—I wish you could have heard the discussion we had, let me put it to you that way, where I believe people around this table, for example, believe it's important to be aggressive on the front end; that the risk-reward ratio is beneficial to be more aggressive on the front end. And obviously, we agree with that; that's why we've proposed up to 60 to 75 billion. But we're mindful of the effect on long-term interest rates, and we think that number is the right number.*

Discussions With Business Leaders

Q. Mr. President, can you tell us anything specific about these discussions with these men and women, specifically about did you speak about corporate relief?

The President. Yes, we did. I can be very specific, just like I have been. They do believe we need to stimulate the economy through boosting consumer confidence with some kind of money in the hands of consumers. And there's a variety of ways to—excuse me? I'm sorry—there's a variety of ways to do that. There's rebates; there's acceleration of the tax cuts—are the two most effective ways to do that, and we discussed both of those.

Secondly, we discussed a variety of options for corporate relief. One, we talked about ways to encourage investment through expensing of depreciation. Some people thought we ought to look at one-time ITCs, investment tax credits. People talked about the idea of corporate tax relief. And so we did have specific discussions about ways to make sure that our economy continues to grow.

And I am most grateful for the input that we have been given here. It has been incredibly helpful. The thing I come away with is that these are men and women dedicated to America, first and foremost.

They're dedicated to the workers that work for their company; they're dedicated to providing the security for their workers so they can go to work feeling safely. And they love their country, and they're going to do what it takes to join all of us together to recover from this awful incident of September 11th.

You only get one question a day.

Domestic Response

Q. [*Inaudible*]*—ask your average American to do besides spend, to help?*

The President. Well, I think the average American must not be afraid to travel. We opened Reagan Airport yesterday for a reason: We think it's safe and that people ought to feel comfortable about traveling around our country. They ought to take their kids on vacations. They ought to go to ball games. The mayor wants them to come to the Yankee games, of course. [*Laughter*]

Mayor Giuliani. The World Series.

The President. The World Series, yes. [*Laughter*] No question he's an incurable optimist. [*Laughter*]

But people ought to—listen, we ought to be aware in America—we are aware; how can you not be aware that we've entered into a new era? The imagery is vivid in people's minds. But nevertheless, Americans must know that their Government is doing everything we can to track down every rumor, every hint, every possible evil-doer. And therefore, Americans ought to go about their business, and they are beginning to do so. The load factors were up on the airlines, which means more people will be going to hotels and restaurants.

I fulfilled my pledge, my promise last night to take the Mayor of Washington, DC, for dinner. I did—Morton's Steakhouse. We had a nice slice of beef—plus, I paid. [*Laughter*]

Defense Secretary Rumsfeld's Visit to the Middle East

Q. Mr. President, why did you send Secretary Rumsfeld over to the Middle East to visit some countries?

The President. Pardon me, John [John Dickerson, Time]?

Q. Why did you send him, and what is he doing over there, visiting those countries?

The President. John, he's visiting with our friends. As you know, we've put together a broad coalition of nations that are interested in battling, joining us to battle terrorism. And Secretary Rumsfeld went over to visit with the leaders of a group of nations to share with them information, to discuss the determination of our Nation.

People need to be able to look us in the eye and know that when we say that we're in this for the long run, that we're going to find terrorism—terrorists and bring them to justice, we mean it; that this

is a nation—see, it's hard for people around the world to understand the resolve of America. They may hear my speech occasionally, but they need to look at the eyes—in the eyes of members of my administration, because—and hear them say that not only is this President resolved, but America is resolved to rout out terrorism, to make sure that legitimate governments can survive as we head into the 21st century, and to make a strong stand for freedom.

And Secretary Rumsfeld is going to do a fine job of delivering that message, because he knows exactly how I feel about the mission we have ahead of us.

Thank you all for coming.

NOTE: The President spoke at 11:20 a.m. in the first floor rotunda of the Federal Hall National Memorial. In his remarks, he referred to Mayor Rudolph W. Giuliani of New York City; Gov. George E. Pataki of New York; and Mayor Anthony A. Williams of Washington, DC.

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President's Visit

Q. What's your message for New York, sir?

The President. My message for New York is they've got great leadership—got great leadership with the mayor, got great leadership with the Governor, and all of America is proud, proud of the resilience of this city, too. People are coming together. It's an amazing feeling to be here in New York City. On the one hand, you see the destruction; on the other hand, you see—feel the

compassion of a great city. I'm real proud to be here with my friends.

See you at the school.

NOTE: The exchange began at 11:44 a.m. outside the Federal Hall National Memorial. In his remarks, the President referred to Mayor Rudolph W. Giuliani of New York City and Gov. George E. Pataki of New York. A tape was not available for verification of the content of this exchange.