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an historic shift from trickle-down economics, where taxes were lowered on the wealthy and raised on the middle class, because more than three-quarters of the new taxes in this plan will be paid by the wealthiest 6 percent of Americans. In fact, for every $10 that we cut the deficit, $5 comes from spending cuts, $4 comes from taxes on the wealthiest 6 percent, and only a dollar comes from the middle class. Working families with incomes under $30,000 are held harmless. The working poor, those who work 40 hours a week, have children in the home, and are still in poverty, will get tax relief so that no American who's working full time with children in the home will live in poverty.

A majority of our small businesses, where the jobs are mostly created in America these days, will actually get a tax cut because of the job-creating incentives in this plan. The plan is fair, it's balanced, and it will create new jobs, permanent, productive, private-sector jobs. With this plan in place, the American economy can produce 8 million jobs over the next 4 years, 8 million new jobs.

As the economic plan has progressed through Congress, the financial markets where long-term interest rates are set have responded. Long-term interest rates have declined to historic lows; mortgage rates are at 20-year lows. Now, if we can keep interest rates at this low level for the rest of the year, people refinancing their home loans or taking out new business loans will pump $100 billion of new capital back into the economy, because they'll have lower interest payments and then they'll have money to consume or to invest.

On top of that, the new business incentives, especially those for small businesses, will create new jobs. There will be new incentives for people to move from welfare rolls to payrolls. That means more jobs and new opportunities for young people to serve their communities while they finance their college education and become more employable in a tough global economy.

The House and the Senate have both passed versions of this plan, and now they're meeting to write a final proposal. With your help we can make sure that Congress says no to gridlock and yes to growth, yes to change, and yes to what is best in the American spirit.

Throughout the natural disaster in the Midwest I've been profoundly impressed by how our people have pulled together as a family. From the Congress to the Governors, to the community leaders in our cities and towns, to the volunteers, and to the people who have been dispossessed, Americans have risen above their divisions and their personal concerns to help people in trouble. In times of crisis we're not Democrats or Republicans, we are Americans.

Today I ask all of you to show that same spirit in responding to our economic problems. To those who would do nothing or slide back into the status quo of the last several years, I say we must go forward with a plan that grows the economy, reduces the deficit, creates jobs, and restores fairness.

I say to my friends in the other party in Congress, just as you have worked with me and the people of the Midwest together to help the people dig themselves out of a natural disaster, so should you join us in digging America out of the legacy of two decades of declining growth, declining productivity, growing deficits, and economic crisis. We are Americans; we can pull together. And together we can make the historic decisions to build a new generation of prosperity for ourselves, our children, and our children's children.

Thank you for listening.

NOTE: This address was recorded at 5:27 p.m. on July 16 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on July 17.

Remarks at a Roundtable Discussion on Flood Relief in Arnold, Missouri

July 17, 1993

The President. Thank you all for coming. As you know, we're starting just a bit late because we all had to come down from the airport, and we came in different ways. I do want to thank everyone for being here and say this is a rather extraordinary meeting of Federal, State, local, and private sector emergency response people. We're going to

try to get through a very busy agenda today, and it will be my job to try to keep us more or less on schedule. So I hope we can, because there are an awful lot of issues that have to be dealt with.

I'd like to thank the Governors who are here: Our host, Mel Carnahan, of Missouri. Terry Branstad of Iowa I think is here—there he is; I missed him when I went around—who hosted me on a trip to Iowa, two trips to Iowa recently. Is Governor Thompson of Wisconsin here? I think he's coming. Governor Edgar of Illinois, Ben Nelson of Nebraska, Ed Schafer of North Dakota, Arne Carlson of Minnesota, and Walter Miller of South Dakota. I think that is all the Governors who are here.

I'd also like to thank the Members of Congress who are here or who are scheduled to come. We have Senator Barbara Mikulski at the table, whose committee has jurisdiction over the operations of emergency management; Senator Kit Bond from Missouri, our host; Senator Bill Bradley is here somewhere or on the way, whose family farm in Missouri is apparently under water. He may be here in his private capacity rather than as United States Senator.

We're delighted to be in the host district of the majority leader of the United States House of Representatives, Dick Gephardt, and I want him to say a word in a moment, since we're camped out here in his backyard. Congressman Bruce Vento from Minnesota; Congressman Peter Hoagland from Nebraska; Congressman Minge; Congressman Volkmer is coming, I think; and Congressman Pomeroy is here. And I think Senator Wellstone from Minnesota is scheduled to come.

Let me also tell you, all of you from all these States, that the Vice President and I and our administration team had an extensive meeting yesterday in Washington with the congressional delegations from all the affected States. And you would be very interested to know that not only did virtually every Member of Congress from every State here represented show up, but there was also a rather substantial representation from interested Members of Congress from other States who just wanted to be there, get a briefing, and know what they could do to help. It was a very, very large and very impressive turnout. And I told them all we were coming here today. I invited them here, but most of them did their work on this issue yesterday at that meeting. Did I recognize Congressman Wheat? I don't know if I did, but he's here. Thank you.

I also want to say that the heads and Secretaries of 10 Federal Departments or Agencies in our administration are here working together. And I'd like to briefly acknowledge them so you'll know who they are and ask them to at least raise their hands: James Lee Witt, the Director of FEMA; the Secretary of Agriculture, Mike Espy; Secretary of Transportation, Federico Peña; Secretary of Commerce, Ron Brown, who just became a grandfather to twins. He's only 35 years old. We can't figure out how it happened. [*Laughter*] The Secretary of Health and Human Services, Donna Shalala; Secretary of Housing and Urban Development, Henry Cisneros; Secretary of Labor, Bob Reich; head of the Corps of Engineers, General Williams; the Commandant of the Coast Guard, Admiral Kime; and the head of the National Weather Service, Dr. Joe Friday, is also here. And he and the Vice President had a very interesting conversation about what caused this flood. They're going to talk a little in a minute. The Director of the Office of Management and Budget, Leon Panetta. And I'd also like to recognize in the audience the head of the American Red Cross, Elizabeth Dole, who flew down with us. And the Red Cross has done wonderful work, and we thank you for being here.

Now, I'd like to ask Congressman Gephardt if he'd like to say anything on behalf of his district. And then I want to recognize the Vice President for opening remarks.

[*At this point, Representative Gephardt thanked the President and members of the administration for coming.*]

The President. Thank you very much. I would just like to say in response to that, I think it's fair to say that all of us in the administration who have been to this region have been very moved by what we have seen, both the pain that people have experienced and their enormous courage and often their great good humor in dealing with this crisis.

I also want to thank the people in the rest of the United States who have sent help of all kinds. We even have seen help coming in from South Florida, which suffered so much from Hurricane Andrew last year.

I do want to say, too, we are here to deal with basically two great issues. One is, what are we going to do right now, while everybody is up to their ears in alligators? And the second is, how are we going to keep this effort going over the long run, so that we can see these areas through to full recovery? There has been a disjuncture in the past, I think, between what happens in the short run—there's all kind of questions about whether we've had enough coordination or not; I think we've really worked through that this time—but also whether the Federal Government can stay in the long run. And there is an almost collective emotional process that people go through when it first hits. Folks are brave and good humored and courageous, but then the reality of the losses that sink in, and a grief takes over. And then, if everyone is not at least doing their best, a lot of anger can come in the wake of that.

And our goal is to just be a good partner and to sensitively know that people will have to go through an emotional cycle, and the whole States will go through an emotional cycle. But we don't want people to think that they have been abandoned when the immediate emergency is over. So we're going to start this meeting with a discussion of the present conditions and what we can do in the short run. Then we're going to go to a discussion of long-term relief. And then at the end of the discussion, we're going to move to the legislation that is now moving through Congress, what it means and where we go from here.

Let me just introduce the Vice President with this thought. I read the other day that a 61-year-old retired State police officer in Quincy, Illinois, was fighting to save that bridge up there. And as you know, unfortunately the Fabius Levee broke in spite of their best efforts, and the bridge has now been closed. So there's no link for about 200 miles now across the Mississippi River. But this police officer said it's a shame the rest of the country can't come together like this to solve its problems. I thought that was such a simple and yet brilliant statement. I hope that we can come away from this with a sense that we've all done our very best to work together to solve this problem and that we will take the powerful example of human courage that we have seen in countless places across these States to follow that.

Again, I want to say to all of you, I thank you for taking your time to come today. We will run through a rather brisk schedule. And I want to begin with the Vice President, who has been to this region twice and who I think has done a very good job, especially when I was away on the G–7 meeting. And I'm very grateful to him. But he has a little insight on exactly what the scope of the damage is and how it all came about. And I think it would be good to sort of set the stage with his remarks.

Mr. Vice President.

[*The Vice President, using satellite images, discussed the unusual weather patterns that led to the flooding.*]

The President. Thank you very much. I'd like to now call on the White House Chief of Staff Mack McLarty to make a few remarks. I have asked Mack to oversee the White House coordination of this to ensure that it receives the best possible attention within the White House and that we continue the very close coordination we've had with all these Government Departments represented here today.

Mack.

[*Mr. McLarty discussed the administration's commitment to provide adequate and effective assistance.*]

The President. Thank you very much. Before we begin to call on the Governors, I'd like to ask Secretary Espy and our FEMA Director, James Lee Witt, to just briefly, for about 5 minutes each, review the current situation in the region and an overview of the present Federal response. They have spent more time here personally by quite a long ways than anyone else in our administration. And I think it's important that their views get out and that they have a chance just to make a few introductory remarks.

So I'd like Mr. Witt and Secretary Espy to talk in whatever order they have decided to speak.

[*Director Witt explained FEMA's efforts to assist flood victims. Secretary Espy then described the damage to the agricultural community and discussed USDA assistance efforts, including offices in FEMA disaster centers.*]

The President. Thank you very much, Mr. Secretary.

With regard to the co-location of offices, I also want to point out that FEMA has brought in 20 SBA specialists into the teleregistration center, and there are small business people who are now filling out the applications for aid by telephone. This is also something that has really been without precedent, particularly between the SBA and FEMA.

I neglected to introduce earlier, in that regard, the Director of the Small Business Administration, Erskine Bowles, from North Carolina, and also Congressman Talent. I apologize for that. And Governor Thompson, I introduced you before you got here, but we're glad to see you.

I'd like to now ask our host Governor, Governor Carnahan—we're going through a whole series of issues here. And if you don't feel something is adequately discussed, feel free to interject. But I think it's important that we try to stay on the agenda. And I'd like to ask Governor Carnahan to begin by discussing short-term emergency response and public assistance delivery.

[*Governor Carnahan discussed the damage and assistance needs in Missouri.*]

The President. Thank you very much, Governor. A little later in the program, I'm going to ask the Secretary of Labor, Bob Reich, to talk about the dislocated worker issue. It is a major issue.

But before we move this topic, I'd like to ask General Williams from the Corps of Engineers if you have anything you want to say about the emergency work, work to repair the public and private facilities and what you're doing to try to minimize the damage.

[*General Williams discussed Corps of Engineers disaster relief and water management efforts.*]

The President. Let me ask you one quick followup question. When Governor Branstad and I were in Iowa the other day and we saw this vast lake that essentially went from Des Moines all the way to the Mississippi River—the kind of thing the Vice President was talking about there—and one of the people who was there with us said that we had to be very careful how we drained off this water in order not to aggravate the problems of the rivers being too high. Is that a serious issue?

[*General Williams said the Corps will continue efforts to coordinate water levels in both tributaries and main rivers to prevent further damage.*]

The President. With regard to the issue that Governor Carnahan raised, this is not exactly responsive, because you talked about farm losses. But I do think it's important to point out that FEMA does have a modest program to deal with personal losses of families. And I thought I'd let Mr. Witt just briefly state that again so people who have been wiped out of their homes or jobs and don't have anything would know about it. Would you just briefly say what it is.

[*Director Witt said flood victims may be eligible for grants to cover personal losses.*]

The President. I'd like to, if I might, move on to another issue, which affects more people in Iowa than any other place, but that's the lack of potable water. And I'd like to ask Governor Branstad to talk to us a little about that. I live in a State where I've seen whole little towns flooded out and gone. I don't believe there's been another time in my lifetime when so many Americans in one place have been without drinking water, bathing water, any kind of water as are the people who live in and around Des Moines. And I'd like for Governor Branstad to discuss how they're managing that and how they're dealing with the public health risks that are posed by that.

[*Governor Branstad described water distribution efforts and infrastructure damage in Iowa.*]

The President. I just want to throw out something; I don't need a response now, but I invite any of the Governors who choose to respond. I spoke this morning to the people who are constantly on the air at that wonderful radio station in Quincy, Illinois, that's

served as sort of the informal headquarters and information source for people on both sides of the river, on this part of the flooding. They're, by the way, broadcasting this whole hearing live. But one of the things that I was asked on the radio was whether or not the National Guard resources of the States were being stretched too thin, whether or not the Guardsmen and women were in need of some relief, and whether I had thought of sending in any regular personnel.

Let me just say to all of the Governors, we have no way of knowing what percentage of your National Guard force you have deployed to do this. But if you do feel you need some relief from resources outside the State Guard, I hope you will feel free to let me know, and we'll try to deal with that.

General Williams, did you have a question?

[*General Williams and the Vice President commented on the National Guard's role in relief efforts. Governor Branstad then commented on State, local, Federal, and private sector cooperation in Iowa.*]

The President. Thank you. Before we move off the public health issues, I'd like to ask Secretary Shalala to comment about a number of issues. The obvious one is the water situation and with regard to potable water. But there are some other issues here: Are there any risks of disease from other flooded facilities, water facilities or treatment facilities or flooded fields washing pesticides? Are there environmental risks there? What about the damage sustained that we are aware of by Federally supported public health facilities? And so a lot of public health issues here, and I'd like for Secretary Shalala to just make whatever comments she'd like to make about that.

[*Secretary Shalala discussed cooperative public health efforts concerning infectious diseases and mental health.*]

The President. Thank you very much. If I might just respond to two other issues Governor Branstad raised, first with regard to the National Guard. I don't know what this country would do without them. Anybody who has ever served as a Governor knows that you literally couldn't function, the Governor's office could not function in most major problem areas, without them.

The second thing, with regard to your request for a waiver of the local match, I have asked James Lee Witt, since he obviously had experience in his former life as the director of emergency services at the State level in our home State, to work with the Governors on that and to try to make a reasoned judgment about what can and can't be done. There is some precedent, as you know, for waiving all or part of the match. There's also a big precedent for the match. And we have to be very careful about how we handle this. Where there is a genuine problem, we want to be responsive. But we want everybody to kind of work with us and work through the facts on it, and we will try to make a humane as well as a clearheaded decision.

I'd like to ask Governor Edgar from Illinois now to talk about the current situation in terms of its impact on the farmers. We've heard Mike Espy talk about it, but I think it would be helpful to have a Governor of a great farm State just to start and discuss a little about how the impact is in Illinois.

[*Governor Edgar requested the National Guard to postpone other duties in order to help damaged areas rebuild. He then discussed the damage and assistance needs in Illinois. Secretary Espy then stated that financial assistance will be provided as quickly and in as flexible a manner as possible and promised to work on crop insurance reform.*]

The President. Let me say, if you have any other specific suggestions on this, this is an important issue that Governor Edgar has raised and that the Secretary has responded to. As we look at the crop insurance reformation issue, if there are other areas of flexibility you believe ought to be given to the Secretary of Agriculture to help deal with this and subsequent crises, it's very important that you get them to us now while the Congress is focused on this issue.

Yes?

[*Governor Branstad expressed concern that the amount of money allocated for farmers in the disaster assistance package is not adequate.*]

The President. Senator Bond and Congressman Gephardt, the administration, I

think, in 1992 presented a revised downward formula. It used to be two-thirds of two-thirds, didn't it, something like that? And it was revised downward because of the magnitude of the losses in Andrew and the side problem with the deficit, is that right? I wasn't here so I don't know.

Senator Bond. Mr. President, in the 1990 farm bill we authorized a very complicated formula for people with crop insurance. It was essentially 65 percent of 65 percent. As a result of OMB actions during some of the disasters, they cut what is effectively 42 percent by a half, and thus the proposal is about 21 cents on the dollar. We had a chance to discuss and several of the Members of Congress discussed with you our strong desire and our hope that OMB and you will support, and we can encourage Congress not to cut that 42 percent in half, because for most farmers that represents their out-of-pocket costs of feed, fertilizer, and fuel to put the crop in.

The President. We're going to review that. We presented that under the terms of—the same thing that happened with Hurricane Andrew. And I frankly was not even aware of it being a problem until the Congressmen from the affected States brought it up to me in large numbers and on a bipartisan basis yesterday at our big meeting. And so we're going to review that.

[*Governor Branstad thanked the President for agreeing to review assistance for farmers.*]

The President. I think it's very important that, even under the formula adopted in 1990, everyone understands it's not a question of whether you're holding people harmless but whether you're at least giving them enough help to have a fair chance so that they'll be able to continue in farming.

Let me just mention two other things quite quickly. I got a note on this local match issue. Secretary Shalala sent up a note that said we need to get rid of the State match on VETRA control so we can quickly put in a multistate strategy on mosquitoes. If we have time I'll tell you a story one time when I gave a speech when a swarm of mosquitoes came up in a rice field. The speech lasted 20 seconds, and I never lost the county again. [*Laughter*] I could have used that swarm of mosquitoes in later points in my life. [*Laughter*]

I want to say one other thing. Yesterday Congressman Harold Volkmer, who is not here today, told me about an incident involving FEMA and State emergency people that affects environmental and health issues that I thought I should repeat in the event that it happens to any of you, so you know that this capacity is there.

There was a pesticide and herbicide storage area at Hannibal, Missouri, that was threatened. And immediately FEMA and the State emergency people were able to put divers into the area, and the divers actually helped to shore up the area and keep that from being threatened. If that storage area had been overrun, obviously you would have had a huge amount of very toxic materials, not very much diluted, to which people would have been exposed. So I think it's important that we try to identify that. Every time I fly over one of these sewage treatment facilities or something else where there's water all around it, I just get the willies thinking about what could happen. And I think that it's important to know that we do have this dive capability. And if something like that you think might happen, you need to call FEMA to try to put together a dive team and a reinforcement team so that we avert those kinds of possibilities.

I'd like now to talk about individual assistance and small business assistance. And I'd like to ask Governor Thompson of Wisconsin to talk about it. The worst of his flooding, we hope, is behind us, although after the Vice President's weather forecast today, I'm not sure. But we hope that it's true. And as people begin to look about getting back on their feet, I'd be interested in knowing how you think this assistance program is working, how adequate is it, what's your assessment of both the individual and the SBA programs.

[*Governor Thompson discussed the damage and assistance needs in Wisconsin.*]

The President. Thank you very much. I'd like to ask the SBA Director, Erskine Bowles, to comment briefly on the SBA programs and how they're being implemented here. Erskine.

[*Administrator Bowles discussed SBA disaster assistance programs and promised the Agency's cooperation. Mr. McLarty mentioned USDA loan programs to complement those of SBA. Administrator Bowles then stated that some checks had already been delivered.*]

The President. Believe it or not, we're almost back on schedule. Before I move away from the short-term to the long-term issues, I think it would be a mistake not to at least acknowledge the efforts of the private volunteers, the people who came on their own, the people from the Salvation Army. I saw a lot of Salvation Army people in Iowa, and I was deeply moved by them. They even showed up, some of them, in their uniforms. I couldn't believe they could bear to work in their uniforms, as hot and difficult as it was. And of course, the Red Cross, where I think, Governor Branstad, the largest employer in your State gave, I think, $100,000 to the Red Cross while I was there to do their work.

Since Mrs. Dole is here, I thought, if there's any comment you'd like to make about the volunteer efforts, what we're doing, where we're going, we'd be glad to hear from you. And I think it might be nice if you came down and sat in Senator Wellstone's chair, and then we'll take a picture of you there with his name and send it to the Senate minority leader for his—[*laughter*]. There's a certain sweet irony there—my photographer to take a picture of Senator Wellstone as she speaks.

[*Mrs. Dole praised the spirit of the volunteers.*]

The President. Thank you. I also think it's fair to say, though, that all those volunteers have to be coordinated. And we really appreciate the work that's been done there.

James Lee, did you want to say something about that?

[*Mr. Witt praised the Red Cross and other volunteers. The Vice President and Governor Branstad then discussed FEMA's coordination of the distribution of donated goods.*]

The President. Since we're talking about this, I want to get in a plug for my pet project. Some of our national service volunteers this summer have come to the flooding areas and are working as volunteers. And Senator Durenberger and Congressman Vento from Minnesota have suggested that we actually have a little modest appropriation to get some more of these young people who are in the national service program just physically to the affected States. Bruce, you might want to say a word about that, but I really——

[*Representative Vento encouraged the involvement of youth in relief efforts. Representative Minge then requested flexibility in banking and crop insurance requirements.*]

The President. Thank you very much. As I said, we do intend to review the agricultural rules. Let me comment very briefly on the bank loan issue. Along with a number of other farm State Governors, back in the mid-eighties we had a meeting in Chicago—I never will forget this—Governor Edgar's predecessor hosted it, and we tried to work through reform in the farm financing system. Congress acted on that, substantially what we recommended, but it was 4 years later and 255,000 farmers later. I believe that the regulators have the authority to give the banks the flexibility to do what you suggest, but I will check to make sure.

[*Representative Minge said that the Congress is supportive of the administration's efforts.*]

The President. Let me make one other comment on the crop insurance issue. There are deficiencies in the crop insurance program all right for the catastrophic losses. The main problem we've got in this instance is that this flood occurred a heck of lot further north on the Mississippi than floods normally occur. And by the time the land drains off, it'll be too late to plant soybeans. I mean, that's the main problem we've got. So unless you sort of threw the beans in the ground to create a fiction, you know, a falsehood, to claim your crop insurance, you can't cover it. That does not mean that, at least I could, in good conscience, to ever advise any farmer not to ever buy crop insurance. It does do some good, and I do think that, in effect, the preference in the law for people who have some insurance is a pretty good thing, still, but we do need to drastically reform the crop insurance program.

[*Representative Minge predicted long-term reductions in the cost of farm programs.*]

The President. Thank you very much. I want to move on, if I might, and talk about—he meant 10 cents, Jim—I want to move on to discuss, if I might, some of the long-term issues here and ask Governor Miller of South Dakota to begin by just discussing the impact of the flood on jobs. That will take us back to the job training remark made by Governor Carnahan at the end of his remarks. But I'd like for Governor Miller to talk a little bit about the job impact on this flood.

[*Governor Miller discussed the damage and assistance needs in South Dakota.*]

The President. Thank you. Mr. Bowles has already discussed the SBA programs which would be relevant here. And the Secretary of Agriculture has talked about the farm programs a little. I'd like to ask the Secretary of Labor, Bob Reich, to talk about the job training elements of this issue.

[*Secretary Reich discussed the availability of disaster unemployment insurance and funding for jobs in the cleanup effort. He then gave checks to some of the Governors present.*]

The President. You're the only guy in my administration with any money. How can you do that?

Yes, Governor Schafer.

[*Governor Schafer asked for clarification on how the disaster unemployment assistance program works, and Secretary Reich gave a brief explanation.*]

The President. I think that's important. Terry's going to say something, but when I was in Iowa the other day, it's very interesting that you discussed this because there are more people than you would think affected by this who aren't in the normal unemployment insurance pool. And I had two or three people come up to me just when I was in Des Moines to talk about it.

Terry, what were you going to say?

[*Governor Branstad expressed concern for the needs of small businesses to rebuild.*]

The President. Given the—no one has ever mentioned this to me. You know, when you get to be President, you're supposed to never say anything off the top of your head. But given the problems we've got with the budget and the difficulty of dealing with that issue, I think it would be virtually impossible that the Congress would adopt any new program in that regard.

The one thing I would ask the Governors to consider among yourselves about this is whether or not you would want to ask us, the Federal Government and the Congress, for some sort of modification of the law affecting how you can invest your community development block grant funds for a year or so because that's something that—I mean, I know that that program is not real popular with every Member of Congress, but it's real popular with me because I was a Governor. And I know how much good it can do, and I think there's very little—at least in my State there was very little waste in it. But I think that if you have the flexibility to allocate some of that money to job creation or job preservation under emergency situations for a year or two, that might make a significant difference. So let me just suggest that that's something you all might want to put your heads together about and get back to us on.

Ron, what were you going to say? Secretary Brown.

[*Secretary Brown discussed the need for a long-term economic development plan.*]

The President. Let me just follow up on that very briefly and say that I think that that is very good. I'd like to ask you to examine, given the specific questions you've heard today, what you think the EDA could do and the Department of Commerce. And at the end of the session here, I want to talk a little about long-term planning. And I think that you should really work with the Secretary of Agriculture to make sure that every State knows that they have available the resources of Commerce to develop this kind of economic plan.

And meanwhile, I think the Governors ought to look at this community development block grant option. I think it's got some legs. And I don't know, but Des Moines may get CDBG directly; does it? It may be of sufficient size to get it. So that would also be quite helpful there.

I'll call on Bruce Vento, and then we've got to go. We're getting behind.

[*Representative Vento expressed his concern about long-term unemployment among agriculture-related workers in urban areas and among migrant workers.*]

The President. Thank you.

We have a few other topics I think it's really important that we cover today: shipping and commerce, housing, and infrastructure for sure. I'd like to ask Governor Carlson and Governor Schafer to comment on the issues of shipping and commerce, the impact of the flood on shipping and commerce over the long run.

[*Governor Carlson expressed his support for crop insurance reform and more flexibility in banking regulation and his concerns regarding insurance for development on flood plains. He also commended efforts to open global markets to U.S. agricultural products. Governor Schafer then discussed long-term difficulties in storage and shipment of agricultural products as a result of flood damage.*]

The President. Thank you. I'd like to ask Secretary Peña to comment on this issue, as well as on the infrastructure damage generally.

[*Secretary Peña discussed the extraordinary impact of the flooding on both regional and national transportation systems.*]

The President. Thank you very much. Before we move on to discussing the actual aid legislation, I'd like to talk about one or two other issues. I'd like to ask Governor Nelson of Nebraska to talk about the question that many of the Governors are facing, which is what happens to people who are displaced from their houses, and then I want to ask Secretary Cisneros to comment on that. And you might feel free to comment on any of the other long-term economic issues of concern to your people. Thank you.

[*Governor Nelson discussed wind losses in Nebraska, suggested the use of community development block grants for housing assistance, cautioned against downsizing the National Guard to the point of limiting its emergency response capability, and questioned the relocation of homes out of proximity to cropland and agricultural jobs.*]

The President. Thank you.

Secretary Cisneros, we flew over a lot of people that don't have their homes anymore today.

[*Secretary Cisneros discussed use of community development block grants for immediate cleanup and reconstruction work including waivers to permit use for public facilities and services, elimination of matching fund requirements for the home program, easing of FHA and HUD mortgage foreclosure practices, and assistance through other FHA and HUD programs.*]

The President. Thank you very much. That's very encouraging. And I know all the Governors listened closely to it. I'm going to wait to hear from you, from the Governors, about exactly how you would advise me to proceed on the CDBG issue and the waivers. You can be in touch directly with us or Secretary Cisneros. But I thank him for that very comprehensive discussion.

We need now to have a brief presentation from Mr. Panetta about the legislation now pending in the Congress. We are running about 30 minutes behind. We're actually only about 10 minutes behind because we started 20 minutes late because of the transportation. I think that's remarkable. But I would like to ask Leon just to run briefly through a summary of where we are right now and what the sort of timetable is for the movement through Congress as well.

[*Director Panetta said he expected the disaster assistance legislation to be voted on in the House by Thursday, July 22, and that the Senate would also act on it rapidly. He then listed specific elements of the package.*]

The President. Thank you very much.

Before we close out this section, and there are a couple of other things that we need to do, but I would like to thank and recognize and give an opportunity to speak to Senator Mikulski. She has come all the way from Maryland—this is not in her district or State—because of her profound and longstanding concern about the operations of FEMA which fall within the jurisdiction of her committee. I thank her for coming, and

I hope she will be graceful enough, Governor Carlson, not to mention the Orioles' victory over the Twins last night. It was a very exciting game that I watched at the end.

[*Senator Mikulski said Congress would act quickly on the legislation. She then praised State, local, and volunteer disaster workers and congratulated the President for leading a quick and comprehensive Federal response.*]

The President. Thank you. I like that line. I don't know about being ''Commander in Chief of disasters.'' I'm afraid I may live to hear that again before long. [*Laughter*] But thank you very much, Senator Mikulski. That was a wonderful statement, and thank you for your work.

We have to wrap up, but Governor Edgar has asked for the floor.

[*Governor Edgar expressed concern that the $2.5 billion requested would not be enough.*]

The President. I want to make two points here. First, as we get more information in over this legislative process, we will ask that the bill be amended, wherever it is, if it's in the House or in the Senate. But in order to keep faith with the Members from all the other States, all of whom themselves might have disasters someday—many of whom do—but who are also charged along with me with, you know, maintaining the discipline of the budget, it's very important that when we plug a number in we have some research basis, some factual basis for it. But we intend to modify this as the information comes in on the losses. If the bill passes and there's still things that aren't dealt with that should be dealt with under Federal law, we will go forward with seeking more assistance. I want to make that absolutely clear.

Let me make one final comment about the substance here. Many of you have made the same observation that Senator Mikulski did about the importance of the ongoing effort, and that's really where I began my remarks.

In other contexts I have asked a member of the Cabinet to supervise. I asked Secretary Cisneros, for example, almost the week after we took office, to go down to Florida and supervise the long-term effort in the aftermath of Hurricane Andrew so that they would know that we were still in there. I asked Secretary Brown to go to California and to try to supervise a long-term effort to deal with the collapse of the economy of that State rooted very largely in the dramatic reductions in defense spending without any kind of off-setting plan for defense conversion.

And I think we ought to do that here. And so, because so many of these States are farming States and because so much of this is agricultural loss, I've asked Secretary Espy to coordinate the long-term Federal response in the flooded area here, and he has agreed to do that. So he will be working with all the suggestions made by the Governors today and by the suggestion made by Secretary Brown for economic development plans and others as well as with the FEMA Director, James Lee Witt, who may well have another emergency to deal with before we work our way out of the long-term problems here, which is why I've asked Secretary Espy to do that.

Let me also thank all of our hosts from Missouri: Mr. Wheat, Mr. Talent, Senator Bond, Majority Leader Gephardt, and Governor Carnahan. And before we break from here, I want to talk about the very important sessions coming up. I want to ask Mr. McLarty to describe very briefly what happens now.

[*Mr. McLarty gave instructions to the participants for the afternoon session.*]

The President. I want to give our hosts here, Mr. Gephardt and Mr. Carnahan, a chance to wrap up if they like, or Senator Bond. But before I do, let me say that Governor Finney from Kansas could not be here today, but she is ably represented by her Chief of Staff, who also happens to be her daughter, and we're glad to see you here. And I thank all the rest of you from around the room for being here. I hope the afternoon sessions are valuable. I think this has been quite important.

Not long after I became President I met with the Governors, and I asked the Governors on a bipartisan basis to make sure that we kept our administration rooted in the real problems of real people. This is not exactly what I had in mind, but it certainly does qual-

ify. And I thank you all for being here and for the contribution you've all made.

[*Governor Carnahan, Representative Gephardt, and Governor Bond expressed their appreciation to the President for meeting with them.*]

The President. Governor Branstad wants a last word. He's earned it, since he's down to taking a shower every other day.

[*Governor Branstad presented the President with a T-shirt.*]

The President. Thank you.

NOTE: The President spoke at 10:22 a.m. at Fox Senior High School. A portion of this item could not be verified because the tape was incomplete.

Teleconference Remarks to the National Association of County Officials

July 19, 1993

The President. Good morning. I'm honored to address the National Association of County Officials today and very, very grateful for the strong support you've given to our economic plan. It's good for the counties of this country; it's good for America; it's good for the working people of this country.

I very much appreciate that nice introduction by your president and my long-time friend, John Stroger. He's been a valuable part of our team and a very effective advocate for county government. As Cook County Commissioner, he also represents one of the legendary counties in America. That was true even before my wife was born there. [*Laughter*]

Let me say just a few words about the terrible flooding throughout the Midwest. There's been extraordinary damage done to crops and homes and businesses, but not to the spirit of our people or to our commitment to join them as neighbors to help them to rebuild each of those communities.

As county leaders, you know more than most about the hopes and problems of families. For many, the efforts of local government represent the best ideals of America. But for too many years, since Washington has spent too much and invested too little and refused to make the tough decisions necessary to keep our economy healthy, the only clear message local leaders got from Washington was, ''You're on your own. And by the way, here are a few more burdens.'' Washington gave you make-believe budgets and mandates with no money. They drove up the debt from $1 trillion to $4 trillion and still invested less in the things that make our communities stronger.

Well, you've been at the forefront of trying to change this. You know that we must create high-wage, high-skill jobs again so there will be less crime, fewer transfer payments, and more revenues to support businesses and institutions that are the foundation of all stable communities.

I wish I could be with you in person today, and I'm looking forward to doing so when you have future meetings. But as you know, my first obligation to you and to our Nation is to keep fighting for change right here in Washington and for an economic plan that creates jobs and raises incomes, that invests in a stronger tomorrow and brings this terrible deficit down.

This economic plan is good for the country and the economy and good for the forgotten middle class. It contains the largest Federal reduction of the deficit in history, with over $250 billion of dramatic cuts in spending. It finally begins paying down the deficit and shifting the budget away from waste and toward sound investments in job creation and entrepreneurship, in new technologies, and in the health and education of our people. There couldn't be a more profound change from the old ways and the failed policies of the past to a new direction that will make our economy work again.

For starters, we make more than 200 specific cuts that slash over $250 billion from this budget. For the first time, we secure the savings from both tax increases and spending cuts in a trust fund so they can't be touched. While the old ways favor those at the very top income brackets, our plan asks the most from those who are most able to give. At least 70 percent of the new taxes in this plan will fall on those making over $200,000 a year, while millions of families earning below $30,000 will actually get a tax break. And