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NOTE: These remarks follow the text as released by the Office of the Press Secretary. A tape was not available for verification of the content of these remarks.

Remarks on the Death of Deputy White House Counsel Vincent Foster, Jr.

July 21, 1993

The President. Good afternoon. I have just met with the White House staff to basically talk with them a little bit about the death of my friend of 42 years, Vince Foster. It is an immense personal loss to me and to Hillary and to many of his close friends here and a great loss to the White House and to the country.

As I tried to explain, especially to the young people on the staff, there is really no way to know why these things happen, and it is very important that his life not be judged simply by how it ended, because Vince Foster was a wonderful man in every way and because no one can know why things like this happen.

I also encouraged the staff to remember that we're all people and that we have to pay maybe a little more attention to our friends and our families and our coworkers and try to remember that work can never be the only thing in life and a little humility in the face of this is very, very important.

I also pointed out that we have to go on. We have the country's business to do. I am keeping my schedule today except for the public events. I'm keeping all my appointments, and I expect to resume my normal schedule tomorrow. And then, of course, when the funeral is held, Hillary and I will go home and be a part of that. But otherwise, we will go on with our schedule and keep doing our work.

Q. Mr. President, do you have any idea why he might have taken his life. There's no indication——

The President. No. I really don't. And frankly, none of us do. His closest friends sat around discussing it last night at some length. None of us do. For more years than most of us would like to admit, in times of difficulty he was normally the Rock of Gibraltar while other people were having trouble. No one could ever remember the reverse being the case. So I don't know that we'll ever know. But for me, it's just important that that not be the only measure of his life. He did too much good as a father, as a husband, as a friend, as a lawyer, as a citizen. And we'll just have to live with something else we can't understand, I think.

Q. There's some feeling that he might have felt the guilt or blame for things that went wrong in the White House during the first 6 months.

The President. I don't think so. I certainly don't think that can explain it, and I certainly don't think it's accurate.

Thank you.

NOTE: The President spoke at 12:50 p.m. in the Rose Garden at the White House.

Remarks in an Interview With the Alabama Press

July 21, 1993

The President. First of all, let me thank you for coming, and thank you for understanding why we didn't do the entire hour today. I'll be happy to answer any questions you have. And I have reviewed your schedule. I hope you found it helpful coming here, and I'm very glad to see you. I saw some of you walking across the street today.

Go ahead, sir.

Economic Program

Q. The Vice President was just talking about Senator Dole's alternative plan, and your administration's spokesman has been very critical and much more so of Republicans in recent days, what they've put forward. He used the phrase that the Republicans didn't have the guts to make the tough choices. I was just curious whether you would extend that characterization to Senator Shelby, the cosponsor of that Republican plan.

The President. Well, let me characterize the plan. I mean, what bothered me about the plan was that it seemed to me to run

the risk—I thought there were two things wrong with it. First of all, it had a lot less deficit reduction in it than our plan does. Secondly, under the guides of not taxing the middle class, it imposed no new revenues on the people who were paying 70 percent of our load, that is, people with incomes over $200,000 a year. That group of people, the top one percent of Americans, derived, according to all serious, studies, about 70 percent of the gains, economic gains of the 1980's, and their taxes were reduced while middle class Americans had their incomes stagnant and their taxes increased in the aggregate in the 1980's. The third problem that I saw with it was that even the deficit reduction figure that they alleged was actually quite a bit smaller because they had what we call a plug in it. And I think that must be what the Vice President must have referred to. That is, there was, I don't know, $65 billion, $70 billion, something like that where they said, ''Well, we'll cut this, but we'll tell you later how we're going to do it. We'll figure that out somewhere down the road.''

Our plan really from the beginning was dedicated toward being taken seriously by the experts in this field who very often have almost made fun of Presidential budgets, so that it could really make a contribution to lowering interest rates as well as lowering the deficit. The budget expert for Price Waterhouse, for example, was quoted recently in a Philadelphia Enquirer piece as saying I had the much better side of the argument on deficit reduction as compared with Senator Dole and that it was the first genuinely honest, credible budget to be presented by a Chief Executive in a decade, and that, in fact, the only thing that I have understated was the amount of deficit reduction in it, that it would probably reduce the deficit considerably more than we had claimed.

So that's all I can say. I don't want to get into characterizing Senator Dole or Senator Shelby except to say I know these are difficult decisions. But this is not a narrow dispute over whether we should have some sort of energy tax, which I think we should because the energy tax, let me say, essentially permits us to fund some mechanisms for people to avoid paying the higher taxes through tax incentives but only if they're trying to create jobs.

And I'd like to just make that point, if I might, very quickly. This bill also has—I think it will have in its final form, it did in the House version and I think will in the final form in the Senate, an increase in the expensing provisions for small businesses. It will more than double under either provision. And what that means is—and I want to hammer this home, because this affects Alabama—this means over 90 percent of the small businesses in the country, the Subchapter S corporations, that is, that's in the small businesses in the Tax Codes, over 90 percent of them will not only pay no tax increase under the income tax provisions but, in fact, will get a tax break if they simply reinvest more in their companies because of this Code. Now, no one has been saying that except me. But it's a fact. The Wall Street Journal yesterday had a great article on that issue.

Secondly, the new business and small business capital gains provision enables people to cut the tax they would pay on their gains from investments in companies with a capitalization of $50 million or less when those investments are held for 5 years or more. That is a huge tax break designed to create jobs. Similarly, we do much more for research and development tax credit, for the education and training workers by employers, for investments to get the real estate and home building market going again, all those things. So that even those Americans, that top one and a half percent or so that will be affected by these income tax raises, the substantial income tax raises, they can lower those rates if they'll just simply turn around and invest their money in creating jobs in America. So that's why I wanted this plan and why I still think it's way the best.

Yes?

Q. We have heard the figure all day of 82,000 new jobs for Alabama. When you're talking about a State, though, that has in some counties people with less than a 7th grade education, they're not trained to do the type of technical jobs that you're talking about. What kind of jobs—and I've been trying to pin this down all day—what kind of jobs are Alabamans trained to handle that

would bring in these 82,000 new jobs for our people?

The President. Well, first of all, I would make two observations to that. You're asking me a Governor's question now. It's something I know a little bit about. And I guess I need to back up and tell you a story. Let me just give you a two or three-sentence story about my State.

When I became Governor of Arkansas in January of 1983, we had an unemployment rate 3 percentage points above the national average. We had a State that, compared with what was working for America in the eighties, was too poor, too undereducated, too rural, too oriented toward production as opposed to services. We just didn't fit very well. And we embarked upon a long-term strategy to make ourselves fit with the global economy.

During the entire term of my service, our unemployment rate dropped below the national average only one time for 1 month until 1992, when it dropped well below it. And today it's about a point below the national average, even though for 5 years running we created jobs at a more rapid rate than the national average. In other words, we had to change the job mix of the State and the skill mix of our people. And you can't do that overnight.

But the point I want to make is it can be done. And we have seen it. So the President and the Congress cannot do everything. We have to have a partnership. Your new Governor, Governor Folsom, was up here the other day going around and visiting people in our Government who might be in a position to help change both the job mix and the skill mix of the Alabama economy. And we can be partners there, but a lot of that work has to be done at the State and local level.

Now, let me give you the two examples to get to your point. Don't forget that Alabama today has an enormous technological base around, let's say, your medical facilities, your distinguished medical school and your medical facilities in the Birmingham area, or in terms of the space operations in the northern part of your State, where a cousin of mine for many years was a career NASA scientist. You have, in addition to that, a lot of industries that have gone through all the things the American industry went through in the 1980's to become far more competitive in the global economy in traditional industries, which may not require people with college educations but almost certainly require people who can read at the high-school-graduate level and who can have up to 2 years of further training.

So I would say, therefore, that what you should be looking to us for is help in the whole area of defense and military conversion and help in the whole area of trying to get more private sector dollars into distressed areas and then hooking into the efforts that we're going to try to establish to have a national system of training, which includes more aggressive efforts in the literacy area and in development apprenticeship programs that are partnerships with the private sector. All of the small town and rural south has been involved in an aggressive effort, in effect, to be a better fit with the global economy.

But I would say that there are lots of jobs. First of all, not all the jobs that will be created—if you create a manufacturing job, let me just give you another example, if you create a few thousand more manufacturing jobs, there will be about one and a half other jobs created, many of which don't require many skills at all, for every manufacturing job you create, because that's the way that works. I would be looking at a State strategy to hook into the national strategy, which would take advantage of lower interest rates, the specific programs of the administration, and which would focus on those two areas: changing the skill mix, changing the job mix.

Yes?

Space Station

Q. Mr. President, we've talked about the space station funding with several people today. A lot of people in north Alabama depend on the space station program and, of course, NASA for their livelihood. This administration is committed to funding right now. Is it committed, say, next year? The following year?

The President. Absolutely.

Q. Or should those NASA workers look for other jobs?

The President. No. I feel passionately myself, as does the Vice President, about the space program and about this project as redesigned. I want to have a very candid conversation with you about this. I mean, I want to say things, and I don't want you to overdraw the political implications. But I want to just try to describe to you the situation I found. When I was elected President, I was elected saying that we were going to have to cut the deficit and cut a lot of spending but that a lot of the targets for spending cuts I did not agree with. In other words, there was a big constituency in the Congress last year for eliminating the space station and eliminating the superconducting super collider. I thought the space station was very important technology, and I thought the super collider was very important science, and I still do.

I also think that with regard to the space station, you have to see the validity of the space station not only in terms of its own merits but in terms of what we have already done to the science and technology base of the country by cutting the defense budget since 1987—which is not just closing bases, it's shutting down contracts—without aggressively implementing a defense conversion strategy until about 4 months ago when we started in earnest to spend funds that had lain dormant up here in Washington for a year almost. So there are two reasons, I think, to go forward.

It was obvious to me that the space station was in trouble on management grounds, design grounds, and because the political constituency for it had gotten too narrow, that it was too narrowly focused around Alabama and Florida and Texas and California where the jobs were. We can't afford to start voting in the Congress based on that alone. If it's in the national interest, we should continue it. So we got this eminent body, as you know, to review the whole space station project, to look at the budget constraints, and to design a program that we could continue in good faith.

As you know, the program only survived by one vote the first time in the House. And two friends of mine, who were part of a group that had voted to kill it, stayed until the end and changed their votes and voted to put it over. And I was immensely gratified by that. I think we have the votes in the Senate to continue it, and I am passionately committed to it. I believe in it very strongly. So I can tell you, I'll be there.

I also want to say to you, though, that one of the problems is that when people who advocate the space station at the same time say things like, ''Well, it's just spending, stupid. If we just cut more spending, we wouldn't have to raise any revenues,'' and try to falsely give the impression that all these taxes are going to come on the middle class and that it's not going to go to deficit reduction, and imply that there is no spending cut in the program as it is when that's not true, that creates a problem. I'll give you an example in the case of the super collider just so you'll see how sharply it is. At the very moment the super collider, which I was strongly supporting, came up for a vote in the House of Representatives, on the steps of the Capitol were standing—and the super collider is in Texas, you know, primarily, a little bit in Louisiana—the two Republican Senators from Texas and Mr. Perot from Texas, saying, ''We've got to cut more spending.'' So they send the message to the House, and the thing loses by 70 votes more in the House than it did last year. They just—''Well let's just lob them one then.''

In other words, it is very difficult, when all these other people from other States are getting nothing out of this budget, if the people from the States that have massive Federal projects won't help to bring the deficit down and make the tough choices. It makes it harder to keep it alive. Now, that's just a fact. Consider how you'd feel if you were a Member of Congress from Iowa where we've cut farm programs, from the Rocky Mountain West where we have restrained the Government subsidies of a lot of the resources in the West, and you're being asked to keep alive the space station or the super collider, and the people who represent those States are screaming at you that if only you'd cut more spending you wouldn't have to raise these taxes. Now, that's really the political problem.

I can do a couple more. Go ahead.

Military Base Closings

Q. Mr. President, in our area in southern Alabama, in Mobile, people have said, the economic plan—we'd like to support it, but, on the other hand, we see the Federal Government do things like build a brand new home port and then within a couple of years decide to close something that hasn't really had a chance to even rust. How do you instill confidence in—

The President. You mean because of the base closing operation?

Q. Yes, exactly.

The President. Well, let me say, first of all, I can't either defend or criticize every particular decision of the base closing commission. I have to tell you that they have a very difficult job. The Joint Chiefs of Staff made recommendations to them, passed on by the Secretary of Defense. They reviewed it, and they modified it to some extent to try to ease the unemployment impact in some areas. But here is the fundamental problem, and I'll come back to your specific case.

The fundamental problem is that we are going in rather rapid succession from a military with about 2.5 million people in 1987 to one with somewhere between 1.6 million and 1.4 million people at the end of this decade. Now, as we do that, we were looking at projected downsizing of the military force by 40 percent, with a base structure downsized by only 9. If you do that, that means you're going to have a lot of base structure and capacity you can't use. And what will happen is you will have to cut contracts for these weapons that are so important to us. For example, in the attack on Iraq where we sent the cruise missiles in, it's very important that we continue to modernize those things, make them more accurate, continue to develop weaponry. You have to cut more of that if you don't cut bases and structure appropriately. So, in general, I had to approve that.

Now, my argument to the people in Mobile is that there are long lead times in defense expenditures. The decision to build that facility, to modernize it, was made probably in the early eighties before we could have anticipated the end of the cold war, the collapse of the Soviet Union, the need to redesign this whole national security system. And that should not be viewed as a waste.

On the other hand, what ought to be done is the Government should have a significant burden to work with the people of Alabama to figure out what can be done to turn that to a valuable commercial use. How can this be used to create jobs and opportunity for Alabama? How can this be turned into a real asset for your State? That is my commitment. My problem with this whole defense downsizing all along is there are all these economic studies which show that you can create about as many jobs in civilian life as you can in defense for about half the money. But if you don't spend any of the money and if you don't work at it, then you'll never get that done. So that's the only answer I can give you.

I'll take another couple. Go ahead.

Senator Richard Shelby

Q. I've been getting shrugs all day to this question, Mr. President. Let's try once more. It was the biggest story in Alabama politically all year. About 5 months ago, Mr. Panetta gave a directive to NASA to transfer the external tank project out of Huntsville. The press was told this was done to punish Mr. Shelby for his criticisms of your economic program. NASA has written back to you 2 months ago saying this is a dumb idea, it's not safe, it doesn't make economic sense, and we can't guarantee the safety of future shuttle flights if you separate the management team from the engineers they manage. What is the status of what we call the ''Shelby sanction''?

The President. Well, first of all, you just told me something I didn't know. I had no idea that NASA had written to me about that, and I will take it up immediately.

Secondly, let me tell you, you can go back through my whole career as Governor, which was a pretty successful one, and I got a lot done, and I went through a whole lot of tough decisions, usually with the same sort of criticism I've been getting early on here. When you start something tough and you start pushing rocks up a hill, you know, sometimes you have to settle for 85 percent of what you ask for. But if you advance the ball, that's the game.

I have to tell you, I have not had any personal criticism of anyone for their opposition to my plans. The thing that I thought was wrong about what Senator Shelby did was that he launched his criticism in a very personal way against the Vice President after the television cameras showed up, and I thought that was wrong. I thought it was insensitive to a new Vice President and President. I didn't like that.

I have tried to have, and I want to have, a good relationship with Senator Shelby. I have a very good relationship with several Republican Senators who rarely vote with me. But there are all kinds of other issues. This is not the end of the world. This economic plan—after we finish this, we've got to pass national service, which is being debated, which was one of the heartland provisions of my campaign. We've got to deal with the health care crisis, and we're going to have some bipartisan support on that. We've got to take up a crime bill in an environment which is very troubling in America today. We've got a whole lot of other fish to fry for the American people. And I do not want to have any kind of bad relationship with any Member of Congress I can avoid. So I want to have a good relationship with Senator Shelby. And I have to tell you, that was my only personal regret. The fact that he stood up against my program is a decision for him to make. But I did not know what you just told me about that letter, and I will get it and review it and get a report back from the NASA Director.

Yes?

Unfunded Federal Mandates

Q. Mr. President, one of the questions that we raised earlier—being from Montgomery, we're very sensitive to the fact that over the years the Federal Government has mandated programs and then has asked the States to pay more along the way, something that you can relate to from your days in Arkansas. Is there any encouragement from your administration toward the new administration of Governor Folsom——

The President. Absolutely. Absolutely. I just talked to the National Association of Counties this week, and I reiterated what I said in my 3-hour work session with the Governors earlier this year. We are going to do everything we can to stop this practice of nonfunded mandates. One of the charges I gave the Vice President when he undertook this reinventing Government project, which I think will be very exciting to you and to the people of Alabama when we recommend some pretty fundamental changes in the way the Federal Government operates, is to try to get out of this business of rulemaking against the States and the local governments that cost money without paying for it.

Now, I have to say, I want to give just this little window here. There are times when the Congress passes laws that the President is not in a position to veto. For example, sometimes the Congress will put a little mandate in a huge budget bill that you simply cannot veto, because you have to let the agencies go forward. But the Congress, the Democrats who have been involved in this in the past clearly know of my position on this and my strong conviction. I think it's wrong.

I'll take one last question. Go ahead.

Q. Mr. President, I've been told I can't return to Alabama until I ask you: Who's going to win the next Alabama and Arkansas game?

The President. Well, all I can say is after I went to the last one I predicted that Alabama would win the national championship. And I hope we'll be more competitive next year. I think we probably will be.

Thank you.

NOTE: The President spoke at 4:55 p.m. in the Roosevelt Room at the White House.

Remarks Prior to Discussions With President Jean-Bertrand Aristide of Haiti and an Exchange With Reporters

July 22, 1993

The President. Let me make a brief statement, and then I can answer some questions.

First of all, it's a good pleasure for me to have President Aristide back here in the White House. I want to commend him on the progress that has been made and the