

it. In order to do that, you've got to take all the incentives out of welfare and put them into work and enable people to be successful parents and successful workers. So this is a very, very important part of this provision. And that's one reason I would hope all the single parents in America will support it. Almost all of them will benefit from it.

Administration Accomplishments

Q. Mr. President, this will be the last question. I know we're supposed to be Mike Wallace here and ask you all these important questions. But it's been a pretty rough first 6 months for you. Is it what you expected, and are you having fun?

The President. I am having a great deal of fun. I'm excited by this job. I knew it would be rough if we came in and tried to change a bunch of things at once, because it's easier if you don't try to do much and you just kind of take it easy; then you can make sure you don't have so much rough sledding.

But I feel good about it. I mean, today my appointee to the Supreme Court, Ruth Bader Ginsburg, was confirmed by a 96-to-3 vote in the Senate. I think she will be an historically important Justice. Today the United States Senate on a bipartisan basis adopted one of the heart-and-soul ideas from my 1992 campaign, the national service bill, which will enable hundreds of thousands of our young people, as we get it up and going, to earn credit against their college costs by doing service for their communities, enable people at the grassroots level in Nevada, for example, to work with their friends and neighbors to solve problems and earn credit against college while doing it. I am very excited about that. We passed the family leave law, which becomes effective this week, which protects the right of people to go home if their child is sick or their parents are ill without losing their jobs. We've gotten an awful lot done.

So I think we're moving in the right direction. And we've got a health care bill, a crime bill, and a welfare reform bill ready to go when we get the budget out of the way. So change is always hard, but I am very excited about it, and I am having a good time. And believe it or not—Governor Miller will be

glad to know this—I'm trying to find a way to play golf once a week, in spite of all this work I'm doing. And most weeks I get it done. And maybe I can come out there and enjoy some of your courses once I get a little of this work out of the way.

Q. We have some great courses. Thank you, Mr. President. I've always wanted to say that.

The President. Thank you.

Q. Thank you, Mr. President, for spending this half hour with us. I think this is the best kind of television there is, and we get a little longer than the sound bite that we're used to.

NOTE: The interview began at 5:09 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. In his remarks, he referred to Gary Wadell and Paula Francis, Nevada journalists. A tape was not available for verification of the content of this interview.

Address to the Nation on the Economic Program

August 3, 1993

Good evening. Tonight I want to report to you on the progress we've made and to ask for your help on our Nation's most urgent priority, reviving the American dream by restoring the American economy.

It's been at least 30 years since a President has asked Americans to take personal responsibility for our country's future. It's been 25 years since our Government had a balanced budget. For at least 20 years, middle class incomes have been nearly stagnant, with too many Americans working nights, weekends, and holidays just to make ends meet. For at least 10 years costs in our health care system have exploded while millions of Americans go to bed each night worrying that if they lose their jobs or their children get sick, their health insurance will be taken away. And for the last several years our economy has failed to generate jobs, good jobs that pay enough to own a home, buy a car, pay the bills, educate your children, and retire with dignity.

For too long, our Government has failed to tackle these problems. We've been given

the politics of entitlement, Government handouts without asking anything in return. And we've been given the politics of abandonment, cutting taxes on the well-off and asking nothing of them in return either, while raising taxes on the middle class to pay more for the same Government, instead of investing in our jobs and our future. The results: fewer jobs, stagnant incomes, a massive debt for ourselves and our children, higher cost and greater insecurity in health care, and a host of problems simply neglected.

Well, tonight we're on the verge of breaking out of that old false choice, between tax-and-spend and trickle-down; between abandonment and entitlement; on the verge of a new way of doing things grounded in our most enduring values, a philosophy that says America owes all of us an opportunity if we'll assume responsibility for ourselves, our communities, and our country. No more something for nothing. We're all in this together.

This means we must make Government work for the people who pay the bills. All of us have been awed in the last few weeks by the vast power of the Mississippi River breaking its banks and the devastation that has followed. But we've also been awed by the courage of the flood victims and the compassion of other Americans who have joined them in fighting back the waters and trying to restore normal life. I'm especially proud that this time the Federal Government has been fighting alongside the people.

That is what we must do on all fronts. We must do more, much more, to turn this country around, and now we have the chance to change. We're on the eve of historic action. This week, Congress will cast a crucial vote on my plan for economic recovery. In a comprehensive economic plan, there are always places for give and take, but from the first day to this day, I have stood firm on certain ideas and ideals that are at the heart of this plan.

Tonight I can report to you that every one of those principles is contained in the final version of the plan: first, the largest deficit reduction in history, nearly \$500 billion, with more spending cuts than tax increases. Rather than the games and gimmicks of the past, this plan has 200 specific spending cuts, and it reduces Government spending by more

than \$250 billion. We cut more than 100,000 positions from the Federal payroll by attrition. We freeze discretionary spending for 5 years. We limit pay increases for Federal employees.

Why must we take extraordinary action now? Well, this chart shows you why. America faces a choice. We can continue on the path of higher deficits and lower growth, or we can make a fundamental change to improve our Nation's economy by adopting my economic plan.

Now, it won't be easy, and it won't be quick. But it is necessary. Without deficit reduction, we can't have sustained economic growth. Economists and business leaders alike warn us that growth will falter if we don't take dramatic steps to tame this deficit, and soon. With so much at stake it would be irresponsible not to take decisive action. With this plan in place, the economy will grow, and more than 8 million new jobs will be created in the next 4 years. Without it, we put the economy and our standard of living at further risk. If we take this important first step now, over the long run we will see deficits go down and jobs go up.

The second principle of this plan is fairness. Those who have the most contribute the most. As this chart shows, we asked the well-off to pay their fair share, requiring that at least 80 percent of the new tax burden fall on those making more than \$200,000 a year and very little on any other Americans, not to punish the successful but simply to ask something of the very people whose incomes went up most and whose taxes went down during the 1980's. For working families making less than \$180,000 a year, there will be no income tax increase. I repeat: For working families making less than \$180,000 a year, there will be no income tax increase.

The third principle is that we must protect older Americans from punitive cuts in Social Security, Medicare, and veterans benefits that some have proposed. While all Americans must do their part, I will not balance the budget on the backs of older Americans while protecting the wealthy. Every alternative offered by the opponents of change begins with deep cuts in the health care of older Americans. I believe we must build a better future for our children without sac-

rificing the security of their grandparents. We can control health care costs, but only by reforming the health care system, not simply by hurting the elderly.

The fourth principle is that we must keep faith with the hard working middle class families who are the heart and strength of our Nation. We've worked hard in this plan to ensure the lowest possible tax on the middle class. The plan asks an average working family to pay no more than \$3 a month in new taxes, less than a dime a day, with a 4.3-cent-a-gallon increase in a gas tax. This is the only new tax working people will pay.

Let me be plain about where the deficit reduction comes from. Look at this chart: out of every \$10 in deficit reduction, \$5 and actually a little more comes from spending cuts, \$4 comes from taxes on incomes of those with more than \$200,000 a year in income, and just \$1 comes from everyone else. This plan is fair. It's balanced. And it will work.

Finally, we must have an economy that creates jobs and lifts up the American people. In the past, deficit reduction efforts have failed because they neglected incentives for business growth and investments to make Americans smarter and stronger and safer. This plan is very different. It generates jobs. In fact, over 90 percent of the small businesses in this whole country are eligible for tax reductions, tax cuts, if they invest in their future and create new jobs.

If you have the courage to invest in a new business and the vision to hold that investment for 5 years, this plan will cut your capital gains tax in half. If your business invests in research and development, this plan will reward you. If your small business creates new jobs and buys new equipment, this plan will provide incentives for growth by nearly doubling the expensing provision for new investments.

While we make deep cuts in spending, we also make room for some needed investments. Our plan invests in people and makes special investments in our children and in our families through Head Start, nutrition for pregnant mothers, and immunizations for poor children. These things pay for themselves in healthy, growing, strong children.

We will revolutionize the student loan program so that all Americans can better afford

to finance a college education. And we make bold changes in worker training so that high school graduates can get high-skilled, high-wage jobs.

Perhaps most important, this plan rewards work over welfare, by lifting out of poverty every parent with children at home who chooses full-time work over lifetime welfare. We do this through the earned-income tax credit, which reduces taxes for 20 million working families and households earning less than \$27,000 a year. It does this without creating a new Government bureaucracy and simply using the Tax Code.

This sends an enormously powerful message to the people who struggle against great odds to raise themselves and their families. It empowers them. It says we're on the side of people who work and care about their children. It's pro-work. It's pro-family. And it is a critical first step to one of my most important priorities, ending welfare as we know it.

Every element of this plan is a departure from business as usual. And if there's anything our country needs, it's to put business as usual out of business. I know full well that Americans are very skeptical of any claim by the Government. You must wonder if these cuts are for real and whether the taxes will really be used to pay down the deficit. Well, our plan is fundamentally different from business as usual. Here's why:

First, the plan is based on conservative estimates of future revenues. It presents line by line, year by year, specific cuts in Government spending. And it offers new incentives so we can expand the economy and generate jobs. It minimizes the burden on the middle class and asks the wealthy to pay their fair share. And finally, it puts into place two clear safeguards to keep a watchful eye on future Federal spending while protecting the savings produced by this plan.

All the money we save will be locked away in a deficit reduction trust fund so the savings will not be spent on politicians' pet projects. Because some in the Senate have used technicalities to block Senator DeConcini's amendment to create the deficit reduction trust fund and frustrated the efforts of many other Senators and a clear majority of the House of Representatives who support it and who support controls on annual spending and

entitlement programs, I will sign Executive orders tomorrow putting both these safeguards in place so that you know the money must be spent on deficit reduction. And if we miss our deficit reduction targets over the next 5 years, I will be obliged to present a plan to correct the course to make sure we keep doing what we're telling you we're going to do. Now, this is a new direction.

This plan has been carefully examined by the most conservative and skeptical critics of all, those who run our Nation's financial markets. They've studied the plan and determined that over the long term, paying down the deficit will be good for the country. And as we have made progress in enacting this plan, the markets have lowered interest rates. Lower interest rates, in turn, make it easier to own a home, finance a business, buy a car, pay off credit cards, and borrow for college. For example, if you are a middle class family with a \$100,000 mortgage at 10 percent interest, you should be able to refinance the mortgage today down to 7.5 percent and save \$175 a month right away, as millions of Americans have already done.

The chief executive officers of 80 of our country's most successful companies, Republicans and Democrats alike, have also supported this plan; so have many small business organizations from the National Small Business United and the National Association of the Self-Employed, to the National Venture Capital Association. The men and women whose business it is to create jobs and growth have been solid in their support of this historic endeavor.

At this exceptional moment of promise, why are so many in Washington so reluctant to take action? Why is it so hard for so many in this city to break the bad habits of the past and take the steps we all know we have to take? For 5 months our critics had the chance to offer alternatives, and all the major plans came up with the same thing: less deficit reduction or more paying for older Americans or both; protections for the wealthy from paying their fair share of the taxes; and no new incentives for business to create jobs or investments in the American people. And every one of these alternatives was soundly rejected in the Congress. Now there are only two choices, our plan or no plan.

Our opponents want to bring the plan down. The guardians of gridlock will do anything to preserve the status quo, to serve special interests, and to drag this thing out. They practice partisanship when we need progress. They call for delay when we've been waiting for 12 years and working on this project for months. They talk and talk about what to do, instead of doing what must be done.

When I was the Governor of Arkansas, our State had one of the lowest tax burdens in the country. I inherited this big Federal deficit just like you did. And I don't like taxes any more than you do, but our Nation is in economic danger, and now we've got to take this problem we inherited, you and I, and do something about it. We have to take responsibility for change. Passing this plan will be a bold step and the first step on a longer journey toward giving our Nation a comprehensive national economic strategy.

This economic strategy begins with putting our house in order, but it cannot end there. We must also have the courage to reform our health care system, so never again will a family be denied health care or a business be bankrupted by health care costs.

Let me show you this first chart one more time. If you look at this deficit, under our plan we can bring the debt down solidly for 5 years. If you want the deficit to go down to zero, as I think almost all of you do, we have got to challenge the health care system. It is bankrupting the private sector, bankrupting the public sector, and millions of Americans live in insecurity and constant fear of losing their health care. So dealing with health care is good for the economy, good for bringing the deficit down further, and good for the American people.

We also have to end welfare as we know it. We can move millions of idle Americans off the welfare rolls and on to the work rolls if we'll change the system. And we've got to revolutionize Government itself, cleaning out waste, corruption, bringing state-of-the-art management that will give more saving to the taxpayers, have Government work better and put it back in charge of the people who are paying the bill. And we must continue to work to open foreign markets to create American jobs.

All of these things come together to form an economic strategy that will give opportunity to every American, and ask responsibility from every American. But we can't take any of the steps if we don't take the first step.

That's why the decision Congress must make this week is so terribly important. We cannot afford not to act. I need your help. I need for you to tell the people's representatives to get on with the people's business. Tell them to change the direction of the economy and do it now, so that we can start growing again, producing jobs again, and moving our country forward again.

In the last 6 months, we've won some important battles here: a new family and medical leave law just taking effect that allows young parents to take time off to care for a new baby or a sick child or an ill parent without losing their jobs; a new national service corps that will help tens of thousands of our young people to pay for college through service to their country in their communities; a new Supreme Court Justice confirmed just today without partisanship or rancor; new policies to develop high-technology jobs into converted defense facilities and plants to productive civilian purposes, expanding jobs and opportunity. And, from a summit in Vancouver, Canada, to help save Russian democracy, to a summit in Tokyo to help revive the world economy, there are many new opportunities for Americans and a new respect for America's leadership.

We Americans are a people both privileged and challenged. We were formed in turbulent times, and we stand now at the beginning of a new time, the dawn of a new era. Our deeds and decisions can lift America up so that in our third century we will continue to be the youngest and most optimistic of nations; a people on the march once again, strong and unafraid. If we are bold in our hopes, if we meet our great responsibilities, we will give the country we love the best years it has ever known.

Good night, and may God bless you all on this journey.

NOTE: The President spoke at 8 p.m. from the Oval Office at the White House. A tape was not

available for verification of the content of this address.

Statement on an Agreement on Pacific Northwest Timber Sales

August 3, 1993

We are committed to working to enhance the long-term economic and environmental health of the region. That commitment means a responsible forest management plan and a responsible but determined effort to get timber moving back into the mills. We have offered an innovative, comprehensive, and balanced plan to solve a difficult set of problems. Now we are taking steps to implement that plan and get timber to the mills.

NOTE: This statement was part of a White House press release announcing the agreement.

Nominations for Commissioner of Social Security and Director of the National Institutes of Health

August 3, 1993

President Clinton announced his intention today to nominate Texas Woman's University president Shirley Chater to be the Commissioner of Social Security and Nobel laureate Harold Varmus to be the Director of the National Institutes of Health at the Department of Health and Human Services.

"It gives me great pleasure to announce these nominations today," said the President. "Shirley Chater is an accomplished administrator with a strong background in health care issues. I am convinced that she will do an outstanding job of running this enormous and enormously important Agency. Likewise, as one of the world's leading medical researchers, Harold Varmus will bring great strength and leadership to the National Institutes of Health."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

skepticism being the excuse for inaction and paralysis.

This is a very great country. And when you travel abroad and you see the problems that these other nations are having and you see all these other rich countries with higher unemployment than we have, you know that there is nothing before us that we cannot deal with if we simply have the vision and the will to do it. We are being given a chance now to demonstrate that vision and that will. It is consistent with everything the Urban League has ever stood for or done.

I ask for your prayers, your support, and your memory that—President Kennedy once said it better than I ever could, “Here on Earth, God’s work must truly be our own.” Our work is before us. I’m trying to do my part. I hope you will do yours.

Thank you, and God bless you all.

NOTE: The President spoke at 10:48 a.m. at the Washington Convention Center. In his remarks, he referred to Reginald K. Brock, Jr., chairman and chief executive officer, Time, Inc.; John Jacob, president and chief executive officer, National Urban League, Inc.; and John W. Mack, president, Los Angeles Urban League. A tape was not available for verification of the content of these remarks.

Remarks on Signing Executive Orders on Budget Control and Deficit Reduction and an Exchange With Reporters

August 4, 1993

The President. Before I sign these orders, I’d like to make a brief statement, if I might. Nothing has done more to erode the confidence of the American people in our Government than our chronic failure to manage our finances and to stabilize the economy so that it can create jobs. Year after year, the public has been told that sustained economic growth and deficit reduction would come from actions taken here. And as deficits have grown larger and incomes have shrunk, the people have become more and more skeptical, even cynical, about everything that is said and done here even with the best of intentions.

We have a budget deficit, we have an investment deficit, and we clearly have a trust deficit in America. I am determined to do something about all three. I know the American people are doubtful about any claim by our Government, and I know they wonder if the cuts that we are proposing are real and if the taxes will really be used to pay down the deficit. That’s why I want to go the extra mile to ensure that this plan is fundamentally different from what has been done in the past.

This plan is based on conservative revenue estimates of future revenues, with year-by-year, line-by-line specific spending cuts; new incentives to expand the private sector’s contribution to economic growth; minimizes the burdens on the middle class; and now creates two safeguards to keep a watchful eye on future spending, especially in entitlements, while protecting the savings produced by the plan.

We owe the Executive orders I am about to sign to the hard work of the Members of Congress who are here today. The House included both provisions in its version of the reconciliation bill. The Senate would have done the same with similar amendments supported by Senator DeConcini, Senator Feingold, recommended publicly by Senator Bradley and others, but for the procedural maneuvering by people who feed the public cynicism by talking about deficit reduction on the one hand and nonetheless have prepared to block action for these needed reforms on the other.

The fact that the Senate required these Executive orders today, that we could not do it by statute, is something that should be debated at a later time. But I want to make it clear that the Senators who are here and others, strongly support what is being done.

These orders are almost completely identical to the provisions adopted by the House and approved by a majority in the Senate. The deficit reduction order creates a deficit reduction trust fund, an account in the Treasury that guarantees that the savings from the reconciliation bill are dedicated exclusively to reducing the deficit. This locks in deficit reduction and mandates all members of the executive branch to follow these procedures.

The entitlement and review order requires that entitlement spending be limited to the estimated levels included in the reconciliation bill. If those levels are exceeded, I will present recommendations to Congress on corrective action. No longer can we permit entitlement spending to soar out of control without some concrete action being taken to restrain it.

These Executive orders are the product of years of hard work by the men and women represented here today. I am grateful to them for their inspiration and their tenacity in getting this work done.

As important as this plan is for reducing the budget and investment deficits, these Executive orders deal also with the trust deficit. They are the assurance to the American people that our good words about deficit reduction and economic growth will be matched by good works as well.

[At this point, the President signed the Executive orders. Senator Dennis DeConcini then made remarks.]

Economic Program

Q. Mr. President, what have you offered—

The President. Good Government. [Laughter]

Q. Can you have the—will you have the vote without him?

The President. I guess I ought to say one other thing about this. I still think these things should be adopted in the law. And I would be prepared to support, as quickly as we can get it up and voted on, a separate piece of legislation to do these things. And I do want to emphasize that.

These Executive orders are identical, virtually identical, word for word, for what the Congress, the majority in the Congress, wanted. They clearly bind the executive branch just as much as an act of Congress. But I think it would be better, from the point of view of the public trust and also more binding on Congress, if we can pass a separate piece of legislation.

So I do want to make it clear that while I support these ideas strongly and I will faithfully adhere to them in the Executive order, I have also told the Members of Congress

who care about this that I am prepared to strongly support a separate legislation to achieve these objectives in the law. And I'd like to see it brought up just as quickly as we can after the August recess is over.

Thank you.

Q. Mr. President, did you know it before now that Senator DeConcini had not made up his mind yet?

The President. Senator DeConcini and I agreed that this press conference would be about this, and not—

NOTE: The President spoke at 12:39 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

Executive Order 12857—Budget Control

August 4, 1993

By the authority vested in me as President of the United States by the Constitution and the laws of the United States of America, including section 1105 of title 31, United States Code, it is hereby ordered as follows:

Section 1. Purpose. The purpose of this order is to create a mechanism to monitor total costs of direct spending programs, and, in the event that actual or projected costs exceed targeted levels, to require that the budget address adjustments in direct spending.

Sec. 2. Establishment of Direct Spending Targets. (a) *In General.* The initial direct spending targets for each of fiscal years 1994 through 1997 shall equal total outlays for all direct spending except net interest and deposit insurance as determined by the Director of the Office of Management and Budget (Director) under subsection (b).

(b) *Initial Report by Director.* (1) Not later than 30 days after the date of enactment of the Omnibus Budget Reconciliation Act of 1993 (OBRA), the Director shall submit a report to the Congress setting forth projected direct spending targets for each of fiscal years 1994 through 1997.

(2) The Director's projections shall be based on legislation enacted as of 5 days before the report is submitted under paragraph

(1). To the extent feasible, the Director shall use the same economic and technical assumptions used in preparing the concurrent resolution on the budget for fiscal year 1994 (H. Con. Res. 64).

(c) *Adjustments.* Direct spending targets shall be subsequently adjusted by the Director under Section 6.

Sec. 3. Annual Review of Direct Spending and Receipts by President. As part of each budget submitted under section 1105(a) of title 31, United States Code, the Director shall provide an annual review of direct spending and receipts, which shall include (1) information supporting the adjustment of direct spending targets pursuant to Section 6, (2) information on total outlays for programs covered by the direct spending targets, including actual outlays for the prior fiscal year and projected outlays for the current fiscal year and the 5 succeeding fiscal years, and (3) information on the major categories of Federal receipts, including a comparison between the levels of those receipts and the levels projected as of the date of enactment of OBRA.

Sec. 4. Special Direct Spending Message by President. (a) *Trigger.* In the event that the information submitted under Section 3 indicates—

(1) that actual outlays for direct spending in the prior fiscal year exceeded the applicable direct spending target, or

(2) that outlays for direct spending for the current or budget year are projected to exceed the applicable direct spending targets, the Director shall include in the budget a special direct spending message meeting the requirements of subsection (b) of this Section.

(b) *Contents.* (1) The special direct spending message shall include:

(A) An explanation of any adjustments to the direct spending targets pursuant to Section 6.

(B) An analysis of the variance in direct spending over the adjusted direct spending targets.

(C) The President's recommendations for addressing the direct spending overages, if any, in the prior, current, or budget year.

(2) The recommendations may consist of any of the following:

(A) Proposed legislative changes to reduce outlays, increase revenues, or both, in order to recoup or eliminate the overage for the prior, current, and budget years in the current year, the budget year, and the 4 out-years.

(B) Proposed legislative changes to reduce outlays, increase revenues, or both, in order to recoup or eliminate part of the overage for the prior, current, and budget year in the current year, the budget year, and the 4 out-years, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, only some of the overage should be recouped or eliminated by outlay reductions or revenue increases, or both.

(C) A proposal to make no legislative changes to recoup or eliminate any overage, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, no legislative changes are warranted.

(3) Any proposed legislative change under paragraph (2) to reduce outlays may include reductions in direct spending or in the discretionary spending limits under section 601 of the Congressional Budget Act of 1974.

Sec. 5. Proposed Special Direct Spending Resolution. If the President recommends reductions consistent with subsection 4(b)(2)(A) or (B), the special direct spending message shall include the text of a special direct spending resolution implementing the President's recommendations through reconciliation directives instructing the appropriate committees of the House of Representatives and Senate to determine and recommend changes in laws within their jurisdictions to reduce outlays or increase revenues by specified amounts. If the President recommends no reductions pursuant to Section 4(b)(2)(C), the special direct spending message shall include the text of a special resolution concurring in the President's recommendation of no legislative action.

Sec. 6. Adjustments To Direct Spending Targets. (a) *Required Annual Adjustments.* Prior to the submission of the President's budget for each of fiscal years 1995 through 1997, the Director shall adjust the direct spending targets in accordance with this Section. Any such adjustments shall be reflected

in the targets used in the report under Section 3 and message (if any) under Section 4.

(b) *Adjustment for Increases in Beneficiaries.* (1) The Director shall adjust the direct spending targets for increases (if any) in actual or projected numbers of beneficiaries under direct spending programs for which the number of beneficiaries is a variable in determining costs.

(2) The adjustment shall be made by—

(A) computing, for each program under paragraph (1), the percentage change between (i) the annual average number of beneficiaries under that program (including actual numbers of beneficiaries for the prior fiscal year and projections for the budget and subsequent fiscal years) to be used in the President's budget with which the adjustments will be submitted, and (ii) the annual average number of beneficiaries used in the adjustments made by the Director in the previous year (or, in the case of adjustments made in 1994, the annual average number of beneficiaries used in the Director's initial report under Section 2(b));

(B) applying the percentages computed under subparagraph (A) to the projected levels of outlays for each program consistent with the direct spending targets in effect immediately prior to the adjustment; and

(C) adding the results of the calculations required by subparagraph (B) to the direct spending targets in effect immediately prior to the adjustment.

(3) No adjustment shall be made for any program for a fiscal year in which the percentage increase computed under paragraph (2)(A) is less than or equal to zero.

(c) *Adjustments for Revenue Legislation.* The Director shall adjust the targets as follows:

(1) they shall be increased by the amount of any increase in receipts; or

(2) they shall be decreased by the amount of any decrease in receipts, resulting from receipts legislation enacted after the date of enactment of OBRA, except legislation enacted in response to the message transmitted under Section 4.

(d) *Adjustments To Reflect Congressional Decisions.* Upon enactment of a reconciliation bill enacted in response to a message

submitted under Section 4, the Director shall adjust direct spending targets for the current year, the budget year, and each outyear through 1997 by—

(1) increasing the target for the current year and the budget year by the amount stated for that year in that reconciliation bill (but if a separate vote was required by Congressional rules, only if that vote has occurred); and

(2) decreasing the target for the current, budget, and outyears through 1997 by the amount of reductions in direct spending enacted in that reconciliation bill.

(e) *Designated Emergencies.* The Director shall adjust the targets to reflect the costs of legislation that is designated as an emergency by Congress and the President under section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 7. Relationship to Balanced Budget and Emergency Deficit Control Act. Recommendations pursuant to Section 4 shall include a provision specifying that reductions in outlays or increases in receipts resulting from that legislation shall not be taken into account for purposes of any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 8. Estimating Margin. For any fiscal year for which the overage is less than one-half of 1 percent of the direct spending target for that year, the procedures set forth in Section 4 shall not apply.

Sec. 9. Means-Tested Programs. In making recommendations under Section 4, the Director shall seriously consider all other alternatives before proposing reductions in means-tested programs.

Sec. 10. Effective Date. This order shall take effect upon enactment of OBRA. This order shall apply to direct spending targets for fiscal years 1994 through 1997 and shall expire at the end of fiscal year 1997.

William J. Clinton

The White House,
August 4, 1993.

[Filed with the Office of the Federal Register, 10:15 a.m., August 5, 1993]

NOTE: This Executive order was published in the *Federal Register* on August 6.

Executive Order 12858—Deficit Reduction Fund

August 4, 1993

By the authority vested in me as President of the United States by the Constitution and the laws of the United States of America, including sections 1104 and 1105 of title 31, United States Code, it is hereby ordered as follows:

Section 1. Purpose. It is essential to guarantee that the net deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993 is dedicated exclusively to reducing the deficit.

Sec. 2. Deficit Reduction Fund. (a). *Establishment of the Fund.* There is established a separate account in the Treasury, known as the Deficit Reduction Fund, which shall receive the net deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993 as called for in subsection (b) of this order.

(b) *Amounts in Fund.* Beginning upon enactment of the Omnibus Budget Reconciliation Act of 1993, the Deficit Reduction Fund shall receive any increases in total revenues resulting from enactment of such Act on a daily basis. In addition, on a daily basis, the Secretary of the Treasury shall enter into such account an amount equivalent to the net deficit reduction achieved as a result of all spending reductions resulting from such Act. The cumulative fiscal year amounts for the combination of all such revenue increases and spending reductions shall be equal to:

- (1) for fiscal year 1994, \$60,292,000,000;
- (2) for fiscal year 1995, \$70,437,000,000;
- (3) for fiscal year 1996, \$92,061,000,000;
- (4) for fiscal year 1997, \$125,881,000,000;
- (5) for fiscal year 1998, \$146,939,000,000.

Within 30 days of enactment of the Omnibus Budget Reconciliation Act of 1993, the foregoing amounts may be adjusted by the Director of the Office of Management and Budget to reflect the final scoring of such Act.

(c) *Status of Amounts in Fund.* (i) The amounts in the Deficit Reduction Fund shall be used exclusively to redeem maturing debt obligations of the Treasury of the United States held by foreign governments in the amounts specified in subsection (b).

(ii) The amounts in the Deficit Reduction Fund as set forth in subsection (b) that result from increases in total revenues and spending reductions shall not be available for new spending or to finance measures that increase the deficit for purposes of budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901–922).

(d) *Effect on Other Funds.* Establishment of and transfers to the Deficit Reduction Fund shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 or any other provision of law.

Sec. 3. Requirement for the President To Report Annually on the Status of the Fund. The Director of the Office of Management and Budget shall include in the President's Budget transmitted under section 1105 of title 31, United States Code, information about the Deficit Reduction Fund, including a separate statement of amounts in and Federal debt redeemed by that Fund.

Sec. 4. Implementation. The Secretary of the Treasury and the Director of the Office of Management and Budget shall each take such actions as may be necessary, within their respective authorities, promptly to carry out this order.

Sec. 5. Effective Date. This order shall take effect upon enactment of the Omnibus Budget Reconciliation Act of 1993.

William J. Clinton

The White House,
August 4, 1993.

[Filed with the Office of the Federal Register,
10:30 a.m., August 5, 1993]

NOTE: This Executive order was published in the *Federal Register* on August 6.

Interview With the Louisiana Media *August 4, 1993*

Economic Program

Q. Do you have a commitment from Bob Kerrey or did DeConcini do it for you?

The President. I think I should always let the Senators speak for themselves. I've always believed that if the program passed in

Our relations with Canada are far more than economic, however. The fact that we share the world's longest undefended border is one of our greatest security assets. And Canada's cooperation on a host of international security efforts is absolutely invaluable. Canada has been our partner in efforts toward the former Soviet Union, Haiti, Somalia, and many other areas. With Canada we founded the United Nations and NATO. We work closely together today in the Group of Seven, in GATT, in international peacekeeping operations, just to name a few of the arenas that are important to us because of what we are able to do together.

Today the United States and Canada share a challenging list of opportunities for mutual progress. We can work together to promote greater economic growth in our own hemisphere and throughout the world. We can work together to protect the air, the water, the environmental quality that is significantly shared by our two peoples. We can work together to improve the security of both our nations in this new era of world affairs.

In all this I have greater confidence in the ability of Canada and the United States to make

that kind of progress knowing that we will be represented in Ottawa by Jim Blanchard. I appreciate the fact that Jim and Janet are willing to accept this assignment. We all wish them great success.

And now, Mr. Vice President, I would like to ask you to do something I cannot do, administer the oath of office.

[At this point, the Vice President administered the oath of office.]

NAFTA

Q. Mr. President, have you given up on NAFTA?

The President. That's ridiculous. No.

Q. Some people say that the administration isn't fighting hard enough for it.

The President. We don't have an agreement yet. We have to wait until we finish. The Trade Ambassador has not finished with the negotiations.

NOTE: The President spoke at 11:48 a.m. at the North Portico of the West Wing at the White House.

Remarks on Signing the Omnibus Budget Reconciliation Act of 1993

August 10, 1993

Thank you very much. Thank you. Ladies and gentlemen, the Vice President has given me a very generous introduction and has fairly characterized the struggle in which we have been engaged. I might say also, for all of you sports fans, he's given a whole new meaning to the term "tie-breaker." [Laughter]

But I think it would really be unfortunate if this event were to come and go without recognizing the fact that the people in Congress who voted for this plan had to labor under historically difficult circumstances. They had to reverse a plan of trickle-down economics in which it was the accepted path always to say the right thing but never to do it, and in which, if you tried to do the right thing, people would say the wrong things about you and cloud the debate with a fog of misinformation.

In this incredible series of events that have unfolded, there were many Members of Con-

gress who never appeared on the evening news, whose names never appeared in the newspapers simply because of their quiet courage and determination to do what they thought was right and to see this process through to the end. And I think I would be remiss, therefore, if on this occasion I did not ask at least all the sitting Members of the United States Congress who are here to stand and to receive a round of applause. Would you all please stand? I also want to explicitly thank all the many members of the Cabinet and the administration who are here who worked so hard on this program, as well as the many citizens throughout the country who helped us to lobby it through.

Today we come here for more than a bill signing. We come here to begin a new direction for our Nation. We are taking steps necessary and long overdue to revive our economy, to renew our American dream, to restore con-

fidence in our own ability to take charge of our own affairs. This was clearly not an easy fight. When I presented this program to Congress, I had hoped for something quite different: I had hoped that it would spark a genuine, open, honest, bipartisan national debate about the serious choices before us, about the world economy we face as we move toward the 21st century, about the problems we have here at home and all the people whose lives and potential we lose and what economic consequence that has for all the rest of Americans. I had hoped that we could discuss whether and to what extent the revival of the competitive skills of our work force could raise incomes and generate jobs; how we could both reduce the deficit and increase investment in our future; whether we could escape the trap that has afflicted so many wealthy countries, that even when their economies are growing now they don't seem to be creating jobs; how we could escape the policies of the seventies and the eighties which led middle class Americans to work longer work weeks for lower pay while they paid more for the essentials of life; whether we could bring the power of free enterprise to bear in the poor inner cities and rural areas of this country and lift people up with the force of the American dream; whether the short-term consequences of bringing the deficit down would be more than outweighed by the short-term benefits of lower interest rates and the long-term benefits of being in control of our economic destiny.

These are the kinds of things that I wanted to see debated. And to be sure, to some extent, we did debate them. But for 5 months the American people heard too little about the real debate and too much from those who oversimplified and often downright misrepresented the questions of tax increases and spending cuts because they had narrow economic or political or personal reasons to do so.

So today, as we sign this landmark legislation, I say again, now we can talk about the national interests, how this plan will begin to bring the change we need in America, how we can have economic revival and hope if this is a beginning and we move forward from here. After all, after 12 years of the most rapid increase in deficits in our country's history, when the national debt went from \$1 to \$4 trillion in only 12 years, this is the largest deficit reduction plan in history, with \$255 billion in real enforceable spending cuts in very specific areas, not generalized

hot air and tomorrow's promises but specific cuts. After 12 years of trickle-down economics where taxes were lowered on the wealthiest Americans, raised on the middle class, hoping that investments would be made which would reverse the trends of the last 20 years, we now have real fairness in the Tax Code with over 80 percent of the new tax burden being borne by those who make over \$200,000 a year, with the middle class asked to pay only \$3 a month, and with a tax cut to working families with children who make under \$27,000 a year. By expanding this earned-income tax credit to working families and especially to the working poor, this Congress has made history by enabling us to say for the first time now, if you work hard and you have children in your home and you spend 40 hours a week at work, you can be a successful worker and a successful parent, and you will be lifted out of poverty.

Every elected public official in America sometime in the last 10 years has given someplace between one and a thousand speeches decrying the welfare system, extolling the values of work and family. But finally, the people who voted yes on this plan put a down payment toward ending welfare as we know it by finally doing something to reward work and family instead of just talking about it.

Everybody in this debate talked about small business, and the people who opposed this plan said it was bad for small business. But in truth, the opposition plan actually increased the burden on small business people who took out their own health insurance by taking away their deduction for it, while this plan increases by 75 percent the expensing allowance for small businesses in ways that will give over 90 percent of the small businesses in America a tax cut if they do what they ought to do, invest more money in their business. Others talked about it; we did it. And we should be proud of it, and we should tell the small business community about it.

Others talked about the importance of small business as a job generator. This plan passed a pro-jobs capital gains tax that reduces tax rates by 50 percent for people who invest their money in new and small businesses and hold those investments for 5 years or more, the most dramatic incentive we have ever had to encourage people to take money out of their savings and take a chance on the free enterprise sector in America in the places where the jobs are being

created, in the small business sector. That's what this plan does. Instead of talking about doing something for small business, this plan actually did it. And all of you need to be proud of that.

The plan offers incentives to Americans to invest to revive the homebuilding market; to invest in research and development, something that especially helps high-tech companies; to invest in new plant and equipment. Even the biggest companies in America now will be able to have tax incentives if they are willing to invest in growing more jobs here at home. These are the right ways to cut taxes, my fellow Americans, cutting taxes for people because they spent their money in growing this economy and putting their fellow Americans to work. And that's what this plan does.

This plan was criticized in some quarters because it did spend some new money on some new things. I would argue to you that anybody who thinks that all Government spending is the same might just as well say all kinds of bread taste the same. We did not come here to leave our judgment and our knowledge about the global economy at the city borders of Washington, DC.

So yes, I plead guilty: We reformed the student loan program to lower the interest rates on student loans and make it easier for people to take out college loans and to repay them. We did, finally, after 6 long years of reducing defense spending at rapid rates, at throwing people in the street from California to Connecticut, we finally did put some more money in here for defense conversion to give those people a chance to go back to work in a peacetime economy, to contribute to the American dream. We did spend some more money on Head Start and on poor pregnant mothers to try to get their children into the world in good shape, to try to lower the tax burden on other people and increase their productivity. We did spend some money to try to give 6 million more children inoculations, because no one can explain to me why the United States of America has the third worst immunization record in the Western Hemisphere and we're paying a fortune for it.

This plan has already begun to work. Ever since it was clear that we were working to bring down the deficit and every time we made progress along the way, long-term interest rates dropped, enabling millions of Americans to refi-

nance their home either to lower their monthly payments or to build up their own savings, enabling businesses to refinance their loans and, over the long run, lowering the cost of new investment in new jobs.

Because of the leadership of the Speaker of the House, Senator Mitchell, Congressman Gephardt, the hard work of the committee chairs, Senator Moynihan, Congressman Rostenkowski, Senator Sasser, Congressman Sabo, the committee chairs in all the other committees in the Congress, and as I said earlier, the simple courage of millions of Americans in supporting this plan and the quiet courage of so many Members of Congress who literally put their careers on the line, this country has begun to take responsibility for itself.

I say to those Members who took a big chance in voting for this, with all the rhetoric that was thrown against them, if you go home and look your people in the eye and tell them you were willing to put your job on the line so that they can keep their jobs, I think they will understand and reward you with reelection.

This plan is only the beginning. As I said on February 17th and would like to say again today as we close, this administration views job creation and deficit reduction, expanding international trade and providing health care at affordable rates to all Americans, training and educating our work force, making our families healthier and our streets safer, reforming our welfare system and reinventing our Government not as different challenges requiring disparate solutions in different coalitions but part of the fabric of reviving the dream that we were all raised with.

We cannot simply say, "This is a complicated time, and we're unequal to the challenge. So we'll do this, and 4 or 5 years from now we'll worry about that." We have to think about what it takes to build the fabric of community, to rebuild the fabric of our families, to give our children a good shot, and to have sensible economic policies at home and with our allies around the world. Toward this end let me say again, in the long run we cannot succeed in an endless season of partisan bitterness and rancor and bickering. If some of us have to make hard choices while others stand aside and hope that the house collapses, nothing will in the end get done.

And so I ask today of the American people and the American people's representatives, with-

out regard to your party or philosophy, when the August recess is over, let us join again in the common work of American renewal. There is so much to be done that can only be done if we're all willing to carry our share of the load. Clearly, that is what the American people want us to do.

In the very first week when the Congress comes back, the Senate will have a chance to demonstrate that bipartisan spirit by passing the national service plan that the House has already passed and opening up the opportunity for hundreds of thousands of young Americans to pay their college way by serving their communities and rebuilding a sense of community in this country. And then we will move on to the other great issues of the day. And move on we must. We cannot stand still.

I remember every time I do something like this who we're really working for: I remember the people that Senator Moynihan and I saw lined along the long way from the airport to Hyde Park in New York; the people who stood out in 3-degree weather in Chillicothe, Ohio, to visit with me about their hopes for America; the young people I saw at Rutgers in New Jer-

sey, in New Orleans, and in Boston, so deeply committed to the idea of national service because they want to be in a position to give something back to their country and to believe that their country can work for them again; high school students in Chicago who for the first time are dreaming of an affordable college education; and inner-city youths I saw at the playground in Los Angeles who believe that there's no reason they can't live in a neighborhood that is free of crime and full of opportunity. These are the people that we all came here to work for. These are the people that we celebrate for today.

This is a beginning. Let us resolve when this recess is over to come back with a new determination to finish the work. And let us again hold our hands out to those who were not part of this process and say, "America needs us all. Let us go forward together."

Thank you, and God bless you all.

NOTE: The President spoke at 12:33 p.m. on the South Lawn at the White House. H.R. 2264, approved August 10, was assigned Public Law No. 103-66.

Remarks on the Swearing-In of Supreme Court Associate Justice Ruth Bader Ginsburg

August 10, 1993

The President. Please be seated. Welcome to the White House. It is my distinct honor to introduce the Chief Justice of the Supreme Court.

[At this point, Chief Justice William Rehnquist administered the oath of office, and Justice Ginsburg then made brief remarks.]

The President. Ladies and gentlemen, before we adjourn to the reception in honor of Justice Ginsburg, I'd like to acknowledge the presence here today of Senator Moynihan, who sponsored her so strongly in the Senate, Senator Larry Pressler of South Dakota, Senator Strom Thurmond of South Carolina, and the chairman of the House Judiciary Committee, my good friend Jack Brooks from Texas. It's good to see all of you here.

This was a very important appointment to me. In one of my former lives I had the great joy

and responsibility of teaching the United States Constitution and the decisions of the Supreme Court under it to aspiring but not always interested law students. [Laughter] I have learned over the course of a lifetime of practical experience what I knew then: We breathe life into the values we espouse through our law. It gives to every American, including the most illiterate among us, the most totally unaware of how the legal system works, a fair measure of our ideals and some reality that comes into life from the speeches given by the rest of us. There is no one with a deeper appreciation of this fact than Ruth Bader Ginsburg. This is a moment, this historic moment, therefore, that all Americans can celebrate. For no one knows better than she that it is the law that provides the rules that permit us to live together and that permit