

you combine that with the fact that his declaration was clearly deficient, it is discouraging news for those of us who want to resolve this issue peacefully.

He has the obligation to disarm. For the sake of peace, he must disarm. The United Nations has clearly said that. It is in our Nation's interest that he disarm. He is a threat to the American people. He's a threat to our friends and neighbors in the Middle East. He is a person who has used weapons of mass destruction. And so, therefore, the world has said to Saddam, "You won't have any weapons of mass destruction. Get rid of them." And thus far, it looks like he hasn't complied.

But he's got time, and we continue to call upon Saddam Hussein to listen to what the world is saying. Not just the United States but the entire world expects Saddam Hussein to disarm.

Dick—Stretch [Richard Keil, Bloomberg News].

#### *President's Economic Plan*

Q. Mr. President, changing the taxation on stock dividends—a lot of analysts say that, in and of itself, would not have a particularly stimulative effect for the economy. Do you disagree with that? And if in the end you get a benefit yourself, is it money that you would then direct to be reinvested, or is it money that you might spend?

*The President.* If it—I didn't hear the second part of your question. If it—the hypothetical part of the question, which I'm probably not going to answer. [Laughter]

Q. If Congress does your bidding and you get benefits from dividends that aren't being taxed, would you use that money to reinvest or would you spend it on consumer goods or consumer items?

*The President.* Me, personally?

Q. You, personally.

*The President.* My money is in a blind trust, Stretch, so I don't know if I've got any dividends.

Q. If you did.

*The President.* Oh, if I did. [Laughter]

Q. Not many of us have dividends these days, but—

*The President.* Well, it's interesting you asked that question. A lot of people get dividends, see. And that's one of the reasons why we're analyzing this issue of taxing things twice, particularly dividends. Most seniors—over 50 percent of the seniors receive dividends.

First of all, it's unfair to tax money twice. There's a principle involved. The Government ought to be content with taxing revenue streams or profits one time, not twice. And in dividends, we tax the corporate profit, and then we tax the money being sent to the shareholder. And that doesn't make any sense. That's unfair. That's bad public policy. Many of the shareholders that pay the taxes are senior citizens. These are senior citizens who have retired and senior citizens who can use that money.

Thirdly, the reduction in taxes on dividends will encourage capital flows into the marketplace. It will encourage investment, and that's what we want. We want to encourage investment activity. Investment means jobs.

And so I'm not going to specifically tell you what's in the speech tomorrow, though it looks like some others might have already done that. I do encourage you to listen to it. But I encourage you to look at the entire package. It's a package that's shaped for economic vitality and growth.

Listen, we're doing fine. Tomorrow you'll hear me say this economy is one of the strongest in the world. But what we believe is that we can be stronger. And we also know that when somebody is looking for work who wants to work means we've got to continue to try to stimulate job growth.

Now, we don't believe it's the role of Government to manage the economy. We've got great faith in the private sector. And so we're going to create the environment for the private sector to be stronger. That's the policy of this administration.

Sandra, good luck to you. Thanks.