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When you live in a democratic society and you're elected President, you are not a dictator. The resolution we had on the gays in the military, which was worked out by Les Aspin from Wisconsin, was a slight compromise from my position in this way: If it were up to me alone, I would say that a person could acknowledge being gay openly, clearly, but say that he or she was completely conforming to the Military Code of Conduct and be able to serve. In this policy, if a person does that, that raises the presumption that the person intends to do something that the Code of Conduct forbids. But then the service man or woman is given the opportunity to demonstrate that he or she will abide by the code. That's the rule. The second thing this policy does, which goes well beyond anything I discussed in the campaign, is to provide very explicit, explicit, protections for privacy and associational rights by service members without regard to their sexual orientation, going well beyond anything I ever discussed in the election.

I am the first President who ever took on this issue. Is that a sign of weakness? It may be a sign of madness, sir, but it is not a sign of weakness. And I think that we need to get our heads on straight about what is strong and what is weak. When a President takes on tough issues, takes tough stands, tries to get things done in a democracy, you may not get 100 percent. Was I wrong to take 85? What would have happened if I had just put my campaign pledge into play? What would have happened? You know and I know and Les Aspin will tell you, the United States Congress would immediately have reversed it. So I would have the great good fortune of being able to say I'm "Simon Pure," and the people in the military who are serving well and honorably who happen to be homosexual would not be one step further ahead than they were when I got elected. They're much better off today because we took an honorable compromise.

That's what democracy is about. Read the United States Constitution. It's about honorable compromise. And that is not weakness if you're making progress.

Q. Mr. President, thank you for answering questions from reporters from Wisconsin.

The President. Thank you.

NOTE: The President spoke at 5:05 p.m. via satellite from Room 459 of the Old Executive Office Building.

Remarks in an Interview With Members of the Louisiana Press

July 20, 1993

The President. Good afternoon. I understand that I can't see you because you're having a rainstorm down there, and I'm sorry that we can't have a two-way, at least visual communication. But I'm glad that you can hear and see me.

First, let me thank you for giving me the opportunity to speak through you directly to the people of Louisiana. I want to say a few words in opening about the economic program that I have presented to Congress, which is now being debated between the Senate and the House. There are some differences between the two plans, but the essential features are common, and I'd like to review them and what they could mean to Louisiana.

First of all, the plan has $500 billion in deficit reduction over the next 5 years. That is equally divided between spending cuts and tax increases. It's in a trust fund so that the money cannot be squandered on anything else. And if we don't make our targets, the President has a legal obligation to come forward and do some more cutting to make sure we do bring this deficit down.

Secondly, the plan asks the wealthiest Americans, whose taxes went down as their incomes went up in the 1980's, to pay most of the load. And let me be quite specific. The income taxes of Americans do not go up until they have adjusted gross income of $180,000 per family, $140,000 per individual. That means that 70 percent of this tax load will be paid by people with incomes above $200,000, the top 1.2 percent of the American people.

Thirdly, the plan is fair to the middle class and to the working poor. I want to emphasize that. The fuel tax in the plan, now at about 4.3 cents, amounts to about a $50-a-year tax to a family of four with an income of $40,000 to $50,000. That's less than $1 a week di-

rected and dedicated to bringing down your country's enormous deficit. For families with incomes of $30,000 or less—I think that's right at a majority in Louisiana—they will be held harmless or actually get a tax reduction from this plan.

Fourthly, the plan has important incentives for business growth: incentives for people to invest in new businesses and other small businesses; incentives for larger companies to buy new plants and equipment, to put people to work; incentives for research and development in new technologies to help to create new jobs for the 21st century. And perhaps most importantly, it doubles the expensing provision for small business, which means that 94 percent, let me say that again, 94 percent of the small businesses in the entire United States of America will not only get no income taxes increase from this plan but will be eligible for a tax break if they invest in their businesses.

Finally, unlike the Republican alternatives, this plan cuts the deficit more but does it in a way that is fairer to the elderly, to the working poor, and to the middle class. The Republican alternative cuts the deficit less but takes more out of the hides of the folks on Medicare, takes more from the veterans, takes more from agriculture, cuts things that have already been reduced dramatically.

So this plan, once the details are known, I think, clearly is good for America and good for Louisiana. It has already brought interest rates down dramatically. It is leading many, many people to refinance their homes and their cars and their businesses in ways that are putting money in Americans' pockets, not taking them out. And there's no question that without the progress this budget plan has made through the Congress, I would not have been able to lead an effort by the industrialized nations of the world in Tokyo to agree to reduce tariffs on manufactured products, to agree to reduce the Japanese trade imbalance with the United States in ways that will mean hundreds of thousands of manufacturing jobs to America.

So I believe if we can get the facts out there, I can persuade the Congress to adopt the plan, and we can put it behind us, seize control of our destiny, stop letting the deficit eat us alive, and start putting America back to work. That's the key thing.

Public Opinion

Q. Mr. President, recent polls nationally and here in Louisiana have indicated that a lot of Americans have already lost enthusiasm with your administration, a perception of indecisiveness if you will, a perception of someone who may be a little bit more tax and spend, the traditional liberal Democrat, than the moderate image he sold the American electorate. Why do you think you've suffered so much in the public opinion arena in so short a period of time? And considering you've got Democratic majorities in both the House and Senate, Mr. Clinton, why do you think you've gotten so little accomplished in terms of what people expected of the Clinton era?

The President. Well, first of all, let me say I think the public opinion polls are obvious. And that's because the only news coverage we get out of this town is over the fight over taxes, so that the American people, literally by huge majorities, do not have any idea what is in this program. They don't know there's any deficit reduction. They are not aware that there are any spending cuts. They are certainly not aware that 70 percent of the new taxes fall on people with incomes above $200,000. In Louisiana, I'm certain they're not aware that families of incomes of $30,000 or less pay no tax and, in fact, many will get a tax break under this, and that all the working poor, people who work with children in the home still below the poverty line, will get a significant tax relief under this program. They don't know the facts because the only coverage is over where the fight is, and that's been over the taxes. So the Republicans can scream ''tax and spend'' and all this label stuff, and if the people don't have the facts before them, all they can do is operate on what they know.

Now, secondly, I just want to take issue with you. I, frankly, think that one of the reasons the American people are disappointed about—you said the slow pace of progress—is because they haven't been told the truth about that. Do you know that if the Congress passes this budget on or before August the 5th when they go on recess, it

will be the fastest they have acted in a very long time?

And in terms of the difficulty I'm having getting this through, this is tough stuff. You've been sold syrup and sugar for years. But let me give you an example. Most of the Democrats voted for my program. In the last year of President Bush's administration, 75 percent of the Republicans in the House of Representatives—not the Democrats, the Republicans—voted against his budget. Why? Because no President has tried since 1981 to seriously engage the Congress in a budget that will turn the economic fortunes of the country around. Presidents don't want to be criticized for failing or for compromising, so they have played these political games, sent budgets up to the Hill that they knew had no chance of passing the Congress, and made speeches to the American people. I have gone to work.

Now, I ask you to compare what has actually been done in the first 6 months of this administration with what any previous administration has done in 6 months. We have put a serious budget on the table which will bring the deficit down and which has already brought interest rates down. We led an effort in the world's nations to save democracy in Russia, which will help America by enabling us to reduce defense and define new markets for our goods. We passed the family leave bill to protect families when their jobs require them to leave because they've got somebody sick in the family. We passed the motor voter bill, which will make it easier for people to register and vote. We have passed in one House of the Congress campaign finance reform, lobbying restrictions, and the line-item veto.

We are moving forward with a welfare reform proposal. We are moving forward with a national service plan, which I talked about repeatedly in Louisiana—it's going to be passed in one House this week, and it's going to be law very soon—which will open the doors of college education to millions and millions of young people who can't afford to go now with lower interest loans, and allow many of them to work that off with community service. Now, that is the record of this administration.

I just came back from the most successful meeting of the world's great industrial powers in years, because the United States, for the first time in 10 years, was not attacked at that meeting for its outrageous Government deficit. Instead we were complimented, and we got the other nations to agree to bring down tariffs and open up markets for American manufactured products, which means more jobs for Louisiana.

I would like for you to go back and analyze the first 6 months of the previous administrations and tell me who got more done in 6 months. If you can tell me, I'll be glad to hear it. If there isn't anybody you can find who's done more, then we need to examine why the American people don't know that.

Gridlock

Q. Mr. President, you came to Washington promising to get things moving, and you hit a brick wall of entrenched interests from all sides. Were you surprised by the intensity of the resistance? And what needs to be done so Government can respond quicker and better?

The President. Excuse me. My microphone fell.

Well, first of all, I want to say again, changes don't happen overnight. This country has been losing its economic position for 20 years. We've been with trickle-down economics for 12 years. It's been a great deal. The idea was: Give special interests and the wealthiest Americans whatever they want. Don't do too much to the middle class. Tell everybody what they want to hear, and hope nobody notices that we're running up a deficit that is keeping interest rates high, weakening the country, and not generating jobs. Now, that's been going on for a long time. So when you try to make tough decisions, it's not going to be easy to change.

I knew it would not be easy to change. No one can turn a country around overnight. I'm, frankly, reasonably pleased with the pace of change, but the one thing that has surprised me and deeply disappointed me is that the people in the other party have been so bitterly partisan about this. Many of them have come to me privately and said, ''You're doing a good job. We agree with a lot of these things, but you know, our party just is going

to oppose you.'' And so I'm hoping that we'll have more bipartisan support when we try to provide affordable health care to all American families and open the doors of college education than we have on this budget. And on welfare reform I think we'll get some Republican support.

Now, you asked me specifically what needs to be done. Congress needs to pass three bills that have only passed one House. One, campaign finance reform: Lower the costs of campaigns for Congress, reduce the influence of special interests through political action committees, open the airwaves to honest debate. Two, restrict the influence of lobbyists—do for people who lobby Congress what I've already done in my administration: Say that anybody who spends any money on a Member of Congress has to report what they spend and what it's for, eliminate the tax deduction for lobbying, and open the process more so that people know what is being done. The third thing that ought to be done is that the Senate should pass the modified line-item veto that the House has already passed, which gives the President the power to cut extra unnecessary spending.

Those three things would go a long way toward reforming the political process. I have already restricted by Executive order the ability of people in my administration to become lobbyists, especially those in high positions, to ever lobby for foreign governments. So if you deal with lobbyists, campaign finance, and the line-item veto, those things I think would help the system to move along faster. But keep in mind, any time you have to make tough decisions after people have been fed sugar for a long time, it's not going to be easy.

Energy Tax

Q. Mr. President, on the chance that congressional negotiators cannot agree on either a Btu tax or motor fuel tax, do you have any alternative measures that you would try to push to fill the resulting revenue gap?

The President. Well, let me say right now what I want to do is to stick with my program, and that's what I expect to do to the end. I expect to pass this program. I don't think that there will be a Btu tax, although the Btu tax alternative that the Secretary of the Treasury had ready to go would have exempted everything that the people in Louisiana I talked to were concerned about, agriculture, industry. Nonetheless, I think that that is unlikely. I think we'll be much closer to the fuel option that the Senate adopted.

But as I said, I think if we put a ceiling of $50 a year on it for the average family of four, that is, somebody with an income of $40,000 to $50,000, and if we hold working families under $30,000 a year harmless, and we don't kick the income taxes in on families with incomes of less than $180,000 or individuals under $140,000, I think that's pretty fair. And I think, again, it's a question of perception over reality. If we can cut through all this heavy rhetoric fog, I think we can get something done.

Now, let me just mention one other thing. I want to say again, over the previous budget adopted by President Bush and the Congress, there are $250 billion in spending cuts, 100 cuts of over $100 million apiece, over 200 specific ones. When my bill came up in the Senate Finance Committee, the Republicans in the Senate Finance Committee offered all kinds of arguments about why we should cut taxes, mostly on the wealthy. They had a chance to say, ''Well, we're for spending cuts.'' You know, that's what they've been saying: ''The President wants to raise taxes; we're for spending cuts.'' Do you know how many spending cuts were offered by the Republicans in the Senate Finance Committee? Zero. Not one. Not one. And the spending cuts put in their bill in the Senate included over $60 billion of unspecified we'll-figure-it-out-later cuts. So that we are the ones who are cutting spending. But I do think it is reasonable to ask people who are going to benefit from lower interest rates and more jobs to pay something that amounts to less than $1 a week to help to bring this deficit down.

Economic Program

Q. Mr. President, why proceed with higher consumer taxes in your deficit reduction package when the growth of the economy appears to be flattening out? Won't that worsen things?

The President. I think that the worst thing that could happen that could really flatten this economy is if we weaken the deficit

reduction package and interest rates went back up. There is a general consensus, even reinforced by Alan Greenspan, the Republican who heads the Federal Reserve Board, that the efforts we have made to bring this deficit down are mostly responsible for bringing long-term interest rates down. There are lots of folks in Louisiana who will be listening to this or who will read what you say who have refinanced their homes or refinanced their business loans or gotten lower interest car loans or consumer loans since the first of the year because interest rates are at a 20-year low. If we were to dramatically reduce the amount of deficit reduction, it would be fine if it had no other economic impact, but it will have an economic impact. It will lead to higher interest rates. And if the interest rates go back up, then people will lose more on interest rates than they would pay on this modest fuel tax.

Let me say one other thing: We want to add something to what the Senate did, though. We want to put back some incentives for people to pay lower taxes if they invest in jobs and growth. And this is a very important point. A lot of these taxes can be avoided by people if they invest in jobs and growth. That is, if you increase the small business expensing provision, if you have opportunities for big companies to invest in new plant and equipment, if you have opportunities for individuals to put their savings into new businesses, and if you don't tax activities of that kind, in fact, you give a big tax break to it, then that will mean that people will say, "Hey, I don't have to pay more taxes if I invest in things that will generate jobs for people in my State and my country." That is the really key thing. We've got to get the job incentives that I originally proposed back into the final bill. And if we do, most folks are going to come out well ahead and this economy is going to grow more.

Q. Hi, Mr. President. Could you repeat again exactly how your plan will affect lower income families, particularly those who aren't working now? Will enough jobs be created for them to get into the job market, have more money to spend in the economy?

The President. Absolutely. There are two kinds of low-income people in the economy. There are those that are working and those that aren't. Believe it or not, about 18 percent of all working people are still below the Federal poverty line. And I want to emphasize how they will both be affected.

Number one, people who are working but are still in poverty will benefit from a change in this law called the earned-income tax credit. It will be increased to the point that we'll be able to say to a working person in a family of four, let's say, that if you work for a living and you have children in your home and you're still in poverty, you will get a tax credit, a refundable tax credit from the Federal Government which will lift you out of poverty. That will mean more money in their pockets, they'll spend more, they'll boost the consumer economy, and that will be very good. It will also be a real incentive for people to move from welfare to work.

For people on welfare, that is, people who want to work but aren't working or people on unemployment, we estimate that this plan will create another 89,000 jobs in Louisiana, which will mean more jobs for unemployed people. For people on welfare, we will have a welfare reform program which will emphasize education and training and will eventually require people who can work to take jobs instead of staying on welfare. So this whole program is designed to help low income people whether they're working or not working. But it's important, especially in a place like Louisiana or my home State to your north, Arkansas, to note that most low income people work.

The last point I want to make is people with family incomes under $30,000 are held harmless in this program because they'll be eligible for an income tax cut to offset the gas tax increase. So most people in Louisiana will come out the same or ahead on the tax side, but they'll win big time when we reduce the deficit, invest some more in education and training, in jobs and new technologies, and grow this economy.

Energy Tax

Q. Mr. President, the Btu tax is something that everybody is watching very closely here. You read one day that the thing's dead and one day that it's getting resurrected. What is the status with the Btu tax at this point?

The President. I think there is virtually no chance that the committee will report out a Btu tax. Let me back up and say everyone had decided earlier that the tax ought to be modified so as not to affect any kind of manufacturing and agricultural operation. But I think now that is gone, basically because of the work that Senator Breaux did in the Senate Finance Committee in his efforts to try to have a different sort of tax that was more focused on transportation. So that's where we are now.

I think there is virtually no chance that the transportation tax will be raised much above what would be—it may be raised a tad above where it is now in the Senate. But as I said, I think the goal we're all shooting for is about a $50 bill for a family with an income of between $40,000 and $50,000 a year. So $50 a year would be about a buck a week. I think that's about what you're looking at.

Louisiana Democratic Party

Q. Mr. President, one question I would like to ask is what is your opinion of the Louisiana Democrats here who supported you so wholeheartedly during your Presidential election, John Breaux and J. Bennett Johnston, yet those individuals who, in essence, left the flock of the Democratic Party when it came time to the energy bill that was in your package that you brought before the Congress. I'd like to know what you think of the Democratic Party here in Louisiana. And a followup question, if I may: Is this perhaps the reason why we haven't seen any of Louisiana natives appointed to high positions in your administration?

The President. Well, the answer to the second question is no. And I expect you will see some distinguished Louisianians appointed before long. That has nothing to do with it.

Let me say first, Senator Breaux, in my judgment, played a very constructive role in this whole process. He wanted to pass a budget that was fair to Louisiana and also fair to the United States. And he voted for the passage of the Senate budget. So I have absolutely nothing negative to say about him. You've got to give him credit for trying to work out a program that he thought was better for Louisiana than the original proposal I had made but would also meet our objectives. And the budget that he worked on and that he voted for plainly does that.

Senator Johnston was very candid. You know, he went through a tough campaign, and he's very worried about the ability of the facts of this budget to be misrepresented. I mean, John Breaux told me the other day that he cannot believe that people in Louisiana have bought all the negative rhetoric about the budget when most Louisianians either would get no tax increase or would actually get a tax decrease because this program emphasizes help to the working poor and the small businesses. Let me just give you one example, once again. Ninety-four percent of the small businesses in the United States will not have income tax increase under this plan. And every one of them will be eligible for a tax cut if they invest more money in their own business. Now, that is a stunning statistic. I'll bet you not 5 percent of the people in Louisiana know that. Why? Because it hasn't been a source of controversy.

So I think Senator Johnston, if he knew for sure that the people in Louisiana knew what was in this program, would feel more comfortable about voting for it. He's getting a lot of negative feedback. I understand that. But the facts are that this is a very good program for Louisiana and Louisianians, and I don't think people know the facts. We find that over and over again, that not since I laid out the program on February 17th, when over 60 percent of the American people said they were for it, had they been given the details of the program. All they have heard since February the 17th is a endless litany on the part of people who are against it, largely Republicans, about taxes that they say are damaging to the people and to the economy. If you look at the facts, it's good for Louisiana, and it will be good for the future of the State.

Super Collider

Q. Mr. President, in my neck of the woods, the superconducting super collider project would mean more than 1,000 jobs in our immediate vicinity. Yet, on the two most recent occasions, the Senate has all but killed the matter. Are you still supporting it, number one? And number two, do you believe it's

going to come out of Washington intact as proposed now?

The President. Yes, I do support it, and I support it strongly. And I'm very glad you asked me about it. The superconducting super collider was defeated soundly in the House, and its fate is in danger in the Senate. But I want you to know why. You know, it's been in some trouble in the last few years, but I want you to know why. You know, most of the project is in Texas. The people of Texas just voted in the Senate race overwhelmingly for a new Senator who basically said that the issue was ''spending, stupid,'' and accused the Congress of making no spending cuts. When the House of Representatives was voting just a couple of weeks ago on the superconducting super collider, which benefits overwhelmingly the State of Texas, the two United States Senators from Texas were outside on the steps with Ross Perot telling the House they ought to cut spending and attacking them for not doing it. In fact, it wasn't true. We've cut spending $250 billion below the last Bush budget. We've cut over 100 things over $100 million apiece.

But I, frankly, think a lot of people got sick and tired of hearing that. And I hate to say it, because I am for the superconducting super collider. It is a good science project. It is good for America's high-tech employment. It is good for our future. And I strongly support it. But it is difficult to get these other Members of Congress from other States that do not benefit from it to vote for it when the people from the States that do benefit from it will not stand up and take the same kind of votes, and instead engage in rhetoric which is simply not true.

Now, if you want to know the truth, that's why it's in so much trouble up here. I hope I can save it. I'm doing what I can to save it. I'll keep doing what I can to save it. But it would certainly help if the people who are going to benefit immediately from it would stop saying things which drive the rest of the Congress up the wall, because they're not true.

Q. Mr. President, thank you for being with us.

The President. Thank you. I've enjoyed it.

NOTE: The President spoke at 5:30 p.m. via satellite from Room 459 of the Old Executive Office Building. A tape was not available for verification of the content of these remarks.

Interview With Larry King

July 20, 1993

The Presidency

Mr. King. Good evening. Back in Louisville, about 3 days before the election, President Clinton said on this program, ''I'll come on every 6 months.'' This is the 6-month anniversary. The timing is perfect. Tonight is 6 months in office for Clinton-Gore.

Before we get into some—what we'll do is cover some current issues, talk about the budget, take calls. OK? But first, there's no way you could plan for this job, so what about it surprises you the most?

The President. It's hard to say. I've learned a lot in the last 6 months, and as much as I have followed this over 20 years, I think there are some things that you could not have anticipated. I think the thing that has surprised me most is how difficult it is, even for the President, if you're going to take on big changes and try to make big things happen, to really keep communicating exactly what you're about to the American people.

Mr. King. And why is that hard?

The President. I think because there's so much else in the atmosphere, first; and secondly, because when you do something like this big economic plan we're pushing, only the controversy is newsworthy at a time when there's so much else to cover. So I'm trying always to remind people, look, we've got as many spending cuts, or more, than tax increases; that the upper income people, people over $200,000, are paying 70 percent of the burden, and that the middle class is paying very little; the working poor are paying nothing. All the details I try to get into.

But it's very difficult. And we found that the American people knew the most on February 17th, the night I announced the plan