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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

and went through it point by point, and that since then, the sort of yelling and rhetoric and screaming and back and forth, that I have lost the ability to make sure everybody knows the things I want them to know. And I feel very badly about that.

Mr. King. Is that everybody's fault? I mean, is it your fault? Media fault?

The President. I think certainly so. I mean, I'm not trying to shift responsibility away from myself. But you asked me. That's been a real surprise to me because when I was a Governor in a smaller place where lots of people knew me, even if I were doing something that was quite unpopular with the media, say, and they were criticizing me, I could always get my side out there, my points. The essential facts would be out there. And that, to me, has been the most frustrating thing.

And also when you're President, you have to make a lot of tough decisions. You just have to keep lining them up and making them, whether it's base closings or the very difficult problems in the Pacific Northwest with the forests or the whole litany of things that we've done here: the POW–MIA issue and how we're going to deal with Vietnam, the FBI, the gays in the military, you name it. And they keep coming in quick succession. You can't just say, "Okay, stop the world. I'm going to just work on this. I'm not going to make these other decisions." You have to keep going.

Mr. King. We were talking before we went on about Elvis Presley and isolation. And I was saying that I thought he had a more isolated life than you do. But this is an isolated life in here, isn't it?

The President. It can be very isolating.

Mr. King. Do you have to fight it?

The President. I fight it all the time. And it can be isolating for two reasons. One is there is so much to do that you have to be very disciplined about your time. And I think the more I've been in this office, the more conscious I've become of it and, I think, the more disciplined I've become about my time. But discipline means deciding things you won't do, people you won't see, calls you won't make.

The second problem is, frankly, the security problem. The——

Mr. King. How so?

The President. Well, I think the Secret Service do a very, very good job. But if your job is to keep the President from being harmed in a world full of people who may have some reason to do it, may have the means to do it, obviously the best thing would be if you put him in a bulletproof room and walked out, if you see what I mean.

Mr. King. You couldn't stand that.

The President. No, I couldn't stand that. So they do a terrific job. But we've worked out our accommodations so that I can at least run every day. I run different routes, and we do different things. And I try to get out and see the people when I can.

Mr. King. Is it hard to understand their job for you?

The President. It's much easier now. I really respect them; they've got a very tough job. And I make it harder because I'm a real people person, you know. I like to be out there. But I think it's an important job. But if you don't spend some time with just ordinary people who tell you what they think, hey, you almost forget how to hear and how to listen and how to speak and the way that most people live.

Mr. King. By the way, have you seen "In the Line of Fire"?

The President. Yes, I watched it last night.

Mr. King. What did you think?

The President. I thought Eastwood was terrific. I thought he was good in "Unforgiven." I think he's good in this. I think he's making the best movies he's ever made.

Mr. King. Did you like the movie?

The President. I liked the movie very much.

Mr. King. Was it realistic?

The President. I think it was as realistic as it could be and still be a real rip-roaring thriller, you know. [*Laughter*]

Gays in the Military

Mr. King. We helped their business a lot. Let's touch some other bases. Okay. First, today Secretary of Defense Aspin appears with what looked like the entire military in the world before Senator Nunn's committee. And Senator Nunn finishes by saying he still

wants to go to Congress, but he's inclined to support it. Is this a plus for you today?

The President. I think it is a plus. The Joint Chiefs came a long way on this policy from where they were back in January when we talked.

Mr. King. When they were almost totally against it, period.

The President. Completely against changing it at all; grudgingly said, ''Well, we'll stop asking,'' and none of the things that were in this policy except for that. And I commend them. They really tried hard to come to grips with this. And they know that there are and always have been homosexuals in the service who served with real distinction. They and the Secretary of Defense deserve a lot of credit. But also, frankly, the people who argued for an even broader policy deserve a lot of credit: the Campaign for Military Service, Congressman Studds, Congressman Frank. They worked hard to try to come to grips with this. I don't think anyone was fully satisfied with the result, but I believe it's the best we can do right now.

Mr. King. Were you in a no-win?

The President. Well, I don't know. I don't view it that way. It depends on what the standard is. I was in a no-win if the only way I win is to do exactly what I think is right and——

Mr. King. Which would have been, sign them and let them in, right?

The President. Yes. But I think it's very important when you hear the criticism of it from the left, if you will. What I said was that I thought that status should be the judge—should not be the judge. It ought to be conduct, not your orientation. That's what the policy is now. I further said that I thought a person ought to be able to say, ''I'm gay.'' And as long as they didn't do anything that violated the rules, they should be able to stay.

Mr. King. That's now true.

The President. That's only true in a restricted way. Now if you say it, it creates a presumption that you're going to do something wrong while you're in the military, but you are given the opportunity to present evidence that you won't, to convince, in effect, your commander that you will observe the rules. But I never promised to change the rules of conduct. That's in the Uniform Code of Military Justice. That's the way it is.

Now, to be fair to the Joint Chiefs, they agreed to go further on matters of privacy and association than I ever discussed in the campaign. So this provides dramatically increased protection and a range of privacy for present and future soldiers who happen to be homosexuals but happen to be good military people.

Mr. King. So in other words, you filled your promise.

The President. I did, except for the fact that we were not able to do precisely what I wanted, which was to give people the freedom to acknowledge their sexual orientation as long as they were following the rules of conduct. Today if you do that, it can get you in trouble, but you have the option to convince your commander that you really are following the rules. So I don't think it goes quite as far as I wanted on statements. On the other hand, it goes quite a bit further to protect private conduct on the rules of investigation than I anticipated.

Mr. King. What do you make of Senator Nunn in all of this?

The President. I think first of all, he doesn't agree with my position, but I think he's worked hard, too, to try to come to grips with the reality of this, to open his mind and heart to the arguments on both sides. And I think he feels a special stewardship for the military. He's been chairman of the Armed Services Committee for a long time. He wants to make sure that if this is going to be the policy and he's going to support it, that it is legally defensible. And I think he's doing what he thinks is his job.

Mr. King. Do you think it will pass in the Senate?

The President. I do. I think if I had done what I wanted to do, the Senate and the House would have reversed it.

Reaction to Criticism

Mr. King. How do you take—before we take a break, and then we're going to get to the economy—bashing? You know, the heat that a President takes, and you've been taking a lot of it. How do you deal with that?

The President. Well, it's all part of it.

Mr. King. It rolls off you?

The President. Most of it rolls off of me; not all of it. If I think something is particularly unfair—the only thing that really bothers me, if you want to know the truth, is when I think that the bashing is in some area that prevents the American people from focusing on what we're doing about the things they care about that are most important, or if it undermines my ability to get things done.

The criticism is a part of the job, and, frankly—you know Benjamin Franklin said a long time ago, ''Our critics can be our friends, for they show us our faults.'' Sometimes our critics show us our faults, and I try to listen and learn from my critics. But if I think they're diverting the attention of the American people from the real issues or the whole thing is undermining my ability to do what I was elected to do, that bothers me. But just to be criticized, shoot, that's part of it.

[*At this point, the stations took a commercial break.*]

Midwest Disaster Assistance

Mr. King. We're back with President Clinton. A couple of other bases, then the economy. Where do you get your money for the floods? Where does that come from?

The President. It comes from emergency appropriations. That is, we just add it to our spending this year. That's the way we've traditionally handled emergencies in America. And this year, thankfully, our deficit is well down because the interest rates have come down so much that we expect a big drop in the deficit over and above what we thought it would be.

Mr. King. So it's going to be $2.5 billion almost in some States——

The President. Well, we have upped our request to almost $3 billion now, and it may have to be revised upward again. Keep in mind, we can't hold harmless everybody from every loss, but there are programs to help businesses, farms, communities, and individuals who are out of work and who have no means of support.

Mr. King. Can you waive the State matching funds?

The President. I can do it. I can waive it, or we can write it down some.

Mr. King. What are you going to do?

The President. It depends on what the facts of each State are, how much problem they've got, how much of a burden it would be.

Mr. King. It'll be State by State?

The President. Yes, we'll have to look at it on a State-by-State basis, I think. I think that's the only fair way to do it.

FBI Director

Mr. King. Was it hard to fire Mr. Sessions?

The President. It was not hard, but it was sad for me. I admire the FBI greatly. I had a lot of contact with former FBI officers, had several of them in my administration. My criminal justice adviser was once the number two man in the FBI. My chief of staff for some time was a retired FBI agent. I love the FBI, and I hated to be the first President ever to have to fire a Director. But he said that that's the way he wanted it. He refused to resign, and I felt I had no choice.

I do think that Louis Freeh, the Federal judge whom I appointed today, will be a sterling FBI Director.

Mr. King. The word is, this guy, where's he been? This guy is, like, flawless.

The President. Well, he's an amazing man. I mean, he grew up in a working-class family in Jersey City. He married a wonderful girl from Pittsburgh, whose dad was a steel worker. He worked his way through law school. He's my kind of guy, you know, just from the heartland.

Mr. King. That ''flawless'' is the quote from the guy who did the investigation.

The President. Absolutely. Well, then he was a great FBI agent, and then he was a prosecutor. He did the Pizza Connection case which was then the biggest heroin ring ever broken in the United States. He investigated a seafront corruption and brought indictments against 125 people. And then that awful mail bombing—two murders in the South, the Federal judge, the civil rights leader—he broke that case when people thought it could never be broken, and then he prosecuted it himself. He has really been an amazing success, and as you know, President Bush made him a Federal judge. And I think it's really a testimony to his character that he was willing to leave a lifetime job

to be Director of the FBI, because he knew the Agency needed him.

Mr. King. He's also very big in the area of civil rights, is he not?

The President. That's right. That was a big thing with me. I wanted somebody who was tough on crime, but who knew the FBI had to bring in more women and minorities. They've been behind on that. And they're moving, and I want to give Judge Sessions credit for that. He did a good job on that, trying to open the Bureau, and Judge Freeh said he'd continue it.

Supreme Court Nominee

Mr. King. Do you expect Judge Ginsberg to be approved easily?

The President. Yes. I'm very proud of her, and she did real well today, I think. She's an extraordinary woman, as a real pioneer in women's rights, but also, I think, has been a judge in the best sense. She's very hard to categorize as liberal or conservative, but she'll take a tough decision when she thinks it's right.

Mr. King. On your key issue, though, which you said in the campaign, of freedom of choice, you think she'll come through?

The President. Yes. Well, she's got a real record of statement there. I didn't give her any kind of litmus test in the interview; I didn't think it was right.

Mr. King. You didn't?

The President. No. But I was familiar enough with her rulings and her speeches and her statements to know how she felt about that issue.

Surgeon General Nominee

Mr. King. And Dr. Elders—standing with her?

The President. Absolutely.

Mr. King. Were you at all dismayed by some of the things she said, ''enemy of the fetus'' and——

The President. Well, she's a very passionate woman. But I think you have to understand where she came from. I mean, Joycelyn Elders grew up as one of seven children in a cotton field in South Arkansas. She came from nowhere, economically anyway. Her brothers and sisters worked hard to help her get through medical school. She married a man who later became the most successful high school basketball coach in our State, very much a beloved man. And she was a doctor, a professor in the medical school when I finally, after three times, talked her into becoming the health department director.

And she said, ''What do you want me to do?'' I said, ''I want you to fight teen pregnancy, I want you to fight AIDS, I want you to do something about environmental health, and I want us to get infant mortality down.'' And she found that her passion, in effect, drove her. I mean, she's a very passionate woman. And sometimes she says things in stark and blunt terms that make people draw up. But I think it's fair to say that in our State, which is a pretty old-fashioned, conservative place, she was very popular because people believed she was fighting for children, she was fighting to reduce infant mortality, she was fighting to reduce teen pregnancy. She was not pro-abortion. And, as a matter of fact, in many years I was Governor, the number of abortions performed dropped over the previous years.

Mr. King. So you're not—are you surprised that the far right has kind of taken off on her?

The President. No, because she is a lightning rod. They sort of took off on her in Arkansas for a while. But in the end she prevailed because people believed she cared about people. She was trying to save these kids from having babies. She was trying to reduce the infant mortality rate. She was trying to force people to do things—to change their behavior so AIDS wouldn't be communicated.

Mr. King. Will she prevail here, too? Will she be confirmed?

The President. I think she's an extraordinary woman. I'll be very surprised if she's not confirmed.

Representative Dan Rostenkowski

Mr. King. Dan Rostenkowski gets into trouble on the eve of maybe the most important time for him in your administration, because he's the spear carrier for the House side for the economic plan. How do you feel about that? What happens if he is indicted? That's a fair question because there's the possibility he could be indicted.

The President. Well, first, about that, of course, I can't comment. I'm not involved, and I shouldn't be, and I can't comment. I can only tell you that I've worked very closely with him and with Senator Moynihan. And he was here today continuing to work. I think, like every other American, he should be given the presumption of innocence.

Mr. King. But what happens if this——

The President. But all I can tell you is his backbone has been a mile wide and awful stiff in this whole thing. He's been a major force in pushing for changes that will finally get this deficit under control and help us to turn our economy around. And I'm going to keep working with him as long as he's here.

Mr. King. Have you asked him about this incident at the post office?

The President. No.

Mr. King. If something were to happen, do you have another point man in mind? I mean, will this hurt the chances of a compromise if Rostenkowski's stature is limited?

The President. Well, I don't even know how to comment on that. All I can tell you is that if he keeps working at it like he has, he's going to make a positive difference.

Mr. King. We'll be right back with President Clinton.

[*The stations took a commercial break.*]

Mr. King. Our guest is President Clinton. We're in the Library. We're ready to go to your phone calls. We ask that you get right to the point so we can reach as many people as possible.

Orlando, Florida, hello.

Defense Base Closings

[*A participant asked why the Orlando Training Center was selected for closure.*]

The President. I understand. Let me say, first of all, I think it is a good training center. For all of our listeners, the Orlando Training Center in Florida was one of the bases recommended by the Joint Chiefs of Staff and by the Secretary of Defense for the base closing, and the Commission voted to do that, to close the Orlando Center.

One of the biggest problems when you close a big military base is that many military bases have people retired around them who used to be in the military who use the medical facilities, and therefore, in the aftermath, that's often one of the toughest issues.

Let me answer those two things separately, if I might. First of all, I can't answer why the Orlando Training Center was picked by the Joint Chiefs. That process began before I became President. They sent the recommendation to the Secretary of Defense, who sent it to the Base Closing Commission. They thought that it should be closed, and they approved it. They sent the whole list to me, and I either had to sign on or off. And I concluded that I had no basis to reject the whole package, so I approved it, and it went to the Congress.

Now, let me make just one important point about that. It's very tough when you close these bases. I know it. But we have taken the military down from about 2.5 million people, going down toward 1.6, then 1.5, then 1.4. You can't reduce the military by 40 percent and only reduce the base structure by nine. Most of the bases that are recommended for closure are in Europe, some in the United States. But we have to reduce the base structure because otherwise we won't have enough money to train the personnel and to keep developing the smart weapons and the important technology that keep our people the best fighting force in the world and keep them safe.

Now secondly, let me just say on the health issue, when the First Lady agreed to take up the health issue and her task force began to work, one of the things I asked her to do is to look into health care for military retirees around military bases and look into those facilities. That is one of the things that that task force has done. They are looking at those facilities, asking: Can they be open, can they be reopened, should they be reopened, should they be military facilities, should they be available for military and civilian personnel, what's going to happen in terms of the availability of health care? So that's something that the commission is looking on, and I expect that I'll get some recommendations on that that we'll know about pretty soon when we announce the health care plan.

Mr. King. To St. Louis, Missouri, with President Clinton. Hello.

National Lottery

[*A participant asked if the President had considered a national lottery to reduce the deficit.*]

Mr. King. It's been proposed for years.

The President. Yes. Let me say, it has been proposed, a national lottery to reduce the deficit. And every time I have seen anybody talk about it, the conclusion has been that we probably shouldn't do it for two reasons. Number one, it would probably not raise an enormous amount of money. And number two, it might dramatically eat into the proceeds that are now going to the States who have lotteries. Most States have lotteries now, and that money generally goes to the education of our children or, in the case of Pennsylvania, the care of elderly citizens. And the Federal Government, I think, would get a lot of opposition from the States if it appeared that we were going to take away their efforts to educate people to pay down the debt.

I have to say, finally, I personally have always had some reservation about the lotteries because, disproportionately, the people who play them tend to be on the lower income scale. But even if you put that to the side, for the other two reasons I think it is probably not a very good idea.

Mr. King. It is voluntary taxation.

The President. It is absolutely voluntary. And that's the best argument for it. The best argument for it is it's absolutely voluntary. And if it raised $1 billion, it's $1 billion we wouldn't have otherwise. So there are some arguments for it. But the two I mention are the reasons I think that it's never been adopted.

Economic Program

Mr. King. We have to take a break, but quickly, why did you have to change your mind on the tax rates for middle income?

The President. Because after the election was over, the government of the previous administration revised upward the deficit by, oh, about $50 billion a year in each of the next 3 years.

Mr. King. So you had no idea of that when you were running?

The President. No, I didn't know it would be revised upward. So the decision I had to make was, well, are you going to live with a bigger deficit and less deficit reduction, or should you ask the middle class to pay a little?

I also, frankly, did something else I didn't like. I revised upward the tax burden on the wealthiest Americans, and I think there's a limit beyond which you don't want to go on them either.

Mr. King. We're going to break. We'll pick up on that.

[*The stations took a commercial break.*]

Mr. King. We're back in the Library with President Clinton, and before we take our next call we want to pick up where we left off on, because he's taken a lot of shots on this, and it would be interesting to hear it in this setting, the other side.

The President. I just want to say that when I became President and the deficit had been estimated upward since the election quite a bit, over $125, $130 billion, I decided that we were going to have to cut more spending and raise more revenues than I had thought to get the deficit down to a point that it was manageable and to keep long-term interest rates coming down.

I think that it's very important to hammer home that there's a real connection between an effort to reduce the deficit and getting these long-term interest rates down. Before the election, basically you had short-term interest rates brought way down by the Federal Reserve Board but a big gap between them and the long-term rates. And that's what determines mortgage rates, business loans, and a lot of other things. So we decided that it would be worth it to really take a tough stand to raise some more money, most of it from upper-income people but a modest amount from middle-class people, and cut more spending.

And let me show you what the difference is. If you look at this chart here, if I had just stayed with the budget that I found when I took office, that is, the one adopted in the last year of President Bush's term, here's what happens to the deficit.

Mr. King. That's the inherited deficit?

The President. This is the inherited deficit. With our plan, here's what happens to it over 5 years. Now, what you see down here

is the real hitch—we can come back to this later—and that is that with all of our cuts and with the revenue increases, health care is still going up at 9 percent a year. Until we bring health care costs in line with inflation, we can't go down to zero. When we do, we can get down to zero and balance this budget. That's why health care reform is so important.

But look at the difference here. Now, let me just show you one other thing. Even though I did decide to ask for a modest tax increase on the middle class, let me just say exactly what this is.

Here is a deficit reduction plan. For every $10, $5 comes in spending cuts, $4 comes from people with incomes above $100,000; that's the top 6 percent. Of this $4, seven-eighths of that comes from people with incomes above $200,000. And then $1, 1 in 10, comes from people with incomes between $30,000 and $100,000. Families with incomes below $30,000 are held harmless.

So I think it is a fair and balanced package. Now, this portion, the portion the middle class pays, if anything near what the Senate bill does passes, will be about $50 a year for a family of four with an income of, let's say, between $40,000 and $50,000 a year, or about a buck a week. And all this money—all this money goes into a trust fund for 5 years to pay down the deficit. It has to be used for that. And if we miss our targets of paying down the deficit, that is, if we miss my line back here any year, I have to come back in and give new cuts, new ways to meet the deficit reduction.

Now, what does this mean for the average American? It means that, as we have made progress on this, we've got the lowest interest rates in 20 years. So millions of people are refinancing their homes, refinancing their business loans. They're going to take out lower college loans, car loans, consumer loans. Millions of Americans will save far more in interest rates than they will pay in this modest tax package, even upper income people.

Let me just make a couple more points. Ninety-four percent of the small businesses in this country will pay no income tax increase and will have the opportunity to get a tax cut if they simply invest more money back in their business and create jobs, because we more than double the expensing provision for small business.

One final thing that's important. I just got back from this G–7 meeting, the meeting of the world's great industrial powers. For 10 years, at every meeting the United States didn't have much influence because we were attacked over having such a big deficit and being greedy, taking money from all around the world to pay for it. This year, for the first time in a decade, we were complimented, not criticized, and that's why—the progress of this economic plan is why at this meeting we were able to get an agreement to lower tariffs on our manufactured products. It means hundreds of thousands of jobs for Americans if we can get all the countries in the world to agree to change the trade agreement, like the big countries have. And we've got a new trade deal with Japan where the Japanese for the first time agreed to dramatically reduce the trade deficit.

Economic Summit

Mr. King. By the way, did you expect that going there?

The President. No, but I hoped for it. I had an instinct that both those things could happen. Everybody said nothing is going to happen at this meeting because all of these countries are in terrible economic shape, all their leaders are unpopular. Well, they are. We've got a global economic crisis, and when people can't make a living, when they're insecure, they're worried about losing their health care, their benefits, the ability to raise and educate their children, leaders aren't going to be popular.

But what happened was, there was a sense that we owed it to the people we represent to do something, to try to move this economy and create jobs and get some things going. And that spirit sort of overtook the meeting. I called several of them before we met, and I said, ''Everybody says we're not going to do anything, but why is that? Why don't we go and do something? We're actors; we want to get something done.'' And I was very pleased with it.

Mr. King. Los Angeles, as we go back to calls for President Clinton. Hello.

Economic Program

[*A participant asked about tax increases.*]

The President. Well, the deficit has dropped this year about $25 billion or so below where it was estimated to be when I took office because interest rates have dropped. Therefore, what we have to pay on the accumulated debt of the country has gone down. The only reason interest rates have dropped is because we've got a serious attempt to reduce the deficit.

And, again, let me just reiterate what the facts are: Seventy percent of the new taxes will be paid by people who make incomes above $200,000. No income tax increases will be paid by people who have adjusted gross incomes—individuals below $140,000, couples below $180,000. There will be no tax increase at all for people with incomes below $30,000. And this modest fuel tax will amount to about $50 a year for families with incomes of about $50,000. Now, I think that is a very modest price to pay, especially when we have spending cuts that are equal to—in fact, they'll be slightly greater than, I believe, the tax increase.

Q. What kind of fuel are you going to tax? Which are we going to go with, the House or Senate, do you think?

The President. I think something closer to the Senate version. They haven't been finally settled on but——

Mr. King. Gas tax?

The President. Closer to that. There's less opposition to it.

Mr. King. Copenhagen, Denmark. Hello.

Bosnia

[*A participant asked about U.S. troops participation in peacekeeping efforts.*]

The President. Well, let me remind you, sir, that we have had several thousand troops in Somalia. We have contributed hundreds of millions of dollars in humanitarian aid to the former Yugoslavia. We have done airdrops of supplies. We have always been committed to use our air power to protect your troops and any other troops. We have not wanted to get the Untied States involved in the conflict there unless there was a settlement. I have always said that we would send appropriate military personnel to be part of a United Nations enforcement of the settlement.

Let me also say that the closest we ever were to settling that was when the Serbs and the Croats thought that the Europeans were going to go along with my proposal to lift the arms embargo and to make available standby air power to enforce no use of the Serbian artillery against the Muslim, the Bosnian government there while the arms embargo was being lifted. When it became obvious that I could not prevail in the United Nations because of the opposition of some of the European nations, that's when things began to deteriorate again instead of move toward peace.

So I had a policy. I'm disappointed that it was rejected by some of the European countries. I'm grateful that the Germans and some others supported it. But we are prepared to do our part to try to resolve this. We are working weekly on it. I feel terrible about it. But I do not believe the United States needs to send a lot of troops there which might get involved in a civil war on the ground when we had a plan—which would have led, I'm convinced, to a settlement—which was not accepted. If we get a settlement, as we might now under other conditions, we are prepared to do our part through the U.N. to help to enforce it.

Mr. King. We'll be back with President Clinton.

[*The stations took a commercial break.*]

Mr. King. This is funny, folks, what happens behind the scenes, so we'll make it public for you. We had arranged with President Clinton's staff that we would finish at 10 p.m. Eastern time, one hour, and the staff had arranged it with our producers. And then President Clinton just said to me, ''Could we go a little longer?'' And I said, ''Sure, if you want to go a little longer, we can go another half hour.'' And he said he'd be happy to.

So we didn't do it, and I just want the staff to know that we didn't do it. If you would like to do it, we would be happy to accommodate you.

The President. You offered us the opportunity this afternoon and I think at that time we didn't know whether we could or not. But I'd like to do it.

Mr. King. You're feeling refreshed?

The President. Yes, and I like answering the questions. I think that's important.

Mr. King. By the way, before we take our next call, he did give credit to Mr. Eastwood. We did add on the break that he also wanted to give credit to John Malkovich in "In the Line of Fire."

The President. He's a great villain, isn't he? I mean, he was fabulous.

Mr. King. I haven't seen it yet, but they tell me it's unbelievable.

The President. Unbelievable. Rene Russo was good, too, and I'd only seen her in that Mel Gibson movie.

Mr. King. You are a movie buff, right?

The President. I love the movies. I love the movies.

Mr. King. What's it like when you order them here in the White House?

The President. Well, you know, they send in movies on a regular basis, so I get to see a lot of movies here. Normally, what we do is on Friday night—I normally work pretty late on Friday night, till 7, 7:30 p.m. Last Friday I worked till 8:30 p.m. And then we gather up whoever is still working late in the White House, and Hillary and I and, when Chelsea's here, Chelsea would come down and watch the movie. We like that.

Economic Program

Mr. King. We're ready to go back to more phone calls for President Clinton. Again, when you come on the line, please make the question or comment right to the point. And before we take our next call, I also want to give him a chance to expound on the lady who did call. I think he looked a little—when the lady who said——

The President. She said, well, if the deficit is down, why do you need to raise any taxes. Keep in mind, we went from a $1 to a $4 trillion national debt—that's the annual deficits added up—in only 12 years, from 1980 to 1992. And we need to get that deficit down to zero as quickly as we can without collapsing the economy. You can't do it overnight, but we have to do it over a period of years.

And as we do it, that's less money we have to spend on interest on the debt and more money we can invest in creating jobs, business incentives, and education and training and new technologies, and building roads and bridges and airports and things that make a country rich and competitive in this world. So even though we're getting a break on the deficit, we're getting a break on the deficit because the financial markets are responding to our efforts to bring the deficit down. And so we can't back up. We don't want to overdo it because that will slow the economy down, if you take too much money out at one time. But if we do it too little, then the interest rates will go up and we'll be in trouble on that score again.

Mr. King. Montreal, Quebec, Canada. Hello.

Gays in the Military

[*A participant asked why the President did not act on the issue of gays in the military the same way President Truman had concerning desegregation of the military.*]

The President. Well, first of all, let's talk about what I did do, and then I'll tell you why the argument you made is not analogous.

What I did do was to give instructions to the Secretary of Defense to promulgate a policy which permits gays to serve for the first time and judges them like other service men and women on their conduct, not their sexual orientation. That is a big change. They're not going to be asked about their sexual orientation. Their privacy, including their rights of association, are going to be protected. That is, if they are seen going into a gay bar, that will not lead to an investigation of their sexual orientation. The laws against sexual misconduct will be enforced clearly and unambiguously in an even-handed way against heterosexuals and homosexuals. And if a gay person says that he or she is homosexual, while that can create a presumption that they are doing something that is prohibited and lead to their separation from service, they will be given an explicit opportunity to argue that they are honoring the code of conduct. Now that is a big change.

Now, how is that different from the situation with President Truman? The real thing you ought to ask is how long did it take before African Americans, in this case, were treated fully equally in the service? It didn't just happen snap with Truman's order. It didn't hap-

pen after Truman's order, and it developed a long time before Truman's order. There was an explicit open involvement of the military culture with blacks in a segregated way for a very long time before this order was issued.

The same thing happened with women. One of the things that's achieved almost no notice is that during my administration the Pentagon has voted to dramatically expand the role of women in the military services, make available far more roles for them than were available before. But it didn't happen overnight. It happened over a period of years as the military culture adapted to it.

Now, if I had done what you suggest, if I had just said that gays could serve and whatever they do in private is their own business—which I never committed to do in the campaign—I'll tell you exactly what would have happened. Congress would have overturned it immediately and done it on the defense bill and in ways that would have been difficult, if not impossible, for me to veto.

So the situations simply aren't analogous. Congress has no intention of overturning President Truman's position, and it's something that had built up over a long period of time, not something that just entered the public debate, in effect, about a year ago.

Mr. King. St. Thomas, the Virgin Islands. Hello.

Puerto Rico and the District of Columbia

[*A participant asked about voting rights for residents of Puerto Rico.*]

The President. Well, it would take a legal change. I'm embarrassed to tell you I don't know if it would take a change in the Constitution. I'd like to invite you to write me about it, and I'll commit to you I'll look into it. I know that in the case of Puerto Rico, they did have a Presidential primary, which I was very active in. And the people there were very good to me, and I'm grateful for that.

I have strongly supported, in the case of Puerto Rico, self-determination. That is, if they have a referendum there and they vote to continue their commonwealth status or to become independent or to become a State, whatever they decide I will support.

Mr. King. You also support statehood for Washington, DC?

The President. I do. And I didn't, frankly, until about a year and a half ago when a number of people, including Jesse Jackson, who is one of the shadow Senators for DC, pointed out to me that this community, which was once a Federal preserve entirely, now has more people than 5 States, pays more taxes than 10, and sent more soldiers into harm's way in the Persian Gulf than 20. So I think there are ways you can carve out a Federal enclave here that's still separate and apart and let the rest of those folks become a State. There are some complicated issues there. I think there's a lot of—if you had the first city-state, they try to tax people from other states, and we'd have to work though all that. And if——

Mr. King. And if Puerto Rico wants statehood, you'd be happy to welcome them as number 51?

The President. If that's what they vote for. I think they, the people of Puerto Rico, should decide.

Mr. King. We'll be back with President Clinton.

[*The stations took a commercial break.*]

Mr. King. We're back on "Larry King Live." Now, you would think these are two pretty powerful—the President of the United States. We're doing all right. The President had another commitment he didn't know about, right? So he'll be with us until the top of the hour. However, every 6 months we have a kind of rotating date, right, as promised during the campaign?

The President. And I owe you a half an hour now.

Mr. King. And he'll owe us a half an hour, so the next appearance will be 90 minutes in 6 months. Or 2 hours, as pointed out by Atlanta—they never stop—2 hours, OK. But we do thank—there was another appointment which he was unaware of and we were unaware of. So we'll get to some calls quickly, and he will be returning every 6 months. He promised it during the campaign; this is the 6-month anniversary.

Arlington, Virginia, with President Clinton. Hello.

President's Domestic Priorities

[*A participant asked what the President would like his legacy to be.*]

Mr. King. Is it too early to have a legacy?

The President. No, I'd be happy to tell you that. Number one, I'd like to get this economy moving again, get the deficit down and start creating jobs and seeing working Americans have their incomes go up.

Number two, I'd like to provide health security for all Americans. I'd like for us to join all the other advanced countries in the world and provide a system of affordable health care to all of our people.

Number three, I want my national service plan to pass. It will open the doors of college education to millions of Americans for lower interest loans and give many, many of them the chance to work those loans off through service at their communities.

Number four, I strongly want to pass a welfare reform bill that will move people from welfare to work and end welfare as we know it.

And five, I want to reform the political system. We have already passed the motor voter bill that makes it easier for people to register and vote. Three other bills that I care very deeply about have passed one House of Congress, but not both: one, a campaign finance reform bill to lower the cost of political campaigns, reduce the influence of PAC's, and open the airwaves to debate; two, a bill that drastically opens up lobbying behavior, restricting some lobbying behavior and requiring them to report what they spend on members of Congress; and three, the modified line-item veto, which I think will help discipline spending. So those are the things; I would like those things to be my legacy.

NAFTA

Mr. King. Want NAFTA to pass, too?

The President. Very much. I strongly support—I think it means more jobs, not less. Let me just make——

Mr. King. You disagree with Mr. Perot?

The President. I do, because keep in mind, anybody who wants to go to Mexico because they have low wages and send the products back here can do that today. Mexican tariffs on American products on average are higher than American tariffs on Mexican. Because of what President Salinas has done in lowering those tariffs in the last few years, we've gone from a $5 billion trade deficit to a $6 billion trade surplus with Mexico. They now have displaced Japan as the second biggest purchaser of American manufactured products. So I think a wealthier Mexico means more products going down there and more jobs for America.

Mr. King. A quick call, last call. Paris, France, hello.

Terrorism

[*A participant questioned U.S. policy toward Iran.*]

The President. The answer is we are doing everything we can to impose restrictions on trade with Iran. We are pressuring our allies and friends all the time not to support any government, including Iran, that supports terrorism and assassination.

I'm glad you brought it up. I think it's a very significant problem. I hope you will press this hard in Paris as you are pressing Washington, because that is something that all the West should be sensitive to. We must not allow Iraq, Iran, and other agents of terrorism and assassination to dominate the world politically and to terrorize innocent people. I think you're absolutely right.

Mr. King. Thanks very much, Mr. President.

The President. Thank you.

NOTE: The interview began at 9 p.m. The President spoke from the Library at the White House.

Statement on the Anniversary of the Arrest of Aung San Suu Kyi of Burma

July 20, 1993

Today, July 20, marks the 4th anniversary of the arrest and detention of Aung San Suu Kyi, the courageous Burmese opposition leader and Nobel Peace Prize laureate. The overwhelming mandate won by her party in the 1990 elections remains unfulfilled. This is a tragedy for Burma and a cause for outrage in the international community.

Despite her isolation, Aung San Suu Kyi is not forgotten. An authentic voice of Bur-