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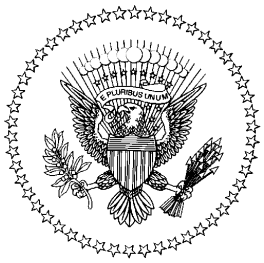

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WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

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Interview With WGEM Radio, Quincy, Illinois

July 17, 1993

Disaster Assistance

Q. Good morning, Mr. President.

The President. Good morning.

Q. How are you, sir?

The President. I'm fine. As you know, I'm now on Air Force One, on my way to St. Louis to a meeting with the Governors of all the affected States and a number of Cabinet-level officials. I think we have about seven or eight going down today, as well as a number of Members of Congress who have jurisdiction over the committees that are writing the relief legislation.

I wanted to call you, because your radio station has done such a remarkable job of kind of coordinating the information and keeping people in touch and keeping them up in the middle of this. I really respect what you've done, and I appreciate it very much.

Q. Mr. President, this is Steve Cramblit. The people that have really done the work are the people who have been at the levees slinging the sandbags on the Mississippi River water out of their homes and out of their agricultural lands. They're really the heroes in all of this.

The President. Yes, I've seen a lot of them working, as you know, on my two previous trips. It's been an amazing effort. And of course we're not out of the woods yet. I know you lost a dam there last night, and a lot of people on the other side of the river had to evacuate. And then the county down from that, Pike County, I think the name of it is, is really concerned. So we've got a few anxious days left to go.

Q. Mr. President, this is Jeff Dorsey with you now, and I was down in the Pike County area yesterday. Are there any words that you can give them, something to pick up their spirits at this point after 3 weeks of fighting the Mississippi off? Can you tell them anything? They're all listening out there to you right now, sir.

The President. Well, first of all, let me say that I think, you know, we may have a few more days of this, but I think in a few days it will be over. And as tough as things are, we are doing everything we can to make sure that we've got in place emergency relief help and that we are planning for the long run to stay with this process, the long run, to help people get back on their feet and go on with their lives. I've seen an awful lot of brave people in the Midwest in the last 2½ weeks, and I just would urge the folks to hang in there and not expect the worst but to prepare for it, and then we'll deal with whatever comes.

Q. Mr. President, this is Bob Turek. You have already asked for $2.5 billion, and we understand that Senator Paul Simon and some of the others are saying that damage might be a lot higher. Are you going to try and seek—allow for emergency relief?

The President. Yes. As the evidence comes in to support it, we decided that we really needed to get a bill up to the Congress and start moving it through. Now can you hear me? We decided we needed to get a bill up to the Congress and start moving it through. But as we get new damage estimates, we'll be giving them to the congressional committees, and the bill can be amended in the House and in the Senate to reflect the new damage estimates. And then if something comes in later, we can take new legislation up there.

But we felt very strongly that we needed to start getting the help out there just as quickly as possible and that we ought not to wait another month or so to present a bill. So that's why we're doing what we're doing. And I think it's the right thing to do. But it's not the end of the road. The bill we presented will be modified, I think, in the Congress, if the evidence comes in to support

the need for more aid. And I think we'll fulfill our responsibilities. We just want to be quick about it so that we can really give people help, and they don't get caught in the bureaucratic delay.

Q. Mr. President, this is Rich Cain. We've had a number of listeners who are very concerned over the National Guard troops who have been in the area for quite some time now who are becoming somewhat fatigued and have been, in battling this fight, as well as a number of volunteers. The question is, Mr. President, is there any consideration towards possible activation of troops on the Federal level?

The President. That's one of the issues that I want to talk to the Governors about today. I'm concerned that in some of the States involved, they have used all their available Guardspeople and they may be exhausted. Some of them have been working virtually around the clock. And I think that we need to look at either bringing in Guard folks from other States or maybe activating some Federal troops if, in fact, all of the State resources have been exhausted. And I'm going to take that up with the Governors today.

I know you're going to carry the meeting live on your radio station, which is something I very much appreciate, and so we'll get some answers from them and then I'll give an appropriate response. But I appreciate your bringing that up and I will check into it—in particular, in your area.

Q. Mr. President, we appreciate taking your valuable time, and I know that you are preparing for that meeting today. We thank you very much. And would you give us one final word to the people of this area from the President of the United States?

The President. I just want you to know that we're thinking of you, we're praying for you, we're pulling for you, and we're working. All of us are working as hard as we can with your Governors and your local representatives to try to make this crisis pass as quickly as possible. We're not in control of this situation entirely, because Mother Nature is having its way with us, as periodically happens. But I do believe that we're going to be able to get our way through this, and the courage and the good humor of the people of the Midwest has been the key element, if we can keep people thinking positively, looking toward the future, preparing for whatever might happen. We'll do our best to be there as your partners. And the rest of the country is thinking about you and really is determined, I think, to have the National Government do what it takes to help you put your lives back together and get back on track here.

Thank you so much. Goodbye.

[*The telephone interview ended, and reporters on Air Force One asked the President questions.*]

Q. What are the chances of Federal troops?

The President. I need to ask. It's something I thought about in Iowa the other day, where the Guardsmen there obviously have been working around the clock. What we need to do—of course the folks there, we have no way of knowing whether they are—have they mobilized the entire State Guard, can they send other Guardsmen there? You know, I need to ask about the facts, but I will, because they brought it up and because they also brought it up in Des Moines last week. We will raise that with the Governors today in the meeting. But I don't think it's appropriate for me to make that decision. They may have a lot of other Guard troops within the States that can be mobilized.

Q. What's the—[*inaudible*]—decisions?

The President. I have nothing to add to what's been said or speculated about. I think the Attorney General—I would refer you to her on that.

NOTE: The President spoke at 9:30 a.m. from Air Force One en route to St. Louis, MO. A tape was not available for verification of the content of this interview.

The President's Radio Address

July 17, 1993

Good morning. These past 2 weeks as I've traveled across our Nation and our world, I've been reminded that Americans can rise to any challenge. The Vice President and I

have visited communities in the Midwest where floodwaters have destroyed farms and businesses and homes, reaching historic levels. We've seen much that is heartbreaking but also a lot that is heartlifting.

The natural disaster is bringing out the best in our people. I saw that when I visited Des Moines on Wednesday. People there have been going without tapwater, but they still remember what it means to be Americans. Volunteers from all over the State and around the country are there distributing food and water, filling sandbags, and helping older people, the sick, and neighbors whose livelihoods have been washed away.

Already I've declared disaster areas in Iowa, Illinois, Missouri, Wisconsin, and Minnesota. And Federal officials are now in South Dakota, North Dakota, Kansas, and Nebraska, reviewing the extensive flood damage in those States. I've directed all the appropriate Federal agencies to work together as a team to help the victims of these floods. And I've been especially pleased with the work of Secretary Espy and the Agriculture Department and the sterling efforts of the Federal Emergency Management Agency and its Director, James Lee Witt.

Now I'm asking Congress to approve emergency assistance to help the families, farmers, businesses, and communities who've been hurt. And today I'll be heading back to St. Louis to meet with Governors from the Midwest and several Members of the Congress to plan short-term disaster relief and long-term economic recovery. At a time like this, people who have worked hard all of their lives deserve a helping hand. With that helping hand, the people of the Midwest will get back on their feet. After all, they're Americans. They're facing this crisis with grit and courage and generosity.

That indomitable American spirit is recognized as far away as Tokyo and Korea. In Tokyo, I attended a summit of the world's seven leading industrial nations. In Korea, I visited our service men and women serving along the Demilitarized Zone and standing up to the nuclear threats that the North Koreans have presented to us in the last several weeks.

In Tokyo, at the economic summit, my hand was strengthened because of everything the American people have been doing, working to change our economic policies and pushing to cut our deficit and increase investment in American jobs. For the first time in more than a dozen years, an American President was able to go to one of these summits and look at the leaders of the other great economic powers and say, "We are putting our own house in order." Your commitment to change has helped me to come home with job-creating agreements to lower trade barriers worldwide and to reduce our trade deficit with Japan. These agreements will make life better for America's workers, America's businesses, and our families.

After years of deadlocked talks with the world's leading trading powers, we negotiated a plan that will dramatically reduce tariffs on manufactured products, from chemicals to electronics, from pharmaceuticals to farm equipment. When other countries lower their tariffs, more consumers all across the world will buy our products. That means more manufacturing jobs here in America, high-skill, high-wage jobs with a future, and jobs that create other jobs back home.

I could not have persuaded our trading partners to reach these agreements without having made the progress we've made at home on our economic plan. For years other nations have come to these meetings and said the same things to an American President: We can't have a healthy economy in the United States or the world until America cuts the deficit, invests in education and technology, and is able to compete and win again.

Well, from the bargaining table at Tokyo to our factory floors here at home, we are on the move again, stepping up to the plate, taking responsibility, making the tough choices, and building our economic strength, not borrowing from it. America is now the high-quality, low-cost producer of many products and services that can compete in any market in the world.

And our economic plan answers the call that other world leaders have made for years, and now that the American people are making, for historic change. It has the largest deficit reduction in history, $500 billion over 5 years. It has historic spending cuts, more than 200 specific cuts that save more than $250 billion from this budget. And it makes

an historic shift from trickle-down economics, where taxes were lowered on the wealthy and raised on the middle class, because more than three-quarters of the new taxes in this plan will be paid by the wealthiest 6 percent of Americans. In fact, for every $10 that we cut the deficit, $5 comes from spending cuts, $4 comes from taxes on the wealthiest 6 percent, and only a dollar comes from the middle class. Working families with incomes under $30,000 are held harmless. The working poor, those who work 40 hours a week, have children in the home, and are still in poverty, will get tax relief so that no American who's working full time with children in the home will live in poverty.

A majority of our small businesses, where the jobs are mostly created in America these days, will actually get a tax cut because of the job-creating incentives in this plan. The plan is fair, it's balanced, and it will create new jobs, permanent, productive, private-sector jobs. With this plan in place, the American economy can produce 8 million jobs over the next 4 years, 8 million new jobs.

As the economic plan has progressed through Congress, the financial markets where long-term interest rates are set have responded. Long-term interest rates have declined to historic lows; mortgage rates are at 20-year lows. Now, if we can keep interest rates at this low level for the rest of the year, people refinancing their home loans or taking out new business loans will pump $100 billion of new capital back into the economy, because they'll have lower interest payments and then they'll have money to consume or to invest.

On top of that, the new business incentives, especially those for small businesses, will create new jobs. There will be new incentives for people to move from welfare rolls to payrolls. That means more jobs and new opportunities for young people to serve their communities while they finance their college education and become more employable in a tough global economy.

The House and the Senate have both passed versions of this plan, and now they're meeting to write a final proposal. With your help we can make sure that Congress says no to gridlock and yes to growth, yes to change, and yes to what is best in the American spirit.

Throughout the natural disaster in the Midwest I've been profoundly impressed by how our people have pulled together as a family. From the Congress to the Governors, to the community leaders in our cities and towns, to the volunteers, and to the people who have been dispossessed, Americans have risen above their divisions and their personal concerns to help people in trouble. In times of crisis we're not Democrats or Republicans, we are Americans.

Today I ask all of you to show that same spirit in responding to our economic problems. To those who would do nothing or slide back into the status quo of the last several years, I say we must go forward with a plan that grows the economy, reduces the deficit, creates jobs, and restores fairness.

I say to my friends in the other party in Congress, just as you have worked with me and the people of the Midwest together to help the people dig themselves out of a natural disaster, so should you join us in digging America out of the legacy of two decades of declining growth, declining productivity, growing deficits, and economic crisis. We are Americans; we can pull together. And together we can make the historic decisions to build a new generation of prosperity for ourselves, our children, and our children's children.

Thank you for listening.

NOTE: This address was recorded at 5:27 p.m. on July 16 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on July 17.

Remarks at a Roundtable Discussion on Flood Relief in Arnold, Missouri

July 17, 1993

The President. Thank you all for coming. As you know, we're starting just a bit late because we all had to come down from the airport, and we came in different ways. I do want to thank everyone for being here and say this is a rather extraordinary meeting of Federal, State, local, and private sector emergency response people. We're going to

try to get through a very busy agenda today, and it will be my job to try to keep us more or less on schedule. So I hope we can, because there are an awful lot of issues that have to be dealt with.

I'd like to thank the Governors who are here: Our host, Mel Carnahan, of Missouri. Terry Branstad of Iowa I think is here—there he is; I missed him when I went around—who hosted me on a trip to Iowa, two trips to Iowa recently. Is Governor Thompson of Wisconsin here? I think he's coming. Governor Edgar of Illinois, Ben Nelson of Nebraska, Ed Schafer of North Dakota, Arne Carlson of Minnesota, and Walter Miller of South Dakota. I think that is all the Governors who are here.

I'd also like to thank the Members of Congress who are here or who are scheduled to come. We have Senator Barbara Mikulski at the table, whose committee has jurisdiction over the operations of emergency management; Senator Kit Bond from Missouri, our host; Senator Bill Bradley is here somewhere or on the way, whose family farm in Missouri is apparently under water. He may be here in his private capacity rather than as United States Senator.

We're delighted to be in the host district of the majority leader of the United States House of Representatives, Dick Gephardt, and I want him to say a word in a moment, since we're camped out here in his backyard. Congressman Bruce Vento from Minnesota; Congressman Peter Hoagland from Nebraska; Congressman Minge; Congressman Volkmer is coming, I think; and Congressman Pomeroy is here. And I think Senator Wellstone from Minnesota is scheduled to come.

Let me also tell you, all of you from all these States, that the Vice President and I and our administration team had an extensive meeting yesterday in Washington with the congressional delegations from all the affected States. And you would be very interested to know that not only did virtually every Member of Congress from every State here represented show up, but there was also a rather substantial representation from interested Members of Congress from other States who just wanted to be there, get a briefing, and know what they could do to help. It was a very, very large and very impressive turnout. And I told them all we were coming here today. I invited them here, but most of them did their work on this issue yesterday at that meeting. Did I recognize Congressman Wheat? I don't know if I did, but he's here. Thank you.

I also want to say that the heads and Secretaries of 10 Federal Departments or Agencies in our administration are here working together. And I'd like to briefly acknowledge them so you'll know who they are and ask them to at least raise their hands: James Lee Witt, the Director of FEMA; the Secretary of Agriculture, Mike Espy; Secretary of Transportation, Federico Peña; Secretary of Commerce, Ron Brown, who just became a grandfather to twins. He's only 35 years old. We can't figure out how it happened. [*Laughter*] The Secretary of Health and Human Services, Donna Shalala; Secretary of Housing and Urban Development, Henry Cisneros; Secretary of Labor, Bob Reich; head of the Corps of Engineers, General Williams; the Commandant of the Coast Guard, Admiral Kime; and the head of the National Weather Service, Dr. Joe Friday, is also here. And he and the Vice President had a very interesting conversation about what caused this flood. They're going to talk a little in a minute. The Director of the Office of Management and Budget, Leon Panetta. And I'd also like to recognize in the audience the head of the American Red Cross, Elizabeth Dole, who flew down with us. And the Red Cross has done wonderful work, and we thank you for being here.

Now, I'd like to ask Congressman Gephardt if he'd like to say anything on behalf of his district. And then I want to recognize the Vice President for opening remarks.

[*At this point, Representative Gephardt thanked the President and members of the administration for coming.*]

The President. Thank you very much. I would just like to say in response to that, I think it's fair to say that all of us in the administration who have been to this region have been very moved by what we have seen, both the pain that people have experienced and their enormous courage and often their great good humor in dealing with this crisis.

I also want to thank the people in the rest of the United States who have sent help of all kinds. We even have seen help coming in from South Florida, which suffered so much from Hurricane Andrew last year.

I do want to say, too, we are here to deal with basically two great issues. One is, what are we going to do right now, while everybody is up to their ears in alligators? And the second is, how are we going to keep this effort going over the long run, so that we can see these areas through to full recovery? There has been a disjuncture in the past, I think, between what happens in the short run—there's all kind of questions about whether we've had enough coordination or not; I think we've really worked through that this time—but also whether the Federal Government can stay in the long run. And there is an almost collective emotional process that people go through when it first hits. Folks are brave and good humored and courageous, but then the reality of the losses that sink in, and a grief takes over. And then, if everyone is not at least doing their best, a lot of anger can come in the wake of that.

And our goal is to just be a good partner and to sensitively know that people will have to go through an emotional cycle, and the whole States will go through an emotional cycle. But we don't want people to think that they have been abandoned when the immediate emergency is over. So we're going to start this meeting with a discussion of the present conditions and what we can do in the short run. Then we're going to go to a discussion of long-term relief. And then at the end of the discussion, we're going to move to the legislation that is now moving through Congress, what it means and where we go from here.

Let me just introduce the Vice President with this thought. I read the other day that a 61-year-old retired State police officer in Quincy, Illinois, was fighting to save that bridge up there. And as you know, unfortunately the Fabius Levee broke in spite of their best efforts, and the bridge has now been closed. So there's no link for about 200 miles now across the Mississippi River. But this police officer said it's a shame the rest of the country can't come together like this to solve its problems. I thought that was such a simple and yet brilliant statement. I hope that we can come away from this with a sense that we've all done our very best to work together to solve this problem and that we will take the powerful example of human courage that we have seen in countless places across these States to follow that.

Again, I want to say to all of you, I thank you for taking your time to come today. We will run through a rather brisk schedule. And I want to begin with the Vice President, who has been to this region twice and who I think has done a very good job, especially when I was away on the G–7 meeting. And I'm very grateful to him. But he has a little insight on exactly what the scope of the damage is and how it all came about. And I think it would be good to sort of set the stage with his remarks.

Mr. Vice President.

[*The Vice President, using satellite images, discussed the unusual weather patterns that led to the flooding.*]

The President. Thank you very much. I'd like to now call on the White House Chief of Staff Mack McLarty to make a few remarks. I have asked Mack to oversee the White House coordination of this to ensure that it receives the best possible attention within the White House and that we continue the very close coordination we've had with all these Government Departments represented here today.

Mack.

[*Mr. McLarty discussed the administration's commitment to provide adequate and effective assistance.*]

The President. Thank you very much. Before we begin to call on the Governors, I'd like to ask Secretary Espy and our FEMA Director, James Lee Witt, to just briefly, for about 5 minutes each, review the current situation in the region and an overview of the present Federal response. They have spent more time here personally by quite a long ways than anyone else in our administration. And I think it's important that their views get out and that they have a chance just to make a few introductory remarks.

So I'd like Mr. Witt and Secretary Espy to talk in whatever order they have decided to speak.

[*Director Witt explained FEMA's efforts to assist flood victims. Secretary Espy then described the damage to the agricultural community and discussed USDA assistance efforts, including offices in FEMA disaster centers.*]

The President. Thank you very much, Mr. Secretary.

With regard to the co-location of offices, I also want to point out that FEMA has brought in 20 SBA specialists into the teleregistration center, and there are small business people who are now filling out the applications for aid by telephone. This is also something that has really been without precedent, particularly between the SBA and FEMA.

I neglected to introduce earlier, in that regard, the Director of the Small Business Administration, Erskine Bowles, from North Carolina, and also Congressman Talent. I apologize for that. And Governor Thompson, I introduced you before you got here, but we're glad to see you.

I'd like to now ask our host Governor, Governor Carnahan—we're going through a whole series of issues here. And if you don't feel something is adequately discussed, feel free to interject. But I think it's important that we try to stay on the agenda. And I'd like to ask Governor Carnahan to begin by discussing short-term emergency response and public assistance delivery.

[*Governor Carnahan discussed the damage and assistance needs in Missouri.*]

The President. Thank you very much, Governor. A little later in the program, I'm going to ask the Secretary of Labor, Bob Reich, to talk about the dislocated worker issue. It is a major issue.

But before we move this topic, I'd like to ask General Williams from the Corps of Engineers if you have anything you want to say about the emergency work, work to repair the public and private facilities and what you're doing to try to minimize the damage.

[*General Williams discussed Corps of Engineers disaster relief and water management efforts.*]

The President. Let me ask you one quick followup question. When Governor Branstad and I were in Iowa the other day and we saw this vast lake that essentially went from Des Moines all the way to the Mississippi River—the kind of thing the Vice President was talking about there—and one of the people who was there with us said that we had to be very careful how we drained off this water in order not to aggravate the problems of the rivers being too high. Is that a serious issue?

[*General Williams said the Corps will continue efforts to coordinate water levels in both tributaries and main rivers to prevent further damage.*]

The President. With regard to the issue that Governor Carnahan raised, this is not exactly responsive, because you talked about farm losses. But I do think it's important to point out that FEMA does have a modest program to deal with personal losses of families. And I thought I'd let Mr. Witt just briefly state that again so people who have been wiped out of their homes or jobs and don't have anything would know about it. Would you just briefly say what it is.

[*Director Witt said flood victims may be eligible for grants to cover personal losses.*]

The President. I'd like to, if I might, move on to another issue, which affects more people in Iowa than any other place, but that's the lack of potable water. And I'd like to ask Governor Branstad to talk to us a little about that. I live in a State where I've seen whole little towns flooded out and gone. I don't believe there's been another time in my lifetime when so many Americans in one place have been without drinking water, bathing water, any kind of water as are the people who live in and around Des Moines. And I'd like for Governor Branstad to discuss how they're managing that and how they're dealing with the public health risks that are posed by that.

[*Governor Branstad described water distribution efforts and infrastructure damage in Iowa.*]

The President. I just want to throw out something; I don't need a response now, but I invite any of the Governors who choose to respond. I spoke this morning to the people who are constantly on the air at that wonderful radio station in Quincy, Illinois, that's

served as sort of the informal headquarters and information source for people on both sides of the river, on this part of the flooding. They're, by the way, broadcasting this whole hearing live. But one of the things that I was asked on the radio was whether or not the National Guard resources of the States were being stretched too thin, whether or not the Guardsmen and women were in need of some relief, and whether I had thought of sending in any regular personnel.

Let me just say to all of the Governors, we have no way of knowing what percentage of your National Guard force you have deployed to do this. But if you do feel you need some relief from resources outside the State Guard, I hope you will feel free to let me know, and we'll try to deal with that.

General Williams, did you have a question?

[*General Williams and the Vice President commented on the National Guard's role in relief efforts. Governor Branstad then commented on State, local, Federal, and private sector cooperation in Iowa.*]

The President. Thank you. Before we move off the public health issues, I'd like to ask Secretary Shalala to comment about a number of issues. The obvious one is the water situation and with regard to potable water. But there are some other issues here: Are there any risks of disease from other flooded facilities, water facilities or treatment facilities or flooded fields washing pesticides? Are there environmental risks there? What about the damage sustained that we are aware of by Federally supported public health facilities? And so a lot of public health issues here, and I'd like for Secretary Shalala to just make whatever comments she'd like to make about that.

[*Secretary Shalala discussed cooperative public health efforts concerning infectious diseases and mental health.*]

The President. Thank you very much. If I might just respond to two other issues Governor Branstad raised, first with regard to the National Guard. I don't know what this country would do without them. Anybody who has ever served as a Governor knows that you literally couldn't function, the Governor's office could not function in most major problem areas, without them.

The second thing, with regard to your request for a waiver of the local match, I have asked James Lee Witt, since he obviously had experience in his former life as the director of emergency services at the State level in our home State, to work with the Governors on that and to try to make a reasoned judgment about what can and can't be done. There is some precedent, as you know, for waiving all or part of the match. There's also a big precedent for the match. And we have to be very careful about how we handle this. Where there is a genuine problem, we want to be responsive. But we want everybody to kind of work with us and work through the facts on it, and we will try to make a humane as well as a clearheaded decision.

I'd like to ask Governor Edgar from Illinois now to talk about the current situation in terms of its impact on the farmers. We've heard Mike Espy talk about it, but I think it would be helpful to have a Governor of a great farm State just to start and discuss a little about how the impact is in Illinois.

[*Governor Edgar requested the National Guard to postpone other duties in order to help damaged areas rebuild. He then discussed the damage and assistance needs in Illinois. Secretary Espy then stated that financial assistance will be provided as quickly and in as flexible a manner as possible and promised to work on crop insurance reform.*]

The President. Let me say, if you have any other specific suggestions on this, this is an important issue that Governor Edgar has raised and that the Secretary has responded to. As we look at the crop insurance reformation issue, if there are other areas of flexibility you believe ought to be given to the Secretary of Agriculture to help deal with this and subsequent crises, it's very important that you get them to us now while the Congress is focused on this issue.

Yes?

[*Governor Branstad expressed concern that the amount of money allocated for farmers in the disaster assistance package is not adequate.*]

The President. Senator Bond and Congressman Gephardt, the administration, I

think, in 1992 presented a revised downward formula. It used to be two-thirds of two-thirds, didn't it, something like that? And it was revised downward because of the magnitude of the losses in Andrew and the side problem with the deficit, is that right? I wasn't here so I don't know.

Senator Bond. Mr. President, in the 1990 farm bill we authorized a very complicated formula for people with crop insurance. It was essentially 65 percent of 65 percent. As a result of OMB actions during some of the disasters, they cut what is effectively 42 percent by a half, and thus the proposal is about 21 cents on the dollar. We had a chance to discuss and several of the Members of Congress discussed with you our strong desire and our hope that OMB and you will support, and we can encourage Congress not to cut that 42 percent in half, because for most farmers that represents their out-of-pocket costs of feed, fertilizer, and fuel to put the crop in.

The President. We're going to review that. We presented that under the terms of—the same thing that happened with Hurricane Andrew. And I frankly was not even aware of it being a problem until the Congressmen from the affected States brought it up to me in large numbers and on a bipartisan basis yesterday at our big meeting. And so we're going to review that.

[*Governor Branstad thanked the President for agreeing to review assistance for farmers.*]

The President. I think it's very important that, even under the formula adopted in 1990, everyone understands it's not a question of whether you're holding people harmless but whether you're at least giving them enough help to have a fair chance so that they'll be able to continue in farming.

Let me just mention two other things quite quickly. I got a note on this local match issue. Secretary Shalala sent up a note that said we need to get rid of the State match on VETRA control so we can quickly put in a multistate strategy on mosquitoes. If we have time I'll tell you a story one time when I gave a speech when a swarm of mosquitoes came up in a rice field. The speech lasted 20 seconds, and I never lost the county again. [*Laughter*] I could have used that swarm of mosquitoes in later points in my life. [*Laughter*]

I want to say one other thing. Yesterday Congressman Harold Volkmer, who is not here today, told me about an incident involving FEMA and State emergency people that affects environmental and health issues that I thought I should repeat in the event that it happens to any of you, so you know that this capacity is there.

There was a pesticide and herbicide storage area at Hannibal, Missouri, that was threatened. And immediately FEMA and the State emergency people were able to put divers into the area, and the divers actually helped to shore up the area and keep that from being threatened. If that storage area had been overrun, obviously you would have had a huge amount of very toxic materials, not very much diluted, to which people would have been exposed. So I think it's important that we try to identify that. Every time I fly over one of these sewage treatment facilities or something else where there's water all around it, I just get the willies thinking about what could happen. And I think that it's important to know that we do have this dive capability. And if something like that you think might happen, you need to call FEMA to try to put together a dive team and a reinforcement team so that we avert those kinds of possibilities.

I'd like now to talk about individual assistance and small business assistance. And I'd like to ask Governor Thompson of Wisconsin to talk about it. The worst of his flooding, we hope, is behind us, although after the Vice President's weather forecast today, I'm not sure. But we hope that it's true. And as people begin to look about getting back on their feet, I'd be interested in knowing how you think this assistance program is working, how adequate is it, what's your assessment of both the individual and the SBA programs.

[*Governor Thompson discussed the damage and assistance needs in Wisconsin.*]

The President. Thank you very much. I'd like to ask the SBA Director, Erskine Bowles, to comment briefly on the SBA programs and how they're being implemented here. Erskine.

[*Administrator Bowles discussed SBA disaster assistance programs and promised the Agency's cooperation. Mr. McLarty mentioned USDA loan programs to complement those of SBA. Administrator Bowles then stated that some checks had already been delivered.*]

The President. Believe it or not, we're almost back on schedule. Before I move away from the short-term to the long-term issues, I think it would be a mistake not to at least acknowledge the efforts of the private volunteers, the people who came on their own, the people from the Salvation Army. I saw a lot of Salvation Army people in Iowa, and I was deeply moved by them. They even showed up, some of them, in their uniforms. I couldn't believe they could bear to work in their uniforms, as hot and difficult as it was. And of course, the Red Cross, where I think, Governor Branstad, the largest employer in your State gave, I think, $100,000 to the Red Cross while I was there to do their work.

Since Mrs. Dole is here, I thought, if there's any comment you'd like to make about the volunteer efforts, what we're doing, where we're going, we'd be glad to hear from you. And I think it might be nice if you came down and sat in Senator Wellstone's chair, and then we'll take a picture of you there with his name and send it to the Senate minority leader for his—[*laughter*]. There's a certain sweet irony there—my photographer to take a picture of Senator Wellstone as she speaks.

[*Mrs. Dole praised the spirit of the volunteers.*]

The President. Thank you. I also think it's fair to say, though, that all those volunteers have to be coordinated. And we really appreciate the work that's been done there.

James Lee, did you want to say something about that?

[*Mr. Witt praised the Red Cross and other volunteers. The Vice President and Governor Branstad then discussed FEMA's coordination of the distribution of donated goods.*]

The President. Since we're talking about this, I want to get in a plug for my pet project. Some of our national service volunteers this summer have come to the flooding areas and are working as volunteers. And Senator Durenberger and Congressman Vento from Minnesota have suggested that we actually have a little modest appropriation to get some more of these young people who are in the national service program just physically to the affected States. Bruce, you might want to say a word about that, but I really——

[*Representative Vento encouraged the involvement of youth in relief efforts. Representative Minge then requested flexibility in banking and crop insurance requirements.*]

The President. Thank you very much. As I said, we do intend to review the agricultural rules. Let me comment very briefly on the bank loan issue. Along with a number of other farm State Governors, back in the mid-eighties we had a meeting in Chicago—I never will forget this—Governor Edgar's predecessor hosted it, and we tried to work through reform in the farm financing system. Congress acted on that, substantially what we recommended, but it was 4 years later and 255,000 farmers later. I believe that the regulators have the authority to give the banks the flexibility to do what you suggest, but I will check to make sure.

[*Representative Minge said that the Congress is supportive of the administration's efforts.*]

The President. Let me make one other comment on the crop insurance issue. There are deficiencies in the crop insurance program all right for the catastrophic losses. The main problem we've got in this instance is that this flood occurred a heck of lot further north on the Mississippi than floods normally occur. And by the time the land drains off, it'll be too late to plant soybeans. I mean, that's the main problem we've got. So unless you sort of threw the beans in the ground to create a fiction, you know, a falsehood, to claim your crop insurance, you can't cover it. That does not mean that, at least I could, in good conscience, to ever advise any farmer not to ever buy crop insurance. It does do some good, and I do think that, in effect, the preference in the law for people who have some insurance is a pretty good thing, still, but we do need to drastically reform the crop insurance program.

[*Representative Minge predicted long-term reductions in the cost of farm programs.*]

The President. Thank you very much. I want to move on, if I might, and talk about—he meant 10 cents, Jim—I want to move on to discuss, if I might, some of the long-term issues here and ask Governor Miller of South Dakota to begin by just discussing the impact of the flood on jobs. That will take us back to the job training remark made by Governor Carnahan at the end of his remarks. But I'd like for Governor Miller to talk a little bit about the job impact on this flood.

[*Governor Miller discussed the damage and assistance needs in South Dakota.*]

The President. Thank you. Mr. Bowles has already discussed the SBA programs which would be relevant here. And the Secretary of Agriculture has talked about the farm programs a little. I'd like to ask the Secretary of Labor, Bob Reich, to talk about the job training elements of this issue.

[*Secretary Reich discussed the availability of disaster unemployment insurance and funding for jobs in the cleanup effort. He then gave checks to some of the Governors present.*]

The President. You're the only guy in my administration with any money. How can you do that?

Yes, Governor Schafer.

[*Governor Schafer asked for clarification on how the disaster unemployment assistance program works, and Secretary Reich gave a brief explanation.*]

The President. I think that's important. Terry's going to say something, but when I was in Iowa the other day, it's very interesting that you discussed this because there are more people than you would think affected by this who aren't in the normal unemployment insurance pool. And I had two or three people come up to me just when I was in Des Moines to talk about it.

Terry, what were you going to say?

[*Governor Branstad expressed concern for the needs of small businesses to rebuild.*]

The President. Given the—no one has ever mentioned this to me. You know, when you get to be President, you're supposed to never say anything off the top of your head. But given the problems we've got with the budget and the difficulty of dealing with that issue, I think it would be virtually impossible that the Congress would adopt any new program in that regard.

The one thing I would ask the Governors to consider among yourselves about this is whether or not you would want to ask us, the Federal Government and the Congress, for some sort of modification of the law affecting how you can invest your community development block grant funds for a year or so because that's something that—I mean, I know that that program is not real popular with every Member of Congress, but it's real popular with me because I was a Governor. And I know how much good it can do, and I think there's very little—at least in my State there was very little waste in it. But I think that if you have the flexibility to allocate some of that money to job creation or job preservation under emergency situations for a year or two, that might make a significant difference. So let me just suggest that that's something you all might want to put your heads together about and get back to us on.

Ron, what were you going to say? Secretary Brown.

[*Secretary Brown discussed the need for a long-term economic development plan.*]

The President. Let me just follow up on that very briefly and say that I think that that is very good. I'd like to ask you to examine, given the specific questions you've heard today, what you think the EDA could do and the Department of Commerce. And at the end of the session here, I want to talk a little about long-term planning. And I think that you should really work with the Secretary of Agriculture to make sure that every State knows that they have available the resources of Commerce to develop this kind of economic plan.

And meanwhile, I think the Governors ought to look at this community development block grant option. I think it's got some legs. And I don't know, but Des Moines may get CDBG directly; does it? It may be of sufficient size to get it. So that would also be quite helpful there.

I'll call on Bruce Vento, and then we've got to go. We're getting behind.

[*Representative Vento expressed his concern about long-term unemployment among agriculture-related workers in urban areas and among migrant workers.*]

The President. Thank you.

We have a few other topics I think it's really important that we cover today: shipping and commerce, housing, and infrastructure for sure. I'd like to ask Governor Carlson and Governor Schafer to comment on the issues of shipping and commerce, the impact of the flood on shipping and commerce over the long run.

[*Governor Carlson expressed his support for crop insurance reform and more flexibility in banking regulation and his concerns regarding insurance for development on flood plains. He also commended efforts to open global markets to U.S. agricultural products. Governor Schafer then discussed long-term difficulties in storage and shipment of agricultural products as a result of flood damage.*]

The President. Thank you. I'd like to ask Secretary Peña to comment on this issue, as well as on the infrastructure damage generally.

[*Secretary Peña discussed the extraordinary impact of the flooding on both regional and national transportation systems.*]

The President. Thank you very much. Before we move on to discussing the actual aid legislation, I'd like to talk about one or two other issues. I'd like to ask Governor Nelson of Nebraska to talk about the question that many of the Governors are facing, which is what happens to people who are displaced from their houses, and then I want to ask Secretary Cisneros to comment on that. And you might feel free to comment on any of the other long-term economic issues of concern to your people. Thank you.

[*Governor Nelson discussed wind losses in Nebraska, suggested the use of community development block grants for housing assistance, cautioned against downsizing the National Guard to the point of limiting its emergency response capability, and questioned the relocation of homes out of proximity to cropland and agricultural jobs.*]

The President. Thank you.

Secretary Cisneros, we flew over a lot of people that don't have their homes anymore today.

[*Secretary Cisneros discussed use of community development block grants for immediate cleanup and reconstruction work including waivers to permit use for public facilities and services, elimination of matching fund requirements for the home program, easing of FHA and HUD mortgage foreclosure practices, and assistance through other FHA and HUD programs.*]

The President. Thank you very much. That's very encouraging. And I know all the Governors listened closely to it. I'm going to wait to hear from you, from the Governors, about exactly how you would advise me to proceed on the CDBG issue and the waivers. You can be in touch directly with us or Secretary Cisneros. But I thank him for that very comprehensive discussion.

We need now to have a brief presentation from Mr. Panetta about the legislation now pending in the Congress. We are running about 30 minutes behind. We're actually only about 10 minutes behind because we started 20 minutes late because of the transportation. I think that's remarkable. But I would like to ask Leon just to run briefly through a summary of where we are right now and what the sort of timetable is for the movement through Congress as well.

[*Director Panetta said he expected the disaster assistance legislation to be voted on in the House by Thursday, July 22, and that the Senate would also act on it rapidly. He then listed specific elements of the package.*]

The President. Thank you very much.

Before we close out this section, and there are a couple of other things that we need to do, but I would like to thank and recognize and give an opportunity to speak to Senator Mikulski. She has come all the way from Maryland—this is not in her district or State—because of her profound and longstanding concern about the operations of FEMA which fall within the jurisdiction of her committee. I thank her for coming, and

I hope she will be graceful enough, Governor Carlson, not to mention the Orioles' victory over the Twins last night. It was a very exciting game that I watched at the end.

[*Senator Mikulski said Congress would act quickly on the legislation. She then praised State, local, and volunteer disaster workers and congratulated the President for leading a quick and comprehensive Federal response.*]

The President. Thank you. I like that line. I don't know about being ''Commander in Chief of disasters.'' I'm afraid I may live to hear that again before long. [*Laughter*] But thank you very much, Senator Mikulski. That was a wonderful statement, and thank you for your work.

We have to wrap up, but Governor Edgar has asked for the floor.

[*Governor Edgar expressed concern that the $2.5 billion requested would not be enough.*]

The President. I want to make two points here. First, as we get more information in over this legislative process, we will ask that the bill be amended, wherever it is, if it's in the House or in the Senate. But in order to keep faith with the Members from all the other States, all of whom themselves might have disasters someday—many of whom do—but who are also charged along with me with, you know, maintaining the discipline of the budget, it's very important that when we plug a number in we have some research basis, some factual basis for it. But we intend to modify this as the information comes in on the losses. If the bill passes and there's still things that aren't dealt with that should be dealt with under Federal law, we will go forward with seeking more assistance. I want to make that absolutely clear.

Let me make one final comment about the substance here. Many of you have made the same observation that Senator Mikulski did about the importance of the ongoing effort, and that's really where I began my remarks.

In other contexts I have asked a member of the Cabinet to supervise. I asked Secretary Cisneros, for example, almost the week after we took office, to go down to Florida and supervise the long-term effort in the aftermath of Hurricane Andrew so that they would know that we were still in there. I asked Secretary Brown to go to California and to try to supervise a long-term effort to deal with the collapse of the economy of that State rooted very largely in the dramatic reductions in defense spending without any kind of off-setting plan for defense conversion.

And I think we ought to do that here. And so, because so many of these States are farming States and because so much of this is agricultural loss, I've asked Secretary Espy to coordinate the long-term Federal response in the flooded area here, and he has agreed to do that. So he will be working with all the suggestions made by the Governors today and by the suggestion made by Secretary Brown for economic development plans and others as well as with the FEMA Director, James Lee Witt, who may well have another emergency to deal with before we work our way out of the long-term problems here, which is why I've asked Secretary Espy to do that.

Let me also thank all of our hosts from Missouri: Mr. Wheat, Mr. Talent, Senator Bond, Majority Leader Gephardt, and Governor Carnahan. And before we break from here, I want to talk about the very important sessions coming up. I want to ask Mr. McLarty to describe very briefly what happens now.

[*Mr. McLarty gave instructions to the participants for the afternoon session.*]

The President. I want to give our hosts here, Mr. Gephardt and Mr. Carnahan, a chance to wrap up if they like, or Senator Bond. But before I do, let me say that Governor Finney from Kansas could not be here today, but she is ably represented by her Chief of Staff, who also happens to be her daughter, and we're glad to see you here. And I thank all the rest of you from around the room for being here. I hope the afternoon sessions are valuable. I think this has been quite important.

Not long after I became President I met with the Governors, and I asked the Governors on a bipartisan basis to make sure that we kept our administration rooted in the real problems of real people. This is not exactly what I had in mind, but it certainly does qual-

ify. And I thank you all for being here and for the contribution you've all made.

[*Governor Carnahan, Representative Gephardt, and Governor Bond expressed their appreciation to the President for meeting with them.*]

The President. Governor Branstad wants a last word. He's earned it, since he's down to taking a shower every other day.

[*Governor Branstad presented the President with a T-shirt.*]

The President. Thank you.

NOTE: The President spoke at 10:22 a.m. at Fox Senior High School. A portion of this item could not be verified because the tape was incomplete.

Teleconference Remarks to the National Association of County Officials

July 19, 1993

The President. Good morning. I'm honored to address the National Association of County Officials today and very, very grateful for the strong support you've given to our economic plan. It's good for the counties of this country; it's good for America; it's good for the working people of this country.

I very much appreciate that nice introduction by your president and my long-time friend, John Stroger. He's been a valuable part of our team and a very effective advocate for county government. As Cook County Commissioner, he also represents one of the legendary counties in America. That was true even before my wife was born there. [*Laughter*]

Let me say just a few words about the terrible flooding throughout the Midwest. There's been extraordinary damage done to crops and homes and businesses, but not to the spirit of our people or to our commitment to join them as neighbors to help them to rebuild each of those communities.

As county leaders, you know more than most about the hopes and problems of families. For many, the efforts of local government represent the best ideals of America. But for too many years, since Washington has spent too much and invested too little and refused to make the tough decisions necessary to keep our economy healthy, the only clear message local leaders got from Washington was, ''You're on your own. And by the way, here are a few more burdens.'' Washington gave you make-believe budgets and mandates with no money. They drove up the debt from $1 trillion to $4 trillion and still invested less in the things that make our communities stronger.

Well, you've been at the forefront of trying to change this. You know that we must create high-wage, high-skill jobs again so there will be less crime, fewer transfer payments, and more revenues to support businesses and institutions that are the foundation of all stable communities.

I wish I could be with you in person today, and I'm looking forward to doing so when you have future meetings. But as you know, my first obligation to you and to our Nation is to keep fighting for change right here in Washington and for an economic plan that creates jobs and raises incomes, that invests in a stronger tomorrow and brings this terrible deficit down.

This economic plan is good for the country and the economy and good for the forgotten middle class. It contains the largest Federal reduction of the deficit in history, with over $250 billion of dramatic cuts in spending. It finally begins paying down the deficit and shifting the budget away from waste and toward sound investments in job creation and entrepreneurship, in new technologies, and in the health and education of our people. There couldn't be a more profound change from the old ways and the failed policies of the past to a new direction that will make our economy work again.

For starters, we make more than 200 specific cuts that slash over $250 billion from this budget. For the first time, we secure the savings from both tax increases and spending cuts in a trust fund so they can't be touched. While the old ways favor those at the very top income brackets, our plan asks the most from those who are most able to give. At least 70 percent of the new taxes in this plan will fall on those making over $200,000 a year, while millions of families earning below $30,000 will actually get a tax break. And

those who work full-time and have children at home will be lifted out of poverty. Over 90 percent of the small business who are unincorporated will have the opportunity for a reduction in their taxes through increasing their expensing provisions. So working families and the middle class, after 12 long years of being ignored, win in our program.

The old ways ignored the business incentives and the investments in technology and infrastructure that will allow our economy to create growth in a tough global economy. And while my plan does cut the deficit dramatically, it also empowers families and businesses to build better lives and stronger communities.

This plan reforms the student loan program, saving billions of dollars and making it easier for millions of our young people to pay for college. It creates a program of national service to allow young people to pay for college by serving their Nation in communities like yours. And for the majority who don't attend college, we've funded the boldest national apprenticeship program ever. Educating and training young people is the best investment we can make, and it's time we committed ourselves to doing that.

We empower communities to protect themselves by providing more funds for police officers. It empowers creditworthy small businesses to a new network of community development banks and creates empowerment zones to bring to bear the full power of free enterprise on our poorest large and small areas. And because I believe new environmental technologies and improved water systems and better roads and incentives for the private sector will mean more jobs and more growth, our plan creates a greater commitment to each.

I'm excited about our future. I know this plan will work. It's already beginning to work. In the last 5 months, as we have moved to reduce this deficit and to increase business incentives, interest rates have hit record lows. That will add billions to our economy as millions of Americans, including many in your audience, I bet, refinance their homes or their business loans or buy cars or borrow for college or consumer loans at much lower rates. In the last 5 months, the economy has been creating private sector jobs at 7 times the rate of the last 4 years. And inflation is flat.

Now, make no mistake about it, we still have a lot to do. Economic growth is still way too slow and too uneven. But putting our economic house in order is beginning to bring prosperity here at home and helping America to gain a new competitive edge in the global economy, as I learned at the Tokyo talks among the large seven industrial powers last week.

Because the American people are having the courage to change and because Congress is really moving to reduce the deficit and to invest in jobs, my hand was greatly strengthened at that meeting in Tokyo. Negotiations that had gone extremely slowly for years suddenly opened up, and we struck a new agreement to dramatically lower and in some cases to completely eliminate tariffs on a variety of manufactured products. That can mean hundreds of thousands more jobs for American workers in manufacturing areas with high wages and more growth for American companies, if we can now move to get that agreement accepted by all the other countries in a general agreement before the end of the year. I'm very excited about the prospect.

Our commitment to a balanced plan of deficit reduction and economic growth simply has raised our stature among the community of nations. This, combined with a pledge to fundamentally reform health care, which will be extremely significant for our counties in reducing our deficit and in helping our economy to recover, gave us the right to demand that the world's major trading countries take new steps themselves to create jobs and growth and to open their markets to our products.

After the meeting in Tokyo I am more confident than ever that we can make the world's new economy work for us. But we can only enjoy the opportunities created in Tokyo if we follow through on our own responsibilities to bring our deficit down, to invest in our people, to be more competitive. There is still a lot of work ahead of us. This economy has been in the doldrums for years. We have been following the wrong policies for more than a decade. We have to have the patience and discipline and conviction it takes, all of

us, to do our fair share to move this thing forward.

If you haven't said anything to your Member of Congress to let them know how you feel, now is the time. Without regard to party, I ask for your help and your active involvement. There are some who are standing on the sidelines who must be convinced to join with us. This is bigger than party or politics. Bringing down America's deficit, investing in America's future, helping us to open new trade opportunities and new investment opportunities and new job-creating opportunities at home and abroad, these things should be beyond politics.

So please pick up the phone and lend your voice to the call for change and jobs and growth that is beginning to make life better in America. Together we can build prosperity and hope again. Let's capture the spirit of our mighty Midwesterners, who for 2 weeks have refused to relinquish their dreams in the face of this terrible flooding and who have proven that nothing is impossible when we all pull together. In a few weeks, let's give ourselves a vote we can look back on with pride because together we helped to create a new era of American greatness.

Thank you very much.

Asia-U.S. Trade

Q. Good morning, Mr. President.

The President. Good morning.

Q. We're really glad that you could join us today. I'm from Florida, and we recently opened a trade office in Singapore, so I was particularly interested in your remarks relating to opportunities to participate aggressively in the global economy. What types of changes do you think we should have in our international policy so that we as a nation can expand our opportunities in all the countries in the Pacific Rim?

The President. Let me, first of all, say to all of you present that your county has done a smart thing, and I think that other counties should consider following suit. Forty percent of American trade is now with the Pacific region. It's the fastest-growing part of the economy in the world. About 2.5 million American jobs now depend upon trade with the Pacific. It's very, very important.

I would say there are three things that we should be doing at the national level. First, we need to complete an agreement before the end of the year on the General Agreement on Tariffs and Trade, the new world trade agreement. The meeting of the G–7 in Tokyo made that much more possible by having the big countries agree to reduce tariffs and to eliminate them entirely. A good study here in this country says that we could add $6 trillion to the world economy by the next decade if we would simply conclude this agreement. That will open a lot of new jobs for Americans in manufacturing and in agriculture and in services.

The second thing we need to do is to build stronger ties to these countries. I'm very proud that in the fall of this year I will host a meeting in Seattle, Washington, for the Organization of Asian Pacific Economic Cooperation. All these nations are coming here, and after the ministers meet, the next day many heads of state will meet with me.

The third thing we need to do is to redefine our trading relationship with Japan. And as I'm sure you know, at the very end of the G–7 meeting, the Prime Minister of Japan and I agreed to and announced a framework for a new trade relationship in which Japan pledged for the first time to substantially reduce its trade surplus with the United States and to have measurable objective measures of progress in several important areas of our trading relationship.

Now, even if we do all that, we still need more local governmental units and especially more American business men and women who are willing to aggressively exploit opportunities in the Pacific area. Americans have got to be better traders and more interested in selling their products and their services around the world. Even small businesses have to do a better job of that.

So we're going to do those big three things, but we need more folks like you who are interested in taking advantage of the global economy. Over half of our jobs in the last 5 years have been related in some way to trade and a lot of them to the Pacific. So that's what I think we should do in the Pacific region.

Unfunded Federal Mandates

Q. [*Inaudible*]—Texas, one of the poorest counties in the Nation. I also am a member of NACO board of directors and serve as—[*inaudible*]. We need your help, Mr. President. Every year Congress passes new laws that require us to provide new services or to meet new standards. But rarely does Congress appropriate the dollars to meet this mandate. We have to raise our county local taxes to meet these costs and these new mandates. What can your administration do to help us?

The President. Well, first of all, you've asked a great question. As a Governor for 12 years in one of the poorer States in America, I understood the burden of unfunded mandates very well. And I'm familiar with your county in Texas, and I hear your message loud and clear.

The first thing we can do is to do no harm. The first thing we can do is to be the first administration in a long time not to load any more unfunded mandates on you. And that is a commitment I will do my best to keep. The second thing we can do is to review the present pattern of Federal regulation and requirements as it affects local government. Vice President Gore, at my request, is heading a commission on reinventing the role of the Federal Government and we are examining everything we do from top to bottom to see how we can better serve the American people, either with greater efficiency or with lower costs or both.

And if there are some things that NACO specifically feels ought to be changed in terms of giving the counties greater flexibility in the way certain rules and regulations are applied, I want to invite you as an organization to make those recommendations known to the Vice President. I know you've been consulted on this. But those are the two things I think you can do and I hope that we can do, and we're going to do our best to do them.

Health Care Reform

Q. Mr. President, counties spend over $30 billion a year on health care. We own and operate more than 4,500 health facilities. We, in essence, take care of the uninsured in this country. What role do you see for county officials in your proposed health reform plan?

The President. I think the counties that are providing health care services may well continue to do so and will do so much more happily than they do now if our health reform plan passes, for a couple of reasons. First of all, we are looking for ways now, and I think we've found some, to provide basic health insurance to the uninsured, unemployed. If we do that, then as you provide those health services to those folks, you'll get a more reliable stream of income. And the only monies that will have to be matched at the State and local level are those that are now matched under the Medicaid program.

Secondly, the proposal that we will make will cut out a lot of the redtape, a lot of the regulation coming from the Government, coming from the way the insurance markets are now organized. And local public health units will be able to do much more with the money that they've got to serve people in ways that are more flexible and more creative.

So I would think that you will like this very much. People will be able to do this. If any of the counties want to get out of the business because there won't be anybody without basic insurance and think they can be handled in some other way, the counties will also have that option. But the counties that want to stay in the business will be able to do it with a much more reliable funding stream, in more innovative and comprehensive ways.

Welfare Reform

Q. Now Mr. President, when you've discussed the Nation's welfare system, you have pledged to end welfare as we know it. And as you know, many county governments contribute to AFDC programs, and many also administer their own general assistance programs. We have supported the welfare reform for years and actively supported the creation of the 1988 Family Support Act. My question is, Mr. President, what guiding principles will your working group operate under to ensure the end to welfare as we know it, that reform will in fact achieve the desired results?

The President. Thank you very much, Mr. Williams, and thank you, too, for the special

leadership role that San Diego County has played for years in the whole area of welfare reform. As you know, San Diego is repeatedly cited in every study as one of the places that's proved that we can move people from welfare to work. So you have a lot of credentials to ask that question. And I also appreciate the support you gave to the Family Support Act of 1988, which I as a Governor had a big hand in trying to fashion.

Let me tell you what the principles that animate us are and what we're doing about them. Number one, we need to make work pay. We need to make work pay. That means that as a starting point we should adopt the provision in the economic plan I presented to Congress which will use the earned-income tax credit to lift the working poor out of poverty if they have children in the home. Eighteen percent of America's workers today are working and still living below the Federal poverty line. An enormous number of working parents go home at night to children, having worked a full day and a full week, and still live below the poverty line. I believe we should change the tax system so that anybody who works 40 hours a week and has children in the home is lifted out of poverty. That rewards work and not welfare. It removes a dramatic incentive to stay on welfare and gives people an incentive to go to work and stay there.

Second, we need to have tougher child support enforcement. We are losing billions of dollars a year because people who can afford to pay something for their children do not do it. And we need to have a much stronger system. We have proposed that, and some of that program is now working its way through Congress.

Third, we need to fully implement the education and training aspects of the Family Support Act of 1988. As you know, that act has never been adequately funded in its education and training provisions so that we empower people to move off welfare.

Fourth, we need to pass a health care reform bill so that people are not without health insurance when they lose their jobs, or if they take jobs where the employer presently doesn't provide health insurance. The welfare check itself is no longer an incentive to stay on welfare. The real value of a welfare check in almost every place in America is far lower than it was 20 years ago. What keeps people on welfare is the cost of health care and child care for their kids and the inability to get a good job because of a lack of education and training. So we've got to have health care reform.

Finally, having put all that in place, I think we should move to a system in which if there's no incentive not to work, if people get education and training, if the children are covered with health insurance, if you have tough child support enforcement system, you shouldn't be able to stay on welfare without working for more than a couple of years. After that, you should have to work and earn income just like everybody else. And if you put the building blocks in, you can have a 2-year limit on welfare as we know it. You would end the system as it now exists. It would be temporary for everybody who is able-bodied.

Improved FEMA Performance

Q. First, on behalf of Iowans everywhere, I'd like to thank you for your efforts and your encouragement during the devastating floods that are occurring across Iowa and other midwestern States. The outpouring of help and support from our county colleagues and people throughout the U.S. is deeply appreciated, and we really do thank you.

My question relates to one of prevention. In the past, NACO has called for increased professionalism at FEMA, making it comparable to other Federal public safety agencies such as the FAA and the Centers for Disease Control. Your new Director, Lee Witt, has acted quickly in this crisis. But I'm wondering if you are going to propose any statutory changes that would allow FEMA to become more proactive and to increase that level of service.

The President. First, let me thank you for what you said about the work done by Mr. Witt and FEMA. And let me also say again how very sorry I am about what's happened and pledge our best efforts to stay in touch and keep working with you in the aftermath. As you know, Iowa's got a big clean-up job to do now. We still don't have—we don't have water back in Des Moines; we've got a lot of continuing problems.

With regard to the specific question you asked, we're going to review FEMA's operations to see what needs to be done to strengthen them. From the point of view of the Governors and the people at the local level, one of the biggest criticisms has been that FEMA has to go through this long approval process with the Governor asking for emergency aid. And we're looking at what can be done to maybe pre-position people and move this whole process faster.

With regard to the question of the professionalization of the Agency, Senator Mikulski has a bill now in the Senate that she's been working on. We are discussing it with her, we are working with her, and I want to evaluate it as we go along, as I'm sure you do.

This is very important to me. I live in a State, or I did before I became President, lived in a State that had the highest tornado occurrences per capita in America, that regularly had floods and ice storms and drought. I've been through a lot of experience with FEMA. And I think the American people are entitled to an emergency management agency that is as good and quick and competent and professional as possible.

Let me just mention one other issue that we have to really think through, and that is that FEMA is essentially set up to act quickly with problems that are immediate. But these disasters often leave a long rebuilding period in their wake. You can't just turn these things around overnight. Now, one of the things that we've tried to do is to set up a set of de facto solutions to this. For example, when I became President, I asked Henry Cisneros, the HUD Secretary, to take over coordinating the long-term response to Hurricane Andrew in Florida. I have asked Secretary Espy, the Agriculture Secretary now, to take over the long-term management of our commitment in the Midwest in the aftermath of the flood. But that also needs to be thought through because a lot of these problems we're going to be dealing with in the fall and the winter and next year as well. Senator Mikulski came to St. Louis with me last Saturday when we met with the Governors and other emergency personnel from all the States affected by the flood. And we're going to be talking about what else we need to do legally.

Thank you.

Mr. Stroger. Thank you, Mr. President. And frankly, as a fellow Arkansan, I can't think of a better time to be president of the National Association of Counties and have this opportunity to work with you. And I know that you're very sensitive, concerned. You're imbued with a sense of fairness for all Americans. And working with us here at NACO and with other groups of Americans like us, you're going to help us make America really, really great. So we stand here with you ready to face the challenges together and build on America's already greatness. Thank you very much, and God bless you. And I hope he continues to allow you to be strong to carry forth your charge.

The President. Thank you, John. God bless you. Thank you, ladies and gentlemen.

NOTE: The President spoke at 11:34 a.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.

Remarks Announcing the New Policy on Gays and Lesbians in the Military

July 19, 1993

Thank you very much. Secretary Aspin, General Powell, members of the Joint Chiefs, Admiral Kime, to our host, Admiral Smith, ladies and gentlemen, I have come here today to discuss a difficult challenge and one which has received an enormous amount of publicity and public and private debate over the last several months: Our Nation's policy toward homosexuals in the military.

I believe the policy I am announcing today represents a real step forward, but I know it will raise concerns in some of your minds. So I wanted you to hear my thinking and my decision directly and in person because I respect you, and because you are among the elite who will lead our Armed Forces into the next century, and because you will have to put this policy into effect and I expect your help in doing it.

The policy I am announcing today is, in my judgment, the right thing to do and the best way to do it. It is right because it provides greater protection to those who happen to be homosexual and want to serve their country honorably in uniform, obeying all the military's rules against sexual misconduct. It is the best way to proceed because it provides a sensible balance between the rights of the individual and the needs of our military to remain the world's number one fighting force. As President of all the American people, I am pledged to protect and to promote individual rights. As Commander in Chief, I am pledged to protect and advance our security. In this policy, I believe we have come close to meeting both objectives.

Let me start with this clear fact: Our military is one of our greatest accomplishments and our most valuable assets. It is the world's most effective and powerful fighting force, bar none. I have seen proof of this fact almost every day since I became President. I saw it last week when I visited Camp Casey, along the DMZ in Korea. I witnessed it at our military academies at Annapolis and West Point when I visited there. And I certainly relied on it 3 weeks ago when I ordered an attack on Iraq after that country's leadership attempted to assassinate President Bush.

We owe a great deal to the men and women who protect us through their service, their sacrifice, and their dedication. And we owe it to our own security to listen hard to them and act carefully as we consider any changes in the military. A force ready to fight must maintain the highest priority under all circumstances.

Let me review the events which bring us here today. Before I ran for President, this issue was already upon us. Some of the members of the military returning from the Gulf war announced their homosexuality in order to protest the ban. The military's policy has been questioned in college ROTC programs. Legal challenges have been filed in court, including one that has since succeeded. In 1991, the Secretary of Defense, Dick Cheney, was asked about reports that the Defense Department spent an alleged $500 million to separate and replace about 17,000 homosexuals from the military service during the 1980's, in spite of the findings of a Government report saying there was no reason to believe that they could not serve effectively and with distinction. Shortly thereafter, while giving a speech at the Kennedy School of Government at Harvard, I was asked by one of the students what I thought of this report and what I thought of lifting the ban. This question had never before been presented to me, and I had never had the opportunity to discuss it with anyone. I stated then what I still believe, that I thought there ought to be a presumption that people who wish to do so should be able to serve their country if they are willing to conform to the high standards of the military and that the emphasis should be always on people's conduct, not their status.

For me, and this is very important, this issue has never been one of group rights but rather of individual ones, of the individual opportunity to serve and the individual responsibility to conform to the highest standards of military conduct. For people who are willing to play by the rules, able to serve and make a contribution, I believed then and I believe now we should give them the chance to do so.

The central facts of this issue are not much in dispute. First, notwithstanding the ban, there have been and are homosexuals in the military service who serve with distinction. I have had the privilege of meeting some of these men and women, and I have been deeply impressed by their devotion to duty and to country.

Second, there is no study showing them to be less capable or more prone to misconduct than heterosexual soldiers. Indeed, all the information we have indicates that they are not less capable or more prone to misbehavior.

Third, misconduct is already covered by the laws and rules which also cover activities that are improper by heterosexual members of the military.

Fourth, the ban has been lifted in other nations and in police and fire departments in our country with no discernible negative impact on unit cohesion or capacity to do the job, though there is, admittedly, no absolute analogy to the situation we face and no study bearing on this specific issue.

Fifth, even if the ban were lifted entirely, the experience of other nations and police and fire departments in the United States indicates that most homosexuals would probably not declare their sexual orientation openly thereby making an already hard life even more difficult in some circumstances.

But as the sociologist Charles Moskos noted after spending many years studying the American military, the issue may be tougher to resolve here in the United States than in Canada, Australia, and in some other nations because of the presence in our country of both vocal gay rights groups and equally vocal antigay rights groups, including some religious groups who believe that lifting the ban amounts to endorsing a lifestyle they strongly disapprove of.

Clearly the American people are deeply divided on this issue, with most military people opposed to lifting the ban because of the feared impact on unit cohesion, rooted in disapproval of homosexual lifestyles and the fear of invasion of privacy of heterosexual soldiers who must live and work in close quarters with homosexual military people. However, those who have studied this issue extensively have discovered an interesting fact. People in this country who are aware of having known homosexuals are far more likely to support lifting the ban. In other words, they are likely to see this issue in terms of individual conduct and individual capacity instead of the claims of a group with which they do not agree and also to be able to imagine how this ban could be lifted without a destructive impact on group cohesion and morale.

Shortly after I took office and reaffirmed my position, the foes of lifting the ban in the Congress moved to enshrine the ban in law. I asked that congressional action be delayed for 6 months while the Secretary of Defense worked with the Joint Chiefs to come up with a proposal for changing our current policy. I then met with the Joint Chiefs to hear their concerns and asked them to try to work through the issue with Secretary Aspin. I wanted to handle the matter in this way on grounds of both principle and practicality.

As a matter of principle, it is my duty as Commander in Chief to uphold the high standards of combat readiness and unit cohesion of the world's finest fighting force, while doing my duty as President to protect the rights of individual Americans and to put to use the abilities of all the American people. And I was determined to serve this principle as fully as possible through practical action, knowing this fact about our system of government: While the Commander in Chief and the Secretary of Defense can change military personnel policies, Congress can reverse those changes by law in ways that are difficult, if not impossible, to veto.

For months now, the Secretary of Defense and the Service Chiefs have worked through this issue in a highly charged, deeply emotional environment, struggling to come to terms with the competing consideration and pressures and, frankly, to work through their own ideas and deep feelings.

During this time many dedicated Americans have come forward to state their own views on this issue. Most, but not all, of the military testimony has been against lifting the ban. But support for changing the policy has come from distinguished combat veterans, including Senators Bob Kerrey, Chuck Robb, and John Kerry in the United States Congress. It has come from Lawrence Korb, who enforced the gay ban during the Reagan administration, and from former Senator Barry Goldwater, a distinguished veteran, former chairman of the Senate Armed Services Committee, founder of the Arizona National Guard, and patron saint of the conservative wing of the Republican Party.

Senator Goldwater's statement, published in The Washington Post recently, made it crystal clear that when this matter is viewed as an issue of individual opportunity and responsibility rather than one of alleged group rights, this is not a call for cultural license but rather a reaffirmation of the American value of extending opportunity to responsible individuals and of limiting the role of Government over citizens' private lives.

On the other hand, those who oppose lifting the ban are clearly focused not on the conduct of individual gay service members but on how nongay service members feel about gays in general and in particular those in the military service.

These past few days I have been in contact with the Secretary of Defense as he has

worked through the final stages of this policy with the Joint Chiefs. We now have a policy that is a substantial advance over the one in place when I took office. I have ordered Secretary Aspin to issue a directive consisting of these essential elements: One, service men and women will be judged based on their conduct, not their sexual orientation. Two, therefore the practice, now 6 months old, of not asking about sexual orientation in the enlistment procedure will continue. Three, an open statement by a service member that he or she is a homosexual will create a rebuttable presumption that he or she intends to engage in prohibited conduct, but the service member will be given an opportunity to refute that presumption; in other words, to demonstrate that he or she intends to live by the rules of conduct that apply in the military service. And four, all provisions of the Uniform Code of Military Justice will be enforced in an even-handed manner as regards both heterosexuals and homosexuals. And thanks to the policy provisions agreed to by the Joint Chiefs, there will be a decent regard to the legitimate privacy and associational rights of all service members.

Just as is the case under current policy, unacceptable conduct, either heterosexual or homosexual, will be unacceptable 24 hours a day, 7 days a week from the time a recruit joins the service until the day he or she is discharged. Now, as in the past, every member of our military will be required to comply with the Uniform Code of Military Justice, which is Federal law, and military regulations at all times and in all places.

Let me say a few words now about this policy. It is not a perfect solution. It is not identical with some of my own goals. And it certainly will not please everyone, perhaps not anyone, and clearly not those who hold the most adamant opinions on either side of this issue.

But those who wish to ignore the issue must understand that it is already tearing at the cohesion of the military and it is today being considered by the Federal courts in ways that may not be to the liking of those who oppose any change. And those who want the ban to be lifted completely on both status and conduct must understand that such action would have faced certain and decisive reversal by the Congress and the cause for which many have fought for years would be delayed, probably for years.

Thus, on grounds of both principle and practicality, this is a major step forward. It is, in my judgment, consistent with my responsibilities as President and Commander in Chief to meet the need to change current policy. It is an honorable compromise that advances the cause of people who are called to serve our country by their patriotism, the cause of our national security, and our national interest in resolving an issue that has divided our military and our Nation and diverted our attention from other matters for too long.

The time has come for us to move forward. As your Commander in Chief, I charge all of you to carry out this policy with fairness, with balance, and with due regard for the privacy of individuals. We must and will protect unit cohesion and troop morale. We must and will continue to have the best fighting force in the world. But this is an end to witch hunts that spend millions of taxpayer dollars to ferret out individuals who have served their country well. Improper conduct, on or off base, should remain grounds for discharge. But we will proceed with an even hand against everyone, regardless of sexual orientation.

Such controversies as this have divided us before. But our Nation and our military have always risen to the challenge before. That was true of racial integration of the military and changes in the role of women in the military. Each of these was an issue, because it was an issue for society as well as for the military. And in each case our military was a leader in figuring out how to respond most effectively.

In the early 1970's, when President Nixon decided to transform our military into an all-volunteer force, many argued that it could not work. They said it would ruin our forces. But the leaders of our military not only made it work, they used the concept of an all-volunteer force to build the very finest fighting force our Nation and the world have ever known.

Ultimately, the success of this policy will depend in large measure on the commitment it receives from the leaders of the military

services. I very much respect and commend the Joint Chiefs for the good-faith effort they have made through this whole endeavor. And I thank General Powell, the Joint Chiefs, and the Commandant of the Coast Guard for joining me here today and for their support of this policy.

I would also like to thank those who lobbied aggressively in behalf of changing the policy, including Congressman Barney Frank; Congressman Gerry Studds; and the Campaign for Military Service, who worked with us and who clearly will not agree with every aspect of the policy announced today, but who should take some solace in knowing that their efforts have helped to produce a strong advance for the cause they seek to serve.

I must now look to General Powell, to the Joint Chiefs, to all the other leaders in our military to carry out this policy through effective training and leadership. Every officer will be expected to exert the necessary effort to make this policy work. That has been the key every time the military has successfully addressed a new challenge, and it will be key in this effort, too.

Our military is a conservative institution, and I say that in the very best sense, for its purpose is to conserve the fighting spirit of our troops, to conserve the resources and the capacity of our troops, to conserve the military lessons acquired during our Nation's existence, to conserve our very security, and yes, to conserve the liberties of the American people. Because it is a conservative institution, it is right for the military to be wary of sudden changes. Because it is an institution that embodies the best of America and must reflect the society in which it operates, it is also right for the military to make changes when the time for change is at hand.

I strongly believe that our military, like our society, needs the talents of every person who wants to make a contribution and who is ready to live by the rules. That is the heart of the policy that I have announced today. I hope in your heart you will find the will and the desire to support it and to lead our military in incorporating it into our Nation's great asset and the world's best fighting force.

Thank you very much.

NOTE: The President spoke at 2:36 p.m. at the National Defense University at Fort McNair.

Remarks on the Dismissal of FBI Director William Sessions and an Exchange With Reporters

July 19, 1993

The President. Good afternoon. In recent months, serious questions have been raised about the conduct and the leadership of the Director of the FBI William Sessions. Among other matters, the Department's Office of Professional Responsibility has issued a report on certain conduct by the Director. I asked the Attorney General, Janet Reno, to assess the Director's tenure and the proper response to the turmoil now in the Bureau. After a thorough review by the Attorney General of Mr. Sessions' leadership of the FBI, she has reported to me in no uncertain terms that he can no longer effectively lead the Bureau and law enforcement community.

I had hoped very much that this matter could be resolved within the Justice Department. The Attorney General met with Judge Sessions over the weekend and asked him to resign, but he refused. In accord with the recommendation of the Attorney General, with which I fully agree, I called Director Sessions a few moments ago and informed him that I was dismissing him, effective immediately, as the Director of the FBI.

We cannot have a leadership vacuum at an agency as important to the United States as the FBI. It is time that this difficult chapter in the Agency's history is brought to a close. The FBI is the Nation's premier investigative and enforcement agency. Law-abiding citizens rely on the FBI to handle a wide array of complex and sensitive matters, to protect our shores against terrorism, our neighborhoods against the scourge of drugs and guns, our public life against white-collar crime, corruption, and crimes of violence. The Agency's brilliant detective work in the wake of the World Trade Center bombing has shown even in a time of difficulty the men and women on the street and in the labs have continued to give their country their best. With a change in management in

the FBI, we can now give the crimefighters the leadership they deserve.

Tomorrow, I expect to make an announcement about my nominee to be the next Director of the FBI. In the meanwhile, the Attorney General and I have asked Floyd Clark to serve as Acting Director of the Bureau.

Q. Mr. President, are you—what did he do wrong? And are you confident that there was not an internal vendetta against Judge Sessions because he wanted to broaden the look of the FBI, take in more Hispanics, blacks, and women?

The President. Well, let me answer the second question first. I think that will be remembered as the best thing about his tenure. And he deserves the support and thanks of the American people for trying to broaden the membership of the FBI to make it look more like America and to follow the lead of some other agencies and the United States military.

Now, but beyond that, if you read the report of the Office of Professional Responsibility and you do what the Attorney General did, if you look at that and all of the other circumstances and you assess the capacity of the present Director to lead or the incapacity of the Director to lead, she reached the judgment, which she communicated to me, that he ought to resign. And I fully agreed with that judgment. There are lots of reasons for it.

Q. Mr. President, do you think that this will in any way create the impression that the FBI is being politicized and hurt the longstanding tradition that the FBI not be subject to political pressure?

The President. Absolutely not. As a matter of fact, that's one of the reasons we have taken the amount of time that we have. The Attorney General, when she took office, was asked by me to review this matter. Both of us agreed that in the normal course of events, the Director of the FBI should not be changed just because administrations changed. Even when, perhaps even especially when, there's a change of political party in the White House. So the Attorney General was very deliberate, very thorough in this, and I think has gone out of her way to avoid the appearance of political impropriety.

Gays in the Military

Q. Mr. President, won't your new policy on homosexuals in the military require gays in the military to stay in the closet? And do you hope that the courts will take this policy further?

The President. No, it will not necessarily require them to stay in the closet. The policy as written gives people a limited right, obviously, to express their sexual orientation. But if they do so, they are at risk of having to demonstrate in some credible way that they are observing the rules of conduct applied in the military service. That is much more than they had before.

Over and above that, the investigative rules, which are part of the policy, go far beyond anything that was written in law before in terms of respecting the privacy and associational rights of homosexuals in the military service and others, and nonhomosexuals, heterosexuals, in the military.

Q. Mr. President, you said in your speech that you thought you had done what was right. You had earlier said that what was right was lifting the ban. How did you reach the decision not to stick with your guns, go ahead, lift the ban, take the heat? This is going to be decided in the courts anyway. Why not stand by your principles?

The President. First of all, I think I did stand by my principles. Under this policy, a person can say, ''I am a homosexual, but I am going to strictly adhere to the Code of Conduct.'' If you go back through every statement I have made, I never said that I would be in favor of changing any of the rules of conduct. I said I did not agree with the whole policy. The only part of this policy with which I do not agree is that the rebuttable presumption, in effect, puts the burden on the service member to demonstrate credibly that he or she understands the rules of conduct and is going to adhere to them. That is the only part of it with which I do not agree.

On the investigative rules governing conduct, there is more protection for privacy rights and for associational rights than I ever discussed in the campaign, than I have ever discussed as President. And it is a significant change, significant in the policy operations

of the United States military. So from the point of view of homosexuals who wish to serve honorably, I think it was a substantial advance. That's one answer.

The second point is, I think it is very important for the President, whenever possible, to work with the military services who will have to carry out the policy in a way that maintains the kind of cooperation manifested today. I think all of you who know anything about this issue know that the Joint Chiefs moved a very long way from where they were today, compared to where they were when I first met with them after I became President.

The third issue—there's one last issue—the third issue is that had I done that, that position would have faced certain swift and immediate defeat in the United States Congress because of the opposition of the Joint Chiefs, which they are by law required to give if asked in congressional testimony.

Q. Do you have a sense now that Senator Nunn will not bring about that result by virtue of what he tries to enact? Have you talked to him?

The President. Well, I hope he doesn't. We have been in regular contact with him. Since I basically was not involved in the negotiations of the policy until just a couple of days ago, the Secretary of Defense, at my instruction, was in regular and almost constant contact with Senator Nunn and with some others. And I hope very much that he won't.

There were some changes, a few minor changes and one that was important to me, made in the last few days at my suggestion. But the Joint Chiefs signed off on them. It seems to me that their judgment, given the fact that they were all opposed to the changes which we are now making—they've worked through these things; they've looked at the legal, at the practical, at the factual situations that we face—it seems to me that their judgment ought to count for a great deal and that we should not get in the business of legislating every personnel policy. I would hope that Senator Nunn would support this policy.

One more.

Q. Mr. President, how does what people do in private, whether they're gay or straight, have any bearing on their fitness to serve in the military?

The President. Well, you know that I don't believe it does, but today—now, wait a minute, go back and read the policy. Read the policy. Today the Joint Chiefs took the position that any violation of the Code of Conduct must be applied in an even-handed way as it reflects heterosexuals and homosexuals. And you have to go back and read the whole Military Code to understand the significance of that, but it is quite a significant statement by them.

Thank you very much.

FBI Director

Q. One for the Attorney General?

Q. Attorney General Reno, there have been sort of two tracks in terms of the allegations against the FBI Director: one, the ethical problems that were in the original report that was carried over from the Bush administration. The other is that in the months since, he has lost the confidence of his Agency and, therefore, the ability to do his job effectively. For which of those two things is he being dismissed?

[*At this point, Attorney General Reno read the letter she sent to the President recommending the dismissal of Mr. Sessions.*]

Q. Mr. President——

Q. Does that mean it was both?

Q. Mr. President——

Q. Let me follow up for just a second, Sarah [Sarah McClendon, McClendon News Service]. Did you find that he did violate any laws or Government regulations as charged in the original report? And where did that fall in terms of the confidence that members——

Attorney General Reno. I concluded that, based on the report and the responses to the report, that the Director had exhibited a serious deficiency in judgment regarding matters in the report.

Q. Mr. President, we have seen here an Agency maneuvering the White House, the press, the public, and getting their own head of the Agency that they want. We have seen them push out a man here, and let me tell you—don't you think it's about time to protect American people from any actions, operations of the FBI, that we should write a

charter for them in Congress? They only exist by an Executive order which Teddy Roosevelt wrote in 1908.

The President. Well, I don't agree with the characterization you made of what has occurred. So I can't comment on it. I flat disagree.

Q. Would you look into that, because you obviously have not looked into that?

The President. No, I just disagree.

NOTE: The President spoke at 4:15 p.m. in the Briefing Room at the White House.

Exchange With Reporters Prior to a Meeting With Congressional Leaders

July 19, 1993

Q. Mr. President, have you given up on a utility tax, and how much of an increase would you take on a gas tax? And besides that——

The President. Well, I'm just sitting here meeting with the chairmen, and I'm going to also, you know, keep working through this with the conferees. And we're going to see what we can do. But we're just beginning our conversations, so I can't answer those questions.

Q. Sir, what qualifications will the new FBI Director have?

The President. Good ones.

NOTE: The exchange began at 5:06 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

Executive Order 12855—Amendment to Executive Order 12852

July 19, 1993

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, and in order to amend Executive Order No. 12852, it is hereby ordered that Executive Order No. 12852 is amended by deleting the text of Section 3(d) of that order and inserting in lieu thereof the following text: "The Department of the Interior shall, on a reimbursable basis, provide such administrative services for the Council as may be required" and by deleting the words "Office of Administration in the Executive Office of the President" in Section 4 of that order and inserting the "Department of the Interior" in lieu thereof.

William J. Clinton

The White House,
July 19, 1993.

[Filed with the Office of the Federal Register, 11:39 a.m., July 20, 1993]

NOTE: This Executive order was published in the *Federal Register* on July 21.

Memorandum on the Delegation of Authority Regarding Assistance to Africa

July 19, 1993

Memorandum for the Administrator of the Agency for International Development

Subject: Delegation of Authority Regarding the Horn of Africa Recovery and Food Security Act Reporting Requirement

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including section 9 of the Horn of Africa Recovery and Food Security Act, Public Law 102–274, I hereby delegate to the Administrator of the Agency for International Development (AID) the functions vested in me by section 9 of that Act.

The Administrator of AID is authorized and directed to publish this memorandum in the *Federal Register*.

William J. Clinton

Nomination for General Counsel of the Environmental Protection Agency

July 19, 1993

The President announced today that he intends to nominate Jean Nelson to be General Counsel of the Environmental Protection Agency.

"Through her service as a law enforcement official and environmental activist, Jean Nelson has been consistently recognized for her achievements," said the President. "I am confident that her service at the EPA will be marked by the same level of excellence as her previous work."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Memorandum on Elections in Angola

July 19, 1993

Presidential Determination No. 93–32

Memorandum for the Secretary of State

Subject: Certification of Free, Fair, and Democratic Elections in Angola under Section 842 of Public Law 102–484

Pursuant to the authority vested in me by Public Law 102–484, section 842, I hereby certify that free, fair, and democratic elections have taken place in Angola.

You are authorized and directed to report this determination to the Congress and publish it in the *Federal Register*.

William J. Clinton

NOTE: This memorandum was released by the Office of the Press Secretary on July 20.

Remarks Announcing the Nomination of Louis Freeh To Be FBI Director

July 20, 1993

Good morning. Please sit down. Mr. Vice President; Attorney General Reno; the Acting FBI Director, Floyd Clark; former Director of the FBI, Judge William Webster, we're delighted to have you here. Senator D'Amato; Judge Robert Bonner, the DEA Administrator; the representatives of all the law enforcement agencies who are here and the friends and family of the nominee to be the next Director of the FBI.

The Federal Bureau of Investigation is the Federal Government's cutting edge in the fight against crime. Its agents are the best trained in the world. Its sophisticated technology enables law enforcement agents to catch criminals with a fragment of a fingerprint. As we saw only recently in the remarkably swift arrest in the World Trade Center bombing, the Agency continues its preeminent place in the law enforcement world. The Agency itself must clearly adapt to new times. It must continue the progress of opening its ranks to minorities and to women that began in recent years. It must work cooperatively with other agencies in the United States and in international partnerships against crime with police forces of other nations.

Yesterday I announced my intention to appoint a new Director of the FBI. Today I am pleased to nominate a law enforcement legend to be the Director of the FBI, Judge Louis Freeh. Judge Freeh knows the FBI. He is a highly decorated former agent and supervisor. He has investigated and prosecuted some of the most notorious and complex crimes of our time. He is experienced, energetic, and independent. He will be both good and tough, good for the FBI and tough on criminals.

It can truly be said that Louis Freeh is the best possible person to head the FBI as it faces new challenges and a new century. He has spent his career in the Federal justice system. After working his way through law school, he became an FBI agent. He knows the Agency as only an agent can, working the dangerous streets. He helped lead the waterfront investigations that led to the criminal convictions of 125 people, including leading organized crime figures.

From the FBI, Judge Freeh became a Federal prosecutor in New York City. He prosecuted and won convictions against the leaders of what was then the largest heroin importation case in our history, the legendary

"Pizza Connection" case. The trial lasted over a year. Among other defendants, Judge Freeh sent the head of the Sicilian mafia to jail. Observers were dazzled. He was called, and I quote, "one of the Government's toughest investigators, a ramrod-straight and ferocious crusader against the mob, an investigative genius."

Three years ago, as Judge Freeh neared the end of his work as a prosecutor, the Department of Justice selected him to head a special task force in one of the most notorious and difficult criminal cases of our day. A mysterious bomber was at work in the South, mailing parcels that killed Federal Judge Robert Vance near Birmingham, Alabama, and civil rights leader Robbie Robinson in Savannah, Georgia. Many predicted that the case would never be solved. But led by Louis Freeh, the task force tracked down the bomber, and Freeh himself prosecuted the case and obtained convictions. The bomber is now serving seven life terms in prison. In recognition of his service to the law, President Bush appointed Louis Freeh to the Federal bench. Now Judge Freeh has agreed to leave that lifetime post to serve his Nation once again in a difficult new job. There are few jobs in our Government that are more important.

Our Federal law enforcement agencies face an ever-changing array of threats. Drugs continue to ravage our young people and our streets. Law-abiding citizens can be caught in the crossfire between gangs, today equipped like armies. White-collar swindlers practice inventive forms of what Al Capone once called "the legitimate rackets." And our Nation, so long immune from the terrorism that has plagued the world, now faces that threat, too.

With Attorney General Janet Reno, Drug Policy Coordinator Lee Brown, and now, we hope, FBI Director Louis Freeh, our administration has a street-smart front line against crime. These law enforcers did not learn about crime in theory books, they learned about it on the streets and in the courtroom. And they have learned the best lessons of State and local enforcers. With all of their hard-won experience, this crimefighting team can work hard every day to protect the American people's right to safety in their homes and in their communities.

I must tell you that I am very proud and very grateful that Judge Freeh was willing to leave his lifetime appointment on the Federal bench for the somewhat less secure work that the rest of us find in the executive branch. [*Laughter*] I hope the American people will be grateful as well, and I look forward to his speedy confirmation.

NOTE: The President spoke at 9:27 a.m. in the Rose Garden at the White House.

Exchange With Reporters Prior to a Meeting With Congressional Leaders

July 20, 1993

Q. Mr. President, do you think that Chairman Rostenkowski's legal problems will have any effect on the budget process?

The President. No. We've got a lot of work to do. Chairman Rostenkowski's done a great job with this budget so far, and we've worked very closely together. And we're going to work today. I don't know anything about the rest of it. I just know that we're going to work. That's what we all got hired to do, and we're going to do our job.

Energy Tax

Q. Are you ready to give up on an energy tax?

The President. No.

Q. Does an energy tax have to be part of the program? There's a lot of move on Capitol Hill against it.

The President. I know it. But if you look at all the numbers, it's hard to get there without it. So, I think we ought to——

NOTE: The exchange began at 12:41 p.m. in the Old Family Dining Room at the White House. A tape was not available for verification of the content of this exchange.

Remarks to Democratic Members of the House of Representatives

July 20, 1993

Thank you very much, Mr. Vice President, Mr. Speaker, Mr. Leader. Ladies and gentlemen, as all of you know I have just spent several days away from Washington, stopping along the way to look at the floods in Iowa and going through California to meet with the National Education Association and then on to Japan where I met with the leaders of the seven large industrial nations of the world, which included an agreement to reduce tariffs by historic rates, agreed to continue our common efforts to promote democracy and economic progress in Russia, and reached an agreement with Japan that, for the first time, convinced the Japanese explicitly to reduce dramatically their trade surplus with us and to work with us with specific numerical objective criteria to deal with that problem. Then I went to Korea to see our young men and women in uniform there defending freedom at a distant outpost. I got within about 10 yards of the dividing line between North and South Korea, the Bridge of No Return, then flew back through Hawaii to see the many, many thousands of sailors there at Pearl Harbor along with the leaders of our military in the Pacific Command. And then I came back with Leader Gephardt on Saturday to go to St. Louis to visit the Governors who have been victimized by the floods, and their people have.

All these trips have a common thread, as disparate as they were. I had an opportunity to see people who were serving this country and people who are living here and working hard, making our jobs possible. And I was immensely moved, as I always am, by the incredible character and courage and good common sense of the American people.

Now, we come here at a difficult time for the country and for the world. The world is in a significant economic crisis. All the wealthier countries of the world are facing difficulties in creating new jobs. For a very long time there has been a kind of political paralysis in this country where we always knew what we had to do, but we could never quite bring ourselves to do it. And because we had divided Government, it was always possible for one branch to blame the other one for what did not get done. And the worse the problem got, the more painful their solutions became. That is always the way in human life, not just in Government but in every part of our lives.

Now, because of your help and the leadership and the raw courage many of you have demonstrated, we've brought our country to the verge of fundamental economic change. In just 6 months we have certainly changed the nature of the economic debate here in our Nation's Capital. The new direction that I discussed with you in February in the State of the Union Address is at hand. Once, a President joked that the deficit he created was big enough to take care of itself. Now no one jokes about it, and no one doubts that we are about the serious business of reducing that deficit and the stranglehold it has on our ability to create better times now and to provide a better future for our children.

Rather than debating whether to ignore the deficit, we have now begun a serious discussion about how to really bring it down. That is leading change, not going along with events. Where once Presidents sent you budgets that were not worth the paper they were printed on, now we have a real economic plan that, for all the controversy, is moving through Congress at a record pace.

I am amused now when I read that the difficult tough choices that I have asked the Congress to make are passing with narrow margins in our majority party when last year 75 percent of the House Members of the other party voted against their own President's budget and for years Presidential budgets have been political documents, not serious attempts to turn this country around.

Now we are involved in a serious attempt to do that, you and I leading the change. Where once the other party taxed middle class people so that those in upper income groups would not have to pay even their fair share, we have a plan that asks those that benefited most in the 1980's and whose taxes went down then to pay their fair share, not because we want to punish success but because it is the American way to ask everyone to pay according to their ability to do so. That is what the middle class demands, and that is a change we are making.

Where once National Government had slogans for small business, we now have an economic plan that actually provides target incentives to business to create real jobs, something we have needed for a long time. And this effort to pass this plan as it has moved through the Congress has clearly, as the Chairman of the Federal Reserve said not very long ago, been the major force in driving interest rates to their lowest level in 20 years, something that is leading to a huge amount of refinancing of home loans, business loans, something that clearly will act in a positive way that will manifest itself in new investment today and new jobs in the near future. Where once Government spending soared even as investment in the future decreased, we now have an economic plan that dramatically shifts spending priorities away from wasteful cuts and still with some prudent, wise investments.

Once, our economic planners in the White House focused on quick fixes for the next election. Every budget document that came up to this Hill for years was discarded by serious people in both parties. You know it as well as I do. It's just a political document to make sure that the President can stay in good graces with the American people, instead of telling the truth and making the tough choices.

Now there is an economic plan before you that looks at the long term, not the next election. We look at the next generation, hoping that by the next election the American people will see that as exactly what has been done. Where once the other party used welfare as a whipping boy without doing anything to move a single person from welfare to work, we now have an economic plan that is step one of a long-term strategy to end welfare as we know it. The earned-income tax credit in this plan will save everybody who works 40 hours a week with children in the home. If you do that, that's work, we're going to reward it, and we will lift you out of poverty. It's one of the most significant social reforms enacted in this country in a generation. And we do it through the tax system, rewarding work.

Where once a President had to go to international economic conferences like the one I just attended with their hats in their hand and sit there while people from other countries criticized the United States relentlessly, saying, ''How can you expect us to grow the world economy when you have a big deficit and you, a wealthy country, soak up savings from all over the world, financing half of your public and private debt, or one-third of it, anyway, from foreign sources?'', I had the privilege of going to a G–7 meeting which, for the first time in a decade, did not criticize the United States but complimented the United States for a serious attempt to reduce the deficit. And make no mistake about it, that is what gave me the leverage, your action to reduce this deficit gave me the leverage to argue that the time had come to reduce these tariffs and to take it back and make it part of an international agreement on trade that will create hundreds of thousands of manufacturing jobs in this country in the next few years.

This is an agreement that we made that will create manufacturing jobs in America. There is no doubt about it. Everyone can see it, everybody who has ever studied it. It is not like many of the issues we have around here where there's a lot of debate and argument. Everyone knows that this is a good deal for America. We have to make it part of the global trade agreement by the end of the year, and we have a good chance to do it now because the agreement at the G–7 would never have happened if you hadn't passed the budget in the Senate and the House and given me the leverage to say we're doing our part, now you do yours.

Make no mistake about it, we would never, never have reached this agreement with Japan to change the nature of our trading relationships had I not had the leverage to say, I know that during the 1980's you took the trade surplus you had and turned it into an investment deficit by sending a lot of your money back to this country to help us to finance our deficit and keep our interest rates from absolutely exploding, but we are taking care of that. We're doing what you asked us to do. We're bringing our deficit down, investing more in our economy, our productivity is going up. We can compete again. Now we have to change the trade rules. If you hadn't passed, each House, a version of that

budget, we would not have been able to do that. That is what is happening today.

Yes, it is painful. Yes, it is difficult. But it is progress. It is change. It will make a difference. And it is focused on the long-run interests of the people of this country. We have come this far. This is no time to turn back. We have been bold. This is no time to be timid. We have faced this crisis squarely. This is no time to blink.

We can come out of this conference with a plan that can pass the Congress and, most importantly, can pass the critical judgment of the American people if we make sure they know what is in it. As you work through the myriad of important details in this massive economic conference, we would do well to keep in mind that history will not note who wins in the technical detailed arcana that may consume much of the debate. But our children and our grandchildren will remember whether we were bashful or bold. They will remember whether we showed courage or whether we turned away from this challenge. They will remember whether we gave in to gridlock in the kind of easy rhetoric that has come to dominate our politics of the last few years or whether we govern.

I understand and appreciate the fact that compromise and consensus and conciliation will have to be the order of the day. Nothing this difficult and complex can be accomplished without listening to different voices and different ideas. But I have no illusions about the challenges that lie before us.

Of course, this is politically difficult and institutionally demanding. But that, again, makes it a challenge worth accepting. Remember this: None of it will be worth anything if at the end of the day, we provide something less than fundamental change. From the beginning of this process, that is what I have tried to argue. Yes, there will be changes around the edges. Yes, there have been already changes around the edges. But we must provide fundamental change. What are elements of that change? First, we have to seize control of our economic destiny, put our fiscal house in order.

This deficit is the bone in the throat of America. And we ought to deal with it by passing a plan that reduces it by $500 billion, putting it in a trust fund so the American people know, because they don't trust anyone in politics, that the money will be used to reduce the deficit and having an enforcement mechanism that says if we miss the targets, because no one is smart enough to foresee everything that will occur over the next 5 years, the President does have to come forward with a plan to set it right every year. That is the first thing we ought to do to establish credibility with the American people.

Second, we ought to return to the fundamental notion of fairness. Those who have the most should pay the most. We did the reverse in the 1980's, and it didn't work out very well. Every serious study shows that most of the economic gains of the last decade went to the top one percent. The people who put those policies forward said you ought to do that because then they will create more jobs. But we created jobs at a slower pace, at a slower pace. We are over 3 million jobs behind where we ought to be today at this point in a so-called economic recovery. Why? Because the policy doesn't work. Because of the changes that have been made in this program, that have been moved through the Congress with some more spending cuts and some less tax increases that were originally proposed, I can now say to you that we ought to require that at least 70 percent of the tax burden of this plan fall on people with incomes above $200,000—that is now possible because of the changes which have been made—and that there will be no increases on working families unless their incomes are well above $100,000 a year.

Third, we must keep faith with the hard-working middle class families who have worked hard and paid more for the last 12 years. They are the backbone in the country, and the economy is not working for them. Many of them work harder every year for less, and many of them are afraid of losing their health insurance. Many of them are afraid that the Government will never again do anything that really makes a difference. But if we take action to remove the uncertainty that they have and to clear the cloud of rhetoric that they've heard with our adversaries who don't want to do anything, trying to convince them that they're going to pay the lion's share of the tax load, we can again not only gain their confidence but, even more

important, do something that is very much in their interest by passing this program.

Because you have been pressing, you especially in the leadership, for deeper spending cuts and for different tax proposals that, in the aggregate are less, we can now say, looking at the proposals on the table, that we will not need to ask the average working family to pay more than about $50 a year to contribute to this plan. That is a reasonable thing.

You cannot make me believe, once you get out there and tell the truth to the people in any district represented in this room, that the average middle class family with incomes above $30,000 a year and below the income tax increase threshold wouldn't pay a buck a week to get this deficit down. I don't believe it. I think they would. And I think they expect to do something to contribute to the future of this country as long as they know it's fair and we're not going to squander the money. And that's the opportunity we're going to be given, to demonstrate to them that fact during this conference and in the weeks ahead.

Fourth, we cannot ignore the fundamental economic reality that a lot of Americans are still left out and left behind in this weak economy. We have got to have incentives in the final bill to spur growth, to create jobs, to deal with the fact that no industrial country is now able, even in times of economic growth, to generate very many new jobs. We have got to try some new things. That's why I'd like, for example—I don't want to start listing them, because you may think I've left something out I'd want in—but just for example, that's why I think we ought to try that venture capital gains tax that is in the House bill that was, by parliamentary accident, taken out of the Senate bill. We've got to try some different things to create new jobs. And while I feel very strongly that we ought to create the empowerment zones in the inner cities and the small towns and the poor rural areas to see if we can make free enterprise work in these places, there's not enough Government money to go in and recover the fortunes and the futures of the people who live there. We've heard our adversaries on the other side talk about this concept for years. Why don't we do it and do it right and see if it works? This is a good proposal. Let's try it.

While we're at it, let me say one other thing. In the plans adopted by both the Senate and the House, without respect to all this hot air and rhetoric I've heard about how tough it is on small business, the hard, cold truth is that both these plans will give a tax cut to 90 percent of the small businesses in the United States of America that spent one red cent reinvesting in their business, because we doubled or more the expensing provision without raising their income tax. How can the small business associations of this country come out against this proposal when we are lowering taxes on 90 percent of their members? And the Wall Street Journal has got an article today documenting that fact. That ought to stay in the plan, even if the leadership opposes it.

Finally, I am for the cuts that have been made. But we have to recognize that there is a limit to how much, particularly in this reconciliation process, we can cut beyond where we are without hurting the elderly, the working poor, and the middle class. There is a limit to what we can do.

As you know, almost all the increases left in this budget are in health care. And I am committed to coming up with a solution to this process which brings the problem—it gets health care costs in line with inflation. That's the way to deal with that. But you cannot just arbitrarily cut it out. I do not believe we should cut Medicare more, at least than the Senate number. I just don't believe we should. There is a limit to how much we should cut it unless we are solving the problem. We can cut it more when we solve the problem. We have to do this first, and then we can do that. Let's fix the budget first.

Now, if we meet these requirements, we will have produced a plan that delivers on economic renewal, that looks to the long run, not just the short term, that gives the American people a sense that we are rewarding and honoring the values and the vision of the people who work hard and play by the rules: work, family, education.

I believe these requirements can unite this conference. Of course, in some ways, even though our opponents have had some near-term rhetorical success, I think they have

done something to unite us as well by serving as the implacable guardians of an indefensible status quo, against governing, in the favor of gridlock or the short-term fears that keep us from facing our problems instead of courage to seize control of our destiny and our future. Their policies ought to give us courage. After all, they had the ball for 12 years, and look what they did with it.

Now, I said on February the 18th in the State of the Union Address that I was not interested in blame, and I'm still not. And there's enough blame to go around, and there still is, not just among people in both parties of the Congress but among people who were Governors, mayors, and judges back then. That's fine. But there is blame to go around if you don't take responsibility now towards the future.

Just a few days ago there was a remarkable article in the Wall Street Journal, hardly an organ of the national Democratic Party—[*laughter*]—which said that Republicans' response to the budget crisis and the economic crisis of the country represented, and I quote, ''no new anything.'' That should unite us. On every important test, their alternatives have come up short. In both the House and the Senate, they offered much less deficit reduction and yet more pain to the average people in this country. They didn't lock their savings into a trust fund or have a real mechanism to enforce it. They weren't willing to stand up and ask their powerful and privileged and well-to-do and successful to pay even their fair share. In fact, they weren't willing to ask those people to pay anything at all. But they were more than happy to ask people on Medicare and the veterans and others to pay even more after we had already cut all those programs, again, saying the burden ought to be borne by the elderly, the working poor, and the middle class.

Our plan supports growth and fairness, and theirs is another victory for special interests. They refuse to even close loopholes for three-martini lunches or CEO salaries out of line with performance or the loophole that subsidizes the very lobbyists who write the loopholes. I read their plan. They didn't want to do that. They have no targeted incentives for businesses to create jobs in a global economy where plainly new strategies are called for, no targeted investments for growth; just taking more from health care, from veterans, from everything else that helps the average people in this country, just so the well off don't have to pay one red cent in new taxes.

Frankly, folks, I'm tired of what is sort of cold-blooded being passed off as courageous, just because of the sloganeering. The slogans are easy: ''tax and spend,'' ''cut spending first,'' ''it's spending, stupid.'' They all sound so good, so that they mask the reality. The reality is, this budget cuts $250 billion in spending, over 200 specific spending cuts, not the general we'll-take-care-of-it-later of our opponents, the Vice President talked about, over hundreds of specific budget cuts in excess of $100 million apiece. That's what it does. There is nothing to be ashamed of here except somehow we haven't found a way to take a big old knife and cut through the rhetorical fog that has been blanketing our efforts in this town for the last several months. But I assure you, we're going to do it in the days ahead.

You know, in the Senate Finance Committee, there was an interesting little drama that played itself out after we heard all this stuff about ''tax and spend'' and ''it's spending, stupid'' and ''we're going to cut spending''. When the bill got down to the lick-log in the Senate Finance Committee, how many spending cuts do you think were offered by the other side, over and above the tough ones we had already put in place? Zero. Not one. Not one red cent. When it came down to getting away from this general stuff and to the specifics, nothing. Why? Because nobody wants to say anything hard. Because, sure, it is always the best thing in the heat of the moment to tell everybody just what they want to hear, but all of the easy things have been done. That's why we're in the fix we're in. And we have to do some things that are difficult.

Let me say, it grieves me in some ways that this has become a partisan fight. I did not seek that. I still have some hope that some of the genuinely conscientious and responsible Members on the other side, when this conference report emerges, will vote for it. I know many of them think there are many good things in it. And we have done some changes, frankly, that moved this bill in the

direction that the more moderate and responsible Members have asked for on the other side. But I will not shrink from defending what I know in my heart will help the economy when it is subjected to untrue and unfair attacks. This is the nature of our profession, I guess, but somewhere along the line, what's really in the interest of the American people ought to count, too.

The last thing I want to say is that if you know you have to go this alone, and we don't get much help from the other side, there's an awful temptation, I guess, to do nothing, or at least to do nothing for a while. And I can tell you the cost of doing nothing is far higher in both political and economic terms than paying the price of progress today. We were elected to govern. We were elected to end gridlock. I don't know how many people I heard last year tell me, "Even if you make me mad, do something. Do something. Move this thing. Break us out. Get something going." If we flinch or fail to get our mandate for a moment, the reaction to that would be far greater than any particular unpopularity of this effort.

When we succeed and set our Nation on a new direction, and it will begin the day after both Houses vote for a combined plan—there will be a surge in conference—people will then see the facts, not the fog but the facts of what was in this program. The reality will take over. Then we will be on our way to building an economy which once again restores the American dream. We have been seeing it slip away for literally 20 years now. The peak of middle class prosperity in this country occurred 20 years ago in 1973. Ever since then, all new additions to earnings have come from people working longer hours or more people in the same family working. Ever since then, for 20 years, we have had different but inadequate responses to the challenges of the global economy. And then for the last 12 years, we tried trickle-down economics, which was shove it all up and hope it gets invested back down and it will work out fine.

Now, I believe that the truth is somewhere between and beyond, more importantly, the old paradigms of Government. We cannot spend our way out of this crisis. The Government cannot work the American people, alone, out of this crisis. But neither can we ignore our fundamental responsibilities to put our house in order, invest in our people, and have the kind of program that will move us into the 21st century.

This country is doing a lot of good things that often get lost because of the momentary insecurities. There has been a huge increase in productivity in the private sector. Your country is the high-quality, low-cost producer of hundreds, indeed thousands of goods and services that can help us if we can open markets and if we can get our house in order here and if we can continue to improve the skills of our people and if we can deal with the particular problems of various areas of the country and various parts of our economy. We can move this thing. We do not need to stay in the rut we're in. But we have been on this path in one way or the other for two decades. We cannot expect to move out of it in 6 months. But we will never move out of it unless we move. We can't just sit around and pray for rain. It doesn't work that way.

Let me close with just this personal indulgence, if I might. Thirty years ago today, I visited Washington, DC, for the first time in a now rather well-known encounter I had with President Kennedy in the Rose Garden. I had hardly ever been out of Arkansas, and I wasn't sure where I was or what I was seeing. But I knew one thing in the week I spent here: I had no doubt whatever that the Congress of the United States and the President of the United States could solve whatever problem and could meet whatever challenge we were facing. Now people all over America don't believe that anymore. Thirty years ago when I was here, I didn't have an instant of a doubt. And it was an incredible honor to be in this place, because this is where my country's business was done. Four months after I was here, of course, President Kennedy was assassinated, and the pain of that still lives on in this country and perhaps was the beginning of the slow undoing of our collective confidence in ourselves and our institutions. But you know, if you remember all the wonderful things that John Kennedy said, I think in some ways my favorite line was that "We must always remember that here on Earth, God's work is truly our own." The

only way to ever honor any memory of something gone is to do something today which reinforces the validity of that memory in our hearts.

This day, it's far more important in our Nation's history for another reason, not because of my first trip here but because it was on this day in 1969 that an astronaut fulfilled one of President Kennedy's greatest dreams, when Neil Armstrong became the first person ever to walk on the Moon. When John Kennedy directed our attention to the heavens and inspired our notion of expanding knowledge, he saw it not as a test of our capacity, if you will remember, but of our character. He said, and I quote, ''We choose to go to the Moon in this decade and to do the other things not because they're easy but because they're hard. Because the challenges are one we are willing to accept, one we are unwilling to postpone, and one we intend to win.''

So I say to you: I ask for your support, your unfailing efforts, your courage, your energy, because it is time to meet that kind of challenge. I know this is hard, more than anything else because it's been so hard in the last 2 months to get the facts out to the people. Every single piece of evidence shows that when people know what we're trying to do and what the details of this plan is, whether it's a Senate plan, a House plan, or something in between, a majority of the American people will see it as fair, sensible, and progressive. We are being not by the specifics, but by the rhetoric that has enveloped the fog of this town. I am telling you, once we act, we can make it go away because then the reality will begin to hit people's lives.

And so I ask you in this place in time to remember the challenge that John Kennedy laid down in deciding to go to the Moon. This should be one we are willing to accept, one we are unwilling to postpone, and one we intend to win. Thank you, and God bless you.

NOTE: The President spoke at 3:02 p.m. at the Cannon House Office Building. A tape was not available for verification of the content of these remarks.

Remarks in an Interview With Members of the Wisconsin Press

July 20, 1993

The President. I'd like to make just a brief opening statement, and then I'll be happy to answer your questions. As you know, the designated committees from the Senate and the House are about to take up the conference process on the economic program I have presented to the Congress. I'd like to make a few comments about it and then answer your questions.

I have just returned from a meeting of the world's seven large industrial nations in Tokyo. At that meeting, two significant decisions were made that could dramatically improve the economy of the United States in the years ahead and obviously will be very good for Wisconsin. The first decision was an agreement among the seven nations to lead an effort to dramatically reduce tariffs on manufactured goods across a whole range of services. It is estimated that if we can put this into a world trade agreement by the end of the year, it would add hundreds of thousands of jobs to the manufacturing economy in the United States over the next decade. The second agreement was an historic agreement with Japan in which, for the first time, the Japanese agreed to reduce their trade surplus with the United States and to be accountable in specific ways for reducing that trade surplus in specific areas. Again, that means more jobs for Americans.

Neither of these agreements would have been possible were it not for the progress we are making toward enacting the economic plan which reduces the deficit by $500 billion over the next 5 years. For 10 years American Presidents have gone to these meetings and been criticized because the United States would not assume any discipline over its budget. This is the first time leaders of other nations have complimented instead of criticized the United States. None of it would have happened had it not been for the Congress making progress on this plan.

Now, there is a great deal of misinformation in the minds of many Americans about what is actually in this plan, thanks largely to the rhetorical attacks on the plan by its opponents, most of them in the other party.

I'd just like to point out five critical facts about this plan which, to me, make it fair and good for the people of the United States and the people of Wisconsin.

Number one, it has about $500 billion in deficit reduction locked in a trust fund so that over the next 5 years all the spending cuts and all the new taxes are saved for deficit reduction. It has a mechanism of enforcement so that if, because of economic developments, we miss the deficit reduction target in any given year, the President must come right back to the Congress and give adjusted suggestions for how to meet that target, and the Congress has to vote on them. The spending cuts have to equal or outweigh the tax increases. So that's the first thing, the $500 billion cut.

Secondly, for the first time in more than a decade, the plan asks the wealthiest Americans to pay their fair share. Thanks to the changes which have been made in the last couple of weeks in the area of more spending cuts, I can now say to you that the plan which comes out will have at least 70 percent of the new taxes paid for by people with incomes above $200,000. That's about the top 1.2 percent of the American people.

Thirdly, it is fair to working Americans, to the middle class. It asks people with incomes of between $30,000 and $180,000 in family incomes now to pay an energy tax which amounts to about $50 a year. That is about $1 a week for families of four with incomes in the $30,000 to $180,000 range. For working families with incomes below $30,000, there is no tax increase.

Fourth, the plan really supports economic growth. And this is very important. And this will be a matter of contention between the Senate and the House because the House plan has more incentives for economic growth. But I think they are very important: a new business capital gains tax, an expensing provision for small businesses which will give—and I want to say this very clearly so everyone understands it—which will give over 90 percent of the small businesses in America a tax break under this bill, not a tax increase but a tax break if they invest more money in their business.

And finally, the plan is fair to the elderly, to the middle class, to the working poor in contrast to the Republican alternatives which refuse to tax the wealthy but have less deficit reduction and take more out of the hides of people who are most vulnerable.

So I hope we can get the facts out. I hope it will pass. I think it will make a big difference. I know it will make a difference in terms of seizing control of our economic destiny and promoting economic growth for the United States. And so I wanted to give you in Wisconsin and I'll be giving people from other States a chance to ask me questions directly about this and other issues of concern to the folks back home.

Midwest Disaster Assistance

Q. Good afternoon, Mr. President. Thank you for being with us this afternoon. As you know, flooding continues to be a problem here in Wisconsin and throughout the Midwest. Tens of thousands of people have suffered some very real damages. And we're wondering what assurance you can give those people that they'll be receiving some real assistance from the Federal Government, and what form might that take, sir?

The President. Well, it will take several forms. First let me say that, as you know I think, I have made three trips to the Midwest since the flooding began and last Saturday met for about 2½ hours with the Governors of eight of the nine affected States, including Governor Thompson.

We have asked, last night actually, for another substantial increase in flood relief aid. The package that we're asking for the Congress to adopt is now up to about $2.9 billion. And let me just run through some of the kinds of relief available.

For individuals who have been thrown out of work and who don't have enough money to live on—and there are many hundreds of them that are flooded out that badly in the Midwest—FEMA takes disaster applications and can provide cash funds for living expenses as well as emergency unemployment, even for self-employed people and other contractors who are not eligible for unemployment normally.

Secondly, for small businesses, they are available for small business disaster loans, and the SBA is working now with FEMA to handle a lot of those applications even over

the phone. Of course, the agriculture programs are, I think, quite well-known by the farmers, and they understand them. There are some operational problems with those agriculture programs based on the way they were handled, I think, after Hurricane Andrew that we're trying to work out.

And finally, there will be some direct aid to communities who have been hurt, who have lost public facilities and roads and bridges and things of that kind. The Federal programs cannot and are not designed to absolutely make whole every loss from every individual business or community. But they will make a big difference. And I think that the general consensus is that our administration has been more aggressive and more coordinated and more prompt in dealing with this than has been the experience in the past. And we're going to continue to try to do that.

Defense Cuts

Q. Mr. President, I attended a make-believe budget-cutting public hearing Monday night in Madison in which some 80 Madison area citizens were asked to write their own Federal budget. Some of the trimmers favored President Bush's defense cuts because they dealt with some specific high-profile weapons: a cap on B–2 bombers, cancellation of the Seawolf submarine, and a new air defense system—forego a new air system. While your defense budget requests go far beyond the $97 billion that Mr. Bush recommended, I wonder if you could spell out some of the specific cuts that you propose to make in the defense budget.

The President. Yes, sir, I can. First of all, we kept the B–2 bombers at the level recommended last year, so that is something we did. The Seawolf program is phased out, and other weapons systems are scaled down, including Star Wars, rather dramatically. Over and above that, we plan to reduce the aggregate size of the armed services by about 200,000 more than in the last Bush budget, and we asked the employees of the Department of Defense, both military and civilian, to take the same reductions in pay that other Federal employees are going to take.

Those are the three areas which we make up the basic difference between the budget we presented and the last budget presented by President Bush. Let me say, we do not reduce our presence in Asia at this time, and I do not think we should because of the ongoing controversy we're having over North Korea and whether they're going to withdraw from the regime which commits them never to develop nuclear weapons. Until that is resolved, I think we have to maintain a strong presence in Asia. But otherwise, we're having substantial cuts in troop levels in Europe and some in the United States.

Welfare Reform

Q. I'd like to ask you about welfare reform. When you were in Milwaukee on June 1st, you made a passing favorable reference to the notion of eliminating welfare benefits after 2 years, limiting the time on welfare to 2 years. It was something you had talked about in the campaign last fall. Now Governor Thompson of Wisconsin, a Republican as you know, has suggested a pilot program of that sort in Wisconsin, and he has asked for waivers from your Department of Health and Human Services. I have a twofold question: Are you in favor of the waiver to start the Wisconsin pilot program, and as a concept, do you really, Federally or in Wisconsin, intend to kick people off welfare after 2 years, even if they are able-bodied and refuse to work? If you do that, what happens to them?

The President. Let me answer the second question first. Yes, I want to end welfare as we know it, and if people are able-bodied, able to work and there's a job available for them, and they refuse to work, I think they should live with the consequences. I don't think many people will refuse to work. The evidence is that most people on welfare, once their children are taken care of, are eager to go to work if they have the skills necessary to succeed in the work force.

I want to back up in a minute and tell you the sequence of events that we intend to follow here to put us in a position to end welfare as we know it. But let me answer your specific question now on the Wisconsin program. I talked with Governor Thompson about this briefly, not when I saw him on Saturday but the last time I saw him when I was in Wisconsin. And I urged him to put the plan together and get it through and send

it to us. And I assured him that we would give it quick consideration. I can't commit to support something the details of which I have not reviewed, but in general I've been very favorable to pilot projects in the welfare reform and in the health care reform area.

Now, let me back up very briefly and tell you what I think we have to do to end welfare as we know it, if I might. Number one, you've got to make work pay. That's one of the most important parts of this economic program. Under our economic program, we use something called the earned-income tax credit which basically is a tax credit which can even lead to a refund to people. If they work 40 hours a week and have children in the home, we don't believe people should live in poverty. This is a dramatic improvement in promoting work over welfare. So if the budget passes, you'll have a principle that has to be established: If you work 40 hours a week, you have children in the home, you won't be in poverty. Number two, we have to toughen child support enforcement dramatically. Wisconsin has done a lot of good work on that, and we're going to build on that and the work of other States to do that. Number three, we have to pass a health reform plan that guarantees that the children in this country will have health care. A lot of people don't leave welfare for work because they think their kids will lose their health care coverage. Number four, we've got to make sure we educate and train workers. And then, five, if we're going to call an end to welfare after 2 years, we have to know that there will be work available. So if there is not a private sector job we're going to have to offer work as an alternative to welfare. Those things will be done in order, and as they are done, we literally will change the whole focus of this social program from welfare to work, from dependence to independence.

NAFTA

Q. Mr. President, the North American Free Trade Agreement is on the minds of every union member. And Milwaukee has lost thousands of good-paying jobs to Mexico. Recently, the manufacturing policy project, which was funded by U.S. businesses, did a study that said Wisconsin can expect to lose 178,000 more manufacturing jobs. How do you reconcile these facts with your support of NAFTA, and what happens to these people?

The President. Well, first of all, I just don't agree that NAFTA is going to cost us a lot of jobs if we do it right. Secondly, if we don't conclude the trade agreement, anybody who wants to move their manufacturing facility to Mexico to get lower wages can do it now. There is absolutely no restriction at this moment on moving a plant to Mexico. The purpose of NAFTA is to lower Mexican and United States tariffs—the Mexican tariffs are even higher—so we can sell more products to Mexico from the United States.

And let me just make two points, if I might. Point number one, 5 years ago we had a $500 billion trade deficit with Mexico. Now we have a $6 billion trade surplus because we have lowered tariffs. So that even though we've lost jobs in America, we've gained more jobs than we've lost because our trade has gone from a deficit to a surplus position. Secondly, people are going to find out, who want to go to Mexico just for low wages, that good transportation, well-trained and skilled workers, and high productivity are more important. General Motors just the other day announced that they were going to close a plant in Mexico and move it back to the United States and put 1,000 Americans to work because they weren't having the success they needed in Mexico. When I was Governor of Arkansas, we had one or two small plants—I can't remember whether it was one or two—close down and do the same thing, because they'd had an unsuccessful move.

Now, there are some problems with this trade agreement which I am trying to fix right now through negotiations to get the Mexican Government to agree to higher labor standards, tougher environmental standards, and to work with us on dealing with these common problems, and a consequence if the standards they agree to are not observed. But my own view is that America has to have more exports in order to create more manufacturing jobs.

As I said, if we make this deal with the world trading powers to lower tariffs all across the world on manufacturing products, it will create U.S. manufacturing jobs. So my opinion is if we don't have NAFTA, people

who want to chase low-wage jobs, will still move their jobs to Mexico, just like they're doing today. If we do have it, we'll create more jobs than we'll lose. And for those who lose their jobs, let me say, I do have a plan. I have a plan to improve education and training and community economic development, and that's a big part of this program. That's part of what I've been criticized for. While I have cut spending dramatically in some areas, I recommend spending more in education and training, on defense conversion and new technologies so we can deal with people who lose their jobs.

Economic Program

Q. Mr. President, thanks for making yourself available. As to why we're here, though, today, how worried are you about losing support in the Wisconsin congressional delegation for the deficit reduction package you're talking about? Is it Senator Kohl in the Senate, Representative Barca? Who are you trying to get us to jawbone, so to speak?

The President. Well, you don't have to jawbone anybody. I want the people of Wisconsin to know directly from me what I think is good about this program and why I think it's important. And I think it's support that I owe to any Member of Congress that I would ask to vote for this.

But let me just say, Senator Feingold has made it clear to me that he supports our objectives and in general that he is very supportive of the program. Senator Kohl has said he is generally supportive of the program, but is worried about the fuel tax at any level. And my view is that when you tell working families with incomes between $30,000 and $180,000 that you're asking them to pay $50 a year, but that 70 percent of this program will be paid for by people with incomes above $200,000 and that over half the money will come from spending cuts, that folks will think it's fair and will want to make a contribution to bringing this terrible deficit down.

Welfare Reform

Q. Mr. President, if I could, I'd like to return just a moment to a question that was asked earlier and drive a little closer to the answer, perhaps.

I had lunch today with a man from Milwaukee you've just hired to come into Washington to work with Donna Shalala. He has a lifetime of experience in community service work, and he said that he is concerned that in the process of welfare reform what's going to happen is 500,000 or so people are going to drop off the bottom of the page because they are not going to have jobs no matter what happens at the end of 2 years, they are just going to be out there. And I suggested to him, well, maybe they'll turn to crime or maybe they'll just quietly starve to death. And he said, ''Well, I'll tell you they won't quietly starve to death.'' So just to reiterate a question asked earlier, what happens to those people who don't have jobs? You have said—if there aren't jobs for them, well, what happens to them then?

The President. I think we have to provide community service type jobs if there are no private sector jobs available in order to justify cutting off the benefits. I don't think you can do it in any other way. You can't tell people they have to work if there are no jobs. Once they get into the work force, then if they lose their jobs and get them back, they'll be like other people, they'll have access to unemployment. But for people who have not been in the work force, I think there has to be some sort of access to community service jobs if the private sector jobs aren't there.

Economic Program

Q. Mr. President, many of our readers are the people you are addressing, the middle class. But a good number of them are what many people call upper middle class, and it's a group that is—it's just not fashionable right now in Washington, or maybe among this group here, to speak in any way in favor of them. But they tell us in letters to the editor, in stories to reporters, that they are very concerned about, well, taxes.

Their point is this: They've put in the hours to get where they are now. They've worked the 70, 80, sometimes 90 hours a week. You understand those hours, sir. Why should they be singled out? And I don't know the ceiling you're putting on, your definition of upper middle class or wealthy. We're speaking about people who make maybe $90,000 to $100,000 combined, have a house, have a family, paying off the mortgages, paying off the cars and the bills and the property

taxes which in this area are going up. Why should they be singled out after putting in those many hours for so many years to see it taken away so easily?

The President. First of all, if it's a family with a joint income of $100,000, they won't have an income tax increase. Under this plan they would pay the fuel tax, which will be about $50 a year for normal fuel usage for a family of four. The income taxes trigger in at adjusted gross income of roughly $180,000 per couple and about $40,000 less than that for individual. Taxable income is somewhat lower, but even taxable income for individuals is above $100,000 and about $140,000 per couple. But in terms of salary, net income, the way people think of their incomes, it's about $180,000 when the taxes trigger in.

Why should they pay? A lot of those people work hard and got themselves to a point of success. We do not seek to punish success, we just seek to balance the scales. If you go back through the 1980's you will see that what happened in the eighties was that middle class incomes—that is, people with incomes from, let's say, $20,000 to $90,000 or $70,000—basically were stagnant, but their taxes were raised at the national, State, and local level. Upper income people, who got most of the gains of the 1980's, actually had their taxes lowered by the National Government.

So I'm not trying to punish anybody, even people with incomes above $200,000 who will pay 70 percent of the cost of this program and virtually 100 percent of the income taxes. I'm not trying to punish them, I'm just trying to balance the scales to get a little back to where we were a few years ago when we were generating plenty of jobs and growing. No one seriously disputes the fact that a major cause of the Federal deficit being as big as it is, is that there was a huge cut in income taxes on upper income people, which has to be addressed if we're going to get this deficit down. Even then, I think those folks are entitled to know that there will be spending cuts at least equal to if not greater than the tax increases.

Let me make one last point. Since we started working to bring the deficit down, long-term interest rates have dropped. Alan Greenspan, the Republican Chairman of the Federal Reserve Board, has acknowledged that the primary reason that long-term interest rates have dropped is the administration's serious attempt to cut the deficit. And many of these same people have refinanced their homes or their business loans or taken advantage of low-interest rates in ways that will give them more gains from lower interest rates than they will pay in higher taxes. And that's a very important point, I think, that has to be driven home.

Presidential Leadership

Q. Mr. President, rightly or wrongly, public opinion polls have suggested that a number of people see you as not being a strong leader. They also see your position on gays in the military as having been a bit of a compromise. Would you expect to continue to compromise on important issues in the future, or do you see yourself as becoming a stronger leader on those key issues?

The President. Let me tell you, I regret those opinion polls. I think they have something to do, frankly, with the way you folks discuss these issues. Now, let me just run through this. I am the first President in a decade who has had his budget considered seriously by Congress. After Ronald Reagan's first budget, every budget that he and George Bush presented was laughed off as a political document. Seventy-five percent of the Republicans in the House of Representatives—the Republicans in the House of Representatives—voted against the last Bush budget. This one is being taken seriously. I am the first President in a decade that was complimented, not criticized, at the recent meeting of the world's great industrial countries, because we're doing something serious about our economy. I immediately organized the G–7 nations to support Boris Yeltsin when he was in the ropes last spring. That's not a sign of weakness. And we had a major role in the preservation of democracy in Russia. We passed the family leave bill, the motor voter bill through Congress quickly. We have three major pieces of political reform moving through Congress, already passed one House: campaign finance reform, lobby reform, and the line-item veto. I don't think that is a sign of weakness.

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

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-

mese democracy, she remains a symbol of hope to the people of her country who yearn for representative government and an inspiration to all who are striving for freedom and democracy elsewhere in Asia and throughout the world.

Today I renew my call to Burma's military rulers to release unconditionally Aung San Suu Kyi and all other prisoners of conscience, to respect the results of the 1990 elections, and to undertake genuine democratic reforms. History is on the side of freedom throughout the world, and I remain confident that the aspirations of all Burmese people for basic human rights and representative government will ultimately be fulfilled.

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

July 20, 1993

It was with deep sadness that I learned of the death of Vincent Foster, who served ably and with distinction as Deputy White House Counsel and was my friend for over 40 years. Hillary and I love his wife Lisa and their three children, and we want to draw them close to our hearts and keep them in our prayers in this painful moment of grief. His family has lost a loving husband and father, America has lost a gifted and loyal public servant, and Hillary and I have lost a true and trusted friend. My deepest hope is that whatever drew Vince away from us this evening, his soul will receive the grace and salvation that his good life and good works earned.

NOTE: Included with this statement was information regarding the circumstances of Mr. Foster's death.

Notice on Continuation of Iraqi Emergency

July 20, 1993

On August 2, 1990, by Executive Order No. 12722, President Bush declared a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the actions and policies of the Government of Iraq. By Executive Orders Nos. 12722 of August 2, 1990, and 12774 of August 9, 1990, President Bush imposed trade sanctions on Iraq and blocked Iraqi government assets. Because the Government of Iraq has continued its activities hostile to United States interests in the Middle East, the national emergency declared on August 2, 1990, and the measures adopted on August 2 and August 9, 1990, to deal with that emergency must continue in effect beyond August 2, 1993. Therefore, in accordance with Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Iraq.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

William J. Clinton

The White House,
July 20, 1993.

Message to the Congress Transmitting the Notice on Continuation of Iraqi Emergency

July 20, 1993

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1993, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in

the Middle East and hostile to U.S. interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Iraq.

William J. Clinton

The White House,
July 20, 1993.

Message to the Congress Transmitting a Report on Most-Favored-Nation Trade Status for Bulgaria

July 20, 1993

To the Congress of the United States:

On June 3, 1993, I determined and reported to the Congress that Bulgaria is in full compliance with emigration criteria of the Jackson-Vanik amendment to, and Section 409 of, the Trade Act of 1974. This determination allowed for the continuation of most favored nation (MFN) status for Bulgaria without the requirement of an annual waiver.

As required by law, I am submitting an updated formal Report to Congress concerning emigration laws and policies of the Republic of Bulgaria. You will find that the report indicates continued Bulgarian compliance with U.S. and international standards in the areas of emigration and human rights policy.

The Administration intends to propose legislation, which would let me terminate the application of Title IV of the Trade Act of 1974 to Bulgaria.

William J. Clinton

The White House,
July 20, 1993.

Message to the Senate Transmitting the Amendment to the Montreal Protocol on Substances That Deplete the Ozone Layer

July 20, 1993

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Amendment to the Montreal Protocol on Substances That Deplete the Ozone Layer (''Montreal Protocol''), adopted at Copenhagen on November 23–25, 1992, by the Fourth Meeting of the Parties to the Montreal Protocol. I am also enclosing, for the information of the Senate: the adjustments, also adopted November 23–25, 1992, that accelerate the respective phaseout schedules for substances already controlled under the Protocol (chlorofluorocarbons (CFCs), halons, other fully halogenated CFCs, methyl chloroform, and carbon tetrachloride); and the report of the Department of State.

The principal feature of the Amendment that was negotiated under the auspices of the United Nations Environment Program (UNEP), is the addition of new controlled substances, namely hydrochlorofluorocarbons (HCFCs), hydrobromofluorocarbons (HBFCs), and methyl bromide. The Amendment, coupled with the adjustments, will constitute a major step forward in protecting public health and the environment from potential adverse effects of stratospheric ozone depletion.

The Amendment will enter into force on January 1, 1994, provided that 20 Parties to the Montreal Protocol have deposited their instruments of ratification, acceptance, or approval. Early ratification by the United States is important to demonstrate to the rest of the world our commitment to protection and preservation of the stratospheric ozone layer and will encourage the wide participation necessary for full realization of the Amendment's goals.

I recommend that the Senate give early and favorable consideration to the Amend-

ment and give its advice and consent to ratification.

William J. Clinton

The White House,
July 20, 1993.

Message to the Congress Transmitting the 1990 Report of the Commodity Credit Corporation

July 20, 1993

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1990.

William J. Clinton

The White House,
July 20, 1993.

Message to the Congress Transmitting the 1991 Report of the Commodity Credit Corporation

July 20, 1993

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1991.

William J. Clinton

The White House,
July 20, 1993.

Excerpts of Remarks in a Meeting With White House Staff on the Death of Deputy White House Counsel Vincent Foster, Jr.

July 21, 1993

First of all, I want to tell you how very glad I am to see all of you here today. I thought it was important that we come together for a few minutes. Forty-two years ago, when I met Mr. McLarty in kindergarten, I lived with my grandparents in a modest little house around the corner from Vince Foster's nice, big, white brick house. And our backyards touched. Yesterday, last night when I finished the Larry King Show and I was told what happened, I just kept thinking in my mind of when we were so young, sitting on the ground in the backyard, throwing knives into the ground and seeing if we were adroit enough to make them stick.

When I started my career in Arkansas politics, he was there to help me. When I decided to run for attorney general, he was the first lawyer in Little Rock I talked to about supporting me. When the Rose law firm hired Hillary after I moved to Little Rock, Vince Foster and Webb Hubbell became her closest friends. I have two things to say about that: One is, he was a perfectly wonderful man on whom I relied and on whom I put a lot for a very long time. The second thing is, for all of you who are especially younger, you will find the longer you live, the more you mark the shape of your life by the people you have truly loved who, for whatever reason, aren't around anymore.

And so, I want you to think about the following: In the first place, no one can ever know why this happened. Even if you had a whole set of objective reasons, that wouldn't be why it happened, because you could get a different, bigger, more burdensome set of objective reasons that are on someone else even in this room. So what happened was a mystery about something inside of him. And I hope all of you will always understand that.

And the last thing I want to say is that all of us who loved him also did a little bit of laughing last night. Just as it is wrong to try to explain or understand something that cannot be grasped, it is very wrong to define a life like his in terms only of how it ended. And anybody in this room could be proud to have raised the children, done the work, been the friend that he was. God bless you.

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

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

July 21, 1993

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

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

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

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

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

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

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

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

Thank you.

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

Remarks in an Interview With the Alabama Press

July 21, 1993

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

Go ahead, sir.

Economic Program

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

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

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

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

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

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

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

Yes?

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

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

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

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

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

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

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

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

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

Yes?

Space Station

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

The President. Absolutely.

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

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

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

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

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

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

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

I can do a couple more. Go ahead.

Military Base Closings

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

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

Q. Yes, exactly.

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

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

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

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

I'll take another couple. Go ahead.

Senator Richard Shelby

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

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

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

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

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

Yes?

Unfunded Federal Mandates

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

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

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

I'll take one last question. Go ahead.

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

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

Thank you.

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

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

July 22, 1993

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

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

courage he showed in signing the Governor's Island agreement which set a process and a timetable for his return as President of Haiti by October 30th and for the parliamentary agreement. We're here to talk about what our next steps are.

I want to compliment, again, the United Nations envoy, Mr. Caputo, and our Ambassador, Mr. Pezzulo, for the wonderful work they have done in trying to restore democracy and Father Aristide to the Presidency. So we're going to have a good meeting this morning and talk about the next steps, naming the Prime Minister, getting the international police force in place, and going forward. I'm excited about this process. It's a major potential for a victory for democracy.

Haiti

Q. Is President Aristide ready to accept 300 American troops to train his military force and carry out all the provisions of the agreement?

President Aristide. We are doing our best to do that and also to have what we call the four points of—[*inaudible*]—plan: professionalization of the army, a new police force, reform of the judicial system, and the economic package for having something for every single citizen of the country.

Economic Program

Q. Mr. President, on the budget, Senator Boren wants more cuts; Congressman Rangel wants more taxes for more investment programs. How do you bridge this kind of gap?

The President. I don't know. That's what they're working on now. Senator Boren voted with some enthusiasm for the bill when it came out of the Senate. We'll be glad to work with him. But we'll just have to see what happens.

Q. And are you leaning toward a higher gasoline tax than the 4.3 percent? There are indications from your people on the Hill that you are.

The President. Let's see what happens there in the budget process. I went up there and talked to the conferees, and I told them what I thought the principles and the guideposts ought to be, and they're working on it.

Q. How about——

The President. They may discuss a lot of different things. Let's just see what happens.

Q. Are you thinking of 5 cents, 5 cents a gallon?

Bosnia

Q. Have you given up on Bosnia?

The President. No. That's not true. Those stories are not accurate.

Q. That's the way Secretary Christopher's remarks were interpreted.

The President. I disagree that that's what they said. I realize that that's how one or two sentences were interpreted, but that's not so. We have aggressively committed ourselves to the process in Geneva. And if the Bosnian Government voluntarily signs an agreement, we have made it clear that we were prepared to participate in the enforcement of it. And we are continuing to work with the Europeans on other options. So you know what the United States believes, that an opportunity was lost shortly after Athens because our position did not prevail with the Europeans. But that is not true that we have given up on it. We are continuing to work.

NOTE: The exchange began at 9:40 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

Remarks at a Communications Technology Demonstration

July 22, 1993

Thank you very much. Distinguished Members of Congress, FCC Commissioners, Mrs. Graham, distinguished members of the high-tech community and communications industry who are here today, I thank all of you for coming, and I appreciate your sitting through my education here. I hope it isn't too warm. We've gotten a little bit of break in the weather. I got to send the Vice President that message over there, and it's nice to know he'll be able to stop the rains in

the Midwest within a few moments, remote control. [*Laughter*]

Just beginning by building on what the Vice President said, it is perfectly clear that in our Nation we need an economic strategy that deals with a lot of our larger structural issues, particularly the deficit, but also recognizes that creating jobs today in a global economy requires us to make the most of the assets we have and to find a way once again to make sure that technology continues to be a net generator, not a net reducer, of jobs. We are here today to celebrate one of those opportunities. In recent years, we haven't done enough to control our larger economic issues, nor have we done enough to seize these particular opportunities. We want to reverse both these trends and ignite growth.

The economic plan that I have presented to the Congress, as all of you know, offers $500 billion worth of deficit reduction divided equally between spending cuts and revenue increases, with most of the revenue increases coming from people with incomes well above $200,000 and the spending cuts coming across the board in virtually every area of our national life.

The Chairman of the Federal Reserve, Alan Greenspan, in testimony to the House Banking Committee on Tuesday said that the reason long-term interest rates were at a 20-year low is because, and I quote, ''of the expectations of a significant, credible decline in the budget deficit.'' And he pointed out that if we did not act now and significantly, those good trends and long-term interest rates being down—which are leading millions of Americans to refinance their homes, I would imagine including some people here in this audience today, refinance business loans, and otherwise move in ways that are advantageous to themselves and the economy—that if we did not do that, we would be in trouble. He further pointed out that if we resolve the budget issue and dealt with our health care cost problems, the United States economy could emerge healthier and more vibrant than in decades. That is what we're talking about, the future of this country. And I think that is what we must focus on.

Part of this economic plan is the ''Emerging Telecommunications Technology Act'' introduced by Senators Hollings, Inouye, Stevens of Alaska, Congressman Dingell of Michigan, Congressman Markey of Massachusetts, who is here with us. It's been called the information equivalent of the Alaskan oil strike or the California gold rush. It offers great opportunities for people to create new jobs, start new businesses, invest in people. And it will reduce the deficit, according to the Congressional Budget Office estimates, by something over $7 billion. It's a great deal for all of us.

In this plan we allow for 200 megahertz of the electromagnetic spectrum now used by Federal Agencies to be licensed to the private sector by the Federal Communications Commission. For the few nonphysicists in the audience, the spectrum is the airwaves that transmit communication signals. The additional 200 megahertz of the spectrum will be capable of adding the equivalent of 33 television channels in every market in the United States. A decade ago, as the Vice President said, the U.S. cellular telephone industry was launched on only 50 megahertz of the spectrum. At that time, experts said the industry would have slightly less than a million subscribers by the year 2002. Well, those initial licenses leveraged $11 billion in private investment that grew into more than 11 million subscribers, $3 billion in exports, and 100,000 jobs in 1992. When the FCC reallocates the spectrum for personal communication services alone, it is estimated that another 300,000 jobs could be added to the American economy in the next 10 to 15 years. And that doesn't take into account what will be done with the remainder of this 200 megahertz allocation.

This plan creates the infrastructure to develop the most advanced commercial wireless communication networks the world has ever known. It will allow an industry to grow by tens of billions of dollars by the end of the decade, producing hundreds of thousands of new high-skilled, high-wage jobs. It will close our Federal budget deficit, or certainly help to, while correcting America's investment deficit at the same time, a win-win scenario for our taxpayers, our workers, our

Government, and our entrepreneurs, an investment of historic proportions.

We have entered a new era of human communications where wireless technologies become information skyways, a new avenue to send ideas and masses of information to remote locations in ways most of us would never have imagined. And we've just seen in all these demonstrations, also provides new ways to improve people's lives in very practical ways, and perhaps to save lives in remote areas or emergency circumstances where once that was simply impossible. Wireless hand-held computers and phones will deliver the world to our fingertips, wherever we may be, with speed and flexibility.

Only last week the FCC reallocated emerging technology spectrum for the kinds of services and benefits we've seen here today. When a natural disaster hits, this technology can come to the rescue. When an emergency medical vehicle has a patient and the only hospital is a long way away, it can mean the difference between life and death, as we've seen this morning. In schools where wires may be too costly to run, this technology can link students with other students, with libraries in other schools. In manufacturing, this technology can give our companies the extra speed and production that today may make all the difference between staying ahead of the competition and going under.

When the race toward innovation knows no boundaries, this economic plan can keep America ahead of our competitors with information highways and skyways second to none and the best educated, best trained, and best equipped work force in the world. That's what this economic growth strategy is all about: historic change, more growth, more free enterprise, more innovation to put the American people to work and give them the future they deserve.

Thank you very much.

NOTE: The President spoke at 11:13 a.m. on the South Lawn at the White House. In his remarks, he referred to Katharine Graham, chairman of the board, Washington Post Co. A tape was not available for verification of the content of these remarks.

Letter to Congressional Leaders on Iraq

July 22, 1993

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102–1), and as part of my effort to keep the Congress fully informed, I am reporting on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council.

Over the last several months, we have seen more examples of the Iraqi Government's refusal to comply with relevant Security Council resolutions and international law. In May I reported on our investigation of allegations that Iraq attempted to assassinate former President Bush during his recent trip to Kuwait. We uncovered compelling evidence that the Iraqi Intelligence Service directed the attempt. I concluded that there was no reasonable prospect that new diplomatic initiatives or economic measures could influence the current Government of Iraq to cease planning future attacks against the United States and that a continuing threat was posed to the United States. Accordingly, I ordered a precise and limited strike against the headquarters of the Iraqi Intelligence Service in the exercise of our inherent right of self-defense under international law. In accordance with the Charter of the United Nations, we reported our actions to the Security Council immediately.

We will strive to use law enforcement and international cooperation to prevent the Iraqi regime from once again killing innocent people in pursuit of its ends. It should be clear, however, that we will strike directly at those who direct and pursue Iraqi policies when it is necessary to do so in our self-defense.

Also, on June 19, a U.S. aircraft fired a missile at an Iraqi anti-aircraft site that had displayed hostile intent. The site has not been active since the attack.

Inspections by the U.N. Special Commission on Iraq (UNSCOM) and the Inter-

national Atomic Energy Agency (IAEA) to date have forced Iraq to disclose, destroy, or render harmless all the major nuclear weapons facilities and equipment of which we are aware. Along with damage inflicted in combat, these inspections have effectively put the Iraqi nuclear weapons program out of business in the near-term and have substantially impaired Iraq's other weapons of mass destruction (WMD) programs.

Over the long-term, however, we believe that Saddam Hussein is committed to rebuilding his WMD capability, especially nuclear weapons. UNSCOM and the IAEA are therefore developing a program of long-term monitoring in accordance with Security Council Resolution 715. Iraq has refused to accept that Resolution, blocking UNSCOM from installing cameras to monitor Iraq's compliance with restrictions on long-range missiles and from sealing missile sites. The Security Council has declared these actions, along with Iraq's failure to comply with demands related to its chemical weapons program, to be a material and unacceptable breach of Resolution 687 and has warned Iraq of ''serious consequences'' if it fails to comply. Discussions between UNSCOM and Iraq on these issues are currently underway.

Iraq depicts itself as seeking consultations, rather than confrontation, in complying with Security Council resolutions. Iraq, however, has attempted to obstruct even the clearest Security Council requirements. In June, Iraq missed two deadlines to deliver equipment for producing chemical weapon precursors to UNSCOM for supervised destruction. UNSCOM has reported the matter to the Security Council, which has the matter under consideration. Iraq still refuses to divulge information indicating the foreign companies from which it purchased equipment and materials. Accurate information is integral to a workable and realistic mechanism for import control, as required by Security Council Resolution 715.

Iraq has also tried to restrict the exercise of UNSCOM's aerial inspection rights, impose limits on the duration of inspections and the size and composition of inspection teams, required advance notice of inspection activities, and limit inspectors' rights to take photographs. Vandalism, harassment, and theft have continued against inspectors and U.N. property. Iraq is responsible for improving this hostile environment.

We have received reports of Iraqi forces shooting at Saudi border guards across the Iraq-Saudi border. These acts appear to violate paragraph 3(a) of Security Council Resolution 686, which demanded that Iraq cease hostile or provocative acts against other states. These incidents are the first of their kind since the ceasefire and further call into question Iraq's intention to live in peace with its neighbors.

The ''no-fly zones'' over northern and southern Iraq permit the monitoring of Iraq's compliance with Security Council Resolutions 687 and 688. Over the last two years, the northern no-fly zone has deterred Iraq from a major military offensive in the region. Since the no-fly zone was established in southern Iraq, Iraq's use of aircraft against its population in the region has stopped, as have large-scale troop movements. However, the no-fly zone has not prevented the Iraqi army from conducting an ongoing campaign against Iraqi Shias in the southern marshes, involving the recent burning of several villages. We are continuing to work toward the placement of human rights monitors throughout Iraq as proposed by Max van der Stoel, Special Rapporteur to the U.N. Human Rights Commission, and to work for the establishment of a U.N. Commission to investigate and publicize Iraqi war crimes and other violations of international humanitarian law.

The international community has continued its efforts, consistent with Security Council resolutions, to alleviate suffering in Iraq. The United States is working closely with the U.N. and other organizations to provide humanitarian relief to the people of northern Iraq, in the face of Iraqi Government efforts to disrupt this assistance. We continue to support new U.N. efforts to mount a relief program for persons in Baghdad and the South and will ensure that the U.N. will be able to prevent the Iraqi Government from diverting supplies.

The U.N. sanctions regime exempts medicine and requires only that the U.N. Sanctions Committee be notified of food shipments. In accordance with paragraph 20 of

Resolution 687, the Committee received notices of 20 million tons of foodstuffs to be shipped to Iraq through June 1993. The Sanctions Committee also continues to consider and, when appropriate, approve requests to send to Iraq materials and supplies for essential civilian needs. The Iraqi Government, in contrast, has maintained a full embargo against its northern provinces and has acted to distribute humanitarian supplies only to its supporters and to the military.

The Iraqi Government has so far refused to accept U.N. conditions for selling $1.6 billion in oil as previously authorized by the Security Council in Resolutions 706 and 712, although talks between Iraq and the United Nations on implementing these resolutions were resumed in New York on July 7 for the third time in two years. Iraq could use proceeds from such sales to purchase foodstuffs, medicines, materials, and supplies for essential civilian needs of its population, subject to strict U.N. monitoring of sales and the equitable distribution of humanitarian supplies (including to its northern provinces).

Proceeds from oil sales also would be used to compensate persons injured by Iraq's unlawful invasion and occupation of Kuwait. The U.N. Compensation Commission has received about 800,000 claims so far, with a total of roughly two million expected. The U.S. Government has filed a fourth set of individual claims with the Commission, bringing U.S. claims filed to about 1,100. The Commission's efforts will facilitate the compensation of those injured by Iraq once sufficient funds become available.

Security Council Resolution 778 permits the use of a portion of frozen Iraqi oil assets to fund crucial U.N. activities concerning Iraq, including humanitarian relief, UNSCOM, and the Compensation Commission. (The funds will be repaid, with interest, from Iraqi oil revenues as soon as Iraqi oil exports resume.) The United States is prepared to transfer up to $200 million in frozen Iraqi oil assets held in U.S. financial institutions, provided that U.S. contributions do not exceed 50 percent of the total amount contributed. We have arranged a total of over $51 million in such matching contributions thus far and anticipate making another matching contribution of just over $40 million.

Iraq still has not met its obligations concerning Kuwaitis and third-country nationals it detained during the war. Iraq has taken no substantive steps to cooperate fully with the International Committee of the Red Cross (ICRC), as required by Security Council Resolution 687, although it has received over 600 files on missing individuals. Regional organizations have also been engaged—thus far to no avail—in trying to obtain Iraqi compliance on the issue of detainees. We continue to work for Iraqi compliance.

The United Nations has completed its technical task of demarcating the previously agreed Iraq-Kuwait border, and the President of the Security Council accepted its work. Iraqi Government officials have refused to recognize the boundary, despite the requirement to do so under Security Council Resolution 687. In accordance with Security Council Resolution 806, which responded to Iraqi disruptions on the border, the U.N. continues to seek the identification and deployment of an armored battalion to the United Nations Iraq-Kuwait Observer Mission (UNIKOM), so that UNIKOM has sufficient force to take necessary actions to prevent violations of the border and the demilitarized zone. The United States and our allies also continue to press the Government of Iraq to return all property and equipment removed from Kuwait by Iraq.

Iraq can rejoin the community of civilized nations only through democratic processes, respect for human rights, equal treatment of its people, and adherence to basic norms of international behavior. A government representing all the people of Iraq, which is committed to the territorial integrity and unity of Iraq, would be a stabilizing force in the Gulf region. The Iraqi National Congress (INC) espouses these goals and our support for the INC is a signal of the future we seek for Iraq.

I am grateful for the support of the Congress of our efforts.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Robert C. Byrd, President pro tempore of the Senate.

Remarks in an Interview With the New York and New Jersey Press

July 22, 1993

The President. Thank you very much, Mr. Vice President.

I'm sorry we are a little bit late. We had an unavoidable problem come up in the office a few minutes ago that we had to deal with. But I do want to echo a couple of things the Vice President said and make one or two specific points.

On Tuesday, the Chairman of the Federal Reserve Board, Alan Greenspan, appeared before the House Banking Committee. And in his testimony he said the most important thing we could do would be to urgently pass this plan for deficit reduction because there's no question that it is the primary thing driving down long-term interest rates and that the economy could absorb $500 billion in deficit reduction. And that plus trying to do something about the ever-increasing costs of health care to the Government budget and to the American people generally were two things which could give us a very vibrant economy. And I think he used the phrase, something like we could have more prosperity than we'd had in decades.

But I just want to emphasize that when you get outside of the political arena and you analyze this thing, there are Republicans as well as Democrats; there are small-, medium-, and large-sized businesses. Yesterday I had lunch with a significant number of small business people from around America, because most of the vocal support we have gotten for the economic plan had come from bigger businesses. And they were supporting the plan because of the capital gains incentives for investment in new businesses, enterprises that are capitalized at $50 million a year or less. They were supporting it because of the emphasis on research and development. They were supporting it because, frankly, over 90 percent of the small businesses in the country are in a position to get a tax cut under this bill with the expensing provisions, which says that if you invest more you pay less tax. They pay no income tax increase, and they can reduce their tax burden if they invest more. Now, you never get any of that in the rhetoric of our opponent, but that is the fact.

Let me make one other point. There's a lot of talk about spending cuts and people saying, well, there ought to be more spending cuts. Well, there are 200 specific spending cuts in this program, over 100 of them in excess of $100 million apiece. And when the Senate Finance Committee took up this economic plan and dealt with the spending cuts that were on the table, the Republicans on the committee did not offer one single spending cut in addition to the ones that we had put on the table. Not one, not one red cent. So it is very easy to talk in general terms about cutting spending and capping this and ''We'll figure out something later,'' and quite another thing to say, ''This is where we're going to cut the spending.'' And that's what we have done. And therefore, I think we put together a good and balanced plan.

I'm encouraged by the progress of the conference so far. There are still some difficult issues ahead and a lot of vote-getting to do, but the main thing is we have to resolve the uncertainty, keep the interest rates down, bring the deficit down, and get this economy moving again.

And that's why we're doing a whole series of these, and I'm glad to have so many of you from New York and New Jersey here. And if you have questions, I'll try to answer them.

Economic Program

Q. This scenario, as we heard today, to paint the picture of not passing this and economic catastrophe, is that your strategy for the next couple of critical days or critical weeks?

The President. No, I think we are going to pass it. But I think that if you look—there was an article in either the Times or the Wall Street Journal today, I can't remember which, which said there was a little bump up in the long-term interest rates yesterday because the bond markets, the people who

set these interest rates were afraid that maybe the Congress wasn't serious. I think they are serious. I think they will pass it. There is not a serious alternative. And there is no question that the failure to pass the budget would be a destabilizing effect on the economy. It would lead to an increase in long-term interest rates, there's no question about that. But I'm not trying to talk in terms of Armageddon. I want the Congress to do something that will move the country forward, that'll get energy back in.

I feel, frankly, quite good about what's happening. These are tough decisions. You know, the easy decisions had all been made by the time we got here. Anybody can write you a check and run the deficit up. It's quite another thing to have a disciplined plan to cut spending, increase revenues in a very fair way, and have a very targeted increase in investments in areas that will generate jobs. That's a much tougher thing to do.

Q. At our briefings today we were led to believe that you are moving towards the Senate version of this plan. Is that accurate?

The President. No, not quite. I think what is fair to say is, I think that any energy tax that comes out will be closer to the Senate version, not only in form but in dollars. It will be closer to the Senate version. But the House version has a lot of very important economic initiatives in it and one very important prowork, profamily provision that I believe should be in the final bill. And if I might, I'd like to just mention them very quickly, the things in the House bill which I believe should be either in the final bill, or the final bill should be more like the House bill than the Senate bill.

Number one, both bills dramatically increase the earned-income tax credit, which is, in effect, a tax reduction for people of middle incomes and lower incomes who work and therefore earn income and pay income taxes. It was appropriate for the Senate to lower the earned-income tax credit a little bit, because the energy tax was lower and it was really designed to make sure that nobody with a family income of $30,000 a year or less would pay any new taxes under this program. But the other major thing is that we want to be able to say that anybody who works 40 hours a week and has children in a home will not be in poverty after this plan passes, that we're going to reward work, we're going to encourage people to get off welfare. And the way it starts is by saying if you do work 40 hours a week, if you have a child in the house, you won't be in poverty. Let me give you an idea of why that's so significant. Eighteen percent of the American people in the work force today are living below the Federal poverty line. So I want some adjustment in the number that came out of the Senate so we'll be able to achieve that goal.

The second thing is, I think the House bill had a lot of economic incentives that ought to be in there. By the way, the ones I mentioned, you shouldn't infer from that that anything I forget to mention, I don't care about whether it gets in. I can't remember every issue, but let me just give you a few. I'm confident that the conference report will include the new business, small business capital gains tax. It's been pioneered by the chairman of the Senate Small Business Committee, Senator Bumpers, from my home State, and others. It is not particularly expensive, but it gives a very significant incentive for people to invest in enterprises capitalized at less than $50 million a year. I think they will take the surcharge off capital gains, which I hope will be done. I think they will do more on the research and development tax credit and more to revitalize the real estate markets than the Senate bill does. I think all those changes will come in, and I think that will give more of a progrowth, proinvestment, probusiness, and projobs shape to the final bill.

After all, keep in mind, the way the bill was structured was not simply to impose virtually all of the taxes on people with incomes above very high levels. Now, the bill will clearly have 70 percent or more of the tax burden on people with incomes above $200,000. The bill also was designed to say to those people, ''But you can ease that tax burden if, but only if, you turn around and invest in job-generating activities in the American economy.''

Yes, sir. You had a question back there.

Energy Tax

Q. There's a report out this morning from the Heritage Foundation that says the gas tax would affect eight or so States in particular, New Jersey among the hardest. There are other statistics that a Senator like Frank Lautenberg looks at and says——

The President. How does the gas tax affect New Jersey hardest? It's the most densely populated State in the country.

Q. If you drive between Philadelphia and New York, I guess.

The President. More single-car commuters?

Q. I haven't seen the report myself. But at any rate, Senator Lautenberg takes this and says that this plan is a bad deal for New Jersey. Is there any response that you have to that?

The President. Yes, I do have a response to that. Let me say, first of all, Senator Lautenberg's position is premised on two arguments. One is that New Jersey has a high per capita income. The second is that New Jersey gets a low per capita return in Federal aid. But the point I want to make to you is that those two things are inextricably related. That is, if New Jersey is the second highest State in the country in per capita income, obviously you will pay more taxes to the Federal Government, and you will get less Federal money in the income-based programs. Keep in mind, an awful lot of Federal money is spent on Social Security, Medicare, Medicaid, food stamps, and a lot of other things that are tied to income. So the richer you are, the lower you're going to be on the Federal payroll unless you happen to have a huge defense establishment. And even that, of course, is now ratcheting down.

But look at it the other way. New Jersey also has a lot of high-tech companies, a lot of entrepreneurs, a lot of people who are trying to make the future. Frank Lautenberg himself created a high-tech company and became a very successful person financially by creating a company with an idea and with technology. This is the most protechnology economic plan I think our country has ever adopted. We just had a press conference out here this morning with people in the communications industry on the plan that's in this economic program to auction 200 megahertz of communications in the spectrum, to open that up to commercial development. It's going to generate $7 billion to reduce the deficit and create up to 300,000 jobs in the next 10 years. The new business capital gains tax, the expensing provision for small business, more on research and development, the probusiness, projob growth aspects of this program, I think, have been largely lost. And to the extent that New Jersey has a better economic infrastructure than other places and an artificially high unemployment rate—both of which are true now, right?—historically low unemployment now high, strong economic infrastructure, New Jersey should do quite well from these economic incentives.

So I don't believe in terms of private sector job growth that the State will be hurt. But I understand the force of his argument, and I understand that it has a lot of appeal to voters, too, the first time they hear it.

Drug Policy Director

Q. Mr. Clinton, I wonder whether we could move to another subject on the minds of the region of New York.

The President. We'll answer any questions. Let's let the plane go over. Thank you.

Q. That's nice for us because we're television.

The State report on the riots was released, which greatly criticized the performance of your now drug czar, Lee Brown. And we're wondering, first, whether you're worried they may have damaged his credibility as drug czar. And also, as a secondary question, I was wondering what your general feelings are on the issue of the riots in New York and whether you might be paying a visit to perhaps help your embattled friend, Mayor Dinkins, there.

The President. Well, I haven't had any conversations about that issue one way or the other. I'll tell you about the Lee Brown issue. The report obviously came in an extended period of time after the riots themselves occurred. And I have not read it or reviewed it. I know generally what its conclusions were. If you read it in the light most unfavorable to Lee Brown, in other words if you say, "Well, they said that he didn't do a good job managing a riot with a police force," that wouldn't be the first police chief about whom

you could say that. And it would do absolutely nothing to undermine the irrefutable facts that he did a good job as police chief in Atlanta and Houston and in New York and that because of the intense and increased neighborhood policing systems that were inaugurated during his tenure, the statistics show that there was a drop in crime in many major categories for the first time in more than three decades during the time that he served. So I think, on balance, the people of New York were still much better off having had him as police chief, even if you read the report in the light most unfavorable to him. Whether the report is accurate or not, I just have no way of knowing.

Yes, sir.

Energy Tax

Q. Two questions, if you will, back on the economic subject. One is, by saying a moment ago that you think that any energy tax that comes out of this conference will be closer to a Senate version, are you saying that you're now ready to accept a gasoline tax?

The President. I'm saying just exactly what I said. I think that the dollar value and perhaps the form, but certainly the dollar value, of the tax that comes out of that conference will, I believe, be closer to the Senate version. And I think it should be now, because we've got some more spending cuts that we've put into the bill.

Yes, go ahead.

Terrorism in the U.S.

Q. The World Trade Center bombing brought a lot of attention to political asylum laws. That was several months back. Since then there's been a lot of speeches made. But still, if someone arrives at JFK this afternoon, the situation is the same. What can you say to the people of the metropolitan area that are worried about this?

The President. They have a right to be worried. We need to change. And just in the next few days we will have an announcement on that. We've had some people working on it for several weeks now. When I went to the G–7 summit in Tokyo, I asked the Vice President to try to coordinate their efforts a little better to make sure that we speeded up the process. And we'll have an announcement on that quite soon. That was a very good—it's very important.

I'll take a couple more. Go ahead, and then we'll do a couple more.

Campaign Promises

Q. Mr. President, one of the issues that's come up with gays in the military resolution and on this issue of the gas tax or Btu tax is when is a compromise appropriate and prudent? When is it a broken promise? And I'm curious to hear you talk a little bit about, in terms of judging your Presidency, should it be judged anymore on ''Putting People First'' and on all 232 pages there, what you fulfilled? When is a compromise, in your mind, on those issues legitimate? When is it a broken promise? And how does one judge a Presidency like your own?

The President. Well, the only commitment that I have myself abandoned on my own initiative was the one that I went before the American people and told them about on February 17th, and that was the commitment not to have any sort of tax burden on the middle class. We're now down to about $50 a year. And I explained to the American people why I did that: because the deficit was written up so much bigger after I got elected, and because I thought it was important to get the deficit down, and I thought they'd be better off over the long run, and that I still believe that the tax system ought to be changed to be more fair to middle class families, especially those with children, and I had a 4-year term to try to get it done. And I think when a President has to break a campaign commitment, the best way to do it is to go before the American people and say, ''Here's what I had to do and why.''

Now, we also, frankly, clearly delayed what I said I would do on immigration of Haitians. And I've already explained why on that. But we are working through this whole immigration policy in a way that I think will allow us to return to the policy I advocated in the campaign.

When you compromise, I think the question is almost always: What are your alternatives, and are the people you're trying to help and the objectives you're seeking to further better off? I can hardly add anything to what Barney Frank said in his op-ed piece

on the gays in the military, for example, in the Washington Post, I mean, the idea that no President in the history of this country has ever tried to take on this issue, no candidate running for President had ever really spoken to the issue before I did. I don't ask for any kudos for that, that's just a fact. I think the consciousness of the American people is different and broader as a result, and I think that the question of the compromise here is a pretty clear one.

If you look at it in words, the compromise is more restrictive than what I wanted and what I would like to do today. I think people ought to be able to say they're gay and serve and obey all the rules. But I couldn't get that past the Joint Chiefs, who are bound to follow my orders, but they're also bound by law to tell the Congress the truth about what they think when asked by Congress. That's also the law of the land, and that would have led to a certain reversal of the policy by the Congress. Everyone who lives in this town knows that. So—let me finish—on the other hand, as a practical matter, the Joint Chiefs and the Secretary of Defense, working together and then with me, agreed to provide much more practical protection for the privacy and associational rights of all members of the armed services, without regard to their sexual orientation, than existed before in ways that will clearly advance the cause that we all know is a fact: that there are homosexuals who serve in the Armed Forces with great distinction.

So the question is: Was it a good compromise or an abandonment of principle? Should I have made everybody feel better for a day and then watch their hopes dashed and see Congress maybe even return to the status quo ante, which was—the first battle we won on that was getting the Joint Chiefs to stop asking at the beginning of the year. Is it better off? I have nothing to add to what Barney Frank said. I think that it was an honorable compromise by honorable people, and we did the best we could.

And on the economic plan, what I said about that in the campaign, and the only thing I ever said about that with regard to the gas tax, was that I thought raising the gas tax a nickel a year in a 5-year budget plan was too much. And I still believe that. The gas tax now being debated is a lower tax on fuel than the Btu tax which passed the House. It is a lower tax on fuel than the Btu tax that passed the House. Therefore, there is nothing dishonorable or dishonest about what would happen.

I think if you look at what this administration has done—we've taken on the deficit; we're taking on health care; we're taking on welfare reform. We're about to get national service, being debated in both Houses today. We passed a campaign finance reform bill, a lobby bill, and the line-item veto, all things I advocated, through one of the two Houses of Congress. If you go back to the last several years, it would be hard to find a 6-month period earlier in a Presidency in which more had been done on more issues to fulfill the specific commitments I made in the campaign and to actually get things done that will change the lives of the American people.

So I think it is indeed a strange measure of the progress of our administration that these negative comments would come out. I mean, my predecessor had been Vice President for 8 years and didn't announce a foreign policy until August. You know, I got in here, and I got up here every day and went to work, and that's what I'm going to keep doing. But anyway, that would be my distinction between those two things.

Business Entertainment Tax

Q. Some may think the business reduction tax is elitist. But in New York City, that is the heart and soul of New York. Some analysts say that over 1,000 jobs may be lost, and these are middle class jobs.

The President. The business entertainment tax, you mean?

Q. Yes. And these are middle class jobs.

The President. Absolutely they are.

Q. Busboys, dishwashers, waiters. How can you do something in such a town that really needs this? We're in the middle of a recession in New York. We're not slipping into one; we are in a recession.

The President. First of all, New York needs a lot of things. And my own judgment is—not just New York, New Jersey, Arkansas, you name it. California is in terrible shape. We've got a lot of things to do in this country.

My response would be twofold. Number one, I think that New York will gain far more from a stable, credible deficit reduction plan and the other business incentives that we are putting into the law than you will lose by a restriction on the entertainment deduction. Number two, when the entertainment deduction was reduced before from 100 to 80 percent, the same claims were made against the reduction. And afterward a study concluded there was no loss of jobs. I believe the American people will continue to travel, and I believe more and more American people will continue to eat out as more families have two income earners and work longer hours. I think there are large social forces at work here which make it highly unlikely that a job loss will occur.

Yes, sir.

Deficit Reduction

Q. Chairman Greenspan the other day said that $500 billion of deficit reduction was about the right size as a first installment, that you have to revisit this issue. Do you expect to be proposing another deficit reduction plan of this magnitude in your first term here?

The President. Well, I think that we will point the way toward eliminating it altogether. And let me explain what I mean by that. Chairman Greenspan and I have discussed this at great length, and we discussed whether there was an analogy here to what Japan did from the mid-seventies to the mid-eighties when they had a comparable operating deficit to ours. And they took it down to zero and actually began to run a surplus. But they took, as I recall, somewhere between 9 and 11 years to do it. I can't remember exactly. But I saw a chart in one of the papers here represented, I just can't remember which one, which showed how long they took.

I believe that in order to move the deficit down beyond where it is now, if you look at it, it's clear what you have to do. You have to pass a health reform plan that brings health care costs in line with inflation plus population growth. That's what you have to do. If you go back and look at this budget, if you look at discretionary domestic spending, it's flat for 5 years now. That is, everything we increase in education, in technology, in defense conversion, we cut in some other area. Defense goes down. The only thing that's really going up in this budget besides cost-of-living increases for Social Security and much more modest pay increases for military and civilian employees, is a 9 percent increase in health care costs, which is down from the projected 12 percent per year increase in the budget before I took office. So Greenspan is right. If you want to get this deficit down, the next thing is to bring health care costs down to inflation plus population.

The other point I would make is there is the chance that this deficit reduction will be greater than we think because of lower interest rates, if we can keep them down long and if we can have good economic growth. I noticed the other day in an article in the Philadelphia Inquirer, a lot of budget analysts were interviewed on the validity of this plan, and the one for Price Waterhouse said that this was the most honest budget plan presented to the Congress in more than a decade, and the only thing I might be off on is it might well produce more deficit reduction. So we just don't know.

Deputy Counsel Vincent Foster, Jr.

Q. Can we just ask you about Mr. Foster? Is there anything more——

The President. No.

Q. Have you learned anything at all?

The President. No, and I don't think there is anything more to know. His family, his friends, his coworkers, we've been up real late two nights in a row now, remembering and crying and laughing and talking about him. I don't think there is anything else.

NOTE: The President spoke at 3:54 p.m. in the East Garden at the White House. He was introduced by the Vice President. A tape was not available for verification of the content of these remarks.

Remarks to the American Legion Girls Nation

July 22, 1993

The President. Thank you very much. Thank you. Please be seated. It's wonderful

to have you in the Rose Garden today. As I think all of you probably know, I, myself, owe a great deal to the American Legion for sponsoring this wonderful program that teaches our young people so much about our country and the responsibilities of citizenship. Boys Nation made a major impact on my life and very much inspired the career that I subsequently pursued in public service. Like many of you, I was just a high school student from a fairly small town—I had never been to Washington before, and I never knew whether I'd ever get to come—when I stood here, right over there in that corner 30 years ago this week and had the opportunity to hear President Kennedy speak.

I was reviewing an article in a paper from that week before I came out here to speak with you, and I noted that when President Kennedy spoke to our group, he actually got into some hot water by saying that our group, in adopting a civil rights resolution in the early sixties, had acted more responsibly than the Nation's Governors who were meeting at the same time. He said we had shown more initiative than the Governors. Well, we loved it, but somehow the Governors didn't.

And so I would say to you, I don't want to make any other group mad, but I hope you today will leave here with a real sense of initiative. It's very important not only that we have convictions and feelings and concerns but that we act on them. Every program that I have pursued, every challenge I have laid down has been animated by a desire to get the American people to assume more responsibility for themselves and their neighbors, to offer more opportunity to all people, and to rebuild a sense of community, a sense that we are all in this together, that we share a common destiny, and that we will be more likely to achieve our individual capacities if we work together.

With the help of young people all across the country, we were able to pass and we had a wonderful signing ceremony on the motor voter bill, which many of you will be familiar with, which makes it much easier for people to register and vote. Together with other groups of young people, again from all over America, we are on the verge of passing an historic bill for national service that will make it possible for millions of young people to get much lower interest college loans and pay them back on more favorable terms and, over the next few years, for hundreds of thousands of them to work off a portion of their loans by giving some service to their community, either before, during, or after college. This will help to build America by strengthening the bonds of community, offering people the chance to take more responsibility for their own lives, and really creating opportunity that wasn't there before.

We're also trying to improve your future by cutting the Federal deficit by $500 billion over the next 5 years. In 1980, the entire debt of our country amassed since George Washington became President was $1 trillion. From 1980 to 1992, that debt grew to about $4 trillion, quadrupling in only 12 years. Now, when a problem like this gets that severe, you can't solve it all at once. The spending cuts and tax increases it would take just to do away with the deficit in 4 years would be so severe as to undermine our economic recovery. But we're in a box. If we don't move on the deficit now, we can't have any economic recovery, either. And because of the progress which has been made, interest rates are coming down, and we're moving forward.

You should know that you're not only moving into a time when the global economy offers you unparalleled, exciting opportunities but where it also presents some mysteries to us that no one quite understands. For example, almost all of the wealthy countries are having difficulty creating new jobs, even when their economy is growing and certainly when the economy is not. And so this economic program that I have offered not only seeks to reduce the deficit by cutting spending and raising taxes, 70 percent of which will fall on people with incomes above $200,000, it also seeks to help people to create jobs. Ninety percent of the small businesses in America will be eligible for a tax cut under this plan if they invest more money in their businesses to create jobs—new opportunities for people to avoid higher income taxes, but only if they invest in companies that will create jobs. We have got to find a way to make sure that if all of you go to college and all your classmates go to college and everybody plays by the rules, there will be

something for them to do when the effort is over.

Thirty years ago, when the delegates from Girls Nation came to the White House in the same summer that I was here, my next-door neighbor represented our State at Girls Nation. It was a great thrill for me, and she's still one of my closest friends. Just last week when I went home, she got some of our high school friends together, and they and all their children, there must have been 30 of us in her home having dinner together. And when she was here where you are, President Kennedy told the young women there assembled that it might be possible for one of them to become President, but it was not likely. And almost as a consolation prize, he said, ''At least I'm sure I'm talking to a future First Lady.'' Well, today a lot of things have changed. First of all, I think that it is a very honorable thing to be the First Lady. Some day there will be a First Man. And I think it is not unlikely that 30 years from now the delegates from Girls Nation may well be in the Rose Garden being addressed by a woman President who is in this crowd today.

Again, let me wish you well, and thank you for coming here. Let me tell you that the 30 years that have passed since I sat where you are today have passed in the flash of an eye, that I hope for all of you a rich and full life, and I would encourage you to focus on the point I made earlier: You came here to learn about your country, your history, your opportunities, and your responsibilities as citizens. None of it matters very much unless you not only think and feel but also act.

Good luck, and God bless you.

Let me also say, I'm going to embarrass somebody who's here maybe a little bit. There are other things in life after a Girls Nation or Boys Nation than being President. I just learned that my military aide came to Girls Nation. Raise your hand. This is Major Michelle Johnson, the United States Air Force. She is from Iowa, graduate of the Air Force Academy, Rhodes scholar, terrific athlete. I told her someday I was sure I'd be saluting her and calling her general. So that also is something that you might do with your life that you couldn't have done perhaps a few years ago.

I'd like to now ask Joann Cronin to come up and take over the program.

[*At this point, the President was presented with gifts.*]

I saw the first resolution was the sex education one. That's one I said I was for. You may know that tomorrow the hearing begins on the appointment I made of an African-American doctor, the director of the department of health in my home State, to be the Surgeon General of the United States. And we caused a lot of controversy because we tried to promote comprehensive family education, parenting education, and we did our best to reduce the scourge of teenage pregnancy in our State, not by denying it but by embracing the challenge. And I appreciate the resolution that you sent. I will also review the other resolutions.

On Saturday—you mentioned 30 years from now—Saturday your counterparts from Boys Nation will be here, and we're going to have a 30-year reunion of my class Saturday at noon when they're here. So I'm looking forward to it. One of the things that happens when you run for President is that the people you haven't seen in a long time show up, and that's mostly good. So I'm looking forward to it.

Now are we going to take a picture? Is that the way we're going to do it? And then aren't we going to take a group photo also? Okay, great.

NOTE: The President spoke at 4:47 p.m. in the Rose Garden at the White House. In his remarks, he referred to Joann Cronin, national Girls State director. A tape was not available for verification of the content of these remarks.

Exchange With Reporters Prior to a Meeting With Chairman Stanislav Shushkevich of Belarus

July 22, 1993

Surgeon General Nominee

Q. Mr. President, are you confident that Dr. Elders has the answers to the questions she'll be asked tomorrow?

The President. I think she'll do very well.

Let me also say while Chairman Shushkevich is here that I am very honored to have him here in the White House. And I want to thank him publicly for the support his country has given to the nonproliferation regime and to START I. We're going to have a good partnership. I look forward to its development. And I very much appreciate the fact that he has come here off of a successful commitment by his nation to be nonnuclear. And it means a lot to the United States and to the world.

Midwest Disaster Assistance

Q. Are you concerned about getting the flood money from the House, sir?

The President. No, not from what I heard about that. I think it's okay.

NOTE: The exchange began at 5:40 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

Proclamation 6581—National Veterans Golden Age Games Week

July 22, 1993

By the President of the United States of America

A Proclamation

Today, as many veterans reach their senior years, they are discovering the benefits of physical fitness and recreational activity. In Department of Veterans Affairs (VA) medical facilities, recreation has become an established part of the rehabilitation process. VA experience and research show that sports and competitive involvement can be enriching because of their physical benefits and because of their role in enhancing social, emotional, and psychological well-being.

Recognizing the need to establish meaningful activities for a rapidly growing number of aging veterans, the VA established the National Veterans Golden Age Games in 1983. Since then, numerous veterans have boosted their health and aided their rehabilitation through participation in this showcase program. These competitors remind us of the value of continued physical activity throughout a person's life and the physical goals and fulfillment we can achieve, regardless of age. These games demonstrate that age is no barrier to living life to its fullest.

The 7th National Veterans Golden Age Games, being held at Mountain Home VA Medical Center in Johnson City, Tennessee, offers a multi-event program of recreational competition for veterans, aged 55 and over, who are currently receiving VA medical care. Veterans whose military service covers the span of American history from World War I to Vietnam will participate.

The Congress, by House Joint Resolution 190, has designated July 17, 1993, through July 23, 1993, as ''National Veterans Golden Age Games Week'' and has authorized and requested the President to issue a proclamation in its observance.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim July 17 through July 23, 1993, as National Veterans Golden Age Games Week. I urge all Americans to observe the week by remembering our hospitalized older veterans as they struggle to overcome infirmity and disability and to renew their own commitment to personal well-being through healthy recreational activity.

In Witness Whereof, I have hereunto set my hand this twenty-second day of July, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and eighteenth.

William J. Clinton

[Filed with the Office of the Federal Register, 2:27 p.m., July 23, 1993]

NOTE: This proclamation will be published in the *Federal Register* on July 27.

Statement by the Press Secretary on the President's Meeting With President Jean-Bertrand Aristide of Haiti

July 22, 1993

President Clinton held a cordial and constructive meeting this morning with President Jean-Bertrand Aristide of Haiti. The

meeting lasted about 30 minutes. This was their first meeting since the signing of the so-called Governors Island agreement on July 3, although they spoke by telephone on July 4.

The President commended President Aristide on his signing of the agreement, which establishes a sound timetable for the restoration of democracy and for Aristide's return to Haiti on October 30, just 100 days from now. The President described the agreement as an historic step forward for democracy, economic prosperity, and freedom for Haiti. He reaffirmed that the United States will continue to play a leadership role with the international community in helping foster a better life for the Haitian people.

The President and President Aristide discussed the steps that need to be taken to fulfill the terms of the agreement, including the naming of a new Prime Minister by President Aristide in consultation with members of the Haitian Parliament.

Statement by the Press Secretary on the President's Meeting With Chairman Stanislav Shushkevich of Belarus

July 22, 1993

In an Oval Office meeting, President Clinton today congratulated the head of state of Belarus, Stanislav Shushkevich, for the historic decision his country has taken to join the Non-Proliferation Treaty (NPT). The President praised Chairman Shushkevich for the support Belarus has given to the cause of nonproliferation.

The President noted that Belarus is the first of the newly independent states of the former Soviet Union to fully honor its commitments under the Lisbon Protocol to ratify START and accede to the NPT. He applauded this courageous step, stating that under the leadership of Chairman Shushkevich, Belarus has been in the forefront of the global effort to safeguard mankind from the threat of nuclear destruction.

The President announced that this week our countries have signed three agreements providing for $59 million in assistance under the Nunn-Lugar legislation for projects aimed at dealing with the legacy of nuclear weapons in Belarus. We expect to be working closely with Belarus in the near term to develop additional projects.

President Clinton also stressed the strong interest of the U.S. in expanding economic ties with Belarus, particularly in trade and investment opportunities for American and Belarusian firms. He expressed his hope that the U.S. and Belarus will conclude soon a bilateral investment treaty, a tax treaty, and a Peace Corps agreement.

Chairman Shushkevich's visit to Washington represents the President's first official meeting in the United States with the head of state of one of the newly independent states.

Remarks on National Service Legislation and an Exchange With Reporters

July 23, 1993

The President. Good morning, everybody. Before I leave I'd like to make a couple of comments, if I might.

First of all, I was frankly somewhat disappointed yesterday at the delay in the progress of the national service legislation in the Senate. This is one idea that all Americans should be able to agree on. We know we have broad bipartisan support. Several Republican Senators have told us that they like the bill and intend to support it. And I very much hope that next week whatever considerations were moving the Republican Senate toward filibuster will evaporate.

Mr. Segal and all the people supporting national service have worked hard with Republicans and Democrats from the inception of this legislation. We have a very large number of Republican supporters in the House of Representatives, as well as the Democrats, and significant support in the Senate. And this is not the bill to delay. America needs this. It's a very important part of our efforts to open the doors of college education to all Americans and give hundreds of thousands of young Americans over the next few years a chance to serve their country while earning

credit against their college costs. I think it's very important that we move on it.

The next thing I would like to say is I'm very encouraged and I have very positive feelings about the progress made in the conference on the budget plan. The conferees are obviously determined to move toward the largest deficit reduction package in history and to do it in a way that promotes growth and jobs. I was quite encouraged that some of the provisions that were agreed on yesterday were those that I think are important to encourage people to invest in new jobs in this country, including the provision long championed by Senator Bumpers to give a significant tax break to people who make investments of 5 years or longer in new businesses and smaller businesses in this country. So I think we're off to a good start on that, and I'm very hopeful about the spirit that is prevailing in the conference today.

Deputy Counsel Vincent Foster, Jr.

Q. Mr. President, do you have any update on the Park Police or the Justice Department on Vince Foster and the investigation?

The President. No. It's just a normal, routine thing that would be done. I don't think anything's going to come out other than what you already know.

Q. What will you say about your friend in Arkansas?

The President. That he was a wonderful person. That I don't think that any of us will ever know exactly why his life ended the way it did. But today I think that we should all determine not to judge his life by the way it ended solely. He was a terrific friend, a great father, a great husband, a great lawyer. He was one of the ablest and best people I ever knew in my life. That's what makes this day the more painful. But we have to accept the fact that there are many things we're not in control of, many things we don't understand, and we have to be grateful for what his life was.

Thank you.

Midwest Disaster Assistance

Q. The floods—what about the funds, and are they playing politics on the flood issue?

The President. Who?

Q. The House?

The President. I don't think we should read too much into that. Let's wait and see what happens next week. There are people in the House that have very strong feelings about the procedures by which matters should be brought to vote and debated, and I think that's what's going on. I wouldn't read too much into that one way or the other. Let's wait and see what they do. I think they'll work through it next week.

Thank you.

NOTE: The President spoke at 8:15 a.m. on the South Lawn at the White House prior to his departure for Little Rock, AR. A tape was not available for verification of the content of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

July 17

In the morning, the President traveled to St. Louis, MO, where he took a helicopter tour of damage caused by severe flooding.

In the afternoon, the President traveled to Little Rock, AR.

July 18

In the afternoon, the President returned to Washington, DC.

July 19

President Clinton declared major disasters exist in Nebraska and South Dakota as a result of severe storms and flooding and ordered the Federal Emergency Management Agency to provide assistance to affected individuals and communities in those States.

July 22

The White House announced the President will travel to Chicago, IL, on July 26 to address the Conference on the Future of the American Workplace sponsored by the Departments of Commerce and Labor.

The President declared a major disaster exists in Kansas as a result of severe storms and flooding and ordered the Federal Emergency Management Agency to assist individuals and families in a five-county area.

The President announced the appointment of the following Senior Executive Service officials:

Agency for International Development
Richard McCall, Jr., Chief of Staff

Department of Commerce
Will Martin, Special Adviser for International Affairs, NOAA

Department of Defense
Keith Gaby, Director of Intergovernmental Affairs
Jonathan Spalter, Special Assistant to the Principal Deputy Under Secretary for Policy
Timothy Connelly, Principal Deputy Assistant Secretary for Special Operations and Low Intensity Conflict
Carol DiBattiste, Principal Deputy General Counsel of the Navy
Sandra Stuart, Assistant to the Secretary for Legislative Affairs
Todd Weiler, Deputy Assistant Secretary of the Army for Training
Wade R. Sanders, Deputy Assistant Secretary of the Navy for Reserves
Joseph J. Kruzel, Deputy Assistant Secretary, European and NATO Policy

Department of Education
Howard Ray Moses, Deputy Assistant Secretary for Special Education and Rehabilitative Services
Raymond C. Pierce, Deputy Assistant Secretary, Office of Civil Rights
Thomas R. Wolanin, Deputy Assistant Secretary, Office of Legislation and Congressional Affairs

Department of Energy
Dan W. Reicher, Principal Deputy Assistant Secretary, Office of Environmental Restoration and Waste Management
Terry Cornwall Rumsey, Director, Office of Scientific and Technical Information

General Services Administration
Patrick Dorinson, Assistant Administrator for Public Affairs
Emily Clark Hewitt, General Counsel
Kenneth Kimbrough, Commissioner of Building Services

Department of Health and Human Services
Anna Durand, Deputy General Counsel
Ann Rosewater, Deputy Assistant Secretary for Policy and External Affairs, Administration for Children, Youth and Families

Department of the Interior
Robert L. Baum, Associate Solicitor (Conservation and Wildlife)
Anne H. Shields, Deputy Solicitor

Department of Justice
Samuel J. Dubbin, Deputy Assistant Attorney General, Office of Policy Development
George Havens, Special Assistant, Office of the Attorney General
Sheldon C. Bilchik, Assistant Deputy Attorney General
Robert Brink, Deputy Assistant Attorney General, Office of Legislative Affairs

Department of State
Barbara Mills Larkin, Deputy Assistant Secretary for Legislative Affairs
Valerie A. Mims, Deputy Assistant Secretary for the Bureau of Legislative Affairs

Department of Transportation
Theodore A. McConnell, Chief Counsel, Federal Highway Administration

Department of the Treasury
Fe Morales Marks, Deputy Assistant Secretary (Financial Institutions)
Mozelle Willmont Thompson, Deputy Assistant Secretary, Government Finance

David A. Lipton, Deputy Assistant Secretary for Eastern European and Former Soviet Union Policy

Office of the United States Trade Representative
Irving A. Williamson, Deputy General Counsel
Jennifer Hillman, Chief Textile Negotiator

July 23

In the morning, the President traveled to Little Rock, AR, where he and Hillary Clinton attended funeral services for Deputy White House Counsel Vincent Foster, Jr., at St. Andrew's Cathedral and Memory Gardens Cemetery.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted July 20

Louis J. Freeh,
of New York, to be Director of the Federal Bureau of Investigation for the term of 10 years, vice William S. Sessions.

Gaynelle Griffin Jones,
of Texas, to be U.S. Attorney for the Southern District of Texas for the term of 4 years, vice Ronald G. Woods.

Karen Elizabeth Schreier,
of South Dakota, to be U.S. Attorney for the District of South Dakota for the term of 4 years, vice Philip N. Hogen.

Judith Ann Stewart,
of Indiana, to be U.S. Attorney for the Southern District of Indiana for the term of 4 years, vice Deborah J. Daniels.

Walter Michael Troop,
of Kentucky, to be U.S. Attorney for the Western District of Kentucky for the term of 4 years, vice Joseph M. Whittle.

Submitted July 22

Graham T. Allison, Jr.,
of Massachusetts, to be an Assistant Secretary of Defense, vice Stephen John Hadley, resigned.

Robert T. Watson,
of Virginia, to be an Associate Director of the Office of Science and Technology Policy, vice Donald A. Henderson, resigned.

Sheila E. Widnall,
of Massachusetts, to be Secretary of the Air Force, vice Donald B. Rice, resigned.

Frank Eugene Kruesi,
of Illinois, to be an Assistant Secretary of Transportation, vice Stephen T. Hart.

Jay E. Hakes,
of Florida, to be Administrator of the Energy Information Administration, Department of Energy, vice Calvin A. Kent, resigned.

Submitted July 23

Walter F. Mondale,
of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released July 17
Joint Statement Between the United States and Russia on Cooperation in Space

Released July 19
Transcript of a press briefing by Press Secretary Dee Dee Myers

Nominations of four U.S. Attorneys

Directive by Secretary of Defense Les Aspin on the policy on homosexuals in the Armed Forces

Released July 20

Transcript of a press briefing by Press Secretary Dee Dee Myers

Released July 21

Transcript of a press briefing by Small Business Administrator Erskine Bowles

Transcript of a press briefing by Chief of Staff Thomas F. (Mack) McLarty and Director of Communications Mark Gearan

Statement by Chief of Staff Thomas F. (Mack) McLarty on the death of Deputy White House Counsel Vincent Foster, Jr.

Obituary of Deputy White House Counsel Vincent Foster, Jr.

Transcript of remarks by White House Counsel Bernard W. Nussbaum at a White House staff meeting

Released July 22

Transcript of a press briefing by Press Secretary Dee Dee Myers

Joint declaration on relations between the United States and the Republic of Belarus

Released July 23

Transcript of a press briefing by Vice President Albert Gore, Jr., Chairman of the Council of Economic Advisers Laura D'Andrea Tyson, Secretary of the Department of Labor Robert Reich, and Secretary of Commerce Ron Brown

Acts Approved by the President

Approved July 22

H.J. Res. 190 / Public Law 103–53.
Designating July 17 through July 23, 1993, as ''National Veterans Golden Age Games Week''