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ed 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.

Interview With the Wisconsin Media
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.

Interview With the Louisiana Media
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 directed 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 busi-