

row money in all probability is going to save more money in lower-interest rates than they'll pay in higher taxes.

*Mr. McCarthy.* Mr. President, one of the thrusts of your campaign was jobs. There would be more jobs. Jobs, jobs, jobs would be created. If the business climate isn't good, if there isn't an opportunity for businesses to do well, to be successful, there will be fewer jobs. I mean, that's just simple economics, isn't it?

*The President.* That's right, but simple economics dictate that the President of the United States stop telling everybody what they want to hear and start telling the truth. That's what simple economics dictate. I mean, in 1981 we cut taxes and increased spending and nearly bankrupted this country over the next 12 years, and we've been paying for it ever since, so that we had very high long-term interest rates, and credit was expensive, and job generation was weak. That's a problem, by the way, for wealthy countries throughout the world. Even Japan's having trouble creating jobs now. But look what's happened since I announced my plan and it started to pass its way through Congress, just in the last 4 or 5 months. First, we've had 755,000 new jobs in this economy, over 90 percent of them in the private sector, in the first 4 months of this administration. In the previous 4 years, we only had a million jobs. Second, in construction, part of the economy very affected by interest rates, in the first 4 months we had 130,000 new jobs, that's the biggest increase in 9 years. Has that affected every State and every community yet? No, but it shows that we are really moving in the right direction. If we can get everybody in this country to refinance their home loans, their business loans, to take available credit because interest rates

are lower, that will put tens of billions of dollars back into this economy to create jobs.

*Mr. McCarthy.* What inflation rate, sir—I don't mean to interrupt you, but we're short on time—what inflation rate would you be happy with one year from now?

*The President.* The lowest possible one. But if we got unemployment down to a very low level and every American had a job, it might be a tad higher than it is now, but right now we think we're in good shape on inflation. What we need in America are more jobs and higher incomes, and that's what we're working on. So, this is a job-creating strategy we're following, and I believe it will work.

#### *Counselor to the President*

*Mr. McCarthy.* How is David Gergen doing in his new job?

*The President.* He's doing very well. He's a good man. We've been friends a long time and—

*Mr. McCarthy.* Is the Washington press corps still braying at the moon, sir? [*Laughter*]

*The President.* I don't even know how to answer that. The moon still comes out here, though, at night, and the sun comes up in the morning.

*Mr. McCarthy.* President Clinton, a pleasure to talk to you today. Thank you very much for spending the time. I hope you get a chance to visit us.

*The President.* Me too. See you.

NOTE: The interview began at 12:30 p.m. The President spoke from the Roosevelt Room at the White House. In the interview, he referred to journalist Bob Talbert of the Detroit Free Press.

## Interview With Phil Adler of KRLD Radio, Dallas, Texas

June 21, 1993

*Mr. Adler.* Mr. President, are you there?

*The President.* I am, Phil.

#### *Economic Program*

*Mr. Adler.* Good morning to you. We think that a lot of people responded to a theme, or at least I think so, in the Presidential campaign of sacrifice to cut the deficit as long as that

sacrifice is equal. The Btu tax was designed originally on the concept of equal sacrifice. But then all of these exceptions were added, and it really makes it appear that it's one of the most complicated proposals ever. Did you make a mistake allowing all the special exceptions to be included in the Btu tax?

*The President.* Well, I didn't allow them all to be included. Some of them were included in the House of Representatives bill, and I didn't agree with all of them. But let me say what I think was a good criticism of the tax and that is that we wanted the tax to restrain energy consumption in ways that promoted energy conservation and also supported fuel switching to more environmentally beneficial and more available natural gas. That bill, as drawn, would be a big boon to the natural gas industry in Texas and Oklahoma and throughout the United States. And that's one of the things we were trying to do. Now, some of the oil companies didn't like it, but the people that were in the gas business liked it. We had a big Texas gas company, headed by a person who strongly supported President Bush in the last election, endorsed the economic program. ARCO and Sun Oil both endorsed the economic program, including the Btu tax.

So Secretary Bentsen, who, as you know, has represented you in the Senate for a long time, offered the Senate a modified Btu tax which, instead of having all those particular exemptions, would basically have alleviated the burden of the Btu tax on industry and agriculture on the production sector but still given them an incentive to move toward natural gas wherever possible and would also have cut the Btu rate and would have replaced that with more spending cuts.

From my point of view, unfortunately, we couldn't pass that through the committee because Senator Boren had said he wouldn't vote for any tax based on the heat content of fuel. But I still think it was a good concept, and it will be interesting to see what happens if the Senate's version of the economic plan passes, to see what happens in the conference and what we come up with.

*Mr. Adler.* What we have now is a gasoline tax that's been passed by the Senate committee, and you've called that regressive in the past. How can you sell that, if you have to, to House Members who did risk some political capital by supporting you on the Btu tax?

*The President.* I think anything that comes out has to be a combination of agreement between the House and the Senate. It's hard to get 218 House Members and 51 Senators to agree on anything that's tough. I mean, everybody can talk about cutting the deficit, but it's one thing to talk about it and quite another

to do. But I think they'll be able to do it. No one was particularly happy with the form of the Btu tax, or very few people were, that passed the House, but everybody thought that Secretary Bentsen could come up with a plan that would make it good for the economy and could achieve what we were trying to do in terms of promoting domestic energy, and I think he did. The Senate preferred a tax that was a gas tax and a tax on some other fuels. It, at least, is small enough so that it is not particularly unfair to people in rural areas. It's not as big as what some had wanted, and certainly I did not want just a big old gas tax. I thought that was unfair.

I also think it's important to point out in Texas, in light of the rhetoric in the recent political campaign, that it is simply not true that there is no spending cuts in this plan. There's \$250 billion in spending cuts, and they affect everything. They affect agriculture and veterans and Medicare and the whole range of discretionary spending of the Government. They affect foreign aid; they affect defense. There are sweeping, broad-based spending cuts in this program. And the tax increases, two-thirds of them, fall on people with incomes above \$200,000, three-quarters on people with incomes above \$100,000. Families of four with incomes below \$30,000 are held harmless, and people who work for a living 40 hours a week and have kids in the house who are now in poverty would actually be lifted above poverty by these tax changes in ways that promote the movement from welfare to work. So this is a fair and balanced plan.

It was developed, and in a very aggressive way, by Lloyd Bentsen and by Leon Panetta, who used to be chairman of the House Budget Committee, to be fair, to have equal spending cuts in taxes, and to drive the deficit down so we could bring interest rates down. That's good for Texas, and that's good for everybody in America. And also, it leaves some room for investments that are critical to our future. And as you know, I support—you were implying this before I got on—I support the space station and the super collider projects because I think they're good for America's future. And if you're going to spend money on those things, you have to spend money on them. You can't play games; they do cost some money.

*Space Station and Super Collider*

*Mr. Adler.* Mr. President, how long can you guarantee that support for the super collider and the space station? Will they fall if that's the only way to meet your overall deficit reduction goal?

*The President.* Well, my overall deficit reduction goals can be met in my plan with the space station and the super collider. I do want to emphasize that we've already shaved \$4 billion off the 5-year budget for the space station and some money off the 5-year budget for the super collider by redesigning the space station, based on a team of exceptional national experts who analyzed the project and recommended that it be redesigned and also that NASA's management be changed rather dramatically. And we just delayed the implementation schedule on the super collider some, so that none of the opponents of the space station and the super collider could claim that there had been no spending cut there.

So we have done that. But I strongly feel it would be a mistake to abandon those. Now, I would be less than candid if I didn't tell you that there are a lot of people in other parts

of the country who want to cut those projects. There was always a lot of opposition to them, and because of the last election and all of the rhetoric and all the claims in Texas that there were no spending cuts in this budget, that has given real energy to the opponents of the space station and the super collider. It wasn't true that there were no spending cuts, but there are a lot of people up there who have been wanting to kill these projects for years who are just gleeful at the way the rhetoric in the last election played out in Texas. They think that they have been given a license by the people of Texas to kill the space station and the super collider. And it's going to be very much harder for me to keep them alive. But I'm doing the best I can.

*Mr. Adler.* Mr. President, I'm informed that our time has run out, by one of your aides, I believe. Good to talk with you this morning.

*The President.* Thank you. I enjoyed it.

NOTE: The interview began at 12:42 p.m. The President spoke from the Roosevelt Room at the White House.

## Interview With Tim Scheld of WCBS Radio, New York City

June 21, 1993

*Mr. Scheld.* Good afternoon. President Bill Clinton, joining us from the Roosevelt Room of the White House this afternoon. A good decision, Mr. President, since it is as hot and muggy as you're going to get in New York City today. Be happy you're inside and in Washington, DC.

*The President.* It's pretty hot and muggy here, too, Tim.

*Mr. Scheld.* I heard you were jogging this morning in a lot of fog. No fog anywhere in New York City. We're looking for some, so bring some up here, please, next time you come.

*The President.* I had a great time today, for all the joggers listening to you. I got to run with John Fixx, who is the son of the famous runner Jim Fixx, who died about 9 years ago but made a real contribution to what all of us who love jogging know as the sport.

*Mr. Scheld.* Yes, but the question now is do you run with Michael Jordan tomorrow?

*The President.* I'd love to do it if he were willing.

### *Economic Program*

*Mr. Scheld.* I appreciate you taking the time with us here on WCBS this afternoon. The Senate begins debate on the all-important economic package, but its ultimate shape, as you know, will be determined by the Joint House-Senate Committee probably beginning the 1st of July. Will we see the Btu energy tax proposal be reborn out of that committee, Mr. President? What kind of specific new energy taxes should the American people expect?

*The President.* Well, first let me say that before we can start that conference, Senator Moynihan has got to shepherd this bill through the Senate, and that's not going to be all that easy. I think we can do it. But there's been so much rhetoric around this economic program and so