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to Wilma Rudolph, to Ted Williams, and to all of you who are here tonight, I thank you for lending your dignity to this occasion and for your service to this country and for your embodiment of the best values of America.

Thank you very much.

NOTE: The President spoke at 6:12 p.m. in the East Room at the White House. In his remarks, he referred to Senator Bill Bradley.

Interview With Michael Jackson of KABC Radio, Los Angeles, California

June 21, 1993

Mr. Jackson. Good morning, President Clinton.

The President. Good morning, Michael. It's nice to hear your voice again. And I enjoyed listening to your callers call in.

Economic Program

Mr. Jackson. Oh, I'm so glad you heard them, sir. I know the budget is the burning issue of the moment. You may have seen a Conrad cartoon; it showed you in caricature, and the caption was ''Or maybe you'd like Bush back and another $2 trillion debt.'' How could we avoid that and make the whole economic climate healthier?

The President. Well, the first thing we have to do is to gain control over our economic destiny again. The deficit is spinning out of control. It was about $74 billion a year in 1980; it's over $300 billion this year. The debt, as you know, has gone from $1 trillion to $4 trillion. And because of that, the money we ought to be investing hasn't been there. You can see that very clearly in Los Angeles and southern California when you had all these defense cutbacks. We should have been reinvesting all that money in domestic technologies to put the people back to work here at home in high-speed rail, environmental cleanup, all kinds of other things. But the debt was so big that the money went to pay interest on the debt and into exploding health care costs.

So our economic plan is terribly important to the people of the United States and the people of southern California because it begins to give us some control back. Already, the fact that the plan is making progress has brought down long-term interest rates. I know one lady who called you said her husband was in construction. Because we are at 20-year mortgage rates lows, there have been 130,000 new jobs come into this economy in construction in the last 4 months. That's the biggest increase in 9 years. Now, it's going to take a while to reach southern California, because that's one of the most distressed areas of our national economy. But it is beginning to turn around.

So you've got to bring the deficit down. You've got to do it in a way that is fair to the middle class, by making upper income people pay the lion's share of the burden. There have to be some incentives in this plan to grow new jobs in the private sector through empowerment zones in our cities and poor rural areas, through new incentives to small business. And there also have to be some targeted investments. Over the next 5 years, we still need to spend some money to try to redevelop the businesses, the communities, and retrain the workers that have been hurt so badly by defense cutbacks.

So this is a good plan, and it's still the only real plan on the table. A lot of people have criticized it, but it's hard to quarrel with the results of it. Just the progress of the plan is bringing down long-term interest rates. We've got three-quarters of a million new jobs in the economy since January 20th, and I am encouraged. We've got a long, long way to go, and we're dealing with some economic trends that have been in place for 20 years in the world economy. But we can turn it around if we will do so with discipline and if we'll stop the delay, if we'll go forward now and pass the plan.

Mr. Jackson. Mr. President, you mentioned critics. Congressman Henry Hyde, speaking for the Republicans, claimed over the weekend that the Senate Democrats are going to agree to a tax-and-spend, tax-and-spend program this summer that will result in another version of the biggest tax hike in history. In a nutshell, by year's end, will the rich be taxed considerably more, heavily taxed? Will the middle class be further hit?

The President. By year's end, if the plan passes, upper income taxes will go up, taxes on the upper 6 percent of the American peo-

ple; two-thirds of the tax burden would be paid for by people with incomes above $200,000. The tax on the middle class, in the form of an energy tax, would be phased in over a 3-year period and would amount to no more than $17 a month for a family of four with an income of $50,000 to $60,000, by the third year of the plan.

By contrast, families with incomes of under $30,000 would be held harmless, and there would be an incentive in this tax program, for the first time, for people who work 40 hours a week but have children in the home and are still in poverty. The tax system would actually lift them out of poverty.

So it's a very fair tax plan. But the most important thing from my point of view is that there can't be taxes without an equal amount of spending cuts. And there are substantial spending cuts in this program in everything from Medicare to veterans benefits, to agriculture, to all the specific programs, just about, in the Federal Government. People who say there aren't spending cuts just haven't said it right.

And for Mr. Hyde, whom I like a lot, to just get on there and chant their old "tax-and-spend" line, I mean, you know, that's the same crowd that presided over the last 12 years where we went from a $1 trillion to a $4 trillion debt, increased the national deficit every year, and reduced our investment in the future. I mean, they actually set in motion the policies which you see manifest all around you today in southern California. And I don't see how they have any credibility on this.

Last week in the Senate Finance Committee, there were all kinds of amendments by the Senate Republicans. They were all designed to increase the deficit by moderating tax increases with no offsetting cuts. So there just isn't another plan out there. We're either going to have to make up our mind whether to do the tough stuff necessary in terms of budget cuts and fair revenue increases to bring this deficit down and get control of our economic future and keep these interest rates down, or we're not.

And let me just make one other point. For anybody who has refinanced a home loan or refinanced a business loan or gotten a car loan, a consumer loan, a college loan at lower interest rates, a lot of people are going to in the middle class and even some upper income people are going to save more money on lower interest rates than they're going to pay in higher taxes.

That's the key thing. We've got to get the interest rates down. We've got to start investment in this economy again. And if we don't, we're going to be in real trouble. You had someone call from Orange County; I see what's happened to real estate in Orange County. Our proposal contains significant incentives to get the real estate business in California up and going again and throughout the country.

There are all kinds of things in this plan which are very, very good for business, that the business community has been asking for for years. But we do ask people who are earning income, who have it and whose taxes went down in the eighties while the deficit went through the roof, to pay a fairer share of the tax burden so we can bring the deficit down.

NAFTA

Mr. Jackson. Relating to the calls we received earlier, Mr. President, a blunt question: Does Ross Perot concern you? And I pose it that way because of his stand on NAFTA, the North American Free Trade Agreement. He really is claiming that this country and particularly this State of California is going to lose hundreds of thousands of jobs that would go to Mexico if the agreement should be ratified.

The President. Well, I disagree with him on that issue. There are other issues on which I think we are agreed. We've got a version of the line-item veto in the United States Senate. I very much hope it will pass; I strongly support that. I'm pushing for campaign finance reform to reduce the influence of special interests in campaigns, something that he and I both talked about in the last campaign. We've got that out of the Senate; we need to pass it in the House. We're pushing for lobbying reform, something we both talked about last time. We passed a dramatic increase in the requirements for reporting of lobbyists in the Senate. I hope we can pass it in the House.

But on NAFTA we just disagree. I believe that a country like ours, if we want to generate more jobs, we're going to have to increase the volume of trade. I understand what the concern is with Mexico, but I would say to everyone in California today two things: Number one, something you know perhaps better than other Americans, anyone who wants to shut a plant down and go to Mexico today for low wages can do it. And they'll be able to do it just as well today or tomorrow as they could after NAFTA is ratified. Number two, as you have seen in California, as long as incomes are very depressed in Mexico, you're going to have a bigger and bigger problem with immigration that goes beyond the legal limits of the law. And what I see happening with NAFTA is a Mexico that can buy more American products, where more Mexicans will want to stay home and be near their families because they'll be able to make a living. And Mexico will be the leader of a whole new wave of trading partners for the United States, going down past Mexico into Central America, into Chile, into Venezuela, into Argentina, into other countries. I believe it will create jobs for America. I wouldn't do it if I didn't think so.

And let me also tell you that there's beginning to be a little bit of a chill in the wind of people who think that they ought to just automatically move their plants to Mexico to save money. There's a big story just in the last day or so about General Motors moving 1,000 jobs back from Mexico to the United States to Michigan, a high-cost State with very productive labor, to produce some of their small cars. So I'm very hopeful about this.

And let me make one last point. About 4 years ago we had a $5 billion trade deficit with Mexico. Today, because of the trade barriers that Mexico has lowered, we have a $6 billion trade surplus, which means we've created more jobs because of trade with Mexico than we've lost because of jobs moving down there. So my view is that we can make it a winner.

Now, we don't want to just have a trade agreement with no standards. The Mexican people are going to have to be willing to work with us on environmental standards and on labor standards so we don't just open the floodgates to move jobs to Mexico in ways that won't even raise incomes in Mexico. That would be a terrible thing to do. But if we do it right, it will create jobs for both countries.

International Economy

Mr. Jackson. Mr. President, things are pretty awful all over. I mean, Europe is in the worst recession since the 1930's; Japan has been hit, too. By contrast, aren't things beginning to get better here?

The President. Well, they are beginning to get better here and they're beginning to get better here basically for two reasons. First off, American industry was really battered here during the entire 1980's and in fact starting back in the mid-seventies. And there has been a determined effort by people running our firms in the private sector to become more competitive, so a lot of them are. And that increased productivity, increasing output per worker, the increasing ability to compete with countries around the world, that is helping things to get better. The second thing that's making things better is that this administration's serious effort to bring the deficit down has helped long-term interest rates to get down to their lowest rate in 20 years, and that's leading people to refinance, freeing up some money, and we're getting some more investment.

But I don't want to mislead anybody. This is still going to be a very tough road back. If you look at southern California, if you look at Connecticut, if you look at some of the States that have been hit especially hard by defense cutbacks of all kinds and other economic problems, we're still going to have to have a very disciplined plan to invest and grow our way out of the problems of the last few years.

But yes, we're in better shape now than Europe and Japan. In fact, if we could get some more growth in those countries, we'd be in better shape because we're not selling as much to them as we would be because of their economic problems. They don't have the money to buy American products. And when I go to Japan in a couple of weeks to talk to the leaders of Europe and Japan, one of the things we're going to be talking about is that America is doing what they asked us

to do, we're bringing our deficit down. And we want the Europeans to bring their interest rates down and the Japanese to invest some more money in their economy so they can grow it, because they don't have the deficit we do. And if we can work together, we can grow the world economy and that means jobs for America.

But you're quite right, we're actually in better shape than Japan and Europe is right now, except for unemployment rates, Japan's still got a lower unemployment rate than we do.

Mr. Jackson. Mr. President, thank you very, very much indeed for this, sir.

The President. Thank you, and again, I want to thank your callers for the thoughts they expressed. And I want to encourage them to continue to be active and to question and criticize me when they think I'm wrong but also to support me. I really appreciate the woman who said she didn't vote for me but she's got a stake in the success of this Presidency. We're doing what we can to move this country forward without regard to party or region. And that's the kind of support I need. I'm very grateful for that.

Mr. Jackson. Thank you, Mr. President, very much, sir.

NOTE: The interview began at 12:16 p.m. The President spoke from the Roosevelt Room at the White House.

Interview With J.P. McCarthy of WJR Radio, Detroit, Michigan

June 21, 1993

Mr. McCarthy. Good afternoon, Mr. President. How are you?

The President. I'm great. It's nice to talk to you again.

Mr. McCarthy. I can't hear.

The President. Can you hear me now? I can hear you. Can you hear me?

Mr. McCarthy. Mr. President, I can now. How are you? We haven't talked since very late in the campaign. You were in an automobile someplace, and you were running out of voice. But you were in high spirits, and now we know why. Congratulations.

The President. Thank you very much. It's nice to hear your voice again.

Mr. McCarthy. Nice to hear you.

The President. I got to hear a little bit of your last conversation. That was fascinating.

Mr. McCarthy. With Bob Talbert?

The President. Yes.

Economic Program

Mr. McCarthy. Mr. President, are you going to get your tax bill and your budget bill through the Senate? Carl Levin is on this program a little bit later. We've already taped that segment. He says, yes, it will be done. What do you think?

The President. I think it will be done. It's not easy ever to make these kinds of tough decisions. There are $250 billion in budget cuts in that bill that affect everything from agriculture to veterans, to Medicare, to virtually all the specific programs in the Government. And there are some tax increases, as is well-known, two-thirds of them on people with incomes above $200,000, three-quarters of them on people with incomes above $100,000. I think it's fair and balanced. And this will bring the deficit down by $500 billion, and it will keep these long-term interest rates coming down, which is what is so necessary if we're going to have reinvestment in our country and rebuild the manufacturing sector and get this economy going again.

I think it will pass because, frankly, there isn't another alternative. And those who have tried to fashion other alternatives have come up with programs that hurt the vulnerable in our country and the middle class more and hurt the business economy more. And I think that's why we've had people from companies representing the automakers to high-tech companies in California supporting the program. It's a little-known thing that over half the 100 biggest companies in the country have supported the program, that the labor organizations have supported it, that the home builders organization, a largely Republican group, have supported it because it will bring interest rates down and create jobs and incomes for the American people.

Mr. McCarthy. But if it does pass the Senate, and apparently Senator Levin feels you have enough votes, 50 or more votes,