

mind us that democracy is a promise for each of us to keep, a promise to be Americans in the best sense of the word, to be citizens, not spectators, to do the best we can in our families, our jobs, our communities, to shoulder the burden of responsibility, not point the finger of blame. This was the promise our founders made in this place on this day two centuries ago. To keep that tradition, we must be believers and builders. And so must we be every day, starting here, right now, today. Let us resolve to do it.

God bless you, and God bless America.

NOTE: The President spoke at 5:10 p.m. In his remarks, he referred to Mayor Edward G. Rendell of Philadelphia; Judge A. Leon Higginbotham, retired, Third Circuit Court of Appeals; Reverend Leon Sullivan, founder and president of Opportunities Industrialization Center and leader in the antiapartheid movement.

### Remarks at a Town Meeting in Eldridge, Iowa

July 4, 1993

**The President.** Thank you very much. Folks, this is supposed to be informal, so I'm going to sit down if you don't mind. That introduction you just heard is a good illustration of Clinton's first law of politics, which is whenever possible, get somebody you've appointed to high office to introduce you. They'll lie about you every time. [Laughter]

I'm glad to be here with your secretary of agriculture, your secretary of state, and your Governor, my longtime friend. We served together for a long time. And when he got elected Governor, he was 3 months younger than me. He displaced me from being the youngest Governor. Now there are 10 or 12 Governors younger than we are. We've hung around too long and worked ourselves into middle age.

I'm glad to be here with Congressman Jim Leach and with Congressman Lane Evans, who's the Congressman from across the river in Illinois. I want to say we had some contact with Senator Grassley before I came today, and Senator Harkin called me the day before yesterday and gave me a long litany of every-

thing I was supposed to be doing. I said, "Well, Tom, I only need to go to Iowa now; been educated, you know." [Laughter]

It is true that there wasn't much of a sales job to get me to come here. If you could come to Iowa on the Fourth of July or stay in Washington and burn up, what would you do? [Laughter] So I'm glad to be back here. The last time I was in this part of Iowa was when I was on my bus trip. And actually, our bus trip went through almost every place that's badly flooded here, starting in northern Missouri and Iowa and Illinois and Minnesota and Wisconsin. And of course, you got some pretty substantial damage in South Dakota also.

I am very glad to be back. I want to thank Secretary Espy for coming out here so promptly. I wish I could have come a few days earlier, but the legislative and other schedules in Washington just wouldn't permit it.

I do want to say that I appreciate, Dale, what you said about Secretary Espy. One reason I asked him to be Secretary of Agriculture is that he represented a district in Congress that bordered my State, and I wanted to appoint somebody Secretary of Agriculture that actually represented farmers and that had seen crops flood and also seen crops burn, often on the same land. If you hang around long enough, you see it on the same land. And we are trying up there to be responsive and to be helpful. And I want to thank all the people here in Iowa and all the people throughout this Mississippi River area who have been very cooperative with us and helped us.

I came here mostly to listen to you today, but I want to talk about—I've got three or four notes here. I want to just make sure I don't forget to say anything. Of the things we already know, we know that the damage from this flood is going to be somewhere in the neighborhood of a billion dollars. We feel that it is, anyway. I have only \$100 million right now in my disaster fund under present law. And I signed a letter releasing that fund before I came out here. There is also a new law which has been passed by the Congress which provides disaster payments for 1993. It's got about \$297 million in it. It is on my

desk, and I will sign it as soon as I get back. And don't think I'm derelict. You're going to get the money. Even if I signed it yesterday, it would take a while to get.

So we're still going to be real short of funds. So I'm going to ask Congress on an emergency basis to provide some additional funding, and Secretary Espy is going to be working with the rest of the people in the executive branch and your Representatives from here to put together legislation that will adequately take care of the problems insofar as we can under Federal law.

We are going to ask that the producers here receive the same benefits as the people who were affected by Hurricane Andrew and other major disasters last year, which is something that the congressional delegations and the Governors have asked us to do, and we're going to do that. And we'll eliminate the August 1st deadline for disaster filing, which is what is in the present law. And we'll present a bill to do that. I've already talked to the leadership in the House and the Senate on a bipartisan basis from other States, and they don't have any problem with doing that. They know that we need to.

The last thing I'd like to mention before I open it to your comments and questions, because you may have some other specific things we can do, is that I have asked Secretary Espy to work with the other Federal agencies and with the appropriate people in Congress on a long-term reform of the crop insurance system. Any farmer who's ever fooled with it knows it's a good thing if you've got it, if you've got insured what goes wrong, and that's the way it's supposed to be. But it's nowhere near what it ought to be. If you don't get your beans planted in the first place, for example, you can't get any insurance on it, even if you pay and pay for years. That's a big issue. I come from a State that has not near as much corn as Iowa, just a little bit of corn, but a whole bunch of soybeans. It is not a program crop, and if you take out crop insurance against it and then it gets wet, you can't plant it at all. Under the present system you can't recover it. It's just not a very good or a comprehensive or appropriate system in my opinion. So we're going to try to see if we can't get some reforms up that people will agree to.

And there are some other actions that Secretary Espy can take that he may want to talk about or you may want to ask about. But these are the specific things we think we can do. I hope it will be enough so that we don't lose a lot of farmers who are operating on the margins. I went through that whole thing in the 1980's when I was a Governor of a big farm State, and every other day I had a friend who was dropping out of farming. And we're going to do what we can to move as quickly and as aggressively as we can. I hope it will help.

I think it's real, real important to get this long-term reform of the crop insurance system and work it out so that people can access it, and then if they got it, it amounts to something when they suffer a loss. So we're going to do what we can to get that done.

I thank you for spending part of your Fourth of July with me. I know you could be out shooting fireworks, and I'm sorry about all the water. We had a whole lot of my State under water 3 or 4 years ago when the Arkansas River flooded, and we had towns under water, house under water like what I saw today, a town and an awful lot of farmland. I know what you're going through. I'm very sorry. I hope this will help, and I assure you we'll be very diligent in pushing to get this action through Congress. If you have any other ideas or suggestions we would be glad to have them.

And thank you again, Governor. Thank you, Mr. Secretary. Thank you, Madam Secretary. Congressman Leach, I'm glad to be in your district and see you looking so hale and hearty. And thank you all very much for having us.

*[At this point, a participant expressed appreciation for the President's visit and discussed the drought of 1988 and the early frost of 1991.]*

**The President.** Can I ask just one fact question before we start, just for my interest because we're a little bit further north than my home State. Can you plant soybeans this late here?

**Q.** This is the cutoff.

**The President.** You mean 3 weeks from now, if the land dries off, it's too late to plant, isn't it?

**Q.** Right. Some people have planted as late as the Fourth of July and get a half a crop. At this point it's not worth the risk of planting a crop. The cost you have of putting it in the ground, you're not going to recover that. So at this point, it's just too late, I think, in the State of Iowa to plant soybeans. There was some corn ground that was switched to soybeans, but it's too late to do that now, too.

**Q.** Thank you, Mr. President, for your interest in agriculture. I really appreciate it. And my question to you is, will you require repayment of the advance deficiency payments even though the fellow didn't get the corn planted? I would think that would be a very great help to those that didn't get planted to not have that burden of repayment.

**The President.** I think I'll let Secretary Espy answer that. We talked about that very thing on the airplane when we were about to land, and we saw how much land was under water. It was the first thing that came up when we were looking at the damage.

**Secretary Espy.** This is something that we've been looking at a lot lately, as you might imagine. And since I returned to Washington from Iowa I've reviewed the law. And any outright waiver of the advanced deficiency payment that you've already gotten is going to be really, really difficult to do, certainly if you're not in the program.

But what we want to do is to extend the signing date for program crops, and we'll probably do it until the end of the month, July 31st, so that you can come in and declare your intent to plant another crop, particularly corn. Then you will fall in the 0-92, and then you could keep your advance deficiency payment.

For those farmers that already have the payment, we can't waive it outright, but we'll certainly work with you to make sure we stretch out the payment, or we can go to Congress to ask that we have fallback authority to do some other things.

**The President.** Under the law, just to flat out do it, we don't have the authority right now. So you either have to change the law or do what Mike said in terms of putting back the filing date and having people come in and make a declaration.

[A participant expressed appreciation for the President's visit and discussed other conditions adversely affecting the crop yield, the special stress the flood places on young farmers, and the possibility of an assessment fee on commodities traded to be set aside for disaster assistance.]

**The President.** You know, there's another issue that you alluded to there that I don't have an answer to, but I worked on it quite a lot when I was a Governor, and that is the whole question of the small number of young farmers, unless there are just young farmers that farm their parents' land, and it's all paid for, and they've got their debt paid down. The average age of a farmer is pushing 60, just on the near side of 60. That looks younger to me all the time—[laughter]—but still it doesn't quite qualify as young.

We spent a lot of time when I was a Governor trying to work out financing operations and some other things for first-time farmers. Secretary Espy and I spent a good deal of time talking about that. Maybe this is not a discussion for tonight because we're all here worried about the floods, but if you had any specific ideas about kinds of initiatives we might undertake or partnerships for the States for first-time farmers to get young people in or help them get through those first rough years if they've got some accumulated mortgage or other debt, I'd really like to know it, because I think it's a pretty serious social problem for this country to have the average age of farmers going up every year and almost no young farmers coming in.

**Governor Terry Branstad.** Mr. President, there is one thing that can—we have a program called the Family Farm Beginning Farm Loan Program which right now we're waiting for an extension—that authorization. It's financed through the sale of tax-exempt bonds. And we've used it. The secretary of agriculture administers it. I have to sign off on each of those loans. It's been very successful in the State of Iowa and if that could be extended and made permanent, I know under consideration in the Congress, and you've been supportive of it. We think that if this could be made permanent, not just extended for a year or so, could be really helpful because right now we have several hundred of those loans, I think, that are wait-

ing to be approved. The banks already approved them, but the Congress has to extend the law; right now it's expired. So, that's something that could be done that we'd really appreciate.

**The President.** That whole tax-exempt bond law is now part of the discussion now being held on the budget, and I am strongly in favor of extending it. We had a program like that at home. It works, and I'm strong for it. I think it will be extended.

**Governor Branstad.** It could be made permanent as opposed to extended for a year or so.

**The President.** I think it will be extended. We're trying to make it permanent, and I hope we can do it.

*[A participant discussed the loss of crops that had not yet been planted and the requirement that a certain percent of any county must be damaged before the disaster assistance program provides assistance. Secretary Espy then advocated reform of the crop insurance program.]*

**The President.** Let me just mention one other thing. You asked a question about the county loss thing. That's always been in the Federal law, at least as long as I've been fooling with it. And under normal circumstances it's a pretty good rule of thumb, you know, for example, if there's, I don't know, a tornado or heavy rains that are uniform across the State. But when you have something that comes directly out of the flooding of a river like this, it's possible, depending on the size and shape of the county, that people could be wiped out and could be living just across the county line and their county not trigger.

So what I think we're going to have to do on that—I can't promise, but I'm aware of it because I've been through it before—what we're going to do is wait until all the reports come in, and we can see what the shape of the damage is. And if we've got substantial numbers of people who are really wiped out who are in counties where they don't have the 35 percent county loss for just pure geographical fluke, then we need to make some provisions for that, and I think we'll be able to.

**Q.** We need to have a crop insurance program with a catastrophic feature to it, and we don't have that now.

**Q.** I would like to say one thing. I'm from Illinois just across the way here, but I'm not from Iowa, but it's been bad over there, too.

**Q.** Mr. President, I'm 23 years old, and this is my first year of farming. I had been planning on starting, and I grew up on a farm, but everything I've done I've done myself. And I'm kind of wondering where the money's coming from that you're planning on helping everybody with.

**The President.** Where's the money coming from, the \$850 million?

**Q.** Exactly.

**The President.** Well, I don't think we'll have any trouble getting it because this year we're way below the spending targets established by the Congress before I became President. We've got the deficit way down; it's much lower than they thought it was going to be. Our interest payments are much lower because interest payments are down. And I think the Congress will—they'll do one of two things: They'll either appropriate it as an extra expense, or they'll just cut the money out of somewhere else and pay it.

Everything we've done so far since I've been there, we've just cut something else and put it into some supplemental bill, which is what we did, for example, to add another 200,000 summer jobs this summer.

So they'll either find something else to cut and pay for it, or they may, because it's a genuine one-time emergency, just appropriate the money since we're well under the spending limits approved by the previous Congress.

**Q.** In my opinion, what would help us out now and in the future would be not this new tax. We're taxed enough the way it is right now. We only get 50 cents on the dollar. By the time we spend it, I would just as soon be able to spend my money the way I want to spend it.

**The President.** You won't have to worry about this causing taxes because it's a tiny fraction of a huge Federal budget anyway.

**Q.** The whole United States is getting taxed on this. What's the percentage of the United States population is farmers?

**The President.** Three percent, but 100 percent of them eat.

**Q.** Yes, and 100 percent of them are going to get taxed, too. I would just as soon that you not tax me as a farmer, and I would just as soon if you didn't raise taxes on the rest of the Nation, too.

**The President.** Well, if we had a decent crop insurance program, we wouldn't have to worry about disaster payments. In other words, if we had one that worked, if there was a system of crop insurance that worked, we wouldn't have to worry about it.

**Q.** As a farmer we've got enough to gamble on with the weather, let alone gambling on our Government raising taxes. And I remember somebody saying no new taxes about 6 months ago, I believe.

**The President.** Well, you didn't hear me say no new taxes. I've promised to raise taxes on the wealthy because their incomes were produced—

**Q.** I'm far from wealthy, Mr. President.

**The President.** Well, if your income is under \$30,000, you'll probably get a tax cut under my plan. If it's between \$30,000 and \$100,000, according to the Congressional Budget Office, it will cost you a very little amount of money.

**Q.** Thirty thousand is a wealthy man then?

**The President.** No, that's not what I said. But when I took office, sir—let's have a political debate. I didn't think we were going to talk about this, but I'd be more than happy to. Let me tell you something. After the election—not during the election when they had all the figures—the previous government announced after the election that the deficit was going to be \$165 billion bigger than they said before the election. We just discovered we're going to have \$50 billion more in deficit. This is just for 4 years, not the whole 5-year period.

So my choice was pretty simple. I could ignore that, or I could ask middle class people between \$30,000 and \$100,000 to pay a modest contribution to the deficit, get almost all the money from people above \$100,000, and cut spending by as much as we would raise in taxes, reduce the deficit \$500 million, and bring interest rates down.

Let me finish. You've started to talk so you're going to listen to me now. [Laughter]

Since I became President we dropped long-term interest rates a point; they're at their lowest rate in 20 years, only because there's finally a Government in Washington trying to bring this deficit down. Millions of Americans have refinanced their homes since January, and they've saved more money in one year than they're going to pay in 5 years by far if this small fuel tax passes that the Congress has approved, by far.

The people whose taxes were raised substantially are people whose taxes were lower in the 1980's while taxes on the middle class were raised. And for every dollar that the taxes were raised, even on the wealthy, we cut spending. We have cut everything in the Federal Government. We have a 5-year hard freeze on all domestic spending which includes the increases we're putting into Head Start, job training, and new technologies. We have slashed spending. We have raised 74 percent of the taxes on people with incomes above \$100,000, and we held harmless everybody below \$30,000.

I think it's a fair deal. And not only that, if it gets the interest rates down, the country will get more money out of it than they'll pay in taxes. Even the people who don't agree with me admit, right in the Wall Street Journal, if we keep interest rates down this low, it will put \$100 billion a year back in the pockets of ordinary Americans to refinance their homes, their business loans, their farm loans, their consumer loans, their car loans, their college loans. And it's because we have let the deficit get out of hand and we're bringing it down. We've got interest rates down. We can turn the country around. I think it is a fair plan. And you may believe you're taxed to death, but our taxes are lower than all of our competitors. And now our interest rates are, too, because we're finally doing something about the deficit.

I might say—all the people who talk about how terrible this was—we just had a hearing in the Senate last week, and it was a straight party line vote voting this bill out of the Senate Finance Committee. But all those people that said the issue was spending in the Senate Finance Committee, you know how many amendments the other side offered to cut spending—they said, you know, "It's spending—stupid. It's not taxes. It's spending"—

zero. Not one, not one amendment, because I had taken all these politically tough spending cuts. We slashed education, slashed veterans, slashed—we cut everything in the world in a wide budget.

And I just think it was worth it to get the deficit down. If you don't believe that you should have any tax increase at all, even a very modest one, to reduce the deficit, you're entitled to that opinion. But I think you'll make more money from lower interest rates than you'll pay in higher taxes. And I think it's fair.

**Q.** Not if I don't borrow money. I've got my money saved from earning it, and I wish the Government could—

**The President.** Most 22-year-olds don't have that kind of money. Lucky you. I'm proud of you.

[A participant thanked the President for visiting and advocated action during the G-7 summit to improve market access overseas. He also stated that commodity organizations across the country would support the NAFTA.]

**The President.** Thank you. Yes, give him a hand.

If I might, let me just say one thing, to go back to the comment the young man who just spoke made about the taxes. If everybody in this country who wanted to work had a job and we had free and open markets in the world, then we could lower taxes and reduce the deficit. That's the real truth. The real answer to this whole issue is how to get growth back into the economy. That is the ultimate answer. It's not to have the argument he and I just had. But the argument is how can you have more people working and have more markets open.

And if I might just make two comments on that. Since 1987, about two-thirds of the new jobs generated in the American economy have come from expanded trade. That's how you add jobs in a world where you're already a wealthy country and most people are working. I'm glad to hear you say what you did about the North American Free Trade Agreement. I believe that most of the fears the American people have are not well-

founded about that. There are some problems with it. We're trying to get side agreements on labor standards and the environment to make sure the Mexican Government strengthens those things. But believe me, folks, anybody who wants to move a plant to Mexico and work people for low wages and export products back in here, they can do that today. In other words, if we don't hit a lick at this NAFTA deal, everything that people are worried about with NAFTA can happen today.

But before Mr. Salinas became President of Mexico, we had a \$5 billion trade deficit with Mexico. Today, we have a \$6 billion trade surplus. Last month Mexico replaced Japan as the second biggest purchaser of our industrial products. And you know what it does for you folks here and the kinds of crops you raise. It's a good deal.

So we're going to try to pass it. The people who are against it are genuine and passionate, and they represent folks just like you who work hard, play by the rules, and are getting the shaft and are scared to death and are afraid this will make it worse. But I honestly believe it will make it better. If I didn't think it would be more incomes and more jobs and better for the farmers, I wouldn't do it.

And I assure you, when I go to Japan, I'll carry the message you sent me with.

[Another participant supported improved market access through NAFTA and the GATT.]

**Q.** Thank you for coming. My question is have you given any consideration to possibly reopening the farmer reserve? The decision not to enter that was made when everybody thought they were going to get a big crop, and some of the farmers might want to reconsider that decision at this time.

**Secretary Espy.** Well, we've already opened the farmers' own reserve, as you know. We took it to the highest applicable ceiling. Now that we have problems here, we'll consider reopening it for a brief period. We will.

[A participant discussed the need for adequate drainage of farmland as part of the effort to rebuild the infrastructure of the coun-

try. He also indicated that efforts to save wetlands and ducks had gone too far. He also discussed the issue of foreclosure resulting from inadequate drainage.]

**The President.** I don't know—Iowa—is this thing on? I don't know what to say. Where I come from, we grow more rice than anybody else in the country. We're kind of interested in that market access you're talking about. And the rice land floods anyway. So our ducks don't give us that kind of trouble. I never knew I was supposed to be as hard on ducks. I may have to reassess my position on this. I'm not kidding. I mean, I'm really not. Where I come from it's a big deal, but it's not a problem because the rice land's flooded anyway at duck season.

You want to say anything about the other issue?

*[Secretary Espy discussed farm legislation planned for 1995. He announced that based upon the Presidential emergency declaration farmers would be allowed to modify their conserving use acreage and stated that farm foreclosures not presently under purview of the courts would be suspended pending review. Following his remarks, a participant asked if the farm legislation planned for 1995 would provide for increased farm subsidies which would allow farmers a profit margin.]*

**The President.** If I could just—Mike might want to say something about that, but if I could comment on that, just make two points. First of all, on the disaster issue, we're either going to have to have an adequate, reliable, comprehensive disaster program or a decent crop insurance program that works. And if we had one, wouldn't need the other.

On the question of supports, I can tell you again, the last two farm bills I went through as the Governor, with my farmers on the receiving end of them. As you know because you're a farmer, we had a 20 percent unilateral cut in farm supports in the '90 farm bill. So American farmers have really done their part to reach out to our competitors overseas and ask them to open their markets and stop their supports.

I think it's fair to say that the '95 farm bill, at least from my point of view, since I'm

in a different position now, my attitude about it is going to be determined by a couple of things, one of which is, what are these other countries doing? That is, what's it going to take for our people to make a decent living? And if other countries make an appropriate reduction so we got a fair chance to compete in a market system, well, that's one thing. If they don't, then I think we're going to have to take a completely different look at this '95 farm bill about how it's structured. And I think it's fair to say it's up in the air now, and it depends on what happens and what our competitors do. But I'm going to be very sensitive to people like you because, you know, there's a limit below which we ought not to go in terms of how many farmers we've got in this country as long as we're the most productive in the world. It's just crazy to stay on that trend.

*[A participant suggested that the problems of fuel availability and pollution could be effectively addressed by use of ethanol.]*

**The President.** I agree with that. Let Mike talk a little about what we're doing.

*[Secretary Espy indicated that the USDA strongly supported the use of ethanol as a viable alternative resource.]*

**The President.** You know, if I might say, when that whole energy tax issue was being debated, we recommended that ethanol be exempt. And then we had an alternative that was effectively going to just take the tax out of the production sector, out of agriculture and industry altogether. But the Senate decided that rather than do that, they'd go to some more broad-based fuel tax. But if they do it in a way that's consistent with State law, it's okay for the farmers, I think.

*[Secretary Espy indicated that during the budget process the administration had supported an exemption for ethanol production in the energy tax.]*

**The President.** Can we take one more question?

*[Governor Branstad indicated that he had testified on behalf of a coalition of Governors about ethanol before the Environmental Protection Agency and expressed his concern*

*about what position EPA would take concerning ethanol. He requested that the President watch the issue and ensure that ethanol production had an opportunity to compete.]*

**The President.** Yeah, I've noticed them doing that. [Laughter] Go ahead.

**Q.** President Clinton, I'm a local small businessman and employ approximately 30 people. And just to let you shift gears for a second here, can you or would you please tell me something that can alleviate my concerns about the upcoming striker bill. I'm concerned that it will be detrimental not only to the small businessmen but to the economy in general, which again is going to directly affect the farmer.

**The President.** Well, you know that I have expressed my support for the bill, and I knew you knew that or you wouldn't have asked the question. I don't have any idea of whether it can pass the Senate or whether it will at this time.

Here is the problem. Let's just talk about the problem. For many years the Federal law was that strikers could not be permanently replaced if they went on strike once a group voted to unionize, if the allegation behind the strike was that there had been an unfair labor practice. But if it was just an economic strike, that is, if the strikers say, "We ought to be getting a better deal than we're getting, and we're fighting over this contract," that they could be permanently replaced. That gave the management of unionized firms a little more leverage in dealing with strikes where the argument was wages and benefits instead of, "They did something wrong to us."

And it worked pretty well until the 1980's when the economy became more global and there was more pressure to keep down wages and benefits and when the public mood became decidedly more antiunion in the United States. The reason it worked pretty well is management had the right to do that under a court decision, but they never did it. I mean, it was unheard of. It never happened. For decades no strikes were just broken and people were run off on that account.

Then in the 1980's it started to happen with some significant frequency, and that's

what led to the pressure for the striker replacement bill. There was almost a compromise adopted in the—and let me just say that this gentleman's question is related to something else. Very few small businesses in America are unionized. A lot of small businesses believe that maybe they'd be more of a target for a union if people thought they could strike over wages and benefits. I personally doubt that very much because of the relationships people have with their employees in small business. But that's really the fear, I think, behind your question.

But where it is now is that it's passed the House. They don't have the votes in the Senate yet, and we're talking about whether they can get some sort of compromise to deal with the balance issue that I talked about. The people who are for it in the Congress—I don't mean everybody that's supporting it, but the people who are for it in the Congress have no interest in trying to make it either easier or harder than it is right now for people to organize themselves into unions. The question is whether that once the workers vote to join a union, the bargaining process plays out in a fair and balanced way.

And so I think there will be a lot of debate in the next few weeks about whether some compromise along the lines of what they were talking about last time be passed to alleviate some of the fears that you've expressed and still deal with the balance question that came up in the eighties.

**Governor Branstad.** Mr. President, that will be the last question. We know that you have to get on to California and on to Japan yet in the next day or two. We certainly appreciate you, Mr. President, and you, Mr. Secretary, coming to Iowa this evening and showing your frankness and both of you showing that you are very farmer friendly. And so we appreciate that, and of course the crowd certainly appreciates that opportunity. We had some very frank questions, some very frank answers this evening, and I think that it was very meaningful. And I think that from this as you go back to Washington you will have a better understanding and can serve the people even better and keep on serving the people as you have in the past. And thank you.

**The President.** Thank you very much for what you said. I'd like to say one thing in closing if I might. First, I have very much enjoyed being here, and I appreciate your taking some of your family time away on the Fourth of July to come out and visit about these farm issues.

Second thing I'd like to say is I really wish I had more time to do a little town meeting about the larger economic issues like the one the young man raised about the tax issue.

This is a very difficult time for this country. And a lot of the decisions that I have to make as President are not simple or easy. Before I became President I never raised any taxes from anybody to balance a budget or reduce a debt. I lived in a State that had a balanced budget law that made my chief budget officer a criminal if he let 3 months go by where spending outstripped revenues and where I literally had the power to cut spending once a week if I wanted to, to keep the budget in balance. And we did what we did while having one of the fifth lowest tax burdens in the country as a percentage of income. So this whole experience dealing with this deficit has been very painful to me. And I guess we split the difference, he and I did, on what we said.

When I was running for President I said that I thought we ought to raise some taxes to pay the deficit down on upper income people but that we shouldn't raise taxes on the middle class, and I meant it. When the deficit got written up \$165 billion, the choice I had was to take the politically difficult decision in the short run to ask for a modest contribution from middle class folks, cut as much as I could in spending without really getting into hurting older people on Medicare or essential investments in education, and take three-quarters of the money from the top 6 percent of the income earners in the country, or stick with literally what I talked about in the campaign and risk not being able to do enough to really get interest rates down and try to get the economy going again.

It's a very tough call. It is not an easy call. But as you will see when you read in the papers about this trip I'm about to take to Japan, as tough a shape as we're in, we're doing better than Europe is. They're having negative growth. Japan's got the slowest

growth they've had in 40 years. And all these people have been after us for 10 years to get our deficit down. They said, "If you'll get your deficit down, we'll do some things." And together we can grow the world economy.

So I'm doing the best I can, believe me. You may think I'm wrong, and maybe time will prove me wrong, but I'm trying to make the best decision I can to create jobs and incomes for the American people so that we come out ahead on this deal, not behind. It is a complicated, difficult time that the goal ought to be to ask every question in terms of: Is it good for jobs? Is it good for incomes? Will it help the economy to grow? Will it help people to have security and health care and educating their children and to make this a stronger and better country?

And on this, the Fourth of July, we're always going to have our partisan and philosophical differences, and that's what makes this country wonderful. But if we can always keep that goal in mind, then when we differ, at least we'll be arguing about the right things.

Thank you, and God bless you all.

NOTE: The President spoke at 8:30 p.m. at the Schneckloth farm. In his remarks, he referred to Iowa secretary of agriculture Dale M. Cochran and Iowa secretary of state Elaine Baxter. A tape was not available for verification of the content of these remarks.

**Proclamation 6579—To Implement an Accelerated Tariff Schedule of Duty Elimination and To Modify Rules of Origin Under the United States-Canada Free-Trade Agreement**

*July 4, 1993*

*By the President of the United States of America*

**A Proclamation**

1. On January 2, 1988, the President entered into the United States-Canada Free-Trade Agreement ("the Agreement"). The Agreement and certain letters exchanged between the Governments of Canada and the United States were approved by the Con-