

Remarks in a Telephone Conversation With Larry Vilella

February 22, 1993

The President. Larry, it's President Clinton. How are you?

Larry. Great. Nice to talk to you.

The President. It's nice to hear your voice. I just heard about you sending me this \$1,000 check on CBS Radio. We just heard it over the radio this morning, and I really appreciate it.

Larry. Okay. I hope that you can use it towards the economy.

The President. Well, I think we can. One of the things that I've asked our staff to do, since citizens are not in the habit of sending money like this, is to see whether we can legally receive it and spend it just the way you want. And I'm going to also see whether or not your suggestion can be carried out in terms of involving other people doing the same thing you did.

But I think it's a remarkable thing for a 14-year-old young American to do. And it's very impressive that you have a business that's so successful that you can afford to do this.

How long have you been doing that?

Larry. I've been doing it for 3 years now.

The President. And do you do it year-round?

Larry. It's pretty much year-round, except during the wintertime we have a few less sales of the sprinkler.

The President. And what's your annual—what's your sales, your volume of sales? How much do you sell every year?

Larry. Well, so far we've sold 3,000, and it's been divided between the 3 years since I'm just starting out.

The President. I think that's pretty good.

Larry. Thank you.

The President. Pretty impressive. What do you want to do when you get out of high school?

Larry. I want to go to college and then medical school.

The President. Do you want to be a doctor?

Larry. I'm hoping to be a cardiologist.

The President. That's great. Well, by the time you can get out of medical school and

be a cardiologist the American people will be living much longer, but they'll all be worried about their hearts. There will be a big demand for what you do.

Larry. I hope so.

The President. Well, I certainly hope that I get to meet you sometime. And I'm really, really impressed that you did this. I think you're really a symbol of what's best in this country, and I'm proud of you, and I thank you for doing this. And I'm going to be back in touch with you about exactly what we can do with your money and whether we can adopt your suggestion.

Larry. Okay. Thank you. I'd really like to meet you, too.

The President. That's great. Tell your family hello, and you have a good day, okay?

Larry. Okay. Thank you.

The President. Bye-bye.

Larry. Bye.

NOTE: The President spoke at 12:52 p.m. aboard Air Force One while he was en route to Everett, WA.

Remarks to Boeing Employees in Everett, Washington

February 22, 1993

Thank you very much, Chairman Shrontz, Speaker Foley, Senator Murray, Governor Lowrey, and Member of the congressional delegation, and most of all to the men and women of Boeing. I have looked forward to coming here for a long time. And I guess what I ought to begin by saying is, thank you for Air Force One.

You know, everywhere I go in that airplane, I am the second most important celebrity. People really just want to see the plane. [Laughter] And I know I can make all my friends and supporters happy, even my mother, just by taking them on the plane and letting them look at your magnificent work.

You should also know that it enables me on these flights across the country and going across the world to continue to work with a full staff almost as if I had never left the office. And it is a real tribute to all of you, and a magnificent set of planes—you know,

there are two of them. I know a lot of you made them both, so you know that. But I'm grateful to you for that.

I also think you may know, but I should say that after this meeting with you, I'm going to go to another room and meet with a lot of folks who have come here to meet with me and with our national leaders about the health of the airline industry, about the commercial airline companies themselves, and about the airline manufacturers, the chief of which obviously is Boeing, but including other companies as well. So when I leave you, I'm going to go and meet with them for about an hour to talk about where we're going from here.

I want to begin by saying that there's an interesting book, which has been written by a very famous economics writer named Lester Thurow called "Head to Head." And Thurow's argument in this book is—it affects your lives, so I'm going to tell you about it—his argument is that there may be a limited number of highway jobs available over the next 20 years, and that seven major technologies will provide most of the growth in those jobs, a lot of them are, as you might suspect, in the computer and electronics field.

I was just down in Silicon Valley before I came here at a magnificent little company named Silicon Graphics that does some work for you, to talk about a technology policy to accelerate the growth in areas where we're doing well. But one of those seven areas is aeronautics and the manufacturer of airplanes and in the provision of airline services to commercial travelers.

It is indeed ironic that the United States which, for so long has led the world in the production of airplanes and in the development of sophisticated consumer-oriented services through commercial carriers, has had 3 years in which more money has been lost than was made in the previous history of the airline industry. And I can tell you from my study, very little of that is your fault. A lot of it has to do with the fact that other nations follow targeted strategies of partnerships to pierce markets which you had dominated under a free market system but with which you could not compete in Europe's

subsidized airbus to the tune of \$26 billion, for example.

I want to talk to you today about the whole economic plan, the tough parts as well as the good parts. But I want you to know that one big part of my economic strategy is to try to identify all those areas that can really provide high-wage, high-growth futures for Americans and their families and make sure that we are there, competing and winning, that people have a chance to work and make a living. And we can't begin by giving up on the production of aircraft, which is what we have come dangerously close to doing by sitting by and letting our competitors do things that we did not do to meet the competition. And I believe we can do better. I hope this meeting today is the first step in that regard.

I also want to say a special word of appreciation to the Speaker and to the leaders of Congress. In the next few days, the Congress will produce a bill establishing a national commission on the condition of the airlines industries in America; one that will require the House and the Senate to appoint five members each and the President to appoint five members; and unlike a lot of commissions, will require them to report back within 90 days with a tight time table with a specific set of recommendations to take to the country to preserve and promote the economic health of the industry that you've done so much to make the world's best.

The second thing I want to say is that my trade ambassador, Mickey Kantor, will be closely monitoring the agreement which was made finally last year with regard to limiting European subsidies to airbus to allow a level playing field. We'll be seeking tough new discipline on those subsidies, both in our attempts to get an agreement on the general agreement on trade, as well as the specific aircraft code.

You know, I've seen these agreements made for years. I've seen people promise us they'd do this, that, and the other thing, and then nothing ever happens. And I think you and I know deep in our heart that most of these layoffs—maybe not all, because the airline industry itself has problems which are bleeding back on to you, the commercial carriers—but a lot of these layoffs would not have been announced had it not been for

the \$26 billion that the United States sat by and let Europe plow into airbus over the last several years. So we're going to try to change the rules of the game.

I can't promise you overnight miracles. We didn't get into this fix overnight. But I can say that we have to turn the direction of this country around, and we need a commitment, not to shield ourselves from competition but to reward ourselves when we fairly compete and win.

We need a commitment to meet the competition around the world in a global economy in which the things that really pay off are high levels of education and skills, high levels of investment in appropriate technologies, a very close amount of cooperation within each workplace among workers and between workers and management, and in the national sense between Government and business and labor. The countries which do that win; those which don't are punished. And we can no longer afford to wait for 10 years while someone does something to us that we do not respond to. And I want to turn that around, not with overnight miracles but with a disciplined approach to put the American people and their economic future first in the policymaking of the United States Government. It's your country, and I'm doing my best to give it back to you.

I ask each of you to express to your Congressmen and your Senators support for the national economic plan which I announced to the Congress on last Wednesday. It is a plan which seeks to do two things that we've never done in the history of America before at the same time. It seeks to reduce this awful Government debt and to increase investment in our future at the same time. And it's hard to cut your debts and increase your investment at the same time. It's hard if you're Boeing. It's hard if you're the United States Government.

But we have no choice, because in the last 12 years, we have quadrupled the debt of the Government, which means we're spending 15 cents of every dollar you give us in taxes right now just paying interest on yesterday's debt, 15 cents of every dollar you pay in taxes that we can't put into an investment incentive for an airline company, for an edu-

cation for your children, for better health care for America.

It also means we're taking so much money out of the pool of money available that if Boeing or a small business or somebody wanting to buy a car or a home has to borrow money, their interest rates are higher than they otherwise would be. So we've got to bring the debt down, but we also have to look over the last 12 years. Your country has reduced its investment while our competitors have increased their investments in critical areas of education and training and new technologies and in building the kinds of things that put people to work and make a country rich. So to do it, we have to cut spending, raise some more tax money, and target some new investments, not in consuming things but in things that will build jobs and incomes in the years ahead.

I have offered the Congress in good faith an honest spending cut program with 150 specific reductions in spending cuts, including a 25 percent cut in my own staff, the biggest, as far as I can tell, in the history of the Republic, certainly in the 20th century, and a \$9 billion cut in the administrative costs to the Federal Government, and asking the Federal employees who work for you to have a pay freeze this year and to have their pay go up at less than the rate of inflation for the next 3 years, which will save that much again. We are cutting spending where we can.

I have also made it clear that I don't want to raise one penny of tax dollars until I know those cuts are in effect. We shouldn't raise money until we cut spending. We should do them together.

Seventy percent of the burden of this tax program will fall on people whose taxable income, not net income, taxable income is above \$100,000. But some of it will fall on people with incomes of between \$30,000 and \$100,000, and I want to level with you about that. For years there have been those who say we ought to reduce the deficit by raising the gas tax a whole lot. That's fine if you live in the city and ride mass transit to work. It's not so good if you live in the country and drive yourself to work. There are a lot of working people in America today that have

no access to mass transit and can't carpool; so I rejected a big gas tax.

Then there were people who said, "Well, the best thing to do environmentally is to tax carbon." That's a funny way of saying coal. The problem with that is, there's a lot of people just like you in Pennsylvania and West Virginia and places like that who make their livings in and around the coal mines. And it didn't seem fair to me to put such a burden on them that they would be in trouble.

So we decided to pick what seems to be the environmentally best thing that doesn't hurt so many people, and that is a tax on the energy capacity of all forms of fuel, of gas and oil and coal, called a BTU tax, which amounts to about 2 cents on a gallon of gasoline, and will cost the average family with an income of \$50,000 about 15 bucks a month at the outside if they have a family of four and drive a lot. And I think that is a fair way to go.

I didn't want to even do that, but after the election I was told that the Government deficit was going to be about \$50 billion a year bigger than we had been told before the election. And so my choice was not to ask for an additional contribution from the middle class, let the deficit get out of hand, and have your interest rates go up, or try to deal with this debt and try to face the fact that we need to invest some more money too. I hope you'll support that.

But I also hope you will support spending some more money in the areas that will create jobs. And let me just mention two or three. This plan contains tax incentives to business and direct investments in things like roads and environmental cleanup and airport construction that will create a half a million jobs in the next year and a half. This plan contains \$8 billion in new investments in aeronautics, in technology, in research and development, the development of new products over the next 5 years. It contains a major new general technology initiative that the Vice President and I announced today in Silicon Valley to create high-wage jobs. It contains \$9 billion in new investments in high-tech products all across the Government, including the attempt to develop an environmentally clean car and new high speed rail technology that could dramatically alter the

economics of living on the Pacific Rim of our country. It contains new incentives to businesses to create jobs and especially to small business.

Let me tell you that all the big companies in the country together reduced jobs all during the 1980's, but little companies created more jobs than big companies lost until about 2 years ago when the cost of health care, the unavailability of credit, and the decline of the economy stopped small business in its tracks. So we have to not only help big manufacturing operations; we've got to have a climate where people can start small businesses and keep them going. Because we know that even if we do very well in the aerospace industry, for example, there will be other very big companies that will have to downsize and restructure. And we've got to do something for small business to try to help them to go and to grow.

These things are very important. And let me say one other thing that affects Boeing, at least a little bit, and that is we propose to put a lot more money into the space program, but to restructure it so that we not only have a space station but we also have a lot of new investments in other kinds of aeronautics research that will generate even more jobs in America in the years ahead. And we've proposed to spend more money on domestic research and development than we reduce in defense research and development.

These are the things that made your company great, and these are the kinds of things that will make America great again. And so I ask you to support not just the spending cuts, the revenue increases, and the deficit reduction but also these very targeted investments in our future.

I also ask you to support immunizing every child before the age of 2 in America, for a change, Head Start for the kids that need it, and making college loans available to all middle class, as well as low-income people, and letting them pay those loans off as a percentage of their income.

Now, a lot of people will say—there's a lot of ways you can debate this—a lot of people will say, I didn't cut spending enough. To them, I say give me more spending cuts. I've just been there 4 weeks, and I'm sure there are more, and I'll find more. Then

there will be those that say we cut too much. Some will say we didn't raise enough money. Some will say we've raised too much. And then some will say you shouldn't spend any new money.

But remember what I said: A country now is like a big company in the global economy. If you don't invest in the right things, you don't grow. So we not only have to reduce this deficit; we've got to turn our spending priorities on their head. We've got to invest more and consume less so the country can grow, just like you want this company to grow.

I believe with all my heart that the years ahead can still be the best years this country ever had. But you know what you're going through now. Just look at it. We are living in a world where change is the law of life, where the average 18-year-old will change work eight times in a lifetime. And we will be judged harshly by our children if we permit the kinds of things to go on that are happening today, which make change our enemy and not our friend.

My whole goal in this economic program is to try to change the priorities of this country so people can pursue what the Founding Fathers wanted, life, liberty, the pursuit of happiness, by making change our friend. I can't promise you and no politician can, to repeal the laws of global competition. I can't promise you that you won't have to work not only harder but smarter than ever before. Nobody can do that.

But I think you know that your Government has been inadequate to the task of preparing you to win if you play by the rules, if you do your part, if you're highly productive. That's my job. That's what this plan's designed to do. I hope you will support it. I think it will secure the American dream for you and your children.

Thank you very much, and God bless you all.

[At this point, the President was presented a gift.]

Thank you.

I want to say two things. First of all, it was very diplomatic of you not to give me a bigger shirt than you gave Vice President Gore. *[Laughter]* And secondly, I don't think

anyone who sees me running in this will really believe I'm about to fly. *[Laughter]* But I will wear it and enjoy it every day.

Thank you very much.

NOTE: The President spoke at 2:02 p.m. in Hangar 40-23 at Boeing. In his remarks, he referred to Frank Schrontz, president and chief executive officer of Boeing.

Announcement of Nomination for 21 Sub-Cabinet Posts

February 22, 1993

President Clinton today announced his nomination of an Under Secretary of Policy at the Department of Defense along with his intention to nominate 20 other men and women for sub-Cabinet posts in the Departments of Defense, Energy, Health and Human Services, Interior, Labor, and Treasury.

The list of those individuals announced today follows:

Department of Defense

John Deutch, Under Secretary for Acquisition

Frank Wisner, Under Secretary for Policy (nominated)

Department of Energy

Thomas P. Grumbly, Assistant Secretary for Environmental Restoration and Management

Susan Fallows Tierney, Assistant Secretary for Domestic and International Energy Policy

Department of Health and Human Services

Walter Broadnax, Deputy Secretary

David Ellwood, Assistant Secretary for Planning and Evaluation

Jerry Klepner, Assistant Secretary for Legislation

Avis LaVelle, Assistant Secretary for Public Affairs

Harriet Raab, General Counsel

Fernando Torres-Gil, Commissioner on Aging