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.

Btu Tax

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 af-

fect 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,