

If you look at this great debate we're having in Washington with our twin deficits, the budget deficit and the education deficit, I say to you, we try to solve one without the other at our peril. We have brought the deficit down, and we will work to do it more. Congress and I, we will fight about what kinds of cuts we ought to have, but we'll get there and we'll bring it down some more. We already are running the first operating surplus in nearly 30 years, except for interest on the debt. And we will do better. But we cannot do it at the expense of education. We cannot do it at the expense of education.

There's a lot of talk about tax cuts. I say this, we have to worry about how much and who gets it and what for. We should not do it if we have to cut education. We should not do it if we have to explode the deficit. And if we're going to have a tax cut, we should do it in ways that lift the American people's income over the long run as well as the short run. We have to have—we have to have a sense that our future depends upon the development of our people. That's why I say, if we're going to have a tax cut, we must give people some tax relief for the cost of education. That is the most important tax cut we can have, and I will insist upon it and will not support a legislative bill that does not have it.

You know, everybody wants to have more disposable income, but what we don't want to have is disposable futures. So let us not sacrifice the future to the present. And let us not have a false choice between a budget deficit and an education deficit. We can have both.

I wish President Roosevelt were here. I wish he were just sort of on our shoulder to deride those who are cynical, those who are skeptical, those who are negative, and most of all, those who seek to play on fears to divide us. This country did not get here by permitting itself to be divided at critical times by race, by religion, by region, by income, you name it.

And just remember this: President Roosevelt died here, and they took his body on the train out, and America began to grieve. Imagine what the people looked like by the sides of the railroad track. Imagine the voices that were singing in the churches. They were all ages, men and women, rich and poor, black, white, Hispanic, and whoever else was living here then. And they were all doing it because they thought he cared about them and that their future mattered in common. They were Americans first. They were Americans first. That was his contract with America. Let it be ours.

Thank you, and God bless you.

NOTE: The President spoke at 1:14 p.m. at the "Remembering Franklin D. Roosevelt" 50th anniversary commemorative service at the Little White House. In his remarks, he referred to Gov. Zell Miller of Georgia; Joe Tanner, commissioner, Georgia Department of Natural Resources; Lonice C. Barrett, director, Georgia State Parks and Historic Sites; Anne Roosevelt, granddaughter of Franklin D. Roosevelt; Arthur M. Schlesinger, Roosevelt biographer; and John Kenneth Galbraith, author and economist.

Interview With Wolf Blitzer and Judy Woodruff of CNN

April 13, 1995

Ms. Woodruff. Mr. President, thank you for being with us.

The President. Glad to do it, Judy.

President's Goals and Republican Agenda

Ms. Woodruff. You are now well over 2 years into your Presidency. The common, increasingly common, perception out there is that because of the successes of the center-stage role that Newt Gingrich and the House Republicans have played, that your Presidency has been somehow diminished, made less relevant because of all

the activity and the agenda-setting that they've been doing.

The President. Well, they had an exciting 100 days, and they dealt with a lot of issues that were in their contract. But let's look at what happens now. The bills all go to the United States Senate, where they have to pass, and then I have to decide whether to sign or veto them.

So now you will see the process unfolding. And I will have my opportunity to say where I stand on these bills and what I intend to

do with the rest of our agenda. I have enjoyed watching this last 100 days, and have enjoyed giving them the chance to do what they were elected to do. And also I made it clear what I would not go along with.

Last Friday at the newspaper editors meeting, I went through item by item what's left on the Republican agenda that has not either been defeated or passed, and also the unfinished items on my agenda that will create more opportunity and more responsibility in this country.

Ms. Woodruff. But it's the Republican agenda. And I think it— isn't it the case that throughout American political history, the party that is controlling the agenda is dominating the American political scene?

The President. Well, I don't necessarily agree that it's the Republican agenda. You know, I brought up welfare reform before they did. I started reducing the deficit long before they did and without any help from them. We reduced the size of Government before they did. We reduced the burden of regulation before they did. We gave relief to the States from Federal rules before they did.

This can be an American agenda. And in addition to that, I have tried to make it absolutely clear that I believe that we must continue to press ahead nationally with the cause of education and training and that any tax relief must be geared to helping middle class people and to helping people educate themselves.

So I just simply disagree that it's an entirely Republican agenda. It's an American agenda. And there are a lot of things that are still unfinished on our agenda, but these things were started—many of the things that they talk about that will actually affect real people in their lives were begun under our administration.

Ms. Woodruff. But, Mr. President, again, the perception is Newt Gingrich has been out there on the news every day, the Republicans have been out there with headlines in the newspapers. How—

The President. Well, I'm not responsible—I can't control the perception. All I can do is show up for work every day. But I'll tell you this: our administration is the first administration in almost 30 years to run an operating surplus, that is, without interest on the debt. We have reduced the size of Government. We have done a lot of these things that they talk about. But more importantly, we've focused on creating opportunity for the American people.

Now, they are capturing the headlines now. They had their 100 days. Now the bills go to the Senate and the moderate Democrats, the moderate Republicans, and the President will have a huge say on what becomes law. I will have my say as the bills are debated in the Senate, and I'll decide whether to sign or veto them. So there will be more parity here as the American constitutional system unfolds.

And there are other items on our agenda that I want to see dealt with. I want them to raise the minimum wage. I want them to do something for education in the tax cut. I want them to deal with health care in a piece-by-piece basis. The American people thought I bit off too much at one time, so let's deal with it on a piece-by-piece basis. I've given them several elements that Republicans in the past have said they have supported.

I think the American people want us to work together. But meanwhile, look at where we are now compared with where we were 2 years ago. There are more jobs. There is more trade. There is a smaller Government, and we are moving in the right direction. That's all I can do. That's my agenda. If they are part of that—the American people can later sort out who gets credit for it when the elections get underway.

Taxes

Mr. Blitzer. Mr. President, Bob Dole, who is the Republican frontrunner right now for the Presidential nomination, has taken—accepted the pledge that he rejected in 1988, no more new taxes. Are you prepared to accept that pledge in New Hampshire as well, that you will not go forward with any new taxes?

The President. As a matter of principle, I think it's wrong for a President to do that. But look at our record. I told the American people exactly what I would do. I said the first time, when I go in I'm going to ask the wealthiest Americans to pay more, not because I'm for class warfare but because they can afford to. We'll cut spending, raise taxes on the wealthiest Americans, and bring the deficit down. We did that.

Now, what else did we do? We cut taxes on 15 million families with incomes of \$25,000 a year or less an average of \$1,000 a year. We made 90 percent of the small businesses eligible for a tax cut. We established a capital gains tax for investment, long-term and new businesses. We just—I just signed a bill passed by

this Congress which I tried to pass last time which provides a tax cut for self-employed people for the cost of their health insurance. I have proposed a middle class tax cut in connection with continued deficit reduction and tied to education. That is my record.

I'm not out there raising taxes. I'm trying to lower the deficit and lower taxes. That is my record. That is my program for this Congress. That is the future. But on principle, I think a President runs the risk of breeding cynicism to sign that kind of pledge when you have no idea what will come forward.

Let me give you an example. I strongly believe that the Congress made a terrible mistake. The only tax break they've given anybody new this time is to reject my proposal to ask billionaires who gave up their American citizenship to get out of American taxes on money they made as Americans to pay their fair share. And for reasons I do not understand, the Republican Congress, in conference, in secret, after being lobbied by a former Republican Congressman and a former Republican Senator, let the billionaires off scot-free.

So if we sign that, am I raising taxes? I would sign that in a heartbeat. People ought to pay what they owe—they shouldn't be able to give up their citizenship—pay what they owe.

Mr. Blitzer. But you would have then signed that into law after they included it in the different package, the billionaires loophole.

The President. They didn't include the loophole, they refused to impose the tax. So what I think they ought to do is close the loophole. What I did was to give the small-business people and the farmers and the professionals whose families are unfairly denied a tax deduction for their health care costs that tax deduction so they could get it by tax day, which is next Monday. I had to do that. But they ought to put that back in. This is an unconscionable thing which has been done.

But would it violate the pledge, or not? That's the problem I have with the question you asked.

Mr. Blitzer. Let me ask you one more question on taxes. The flat tax: The Republicans have now authorized this commission that Jack Kemp will head to see if there's a possibility of going forward with a flat tax, a simple flat tax. Is this something that you think you would support?

The President. I'm for tax simplification. Anything we can do to simplify the Tax Code, con-

sistent with fairness and not exploding the deficit, we ought to do. The first time I heard about a flat tax I thought it sounded like a pretty good idea. But if you look at it, every analysis that I have seen done indicates that the flat tax proposals that are out there now will increase the deficit and increase taxes on all Americans with incomes of under \$200,000 a year. So my answer is, I'm going to put a pencil to a piece of paper and figure out how it works. And my suggestion to the American people is that they should put a pencil to a piece of paper and see how it works.

We must not explode the deficit. And we must not have a big tax shift from people making over \$200,000 to all people making under \$200,000. That's not the fair thing to do.

President's Leadership

Ms. Woodruff. Well, in connection with that, Mr. President, you are the first President in something like I think it's 140 years to go this far in his Presidency without a single veto. Now, you've made some threats and you specifically made some at the end of last week. But House majority leader Dick Armey is out there, is just flatly saying that he thinks you're going to sign any tax cut bill, any tax bill that they send you. In other words, they're not taking you seriously.

The President. He's wrong. Keep in mind, why didn't I—I didn't have to veto anything in the last 2 years because it was only the third Congress since World War II, only the third Congress since World War II when a President passed more than 80 percent of its programs in the Congress. That's only happened—President Eisenhower did it, President Johnson did it, and I did it. The Congress did not send me anything they knew I was going to veto. So there was no need to veto.

Secondly, the abuse of the filibuster—and I say that advisedly, there has been an abuse of the filibuster, which means that one more than 40 Senators can hold up any bill—reduces the number of bills coming to the President's desk—

Ms. Woodruff. On which side are you talking?

The President. Well, in the last 2 years it worked for the Republicans. It may work for the Democrats this time. But the point is that the sheer number of bills coming to the President are now smaller than they used to be. Now, if I get the line-item veto—the line-item veto has passed the Senate; a line-item veto

has passed the House. I worked very hard to get it through the Senate and to get the Democrats to go along with it, and they did. If they'll reconcile the differences, you will see a lot of vetoes under the line-item veto.

Ms. Woodruff. Well, again, on the veto point, I mean, you were just in Warm Springs yesterday honoring Franklin Delano Roosevelt. We looked into his record; over 13 years of his Presidency he had over 700 vetoes. And Arthur Schlesinger, the historian, was there at the ceremony. He was telling a reporter—he said Franklin Roosevelt loved a fight, and he said President Clinton would prefer to accommodate. Is that an accurate perception?

The President. No, I like to fight. That's how I got elected President. That's how I passed an economic program that broke the back of deficit spending and bipartisan irresponsibility. The Republicans and the Democrats sat up here for 12 years and told the American people what they wanted to hear. The Republican Presidents blamed the Democratic Congress. The Democratic Congress blamed the Republican Presidents. And they quadrupled the debt of this country when I got here.

What I did was to fight my battles in the Congress and by one vote in both Houses won a budget bill that reduced this deficit. I fought for a trade bill that gave us more trade. I fought to get a crime bill that would reduce the threat of violence on our streets. I've got things done that I wanted to signed. If they send me bad bills, I'll be happy to veto them. I think that the untold story of the last 2 years is how much we got done. I had no occasion to veto a bill. I have no doubt that I will have occasions to veto bills now.

Ms. Woodruff. But just quickly, Mr. President, again, maybe we're talking perceptions again, but the perception is that you are a President who will bend, who will not stick with what you originally said you were for. Hence, you've got people out there like Arthur Schlesinger saying he thinks you're an accommodator. I mean—

The President. Well, let me ask all those people then, if that's so true, why did I break the back of trickle-down economics? Why did I break the back of 12 years of Democratic and Republican irresponsibility in Washington, to reduce the deficit 3 years in a row for the first time since Mr. Truman was President? If that's so true, why were we able to pass the NAFTA,

which was deadlier than a doornail when I took office? If that's so true, why did we pass the crime bill with the assault weapons ban in it, which had been dead for 6 years? Why did we pass the Brady bill, dead for 7 years? Why did we pass family leave for working families, dead for 6 years? Because we got things done out of conviction and hard work.

Sometimes, it's more important what you do than what you don't do. Now, vetoes make a big splash. If they'll just simply send me some bad bills, I'll be more than happy to veto them. What we should be doing here is focusing on what we did to break gridlock, make this Government more responsible, and get things done. It was tough. It required hard fights. They were bitter, tough battles that we won. When you win, you don't have to veto. I like to win, and we won. And the American people are better off. But all this talk is, "Well, let's see some vetoes." Send me a bad bill, I'll be happy to veto it.

I have had three bills since this Congress started 100 days ago, three bills. They were all three bills I campaigned for President on: a bill to make Congress live under the laws it imposes on the private sector, a bill to reduce the burden of Federal action on State and local government, and a bill to provide a tax break to self-employed people for the health insurance costs they have. Those were things I ran for President on. How can I veto bills that I support? I support those bills.

Just because the Republican Congress passed them—I did not run for office to sign a pack of vetoes or to worry about my perception. I ran for office to turn this country around. This is a time of enormous change and uncertainty. Anytime a President takes on tough battles, gets things done, but tries to work through things in a spirit of good faith, you have to run the risk of changing perceptions.

It happened to Harry Truman. He barely had one in four people for it. And he was—until the last year of his campaign in 1948, he was regularly attacked not for being too decisive, too tough, too straightforward but for being too accommodationist—what did he stand for, where was he. These are—it's just part of the times. I can't worry about the perception. I have to be tough in fighting for what's right for the American people. That's what I have done. That's what I will do. I did it by passing bills the last 2 years. I'd like to do it by passing

bills now, but that's up to the Congress. I told them Friday what I'd sign and what I'd veto. Let's see what they do.

Welfare Reform

Mr. Blitzer. Well, let's talk welfare reform, which, of course, is an issue very close to your heart. You have said you want to end welfare as we know it. The House version is apparently unacceptable to you, the Republican version passed in the House.

The President. Do you want to see a veto? If the Senate passes the House bill, I'd be happy to veto.

Mr. Blitzer. Well, the Senate looks like the Republicans are now suggesting they would take out some of the more—what you would consider onerous provisions of the House bill but still give the States block grants to reform welfare as the States, the Governors, want to do it—the Republican Governors, that is. Is that something you would accept?

The President. No, but I think that they deserve credit for making some progress. You know, the Catholic Bishops basically pointed out that the House bill could actually be a pro-abortion bill, could encourage abortion, it was so hard on children, and it was so weak on work. Now, the provisions proposed by these three Republican Governors that the Senate is looking at gets out a lot of the stuff that is tough on children and unfair to them. And that's good, and they deserve credit for that. It's still weak on work, and it's still unfair to the States that have huge growing populations of young children.

So this block grant proposal as it is written would put unbearable burdens on States, not necessarily—this is not a partisan issue, but the block grant proposal as written I think would be unfair to States like Texas and Florida, for example, and maybe very beneficial to States with static or declining welfare rolls.

Mr. Blitzer. Just to nail it down—so this Republican version in the Senate that is now being discussed, you would veto that?

The President. All we know about it is what we see in the papers. I believe that it is an improvement over the House bill. But it's got a long way to go. We need to be—what the American people want is to see people who are on welfare going to work and succeeding as workers and parents.

Now, what they've done that's good is they've adopted all my tough child support enforcement provisions. And I applauded the House for doing it. Line for line, they did it. I appreciate that, and it's good. The Senate now says, "Well, we're not going to be tough on children, we're not going to be—in effect, having a pro-abortion policy or at least a brutal-to-children policy." That's good. They deserve credit.

Now let's work on the work, and let's don't be fairer to the States that have bigger problems than some other States. The States—this proposal—I am for much, much, much more flexibility to the States. Keep in mind, it was our administration, not the two previous administrations but ours, that has given half the States the freedom to get out from under the Federal rules to do what they want on welfare. But we have to do it in a way that is fair to all the States. So my concern about the block grants is that it won't be fair to all the States.

Abortion

Mr. Blitzer. Just wrapping up this segment—on abortion, an issue you just raised, you have said repeatedly you would like to see abortion safe, legal, and rare. What have you done to make it rare?

The President. One of the things I've done to make it rare is to push very strongly for more adoptions and for cross-racial adoptions. One of the things that the Republicans and I agree on, although we may have some minor differences about how to do it, is that we should not hang adoptions up for years and years and years when there are cross-racial adoptions involved. If parents of one race want to adopt a child of another, they shouldn't be delayed and hung up by a lot of bureaucratic redtape. I think that is very important.

The other thing I think we have to do is to make it clear to people that if they have children, they will be able to raise them in dignity. I have tried to improve the lives of women and little children and support people who do bring children into this world, to say, "Okay, if you've got a child, even if you bore the child out of wedlock, you ought to have access to education and child care and medical care. And then you ought to get off welfare and go to work." I think if people see that they can bear children and still succeed in life, and if they understand that if they want to give the children up for adoption, that they can do that and know

it would be done in a ready and proper way, I think those two things can really work to reduce abortions.

The other thing I think we have to do to reduce abortion is to keep campaigning against teen pregnancy. And we have worked very aggressively in this administration on anti-teen pregnancy campaigns. So those are three things we've done to try to make abortion more rare.

Russia

Ms. Woodruff. Mr. President, let's move to a somewhat different area, international relations. You're going to Russia in about a month, a little less than a month from now, to celebrate V-E Day, to meet with Boris Yeltsin. You are going despite the fact that the Russians have refused, so far, U.S. pleas that they not sell nuclear technology to Iran. And the question is, I mean, even setting Chechnya aside and what they've done there, given the fact that this whole question of nuclear proliferation poses such a dangerous specter—creates such a dangerous specter for the entire world, will the Russians pay no price for this policy of selling this technology to Iran?

The President. Well, first of all, let me explain why I'm going to Russia, and let's look at this issue in the larger context. We are still negotiating with the Russians on this issue. We do not want them to sell this technology to Iran. It is true what the Russians say, that it's light-water technology, it's the sort of thing North Korea is going to get as a part of denuclearizing North Korea. We don't want Iran to have anything, anything, that could enable it to move toward developing nuclear capacity, so that we do not support this. And we are continuing to work to try to dissuade them.

But look at our relationships with Russia in the broader context. First of all, I think it very important that the rest of the world continue to support democracy, economic reform, and nonaggression in Russia. If you look at where we are now compared to where we were 2 years ago, Russian reform, economically, is still in place, the democratic system is still in place in Russia, the elections system and the constitutional system is still functioning. They have come a long way.

They made this agreement with Iran before I became President. The question is, are they going to follow through on it or back off of it? But you have to see it in the larger context.

I am going, I might add, along with every other leader of a World War II country, to Russia because the Russians lost 20 million people in World War II, far more than any other country did. Their price was great. And part of their alienation from the rest of the world, and the West in particular, has been rooted in their collective consciousness that we never understood why they were more, we thought, paranoid, at least more isolated than the rest of us because of that cost. So I think I'm doing the right thing to go. I will continue to work on the Iranian thing, but I do not believe that disengaging with Russia and refusing to go and participate in this ceremony is the right way to do it.

Ms. Woodruff. Well, I understand what you're saying about history and about their sacrifice. And I think most Americans, no doubt, appreciate that point. But given the fact that the greatest danger out there facing this entire globe is nuclear proliferation, where is the United States prepared to draw the line?

The President. But what interest would it serve—if they can legally do this under international law, what interest would it serve for me to stay home when by going there and continuing to engage the Russians we might make progress?

Let me remind you of what has happened in Russia since I've been President. They have withdrawn all of their troops from the Baltics, for the first time since before World War II. We have completed START I. They are rapidly dismantling nuclear weapons. We have succeeded in getting all of the other former Soviet states to be nonnuclear states. So in the context of nonproliferation, we have made huge, huge progress in the last 2 years.

This is an area of disagreement. I intend to take it up with them. But I think engaging them, going at them, going right at them, and working through this is the way to do it.

Ms. Woodruff. Will they ultimately pay a price one way or another?

The President. Well, let's see what they do. Obviously, if they don't—obviously, if they do this, it will affect our relationships with them, just as all the positive things they've done have affected our relationships with them. The United States has been a very strong supporter of Russian reform. We have done everything we could to help them succeed, and we have gotten a lot for that. We have gotten a lot for that.

They are rapidly destroying their own nuclear missiles. We are moving in the right direction.

This is one area of disagreement, but it pales in comparison to all the progress we've made to lower the nuclear threat in the world in our other agreements with Russia.

Iran

Mr. Blitzer. Mr. President, you've had this dual containment policy towards Iran and Iraq. Yet, U.S. oil companies still are the biggest buyers of Iranian oil, and they sell it around the world except in the United States. There is some talk that you're thinking about strengthening the U.S. sanctions against Iran. Can you tell us where you stand on that?

The President. We're looking at what all of our options are. I think we need to be as firm as we can be. Our administration stepped in when Conoco signed that agreement, and they backed off of it. That was a good thing. And we are looking at what else we can do.

Mr. Blitzer. Well, you could pass proposed legislation or just take Executive orders to force U.S. companies to no longer purchase Iranian oil.

The President. We are looking at all of our options, and I'm going to get a report pretty soon on what I can do by Executive order, what I might ask the Congress to do. The Congress is also looking at this.

Every country that we speak with, every world leader I talk to in the region and beyond still believes that Iran is the biggest cause of instability and the biggest potential threat to the future. And they have chosen not to change their conduct, so we are forced to continue to look at our options.

American Prisoners in Iraq

Mr. Blitzer. How far are you willing to go in terms of Iraq in winning the release of the two American prisoners who are being held in Baghdad?

The President. I'm not prepared to make any concessions on the United Nations resolutions. The resolutions speak for themselves. Mr. Ekeus just issued his report in which he raised questions about what they might be doing on biological warfare. We saw in the horrible incident in the Japanese subway the potential of biological and chemical weapons in small vials, small amounts. So we have to separate the United Nations resolutions and the sanctions against

Iraq from this incident. I want those two Americans home; the government should give them clemency. They did not—clearly, they did not go across the border with any intent to do anything wrong. The United Nations has now taken responsibility for the mistake they made in letting them through the checkpoint. They should simply be released. It is the decent thing to do. But the United States cannot make any concessions on the sanctions issue to get their release. That would be wrong.

Cuba

Mr. Blitzer. One final loose end on an international issue, Cuba: Jesse Helms has a resolution, as you know, pending that would prevent the U.S. from dealing with companies in Europe or Canada or Japan that deal with Cuba, and this has caused an uproar around the world. You haven't taken a position on this Helms amendment yet. Are you prepared to say you support it or oppose it?

The President. I support the Cuban Democracy Act, which was passed in 1992 and which we have implemented faithfully. The Cuban Democracy Act gives us the leeway to turn up both the heat on the Cuban Government and to make certain changes in policy in return for changes that they make. It is a carefully calibrated, disciplined, progressive approach. I believe it will work. I do not—I don't know why we need any more legal authority than we already have.

I would be, obviously, as I have been in the past, interested in knowing the views of Senator Graham on this because I trust his judgment. He's been an expert in this area and he's worked hard and was a sponsor, along with Mr. Torricelli, of the last Cuban Democracy Act. But we have been very firm. Our administration's position has been much tougher than the previous administrations, but we've also operated under the Cuban Democracy Act to restore, for example, direct telephone communications, which has been a good thing for the Cubans and a good thing for the United States.

So I like the way the act is now. I think we should continue to operate under it. I know of no reason why we need further action.

Ms. Woodruff. And just in connection with the Cuba question, Mr. President, your Secretary of State and National Security Adviser have been talking a little more lately about some diplomatic opening, further diplomatic opening

to Cuba. Is there something you're considering of that nature?

The President. There is nothing specific. What I want us to emphasize is the Cuban Democracy Act was a very carefully drawn bill of balance, of sticks and carrots—not carrots and sticks, sticks and carrots. It toughened the sanctions on the front end but provided for the United States to take appropriate, carefully calibrated actions in return for things that might be done within Cuba to open the country politically and economically.

But I have been given no specific recommendations by them, and I certainly have not approved any.

Value of the Dollar

Ms. Woodruff. International economic question: It's 50 years after World War II. The German mark and the Japanese yen are doing a whole lot better, a whole lot better, than the American dollar out there. And as you know, critics are pointing to your administration, to U.S. policy, and saying the dollar is falling because the policies of this administration and this government have contributed, have been wrong. What's going on?

The President. The economic condition of the American people is a whole lot better than the economy of Japan and Germany right now, although the German economy is coming back. We have lower unemployment; we've produced more jobs; we have low inflation.

Now, when—I would remind you that when I was in charge of economic policy and the Congress was supporting it—I'm still in charge of economic policy; the question is, what's the Congress going to do—we had lower deficits, low inflation, high growth, and a dollar that was stronger. I have no idea what is happening in the markets with the dollar, and neither does anybody else entirely. You ask them, a lot of people who make a living doing this think it's maybe speculation. But I tell you this: We do have to reduce the deficit further.

But I would just like to point out that if you look at the total Government deficit in the United States on an annual basis today, it is tied with Japan for the lowest deficit in the world. It is lower than Germany's. It is lower than any other European country. What is going on here? If they're saying something about the deficit, it's not because of the way we've managed the last 2 years, it's because of the massive

accumulated debt of the previous 12 years which requires a lot of borrowing to finance.

So what does that mean? That means we have to do more deficit reduction. What does that mean? It means it's unwise to be out here talking about tax cuts until you explain how you're going to reduce the deficit. Deficit reduction and appropriate, targeted, modest tax cuts, that's my policy.

The world markets may not know it yet, but that's going to be the policy of the United States. The United States will continue to reduce the deficit. We'll reduce it more. We will have a responsible policy, and the dollar will respond accordingly.

Jonathan Pollard Espionage Case

Mr. Blitzer. Mr. President, I want to talk U.S. politics in a second, but one loose end. There's story out today that you're thinking about a swap that would free Jonathan Pollard, the U.S. naval intelligence analyst who was convicted of espionage for Israel, as part of a three-way deal with Israel, Russia, and the U.S. First of all, is that true? And second of all, do you think that—he's now served 10 years—is that long enough for the crime that he committed?

The President. No one has said anything to me about that, nothing.

Mr. Blitzer. On the swap, you mean?

The President. Nothing.

Mr. Blitzer. Okay.

The President. And on Pollard, I'm going to handle his case the way I handle anybody else's. I get recommendations when people apply for clemency from the Justice Department, I review them, and I make a judgment on them.

1996 Presidential Election

Mr. Blitzer. Let's talk U.S. politics for a few moments. Bob Dole is the frontrunner, but there are a lot of other Republicans out there. How do you assess the political scene right now in terms of the challenges, not only from the Republican side but potentially a Democratic challenger like former Governor Casey of Pennsylvania trying to come into this race as well?

The President. Well, on the Republican side, I don't know how to assess it because it depends, obviously, as any primary battle does, on how they distinguish themselves from each other and who votes in the primary and how the various States view it. And I simply don't know enough about their primary electorate to

do that. I'm going to let them decide who they want to put up, and they'll do that in due course.

Bob Casey is a man I served with as Governor. I have a high regard for him, and I have a lot of respect for him. And I kept in pretty close touch with him and his family when he went through his medical problems. And I think he's a remarkable, resilient person. He is a committed anti-abortion, anti-choice person who has served with distinction in government. We agree on many, many issues. I believe you can be pro-choice and anti-abortion; he doesn't believe that. And he believes that the Democratic Party has been badly hurt by the abortion issue and that it's more important than any other issue. And he believes that with a real depth of conviction. And he will have to do whatever he thinks is right, and he will do that. I am sure he will do whatever he thinks is right.

I think when you look at the alternatives between the Democrats and the Republicans and the fact that the Republicans seem to like to—it's hard to know where they really stand on that issue; they talk one way and act another. I would hope that he would think about that and think about what would happen in the event of a campaign. But that's his decision, and whatever he does, I will respect.

Mr. Blitzer. Still on politics, Mr. President, some of your political aides talk about you as the "43 percent President," referring to the percentage of the vote you got in '92. Is it the operating assumption around here and with you that there will be a third candidate in the general election, that there will be a Democrat—you, a Republican, and someone else?

The President. I have no earthly idea. And you know—let me just say how I am doing this. Sometimes you talk to people who work around here about this stuff more than I do. I try to minimize that kind of speculation. We have no control over that.

After the November election, when the people decided to give the Republicans control of Congress, I made a decision which I am adhering to, which is that I would do the very best I could to do exactly what I thought was right, that I would not worry about the monthly fluctuation in the polls, that if anything, worry about it even less than I had in the 2 previous years when I had taken a lot of unpopular positions. And I'm going to do more of what I did down in Dallas on Friday where I just took an outline

of the positions that I feel and I just get up there and say what I think and let the American people digest it and deal with it the best way they can.

Ms. Woodruff. So you mean while there's all this wild political speculation out there about what's going to go on, you're able to ignore that? Is that what you are saying?

The President. I don't think about it much. Of course, I don't ignore it, but I don't spend a lot of time worrying about it. The one thing I think every President owes the American people is to focus on what the American people need, to do what he thinks is right and best, and to realize that you waste a huge amount of energy focusing on things over which you have no control. I have no control over who seeks the Republican nomination, whether anybody seeks the Democratic nomination, and I certainly have no control over whether there's a third-party candidate. That is irrelevant. So I can't worry about it. It's a waste of time.

Political Change in Southern States

Ms. Woodruff. Well, let me ask you about something over which you may have some control, and that is these defections of Democrats to the Republican Party. We had Congressman Deal, Senator Shelby, Senator Campbell. Just looking at the South alone, I mean, the trend is all in the Republican direction. Are we now in a situation where you've got an all solid Republican South where we used to have a solid Democratic South, and is there anything you can do to stop that?

The President. Well, the solid Democratic South in Presidential elections has been breaking up since 1948. Harry Truman stood up for civil rights, and he lost four States to Strom Thurmond.

Ms. Woodruff. So you are saying there is nothing you can do?

The President. Well, no, I think there is. I think what we have to do—first of all, we have to get down there and make our case at election time. You know, when I spoke to the Florida Legislature, for example, I noticed after it was over a lot of the Florida Democrats came up to me and said there were Florida Republicans who said they agreed with what I said. They did not know what the position of the administration was, and they felt reassured by it.

The South cares about education. The South cares about welfare reform. The South cares

about a strong stance against crime. The South has done very, very well economically under our policies, changing trickle-down economics, not going back to tax and spend but working on the invest and growth strategy that I ran for President on.

Ms. Woodruff. But they are voting for Republicans?

The President. They are, but I think they will be fair-minded when there's an honest debate. I don't think that the—in many cases they've gotten the other side of the coin. If you look at Florida, for example, or in Georgia where you have two seasoned Democratic Governors that survived the biggest Republican tidal wave in decades, they did it because they were strong and tough and they stood up for what they believed in and they did not apologize or pussy-foot around. They just said, "Here's what I did, here's why I did it, and here's where I stand." And not only that, they talked about what they were going to do to in the future. And they survived the tidal wave. I think that the Democrats will do well by following the examples of Lawton Chiles and Zell Miller.

The Presidency

Mr. Blitzer. Mr. President, if you step back a little bit and look over the span of your Presidency, what has been the most exhilarating moment in your Presidency, and what has been the most depressing moment for you since becoming President?

The President. I've had a lot of exhilarating moments, but I think that in terms of what's happening for Americans, I was exhilarated when the economic plan passed by only a vote because I knew it was the beginning of turning the country around. And I knew that if we got the deficit down, if we gave lower income working people a break, if we made college loans more affordable, if we expanded Head Start—that is, if we offered more opportunity and demanded more responsibility; all that was in that economic plan—that we could get this economy going again and we could offer some opportunity. So that was a great moment for me.

On a purely personal basis, I think the passage of the national service bill and seeing all those young people come up here and seeing them go out across our country and sort of cut through all the rhetoric and bureaucracy and everything and just start changing America from the grassroots up and earning their way

into college has been the most personally rewarding thing for me.

Mr. Blitzer. And depressing?

The President. The most depressing moment, I think, for me was when our young men were killed in Somalia, because they went there to save the lives of the Somali people. They did a magnificent job, and it was a very sad thing. And I think we learned some valuable lessons from it, and the lesson is not to withdraw from the world, not to walk away. What we did in Rwanda, what we did in Haiti, especially, shows that there is a good way and a right way to do these things. But that was a very—personally, it was the most personally depressing moment to me.

Entertainment Industry Values

Ms. Woodruff. Mr. President, Bob Dole said this week, 2 days ago, that the entertainment industry in this country, television, movies, advertising, is poisoning the minds of American young people. He said Hollywood ought to be shamed into improving all of these things. You've gotten a lot of money from Hollywood interests and political contributions. Do you think Hollywood—should you be holding Hollywood more accountable for these sorts of things?

The President. Well, I would remind you that long before Senator Dole said anything about it, I actually went to Hollywood and challenged them to deglorify violence, to deglorify sexual misconduct, to deglorify drug use, to deglorify destructive behaviors, and to try to help to build this country up. I also said the same thing in the State of the Union Address. And if you'll remember, it got as strong a response as anything that we had done. I think there—

Ms. Woodruff. And you're still saying that?

The President. Absolutely. And I think there has to be—I think what we need is—nobody wants to abolish the first amendment, but people who can shape our culture have a responsibility to try to help build it up. And when they show things that are destructive, they need to be shown in a destructive light, not in a glorified light.

So if I might give you two examples, I think that one reason people liked "Forrest Gump" is they thought it reasserted American values. And it didn't hide the problems of the sixties, seventies, and eighties; in fact, it explored them, but it showed them in a sad and tragic light.

The movie “Boyz N the Hood” was a violent movie, but it deglorified, it demystified gang life. No one could watch that movie and walk away from it with anything other than that children should not do these things. So there is a way for these subjects to be dealt with and to be commercially successful and still send cultural messages that bring us together and make us stronger.

Ms. Woodruff. All right, Mr. President, thank you for joining us.

The President. Thank you.

NOTE: The interview began at 11:40 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Rolf Ekeus, chairman, United Nations Special Commission (Iraqi Weapons), and Americans David Daliberti and William Barloon, who were arrested for illegally crossing the Iraqi border on March 13.

The President’s Radio Address

April 15, 1995

Good morning. This weekend, all across our country, Christians and Jews are gathered with their families to celebrate Easter and Passover. For them and for every American, Hillary and I wish that this season of faith and renewal will also be a time of hope.

In a few weeks, Congress will return from their own Easter recess and begin to sift through all the bills passed by the House and, in some cases, those passed by the Senate, too. A lot of that work is good. A lot of it I campaigned on in 1992: spending cuts, the line-item veto, paperwork reduction, tougher criminal sentences, and greater flexibility for the police to do their jobs. These things are also consistent with actions already taken by our administration to cut the deficit, the size of Government, the burden of regulation; to tighten enforcement on child support and college loan repayments; and to give more support to Head Start and affordable college loans, national service, and family leave.

But a lot of these proposals, these new ones, go too far: cuts in education and job training, undermining environmental protections, undermining our efforts to put 100,000 new police on our streets, legislation to permit the sale of assault weapons, and penalties for going into court to assert your rights as a citizen. I’m concerned that important issues will be lost in all the welter of detailed legislative proposals Congress has to consider. So I want to tell Congress and the American people what my priorities are.

There are three areas that I assign the highest priority. They’re my “must” list. First is welfare reform. We must pass a bill that reforms the

welfare system and restores mainstream values of work and family, responsibility and community. We must demand work and responsibility by setting definite time limits for welfare recipients and enforcing strict work requirements. We must promote family and responsibility by passing the toughest possible child support enforcement, including our plan to deny driver’s licenses to parents who refuse to pay their child support.

We must also give the States more flexibility, building on the work I’ve already done by giving States freedom, 25 of them, from Federal rules so they can find new ways to move people from welfare to work. At the same time, we have to uphold our values of community and responsibility by avoiding proposals that punish children for their parents’ mistakes.

Recent proposals by a number of Senators for welfare reform that don’t penalize children born to teenage mothers are certainly a step in the right direction. And the House of Representatives has adopted all my proposals for tougher child support enforcement. I appreciate these efforts. We have to keep on working, however. All the proposals are still too weak on work and on helping people to move from welfare to work. We can and must work together to pass a welfare reform bill that I can sign into law this year. Delaying reform any further would be a betrayal of what the American people want.

Second on my “must” list are tax and spending cuts, the right kind in the right amount for