

that we can—ultimately, we'll wind up agreeing on a rescission package to start cutting spending more right now. I want to cut spending by more than the House and Senate agreed in their committee to cut it, but I think it's cut in the wrong way. We shouldn't put pork back in the budget and cut education. I have said what I think about this. I think we have to continue to work for a balanced budget. I think we can achieve a balanced budget. I do not believe that the right way to do it is by making severe cuts in Medicare and Medicaid, the health care of our seniors and disabled population, and using that money to pay for tax cuts for upper income people. I do not believe that it's right to make it more expensive to go on to college. I don't think we ought to raise taxes on our lowest income working families with children. Those are the three things that I think are wrong.

I think there is a lot to commend the efforts that have been made by the Republicans in Congress. I think that, you know, they have shown that it is arithmetically possible to reach a balanced budget. And I believe that if we continue to work on a lot of the things that we're doing constructively in health care and other areas, we can achieve this. But I don't believe that we can do it with those three big, big problems out there. And I hope that we can work those out in the weeks and months ahead.

Q. How do you think you're going to—

Q. Senator Gramm just charged that you are committed to protecting the Government that you know and love and programs that have failed for the last 40 years.

The President. [Inaudible]—Senator Gramm—let me just say this: I don't want to get in a fight with Senator Gramm, but look at the record. He was here during the Reagan years and the Bush years when they quadrupled the Government deficit. And I would just point out

that the administrations that he supported always sent budgets to Congress that were in excess of the ones Congress approved. I would point out that if it weren't for the interest run up before I ever showed up here, if it weren't for the interest run up between 1981 and the end of 1992, we would have a budget that is in balance today. And I have already cut or eliminated some 300 programs, and we propose, in this new budget, to cut or eliminate some 400 more.

We have done more to challenge and change the status quo in 2 years than the previous administrations did in the last 12, perhaps the last 20. Furthermore, I don't see Senator Gramm out there campaigning for lobby reform, campaign finance reform. I don't even know what's happened to the line-item veto. If they're worried—if they want me to show them how to end the status quo, send me the line-item veto. Where is it?

If I had the line-item veto, we wouldn't be having this argument about the rescission bill. I could just get rid of it. All the things that—Senator Gramm is defending this rescission bill—\$1 million for a city street, nine highway projects in one congressional district, \$100 million for a courthouse—when we're cutting education? It seems to me that he's on the side of the status quo. I want to cut spending, but I want to change the way the Government works here. And I would urge him to stop protecting the Republican pork, just as I'm willing to scrap the Democratic pork, and let's put partisan politics behind us and get on with moving the country forward.

NOTE: The President spoke at 10:25 a.m. in the Cabinet Room at the White House. Dewey Stokes was national president of the Fraternal Order of Police. A tape was not available for verification of the content of these remarks.

Interview With Peter Malof of New Hampshire Public Radio

May 19, 1995

Mr. Malof. Well, I sure appreciate you joining us.

The President. Glad to do it.

Federal Budget

Mr. Malof. I guess you folks down in Washington are officially in the thick of the budget

battle. Your reaction to the rescission package just passed by the House was that it favors pork over people, and you promised a veto. Republicans are saying they're outraged. How comfortable are you with the prospect that your role may be shaping up more and more to be a blocker of action rather than an initiator?

The President. Well, I don't want to block action. I have offered even more spending cuts than is in their bill. This is not about cutting spending, and they know it. I worked in good faith with the Republican majority in the Senate to shape a rescission bill that would be better for the American people and would still cut spending. For example, I worked with the Senate to add back some of the money in the LIHEAP program, which goes to States like New Hampshire to help older people with their utility bills, but we cut spending somewhere else.

So we had an agreement that I would go along with this bill, and we worked in good faith. Then the Senate and the House Members went behind closed doors when nobody was looking and—remember, this is not a partisan issue—members of both parties put a lot of pork in the bill and took a billion and a half dollars in education funding out.

Mr. Malof. Now, correct—

The President. And so—let me just finish—so all I told them was, I am all for it, cutting this much spending. Indeed, I think we should cut a little more spending. I offered another \$100 million in spending cuts. But I don't believe—if we're going to balance this budget and cut back on Government spending, then we need to be very careful about how we spend the money we do spend. We ought to target it to education. We ought to target it to things that will raise incomes and grow jobs in America and improve the security of the American people.

Instead, they took out money to make our schools safer and more drug-free. They took out money to fund college educations for young people who are working in their community in the national service program that's received broad bipartisan support in New Hampshire.

They—instead, they put in \$100 million for a courthouse. They put in even more road projects into a Congressman's district who now has nine special-purpose road projects in his district. They even put in a million dollars for a city street in a State in the Midwest where

the mayor didn't ask for the money. Now, that's what was done behind closed doors. That's the old politics.

If we're going to change things around here, we've got to move away from the old politics, cut unnecessary spending, and then when we do spend money, the money ought to be well spent. We shouldn't be trading in pork for people, behind closed doors. That's what we did, and it was wrong. And I want to change that. But I'm all for the spending cuts.

Mr. Malof. Now, it's my impression that the only new spending in the House bill is disaster relief, antiterrorism laws, and Oklahoma City aid. You originally signed on to items that you're now calling pork, such as the highway construction and—

The President. That's right. That's when we had a—that's right. But that's when we were spending more money. But let's just—let's look at the real facts.

If we're going to cut \$16 billion worth of spending, and I signed—let me remind you that I signed on to it because the Congress has the ability to put these special projects in there and because I don't have the line-item veto, which the Republicans say they are for and which I have agreed with the Republicans for. Now, they passed the line-item veto in the House, they passed one in the Senate, but they're different. If they had—they still have not appointed the conferees to resolve the difference between the House and the Senate. If they had sent me the line-item veto, we wouldn't be having this discussion today.

But if you say—if they say we want to cut \$16 billion and I say we want to cut \$16 billion and then we reach an agreement—I reached a good-faith agreement with the Senate, and then they go behind closed doors and they say, "No, no, no, we don't want to do all this education business; we want some of our pork-barrel projects. So we'll cut education a billion and a half and put pork in." Now, that's what happened.

If you're going to cut spending, you have to make choices, what you cut and what you keep. If you're going to spend more money, you can spend more money on different things.

But I will say again, I think they're wrong to put in pork-barrel projects and cut education. And I don't think they can defend it. And they're not trying to defend it very hard; they're just talking about process.

Mr. Malof. Obviously, nobody's saying we don't need deficit reduction. The question seems to be how, and how fast? Do you consider yourself at odds with those who are determined to actually balance the budget by the year 2002?

The President. Well, I'm—first of all, I'm not—certainly not at odds with those who are determined to balance the budget by a date certain. And I invited the Congress to do what the law required them to do and submit a budget and then to work it through. They're now in the process of working through that budget. I want to evaluate it, and then I would—including the date. But I think we have to balance the budget. I think we have to do it by a date certain, and I agree with that. And I think we ought to do it in a bipartisan fashion. And I will support them.

They haven't had—let me just point out—I am prepared to work with them to reduce the deficit and to bring the budget into balance. For 2 years, for 2 years, they said no to all my efforts to get them to work with me. So we reduced the deficit 3 years in a row for the first time since Harry Truman, with nobody helping us in the other party, none of them.

And they were all saying we were going to have a big recession, and it would wreck the economy. A lot of those people who are up there in New Hampshire running for President said, "If President Clinton's budget passes, it will wreck the economy." Well, New Hampshire had a 7.6 percent unemployment rate when I became President, and it's 4½ percent today. You've got almost 40,000 new jobs, and in the previous 4 years you lost over 40,000 jobs. So they were wrong.

So now they believe in deficit reduction. And I say, welcome to the party, I'm glad to have you here, and I will work with you on it. But there is a right way and a wrong way to do it. And if we're going to cut spending more quickly, I will support that. But that means that the money that is left, the money we do spend, has to be spent even more carefully. I think people in New Hampshire will really identify with that. If you're going to spend—if you spent \$10 yesterday and you're going to spend \$8 today, then you've got to be more careful about how you spend the \$8. That's my argument over this rescission package.

If they'll take the pork out and put the people back, I will sign even more deficit reduction than they have.

Middle Class Tax Cut

Mr. Malof. I understand.

Finally, Granite Staters are by no stretch of the imagination a tax-friendly bunch. But according to surveys, we're in step with the rest of the country in preferring deficit reduction to tax cuts. Are you determined to stick to fulfilling your long-delayed promise to cut taxes on the middle class even though it would set back the pace of deficit reduction? Because I would think if you back away from tax cuts, you'd be opening yourself up to more attacks that once again you haven't done what you'd say you would.

The President. Well, first of all, let's look at what I did do, before we get all carried away here. Let's look at what we—let's look at what we did do. In 1993, we cut taxes for lower middle income working families with children an average, this year, of \$1,000 a family, for working people with incomes of \$27,000 a year or less. We've already done that. We also cut taxes for 90 percent of the small businesses in America that increased their investments in their own business. So we did do that while reducing the deficit.

Do I believe that we can bring the budget into balance within the next few years and still have a tax cut? I do, but not one the size that the House of Representatives has adopted. You can't, you can't cut taxes as much as the House has and balance the budget. It won't happen. And it's not right, frankly, to cut taxes in ways that largely benefit upper income people and to pay for it by cutting Medicare and Medicaid to the elderly and disabled. When I was in New Hampshire 4 years ago, I met people who were already making a decision every week between buying drugs and paying for food. We don't want to make that worse.

So my answer to you is, if we have a targeted tax cut that focuses on the middle class and rewards education and childrearing, we can do that and we can afford to do that in the context of deficit reduction. But we cannot afford a big, broad-based, huge tax cut in the magnitude that the House passed and balance this budget without doing severe damage to the elderly of this

country, including the elderly people in New Hampshire.

Federal Budget

Mr. Malof. And do I understand you correctly that you are not prepared at this point to set a date for balancing the budget, a year?

The President. No, but I can say this. I think it can be done—

Mr. Malof. [Inaudible]

The President. Well, it can—first of all, it can be done in 7 years. The question is, what is the penalty, and what are the tradeoffs? I think it clearly can be done in less than 10 years. I think we can get there by a date certain.

But I want to evaluate the actual budget that the Republicans finally agree on. That is, the Senate has to adopt their budget proposal. Then they'll get together and reconcile the differences. Then I have to do what I promised them I did; I promised them that if they would adopt a budget, that I would negotiate with them in good faith and that I would propose a counter-budget. That's what I—I gave them my word I'd do it, and I will do it. I owe that to them, and I owe it to the American people.

Look, I believed in deficit reduction before they did. My budgets, adopted in the last 2

years, are giving us 3 years of deficit reduction for the first time since Mr. Truman was President. And had it not been for the debts run—the interest we have to pay on the debt run up in the 12 years before I came to town, we would have a balanced budget today. That is, the only reason for the deficit today is the interest we are paying on the debt run up between 1981 and the end of 1992. And both parties bear responsibility for that because in every year but one, the Congress, then in the hands of the Democrats, actually adopted less spending than the White House, then in the hands of the Republicans, asked for.

So this is not a partisan issue with me. America has a vested interest in the future in bringing this deficit down and bringing the budget into balance. And I will work with them to do it. And yes, it can be done, and it can be done by a date certain.

Mr. Malof. Okay. Mr. President, thank you very much for taking the time to talk with us.

The President. Thank you.

NOTE: The interview began at 12:26 p.m. The President spoke by telephone from the Oval Office at the White House. The interview was broadcast live on WEVO, Concord, NH; WEVH, Hanover, NH; and WEVN, Keene, NH.

Remarks at the Women's Bureau Reception

May 19, 1995

Thank you very much. I was sitting here listening to my marvelous wife speak, and I was thinking, you know, I've been seeing her lately long distance, on Oprah Winfrey and on the "Morning Show" this morning, and I thought, boy, I'm glad she lives here. [Laughter]

I want to thank Secretary Reich and the Women's Bureau Director, Karen Nussbaum. She has done a wonderful job. I am very grateful to her and to him. I want to say a special word of appreciation to the people who sponsored this event today: from American Home Products, the senior vice president, Fred Hassan, and the corporate secretary, Carol Emerling. Let's give them a hand for what they did. [Applause] There are many distinguished women leaders here today, but I do want to

recognize one person who has been a friend of mine for more than 20 years now, Congresswoman Eddie Bernice Johnson, from Texas. We're glad to see you. Thank you very much for being here.

You know, the concerns of working women are one of the few subjects that I didn't have to be educated about—[laughter]—because I grew up with them. I lived with my grandparents till I was 4, and my grandmother was a working woman from the 1930's on. In the little town where I was born, an awful lot of the women, both white and black, who lived in poor families or near-poor families worked as a matter of course. No one gave much thought to it one way or the other. My mother was a working woman from the 1940's on, be-