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NOTE: This memorandum was released by the Office of the Press Secretary on March 23.

Remarks and a Question-and-Answer Session With the College Press Forum

March 23, 1995

The President. Thank you and welcome to the White House. This is, as I'm sure you agree, a fascinating time to be in our Nation's Capital. We are now having a great debate about how we can best assure the American dream for your generation and for your children well into the next century. The choices we make here will have a profound effect on all of your lives.

This is an historic era: We have the end of the cold war, the dawn of the information age, a globalized economy, an explosion of entrepreneurialism, an enormous amount of opportunity. At the same time, we have profound challenges. We have almost 20 years of stagnant incomes in the United States. We have growing inequality of incomes based primarily on educational differentials. We have deep strains within our society and still profound problems related to the breakdown of family and community and the rise of crime and violence. We have challenges abroad in terrorism, environmental destruction, population explosion, the proliferation of weapons of mass destruction.

The issue we are most debating around here now in many different ways is what is the proper role of the National Government in working with the American people to meet our challenges. The old view is that Government is inherently a positive force and that there is a one-size-fits-all, big Government solution for every big problem. The new view that's all the rage around here is that the Federal Government is the cause of every problem and if we just didn't have one we might not have any problems.

My view is different from both of these. I ran for President to advance that view, and I still believe it is the proper one. I believe Gov-

ernment does have a role to play as a partner in meeting the challenges of the future with all of the American people. I believe the role of Government is to increase opportunity as we shrink bureaucracy, to empower people to make the most of their own lives, and to enhance our security at home and abroad.

We have to work economically to expand the middle class and to shrink the under class. We have to work to promote mainstream values of work and family and future. We have to do it with a Government that is smaller and less bureaucratic but still effective. The key to our future is our ability to create more opportunity and, at the same time, the willingness of our citizens to assume more responsibility. That's what I have called the New Covenant.

I agree that we have to cut outmoded Government, and our administration has led the way. There are already more than 100,000 fewer people working here for the National Government than there were on the day I became President. We're on our way to the smallest Federal Establishment since President Kennedy worked here.

But I also believe that this Government should invest in your future and in your capacity to contribute and to live up to the fullest of your abilities. Therefore, I support more investments in education and technology and training and empowering people to make the most of their own lives.

I also believe that if you look at the end of 2 years, the evidence is pretty good that our approach is right. We have reduced the deficit 3 years in a row for the first time since Mr. Truman was here. We have 6.1 million new jobs, the lowest combined rates of unemploy-

ment and inflation in 25 years, the first time in 20 years the African-American unemployment rate has been under 10 percent. We have in 1993 the largest number of new businesses incorporated in any given year in American history. Finally, in 1994, we began to make some progress on the wage issue when we had more high-wage jobs coming into the economy than in the previous 5 years combined.

Notwithstanding that, the American people said they wanted a different sort of debate here in Washington last November, and so we are having it. Now, I believe that nothing will more clearly define the contours of this debate than what we decide to do in the area of education and training.

In the global economy into which we are moving, we can see what is happening to American jobs and incomes. Those who are able to grasp the high-wage jobs of the future are doing very well, indeed. We're going to have record numbers of millionaires created in this 4-year period. But we also see more and more and more Americans in the grip of insecurity as they work harder than they were working 20 years ago for wages that are the same or lower. And overwhelmingly, it is because technology and global economic competition have depressed wages in areas that are not high skilled, with the capacity to grow and learn for a lifetime.

Therefore, I do not agree that we should cut our investments in education and training, starting with the advances we made in Head Start, going through the School Lunch Program, all the way to the apprenticeship programs for young people who don't go to college, to college loans, to the subsidies for college loans for working young people—right the way through. I don't believe we should cut them, certainly not to pay for tax cuts and not even to reduce the deficit. We do not have to cut education to reduce the deficit.

The leaders of Congress have targeted two areas that I would like to mention—three, if I might, although only one reduces the deficit—or two. The first is the student loan program. We have, through our direct loan program, offered the opportunity for millions of young people to borrow money at lower costs on better repayment terms in a way that is less hassle for colleges and universities, less paperwork, and actually saves the Government money because we take out the middleman. We don't have guarantees to banks. We just make the loans

directly. That has actually reduced the deficit and reduced the costs of college loans. At the same time, we have gotten tougher on collecting delinquent loans, reducing the costs to the taxpayers of delinquent loans from \$2.8 billion down to \$1 billion. So, more loans, lower costs to the students, lower costs to the taxpayers, less hassle to the schools: It's a win-win deal.

The Republicans in the Congress want to change all of that. They, first of all, want to put a lid on the number of students who can participate in the direct loan program, which will add to the deficit. And then, they want to eliminate the student loan subsidy for 4 million college students and charge people interest on their loans while they're in college, even if they come from very modest backgrounds.

Interestingly enough, this cut in education will only replace the money that they want to keep giving middlemen in the old student loan program, so we could have the same reduction in the deficit by leaving the interest subsidy in place and making the direct loan program available to all the students in America. I think it's clear that our decision is a better one than theirs, and I hope that we will prevail. We are doing some things together, you know. We signed the unfunded mandates bill yesterday. We're about to get a bipartisan consensus for a line-item veto, which I have worked very hard for. So I hope that my view can prevail here, because it's very important to you.

The other thing that has happened in the House is that the Republicans have voted to cut the national service program, AmeriCorps, to the bone. I think that is a mistake. The AmeriCorps program is giving thousands of young Americans a chance to serve their communities, serve their country, and earn money for higher education. I don't believe we need to trade in our future for what is a piddling amount on the deficit but will have an enormous negative symbolic and substantive impact on what we're trying to do in this country.

There is an article in the Washington Post this morning by Mary McGrory, whom I see sitting in the back, who quotes a Georgetown student who happens to be a Republican who says, "I understand that taxpayers are heavily burdened, but if we give up what's best about America, what kind of legacy will we leave?"

So I will close with that. I urge you to think about this question. Yes, we have to continue to reduce the deficit, and we will. Yes, we have

to move ourselves into the future economically. How can we do both? What are our other challenges?

One of the things we know is that the countries that do the best job of developing the full capacities of every one of their citizens will be the most successful in the 21st century. That's in all your interests, and that's what we should be debating here.

Thank you very much.

I'd like to now call on as many of you as we possibly can. I'd like to ask you when I recognize you, please, to say what your name is and what your school is. And we'll start here.

Education Legislation

Q. Jeff Glasser, from Yale. How do you plan to stop Congress from capping direct loans or cutting Pell grants or paying the interest on loans taken out during college? Are you willing to veto legislation if it comes across your desk?

The President. Well, of course I am in the areas of education, which are so important to me. But let me say again, what my first choice has been all along is to try to prevail in the debate in the Congress. We are making progress. As I said, we—I signed a bill yesterday that I strongly believe in, the unfunded mandates bill, which limits the ability of Congress to pass laws that require State and local governments to raise taxes or otherwise pay for things that we require. We're going to get the line-item veto, I hope and believe, which is a good way to cut out unnecessary spending. So maybe we can make some progress here.

I don't think there's as much enthusiasm in the Senate among Republicans, and I know the Democrats will oppose eliminating the subsidies, cutting the Pell grants, limiting the direct loan program. So I hope we can prevail in the Congress. But the veto pen is always there.

And this is a—look, I wouldn't be standing here today, no way in the world would I be standing here today if it hadn't been for the opportunities America gave me through education. When I was born in my State in 1946, the per capita income of my State was barely over half the national average. And my whole generation owes everything we have to the educational opportunities our country gave to us. And now education is even more important to the general welfare of America than it was when I was your age. I cannot sit by and watch it

go backward. We need to bear down and do more, not ease up and go back.

Yes.

President's Education

Q. Francine Friedman, from Georgetown. As a fellow Hoya about to graduate and start paying back my loans, I was wondering if you could share with us how you financed your Georgetown education.

The President. I had a \$500—as I remember, it was a \$500-a-year scholarship and a job; I worked in the Congress for 2 years. And when I went to Yale to law school I had a grant, a loan, a tuition postponement option—which works like the direct loan does now, that is, I paid it back as a percentage of my income—I had a national defense loan and six jobs. But never more than three at once. [Laughter]

NCAA Basketball Championship

Q. Kristal Adams, from the University of Arkansas at Little Rock. On a lighter note, I was wondering who do you have picked for the Arkansas-Memphis game, and do you think Arkansas will make it all the way to the championship game this year?

The President. Well, I feel somehow, after the last two games, there is some divine providence that keeps us going. [Laughter] So I'm more hopeful now than I was when they started the tournament. Thank you.

Affirmative Action

Q. Yes. My name is Peter McKay. I'm a sophomore at Florida A&M University. And my question deals with the White House review of affirmative action that's been going on for several weeks now. What is the status of the review, and what conclusions have you reached about affirmative action?

The President. Well, first, the status is ongoing. I'll talk a little about where we are now, but I want to emphasize that the review is still underway.

And let me urge you—I know there must be a lot of discussion about this on college campuses as it affects admissions policies. But I want to emphasize to begin with, if you spark a debate about this, it's important to know what people are talking about when they're talking about affirmative action. There are policies of the Government and policies in the private sector that affect admissions to colleges, availability

of financial aid to schools, admissions to workplaces and promotional policies within the workplace, and access to contracts in the public sector and sometimes in the private sector as well, like big companies contracting with smaller ones. So you're basically talking about a range of programs.

When there is evidence of past discrimination, as found in a court, then there can be more strenuous rules and regulations. Otherwise, there are actually a lot of strictures on how far affirmative action can go in giving preferences to people based on race or gender.

But let me back up a little bit and again talk about a little history. When I was your age and I began to work in political campaigns—which I know was a long time ago, almost 30 years ago now, but it's not so long in the life of the country—there were still courthouses on squares in county seats in my State that had segregated restrooms. In my lifetime, when I was your age, in the mid-sixties, there were still older African-Americans in my State who did not know that they could vote without buying a poll tax, because it had only been abolished by the Supreme Court a couple of years before. I can remember when there were no women in any number of jobs now where we take it for granted that women will be.

The point I want to make to you is that we have made a lot of progress in this country. It has been inexact. It has been imperfect. There are still problems. We have made a lot of progress because we tried to take action to open up more opportunities to people without regard to their race or gender. And all of us, including white males, are better off because of that.

If you look at the countries around the world today that are being absolutely ripped apart because of violence based on ethnic or religious or racial disputes and sometimes also related to the role of women, if you look at the countries that are struggling to become modern today where there's still regularly violence against women—the general point I want to make to you is that it is in everyone's interest to see that everybody gets the best chance to live up to the fullest of their abilities.

On the other hand, it is in no one's interest to see that people get positions if they're completely unqualified to hold them. So the question is, how do we now go forward? And let me tell you the questions I've asked my folks

to answer. I've said, first of all, how do these programs work, and do they have a positive effect? Okay, that's the first question. Secondly, even if they work, are they sometimes, at least, unfair to others? Could you argue that in some cases there is reverse discrimination, and if so, how? Thirdly, are there now others in need who are not covered by affirmative action programs?

Keep in mind that's really what's fueling this whole thing. You've got 20 years in this country where most hourly wage earners have not kept up with inflation. Most Americans are working harder for lower wages than they were making 20 years ago. If so, how are we going to deal with them?

And finally, let's look at what clearly works, and I'll give you three examples. I don't think anybody in America would like us to suspend what we are doing in the military, the system that produced not only General Powell but countless other generals and colonels who are not only African-Americans and Hispanics and Asian-Americans but also women, doing things that never were available before. How does that system work? Why does nobody reject it? Because nobody thinks anyone unqualified gets promoted.

What do they do? They work as hard as they can to develop the capacities of everybody who signs up. They do their very best to see that at each level in the promotional pool, there is a mix of people that reflect the population in the rank just below. And then nobody, nobody gets promoted who is not qualified. But they really work hard to give everybody a chance and develop everybody's capacities.

A second example—this is self-serving, but I'll give it to you anyway—I have appointed at this point in my tenure, to this point in the 2 years, more judges to the Federal bench who were women or members of racial minorities than my three predecessors combined, I believe. But my judges have the highest ratings, on average, from the American Bar Associations of any of the last four Presidents. So no one suggests that I am not promoting quality in the Federal bench.

Fourth example: My Deputy Chief of Staff, Erskine Bowles, was, before he came to the White House, the head of the Small Business Administration. And he spent 20 years helping people finance small business. And I said, "We've got to bring enterprise into the de-

pressed areas of this country. We have got to do it.” So in one year, there was a huge increase in the volume of loans given to African-Americans, Hispanics, and women from the Small Business Administration without in any way discriminating against qualified white males, and every one of the loans was to a qualified person. Now, I don’t believe any American would object to those three things.

The last thing I want to say is, I have also asked, where does discrimination still exist among people who are not poor or not economically distressed, in the traditional definition, based on race or gender? We just had the “Glass Ceiling” report issued this last week, which was originally initiated, I believe, by Senator Dole, which said that there is still evidence of discrimination in promotional practices in large enterprises.

So I want to review all this, I want to make the best decision I can, and I’ve given you the questions.

I want to close with just two points. I’m against discrimination. I’m against giving people opportunities who are unqualified. But we all have an interest, including white males, in developing the capacities of all of us to relate to one another, because our economy will grow quicker, it’ll be stronger, and in a global society, our diversity is our greatest asset. We must not let this debate be another cheap political wedge issue to divide the American electorate. We can use this to come together, and that’s what we ought to do.

Tell me your name and where you’re from.

Preparation for Political Career

Q. My name is Lori Wiechman. I go to the University of Georgia. And in your first remarks, you had mentioned that you’re really concerned about the future of us as college students and as—our children. And I was just wondering, looking back on your experience in politics, which areas would you suggest for the college students who attend all of the universities here who are wanting to go into politics to pursue before they begin their career?

The President. Well, first of all, I do not believe that there is a specific academic discipline that is necessarily better than another one to pursue a political career. If you are pursuing a degree in science or mathematics or economics, let’s say, I would recommend that at least you take whatever electives you can in history

and in the social sciences, like political science, and in psychology. [*Laughter*] And then—but I think the most important thing is to develop your mind, is to learn to think.

And then the second thing I would say is, it’s very important to spend your free time deciding whether you’re interested in people as individuals and interested in public problems. Not everybody is, you know. And it’s a good thing—I mean, a lot of wonderful work has been done in the world by people who didn’t want to spend hours a day talking to people who were different from them.

But if you really want to make a positive difference, in my judgment, you have to be able to imagine what life is like for people who are very different from you, and you have to be willing to invest some time in listening to those people.

If you think about what’s happening, even in—I read stories on college campuses that kids are sort of separating by race, at least younger people and—I’ll give you something positive—one of the best things that’s happened is a lot of older people are now coming back to schools, especially to community colleges but also to 4-year colleges. If you want to be effective in public life, you have to understand how other people view the world, and you have to be able to imagine yourself in their position.

And then, the third thing I would say is, you should get some experience in campaigns and in other public endeavors to find out both how hard and how exhilarating it is to get people together and try to work to change something. Those are the three pieces of advice. But there is no single academic discipline that’s the best.

Illegal Immigration

Q. My name is Shafeeq Qaasim. I’m from Los Angeles Trade Technical College. As opposed to the budget that everybody’s concerned about, and we have all of these illegal aliens that mostly—that affect all of us, including the taxpayers—I would like to know, considering we passed a proposal of Proposition No. 187 in California, and it’s now somewhere in the Federal court system, what’s being done, and how can it get back into the State where the voters have already voted?

The President. Well, the voters voted for it, and then like any law, it’s subject to court challenge, and it’s being challenged in the courts. Let me tell you what we’ve tried to do in the

meanwhile. First of all, after I became President, I increased spending by 30 percent on programs designed to reduce the problem of illegal aliens. We have increased the number of border guards along the southern borders, assuming my next budget is adopted on this—I think it will be—by about 60 percent in 3 years. We are turning more people back.

We are also sending more people back home more quickly who come in contact with the criminal justice system. We are working to increase our ability to check workplaces for illegal immigrants, and we're trying to standardize identification so people can't give phony papers and stay in jobs. And we are trying to alleviate some of the costs that States face. We've given California, for example, more money to deal with their costs of imprisonment and health care and other things. And I asked the Congress to do even more than they voted to do. But I think that we should—as a matter of principle, no illegal immigrant is entitled to the expenditure of American people's tax dollars.

I did not support 187 for a very different reason. I don't think it's in the interest of the American people to have kids here and have them not in school. I don't think it's in the interest of the American people to have families here and not be able to get into a health clinic and maybe have them get seriously ill and spread whatever illness they have to the population at large. So my problem with 187 was in the details. We do not give welfare benefits, for example, to illegal immigrants, and we should not be spending our money there except where it is in the interest of our larger sense of self-interest. And I think schools and health care are.

But we've got to do a lot more to crack down on the borders, and we have to do a lot more to go into these workplaces and send people away. And I would hope again—this was a great wedge issue in the last election, but I'd like to remind you of where this issue came from, in part. A lot of the very same people that were out there for 187, just a few years ago when the California economy was booming, weakened the anti-immigration—anti-illegal immigration legislation pending in Congress, so they could get more illegal immigrants into workplaces in California who would work for lower wages, for their supporters. Now, that's the truth.

And what we need to do is crack down in the workplace, crack down at the borders, crack down in the criminal justice system, and not spend any money that we don't have to spend. And that's our policy and the one we're going to pursue.

Student Loans

Q. I'm from Ohio University in Athens, Ohio. My name is Joe Shaulis. We're represented by a freshman Republican in Congress who beat a freshman Democrat. His name is Frank Cremeans, and he says he opposes cuts in student aid, yet he says we need to look at your direct funding program—it needs to be cut or capped because it builds a billion-dollar bureaucracy here in Washington. Could you respond to that?

The President. It's just a—it's a myth. It's a myth. The direct lending program—the Secretary of Education is here with me—the direct lending program will save the taxpayers \$12 billion over 6 years, the same amount of money they propose to save by eliminating the interest subsidy on student loan. Why is that?

You know how the student loan program works now under the old system? It's a 90-percent guarantee. So you go to the bank, and you borrow the money, right? And the Government guarantees 90 percent of it. And the bank gets payment in the middle. And then if somebody defaults on the loan, unless it's a huge amount of money, it's not worth it to the bank to go try to sue somebody and get the money back. Why? Because they're going to get 90 percent of it anyway. And they'll spend 10 percent or more on lawyer fees.

So what have we done? We have reduced the number of defaults. We have been tough on this, over and above the previous administrations who were here before me. We have reduced the loan defaults from a cost a year of \$2.8 billion down to \$1 billion. This direct lending program is far less expensive to run than the alternative. It is pure ideology to say, "It costs a little money to run the direct loan program, and we don't want to hire one Government employee; we'd rather pay billions and billions of dollars to banks that could be going for lower cost college loans to more students."

This program is working. It saves money for everybody, and we shouldn't limit its reach. I think it is a real error.

Yes. Go ahead.

Diversity and Unity

Q. Margretta Sundelin, from Brigham Young University. It seems the United States is a nation founded on and prided upon its diversity. However, in the course of the last few years, it seems its diversity is dividing us. What I want to know is, in your Presidency, what have you done to bring cohesion back to the Nation and to settle the unrest?

The President. Well, I've tried to do many things, but let me emphasize two or three. The first thing I've tried to do is to focus on initiatives that would provide opportunities to all Americans, that would unite us in getting more opportunities by, first of all in economic terms, by bringing down the deficit and expanding trade opportunities for American products, by working to create more jobs for the American people. Secondly, in education, by increasing everything from Head Start programs to college loans, I have tried to offer broad-based opportunity.

The second thing I've tried to do is to demonstrate to the American people that you could have diversity and excellence at the same time—that's what I just mentioned—if you look at the people I've appointed to high public office, the people I've appointed to the Federal judgeships, and the things that I have tried to do that I think are important.

The third thing I have tried to do is to emphasize the importance of uniting the American people around shared values. That's what welfare reform is all about. That's what the attempts of the crime bill to clean up our streets from violence are all about. We should all be able to agree that we are going to pursue policies that promote family, that promote work, that strengthen communities, that look to the future. These are the things that I have tried to do.

And I believe that the American people would think more in these terms—I know that a lot of people are so bewildered by the changes and they feel so threatened by the changes going on today that it's easy to lash out at someone who is different from us. But if we would focus on those three things I think we'd come together more.

Technology and Education

Q. I'm Jaimee Silverstein, from Northwestern University. With the knowledge of computers and other types of technology becoming more crucial in order to succeed in the workplace, what steps is your administration taking to promote this type of education?

The President. Well, we are doing a number of things. First of all, I think you saw the White House on the Internet today, didn't you? We're trying to set a good example. But we're also promoting the availability of more computers and the use of more responsible computer education in our schools, starting in the earliest grades. It was a big part of the education reform legislation that Secretary Riley and I and the administration pushed last year.

One thing I note—Mr. Gingrich said the other day something that I really agreed with, and then he said maybe it was an unrealistic thing. But I don't think it is. He said it would really help to cure poverty if every poor child in America had a little laptop computer. And then I think he backed off of it. I don't think that's a bad idea at all. I think that if we had enough resources to teach every poor child in this country how to interact with the whole world of information that's available, if you can work that, it would be a very good thing.

So I believe we should continue to press technology. It is not an excuse—it's not a substitute for learning to read, for learning to write, for learning to express yourself clearly, for learning to reason and argue and think. But it is enormous leverage to us. And I think we should do more.

Homosexuals in the Military

Q. My name is Carrie Budoff. I'm from Rutgers University. Many colleges have policies of nondiscrimination. And your "don't ask, don't tell" policy for ROTC programs—it applies to ROTC programs, and it's an obvious conflict with the university's policy. The ROTC program in the case of Rutgers may lose funding because of this, because they are not abiding by the nondiscrimination policy. How can these programs—how can the ROTC program on college campuses deal with this if they have a nondiscrimination policy?

The President. Explain what you mean. I'm sorry, I don't understand it. Go ahead.

Q. Okay. The ROTC program at Rutgers University may lose scholarship funding because they are on the campus. And the “don’t ask, don’t tell” policy, which extends—

The President. Conflicts with Rutgers’ non-discrimination policy.

Q. Yes.

The President. Well, it’s an act of Congress, so Rutgers will have to decide what to do about it. I mean, there isn’t—I’ll say this: If the policy were implemented in spirit and in letter the way it was really written, if you read the whole policy, I don’t think it would be in conflict. But if you read the whole policy—I would urge you to go back and read the whole policy and see what it really says. I don’t think it would be in conflict. But if Rutgers deems it’s in conflict, then Rutgers will have to do whatever it decides to do, because that policy was written into law as an act of Congress and so it is not subject to change unless Congress changes it.

Education and Tolerance

Q. Christan Hanna, Western Michigan University. On our campus we had a nonviolent protest because a faculty member told a student that she asked “stupid—blank—questions.” And instead of dealing with the problem of racism and talking about it on campus, the university’s reaction has been to try to quell all of the surrounding problems instead of dealing with the issue, the main issue, which is the racism and problems that people have with that. What do you think the university’s role in educating beyond your study, your area of study, is?

The President. Well, I think it’s a very important role. I mean, if you have the luxury of going to college and you stay there for 4 years or, in the case of a community college, 2 years, it’s maybe different if you’ve got a family to raise and a full-time job and all. But if basically you’re a full-time student and you’re in your formative years, some of the most important things that happen to you happen to you outside the classroom and involve things you don’t get a grade on.

And I think one of the things—I’ve been really quite concerned about the challenges that both students and faculty members face in this so-called political correctness atmosphere. I think we need to encourage people to say what they really think but to do it in an atmosphere that is more tolerant. And I think universities

ought to be laboratories all across this country for people airing their real feelings and convictions but doing it in a way that other people can hear them and really being honest and forthright about it, because otherwise, then the universities can just become one more island of isolation for the American people. We don’t need that. We don’t need more islands of isolation. We need instruments to open us up to one another.

Health Care Reform

Q. Jim Buchanan, St. Louis Community College. Mr. President, I congratulate your efforts to try to bring about health care reform. And I wonder if you’re going to try that again. And do you think a single-payer system might make it?

The President. The answer is, I am going to try to health care reform again this year. Obviously, the American people made a judgment, or at least the Congress did, and I think the American people did—that this was such a big issue, they didn’t want me or anybody else to try to put together a program that purported to solve it all at one time. So I think we’ll have to go back and take it a piece at a time.

My own view is that this is something—you need to know about this, by the way—the entire problem with the Federal deficit in 1995, 1994, 1993, now since our budget has come in, is interest on the debt and health care costs. Everything else is going down. Last year we reduced spending on both defense and domestic spending overall for the first time in 25 years. The deficit’s going up because of interest on the debt and health care costs. So we have an interest in doing that.

The second thing you need to know is that your country is the only advanced country in the world where there are a smaller percentage of working families with health insurance today than had it 10 years ago. That is not true in any other advanced country in the world. So we have to do it. We have to—we should do it by reforming the insurance system, helping people when they’re unemployed not to lose their insurance, giving incentives to cover children, and helping families with disabled kids or with parents who want care other than nursing homes and where that would be a cheaper, more affordable thing to do.

Let me give a little—go ahead, in the back there. I’ll take a couple more. Go ahead. Yes,

go ahead. [Laughter] You're great. You know, when they're here, they all stand up if I point in the general direction. [Laughter]

Scholarship Grants

Q. My name is Evan Koblentz, from Kean College of New Jersey. Much progress has been made in your administration for financially strapped or opportunity-privileged students to get grants and loans. What are you doing with the Republican Congress to get more grants available for merit-based and academic-based scholarships?

The President. Well, let me say, first of all, I'm not—I don't believe that that should primarily be the subject for the Federal Government. Historically, it hasn't been. And I'll come back to that in a moment. Secondly, let me emphasize that the direct loan program is not very much income-limited. It's really available to quite a broad range of young people to participate in. And since there are at least four different options for repayment, the idea is that you don't lose the right to get a loan even if you're a middle class student. And if you decide to take a job that doesn't pay a high wage, you can afford to pay it back if you want to be someone who's more interested in public service early on than higher incomes.

Now, on the merit-based scholarships, let me just say what I meant by that. There are many States—Georgia is one, I know we have some journalists here from Georgia—Georgia has now passed a law that says that if you have a B average in Georgia and you go to school there, you get a tuition scholarship. And I think you get some money for books as well. When I was the Governor of my State, I instituted a Governor's scholarship program that was similar to that. These programs are sweeping the country, but they are basically the province of State government.

Let me further state that this is the second year in a row when the economy of all 50 States has grown. So they're in a—if they don't do it, they're in a better position to do it than they were a couple of years ago. And that's one I would direct you to the State legislatures for.

The Middle Class

Q. Yes, all day we've been hearing—I'm sorry, Kelly McEvers, from the University of Illinois. All day we've been hearing about the growing

disparity between those in the upper echelon of income and those in the lower, those at the low poverty level. However, especially after the election in November, the rhetoric that seemed to be coming through, at least in the mainstream media, was solely toward the middle class. I guess one example is the middle class bill of rights. It seems to me that there's an attitude that we're becoming a classless society when, in fact, we're moving in opposite directions—

The President. We are—

Q. Is that because that's the class that goes to the polls?

The President. No. It's because—let me just say this. The argument of the Republicans in last November's election was, "The middle class should vote for us because all the Democrats do is take your taxes and spend it on poor people"—right?—or minorities or illegal immigrants or criminals or whatever. That was the basic argument, right? "Government's bad. Vote for us; we'll give you less government, lower taxes, and we'll be harder on all those groups."

And the voters bought it—wrongly, I think—at least those who voted—because we had done more for the middle class. But you have to understand what middle class is. Middle class is more than an economic designation in America. It's a statement about values. When we say middle class in America what we really mean is, everybody ought to have the chance to be rewarded for their work. If you work hard, raise your kids, obey the law, you ought to have a chance to do better.

And what is happening is we are becoming more stratified by economic class, but it's different than before. In other words—and I guess—I'm really glad you asked this, because I'll try to clarify the point I was trying to make before. We do have poor people in America. Mostly they're young women and their little children, but there are also a lot of working people who are poor, who are making the minimum wage or right near it, which is why I'm for raising the minimum wage. And then we have a lot of wealthy people in America, and our economy is producing more wealthy people, and that is good. Entrepreneurs—more entrepreneurs are becoming millionaires today than ever before, who started with nothing—not inherited wealth—but are making money. That is a good thing, not a bad thing.

But what is happening is that the middle class itself is splitting apart. That's the point I'm try-

ing to make. The great American middle class, which basically rose more or less evenly with the poor and the rich in income from the end of World War II to the late seventies—everybody rose together about the same amount—the American middle class itself is now splitting apart, based largely on education, age, and job description. And if you don't have the skills and you're not in the place—in the workplace, where you can hook into one of these groups that is growing, then you tend to work harder every year for lower wages. That's what I'm pointing out.

So what do we try to do? In the economic plan in '93, we had one big tax cut. We cut taxes for working families with children to make sure nobody who was working 40 hours a week with children would be below the poverty line. That's what the earned-income tax credit was about. On average this year it's worth about \$1,000 in lower taxes to families of four with income of under \$26,000. Why do we do that? To reward work and family and lift people, keep trying to push people toward the middle class.

So this whole education thing—we know if our Government here can continue to follow responsible economic policies, we can create jobs, we can have growth. But we still—that will not raise incomes. And it won't overcome this inequality, this splitting apart of the middle class.

So that's what I'm saying. The middle class mentality, which has been—what made America great, requires us to follow policies that lift everybody's income.

I will close with just one thing. I had an interview with Money Magazine the other day. Do you all know Money Magazine? It's a—and they did a readers' survey, they told me. And they said—I guess I'm jumping my interview. They'll probably be mad at me, but—[laughter]. They said that their readers said that they recognize that we have lowered the deficit, created jobs, sparked an economic recovery, and two-thirds of them were still worried about their future. Right? “Yes, you lowered the deficit, created jobs, there's an economic recovery. Am I worried? You bet I am. Why? Because of all this churning instability in the global economy.”

That is our challenge. We've got to find a way to keep the entrepreneurship, keep the growth going, but lift the middle class folks that are good people that have been left behind.

That's why I'm glad to see some of the non-traditional students in the community college. That means that they're going to make the transfer from the middle class that might be left behind to the middle class that's surging ahead. And we need more of that, which is why we don't need to be in a position of reducing our commitment to education at the end of this century when the next century will trigger opportunity to education more than ever before.

Thank you very much. I have to go. Thank you.

NOTE: The President spoke at 1:05 p.m. in the East Room at the White House.

Statement on House of Representatives Action on Welfare Reform

March 23, 1995

I want to applaud Democrats and Republicans in the House of Representatives for approving an amendment this afternoon to require States to deny drivers and professional licenses to deadbeat parents who refuse to pay child support. This tough provision was a central part of the welfare reform plan my administration introduced last year and sends a clear signal: No parent in America has a right to walk away from the responsibility to raise their children.

I congratulate the sponsor of the amendment, Representative Marge Roukema (R-NJ), as well as Representative Barbara Kennelly (D-CT) and other Members who have worked across party lines to make tough child support enforcement a central part of welfare reform. With this amendment, the House welfare reform legislation now includes every major child support pillar of our welfare reform plan, which offered the toughest possible child support enforcement measures ever put forward.