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conclude this plan and send it to me, I will have to veto it. I will refuse to sign any plan that signs away our commitment to America's future, to Social Security, to Medicare, to paying down the debt. We can do these things and still have a sensible tax plan, and I remain committed to work with any Members of Congress, from both parties, to achieve that goal.

Thank you.

Tax Cut Legislation

Q. Mr. President, do you believe you can reach an agreement with Republicans later in the year on taxes, and is $300 billion the most you would be willing to allow for a tax cut?

The President. Well, I hope we can reach an agreement. And let me suggest that the way to proceed—and I think that the only way we can reach an agreement is if they would do what I have tried to do. I think first they ought to produce their own Medicare plan that lengthens the life of the Trust Fund and provides a modest prescription drug benefit. Then of course, they have to calculate how much more money they want to spend over and above the caps. And they have to figure out what's left, and whether they agree with me that we should pay off the debt.

We could certainly do this. I want all of you to understand, for me this is not a political issue; this is a matter of basic arithmetic. We returned to basic arithmetic in 1993, and it has served us well. Gene Sperling once said that to pass the big tax cut first, without knowing how you're going to meet your responsibilities, is like a family saying, ''Let's take the vacation of our dreams, and when we get home, we'll try to decide if we can pay the home mortgage and send the kids to college.'' I think that the order of this is wrong.

So I think if they would have a very clear idea of what their Medicare proposal would be and what the impact of their proposed increases in expenditures would be, then I think we'd be able to make an agreement. And I'm willing to work for it, and hope we can achieve it.

Q. Mr. President, by the time Congress comes back from its recess, it will be a little more than a year towards the 2000 election. What is to make this—what is to possibly keep this from becoming a political issue, if it isn't already?

The President. Every issue in Washington, I suppose, is a political issue. The point I'm trying to make is, if we want to save Social Security and Medicare and pay the debt off, then you have to figure out how much money you have left and how much money the Congress is determined to spend over and above the present budget caps, and you can spend what is left on the tax cut.

But to pass a tax cut first and then say, well, I'm sorry, we can't really save Social Security and we're not going to lengthen the life of the Trust Fund, or, I'm sorry we're not going to lengthen the life of the Medicare Trust Fund a day—neither one a day under their proposal—and we may or may not be able to spend money on education and national defense and, if we do, we'll go back into deficit spending again—I don't think we want to get into that.

So I'm saying—you asked me, can we achieve this? Of course we can. Remember, in 1996, in an election year, we passed welfare reform with overwhelming majorities of both parties in both Houses. And yesterday we celebrated cutting the rolls in half. And 12,000 companies are helping us to hire people off welfare. So we can do this. We can do this.

We were never going to be able to do it, I might add, unless we had big majorities of both parties in both Houses. It is in our interest, if you want to talk about it in that way, to do the people's work here, to do it this year and to do it next year. And I think it's terribly important, so I hope we'll do it.

Social Security Reform Plan/Talk Magazine Interview

Q. Mr. President, why haven't you submitted a plan to reform Social Security? And secondly, sir, would you also comment for us on the First Lady's interview with Talk magazine and clarify for us, if you will, what she meant in saying that you were scarred by abuse and that's affected your behavior?

The President. Well—what was the first part of that question? [*Laughter*] I'll answer the second part. What's the first part?

Q. The first part was why haven't you submitted a plan to reform Social Security yet.

The President. Well, I am working on that, and I have been talking to Chairman Archer about it, and I would be prepared to do that. But keep in mind, that is not what is holding this up, because we both agree on what we have to do with the surplus. That is, we both agree—and let's not lose sight of the fact that we've actually reached one agreement here; we both agreed to keep the Social Security portion of the surplus apart from regular Government spending.

My plan, however, is more detailed than theirs in the sense that I also propose to take the savings that we receive in 5 years of this 15-year period on the debt reduction and put that back into the Trust Fund to lengthen the life to 2053. If Congress wished me to do that and that would help to get this agreement—I've been working very hard on this, and I would be prepared to do that.

Now, let me just say on the other thing, I think anybody who read that article would draw two conclusions. You can draw a thousand conclusions, but I think there are two conclusions that anyone would have to draw, amid all the differences they might have in the way they read the piece. One is that my wife is an extraordinary person with a passionate commitment to public service and a genuine record of important achievement. And the second is that we love each other very, very much. And I think those are the two important things.

Now, I don't believe that anybody could fairly read the article and think that she was making any excuses for me. I haven't made any excuses for what was inexcusable, and neither has she, believe me. And as to my childhood, everybody knows that's looked into it I didn't have a bed of roses as a kid. But I can tell you this, as I think about other children in the world and in our country that have difficulties growing up, I am convinced from my own life and from my research and from my experience with other children, the most important thing is that every child needs to know growing up that he or she is the most important person in the world to someone. And I knew that, so—I knew that. And I have no complaints.

Helen [Helen Thomas, United Press International], happy birthday. [*Laughter*]

Ms. Thomas. Thank you. Thank you, Mr. President.

Q. Mr. President, the First Lady has indicated that the trauma of this was to the degree that you can't even take it out and look at it anymore. Are you trying to work through the issues and look back over that time of your life?

The President. Look, I think that I have said all I need to say about that. I have—I think every reflective person thinks about his or her life, but what I conclude about my childhood is what I said. It had its really tough moments, but I always knew I was well loved. And I think that's important for all of our children.

Japanese Economy

Q. Mr. President, are you going to call the Prime Minister of Japan to discuss the fluctuations in the currency market? And how concerned are you that they're more interested in market manipulation and intervention than in stimulating domestic demand-led growth, which Secretary Summers and Secretary Rubin have advocated ad nauseam?

The President. The first—Japan, how concerned I am about Japan? I think, first of all, in the last 6½ years, we've seen the currency fluctuations. They go up; they go down. I don't have anything to comment about that.

I think that we do see some signs that Japan's economy is beginning to grow and that Prime Minister Obuchi has formed a coherent and strong and effective government and has secured the necessary support from the Japanese people to continue to move forward.

So we will continue to consult with Japan about what we think is important for their economic recovery, as we should because they're our partners and they're our friends and our allies and their recovery is critical to Asia's recovery. But I basically believe that the trends are positive there, and so I have a positive view.

Thank you.

NOTE: The President spoke at 12:15 p.m. in the Rose Garden at the White House. In his remarks,