

of letting the States have much more flexibility in the way they run the program.

Or some of the environmental aspects of their plan that I do not believe properly belong in that. I don't see why we should cloud this budget agreement with controversial items like whether we should drill in the Arctic National Wildlife Refuge. Those things are not necessary to balance the budget.

Q. Is that to say then, sir, that Medicaid and—

Debt Limit

Q. What can you say to U.S. investors to allay their fears that a debt limit will be increased? And do you feel that the Republicans actually understand what they're playing with?

The President. Well, I hope they do. Normally they say they're more pro-business than I am. I dispute that. I think that this administration has been very good for American business. But I will say again: It would be wrong for the Congress not to extend the debt limit so that we can pay our bills. As a country, a great country, we have never done that. We have never let the financial markets be in any doubt; we have never let the citizens who hold our debt be in any doubt that America is as good as its word, and we pay our bills. And I believe in the end that's what we'll do.

Earned-Income Tax Credit

Q. What are your policy—Mr. President, what are your policy concerns and parameters around the earned-income tax credit?

The President. Well, my policies are simple. The earned-income tax credit was first enacted, I believe, under a Republican President, Mr. Ford. I believe that either President Bush or President Reagan expanded it a little bit. President Reagan said it was the best antipoverty program in the last 30 years. So this has always had strong bipartisan support. When I became President, I asked the Congress to roughly double the earned-income tax credit because I wanted to say, "If you work 40 hours a week and you have a child in your home, no matter how low your wage is, you will not live in poverty. You will not be taxed into poverty. The tax system will lift you out of poverty." I wanted to do that because I thought it was pro-work and pro-family, and because I thought it would encourage people to leave welfare and come to work.

Now, in the last 3 years we've had a decline in the welfare rolls, a decline in the food stamp rolls, a decline in the poverty rolls. That didn't all happen because of the earned-income tax credit, but it made a contribution. They believe there are some abuses in it; so do I. We have agreed on savings from abuse. There are disputes. Should single workers get a modest earned-income tax credit even though they don't have children? Many of them say no. I believe they should because if you're out there working, even if you're single, with minimum wage, your payroll—or even above minimum wage—your payroll tax will be much bigger than your income tax. And those folks are having a hard time keeping body and soul together. The vast majority of this money goes to people with children.

There are some other questions there that we could debate, but the core principle is the one I want to maintain. I think the United States ought to be able to say if you're out there working like you should full time and you have a child when you come home from work, you ought not to have to raise that child in poverty. That is the principle behind the program and the one to which I want to adhere.

I'll take one more.

Whitewater Related Legal Bills

Q. Mr. President, another Whitewater related question. Money magazine recently reported that you owe some \$1.6 million in unpaid legal bills—

The President. That's just what he said.

Q. —related mostly to Whitewater investigations. Is it fair that taxpayers could end up paying some of those legal bills?

The President. Well, this is a—as I understand the law, the taxpayers won't pay any of the bills, because I'm not a target of the investigation, which the American people might find interesting to know. As I understand it, the Federal Government doesn't reimburse people's legal bills unless—I think one of the Cabinet members in a previous administration got some legal bills reimbursed because he was a target of an investigation and then was either acquitted or not charged or something.

So I am assuming that I will be responsible in some form or fashion for those legal bills. But as I said, I didn't run for this office for the money. And I feel badly that 20 years of our hard effort and savings may go away. We've