

provision. It's unnecessary. It doesn't contribute to economic growth. And it will cause a lot of, you know, problems in other decisions we have to make.

But I've always made it clear that I'm flexible on capital gains. I've never been philosophically opposed, as some of my fellow Democrats are. But I think a lot of us are open to that. What I want to do is to make sure that whatever we do we pay for and that we take care of first things first. And I hope that my education proposals will receive a favorable ear, and I hope that the Congress will be flexible about that. And I've decided to keep all options open.

Yesterday, when I offered Medicare savings that literally were halfway between where I was and where the Republicans were when we broke off negotiations in 1996, I met them halfway. I want to do that as much as I can in every way. So I think we've got very good odds.

Mr. Hunt. Meet them halfway on taxes also?

The President. Well, I want to meet them halfway insofar as I can. On the other hand, we have to ask, you know, how much of a tax cut do they want and how is it going to be paid for and what are we going to do without. So we just have to get to that.

But I'm not in stone on any of these things. I have proposed what I think is best for the country. I want them to propose, and then we'll have to work it out.

Medicare and Social Security Reform

Mr. Hunt. Your Medicare proposal the other day was quite well received by just about everyone on Capitol Hill. But let me ask you, why not go a little bit further, as even Bob Rubin at one point endorsed, and have wealthier senior citizens pay a little bit more for Medicare than middle income and poorer—

The President. Well, as you know, I proposed that back in 1993 as part of our health care reform plan. And I'm not necessarily opposed to that. But I think that we ought to look at that in terms of a long-term fix for Medicare. But if we do it, people are entitled to know that it's not the Tweedledee, Tweedledum; that is, it's not a tax cut here and a premium rise there.

And what I'd like to do—what I was trying to demonstrate, what I'm trying to demonstrate in my budget here is that through the right kind of disciplined management of Medicare we can achieve a 10-year life on the trust fund

and a balanced budget. If we want to do more in that area to lengthen the life of the Medicare Trust Fund, then that's something Congress and I need to discuss in the context of Medicare and Social Security reform. But I also believe we have an excellent chance to make some decisions which will be helpful to the country over the long run with regard to what happens to the entitlements, not in the next 10 years but in the next 15 to 30 years, when the baby boomers like me all come into the system.

Mr. Hunt. Do you think, then, there is a good chance for a major reform of Social Security in your second administration? Let me ask you just one specific on that. As you know, the Social Security advisory commission the other day—they were divided on a number of things, but one thing that they were unanimous on, on Social Security, was that the retirement eligibility age ought to be gradually increased. Do you support that?

The President. Well, let me say—here's what I think they believe. Right now we're increasing the retirement eligibility age to 67. So when you say "increase," there are two ways you can do it. You can bump it up to 68 or 69, but it's happening over a period of very many years. Or you can accelerate, you can move it up instead of 1 month a year, you can move it up 2 months a year or 3 months a year, something like that, and accelerate that coming on.

I think what we need to do is get together in some sort of bipartisan fashion—either a bipartisan representation of Congress with the affected groups or a commission, but a commission that would have a very short timespan. Because last year, you know, Senator Kerrey and Senator Danforth looked at a number of these things, explored a number of these options, so we have their work.

Mr. Hunt. You're talking about an entitlement commission, not just a Medicare commission?

The President. Yes, correct. And now we've got the work that the Social Security commission has done, although they couldn't agree, which shows you how difficult it is. And a lot of people even on Wall Street have reservations about whether this idea of putting more of the present Social Security savings into the stock market is a good one or not.

Mr. Hunt. Let me just close this. You said there were two ways to go. Does either way seem effective to you now on increasing retirement age?