

## Text 1

CLINTON: I think Mr. Perot has confronted this deficit issue, but I think it's important to point out that we really have 2 deficits in America, not one. We have a budget deficit in the federal government, but we also have an investment, a jobs, an income deficit. People are working harder for less money than they were making 10 years ago, 2- 3rds of our people—a \$1600 drop in average income in just the last 2 years. The problem I have with the Perot prescription is that almost all economists who've looked at it say that if you cut the deficit this much this quick it will increase unemployment, it will slow down the economy. That's why I think we shouldn't do it that quickly. We have a disciplined reduction in the deficit of 50 % over the next 4 years, but first get incentives to invest in this economy, put the American people back to work. We've got to invest and grow. 9 Nobel Prize-winning economists and 500 others, including numerous Republican and Democratic business executives, have endorsed this approach because it offers the best hope to put America back to work and get our incomes rising instead of falling.

LEHRER: President Bush, one minute, sir.

BUSH: Your question was on fairness. I just disagree with Mr. Perot. I don't believe it is fair to slap a 50-cent-a-gallon tax over whatever many years on the people that have to drive for a living, people that go long distances. I don't think we need to do it. You see, I have a fundamental difference. I agree with what he's talking about in trying to get this spending down and the discipline, although I think we ought to totally exempt Social Security. But he's talking tough medicine, and I think that's good. I disagree with the tax-and-spend philosophy. You see, I don't think we need to tax more and spend more, and then say that's going to make the problem better. And I'm afraid that's what I think I'm hearing from Governor Clinton. I believe what you need to do is some of what Ross is talking about: control the growth of mandatory spending and get taxes down. He's mentioned some ways to do it—and I agree with those. I've been talking about getting a capital gains cut forever, and his friends in Congress have been telling me that's a tax break for the rich. It would stimulate investment. I'm for an investment tax allowance; I'm for a tax break for first- time homebuyers. And with this new Congress coming in, gridlock will be gone, and I'll sit down with them and say let's get this done. But I do not want to go the tax-and-spend route.