RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: David M. Kusnet (KUSNET_D) (WHO)

CREATION DATE/TIME:28-SEP-1994 09:50:42.78

SUBJECT: EMK Fundraiser

TO: Gene B. Sperling (SPERLING_G) (PDONE)
READ:28-SEP-1994 11:50:48.64

TO: Sylvia M. Mathews (MATHEWS S) (OPD)
READ:28-SEP-1994 13:00:16.08

TO: Paul A. Deegan (DEEGAN P) (OPD)
READ:28-SEP-1994 09:55:06.21

TEXT:
I'm preparing the draft for the President's remarks tomorrow night at a fundraiser for Sen. Kennedy.
Should he make any points about the House Republicans "contract with America"? If so, what -- do we have talking points or some kind of response?
Thanks, again.

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: David Dreyer (DREYER_D) (WHO)

CREATION DATE/TIME: 3-OCT-1994 13:31:54.65

SUBJECT: Change in tone

TO: Gene B. Sperling (SPERLING_G) (PDONE)
READ: 3-OCT-1994 16:49:39.51

TEXT:

Dear Editor:

As you know, President Clinton vowed when he came to Washington to make improving the economy the number one goal of his Administration. While, from time to time, reasonable men and women of good will have disagreed, fairly but strongly, with the specifics, it is hard to disagree with the results: Deficits are coming down, jobs and exports are moving up, and most of the economic indicators are heading in the right direction.

I write today out of a sense of great concern that this economic progress stands at risk with the package of proposals unveiled by my former Republican colleagues at the Capitol last week; their so-called "Contract with America." My concern arises not out of politics but out of a sense that this proposal, if enacted, would retard much of the progress we have made on the economy. And if the authors of the "contract" are not serious -- if this program is simply a campaign ploy and not a serious governing proposal -- the American people will feel even more cynical about their leaders than they do today.

Enclosed with this letter are three inserts that I urge you to read: A White House Analysis of the budget effects of this proposal; A White House Analysis of its effects on senior citizens; and an independent analysis by the widely respected "Concord Coalition," the group devoted to deficit reduction run by former Senators Paul Tsongas and Warren Rudman, deeply respected fiscal conservatives.

The bottom line is this. The "contract" calls for a Balanced Budget and over $300 billion in new tax cuts and new spending without once identifying where the spending cuts will be to pay for the program, and I think that is irresponsible and unforgiveable. In other words, there is a $1 trillion savings gap between their promises and their program. While many good things happened to America in the 1980s, there is one experience we must not repeat again; that is, running up the Federal deficit with goodies that make people feel good, only to saddle the next generation with debt that makes the economy feel bad. It's bad politics; it's bad economics; and we shouldn't repeat the mistakes of the past.

"To govern," John F. Kennedy was fond of saying, "is to choose." And I think your readers deserve to know what the choices are. We can continue to make steady progress on the deficit, as President Clinton's program is producing. Or we can promise people a balanced budget, more tax cuts, and more defense spending, as the contract proposes, without telling people where the cuts are going to have to come in order to make the arithmetic work out. It is important, for example, for your readers to know that one of the choices would have to be cuts in Medicare, Social Security, or both, as the attached chart shows -- the signers of the contract cannot simply put these programs off limits and provide either a balanced budget or the new tax gimmicks. The authors and signers of the contract want to obscure this choice, but we cannot play that kind of budgetary game any longer.

Please examine the materials we have provided. I hope you will contact the White House (Dawn Alexander, etc) if you have any questions. And if you agree with me about the merits of this argument on the contract, please let your readers know as well. Let the 1990s be the decade during which we reduced the deficit, not a decade when we again pile trillions of dollars worth of debt onto the backs of our children as part of a political effort to gain advantage in an election.

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2007-0659-F

Bucket: Default

Creation Date: 1994-10-13

Subject: Contract With America Factoids

Creator: Kenneth L. Schwartz SCHWARTZ_K OMB

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE T) (OPD)

CREATION DATE/TIME:21-NOV-1994 14:39:50.48

SUBJECT: REPUBLICANS SAY ELECTIONS SIGNAL DEMAND TO CUT ...

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:21-NOV-1994 14:51:37.09

TEXT:
Date: 11/21/94 Time: 14:14
Republicans Say Elections Signal Demand to Cut Immigrants Off

WASHINGTON (AP) With anti-immigrant sentiment sweeping parts of the country, Republicans are moving to deny welfare benefits to most legal immigrants, many of them the elderly parents of U.S. citizens.

The restrictions, which would save $22 billion over five years, are part of a welfare overhaul in the GOP's ``Contract With America." House Republican lawmakers have promised votes on welfare reform and nine other bills in the contract early next year.

One of the least-noticed provisions of the GOP plan is its ban on government services and benefits to most legal immigrants. Refugees and legal residents over the age of 75 who have been in the country for at least five years are the exceptions.

Legal immigrants would be barred from 60 different health, education, job training, nutrition, housing, cash and social service programs from school lunches and foster care to rental and energy assistance.

Some of the biggest savings, however, would come from kicking legal immigrants off Medicaid, except for emergency health care, and Supplemental Security Income, which provides monthly checks of $446 to the elderly and disabled.

The number of immigrants on SSI has grown dramatically in recent years, from 127,900 in December 1982 to over 700,000 today, and they now account for 12 percent of all recipients on the rolls.

A study by the Social Security Administration found that most immigrants on the SSI roles, as of June 1991, were of Mexican origin, followed by Cuba, the Philippines, the Soviet Union, China, Vietnam, South Korea, Laos, Cambodia and the Dominican Republic.

Many of these immigrants were brought to the United States by children or other relatives who promised to support them, but they eventually wound up collecting public benefits.

President Clinton's own welfare reform plan sought to put some restrictions on the use of SSI by elderly immigrants whose relatives have the means to support them. A handful of moderate Democrats went even further earlier this year and embraced the GOP's near-total ban on welfare to legal immigrants.

Now, after a campaign season in which public concerns about immigration were used to political advantage and California voters endorsed Proposition 187, an initiative to deny public benefits to illegal aliens, the issue is sure to be a top item in the Republican-controlled Congress.

Rep. Rick Santorum, R-Pa., who wrote the GOP welfare bill with a ban on welfare to legal immigrants, said Congress will be looking for ways to finance new work programs for parents on welfare, and immigrants who get benefits are a likely target.

``People want to see something dramatic happen on welfare, some tough work requirements, and that costs money,'' said Santorum, who was elected to the Senate. ``We need a funding mechanism and this is one of the ways to go about doing it, and it already has bipartisan support.''

Robert Rector, a welfare expert with the conservative Heritage Foundation, said changes are also necessary because elderly immigrants are an increasing drain on the U.S. Treasury.

Unless the current system is reformed, taxpayers will be spending $35 billion a year providing health and welfare benefits to elderly immigrants ``who have never contributed to our society,'' Rector said.

``There's a growing recognition that the federal welfare system cannot serve as a deluxe retirement system for elderly people from the Third World,'' Rector said.

Adds Dan Stein, executive director of the Federation for American Immigration Reform, an advocacy group that favors stricter limits on immigration: ``The political impetus for cutting immigrants off welfare just got a turbo-charged fuel injection with extra STP gas added. ... People who come here as guests shouldn't cost taxpayers a dime.''

But immigrant rights advocates say these immigrants and their relatives have paid taxes and played by the rules, and that once the public understands that the House GOP has targeted legal immigrants and not people here illegally support for the plan could evaporate quickly.

``Obviously, the climate is much uglier when it comes to providing benefits to anyone, but it's also true that there are people in the Republican Party who are uncomfortable drawing unnecessary distinctions between U.S. citizens and legal residents,'' said Cecilia Munoz, a senior immigration policy analyst at the National Council of La Raza, a civil rights advocacy group.

Nevertheless, the debate over immigration could further isolate legal immigrants and refugees from the mainstream of society, said Hiram Ruiz, policy analyst for the U.S. Committee for Refugees, an advocacy and information group in Washington.

``Anti-immigrant sentiment proved politically profitable,'' he said. Yet, ``legal immigration and the admission of refugees are by and large positive things for this society. Immigrants and many refugees make many positive contributions.''

APNP-11-21-94 1414EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME:22-NOV-1994 16:14:45.31

SUBJECT: REICH CHALLENGES GOP TO END `CORPORATE WELFARE' TAX CREDITS

TO: Sylvia M. Mathews (MATHEWS_S) (OPD)
READ:22-NOV-1994 18:45:34.41

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:22-NOV-1994 16:25:28.89

TEXT:
Date: 11/22/94 Time: 15:53
Reich Challenges GOP To End `Corporate Welfare' Tax Credits

WASHINGTON (AP) Labor Secretary Robert Reich challenged Republicans Tuesday to match their call for changes in welfare programs with an overhaul of business tax credits that he termed ``corporate welfare.''

``Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well, and use the savings to help all Americans get better work,'' Reich said in a speech to the Democratic Leadership Council.

Reich did not specify programs that might be targeted. But he said the DLC's research arm, the Progressive Policy Institute, had compiled a ``formidable list of special tax benefits for particular industries, totaling over $111 billion over five years.''

Reich said in a later interview on CNBC that he was ``not qualified to indicate which particular industries'' should be targeted. Members of his staff said the secretary simply wanted to initiate a debate.

Indeed, Commerce Secretary Ron Brown said he had not heard of Reich's proposal. ``As far as I know, it has not been discussed at the highest levels of the administration,'' Brown said as he left a White House meeting.

``Lots of industries do have special tax breaks and subsidies,'' Reich said. ``At a time when we are examining the welfare system it is appropriate that we should look at all the handouts and ask if they are worthwhile.''

Republicans in Congress are advancing a welfare plan that would end the automatic eligibility of the poor, cut off benefits after two years and require recipients to work. Welfare mothers who had children while receiving assistance would not be allowed additional benefits.

``It's perfectly appropriate to evaluate and re-examine all benefits, subsidies and incentives of every kind if we're going to be re-examining the system,'' said Donald Shapiro, a New York tax lawyer. ``It's certainly appropriate for the secretary of labor to just state a conclusion and then ask others to fill it in.''

In a report earlier this year titled ``Cut and Invest,'' the

Progressive Policy Institute proposed withdrawing special tax benefits enjoyed by such sectors as oil and gas, timber, advertising, and companies doing business in Puerto Rico.

Reich called on two conservative research organizations, the Heritage Foundation and the Cato Institute, and ``other great think tanks of this city to add to the list their own examples of business subsidies that don't make sense."

He said eliminating various tax benefits would provide additional revenues to complete the job of overhauling the government's worker education and retraining programs.

The labor secretary's comments offered a glimpse of what could become one of the major budget battles in the next Congress, the first one in 40 years that will have both the House and Senate controlled by Republicans.

House Republicans, in their ``Contract With America," set forth a number of additional tax cuts they would seek, including reducing the capital-gains tax and providing tax relief to middle-income families with children.

The Republican sweep has left the administration scrambling to overhaul the president's budget to cope with the new political realities. On Friday, Treasury Secretary Lloyd Bentsen said the administration favored some type of middle-class tax cuts, as long as they were paid for.

Bentsen's comments and those by Reich appeared to point to an administration strategy of offering middle-class tax relief while protecting the administration's cherished investment program, which includes worker retraining. By targeting a group of business tax breaks, the administration would be able to pay for its program without inflating the deficit.

APNP-11-22-94 1553EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME:22-NOV-1994 10:04:49.82

SUBJECT: US POWER SHIFT: US SEES SMALLER CAPITAL GAIN REVENUE ...

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN P) (PDONE)
READ:22-NOV-1994 10:09:04.56

TEXT:
Date: 11/22/94 Time: 08:49
US POWER SHIFT: US sees smaller capital gain revenue loss than GOP
Knight-Ridder

Washington--Nov 22--The US Treasury is putting the 5-year cost of cutting the capital gains tax at 44.8 billion dlrs, which is below the 56.6-billion price tag put on the tax cut by House Republicans, the Wall Street Journal reported today.

The lower estimate seen by the Treasury could help Republicans in their bid to get a capital-gains tax cut through Congress by reducing the spending cuts required to offset it, as required by budget law, the report said.

The tax-cut proposal is contained in the Republicans' "Contract With America" for action in the first 100 days in the new Congress, which is seated in January.

One analyst said the difference in the two estimates is largely due to the Treasury's assumption that more investors will sell assets if capital gains taxes fall than the number projected by the congressional forecast. Neither estimate reflects the possible revenue gains that would occur if a capital gains tax cut stimulates economic growth, the newspaper said.

Senate Republican Leader Bob Dole has hinted that he wants the White House to allow a capital gains tax cut in exchange for passage of the world trade pact known as the Uruguay Round of the General Agreement on Tariffs and Trade. End

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: David Dreyer (DREYER_D) (WHO)

CREATION DATE/TIME:28-NOV-1994 09:27:59.04

SUBJECT: Contract and Health Related Media Affairs Requests

TO: Linda J. McLaughlin (MCLAUGHLIN_L) (WHO)
READ:28-NOV-1994 10:39:51.47

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:28-NOV-1994 09:28:40.96

TO: Carol H. Rasco (RASCO C) (OPD)
READ:29-NOV-1994 21:09:54.13

TEXT:
Ernie Gibble has been contacted by two Pennsylvania radio stations asking for on-the-air Administration talent on these two subjects:
A) Contract on America
B) Health reform
If you have any desire or willingness to supply talent for these two requests (Pittsburgh and Lancaster markets) Ernie will provide any additional details as to timing and subject matter.

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Peter M. Yu (YU P) (OPD)

CREATION DATE/TIME: 1-DEC-1994 08:53:29.38

SUBJECT: Contract

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P)
(PDONE)
READ: 1-DEC-1994 08:58:50.33

TEXT:
As the attached concerns the Contract with America, SMat asked that I send it on to you.
Thanks.
=================== ATTACHMENT 1 =====
ATT CREATION TIME/DATE:29-NOV-1994 19:29:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Peter M. Yu

ATT SUBJECT: ENVIRO MTG

ATT TO: Sylvia M. Mathews (MATHEWS_S)

TEXT:
As I mentioned, I attended what OEP calls its "chiefs of staff" mtg. In attendance were DPC, Interior, Energy, Ag, DOT, a few others.
They discussed the impact of the Contract with America on enviro policy. They did a good job of collecting horror-stories/poster-children of what risk/takings/unfunded mandates/regulatory budget would do to their activities.
I will try to ensure that this info gets into the Sally Katzen/DPC process on these subjects.
I encouraged them to do two things:
(i) not put anything on paper
(ii) think about our positive agenda: what we do to make govt work better, not simply how the R's plan will make govt work worse. They are more old-line than one might expect, so ideas of "rational regulation" went over very poorly.
I think Kathy/Katie were glad I was there. In your convers with Kathy, I wd emphasize NO PAPER. Thx.
=============== END ATTACHMENT 1 =========

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME: 4-DEC-1994 14:47:32.96

SUBJECT: MRS. CLINTON SHOULD SEE BOYS TOWN MOVIE, GINGRICH SAYS

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN P) (PDONE)
READ: 5-DEC-1994 08:04:26.68

TEXT:
Date: 12/04/94 Time: 13:47
Mrs. Clinton Should See Boys Town Movie, Gingrich Says

WASHINGTON (AP) Future House Speaker Newt Gingrich urged first lady Hillary Rodham Clinton to see the old Mickey Rooney movie ``Boys Town'' before she criticizes his plan to resurrect orphanages for welfare children.

The Republican leader, speaking on NBC's ``Meet the Press,'' defended his controversial proposal to deny aid to teen-age mothers and use that money to promote orphanages and group homes.

``We say to a 13-year-old drug addict who is pregnant, you know, put your baby in a Dumpster, that's OK, but we're not going to give you a boarding school,'' the Georgia conservative said.

Reminded that even Senate Republican leaders Bob Dole of Kansas and Phil Gramm of Texas have voiced skepticism about the idea, Gingrich replied, ``I don't think they've read my proposal.''

Responding to Mrs. Clinton's statement last week that his idea was ``unbelievable and absurd,'' Gingrich said, ``I'd ask her to go to Blockbuster and rent the Mickey Rooney movie about ``Boys Town.''

That 1938 Oscar winner, co-starring Spencer Tracy, portrays the Catholic priest Father Edward Flanagan, who founded the first Boys Town home for troubled youth in Omaha in 1917.

``I don't understand liberals who live in enclaves and safety who say, `Oh, this would be a terrible thing. Look at the Norman Rockwell family that would break up.' The fact is we are allowing a brutalization and a degradation of children in this country,'' he said.

Welfare reform is one of the top items in the House Republicans' ``Contract With America'' agenda, and one of the key elements of that is cutting off funding to mothers who are capable of working but fail to find a job within a specified time.

``Giving permanent aid to anyone destroys them,'' Gingrich said. ``I believe in a social safety net, but I think it's better done by churches and by synagogues and by volunteers.''

Newly elected Senate Minority Leader Tom Daschle, D-S.D., said support of the orphanage idea was an example of Republicans deferring to ``some of the extremes in their own caucus.'' Daschle, speaking on CBS' ``Face the Nation'' also cited a study showing that putting children in private homes could cost the federal government as much as $8 billion.

The Child Welfare League of America, in an analysis conducted for Time magazine, concluded that if one-quarter of the estimated 1 million children affected by welfare cutoffs end up in orphanages, the additional cost to the public would be $8 billion.

The organization said welfare costs of one child living with his or her mother is $2,644 a year, while it would cost $4,800 to house the same child with a foster family and $36,000 annually for ``residential group care.''

On other subjects, Gingrich said he opposed a national version of California's Proposition 187 that would cut off all social services to illegal immigrants and their children. Instead, he would beef up patrols and ``basically seal off the border.''

He discounted administration criticisms that Republican-backed tax cuts would cause a big jump in the federal deficit, saying he would appoint a panel of economists to show how tax cuts might spur economic growth.

``We're not gong to accept a socialist model which basically denies the reality of the free market and scores things in a highly unrealistic way,'' he said.

Gingrich said he would hold hearings next spring on a constitutional amendment on school prayer, but said he was willing to put off a vote beyond July 4, as he earlier proposed. Senate Republicans have shown little enthusiasm for quick action on school prayer.

He also said American businesses should be allowed to refuse to hire someone based on that person's sexual orientation, although he believes sexual behavior should be a private matter. ``Our position should be neither repression nor promotion, it should be tolerance.''

APNP-12-04-94 1348EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME: 5-DEC-1994 17:13:48.44

SUBJECT: CENTRISTS OFFER ALTERNATIVE TO GOP AGENDA, ACKNOWLEDGE ...

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P)
(PDONE)
READ: 5-DEC-1994 17:26:18.48

TEXT:
Date: 12/05/94 Time: 14:31
Centrists Offer Alternative to GOP Agenda, Acknowledge Democrats

WASHINGTON (AP) Vowing ``hand-to-hand combat" with Republicans over government reform, centrist Democrats released an alternative to the House GOP agenda Monday. It calls for deep budget cuts and dramatic retooling of housing and job training programs.

The Democratic Leadership Council blueprint shares many of the Republican Party's reform themes but differs in details and direction. And the moderate Democratic group included health care reform as one of its top priorities, an issue that is absent from the House Republican ``Contract with America."

In releasing the 10-point program, the DLC said it hoped to offer Democrats a path to regaining the support of middle-class Americans who supported Republicans this year. But organization leaders conceded their ideas face tough sledding in Congress and an uncertain fate in the Clinton White House.

Clinton led the DLC before running for president, and shares the bulk of its views on welfare reform and expanding international trade. But there is considerable internal debate within the administration and the Democratic Party as a whole over other priorities in the DLC blueprint.

For example, the organization said Clinton and congressional Democrats could put GOP budget-balancing promises to the test by advocating cutting $75 billion or more the federal government spends annually on subsidies to agribusiness, aerospace companies, the oil and gas industry and other corporate interests.

In the DLC plan, some of these savings would be used to pay for welfare reform, family tax relief, highway and other infrastructure improvements; some put to deficit reduction. But DLC president Al From acknowledged these subsidies were ``sacred cows" with bipartisan backing in Congress and said he had no evidence Clinton was prepared to lead a charge to cut them.

And, in challenging the GOP to put substance behind its call for a balanced budget, DLC economist Rob Shapiro said the only fiscally sound course was to raise the eligibility age for Social Security and Medicare, and to curtail benefits to more-affluent entitlement recipients.

But Clinton and Republicans have pledged not to touch Social Security, and neither party will be eager to back away from those promises.

Atop the DLC's alternative agenda was a ``GI Bill for American Workers,'' under which more loan money would be made available to displaced workers who wanted to go to college or vocational school, with the loan paid back once they return to work. The plan also would replace many federal programs with vouchers workers could use to enroll in successful private training ventures.

Also, the DLC called for a radical overhaul of housing policy, including a two-year limit for living in public housing much like the proposed limit on welfare benefits. The housing plan suggests phasing out rent subsidies and use the money to build low-cost homes in poorer areas.

The centrist Democrats said their alternatives would shrink government, reduce bureaucracy, rely on community-based solutions and save money just as Republicans have promised. But they said it was a progressive alternative to what they called punitive sanctions such as the orphanages envisioned in the GOP welfare reform plan.

``We are alerting the Republicans that we are ready to engage them in hand-to-hand combat for every inch of ground on the battlefield of ideas,'' said From. He said the GOP's 10-point contract, while successful in capturing the attention of voters desperate for Washington to change its ways, was short on substance and loaded with ``poll-tested bromides and bumper-sticker slogans,'' such as term limits and a balanced budget amendment.

The alternative to the GOP contract was released at the opening of the DLC's 10th anniversary meeting, which will feature appearances Tuesday by Clinton and Vice President Al Gore, both founding members.

From conceded that Monday's event showed the organization had in large part failed to nudge the Democratic Party's national leadership into abandoning support for government spending programs. But he said the party's crushing defeat this year might convince many Democrats to rethink their party's course.

If not, he said the organization would push its ideas at the state and local level, and promote them as a platform for Democrats to run on as they try to rebound in 1996. ``If we depend on members of Congress to reform the Democratic Party we will sit here as a funeral,'' From said.

APNP-12-05-94 1431EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME: 5-DEC-1994 13:11:31.51

SUBJECT: DLC: Releases its alternative to GOP contract.

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ: 5-DEC-1994 13:41:43.35

TEXT:

DLC: RELEASES ITS ALTERNATIVE TO GOP CONTRACT

The Dem Leadership Council/Progressive Policy Inst. today released a "progressive alternative" to the House GOP's "Contract With America." Like the GOP manifesto, the DLC/PPI document consists of ten proposals. It states: "Where the Contract traffics in broad political gestures -- such as a constitutional amendment to balance the federal budget -- PPI's alternative identifies specific ways to cut government spending. Where the Contract reflects the GOP's traditional solicitude for the economically privileged, PPI's alternative champions the needs of anxious working Americans who see their hopes for a middle-class life vanishing before the onslaught of technological change and economic globalization. And while a relentlessly punitive spirit informs the Contract's social proposals, PPI stresses moral reciprocity: Society should not withhold its helping hand, but link public supports to responsible behavior by recipients."

THE "PROGRESSIVE ALTERNATIVE'S" TEN POINTS

1. CREATE A G.I. BILL FOR AMERICAN WORKERS -- convert $ spent on current job re-training programs into vouchers.
2. PASS A CUT-AND-INVEST BUDGET -- fiscal strategy "that would ruthlessly cut specific tax and spending programs that subsidize powerful industries and use the savings ($225B over 5 yrs.) for public investments" in education, training, research, infrastructure, deficit reduction.
3. EXPAND NAFTA -- to include "any emerging democracy" that meets its conditions.
4. TURN WELFARE INTO AN EMPLOYMENT SYSTEM.
5. REBUILD THE LADDER OF HOUSING OPPORTUNITY -- move public housing residents into owners.
6. CAMPAIGN TO ROLL BACK TEEN PREGNANCY -- a) nat'l campaign to resurrect social sanctions against out-of-wedlock births; b) shift from federal to community-based solutions.
7. CUT WASHINGTON DOWN TO SIZE -- Dismantle petrified central bureaucracies and return power to states. The President should hold a Federalism Convention with govs, Congress and local leaders to "develop a plan to restore the balance of power" among federal, state and local govts.
8. FIX BROKEN HEALTH CARE MARKETS
9. MOVE TO POST-NUCLEAR WORLD
10. KEEP AMERICA'S MILITARY STRONG -- Pres. should "scrap the

Pentagon's 1993 Bottom-Up Review for adapting our Cold War military and launch a comprehensive assessment of our defense needs (DLC/PPI release, 12/5).

TIME's Kramer writes Speaker-to-be Newt Gingrich's "free ride in the world of big think ends" with the DLC forum as the group unveils "a more honest and rigorous attempt to address the nation's problems than Gingrich's vacuous bromide." But the question is, will Bill Clinton adopt it? (12/12 issue). PPI Pres. Will Marshall: "We want to put the Republicans to the test: Are you willing to cut federal industry subsidies? We know you are willing to cut social programs for the poor, but are you willing to go after interests that you've traditionally defended?" (NPR, 12/5). Marshall presents the above in a N.Y. TIMES op-ed under the subhead: "A Mainstream Contract" (12/5). DLC/PPI will hold a full day forum 12/6 which will feature VP Gore, DLC Chair/outgoing Rep. Dave McCurdy (D-OK), CO Gov. Roy Romer and others (release, 12/2).

GET OVER IT: Dem strategist/ex-VA Dem Chair Paul Goldman lashed out at Dems who continue to snipe at Clinton since the election and will suggest at the 12/10 VA Dem exec. cmte meeting that they invite Clinton to be the keynote speaker at the party's 2/95 Jefferson-Jackson dinner, the biggest fund-raising event of the year. Goldman: "We don't want to do the Republicans' dirty work for them. If you look defeated, that feeds on itself. We have to put the election behind us, and stop the finger-pointing. ... Sure we were hurt in this election. But there's a cardinal rule in any kind of comeback: You don't show you're hurt. You've got to act strong" (RICHMOND TIMES-DISPATCH, 12/5).

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME: 6-DEC-1994 09:06:27.15

SUBJECT: GINGRICH SAYS WHITE HOUSE MUST GET USED TO ...

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ: 6-DEC-1994 09:08:25.58

TEXT:
Date: 12/06/94 Time: 08:45
Gingrich Says White House Must Get Used to Confrontational Tone

WASHINGTON (AP) White House officials don't like Rep. Newt Gingrich's remarks about drug use by aides to President Clinton. But the incoming House speaker and his Republican team have a message for them: Get used to it.

The Georgia Republican defended his earlier accusation that up to one-fourth of the White House staff had used drugs in the four or five years before joining the staff, saying Monday that hardball politics is a solid American tradition.

``I'm a historian," he told reporters Monday. ``Jefferson and Hamilton each subsidized papers to smear the other. Trying to lead America has always been a tough business and even Washington occasionally got hit."

A Gingrich ally, Rep. Bob Walker, R-Pa., also jumped in, saying, ``This White House is going to have to learn that they no longer have lap dogs on Capitol Hill."

The verbal duel ensued as giddy House Republicans gathered Monday to crown their new leaders for the 104th Congress, which convenes Jan. 4 under GOP domination for the first time since 1954. They will be making decisions about House rules, committee structure and committee assignments through Wednesday.

Gingrich, unopposed, was chosen to be the next House speaker by acclamation, a selection the House will formally ratify on its first day. Rep. Richard Armey, R-Texas, was named majority leader and Rep. Tom DeLay, R-Texas, was elected majority whip, the No. 3 job.

Gingrich promised Republicans would dig right in on their ``Contract With America," their campaign promises to cut taxes, pass a constitutional amendment requiring a balanced budget, and pare the size of government.

``We have an opportunity this spring and summer to begin decisively changing the shape of the government," he told them.

Gingrich touched off the dispute over drug use on a television news show Sunday, attributing the information to a senior law enforcement official whom he did not name. He provided no further details.

In response, White House Chief of Staff Leon Panetta said Monday that Gingrich's accusations were untrue, and that the fierce conservative was ``behaving like an out-of-control radio talk show host."

He added, ``We cannot do business here with the speaker, we cannot do business with the speaker of the House who is going to engage in these kinds of unfounded allegations."

That comment drew scoffs from Gingrich and his allies.

``His comment was nonsense," Gingrich said. ``I am constitutionally going to be the chief legislative officer of the House. I don't know who he's going to be chief of staff for if he doesn't want to negotiate with the speaker of the House."

Rep. Christopher Cox, R-Calif., referred to Panetta's past service as a congressman and discounted the exchange between the two men.

``Leon Panetta and Newt Gingrich know each other very well," Cox said. ``This isn't the first time, nor will it be last time, they exchange rhetorical fire. Both can be counted on to continue to work with each other."

In fact, the 51-year-old Gingrich has a long history of incendiary remarks aimed at Republican and Democratic targets alike.

He's called Sen. Bob Dole, R-Kan., ``the tax collector for the welfare state," a remark that the incoming Senate majority leader Gingrich's future partner in heading Congress says won't stop the two from working together.

Gingrich called former Speaker Jim Wright, D-Texas, ``the most corrupt speaker of the 20th century," as he and other Republicans were forcing the Texan to step down over ethics violations. Democrats are still bitter over Gingrich's role in Wright's fall.

And before a 1985 meeting between President Reagan and Soviet leader Mikhail Gorbachev, Gingrich called the session ``the most dangerous summit for the West since Adolf Hitler met with (British Prime Minister Neville) Chamberlain in 1938 at Munich."

APNP-12-06-94 0845EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME: 7-DEC-1994 12:12:02.49

SUBJECT: DOLE PLEDGES SENATE WILL MOVE QUICKLY ON BALANCED ...

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ: 7-DEC-1994 12:15:41.23

TEXT:
Date: 12/07/94 Time: 11:43
Dole Pledges Senate Will Move Quickly on Balanced Budget Amendment

WASHINGTON (AP) Senate Republican Leader Bob Dole pledged cooperation today with his counterparts in the House, and said he'd move as soon as possible to enact a balanced budget amendment to the Constitution.

After a closed-door meeting with House Republicans, Dole told reporters that passing controversial measures would take longer in the Senate than in the House, given the different rules for debate.

He said the first measure the Senate would vote on next year would require congressional compliance with federal employment and other laws from which lawmakers have exempted themselves. That measure could clear the House in 30 minutes or so, he said, but take two days in the Senate.

The incoming majority leader, Dole said he'd skip the customary slow start-up to the session next year in favor of a busy schedule that would include votes on a measure to protect states from additional responsibilities without the means to pay for them. He also said he'd schedule debate on a measure giving the president ability to veto portions of spending bills rather than the whole measure.

He said the balanced budget amendment would come up for debate in the Senate ``fairly soon'' after the Jan. 4 beginning of the session.

Dole expressed caution about House plans for a tax cut, saying that while he favors one, as well, ``we do have to pay for it, obviously, and we've got to do enough so people know they've gotten a tax cut.''

Dole's appearance came as House Republicans, meeting in private, continued planning the transformation to a GOP-controlled House after 40 years of Democratic rule.

On Tuesday, making a swift start on a campaign pledge to shrink government, they went on record in favor of selling one of five House office buildings and voted to cut off $5 million in federal subsidies for the Congressional Black Caucus and numerous other groups.

``The American people voted decisively this year to change things,'' Rep. Newt Gingrich of Georgia, the incoming House speaker, said Tuesday after a party caucus in which the 72 incoming freshmen played an aggressive role. ``They voted overwhelmingly that this is the year to dramatically shrink the Congress."

In a closed-door caucus that lasted much of the day, Republicans also approved a three-term limit on committee and subcommittee chairmen, rejecting a proposal to extend the time to a fourth term. But deferring to the wishes of lawmakers from sprawling, rural districts, they shelved a proposal from the first-termers to force a cut in personal staff.

Republicans will enforce a one-third cut in committee staffs and eliminate three committees, steps it is estimated will save about $35 million a year.

With the 104th Congress set to convene in four weeks, House Republican lawmakers were continuing their caucus today by formally naming committee chairmen, including Texan Bill Archer at the tax-writing Ways and Means Committee and Robert Livingston of Louisiana as acting head of the Appropriations Committee.

In some cases, Gingrich decided to ignore the seniority system and elevate junior members he hopes will be more aggressive in carrying out the campaign ``Contract With America."

Republicans are also expected to formally ratify a proposed set of rules changes that the full House will adopt in January.

Republicans said their plan to cut off funding from so-called legislative service organizations would save $5 million annually. There are now 28 such groups, including the black caucus, the arts caucus, the populist caucus and the space caucus, that use federal funds to hire staff, use House office equipment and make free use of House office space.

Rep. Scott Klug of Wisconsin called these organizations a ``simmering scandal waiting to happen." Lawmakers said their expenditures are rarely if ever audited and money cannot be accounted for. Republicans distributed a sheet saying their review indicated expenditures ranging from $9,287 for a Pennsylvania caucus reception to floral, liquor and pastry bills for a variety of groups.

While much public attention has been focused on the black caucus, the two legislative service organizations that play the widest role in the House are the Democratic Study Group and the Republican Study Committee. Both provide material for lawmakers on legislation pending before the House.

Officials for several groups protested the move.

While the ``Contract With America" envisions a three-fifths majority to pass a tax increase, the leadership now favors applying the three-fifths requirement only to an increase in income tax rates. Aides said the modification is necessary to leave room for raising some taxes while lowering others as Republicans implement their ambitious 100-day agenda.

APNP-12-07-94 1143EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME: 8-DEC-1994 08:29:20.68

SUBJECT: Mac/Lehrer w/Dodd, Wellstone, McCurdy 12/7

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: 8-DEC-1994 09:02:00.66

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ: 8-DEC-1994 08:36:18.57

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ: 8-DEC-1994 08:34:33.08

TO: Robert O. Boorstin (BOORSTIN R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: 8-DEC-1994 08:59:10.53

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: 8-DEC-1994 09:36:26.36

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:13-DEC-1994 15:55:29.66

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ: 8-DEC-1994 14:07:49.46

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ: 8-DEC-1994 11:03:33.04

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ: 8-DEC-1994 09:48:33.39

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 8-DEC-1994 11:47:46.62

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ: 8-DEC-1994 09:57:56.07

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ: 8-DEC-1994 11:05:52.41

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:12-DEC-1994 11:20:09.19

TO: Victoria L. Radd (RADD_V) (WHO)
READ: 8-DEC-1994 08:40:21.73

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ: 8-DEC-1994 08:29:23.87

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ: 8-DEC-1994 11:00:46.71

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ: 8-DEC-1994 09:06:18.89

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:13-DEC-1994 10:21:29.36

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ: 8-DEC-1994 09:54:38.11

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: 8-DEC-1994 11:03:18.60

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ: 8-DEC-1994 09:08:00.75

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ: 8-DEC-1994 08:58:57.81

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN P) (PDONE)
READ: 8-DEC-1994 08:30:42.09

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

"MACNEIL/LEHRER NEWSHOUR" INTERVIEW WITH:
SENATOR CHRISTOPHER DODD (D

-CT)
SENATOR PAUL WELLSTONE (D

-MN)
REPRESENTATIVE DAVE MCCURDY (D

-OK)
WEDNESDAY, DECEMBER 7, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

FEDERAL NEWS SERVICE IS A PRIVATE FIRM AND IS NOT AFFILIATED WITH THE FEDERAL GOVERNMENT.

ROBIN MACNEIL: Now, three Democrats look at the future direction of their party. Two senators -- Christopher Dodd of Connecticut, Paul Wellstone of Minnesota, and one outgoing House member, Dave McCurdy of Oklahoma. He's the chairman of the Democratic Leadership Council. He was defeated last month in his bid for a Senate seat.

Starting with you, Mr. McCurdy, the president says the answer is not to reverse what we have done, but to build on it. Do you think President Clinton has got the right message?

REP. MCCURDY: Well, I believe the speech last night was an important step. I think, clearly, again, the president has an opportunity here, with a fresh start after the mid

-term elections, to define not only his presidency, but also to lay the future course for the Democratic party and for America. And as you listen to the clips from the speech last night, that was enthusiastically supported by those in attendance and the DLC, you heard the president talk about the principles on

which he ran on. He actually cited the New Orleans Declaration, which we developed when he was chairman of the DLC, talking about equal opportunity, talking about investment. And I think that is a -- not only an important message, I think it's one that connects with the American public.

He talked about why he ran for president -- and that was to reach out and help solve the problems facing average Americans, working Americans, who work hard and yet see their incomes declining. He talked about the fear and the insecurity that people feel economically. And I think, much of that fear was expressed in anger in the mid

-term elections, because they felt that Congress and the administration -- those in power, basically -- had not addressed those problems sufficiently.

MR. MACNEIL: You said -- excuse me for interrupting, but you said very directly yesterday in your speech to the same conference, that the president, as president, had not -- he'd not been the president he ran as, you said. And that he -- and that he, still, while he may have had his head as a new Democrat, as a DLC Democrat, his heart was still in the liberal -- in the old liberal thing. Now do you believe he's shaken himself out of that position, that he's fundamentally changed that?

REP. MCCURDY: Well, Robin, only time will tell, because I think, again, the American public really doesn't want to hear words. They want to see action. And that was, again, a very clear message sent in this election. And I think that's what we have to address. We need to talk about not only a strategy to -- and again, the president said, "We want to engage the Republicans in a real debate" -- not these commercials and demonization that occurred in the campaign, but actual debate on issues such as their Contract with America.

We just released an alternative to the Republican's Contract with America that embraces, again, those ideals and those principles that's designed to engage them directly, talking about how you reduce the deficit through wasteful spending, but invest in those programs, in those efforts to help people find job security, to have a GI Bill for workers so that they can have vouchers they can take with them, so they can have continuous job training, to in fact try to reform the welfare system as we know it today, but also to address the health care problems that we have -- not by some huge government program, but using private sector forces and working incrementally to solve those problems.

MR. MACNEIL: So, you say huge government program. You just heard the president say last night that his efforts to reform health care had been characterized as a huge government program and bigger government and taxes. Do you think it was mischaracterized, or that's what it really was?

REP. MCCURDY: I, personally, supported alternatives to the health care program, and I think the president, in conversations with me and others, has admitted that the approach taken was too complex, it was too big, and it relied too much on government, and that there -- but that it didn't obviate the need to discuss health care. And we ought to have an honest debate. and it's clear that the American public didn't understand the debate.

But more importantly, they lost faith in government. They don't believe that government can solve the problems. Until we restore faith and work with them and try to find solutions that do not rely on government to address these fundamental problems, I don't think we're going to see a restoration of faith.

MR. MACNEIL: Let's talk to a couple of your colleagues now.

Senator Wellstone, do you think the answer -- the salvation of the Democratic party, right now, is for the president to reclaim the mantel of the Democratic Leadership Council and be a new Democrat?

SEN. WELLSTONE: Well, you know, I listened to the discussion, and I think of -- I was in Wilmar, Minnesota, last night, in cafes. Nobody in a cafe ever asked me if I'm a member of the DLC. They don't want to know whether I'm an old Democrat or a new Democrat. This is insider discussion. I mean, the real point is not left, right, or center -- it's the politics that speaks to the concerns and circumstances of people's lives. And I think there are two major issues here. One is the economics of people's lives. People feel a squeeze. They don't feel government is on their side. And a lot of people are really worried about themselves and their families. And they're worried about the economy. And they want to see good public policy that can help them. They want to see government on their side.

The second thing is, people are kind of angry. Their populism is in the air. People feel ripped off. They don't feel well represented. They see a lot of sort of powerful interests that dominate the political process. All those issues of campaign finance reform, ethics, lobbying disclosure, gift ban -- too many people, Democrat and Republicans alike, trivialize those issues. They just didn't get it. They thought it wasn't important. People want to see us clean up our process. They'll have more confidence in the outcome of the process, if they think the process is open and accountable.

So, I think we have a lot of work to do, and I don't think it has anything to do with DLC or left, right, and center. And I think the president should be someone who has conviction, who has principles, who makes it clear to people he's going to fight for what he believes is best for the country.

MR. MACNEIL: But hasn't he been doing that all --

SEN. WELLSTONE: And that's what people yearn for.

MR. MACNEIL: Hasn't he been doing that all along?

SEN. WELLSTONE: Well, I think that -- listen, I'm not going to do the piling on on the president of the United States. Too much of that is going on right now. I just would simply say that we're going to have a real opportunity with this Contract, which I think is very mean

-spirited. Once people see what this means --

MR. MACNEIL: The Republican Contract, you mean?

SEN. WELLSTONE: That is correct. One point two or three trillion dollar cut promise by 2002. The effects, Chris, it's going to have on children -- eliminating nutritional programs. What's going to happen to Medicare and Medicaid? Yes, let's decentralize government. Let's make more things happen at the community. But let's not walk away from public policy that provides real opportunities for citizens in this country, which has made this a great nation. People aren't going to like it. There's goodness in this country. We ought to stand up for what we believe, as Democrats. We ought to have a real debate. We ought to have concrete alternatives. That's what politics should be in the United States of America. And the president should stand for that.

MR. MACNEIL: Senator Dodd, how much do you think President Clinton needs to reclaim the center in order to -- as the DLC is saying? What does he need to do -- as he is saying?

SEN. DODD: Well, I sort of agree with what Paul had to say. Sam Rayburn used to say, "I'm a Democrat -- without prefixes of suffixes." And I think we've got to be careful not to Bulkanize our party here, and add geography and sort of ideological labels to it.

I listened to Dave McCurdy and Paul Wellstone, and I know they've had their differences, but I also heard some core values being expressed by two people who have disagreed on some issues, but I think would probably agree on most -- and that is the idea of getting back to the point that this is really about average Americans out there every day, who are trying to hold body and soul and

family together. They pay the taxes. They fight the wars. They play by the rules and by the book. And all they seem to ever be asked to do is pay taxes. And every other issue seems to be discussed that doesn't affect them.

So, I think the president, in many ways, has been on the right track. You may argue the menu is too crowded, tried to do too much in too short a time. We didn't prioritize issues well, so that the tax cut that he managed to get through, and the budget that reduced the deficit was put on the same plane and level as issues that had marginal importance. And they were almost given equal weight. I think we can certainly claim that was part of the difficulty.

But this is a president who also fought for GATT, for NAFTA, who can claim full responsibility, along with Democrats in the House and the Senate, for putting together a budget that did reduce the deficit for three straight years for the first time since the Truman administration. I don't think you need a big change in message, necessarily. I think you've got to get back again -- and this Congress ought to -- to talk about how you can do a better job on providing more secure and better paying jobs for Americans, how you can educate these young people. As Dave said, on health care, look at it intelligently, deal with things like portability, pre

-existing conditions, the long

-term health fears that
people have for their parents -- if they've got a mother or father with Alzheimer's, so they don't lose their home or destroy everything they've built up over the years.

I think, if Democrats across the country will do that, come together around those core issues that we agree on, not divide among ourselves -- our strength is in our diversity. It only becomes a weakness when we cannibalize ourselves.

MR. MACNEIL: Let's --

SEN. DODD: And if we don't do that, I think we can do well.

MR. MACNEIL: You've all been talking issues, as the president did. Back to you, Mr. McCurdy. Let's just talk mechanics for a moment. Do you -- some Democrats are saying, and some in the DLC are saying, that in order to convince the public that -- of where he is, the president should have a mass firing of some of the aids in the White House -- and people mentioned people like George Stephanopoulos and Harold Ickes, who, it's claimed, are the ones responsible for pulling him over away from the center, and that Mrs. Clinton should be moved more into the background. Do you believe that -- do you believe something like that is necessary to convince the public?

REP. MCCURDY: Well, I think the president has an opportunity in the coming weeks, because -- and he needs to fire back, because there is a certain Republican momentum coming from the elections -- but also, the fact that they're now assuming control of the Congress. And you're seeing specific proposals being made there. That's why we have to have clear alternatives. But I also believe that the American public wants to see action and some results.

I think there are going to be changes. I think there have to be changes in the White House, in the administration. And I think it sends a very powerful signal. That's something the president can control. He cannot now control the Congress. There's no longer a Democratic control. So, he has to focus on the Executive Branch that he does have control, and talk about -- and he mentioned last night, let's engage in debate on how to cut government, how to reduce a lot of the federal heavy, top

-handed concentration here in Washington and try to move it out to the states.

MR. MACNEIL: Let's me see if --

REP. MCCURDY: Let's re

-invent government in an
appropriate way. He can control that part of the debate and the dialogue. And I think that's one of the few areas that he actually has that.

MR. MACNEIL: Senator Dodd and Senator Wellstone -- Senator Dodd first. Do you think that some big changes in the White House staff are necessary to convince the public of where the president is and what he is doing?

SEN. DODD: Well, some may be necessary, but I wouldn't go so far as to say, then, "to convince the public." I think Paul Wellstone said it well a few moments ago. Most people in this country don't have the vaguest idea who these people are you've just mentioned. I think it comes back again to these issues that they care about, and they want to see Washington. People don't get up in the morning and think of themselves as Democrats or Republicans. They get up and they worry about their families, their neighborhoods, their personal security.

And so, changes may occur, and that's -- those are more the pyrotechnics. But if you get back to the basic issues, then, whether or not he changes some of the personnel and some of the names change, won't mean a tinker's worth of a damn in all of this, if he doesn't and we don't, together, start focussing again on the issues that made us the most popular political party over the last 40 years.

We didn't enjoy the voters' confidence for so many years because it was political accident or we were better at the politics. People honestly felt that their hopes and their dreams and their visions were going to be better met in the hands of Democrats, generally. That was true at local, state, and the federal level. We've lost their confidence, over the last few years, for reasons that are very complex. But we can get them back, if we get back to those core issues. Changing heads in the White House may have some value, but it's not going to change a single voter's mind on Election Day.

MR. MACNEIL: Dave McCurdy, one other -- this is another hard question for you, but some people in your ranks -- for instance, Joel Kotkin (sp), who is an editor with the DLC Journal, says, "One option would be to run somebody else against Mr. Clinton in the next -- in the presidential primaries." He mentioned Bob Kerrey of Nebraska. You have said, "The president is a heavy burden for the party." Is the president such a heavy burden that you should dump him?

REP. MCCURDY: Well, I'm not saying that at all. And Mr. Kotkin (sp) can speak for himself. It's clear that what we've talked about here is, you know, we -- Democrats did have the confidence of the American public for quite some time. When we grew up, we grew up in a Democratic households as children of working families. But today, after this mid

-term election, the Democratic party in the south has been decimated. And I think we have to address some of the cultural concerns that Americans have out there.

I think we have to, again, present real ideas and new ideas that really do try to find innovative solutions to the problems that they face and the fears -- the legitimate fears that they have. And they can't be just seen as government's going to help you. The Democratic party became to identify with just government. And I think the empirical evidence is clear --

MR. MACNEIL: Let me ask Senator Wellstone, what do you think about suggestions that somebody -- there should be a rival to President Clinton in the primaries?

SEN. WELLSTONE: I don't think that that's really the challenge before us right now, Robin. I think two things happened in this election. One, you had -- roughly speaking -- a 61 percent hole in the electorate.
One

-hundred

-and

-twelve million people didn't even
vote. That's something Democrats ought to think about. Who were those people. They've become just alienated from politics. That's something everybody in politics ought to think about.

Second of all, people in the country are in a downright anti- status quo mood. They were saying very clearly -- I will say this as a Democrat; I think Chris and Dave will agree with me -- that they want to see real change. But that begs the question, what kind of change. I don't want to see Democrats make the mistake that they made in 1981 -- I was teaching then -- where there was a collapse of opposition. Democrats lost courage, didn't stand up for what they believed in. There was no real debate. They just kind of rolled over.

I'm telling you right now that this Contract and this agenda of Newt Gingrich and others is not the goodness in America. I do not think that this is the change people want. We ought to be willing to stand up to that. We ought to have alternatives. I think a lot of this debate's going to be in the Congress. It, certainly, Chris, is going to be on the Senate floor. I'll be ready with lots of amendments to hold people accountable so people know where we stand.

MR. MACNEIL: Well, gentlemen --

SEN. DODD: That you can be confident about.

MR. MACNEIL: Okay. Well, sorry we have to leave it there, gentlemen -- but we'll come back, I'm sure.

REP. MCCURDY: Thank you very much.

SEN. DODD: Thank you.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:11-DEC-1994 20:34:51.66

SUBJECT: ABC's Week w/Mfume, McCurdy 12/11

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:12-DEC-1994 10:27:18.21

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:12-DEC-1994 07:12:39.88

TO: Jill M. Blickstein (BLICKSTEIN J) (OMB)
READ:12-DEC-1994 08:28:10.29

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:12-DEC-1994 19:06:51.69

TO: Elizabeth C. Bowyer (BOWYER E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:12-DEC-1994 09:08:22.03

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:12-DEC-1994 07:28:47.42

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:13-DEC-1994 15:55:57.53

TO: Amanda Crumley (CRUMLEY A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL J) (WHO)
READ:12-DEC-1994 16:35:26.63

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH L) (WHO)
READ:12-DEC-1994 10:02:27.98

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:12-DEC-1994 18:50:53.59

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:19-DEC-1994 11:43:43.62

TO: Victoria L. Radd (RADD_V) (WHO)
READ:12-DEC-1994 11:45:48.14

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS L) (WHO)
READ:NOT READ

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT R) (WHO)
READ:19-DEC-1994 17:51:14.48

TO: Joshua Silverman (SILVERMAN J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:12-DEC-1994 13:20:27.82

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:12-DEC-1994 13:35:46.61

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY M) (WHO)
READ:12-DEC-1994 15:12:11.10

TO: Catherine Balsam-Schwaber (BALSAMSCHW C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:12-DEC-1994 08:30:29.39

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

ABC "THIS WEEK WITH DAVID BRINKLEY"
WITH HOST: DAVID BRINKLEY
JOINED BY: SAM DONALDSON AND GEORGE WILL
GUEST:
REPRESENTATIVE DAVE MCCURDY (D

-OK)
REPRESENTATIVE KWEISI MFUME (D

-MD)
SUNDAY, DECEMBER 11, 1994

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS ABC PROGRAM TO "ABC'S THIS WEEK WITH DAVID BRINKLEY."

MR. BRINKLEY: Mr. McCurdy and Mr. Mfume, thank you both very much for coming.
REP. MCCURDY: Thank you, David.

REP. MFUME: Thank you.

MR. BRINKLEY: Pleased to have you. You know everybody here -- George Will, Sam Donaldson.

REP. MCCURDY: Sure do.

MR. BRINKLEY: Mr. McCurdy, you first. You say you lost -- you ran for the Senate this time. You lost because your opponent painted you as an old Democrat, when in fact you were a new Democrat. Have I got that right? What is an old Democrat?

REP. MCCURDY: Well, I think there's a difference between a traditional or old Democrat and a new Democrat. A traditional Democrat actually believes that government can solve people's problems and protect them from adversity. Whereas, a new Democrat believes that we need to equip people with the ability to help solve their own problems --

MR. BRINKLEY: That sounds like a Republican.

REP. MCCURDY: -- and that's training and --

MR. BRINKLEY: That sounds Republican.

REP. MCCURDY: No, actually, Republicans are saying government should get out of the way so people can solve their own problems. I think there's a distinction between equipping people, giving them the ability through training and education, because, in this global economy, we need to be skilled, and we're going to have to have those skills, and we're going to have to be retrained a number of times in our lifetime. Also, we need to empower people. And I know that sounds Republican today, but it's not. What we're talking about is treating people with dignity, providing opportunity -- opportunity not of guarantee of outcome, but at least opportunity, respecting individual responsibility and helping people build that. I think that's a new Democrat message, and I think that's one that average Americans, working Americans want to see in this country.

MR. BRINKLEY: Mr. Mfume, Black voters turned out in rather small numbers. Did that help the Republicans win?

REP. MFUME: I think it hurt the Democrats more than it helped the Republicans. I mean, when you don't energize your base or re- invigorate your base, and expect to go head to head with a foe that has pretty lined up a group of outside institutions -- and that's what the Republican party has done, wisely so, over the years -- whether it's the NRA or something else, you put yourself in a position where you're going to lose. And when you do as we did -- do that on November the 8th -- and come out as we did as a party, I think it hurt Democrats more so than helping Republicans.

Most -- 90 percent of the Republican members of the House that got elected this year, got elected with the same amount or just slightly fewer votes than they got elected with two years ago. So, clearly, the absence of a Democratic base helped to make a difference.

MR. BRINKLEY: George?

MR. WILL: Congressman McCurdy, your colleague sitting here just used the magic word in politics, "base." And the rule in politics is, first secure your base and build out from that. The Democratic party's base is African Americans, public employees, private sector union members who are about less than 10 percent of the work force, and cultural liberals -- gays and feminists and all the rest. How do you secure that base and do what you want to do -- which is move to the center?

REP. MCCURDY: Well, George, if that's the base, then we're in deep trouble. And that's what we've --

MR. WILL: Is it --

REP. MCCURDY: And that's what we've been arguing about. That should not be --

MR. WILL: But did I get it right?

REP. MCCURDY: Well, there are components of that. But the fact of the matter is, the base of the Democratic party should be middle class Americans, average working Americans. And if we do not reclaim that base, then I think we're history as a party. We don't have the validating institutions any longer -- and that's what I argued. The Republicans today are --

MR. BRINKLEY: What does that mean, "validating institutions?" What are they?

REP. MCCURDY: Well, the Republicans have been very good at building the infrastructure -- and they've done this over a period of time. They have the Christian Coalition. They have the National Rifle Association. They have NFIB -- small business and others. And they can point to those to help validate their credentials. As a Democrat in Oklahoma, I cannot point to organized labor or to some liberal group and say, "That means I'm a part of the middle class." I think Democrats have to go back and rebuild those institutions and that base to expand that base in order to be successful.

With all due respect to my good friend, Kweisi, it's not just energizing Blacks. I've got 99 percent of the Black vote. But the fact of the matter is, in border states, in many states, it takes more than just the Black vote. And in this redistricting that's occurred, by concentrating these districts that make them minority districts, that undermines the ability to bring moderate Democrats to the Congress. And if you lose the center in the Congress, I think that it's a serious defeat.

MR. WILL: Congressman, from the perspective of the Democratic base -- including the Black Caucus, but more -- you now listen to the talk about tax cuts, a bidding war to dismantle parts of the government, defense increases, a pulling back of some judicial appointments. What do you think is going to happen to the people you represent? You can't be happy with the tone of the atmospherics in Washington today.

REP. MFUME: Well, I'm accustomed to the atmospherics here. Very seldom and I happy with them. I think what clearly has to be done is to look at where we were in the last two years, and what went wrong. This party should have dealt with welfare reform and tax cuts first. Health care reform, incrementally, after that. I think, then you build up enough chits, you have enough momentum then to move towards something that major.

What we see now is, in hindsight, people trying to do that after the fact. You've got to be able to do it in such a way that you protect those that are most vulnerable in our society. But at the same time, you've got to embrace the realities. And part of the realities are that working class families do expect

some kind of tax relief. People who are concerned about welfare reform want a sensitive and meaningful welfare reform package. And without running off or running away from the part of the party that David
is talking about, I think you can do it -- but you can only do it if everybody is involved with it. And that's what I mean about having a Democratic party that is inclusive.

MR. WILL: Now, this week, the president goes to your organization, gives a speech, and the White House says, "We're all moving to the center." this week also, the president's Justice Department intervened in two cases on the side of continuing racial preferences and contracting set asides, and continuing what is already a 10 year, $1.3 billion desegregation effort in Kansas City. That doesn't look like the center, and it looks like perhaps the sort of racial preferences and approach to racial policy that cost you -- what -- 67 percent, 63 percent of the White male vote. Aren't we getting just more of the same?

REP. MCCURDY: Well, first of all, I think the administration has to -- it's not a question of message. We need to dispel that early on. It's a question of what --

MR. WILL: So, Bentsen's wrong.

REP. MCCURDY: Well, I don't think it's a question of just going out and saying it. You have to say it enough times. I think there has to be a real program itself. There has to be an agenda that's clear and understandable and consistent. I think what we need is a clear ideology emanating --

MR. WILL: How much are racial preferences and all the rest costing you White male voters?

REP. MCCURDY: I think that's going to be the most volatile issue -- it an immigration -- over the next two years. And this administration has to have an affirmative response early. I think where we've seen over the last few weeks, perhaps, some of the confusion -- there's been tremendous momentum that the Republicans have had. And they've gotten a lot of good play out of it. What the Democrats need to do is get out of the headlights and say -- and looked so stunned -- and say, "Here is our approach." That's why we just offered ten alternatives to the Republican Contract with America.
I think that's the approach the administration has to take.

MR. WILL: What do you think about racial set

-asides
and the whole racial policy as an ingredient in the loss of the White male vote?

REP. MFUME: Well, first of all, I think, in the Atarand (sp) versus Pena case that's before the court,

that the administration, the Justice Department has weighed in on. I think that's proper, because we're talking about whether or not the federal government has a right to establish a 10 percent set aside for minorities. What the flip of that is, is that it's establishing, in the process, a 90 percent set aside for White males. So, when we argue that, we've got to be smart enough to argue both sides of what this preference idea and the situation is before the courts. What that does --

MR. WILL: But you accept the principle that a lot of Americans are queasy about -- which is, dividing us up into racial, ethnic, sexual groups, and having group rights.

REP. MFUME: I don't think that is having group rights. That's recognizing a long period in this country where there was not proper inclusion and proper opportunity. And it's saying that the government, where possible, where it sees necessary, can set aside a small percentage -- in this case, up to 10 percent. But in doing that, you create a 90 percent set aside for others -- White males.

Now, if White males in this country are running away from the party because they think that's preferential treatment, then, clearly, then, they don't understand that what the government is doing, in this instance, is trying to protect the rights of others. It's not taking anything away from anybody.

MR. DONALDSON: All right. Gentlemen, what are you going to do about Bill Clinton? He's not popular, apparently. The Republicans help nationalize this election through him, and your party lost. Do you just ride into 1996 and say, he is our party leader, and we have to go down to defeat, or, if you can pull it out, win with him, or do you replace him?

REP. MFUME: Well, I would hope that, first, the president does not move through the next two years as if he's moving toward trying to get re

-elected. I think it's
easier to govern when you free yourself from that burden and recognize that you have a higher responsibility. Clearly, though, you can't go into the next two years as a party, coming out of the previous two the way we have. It doesn't mean remaking the president. It just mean, I think, narrowing the message, and having a very clear set of principles -- those things that you believe in.

MR. DONALDSON: Do you know what he stands for? Do you know what his core beliefs are?

REP. MFUME: I think I know what the president stands for -- but I'm not the American voter. And many people, perhaps, do not. That's why I said, if you have a point

and you stand on it and it's principle, people may not agree with you, but they ultimately respect you for that.

MR. DONALDSON: Mr. McCurdy, you have said, just the other day, he's a transitional figure. You clearly believe that he's out of here.

REP. MCCURDY: Well, I think he -- actually, when I said transitional, I was talking about philosophical. And my point was very simple -- you can't have it both ways. You can't be old and new Democrat at the same time, or a liberal and moderate or conservative. I think what he has to do is demonstrate an ideological core. There are three components of presidential power, of the office itself. And quite frankly, it's going to be more difficult, over the next two years, to show performance. And voters aren't worried --

MR. DONALDSON: Well, the --

REP. MCCURDY: Voters aren't concerned --

MR. DONALDSON: The tools he needs are in the hands of his enemies.

REP. MCCURDY: That's right.

MR. DONALDSON: In the Congress.

REP. MCCURDY: That's right.

MR. DONALDSON: How can he do it. There is no Clinton agenda that anyone's going to vote on and go up with.

REP. MCCURDY: Well, he should stop worrying about legislative accomplishments. That's not what people want to see. They want to see real results in their lives. That's where they lost the focus. I think he hooked up life support to a brain

-dead Congress. He should have been taking on the congressional leadership and saying, "This is what we're about --

MR. DONALDSON: But what about my question.

REP. MCCURDY: -- and this is the kind of change."

MR. DONALDSON: Should he head the ticket in 1996?

REP. MCCURDY: I think he has two years, or maybe a little less than two years --

MR. DONALDSON: Two years?

REP. MCCURDY: Well, he has probably a year, now, to demonstrate some real action and some core. I think if he

goes back to the message that you saw the other night at the DLC, and he delivers that, and he sticks to it, and does produce results, then I think he has a fair chance.

MR. BRINKLEY: How about --

MR. DONALDSON: Mr. Mfume, Jesse Jackson is going to run --

MR. BRINKLEY: How about --

MR. DONALDSON: Excuse me, David. Jesse Jackson is going to run, is he not?

REP. MFUME: I assume that he probably will run, as an independent.

MR. DONALDSON: Well, wait. First in the Democratic primaries.

REP. MFUME: Well, I don't know if he's going to run in the Democratic primaries. I think --

MR. DONALDSON: What do you think?

REP. MFUME: I think he'll probably run as an independent candidate.

MR. DONALDSON: Will that hurt the party?

REP. MFUME: I don't think it hurts the party, because you still come up with a Democratic nominee. What happens in the general remains to be seen. It really goes back to product as opposed to just message. People want to know that you can deliver something. So, whether it's Jesse Jackson or Bill Clinton or someone else, for that matter, I think that's how they're going to be measured from this point on.

MR. BRINKLEY: How about the president's firing of Joycelyn Elders, who was the Surgeon General of the United States. He didn't like some of the language she used in public. What do you think about that?

REP. MFUME: Well, it was probably not just the last event. It was probably an accumulation of events.

MR. BRINKLEY: Over a period of time, right.

REP. MFUME: And the president realized that -- he thought, you know, he would cut his losses. I don't know whether he was right or wrong. I know that Dr. Elders means what she says. She's a very straightforward person. She has good intentions. But not serving as a private position, rather serving as the attorney general (sic), I think, puts her in a more vulnerable position, clearly, with this White House, that clearly wanted to cut its losses.

MR. BRINKLEY: Mr. McCurdy, what did you think about it?

REP. MCCURDY: Well, I actually recommended that she be fired, and a number of other people, in both the White House and in the Cabinet. I think it's time for some change.

MR. BRINKLEY: Not for the same reason?

REP. MCCURDY: People don't want -- people don't want to hear more words. And again, that message is going to be even more difficult. You have to have results. You can't change your offensive scheme with the same old team. He needs to do --

MR. WILL: Let's hear some more --

REP. MCCURDY: -- head a new team.

MR. WILL: Let's hear some proper nouns. Who ought to be fired?

REP. MCCURDY: Well --

MR. WILL: Let me ask you this. I mean, you want the president to move to the center. He's surrounded by and chosen to be surrounded by Harold Ickes, Stephanopoulos.

REP. MCCURDY: Yes.

MR. WILL: He can't fire his wife, who's no centrist. Who should be fired?

REP. MCCURDY: Well, I'm not going to go through a list

of people who should be fired.
MR. WILL: Do.
REP. MCCURDY: But I think that, on a message --
MR. WILL: Didn't you say --
REP. MCCURDY: On a message such as --
MR. WILL: -- you suggested some people should be fired?
REP. MCCURDY: I did have a conversation with the president on Tuesday regarding some changes, and that the fact there needed to be some changes. There are some people, though, who've become so identified with some of the failures over the past two years -- such as Mr. Magaziner in the health care debate. I think that plan became

a symbol of old Democrat and big government, which was rejected. This was not just a rejection of the president in the mid

-year election. This was a vote of no confidence for the Democratic party as exemplified today.

And let me just say one thing. I have to take some responsibility as well. I did vote, and it cost me a great deal in Oklahoma, to ban the manufacture of assault weapons. I made that choice voluntarily. I think it was the right decision, but in a state where there's anger about the loss of rights, I think that was a very costly vote.
MR. WILL: Congressman --

MR. BRINKLEY: We've got a little -- very little time left. George?
MR. WILL: Congressman Trent Lott says he got 37 percent of the Black vote in Mississippi.
REP. MFUME: God bless him.
MR. WILL: Wouldn't it be wholesome for the Black Americans, if their vote were seriously in play, and Republicans were getting more of the Black vote?
REP. MFUME: It would be, I think, the sort of situation that many of us expect that we will see over the next several years. There is a great deal of infusion of Black -- excuse me -- Black people into the Republican party and as independents. When you have that kind of balance, it works.
MR. BRINKLEY: Okay.
REP. MFUME: The question, though, is that people are tied less to party as they are to philosophy. And so, you see the cross

-over that's occurring. But if Trent got that much, God bless him.
REP. MCCURDY: My successor is a Black Republican in Oklahoma.
REP. MFUME: I don't know what he did to get it.
MR. BRINKLEY: We've got a few seconds left.
REP. MCCURDY: So --
MR. BRINKLEY: Sam?

MR. DONALDSON: I seem to be on one theme.
MR. BRINKLEY: Make it quick.

MR. DONALDSON: Let me try the same question in a different way, without regard to your own preference, then -- do you expect there will be a primary challenge to Bill Clinton for the renomination?
REP. MFUME: I think it's too early. I honestly think that you've got to wait until about a year from now to see where things are. If they are where they are now, then, probably, yes.
MR. BRINKLEY: Do you agree with that, Mr. McCurdy?
REP. MFUME: If not, I think you're going to see the president stand for re

-election.
REP. MCCURDY: I think he probably would win nomination again. It's too early to tell. But I will say this -- Jesse Jackson does not represent the future of African Americans or the Democratic party. I think Kweisi and the young generation of leaders is emerging and need to be heard. And because they are trying to break away from that old extreme liberalism to talk about a message, but also actions, that enable -- help working men and women. And that includes all races in this country.
MR. BRINKLEY: Okay. Thank you both very much. I'm sorry. Our time is up. Thank you for coming.
REP. MCCURDY: Thank you.
MR. BRINKLEY: Pleasure to have you.
REP. MFUME: Thank you.
END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:11-DEC-1994 09:05:38.74

SUBJECT: GOP response w/Molinari 12/10

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:11-DEC-1994 14:00:14.37

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:12-DEC-1994 07:10:57.10

TO: Jill M. Blickstein (BLICKSTEIN J) (OMB)
READ:11-DEC-1994 12:33:13.76

TO: Robert O. Boorstin (BOORSTIN R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:12-DEC-1994 09:08:06.96

TO: Lisa M. Caputo (CAPUTO L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:11-DEC-1994 15:05:59.29

TO: Daniel P. Collins (COLLINS D) (WHO)
READ:13-DEC-1994 15:55:47.13

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH L) (WHO)
READ:12-DEC-1994 10:00:11.08

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:12-DEC-1994 18:49:32.65

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:12-DEC-1994 11:56:45.17

TO: Victoria L. Radd (RADD V) (WHO)
READ:12-DEC-1994 11:45:18.41

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:12-DEC-1994 14:59:04.86

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:11-DEC-1994 09:08:38.73

TO: Jessamyn Sarmiento (SARMIENTO J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:12-DEC-1994 08:56:04.80

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:19-DEC-1994 15:19:08.78

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:12-DEC-1994 14:59:19.94

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD N) (WHO)
READ:12-DEC-1994 13:32:42.44

TO: Carter Wilkie (WILKIE C) (WHO)
READ:12-DEC-1994 10:36:05.65

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:13-DEC-1994 08:21:44.67

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:12-DEC-1994 08:25:37.66

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

REPUBLICAN RESPONSE TO PRESIDENT CLINTON'S SATURDAY RADIO ADDRESS
WITH: REPRESENTATIVE SUSAN MOLINARI (R

-NY)

SATURDAY, DECEMBER 10, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

PLEASE CALL CORTES RANDELL AT 202

-347

-1400.

REP. MOLINARI: Good morning. I'm Susan Molinari, Republican representative from the 13th congressional district of New York. And I'm pleased this morning to focus on all of the positive changes happening in Washington, as the Republican party prepares to fulfill our promise to the American people.

In order to provide our nation with a government that responds to the frustrations of your house, we've spent the past few weeks getting this house in order. Already we've cut the amount of money which Congress spends on itself and have drastically reduced the number of cumbersome committees and their staff. Twenty eight taxpayer

-financed special interest organizations have been eliminated. And we are looking to sell the office building where they were all housed.

On the House side, along with incoming Speaker Gingrich, and the team of experienced representatives returning for another term, there'll be 74 new Republican members of Congress who are committed to carrying through the revolution which the American people began on November 8th.

Business as usual in Washington would have had these newer members waiting on the sidelines, waiting years before they could engage in policy or capture the most coveted committee positions. However, 36 percent of this incoming class will sit on four of the most powerful committees, helping to shape the changes which will govern America.

Now, we did this because we believe that men and women fresh from their communities can best deliver that message loud and clear to Washington. And, despite the fact that these newly energized people represent the broadest range of backgrounds, they have all come here with the same message from you -- wise up Washington.

The people of America have spoken and it's obvious that it's not a re

-invention of government for which they're looking, but an elimination of government's interference on their lives. And the fact is, as reform begins to take shape and as the halls of Congress start looking and sounding more like America's neighborhoods, Washington is becoming a more exciting place to be.

And this spirit of reform seems to be catching, geeze, even at the other end of Pennsylvania Avenue. This week we saw President Clinton embrace and promote many programs that the Republicans presented in our pre

-election
Contract with America. We're delighted to see that the president, now facing a Republican majority in the House and Senate, has now joined with us in promoting a stronger defense, middle class tax cuts, downsizing government, and, as his radio address today evidenced, finally dealing and seizing on welfare reform.

You know, the Republicans wrote a welfare reform proposal over two years ago. It was a proposal that will make individuals on welfare work for their benefits and would cut off benefits after two years. Actually the president spoke about a plan that largely resembles the Republican plan. Only, under our plan, we would allow the governors to make most of the important programmatic decisions, custom tailoring the programs to their states to best help their people in need.

Now, as a representative from New York city, I've witnessed the daily devastation of families and destruction of children's spirit, because welfare has failed. Incoming Speaker Newt Gingrich knows that it will take bold decisions and courageous ideas if we're ever going to get a system that offers work, offers hope, and, yes, perhaps through the creation of small orphanages and group homes, offers safety and security to abused babies and lonely and isolated children.

Incoming Speaker Gingrich and the members of the Republican party know that America is tired of hearing politicians talk about change and promise change and them have them fail to change very much at all. When we take the oath of office on January 4th, we will begin to actually implement our contract with you, America. We will change welfare reform. We will change the way Washington operates. And we promise we will continue to hear all that you have to say.

Thank you and have a good afternoon.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:11-DEC-1994 09:06:50.84

SUBJECT: CNN's NSAT w/Talent, Norton 12/10

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:11-DEC-1994 14:05:59.17

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:12-DEC-1994 07:10:59.01

TO: Jill M. Blickstein (BLICKSTEIN J) (OMB)
READ:11-DEC-1994 12:33:28.31

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:12-DEC-1994 09:08:08.65

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:11-DEC-1994 15:06:03.40

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:13-DEC-1994 15:55:48.65

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:12-DEC-1994 13:02:13.29

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:13-DEC-1994 20:33:41.80

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:12-DEC-1994 10:00:32.71

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:12-DEC-1994 18:49:40.69

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:19-DEC-1994 11:43:32.67

TO: Victoria L. Radd (RADD_V) (WHO)
READ:12-DEC-1994 11:45:23.85

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:12-DEC-1994 08:54:12.33

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:NOT READ

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:12-DEC-1994 08:56:08.69

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:19-DEC-1994 11:29:11.42

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:12-DEC-1994 13:32:48.69

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:12-DEC-1994 15:14:33.69

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:13-DEC-1994 08:21:45.70

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:12-DEC-1994 08:25:40.33

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

CNN'S "NEWSMAKER SATURDAY"
HOST: CHARLES BIERBAUER
GUESTS:
REPRESENTATIVE JAMES TALENT (R

-MO)
DELEGATE ELEANOR HOLMES NORTON (D

-DC)
1:30 P.M. (EST)
SATURDAY, DECEMBER 10, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

FEDERAL NEWS SERVICE IS A PRIVATE FIRM AND IS NOT AFFILIATED WITH THE FEDERAL GOVERNMENT.

MR. BIERBAUER: Congressman James Talent, would you really throw a mother and child off welfare just because she couldn't find a job?

REP. TALENT: No, absolutely not. I don't envision under this bill a single child being put in a children's home for the simple reason that his or her parent is poor.

MR. BIERBAUER: Congresswoman Eleanor Holmes Norton, when would you say, "Enough's enough; get a job"?

DEL. NORTON: When a person has, in fact, been helped;

when we've provided carrots and sticks, but not just carrots -- but not just sticks.

ANNOUNCER: From Washington, this is Newsmaker Saturday with Charles Bierbauer.

MR. BIERBAUER: Thanks for joining us. Welfare reform is the simmering and likely to be boiling issue of the coming 104th Congress. It's on President Clinton's legislative agenda to end welfare as we know it, and it's part of the Republicans' contract with America. They call it the Personal Responsibility Act.

We'll debate the merits and emotions of welfare reform with Congressman James Talent, a Missouri Republican who has his own version called the real welfare reform bill -- Congressman Talent joins us from St. Louis; and with District of Columbia Delegate to Congress Eleanor Holmes Norton, with me here in Washington.

First, Newsmaker's April Oliver sets the agenda for us.

(Videotaped segment.)

PRESIDENT CLINTON: We have to end welfare as we know it.

MS. OLIVER: Most Americans know welfare through two programs: Aid to Families with Dependent Children, known as AFDC, and food stamps. Today 14 million Americans, mostly young women and their small children, are on welfare through AFDC. That's about the size of the combined populations of New Jersey and North Carolina. Cost to the taxpayers: $20 billion. Twenty

-seven million
Americans -- that's one in 10 -- receive food stamps. Cost to taxpayers: More than $26 billion. Reforming welfare focuses on restructuring these two core programs.
JODIE LEVIN

-EPSTEIN (CENTER FOR LAW AND SOCIAL POLICY):
The AFDC welfare system is actually a tiny, tiny part of state and federal budgets. In fact, it's less than 1 percent of the federal budget.

MS. OLIVER: Federal assistance to the needy has its roots in the trauma of the Great Depression. President Roosevelt signed the Social Security Act of 1935 which created the welfare bill; its aim, to create a temporary safety net for widows and young children. President Lyndon Johnson expanded welfare with his war on poverty, reaching out to poor people in Appalachia and inner cities.

Today welfare advocates defend the humanitarian intent of welfare, but welfare critics charge it's created an underclass mired in poverty and crime.

ROBERT RECTOR (HERITAGE FOUNDATION): The federal government should never have been in the business of saying to a 15

-year

-old
girl, "If and only if you have a child out of wedlock, we're going to send you a check in the mail." The current welfare system pays for non

-work and non

-marriage and has achieved
dramatic increases in both of those things.

MS. OLIVER: Now President Clinton must contend with Republican welfare reform as embodied in their contract with America. The Personal Responsibility Act proposes to prohibit welfare benefits for mothers under 18 who have children out of wedlock; allow states to end a family's benefits after two years; require job training; and to cap total welfare spending.

MR. RECTOR: The goal of the reforms is to dramatically reduce the number of children born out of wedlock. If the reforms are successful, then there will be tremendous savings that stem from that.

MS. LEVIN

-EPSTEIN: In the long run, the Gingrich plan will definitely cost us money that no one is anticipating or costing out right now. There will be costs associated with children ill

-prepared to go to elementary school, hungry children, children on the streets. If we abandon children and families today merely because they cannot find an employer to hire a mother, we are abandoning part of what we stand for as a nation.

MS. OLIVER: Nicole Thompson, age 22, mother of three, is a homeless welfare recipient.

NICOLE THOMPSON (WELFARE RECIPIENT): I didn't start receiving public assistance until after my second child, and I just thought it was going to be temporarily. But it lasted almost four years now, and that's too long. And you get depressed at times because it's -- you know, holidays, and there's things your children ask for that you cannot give them.

MS. OLIVER: Dissatisfied with $513 per month from AFDC plus $260 from food stamps, she's trying to walk away from welfare. Nicole volunteered for job training and aspires to become an accountant or word processor.

MS. THOMPSON: I want to be able to get a real good job so it won't just last me from month to month.

MS. OLIVER: But job training and workfare programs for the unemployed cost money.

MS. LEVIN

-EPSTEIN: If we are to help people improve their employability in our economy, we have to help them gain skills that they do not have. To do so, you cannot

merely wave a magic wave. You must invest.

MS. OLIVER: How much of an investment? Several billion, say the welfare experts. So the challenge for both Republicans and Democrats is how to cut welfare costs while pumping more dollars into job training.

MS. THOMPSON: I'm on my way out.

MS. OLIVER: For Newsmaker Saturday, I'm April Oliver reporting.

(End of videotaped segment.)

MR. BIERBAUER: Congressman Talent, the issue raised there is training, jobs for people who are on welfare. And that costs money. It's a short

-term expenditure, presumably for a long

-term gain. Are you ready to make that kind of expenditure?

REP. TALENT: I think once a person is on welfare, yeah, we've got to assist them in getting off it. I think the key thing, however, is really to try and prevent people from getting on in the first place. And to do that, we have to shift the incentives in the system so that we are emphasizing marriage and work instead of illegitimacy and dependency.

MR. BIERBAUER: Let me stick to jobs, though, for the moment.

REP. TALENT: Sure.

MR. BIERBAUER: How much do you put into a program to make sure that those who are on welfare can find their way off? And where does the money come from?

REP. TALENT: Well, the money comes from -- in my bill, what we're going to do is to end the cash subsidy which currently distorts the incentives people have, encourages them to be on welfare in the first place; pass that money through to the states, and then they can use that to set up, for example, group homes for unwed moms. And it's in that kind of a context that people will learn work skills and job skills and parenting skills. And I think the money's going to be fully adequate to operate those kinds of homes. In fact, I think it'll be easier to do it in that concentrated setting than trying to take care of people spread out all over an area.

MR. BIERBAUER: Have you got a dollar figure? Have you got a number you can put on it for us?

REP. TALENT: Well, the actual -- you mean per person or -- the actual amount of money that we're going to save by ending the cash subsidy amounts to billions of dollars a year, and then we can pass that through to the states and they'll have the discretion to use it.

MR. BIERBAUER: Congresswoman Norton, how big is the problem in terms of dollars just training people to get jobs?

DEL. NORTON: Well, we've had a job training program which has fallen on its feet for welfare mothers because the states couldn't fund it. And what Jim's bill does is simply rob Peter to pay Paul. What he doesn't tell you is he's going to take the money, for example, from mothers under 18 and use it to fund orphanages.

In a real sense, this bill lacks realism. You get the impression that it was written by people who have never met a welfare mother, never gone into the community and heard people say, as I say, "Congresswoman, can you get me a job?" Jim's bill assumes that there are millions of jobs out there that pay a living wage that these women just haven't stepped up to the plate to get. He really ought to go into the community sometime and find out what it is that is keeping people from working.

MR. BIERBAUER: Well, you say --

REP. TALENT: Charles, that isn't a correct description of the bill. I really need to correct the misimpressions that Eleanor just gave about the bill.

MR. BIERBAUER: All right, do that, and then I want to get back to the congresswoman.

REP. TALENT: I understand entirely. But the day after this bill passes, not a single person who is currently on welfare will lose a single benefit. What the bill does is address the problems prospectively in an attempt to prevent this massive increase in out- of

-wedlock birth
rate. We now have one out of three kids in the United States born out of wedlock. It does that by taking away a cash subsidy and giving that to the states so they can care for people in a way that doesn't encourage illegitimacy in the first place.

Now, as far as job training is concerned, yes, we have to try and help people. But the problem isn't the lack of jobs. During the depression we had an out

-of

-wedlock birth rate which was
insignificant. Now it's one out of three.

DEL. NORTON: Yeah, but --

REP. TALENT: The problem is setting up a family structure in which people are raised in a way so that they have the proper work ethic and they get the proper skills.

MR. BIERBAUER: Congressman, we'll get to that. Let me get done with jobs here first. And maybe jobs are not the answer. Maybe, as you say, there's a jobs program out there that isn't working because there's no money for it. Is there money in the Clinton bill?

DEL. NORTON: The Clinton bill is more gradual precisely because it recognizes that, in fact, there is not money out there and that Congress is not going to pump new money into it. We are dealing with the most disadvantaged section of the population. If we want them to work at a living wage, then that's the point. We want them to have jobs in the private sector. And if they don't have jobs that pay enough, they can't support themselves and their children.

Nobody ought to bring a child into this world that she can't support. But when we are faced with that, we've got to get them off of welfare and we've got to do it in the only realistic way. And what Jim's bill does is throw away the initiatives of two Republican presidents. One is workfare and the other is the safety net. Neither of them is included in this bill.

MR. BIERBAUER: April Oliver, in her report, talked with a young woman, 23 years old, a single mom. She says she wants to get a job. She says she's developing the skills. But she's talking about typing at 23 words per minute. She's not going to find a job that's meaningful with that, is she?

DEL. NORTON: She's not, and maybe we ought to try to help her get another kind of job. I don't think people who've brought children into the world ought to be able to pick and choose and, "I'm sorry, I don't have the skills for those, so you ought to keep me on welfare for the rest of my life." But what you can't do is expect that people without training, people who are very young or people who are very disadvantaged, are going to walk up and get jobs that have been out there all the time; it's just somehow they haven't been mated with those jobs before.

The notion of illegitimacy is particularly cruel in what Jim has just said because it assumes that welfare is the chief cause of illegitimacy and it assumes that there are people out there that these young women, if they would simply step up and marry, would be okay. One of the great tragedies in our community, frankly, at least in the African

-American community, is the marriageable mates for these young women do not exist in the appropriate numbers. And simply depriving their children of welfare -- and we're talking about 10 million children -- isn't going to make 10 million shotgun marriages. And I, for one, wish it would.

MR. BIERBAUER: Why is that? Why are there no -- you say that they don't exist. Why?

DEL. NORTON: Well, what we have, especially in the inner city, is crime and disadvantage and an underground economy that is sending disproportionate numbers of the young men to jail. These young women are out here with children. Even middle

-class young black women are having a hard time finding marriageable mates. I don't think Jim is going to do it for them by depriving poor women of welfare benefits.

MR. BIERBAUER: All right, we need to take a break. We'll continue this debate when we come back. Stay with us.

(Announcements.)

MR. BIERBAUER: Congressman Talent, I'm curious about what appears to be a dichotomy in the public mind, not that that is unusual. But a CNN poll shows that 78 percent want fundamental reform of welfare. And yet when you say what, they say, "No, no, we don't really want to cut people off after two years. We don't want to cut the amount of money given. We don't want to deny benefits to unmarried women under 18. And we're opposed to reducing benefits for children without establishing paternity." There's a certain benignness to the American mood on this. They want something, but they're really not taking the kind of draconian measures you'd want. Can you reconcile that?

REP. TALENT: Sure. I think they'd like what's in the bill and what's in the contract with America. Let me address just a couple of things that --

MR. BIERBAUER: Well, wait a minute. How does that jibe? You

REP. TALENT: What the bill --

MR. BIERBAUER: They oppose denying benefits to unmarried mothers under 18. You would deny those benefits. That would seem to be a different thing.

REP. TALENT: The bill stops paying cash benefits and provides assistance in a different way. Look, there's only one of several things that you can do. You can either basically continue the system the way it is, which is what the defenders of the establishment want to do. You can end welfare for people. Or you can provide welfare in a different way. And clearly the way to do that is to stop providing in a way that is encouraging illegitimacy.

And I'd simply flatly disagree with what Eleanor said. The welfare system is responsible for people having kids without being married. And I'm not talking about finding

mates for them after they have the kids. I'm talking about influencing them to choose to be married before they have the kids.

DEL. NORTON: Are you going to find husbands for them, too, Jim?

REP. TALENT: The third way -- if I could just finish --

DEL. NORTON: You know, this is kind of silly.

REP. TALENT: Charles, if I could finish, because I did listen when Eleanor talked there.

MR. BIERBAUER: Go ahead.

REP. TALENT: If we can provide assistance to people in a way that says, "Yes, we're going to provide a safety net for you but not quicksand for you; if you fall and make a mistake, we're going to help you get back on your feet, but we're not going to hold you down so that you're permanently dependent on the government." And I believe there are ways to do that.

I simply refuse to accept that there are not ways to do that. I think the way to do it is to encourage people, once they get pregnant, to encourage them to consider the option of adoption. If they decide to try and keep the child, then we'll say, "Okay, we're going to help you, but it's going to be in a disciplined setting. We're going to teach you life skills and work skills and parenting skills. And we expect you to consider this transitional. We will provide you community service jobs. We'll help you learn the work ethic. We will help you work your way out."

Yeah, there aren't a lot of good jobs available, but there are an awful lot of Americans from lower

-income
backgrounds who start with a lower

-income job and work
their way out. That's what we want to offer people, and that's what's in the bill.

MR. BIERBAUER: Congresswoman, what is so wrong with the idea of working their way out? What is wrong with the idea of saying, "Look, you've had one illegitimate child. You shouldn't really expect more money for having a second one"?

DEL. NORTON: There's nothing wrong with working your way out. And if Jim's bill did that -- what Jim is doing is breaking down a very valuable consensus. The fact is -- and he and I are on the same side when it comes to the values here. And I go into my community every day talking about responsibility. But when people hear about orphanages and working 30 to 35 hours a week for less than $2.50 an hour with five hours spent on job search, they

scatter. They recognize that you can't live that way.

I am for disincentives. I'm for reducing the grant if people don't abide by the rules. Jim's bill doesn't even take into account that this is a cyclical economy. Seventy percent of the people on welfare leave themselves within two years. But what we have is redundancy and recidivism. Why do they come back? Because they are at the bottom rung of a two

-tier job market. The jobs have vanished or their own self

-help babysitting vanishes and they're back on again.

For these women, welfare is the functional equivalent of unemployment insurance. Jim's bill does not realistically look at their situation but essentially says, "We want to get them off." Beside that, illegitimacy, the illegitimacy that has many causes, can be licked in one way, and that is with knocking people off of welfare. We are going to create havoc in the community out there and people are going to wish for the old

-fashioned welfare system where at least people weren't in the streets and running around in chaos with crime increasing and every other form of social disorganization.

REP. TALENT: Wait a minute --

MR. BIERBAUER: Congresswoman -- just a second, Congressman. Congresswoman, do you think that the debate, as it unfolds in the year ahead, is going to focus on this illegitimacy question? Is that the core issue here?

DEL. NORTON: Well, many -- Jim seems to say and many of his colleagues say that the raison d'etre for these bills is to get at illegitimacy. I must say that I'm right with you on that one. The notion of single parenthood has been singularly destructive to many in my community. But I cannot understand going at so

-called illegitimacy in this single

-minded, single

-handed way.

And I believe that if Jim's bill had more carrots as well as sticks, he and I could get together. But he gives the impression what what he wants to do is distance himself from the president's bill, from the developing consensus, so that we can end up with no agreement on these matters.

MR. BIERBAUER: Well, let's hear what the congressman's carrots are.

REP. TALENT: Certainly there's no developing consensus about the president's bill, which was filed last year and basically is just an extension of the existing welfare state. Let's go back to what I said my bill does and which Eleanor doesn't deny. The day after this bill passes, not a single person currently on welfare loses a single benefit.

What we deal with is prospectively, when a teenage mom has a child, she still gets the food stamps, the health care, all the in- kind benefits. But the cash benefit is suspended and she is assisted in a different way. And what that says to her is, "Look, you can't go on and have a child and then sit up in your own apartment or your mom's place and come and go as you please and pretty much keep your own schedule and everything's going to be fine. It isn't going to be that way. You have to be responsible for what you've done." That's the message of responsibility and work and marriage that we need to send.

MR. BIERBAUER: All right, Congressman, we're out of time. That's as much message as we can send for today. Congressman Jim Talent in St. Louis, thanks very much for joining us. Eleanor Holmes Norton, DC Delegate to the Congress here in Washington, thank you.

I'll be back in a moment with a postscript.

(Announcements.)

MR. BIERBAUER: This postscript. So it's welfare for '95, much as it was health care in '94. Remember how the Clinton administration was going to slay that dragon? Some do, with derision and delight. The American Medical Association, at its conference in Hawaii this week, heard its president, Dr. Robert McAfee, spin a fanciful tale about how King Will and his queen, who live in a big white castle, were going to bring their people everlasting and affordable health care, except, the tale went, King Will neglected the wisdom of the wizards -- make that doctors in this case; this is the AMA -- and relied on sorcerers and a secret star chamber and ran afoul of the dragons of the kingdom of insurers. And now, Dr. McAfee spun on, the guild of lobbyists are mixing up a potion whose magic ingredient is eye of Newt.

There's a cautionary tale here for those who would take either the health care or welfare dragon on. There were no knights in shining armor or crisp white doctors' coats last year.

Sunday, on Late Edition, Frank Sesno talks with Senators John McCain and Joe Lieberman about Bosnia and other issues facing the president and the Congress. Late Edition airs at 5:00 p.m. Eastern Sunday.

And now, for all of us at Newsmaker Saturday, thanks for joining us. In Washington, I'm Charles Bierbauer.

END

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2015-0017-F Segment 2

Bucket: Default

Creation Date: 1994-12-11

Subject: CNN's Late Edition 12/11

Creator: Lawrence J. Sampas SAMPAS_L WHO

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Theo Lubke (LUBKE_T) (OPD)

CREATION DATE/TIME:13-DEC-1994 16:44:59.09

SUBJECT: TSONGAS SUGGESTS THIRD POLITICAL PARTY

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:13-DEC-1994 16:48:07.72

TO: Sylvia M. Mathews (MATHEWS_S) (OPD)
READ:13-DEC-1994 20:04:25.58

TEXT:
Date: 12/13/94 Time: 11:44
Tsongas Suggests Third Political Party

BOSTON (AP) Former presidential hopeful Paul Tsongas is suggesting creation of a third political party, saying it could win the White House and might provoke changes in the Democratic or Republican parties.

He suggests Colin L. Powell, retired chairman of the Joint Chiefs of Staff, as the type of person who could lead a centrist party to victory.

``A passionate center party'' could succeed ``if it is led by the right person,'' he told The Boston Globe in an interview Monday.

Tsongas said he has not discussed his idea with Powell, who has not identified himself as Republican or Democrat and who has not indicated if he is interested in running for president.

Tsongas, who served in the U.S. Senate from Massachusetts and unsuccessfully sought the Democratic nomination for president in 1992, said he would not use his third-party proposal for another presidential run of his own.

He sees a centrist movement as a ``coalition of social liberalism and fiscal conservatism. It acknowledges the need for basic values, for a preserved environment, for a realist foreign policy and for serious political reform.''

``Unless the Democrats and-or the Republicans respond, it will be the basis of a centrist coalition party that will ride the wave of history rather (than) seeking shelter in failed policies of the past,'' he said.

He called for ``the kind of moral authority the administration clearly does not have and that the `Contract with America' cannot provide, since it also is poll-driven,'' Tsongas said. The ``Contract with America'' is a 10-point plan Republican representatives said they would try to pass during their first 100 days in control of the House.

Tsongas said he hoped Democrats would adopt his ideas but is skeptical enough of his party to talk of a coalition party that would ``unite well-meaning Americans under a common banner.''

``The threat of this third party could have more effect than anything I could press on the Democrats from the inside," he said.

Among the ideas Tsongas is pushing are tolerance, support for a balanced budget amendment, overhaul of federal entitlements, rewards for savings, elimination of the tax on capital gains on securities held five years or longer, and changes in the campaign-finance system.

APNP-12-13-94 1142EST

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:16-DEC-1994 08:47:09.91

SUBJECT: FoxMN w/Barbour 12/16

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:16-DEC-1994 10:26:25.44

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:16-DEC-1994 09:38:14.45

TO: Heather Beckel (BECKEL_H) (WHO)
READ:16-DEC-1994 08:50:16.68

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:NOT READ

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:19-DEC-1994 08:07:46.03

TO: Lisa M. Caputo (CAPUTO L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN SA) (WHO)
READ:16-DEC-1994 09:07:10.29

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:19-DEC-1994 12:35:57.47

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:16-DEC-1994 11:30:38.09

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:16-DEC-1994 12:36:48.97

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:16-DEC-1994 17:48:06.83

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:16-DEC-1994 11:05:11.94

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:16-DEC-1994 10:05:29.38

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:16-DEC-1994 08:57:07.80

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:20-DEC-1994 11:14:03.29

TO: Victoria L. Radd (RADD_V) (WHO)
READ:16-DEC-1994 09:26:40.21

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:NOT READ

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:16-DEC-1994 09:22:40.84

TO: Richard L. Siewert (SIEWERT R) (WHO)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:16-DEC-1994 17:30:13.66

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:16-DEC-1994 13:46:32.00

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:19-DEC-1994 09:36:02.70

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:16-DEC-1994 08:53:34.45

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:16-DEC-1994 09:00:36.27

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

FOX "MORNING NEWS" INTERVIEW WITH:
HALEY BARBOUR, REPUBLICAN NATIONAL COMMITTEE CHAIRMAN

7:09 A.M. EST
FRIDAY, DECEMBER 16, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

PLEASE CALL CORTES RANDELL AT 202

-347

-1400.

BRIAN WILSON: Republicans say, "If President Clinton is serious about his tax cut proposals, then welcome aboard." But in the official party response, Republican Senator Fred Thompson warned, "If Mr. Clinton can't lead the way, he can follow behind the GOP."

Joining us now for more on the Republican response to the president's speech is Republican National Committee Chairman Haley Barbour. Haley, thanks for joining us here this morning.

MR. BARBOUR: Thank you, Brian.

MR. WILSON: First of all, give us your snap impression of what the President had to say last night.

MR. BARBOUR: Well, you know, I was not surprised to learn that the president and his pollsters can read the election returns. And that's certainly what last night was about -- all the talk. This was a political response. And hopefully he means it. You know, I'm a good Presbyterian boy. I hope that like

Paul on the road to Damascus, maybe the scales really have fallen away from his eyes. But forgive me if I'm a little skeptical.

MR. WILSON: All right. So, if you look at what he said, he said he's willing to reach out and work with Republicans, and that he has, you know, some ideas, and the Republicans have ideas, and maybe they can work out something. Do you take him at his word that he's willing to cooperate with the Republican Congress?

MR. BARBOUR: Well, I hope so. When you look at what President Clinton has done in the last two years, this is 180 degree turn. Now, we're talking about things that are -- some of them -- right out of Contract with America. In fact, one of the people that works for me said, for a minute there, he thought President Clinton was going to pull out his personal copy of Contract with America and sign it right on the screen. But the $500 per child tax credit with children is something that we've advocated in the campaign. IRA expansion is something we advocate.

In fact, Tim (sic), what we're going to do is simply do what we're told the American people we were going to do. We campaigned on a tax cut, said what we'd do. The American people voted for us to do it. And so, now there's no -- you know, we're not going to get in a bidding war. We're not going to get in a class war. We're not going to get in any kind of war. We're going to do what we said we were going to do. And some of what President Clinton said last night was consistent with that.

MR. WILSON: Well, let's talk about some of the things he offered up in this middle class bill of rights. He said that deductible college tuition, a tax credit for each child 12 years and under, IRAs -- he's in favor of bringing them back in a bigger way, job training. What, among those four items, did the Republicans find intriguing?

MR. BARBOUR: Well, of course, what to me is intriguing is that President Bush made a very, very similar proposal. Contract with America has a very similar proposal about IRAs. Yet during the campaign you would thought they were just terribly -- and he was terribly critical of Bush in 1992. What I find intriguing is that the president has, "Okay. We're going to try to get with the program here."

But I want to get to the specifics. I think everybody does. Spending cuts -- we've got to be serious about cutting spending. President Clinton didn't say much about that last night. There was a lot of talk over the last week that he was going to get rid of a department or get rid of agencies -- and that didn't happen. But one thing we have to understand, the American people voted to make government smaller. They voted to make taxes lower. They voted for spending to go down. And I will be interested if he's serious about reducing the size of government. That's what people want, Brian.

MR. WILSON: Let's talk about the two Republican plans that are floating out there on the Hill right now. Newt Gingrich has a plan -- a $500 tax credit for each child 17 and under. And this would apply to households making up to $200,000 a year. Senator Phil Gramm -- a doubling of the dependent exemption to $5,000 -- a very generous proposal he's laying on the table. And this would apply to households making up to $124,000 a year. And the question comes, when people start making that kind of money, do you still consider them middle class?

MR. BARBOUR: Well, what the report that Newt is saying is exactly what Republicans campaigned on. In fact, that's the legislation we offered in the last Congress, that, of course, the Democrats wouldn't even let a hearing be held on, much less a vote. So, what Newt and the House Republicans are proposing is what we proposed in the Republican budget alternative of 1994. And you're going to see the House go forward with that.

Sure, others -- maybe Senator Gramm or Congressman Armey or others will have different variations and other ways to go at it. But what we have said is, there are 52 million American families with children. We want to give them a tax credit -- that is, a reduction of their income taxes or $500 per child. And there's no reason to stop that at age 13. There's no reason to try to twist that around or make it part of the bidding war or a game. We ran on it. We're going to propose it. We're going to try to pass it.

MR. WILSON: Just to get specifically at the point of my question -- $200,000 in one case; $124,000 a year in the other case -- that seems to be a little higher than middle class in most people's minds.

MR. BARBOUR: Well, we're not interested in trying to get into a tax bidding war, or into a class war, or into any other kind of war. What we're trying to have is fair tax policy for everybody. We're not trying to -- you know, one of the things Reagan did that I thought was very, very important. He compressed us down to only two tax rates. Dick Armey is talking about a flat tax in the future. Many, many millions of Americans would like to see just one tax rate. We ought not to be trying to segment the American people up into society and say, "Here's a disincentive to make more money, because if you make more money, you're going to lose your exemptions for your children or your --" or whatever it's going to be. We shouldn't be in that business.

MR. WILSON: But if you're going to make it available to people making that kind of money, shouldn't you call it something other than a middle class tax cut?

MR. BARBOUR: Well --

MR. WILSON: Shouldn't it be characterized as just a tax cut?

MR. BARBOUR: Well, we have 52 million American families with children. And the overwhelming bulk of our proposal for tax cuts goes to them. The giant share does go to middle class and working class families. Another thing, we propose to reduce the capital gains tax rate. Lots of that taxation -- tax cut would go to working class and middle class people. But the biggest thing, it would be for creating jobs for all Americans, which is also what our tax policy ought to be about.

MR. WILSON: Trickle down again.

MR. BARBOUR: Well, trickle down is a word from the Hoover administration that the Clinton people tried to apply to Ronald Reagan. When Ronald Reagan was president, we created nearly 20 million jobs -- more than twice what was created in western Europe and Japan in the same period of time. If they want to call that trickle down, they can call it what they want to. But they need to look at the election returns.

MR. WILSON: Haley Barbour, thanks for joining us this morning. We appreciate it.

MR. BARBOUR: Thank you, Brian.

MR. WILSON: Thanks a lot.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:18-DEC-1994 10:33:37.01

SUBJECT: GOP response 12/17

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:19-DEC-1994 09:06:53.34

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:19-DEC-1994 08:07:35.87

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:19-DEC-1994 07:04:25.59

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:18-DEC-1994 19:41:24.64

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:19-DEC-1994 08:13:55.31

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:19-DEC-1994 07:10:47.01

TO: Daniel P. Collins (COLLINS D) (WHO)
READ:19-DEC-1994 12:36:03.66

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:18-DEC-1994 14:59:12.63

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:19-DEC-1994 08:03:52.56

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:19-DEC-1994 10:33:05.88

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:19-DEC-1994 11:44:44.00

TO: Victoria L. Radd (RADD_V) (WHO)
READ:18-DEC-1994 10:33:47.62

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN R) (WHO)
READ:19-DEC-1994 11:50:14.43

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:18-DEC-1994 10:39:16.66

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:19-DEC-1994 09:20:32.98

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:NOT READ

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:19-DEC-1994 15:01:50.30

TO: Carter Wilkie (WILKIE C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY M) (WHO)
READ:19-DEC-1994 09:36:06.68

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:19-DEC-1994 10:19:01.18

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

REPUBLICAN RESPONSE TO PRESIDENT CLINTON'S SATURDAY RADIO ADDRESS
WITH: CONGRESSMAN STEVE LATURETTE (SP)

SATURDAY, DECEMBER 17, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

-347

-1400.

REP. LATURETTE (SP): Good morning. My name is Steve Laturette (sp). I've just been elected to represent Ohio's 19th district, which runs along Lake Erie from Cleveland to the Pennsylvania border. And I'm extremely proud to have been asked to deliver the Republican response to the president's radio address this morning.

I listened with great intrest to the president's emphasis on education. And my reaction would be, please join us, Mr. President, in restoring the American dream to families all across this great land.

If the president is truly serious about reducing the size of government and cutting the taxes on middle class Americans, I'd love to welcome him to the Republican revolution. My fellow Republicans and I have, for years, supported tax relief for the middle class. This past September we put forward our contract with America, in which we proposed to reduce the tax burden on families to the tune of $500 per child. Back then, Democrats in

Washington opposed the notion of tax cuts and ran their campaigns last fall as a referendum on our contract with America. Well, we all know what happened on election day; the American people gave their overwhelming endorsement to the Republican agenda and ended the Democrats' 40 year reign of power in the House of Representatives.

Now it appears that your message on election day may have gotten through to President Clinton -- that people want less government, not more; that Americans deserve tax cuts, not tax hikes.

What we have heard this morning and during the past couple of days from the president gives me great hope. If this is a signal that the president is willing join the Republicans in our fight to cut taxes and reduce the size of government, we couldn't be happier.

But it will take more than words to convince the American people that this is a true change of heart by the president. Unfortunately he promised once before to enact a middle class tax cut, and instead gave us the largest tax increase in history. We were told he wanted sensible changes in America's health care system. Instead we got a nightmarish plan for more bureaucracy, new taxes and a Big Brother control over our families' doctors. As a result, America has turned to the Republicans to deliver a government that is smaller, more efficient and less costly.

During the election Republicans promised, in our contract with America, to change the Congress. And, in the days following the election, we already have. We've cut our staff, reduced the number of committess, put term

-limits on chairmen, and eliminated taxpayer- funded special interest caucuses on Capitol Hill. In fact, we've cut so much fat out of Congress already, that we're looking at selling one of our office buildings. We're keeping our promises. And, when Congress gets started in January, we will finish our contract with America.

One of the reasons I signed the contract with the constituents of my district was its central purpose -- cut the bloated federal government, and get the money we save back to the hard

-working men and women from whom Uncle Sam took it in the first place. Congressional Republicans are moving forward with a bold plan for real spending cuts and dramatic reforms to our shameful welfare programs.

The president, on the other hand, appears to be playing a bit of catch

-up. The tax cut he outlined on Thursday night and again today was a good start. But the details are a little more troubling. His plan does call for a $500 per child tax credit, but it also would increase your taxes again once your kids turn 13. With four children of my

own, I know all too well that the cost of raising kids only goes up as they get older.

The Republican plan, however, let's you enjoy that tax credit all through your kid's childhood -- up until they reach 18. The president's plan gives IRA benefits only to working individuals and couples, denying this benefit to spouses who sacrifice to stay and home and raise their children.

And his plan to restructure some of his federal agencies may save some money, but we need dramatic, wholesale cuts, if we're ever to rid ourselves of our deficit and our debt.

President Clinton's proposal to allow college tuition to be tax

-deductible -- an idea which he mocked as too little and too late when President Bush proposed it in 1992 -- is something I believe we can agree on. I look forward to working with the president on that initiative.

The Republican Congress is moving forward with a bold plan for change. If the president wishes to join our crusade, we will welcome him with open arms. I sincerely hope that he fully understands what this past election was all about -- that Americans think that the federal government is too big and spends too much. If he does get it, then I look forward to achieving historic and bipartisan changes to the way that the federal government does business.

I want to thank you for listening this morning, and wish you and yours a happy, safe and healthy holiday season.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:18-DEC-1994 10:35:06.62

SUBJECT: CNN's NSat w/ Rangel, Dreier 12/17

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:19-DEC-1994 09:07:23.32

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:19-DEC-1994 08:07:37.41

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:19-DEC-1994 07:04:42.68

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:19-DEC-1994 08:14:25.31

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:NOT READ

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:19-DEC-1994 12:36:04.87

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:18-DEC-1994 15:00:18.67

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:19-DEC-1994 08:04:10.48

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:19-DEC-1994 10:33:18.54

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:20-DEC-1994 11:25:30.19

TO: Victoria L. Radd (RADD_V) (WHO)
READ:18-DEC-1994 10:36:44.04

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:18-DEC-1994 10:39:19.58

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:19-DEC-1994 17:26:00.45

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:19-DEC-1994 15:01:55.44

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:19-DEC-1994 09:36:07.87

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:20-DEC-1994 08:12:29.49

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

CNN'S "NEWSMAKER SATURDAY"
HOST: CHARLES BIERBAUER
GUESTS:
REP. DAVID DREIER (R

-CA)
REP. CHARLES RANGEL (D

-NY)
1:30 P.M. (EST)
SATURDAY, DECEMBER 17, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

FEDERAL NEWS SERVICE IS A PRIVATE FIRM AND IS NOT AFFILIATED WITH THE FEDERAL GOVERNMENT.

MR. BIERBAUER: Congressman David Dreier, for your California constituents is this mid

-class tax cut money in the bank or loose change in their pockets?

REP. DREIER: Well, Charles, it's clearly loose change in their pockets because $75,000 would be very tough for people to survive on when you look at the fact that a two

-income couple with $38,000 each would be classified as rich. The median

-income home out here is a lot higher and they wouldn't qualify in that area either.

MR. BIERBAUER: All right. This debate, then, is going to be about a middle

-class tax cut.

ANNOUNCER: From Washington, this is Newsmaker Saturday with Charles Bierbauer.

MR. BIERBAUER: Thanks for joining us. The forgotten middle class? Not this year. President Clinton's got a plan. The Republicans have one. Republican Senator Phil Gramm has a plan of his own, and so does Democratic Congressman Dick Gephardt. We'll assess the bidding with two key congressmen who will be serving on the tax

-writing

House Ways & Means Committee in the new congressional session.

From Los Angeles, we're joined by Republican Congressman David Dreier. And from New York, we'll be joined shortly by Democratic Congressman Charlie Rangel.

Just what does a middle

-class tax cut do? What problems will it solve and what create? Here's Newsmaker's April Oliver.

(Videotaped segment.)

PRESIDENT CLINTON: Tonight I propose a middle

-class bill of rights.

SEN. PHIL GRAMM (R

-TX): You can't feed, clothe, house and educate a child for $2500 a year.

REP. RICHARD GEPHARDT (D

-MO): It's time to put something back in the pocketbooks of working families.

MS. OLIVER: Washington is in a tax

-cut tizzy. No, it's not the spirit of Santa Claus that's driving these politicians. It's the "throw the rascals out" message voters sent Congress and the White House last month on election day. The roar of discontent from the great middle class has driven politicians here to say, "Calm their anger with a gift from the government. Let's cut their taxes."

But just who is the middle class, and where should their tax money go? Back to the taxpayer or to reduce the nearly $200 billion federal deficit?

WARREN RUDMAN (CONCORD COALITION): I think the danger in a middle

-class tax cut or any tax cut is to do anything that will make the deficit higher. If that is done, then the tax relief will be bittersweet indeed.

MS. OLIVER: Diane and Steve Anderson of Falls Church, Virginia consider themselves thoroughly middle class.

He's an engineer for the Marine Corps. She sells housewares and works as a part

-time travel agent from home to make ends meet.

DIANE ANDERSON: We're just not going to have a lot under our tree. There's not one present, and that really hurts.

MS. OLIVER: With four children on nearly $60,000 income, they've been unable to save for their children's education. Now they plan to sell their home to consolidate their debt.

MS. ANDERSON: We basically just make it from paycheck to paycheck. Definitely there are a lot of days when I'm reduced to tears.

MS. OLIVER: The dilemma: Most Americans, such as the Andersons, want less government and less taxes, but they remain ardently attached to benefits they receive. And current budget laws require that taxes cannot be cut without also cutting government spending.

MR. RUDMAN: Those savings will cause some serious cutbacks in some areas that maybe the American people don't want cut back.

MS. OLIVER: Such as?

MR. RUDMAN: Such as entitlements, such as law enforcement, such as prisons.

MS. OLIVER: Another concern: If the government cuts back on social programs to finance the tax cuts, the nation will become more divided by class.

PRESIDENT CLINTON: I do not believe that what we need in this country is a war of the middle class against the poor.

MS. OLIVER: And analysts are also divided on the economic consequences of a tax cut.

DAN MITCHELL (THE HERITAGE FOUNDATION): If you're going to cut taxes, cut taxes across the board, because tax cuts frankly should be focused on stimulating economic growth, not simply trying to reward one specific segment of the population.

MR. RUDMAN: If you pass a middle

-class tax cut and the result of it happens to be higher inflation and higher interest rates, you'll not get many kudos, thank

-yous or hugs from the American people.

MS. OLIVER: The Andersons support middle

-class tax

cuts, including President Clinton's proposal to deduct college tuition. But their larger worry is the deficit and the financial burden their children will inherit.

MS. ANDERSON: Our children are our future. And if we don't do something now, then they're not going to have a future.

MS. OLIVER: So the challenge to Washington: Can politicians pull off a triple play -- cut taxes, cut spending and also cut the deficit?

For Newsmaker Saturday, I'm April Oliver reporting.

(End of videotaped segment.)

MR. BIERBAUER: Congressman Rangel in New York, let me ask you first. Who asked for this tax cut in the first place? I'm wondering if all of you politicians haven't misread that November election. I don't remember anyone asking for a tax cut, do you?

REP. RANGEL: I can't agree with you more. But after the Republicans had this big bahoo that they were giving everything to the voters, I think it was President Clinton's campaign people that said, "Me, too." I thought that the president was on the high ground with cutting the deficit. And my God, we pay 28 cents on every dollar just on the interest. That's a tax cut there.

Gingrich -- it's impossible. The arithmetic doesn't figure that he can leave out Social Security cuts, leave out Medicare cuts and balance the budget with these billions of dollars in tax cuts. It doesn't figure. But everyone has a tax cut bill, including the minority leader, Dick Gephardt.

MR. BIERBAUER: Well, Congressman Rangel, what's the president done then? Has he just bought into the Republican contract essentially?

REP. RANGEL: Not hardly. I guess if you want to look at this not from the state

-of

-the

-economy point of view
but from a political point of view, the Gingrich tax package is going to be vetoed. And I guess the president can say that he had a backup position. But I agree with you 100 percent that the American people want to see an improvement in how things are run, and they certainly don't believe that by cutting to the bone the programs that prevent social programs from occurring that we can just make this appeal, which is a political appeal to the middle class.

REP. DREIER: Charlie --

MR. BIERBAUER: Congressman Dreier, is this all just political pandering?

REP. DREIER: Well, I mean, I think that there may have finally been a realization by the president of the United States that you can't tax your way to prosperity. And it seems to me that the president is more likely to sign the tax package which will emerge from our contract with America rather than veto it, which was our concern before based on the statement that he made the other evening.

I mean, I think that if you get to the bottom line here, our goal is to ensure that more money stays in the pockets of individuals. But at the same time, we've got to recognize that this middle

-class tax cut is not going
to provide the economic stimulus that is needed. That's why something that Charlie and I have worked closely on

for the past several years -- although I should say, Charles, I serve on the Rules Committee and not on the Ways & Means Committee; after it comes from the Ways & Means Committee, it'll come to us in the Rules Committee -- Charlie and I have worked on this capital gains issue, which is key to economic growth.

And Warren Rudman was on your opening shot there, Charles. And it seems to me that he, having been a member of our zero capital gains caucus's board of advisers, recognizes that a capital gains tax cut is what is needed to stimulate economic growth and play a key role towards increasing revenues to the federal treasury. But as far as middle

-class tax cuts are concerned, we're going to have spending cuts which are clearly going to offset that as we move towards a balanced budget by the year 2002.

REP. RANGEL: Please don't say --

MR. BIERBAUER: I want to get to the --

REP. RANGEL: -- clearly it is going to offset that, because clearly the only way that you can offset the revenue losses in a capital gains tax cut is by this so

-called dynamic scoring. And it's not that clear --

REP. DREIER: Well, Charlie, there are not going to be revenue losses from the capital gains tax cut. We're going to see an increase in revenues from the capital gains tax cut, not a decrease, Charlie.

REP. RANGEL: Yes, but you have to -- you're going to have to show a different way to score that, and you know it. It's not going to fly in OMB. It's not going to fly in the financial market. And if it does fly, I'm going to be with you so that we can do some creative and some dynamic scoring to make certain that we get education and

jobs and get people working and not on welfare.

REP. DREIER: Well, you know that we clearly have that as a --

MR. BIERBAUER: Gentlemen, let me get -- let me get a word in here, Congressman. What Congressman Rangel is talking about, dynamic scoring, is, of course, a way that all this is calculated by the budget offices. And one of the debates in this town is how you actually add up the numbers and how you calculate --

REP. DREIER: What it merely means, Charles, is that we recognize economic growth. It merely means that we recognize economic growth rather than the static model.

MR. BIERBAUER: Let me ask you, Congressman Dreier, because you're talking about economic growth and stimulus to the economy. Some economists are saying we don't need a stimulus to the economy. Isn't that what Alan Greenspan has been raising all the interest rates about? Is there an interest rate fear attached to any of these tax cuts?

REP. DREIER: Indications are right now, Charles, that we're not going to see a further increase in interest rates. I'm sitting in Los Angeles, California. We have very serious economic problems here, as Charlie does in his district in New York. And so it seems to me that we need to go a long way towards providing the kind of economic stimulus that will increase revenues to the treasury, get people back to work, especially here on the West Coast.

MR. BIERBAUER: Congressman Rangel, White House officials tell me that this is not meant to be a stimulus and it's not meant to increase inflation in any way, shape or form, that this is actually relatively small stuff.

REP. RANGEL: It is. And I don't think you should give small stuff if it's going to hurt the deficit and if it's going to cause substantial cuts in servicing programs. We don't know how Gingrich is going to pay for his program. We don't know how Clinton is going to pay for it. But both of them say that they're not going to touch Medicare, and that's a political question, and they're not going to touch Social Security. That's a real political question.

Once you start going to the rest of the programs, you're really creating big problems by going after education, going after housing and going after those programs which the poor depend on. And so I agree, the president said he made a promise. That's a political promise, and he's keeping it. And I really think that it's a backup so that when the Gingrich proposal passes that he has something to show, when he vetoes, that he did

have a plan.

REP. DREIER: Well, Charlie, I would say that the issue of consistency has not been a really strong suit. You called this a campaign promise. What has happened is the president has really stuck his finger in the air and found that the mandate of November 8th called for a greater degree of fiscal responsibility than we've had.

You're wrong, though, Charlie, in stating that you don't know where the spending cuts are going to take place. Even the president talked the other night about consolidating some government departments and looking at a wide range of other areas where we can bring about reductions in spending.

REP. RANGEL: Okay.

REP. DREIER: And I look forward to working with him on that.

REP. RANGEL: If you're talking about consolidation and the fact that he says it's going to be wide range, the question is, whose ox is going to be gored? I mean, you have to find out who's going to be cut, not this wide range. I mean, Gingrich says he's going to have wide

-range
cuts. But, I mean, it's what you --

MR. BIERBAUER: Congressman --

REP. DREIER: He's talked about the Department of

Energy, the Department of Education. He's talked about some streamlining of the Commerce Department.

REP. RANGEL: I know, but you don't know how it's going to impact on that particular constituency. First of all --

REP. DREIER: Is it --

REP. RANGEL: First of all, 50 percent --

MR. BIERBAUER: Congressmen, both of you, if you will --

REP. RANGEL: -- of our budget is Social Security and Medicare. And as far as you guys and the president is concerned, you're going to add to the military budget. I don't know where this new communist threat comes, but now we've got $25 billion from President Clinton for the budget. What I'm saying is --

MR. BIERBAUER: Gentlemen -- we've got to take a break here, Congressman.

REP. RANGEL: -- that you've only got to cut the bone.

MR. BIERBAUER: Congressman, we've got to take a break. When we come back, I'll let you pose more questions to each other. Stand by.

(Announcements.)

MR. BIERBAUER: Gentlemen, you're both conducting a pretty vigorous debate here. So let me ask you, Congressman Dreier first, pose a question to Congressman Rangel. What do you think the core issue here is that you want to ask him about?

REP. DREIER: Well, Charlie, I hope that the president was sincere the other night when he talked about bringing about a middle- class tax cut. And I would simply pose the question to you, are you willing to work with the president to help him follow through on the commitment that he made to proceed with a middle

-class tax cut to help working Americans?

REP. RANGEL: No question about it. If it's the political thing to do, I'd work with you, as I have in the past, with Gingrich as the speaker and the president. The real question is how you pay for it. No one likes a tax cut better than I do. It's the best political thing that a politician can have to bring home.

But the real question that I have is, what are we going to do with the millions of kids that are dropping out of school, going into the streets without any hopes of ever getting a job, getting involved in drugs, crime and violence, and that the biggest industry we have going is not building America but putting people in jail and cutting off assistance to irresponsible women who make these babies? I think that what we should be doing, as we're taking about returning to people, people, is to make certain that our educational system responds to the need of our great nation as we move into a global economy.

REP. DREIER: Well, Charlie, you know that I concur with you in --

REP. RANGEL: I know you do.

REP. DREIER: Well, I believe that we should be moving towards caring rather than care

-taking. And you know that I strongly support individual initiative and responsibility, which can go a long way towards addressing many of these items. Care

-taking, as you know very well, has become a serious problem over the past three decades. We've spent literally trillions of dollars on the great society and the welfare state. The message of November 8th -- and I believe we can, in a bipartisan way, work with President Clinton to shift away from that mindset. And I

hope very much that you'll be part of it.

MR. BIERBAUER: Gentlemen --

REP. RANGEL: Well, listen, we're spending hundreds of billions of dollars to contain people in jail. In New York alone we spend $60,000 a year to keep a bum in jail and less than $4,000 to keep a kid in school. What I'm suggesting is that the more money that you give back in tax cuts and still want to balance that budget and still make certain that you don't touch half of that budget, which is Social Security, Medicare and military, is that you've got to cut into education and job

-training. And I hate to give back the money and not build a stronger America.

MR. BIERBAUER: What you both seem to be saying is that this tax cut issue is not the central issue that you're going to be facing in the next congressional session, that it has become a bit of a flim

-flam to get things started here, and that there are bigger questions that you are going to have to address. The point that Congressman Rangel was just making about Social Security -- I sat through the entitlement commission hearings which were supposed to address this matter and they threw up their hands and they couldn't come to any grips on it. Congressman Dreier, is anyone going to come to grips with entitlement?

REP. DREIER: Well, I think that entitlements obviously have to be addressed, and that's going to be a challenge that we do face. But --

MR. BIERBAUER: But isn't everybody saying, "Don't touch Social Security"? Doesn't that include Social Security?

REP. DREIER: Listen, Social Security, as we all know, is a contract which the American people have with the government. They've been forced throughout their lifetimes to pay into this system. They are entitled to receive it. But I will say that I believe that people -- I'm 42 years old. I believe that people in their 20s and 30s should look at the prospect of an increased age at which Social Security benefits will be received. And frankly, at the rate it's going, I'm not confident that people in my age group are going to be able to count on Social Security.

But people who are in their 50s and 60s cannot be all of a sudden told that they are going to have Social Security in any way pulled out from under them because of that contract that does exist. There are many other areas where cuts can take place. It seems to me that if we look at the proposals the president has made, the proposals that we have in our contract with America and our goal of

a balanced budget, as Speaker Gingrich has said, about 2002, we will go a long way towards bringing about the kind of fiscal responsibility which Charlie and I both want.

MR. BIERBAUER: Congressman Dreier, Congressman Rangel has suggested that this is going to wind up in a Gingrich proposal being vetoed at the White House. Are we going to see another session of gridlock up there?

REP. DREIER: Well, I was very encouraged by the statements made by President Clinton the other night, which lead me to conclude that the president would be less inclined to veto our contract with America, at least the provisions as it deals with middle

-income wage earners,
than he was before the speech that he gave the other night. So I think it moves us in the right direction.

REP. RANGEL: The key to the contract is a new way of scoring expenditures and tax rebates. And I'm telling you, if it's not vetoed by the president, it's going to be vetoed by the financial market. It just doesn't fly. And if it does fly -- and I don't have a problem with it because I'm not an economist -- I'm saying investing in our children, investing in job training, making certain that high

-tech means all of the
people in this country, the return you get on that is more than you'll ever get just with capital gains tax decreases alone. If we can join together, we've got a partnership.

REP. DREIER: Charlie, I will acknowledge that the middle- class tax cut is not going to provide the economic stimulus necessary. But you know that if we were to reduce the capital gains tax rate to 15 percent, over the next seven years we would see an increase of $211 billion to the federal treasury. That has to be taken into account. And I'm convinced that the markets would respond positively to that kind of economic stimulus, which isn't simply a tax cut for the rich, but it provides an opportunity for a retired couple with some kind of increase in the value of their home to realize that. We have a lock in effect today that has prevented us --

REP. RANGEL: But you would agree that --

MR. BIERBAUER: Congressman, we've got 10 seconds.

REP. RANGEL: You will agree that 80 percent of the capital gains tax cuts goes to those people who have an income of over $200,000. And it just --

REP. DREIER: And those are the people, Charlie, who are creating jobs and investing so that people can --

MR. BIERBAUER: Gentlemen, we're out of time.

REP. DREIER: -- emerge from the inner city, which is what you and I both want to have happen.

MR. BIERBAUER: You can continue this debate on Capitol Hill, as I'm sure you will. Congressman David Dreier from California --

REP. DREIER: Thank you, Charles.

MR. BIERBAUER: -- Congressman Charlie Rangel from New York, thank you both for being with us.

REP. DREIER: Merry Christmas, Charlie. Have a great Christmas, Charlie.

MR. BIERBAUER: The debate will go on.

REP. RANGEL: Merry Christmas, my friend.

MR. BIERBAUER: Thank you all.

REP. DREIER: Thanks.

MR. BIERBAUER: I'll be back with a postscript.

(Announcements.)

MR. BIERBAUER: This postscript about what Senator Alan Simpson describes as the tyranny of the town meeting. There is, the Wyoming Republican says, always someone who raises a ruckus about losing Social Security benefits. The complaint, Simpson complains, is usually fraught with misinformation. Senator Simpson told that bipartisan entitlement commission this week that there's a 29

-cent
solution to this anguish, and that's the price of a postage stamp. All right, next year it's a 32

-cent solution.

The senator says just write the Social Security Administration. Ask for a personal earnings and benefit estimate statement. He did, and received this accounting. Simpson began contributing to Social Security when he was 14, five bucks. Last year he paid the maximum, $3,571. The senator is 63 and his lifetime contribution so far totals just over $42,000. If he retires at age 65, the senator would get a monthly benefit of $1,135 and eclipse his total contributions in a little over three years.

Simpson's point is today's retirees are getting back what they put into Social Security, and then some. And they're the ones complaining loudest. It's those who are under 40, as Congressman Dreier points out, who have to worry about Social Security solvency and have yet to really be heard from.

Tomorrow on Late Edition, Frank Sesno goes behind the scenes at the CIA and talks with Director James Woolsey. Late Edition airs at 5:00 p.m. Eastern Sunday.

Now, for all of us at Newsmaker Saturday, thanks for joining us. In Washington, I'm Charles Bierbauer.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:18-DEC-1994 20:26:20.57

SUBJECT: NBC's Meet w/Domenici... 12/18

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ:19-DEC-1994 09:08:21.50

TO: David B. Anderson (ANDERSON D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:19-DEC-1994 08:07:41.95

TO: Jill M. Blickstein (BLICKSTEIN J) (OMB)
READ:19-DEC-1994 07:06:52.65

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:19-DEC-1994 08:14:35.99

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:19-DEC-1994 12:13:02.90

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:19-DEC-1994 12:36:08.53

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:19-DEC-1994 12:14:55.61

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:19-DEC-1994 16:38:25.75

TO: Mark Gearan (GEARAN M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:19-DEC-1994 10:20:58.98

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:19-DEC-1994 08:05:14.77

TO: Kathy McKiernan (MCKIERNAN K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:19-DEC-1994 15:11:10.77

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ:28-DEC-1994 11:22:25.84

TO: Victoria L. Radd (RADD_V) (WHO)
READ:19-DEC-1994 13:01:07.87

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:NOT READ

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:19-DEC-1994 17:37:00.83

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:19-DEC-1994 17:21:42.51

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:19-DEC-1994 09:36:12.63

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN P) (PDONE)
READ:19-DEC-1994 10:13:13.34

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

NBC "MEET THE PRESS"
WITH HOST: TIM RUSSERT
JOINED BY: ALAN MURRAY
GUESTS:
SENATOR PETE DOMENICI (R

-NM)
SENATOR BOB PACKWOOD (R

-OR)
REPRESENTATIVE JOHN KASICH (R

-OH)
REPRESENTATIVE BILL ARCHER (R

-TX)
SUNDAY, DECEMBER 18, 1994

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS NBC PROGRAM TO "NBC'S MEET THE PRESS."

MR. RUSSERT: Senator Packwood, let me just ask you quickly before we begin talking about taxes, should we go forward with any negotiations with the North Koreans about building nuclear reactors or their own development of a nuclear arms program until these airmen are released?

SEN. PACKWOOD: Tim, I hesitate only in this sense: remember the statement I made when Gary Francis Powers was shot down and we said, well, this was a weather plan that had strayed, and I was outrageous that the Russians shot it down. Turns out it was 1,500 miles over Russian territory taking pictures. It was a spy plane.

I don't know what happened. I don't want to get burned again. Do we negotiate with them? You bet. Do we try to get him back? You bet. We finally got Gary Francis Powers back, but I'm just not going to jump until I know what happened.

MR. RUSSERT: Senator Domenici, should we go forward with negotiations with the North Koreans to help them build electric nuclear reactors?

SEN. DOMENICI: Well, frankly, I believe the North Koreans sooner, rather than later, have to join the world, and I think that we have to push them very hard. If it is as we say, then obviously they have no real excuse for holding them, and we ought to do everything within our power to make sure they understand that, including some serious suggestions about whether we're going to put a lot of billions of dollars in for nuclear reactor safety.

MR. RUSSERT: Until the men are returned?

SEN. DOMENICI: Exactly.

Now, Bill Richardson, representative from New Mexico was there, and -- by accident he was there, and I hope that he succeeds. I hope he can get some communication going so this will work quickly, but if it doesn't, I think we have to be very tough. I don't think we can sit by and wait a long, long time. It's just another episode where they're not going to learn that they've got to be members of the world.

MR. RUSSERT: Okay. LEt's turn to our subject at hand this morning -- taxes and budgets.

Congressman Archer, let me begin with you. You'll be the new chairman of the Ways and Means Committee, and I learned in civics class that that's where tax laws are initiated, in the House Ways and Means Committee. What tax cuts will be enacted by Congress this year?

REP. ARCHER: Well, when you say "enacted by Congress.," you also have to fold in the Senate, but let me talk about the Ways and Means Committee in the House. We have a contract with America that we House Republicans signed, and we're going to keep our promises that are in that contract. We're not going to be like it's been in the past, over 40 years, where the American public is promised one thing and then something else happens. We're going to be a different breed.

MR. RUSSERT: So what tax cuts are you considering?

REP. ARCHER: And those tax cuts are a tax credit of $500 per dependent child. They are going to be tax cuts for capital gains to create capital savings and investment, to buy tools and create jobs that will pay Americans more in real earning power. We're going to have the elimination of the taxes on Social Security benefits that I believe (run way ?) as put in by Clinton in the last year. We're going to open up the opportunity for senior citizens to continue to work if they want to without suffering the loss of their Social Security benefits.

We're going to create tax incentives for adoption. There's a great concern today about children being in loving homes, and that's blocked to a great degree by the cost of adoption, so we're going to put that in place. We're going to phase out the penalty where two single people get married and they pay more taxes just by virtue of being married, which is unfair. We're going to increase the opportunity for IRAs, and we're also going to give small businesses the opportunity to deduct $25,000 as an expense item of the purchase of their equipment.

We have a very broad agenda, and I haven't spoken to all of it even yet. We're going to talk about the ability of people to accelerate health care benefits by being able to withdraw their insurance during their life if they're suffering from terminal illness. This will be a big advantage to people who have AIDS, as well as to senior citizens.

MR. RUSSERT: Okay, that's --

REP. ARCHER: And if you want me to go through the rest of it, it's a very long list. (Laughter.)

MR. RUSSERT: Well, let's just stop there, because it's a very ambitious agenda, obviously. How much will those tax cuts cost? How much money will be lost to the Treasury?

REP. ARCHER: Tim, Tim, we don't really know yet, because that will come to us from the Joint Committee's estimates. The Joint Committee has not estimated any of this, and when we get down to the specifics, the actual legislative language, and that goes to the Joint Committee and we get the estimates, then we'll be able to answer that question.

A lot of people have thrown out numbers today, but those numbers are not accurate because they're not official estimates.

MR. RUSSERT: Well, but the Joint Taxation Committee has said that it's -- the capital gains would be about 56 billion (dollars) --

REP. ARCHER: No, they haven't.

MR. RUSSERT: Congressman, it will cost something for these tax cuts.

REP. ARCHER: It will cost something for some of them --

MR. RUSSERT: There is no Santa Claus.

REP. ARCHER: That's true. It will cost something for some of the tax cuts. The empirical data from experience on capital gains is when we've reduced capital gains rates, we get more revenue. When we raise capital gains rates, we get less revenue.

MR. RUSSERT: All right --

REP. ARCHER: That's what's been shown in the marketplace.

MR. RUSSERT: Will you promise the American people this morning that for every dollar you cut in taxes, for every dollar of lost revenue, you will cut a dollar in spending this year?

REP. ARCHER: You bet. We will cut spending first before we give any tax reductions that are accurately scored and their impact on the deficit, or it will be part of the same package. It will not be we're going to cut taxes first and then we're going to somehow promise that we'll cut spending.

MR. RUSSERT: So the deficit next year will be less than the deficit this year, even with your tax cuts?

REP. ARCHER: The deficit next year will not be any greater. We said we will offset every legitimately scored tax reduction with a spending cut.

MR. RUSSERT: And will those spending cuts have to deal with entitlements?

REP. ARCHER: Some will probably deal with entitlements, but Social Security --

MR. RUSSERT: What areas?

REP. ARCHER: -- is off the table, because Social Security really is not a part of the operating deficit. We don't have time to go into all of that --

MR. RUSSERT: Well, we do. We will.

REP. ARCHER: Well, the trust funds -- the trust funds are very different than the operating deficit. The trust funds for the most part are generating more money annually than they're paying out, and the excess goes in loans to the federal Treasury, but Social Security is off the table, and Medicare Part A I hope will not be on the table, because I would like to see that reserved for when we reform the health care later on next year.

But Medicare Part B, which is really not -- which is an entitlement but comes out of the general Treasury fund, certainly is subject to being considered.

MR. RUSSERT: Senator Packwood, you've been around for 26 years. You know these numbers very, very well. Can you cut all the taxes that Congressman Archer is talking about?

SEN. PACKWOOD: Oh, can you? Yes.

MR. RUSSERT: Yes.

SEN. PACKWOOD: And match them with spending cuts? Can you? Yes.

MR. RUSSERT: Should we?

SEN. PACKWOOD: Yes.

MR. RUSSERT: Every one?

SEN. PACKWOOD: Well, do you mean every spending cut or every tax cut?

MR. RUSSERT: Every tax cut that he talked about in the Republican contract --

SEN. PACKWOOD: Oh, I'm sorry. I didn't understand your question.

You remember the old adage about fool me once, shame on you; fool me twice, shame on me? I remember in 1981, when President Reagan presented his budget, his tax cuts and his spending cuts, it would have led to a balance. We were projecting big surpluses in 1981, and he wanted to use those for tax cuts and he had spending cuts. We never adopted the spending cuts.

You remember in 1982 and poor old Ronald Reagan -- he didn't like it, but we raised taxes, but here was the promise: For every one dollar in taxes, we'll cut spending three dollars. We never saw it.

I'm not even going to consider what tax cuts we're going to do until I see spending cuts that will match them.

MR. RUSSERT: Could you buy into the tax cuts that Congressman Archer outlined, however?

SEN. PACKWOOD: Tim, I would almost like to go on a bigger basis, if we could, in this sense, ask this question. Should we move from a tax code that encourages consumption to one that encourages investment and savings? And if you answer that yes, then you say, "What's the best way to do it?" And I would rather go on that basis than just kind of clap your hands and do a couple of magic tricks and say, "There, that's it."

MR. RUSSERT: But we seem to have the House Ways and Means going on one track and Senate Finance on another track.

SEN. PACKWOOD: No, not necessarily. Capital gains may be part of it. IRAs may be part of it, but I think there's something bigger than that. If you really want to tilt us toward investment, if you really say that investment and savings produce the machines that produce the higher

-paying jobs and keep us competitive, is it just capital gains and IRAs, or is there a better, bigger way to do it?

MR. RUSSERT: Are you talking about a national sales tax?

SEN. PACKWOOD: No, no, no, no. You're not going to get me

into a national sales tax.

MR. RUSSERT: Well, are you talking about a VAT tax?

SEN. PACKWOOD: No, I'm not.

MR. RUSSERT: What's the name? What's the name?

SEN. PACKWOOD: Well, why don't we call it Nunn

-Domenici? They used to call it the consumption

-based

income tax. He has a better name for it now --
SEN. DOMENICI: USA.
SEN. PACKWOOD: -- USA. It is basically a gigantic incentive for savings. It is neither a VAT, value

-added
tax, nor a national sales tax.
MR. RUSSERT: It sounds like a secret Republican tax? (Laughter.)
SEN. PACKWOOD: No, no, Senator Domenici and Senator Nunn have been kicking this around for three or four years.
MR. RUSSERT: Alan?
MR. MURRAY: Senator, let me make sure I understand you. You said you're not going to do -- you're not even going to consider what taxes to cut until you get spending cuts in place?
SEN. PACKWOOD: Well, when you -- no. We'll consider it. Will we have hearings? You bet. But I am not going to support any tax cuts that are going to widen the deficit. Period. And I just don't want to see us once again send out tax cuts with a lick and a promise and a hope that the spending cuts are coming later. We somehow never quite seem to get to them.
MR. MURRAY: If the deficit is that important to you, why not do deficit reduction first? Why not have a detailed plan that gets you towards balancing the budget first and then come back and do tax cuts with whatever you have left over?
SEN. PACKWOOD: As a matter -- for one thing, the Republicans promised the cuts. Now, here you come to a situation where you say do you keep your promises or do you say, "Well, you know, promises, political promises are kind of like a streetcar platform. They're meant to get in on, not stand on."
Do you keep your word and do you say we promised this and in order to promise more things in terms of moving

towards a balanced budget next, people have to believe you, and that's an important thing.
MR. MURRAY: Do you think the promise was a mistake?
SEN. PACKWOOD: If you make a promise, do you keep it?
MR. MURRAY: But do you think the promise was a mistake?
SEN. PACKWOOD: Well, I didn't make the promise, but if you make it, do you keep it?
MR. MURRAY: Yeah. Congressman, one very big item in the contract that you left out of your list is something called the Neutral Cost Recovery Act, which would have, as I understand it, the effect of down the road cutting the corporate tax by as much as 10 percent, the corporate tax take, and cost possibly 100 (billion dollars), $150 billion over five

-year periods in the future. Are you
saying that that's no longer in the contract, that you're

not going to do that?

REP. ARCHER: No, we're going to do what's in the contract, Alan, and --

MR. MURRAY: But that's a big item.

REP. ARCHER: -- we believe very, very strongly that if workers are going to have the opportunity to increase their real earnings, they have to have upgraded tools and technology. This costs money, and in order to be able to have a cost

-recovery mechanism, we need to take a look at refining what's under the current law.

I also would like, as you know, to try to evaluate moving into the next century with the new form of taxation -- you talked a little bit about that -- but for the time being, as long as we have the income tax law, we're going to have to find ways where companies, businesses, both, whether they be privately owned or whether they be corporations, can depreciate assets and be able to put in place the tools that are necessary to upgrade the opportunity for earning capacity.

Now, that's what this proposal does, but we are also going to have to look at it realistically as to what the actual impact is going to be over the period of time so that we can create a situation where John Kasich can be on a glad path to give us a program to get to a balanced budget in the year 2002, and we're going to do that.

MR. MURRAY: So you may trim that back?

REP. ARCHER: And so when we get -- exactly. We may have to trim that in such a way that when we get the official scoring

from the Joint Committee that we can live with it.

MR. MURRAY: Do you think a big corporate tax structure should be a part of this package?

SEN. PACKWOOD: I just want to say one thing -- when he mentioned 2002, and I'll come back to that, the balanced budget amendment, unless I'm wrong, is going to pass this Congress by about April. I think it's going to be ratified by the states by mid summer, and if that's true, and if we're looking at 200 (billion dollars) to $400 billion deficits for the foreseeable future, everything we're saying on this program today and everything we've ever thought about tax cuts or spending cuts is going to have to be rethought.

MR. MURRAY: Does that mean put the tax cuts off and --

SEN. PACKWOOD: No, I'm saying everything is going to have to be rethought.

MR. RUSSERT: Well, if the constitutional amendment's going to pass, let's assume that that is going to be the law of the land, and let's talk this morning --

SEN. PACKWOOD: I'm assuming --

MR. RUSSERT: -- let's talk reality.

SEN. PACKWOOD: I'm assuming it's going to be the law of the land -- it passes by summer of '95, and we have seven years or five years, whatever we put in, to balance the budget, and I hope, if we're looking at 200 (billion dollars) to $400 billion deficits, we don't wait until the fifth year.

MR. RUSSERT: Senator Domenici, let me get you in the conversation here. You have been long considered an advocate --

SEN. DOMENICI: I thought we were going to get the show over with before you got to me. (Laughter.)

MR. RUSSERT: Plenty of time for everyone.

SEN. DOMENICI: Would have been all right with me. (Laughter.)

MR. RUSSERT: We have deficits now of over $200 billion. Senator Packwood said they're going to go up to $400 billion. The national debt is four trillion (dollars). All of you at the table are going to have to vote for increasing the debt ceiling this year to make it $5 trillion. Here we are talking about tax cuts.

SEN. DOMENICI: Right.

MR. RUSSERT: Is this Santa Claus gone mad?

SEN. DOMENICI: Actually, what's happened is we've had a revolution in the country, that's what's happened. The people of this country have told us they want to do things differently, and for the first time, we have an opportunity to really do that. We have Republicans leading the House and Republicans leading the Senate, and that means that we are clearly going to approach the budget of the United States differently.

I believe there will be scores of programs that will either be terminated or drastically cut back. I believe when we are finished -- last year's Republican package on the budget that we adopted, that we offered, 42 Republican senators voted for -- you had something similar, John -- believe it or not, we had most of these tax cuts in it. We did not have your corporate one, Alan, that you just referred to, but we had the family $500 one, we had capital gains, we had IRAs, and we voted for it.

MR. MURRAY: But, Senator, that budget, the Kasich budget that was done last year, ended the decade with a deficit of $176 billion. It didn't begin to get you to zero.

SEN. DOMENICI: Well, our budget got you to $99 billion by 2002. It cut the deficit in half.

Now, frankly, I agree with what's been said. It's most important that we be honest and that we cut spending, not just cut taxes. The public in this last election said one way to make sure the government doesn't grow is to put more in our pockets and less in the government's pockets, and I think that's the reason for the tax situation that we've got.

But essentially, we're going to do that. We're going to get the deficit under control. I can't tell you today -- so if you want to ask me in a little while, I'm already telling you right now -- I don't know how we get to balance, but I do know we can make a huge cut in the deficit and reduce most of these taxes we've been talking about.

MR. RUSSERT: Why are we talking about tax cuts if you don't know how to get the budget ballot -- ballot the budget -- the budget balanced?

SEN. DOMENICI: Well, look. The public of the United States said, "We want less government." Unequivocally, that's the issue, and that means you've got to cut spending. So we've got to do that.

On the other hand, on the other hand, in order to make sure that we don't put ourselves back in the position where government's growing again, the time has come as a matter of policy to do some tax things that are necessary.

I would say to you, however, that I don't like the piecemeal approach, but I'm going to be for it as it moves through. I would think we should totally do away with the current income tax law, corporate and individual, reform it in such a way -- in such a way that essentially all savings and investment are free of taxes. You pay on what you consume as an income tax, you make it progressive and neutral in terms of revenue, and you have a much better approach to the 21st century for our children.

But if we can't get that -- and Bob Packwood's talking about that eventually, maybe we can't get it -- in the meantime, we've got to do some of these tax cuts because the people deserve them, the business community and labor deserves them. We'll still get the deficit down.

MR. RUSSERT: What's eventually on the consumption tax? When would you want to do away with the income tax as we have it and replace it with a consumption tax?

SEN. DOMENICI: Actually, you know, I'm more conservative on it, having worked on it for two years, than Bob Packwood, the incoming chairman of Ways and Means. He -- Finance. He thinks the time might be right. He thinks --

MR. RUSSERT: Congressman Archer, are you for that right now? Give it a shot?

REP. ARCHER: I'm for getting the debate started. Realistically, we know that major tax reform, particularly considering replacing the income tax, is going to take time. The American public's going to have to understand it, there's going to have to be input, there's going to have to be a lot of consideration, but we should do it as soon as we can.

MR. RUSSERT: Congressman Kasich, all the economists that I've read over the last couple days are saying as follows: You have a situation where you're -- if you pass a tax cut now to stimulate the economy, the Federal Reserve is already raising interest rates to slow down the growth of the economy, and you will then have a tax policy at war with the fiscal policy, and that the amount of money that people will pay in higher interest rates will be more than they'll get from any small tax cut. How do you respond?

REP. KASICH: Well, Tim, first of all, look. The reason why we have the family tax credit is we think that the American family, building block of the country, ought to get a little bit of the reward from downsizing government, so we will pay for the family tax relief program by cutting spending.

Secondly, the capital gains reduction -- we have the highest capital gains tax of any major industrial country in the world, and Alan Greenspan came before our committee and said if we'd indexed capital gains in the '80s, we'd have a stronger economy, it essentially would have paid for itself because it would expand the private infrastructure of this country to provide for what they want in Buffalo, which is faster economic growth without inflation.

We don't expect the impact of the capital gains, however, to really bite in the economy, to help the economy for at least a year, and they're -- and economists are saying that they're concerned about what the growth rate will be in a year, but let me suggest this to you: What we intend to do is to cut spending first, and let me tell you what the procedure is going to be.

In January, and this is the first time that we've really spelled this out clearly, in January I'm going to bring to the floor a revised budget resolution. That revised budget resolution will set into play the efforts by the Ways and Means Committee and the other authorizing committees to do reconciliation. We will also lower the budget caps, which will force Bob Livingstone (ph) and the appropriators to then make appropriate spending reductions. We will take the savings by cutting spending first, and we're going to put them in the bank so nobody across this country, nobody on Main Street and no one on Wall Street, is going to think that what we're going to do is we're going to give out the goodies without cutting government first.

We are then, whenever we pass any of these incentives like the family tax relief program, we'll draw down the bank, we will draw down the savings account. What's the most important thing? We're responding to what Senator Packwood said. We are not going to say, "We're going to give you the goodies today and we'll pay for them tomorrow," we're going to pay for them up front and we're going to cut spending first, and everything is on the table except for Social Security --

MR. MURRAY: But that doesn't reduce the budget deficit. That merely pays for the tax cuts.

REP. KASICH: Look, there are going to be two forces at work. The first thing we're going to do is something that politicians never did in this town. We're going to keep our word. I know people find that hard to believe, but we made a promise. We're going to keep our promise. We will provide the spending savings -- you have already outlined them -- in the menu list. We already have two or three budgets. And then when that is done, Alan, at the same time, we're going to move on the glide path to zero.

It is not inconsistent to provide incentives for investment like the capital gains tax. That's a growth factor. That helps us to get to zero. This is not just cutting, it's growing and cutting the size of government.

MR. MURRAY: Let me ask you, Congressman Archer, one more question about that, because Treasury Secretary Bentsen said in his press conference the other day that 54 percent, by his calculation, 54 percent of the benefits of the tax cuts in the contract with America go to people with six

-figure incomes -- people making more than $100,000 a year. Those aren't the people who've been getting squeezed by this economy. Is that -- is that -- first of all, is that figure right, but, second, is that the way you want your tax cuts to be tilted?

REP. ARCHER: Well, there are two factors here, Alan. Number one, where's the burden from the revenue going to come from? On the higher income people, because they have the capital savings. So as you unlock these assets and more taxes come in from capital gains because of the lower rate, the higher income people are going to be paying a bigger part of the cost of federal government, number one.

Number two, if we want capital investment, we want to buy tools and technology to permit workers to have a higher real earning power, it's going to have to come wherever the savings are. If we keep taking savings away from people who have them today, we reduce the ability domestically to provide the tools and the technology to really do what the president says he wants to do, which is put higher real earnings in the pocket of the workers in this --

(Crosstalk; inaudible)

REP. ARCHER: -- an issue that we need to talk about.

MR. MURRAY: The initial impact is 54 percent of the benefits to five percent of the --

REP. ARCHER: No, no, no --

SEN. PACKWOOD: What is your point?

MR. MURRAY: My question is is that the message you want the nation to take away from this. The president has said we should focus on the people --

(Crosstalk; inaudible)

SEN. PACKWOOD: Do you have to do a break or -- all right. I asked the Joint Tax Committee, which is a professional group that advises us, all career people, to tell me how much money we could raise if we had 100 percent rate of taxation on incomes over $100,000. And they said, "Well, if you have a 100 percent rate, probably you will have an economic downturn and we'll get less money."

If you were to cut that rate, Alan, from 100 percent to 90 percent, do you know what somebody would say? Only the rich are benefiting! We would collect more money, but there'd be some who would oppose it because we're getting

it from the rich.
MR. RUSSERT: We do have to take a break, but let me just ask you very quickly before we leave this session -- President Clinton's speech to the nation on Wednesday night -- Thursday night laid out his middle

-class tax cut
plan. Does that have a chance of passing, Congressman Archer?
REP. ARCHER: Well, his plan is going to be considered in our committee when we hold our hearings. He came late to the dance, but he's on the dance floor, and we welcome that.
MR. RUSSERT: Senator Packwood?
SEN. PACKWOOD: There's going to be tax cuts.
MR. RUSSERT: And will Clinton's proposals with education be part of it?
SEN. PACKWOOD: Well, when we say middle

-class tax
cuts, by the time we end, I think everybody's going to claim credit unless they don't like it, in which case they'll say it's an orphan and I had nothing to do with it.
MR. RUSSERT: We're going to have to take a quick break. We'll be right back with more of our discussion with Domenici, Kasich, Packwood, and Archer. How to balance the budget.
(Announcements.)
MR. RUSSERT: We're back on "Meet the Press," talking about your taxes and your federal government's budget.
We talked to a lot of Americans in our "Wall Street Journal"/NBC News poll, gentlemen, about what they wanted. Take a look at the chart right there. What's the more important priority? Reducing the deficit, 58 percent. Reducing taxes, 35 percent.
Then we asked our next question: Are you in favor of a

balanced budget amendment? Yes, 68 to 19 (percent).
The next question: Should we entitlement programs to reduce the deficit? That's the generic word entitlement. By all means, 59 to 32 (percent).
Then we asked: Balanced budget amendment with cuts in Medicare, Medicaid, veterans benefits? No, 61

-33 (percent).
Suddenly entitlements became real, Senator Domenici. You're a man of good Italian stock. Lucca. (Laughter.) Lucca tesli (ph) -- a truthteller in this area.
SEN. DOMENICI: We're in

-law related, you know. Your
wife's from Lucca.
MR. RUSSERT: A truthteller in this area. On December 2, you spoke to the House GOP leadership, Senate GOP leadership -- I have the document right here.

SEN. DOMENICI: When was that?
MR. RUSSERT: December 2. You presented a chart show and you said to them --
SEN. DOMENICI: Oh, yeah.
MR. RUSSERT: -- very candidly, very candidly, that if you want to balance the budget by the year 2002 and you take Social Security and defense off the table, which the Republicans largely have, you will have to find --
SEN. DOMENICI: No, the president took it off, not us.
MR. RUSSERT: I'm sorry?
SEN. DOMENICI: The president's taken it off, too.
MR. RUSSERT: Not defense, but Social Security. Social Security and defense --
SEN. DOMENICI: Not defense, you're right.
MR. RUSSERT: -- we'll leave them alone.
SEN. DOMENICI: Right.
MR. RUSSERT: You will have to find $1.1 trillion --
SEN. DOMENICI: Right.
MR. RUSSERT: -- in less government spending over the next seven years. Tell us, can you achieve or find $1.1 trillion and arrive at a balanced budget without -- without -- limiting the

growth in Medicare, Medicaid, veterans benefits, farm benefits?

SEN. DOMENICI: First let me comment on one thing you raised a while ago. You made it economically inappropriate for us to cut taxes now by saying most economists are suggesting that we don't need to stimulate the economy. What you forgot in that analysis is that if we cut spending an equal amount, then those economists have no concern about the tax cuts, because that's a wash.
MR. RUSSERT: Certainly.
SEN. DOMENICI: All right. If we cut the budget even more so, we're helping Mr. Greenspan, so he won't have to lower -- raise interest rates.
MR. RUSSERT: Right. All four of you have agreed to cut spending to pay for your tax cuts.
SEN. DOMENICI: Right.
MR. RUSSERT: Now where do you find the $1.1 trillion in less government spending over the next seven years to balance the budget?
SEN. DOMENICI: Okay.
MR. RUSSERT: You must reduce the growth of Medicare, Medicaid, veterans, and far subsidies. Can't we tell the truth to the American people?
SEN. DOMENICI: Yeah. I think it's fair to say that the new partnership with the Republican governors working together that there're going to be a lot of things we did not do before that we're going to do.
First of all, we're going to get rid of some departments of the government, but that's going to be an exercise in saving money, not just consolidating. I would not be surprised if we recommend at least two or three of the major departments of our government be eliminated. Some people say Energy, some people say

HUD. I don't think Energy's the right one, but you understand where I come from in my state. But I think there are a number of them that we ought to get rid of.

In fact, the president left Commerce off the table, and, frankly, I don't know why Commerce couldn't be dramatically reduced --

MR. RUSSERT: But, Senator, Senator, these departments -- not where the money is.

SEN. DOMENICI: Well, let me finish.

MR. RUSSERT: Why can't we tell the truth to the middle class

SEN. DOMENICI: Wait a minute. I'm going to tell you the truth.

MR. RUSSERT: -- (inaudible; crosstalk) --

SEN. DOMENICI: I'm going to tell you the truth. Look, there are some things we are doing now that we're not even going to be able to do. They're talking about less work with the states. We're going to have to give them back some programs and not do them, but we cannot get there -- we cannot get there -- well, let me make another one for you. We've got $350 billion worth of deficit reduction for starters in last year's Republican budget. We did have Medicaid reform, and you understand that. That doesn't mean it's cut, that means we give the programs more flexibility for less money.

There has to be welfare reform and eventually over time it will save 25 (billion dollars) to $30 billion.

Clearly all of the health care programs, including Medicare -- the president has about $100 billion in Medicare savings to start with, and we have to look at that and try to find a better way to save money. All entitlements except Social Security are going to have to be looked at. There's no question, no use deceiving anyone.

Can we put together a balanced budget in the next 12 months to do this over seven or eight years? I don't know, but I believe we can give the American people a giant installment, as much as 50 to 75 percent of that we can put in a five

-year budget resolution and five- year projections after it. I believe so.

MR. RUSSERT: Senator Packwood, let me just follow up on that, because back in May of '93, you said on this program we're going to have to deal with entitlements.

SEN. PACKWOOD: Yes. Correct.

MR. RUSSERT: Can we say to the American people, "Folks, listen. You could eliminate all welfare, eliminate all foreign aid, go after waste, fraud, and abuse, you could close down the entire United States government, and if you let Social Security, Medicare, and defense grow at the levels they're growing now, you would still not have a balanced budget"? Isn't that a true statement?

SEN. PACKWOOD: Well, it isn't quite true, because you asked how can you do it?

We have 410 entitlement programs in this country. The bottom 400 cost about $50 billion. The top four -- Medicare, Medicaid, Social Security, and then other government retirement, plus interest -- are 900 billion (dollars). And if you say a fair portion of the 900 billion (dollars) is off the table, then you've got to get your money someplace else.

Now, can you get it? Yes. Would it be draconian? Yes. If we were to go back to what the federal government did 40 years ago, we would get out of the following business of money we give to the states: Medicaid, health and welfare, housing, transportation, education, and nutrition. We didn't do that 40 years ago, and that would save about $200 billion a year.

MR. RUSSERT: But -- let me just finish up, Alan, and then I'll turn it over to you -- if you look at these numbers and you've all -- Senator Domenici, you've put it on the table, Senator Packwood. Congressman Archer, Congressman Kasich, if you want to balance the budget and you take Social Security and defense off the table and you want to have your tax cuts, every other existing program, Medicare on down, will have to be reduced in their growth by 30 percent.

(Crosstalk)

Let me just finish. If you put -- if you take Medicare off the table, Congressman Archer, every other program -- using Senator Domenici and Senator Packwood's numbers --

SEN. PACKWOOD: You're right.

MR. RUSSERT: -- would have to be reduced by 40 percent. Do you have the political will and will you tell the American people today that in order to pay for the tax cuts and pay for the balanced budget,
I am going to reduce the growth of Medicare, Medicaid, and other entitlements by 40 percent?

REP. ARCHER: Tim, in reality, that premise is not accurate. Social Security, which is a separate trust fund, is not contributing to the deficit, nor will it contribute to the deficit during the rest of this century.

MR. RUSSERT: Quite the opposite. We're using Social Security to help pay off the deficit.

REP. ARCHER: Precisely. So when you say you're leaving Social Security off the table, therefore how can you do it, Social Security is actually masking a bigger part of the operating deficit. The trust funds that are self

-contained are
generating money every year that is in excess of what they're

paying out.

MR. RUSSERT: But, Congressman --

(Crosstalk)

-- Congressman, Senator Packwood and Senator Domenici have said, "Listen, you're right. If we're going to have tax cuts and a balanced budget, someone's going to have to pay for it." Who's the Santa Claus here?

REP. ARCHER: But let's take a new look at the budget, and that is the operating budget, which has got to be balanced by the year 2002, and so it doesn't hurt to put Social Security off --

MR. RUSSERT: Fine. And Medicare --

REP. ARCHER: We actually help balancing it by putting Social Security off. Medicare Part A is going to have to be funded within its own structure. Medicare Part B that comes out of the general Treasury is a different thing.

But we've got to look at those items that come out of the general Treasury --

MR. RUSSERT: To the people watching this, A, B is a lot of gobbledygook. The simple fact is if you're going to have a balanced budget and tax cuts, someone's going to have to pay.

REP. ARCHER: That's right.

MR. RUSSERT: You're going to have to reduce government spending, non

-Social Security government spending, by about 40 percent.

REP. ARCHER: But let's be honest with the American public as to where the deficit is really coming from, and when you throw in Social Security and you throw in the big chunk of the hospital part of medical care, you distort a picture and leave the wrong impression on the American public.

REP. KASICH: Let me try something with you, because these numbers are going to -- I mean, people in Westerville don't -- I mean, these numbers are giant. They're hard to deal with.

We want to cut, Tim, about 1.1 (billion dollars), 1.2 billion (dollars) out of a pot of $13.2 trillion, and to get to a balanced budget --

MR. RUSSERT: No, 1.1 trillion (dollars).

REP. KASICH: Yeah, 1.1 trillion (dollars) out of 13.2 trillion (dollars). I mean, that's incredible. The pot is so huge.

And let me suggest to get to a balanced budget, instead of spending 13.2 trillion (dollars), we'll be spending $11.8 trillion.

Now, to get to zero over seven years, you -- the way you explained it, it makes it appear as though government spending is going to be on a glide path down. In fact, to get to a balanced budget over seven years, government will actually slightly increase.

MR. RUSSERT: I've been very careful. I've been talking about limiting the growth.

REP. KASICH: Of course the growth --

MR. RUSSERT: Just to tie this up and let Alan get in here, you will promise the American people this morning that the U.S. government will spend $1.1 trillion less seven years from now than we had planned to.

REP. KASICH: That's correct.

MR. RUSSERT: Okay. Alan?

MR. MURRAY: I want to make sure I understand what it is we're going to do first. Are you saying that you are going to put out a budget resolution that will do 50 to 75 percent of what you need to do to get on a path to a balanced budget and pay for tax cuts all at the same time early next year?

SEN. PACKWOOD: I'm saying that's the minimum we'll do, yes.

MR. MURRAY: Okay.

SEN. PACKWOOD: Yes, and that can be done. We have a model for it, so we're not talking pie in the sky. We're very close to that in the Republican package from last year, either John's in the House or ours.

MR. MURRAY: And are you -- you're going to do the same thing? Not only pay for these tax cuts, which could cost $200 billion over the next five years, but also do 50 to 75 percent or more of what you need to do up front.

REP. KASICH: Let me be very clear. We are going to pay for the contract. Part of the contract, we believe, is growth oriented. It grows this economy. But we are going to cut spending first, and then, Alan, we are going to quickly wheel and we are going to put every single program of this federal government, save Social Security, under the microscope, including defense.

And --

MR. MURRAY: In the first budget?

MR. RUSSERT: Including Medicare?

REP. KASICH: Include -- look, what we want to do with the entitlement programs is to figure out systemic ways of improving it. Front page of "The New York Times" today talks about all the revolution that's going on in the private sector. What's the bottom line in the story? People get better health care for lower costs.

Just because we want to change the program doesn't mean necessarily, Tim, that people are going to have a worse situation. Take Medicaid. Medicaid -- we suggested that Medicaid recipients go into managed care. It is a far more rational, far more sensible way for people to get care. They shouldn't run in the emergency room for something where they ought to see a primary care doctor. That saves us money.

MR. MURRAY: Congressman --

REP. KASICH: Does that mean worse for people? Of course not. It means a more rational system.

MR. MURRAY: Congressman, to my knowledge, you and Congressman Archer have both had one chance in the past to vote for the kind of budget you're talking about. Your colleague Republican Gerry Solomon in March of this year proposed a budget that got you to balance. It didn't raise taxes, it didn't cut Social Security, and both of you

voted against it --
REP. KASICH: Okay, let me answer that. Congressman Solomon did a good job, but he didn't have the staff nor the time to put together the well

-thought

-out policies that would get us to zero.

My goal -- you know, in the first year, we cut spending first, and we had, Alan, the same amount of deficit reduction without one dime of taxes that the president did with taxes last year. Our goal has been simply this: To show that we could reduce the deficit more than the president --

MR. MURRAY: But that's not enough.

REP. KASICH: Our goal has changed, Alan. Our goal now is to get to zero over seven years, a different goal, and it's going to require far more systemic changes.

MR. RUSSERT: We're running out of time. Is it fair to say that if we want the tax cuts that are in the Republican contract and we want to balance the budget by the year 2000 that non

-Social Security and non

-defense
spending will have to be 30 percent less growth --

REP. KASICH: No.

MR. RUSSERT: -- than we had planned?

REP. KASICH: No, because that's just -- that's a wild projection. It may -- there's no question that all these entitlements, the growth in them, is going to be slowed, but to throw out a wild number of 40 percent is wrong --

MR. RUSSERT: I didn't -- I said 30 percent that had been projected by both Democrats and Republicans.

Senator Packwood, let me try you, then. Can you look the American people in the eye and say this morning, "Listen, folks, if you want tax cuts and you want a balanced budget, there is going to be a lot fewer programs coming out of Washington, including less money than we had planned on spending in Medicare, Medicaid, veterans benefits, and so forth"?

SEN. PACKWOOD: Absolutely, and you phrased it just right. Less than we had planned on spending.

MR. RUSSERT: Will you help the president in his work of dealing with the deficit by giving him a line

-item
veto, Congressman Archer?

REP. ARCHER: Absolutely. That's in the bill.

REP. KASICH: Absolutely.

SEN. DOMENICI: Absolutely.

SEN. PACKWOOD: Absolutely. We will report it out.

MR. RUSSERT: NOt a temporary line

-item veto, a
permanent line- item veto for the president?
REP. ARCHER: I want to do it in the Constitution. That's my proposal.
MR. RUSSERT: Let me raise one other thing --
SEN. DOMENICI: I mean, on my score, I want to say maybe -- maybe, since we don't know how it'll work, maybe we would do it for four years or six years or something, because if we do it permanently, then presidents have to sign anything where we try to get rid of it, and maybe I'd be more for four to six years, see how it works, see if

the president's abused it --
REP. KASICH: We're thrilled to give the president --
SEN. DOMENICI: -- and I'm for it.
REP. KASICH: -- the ability to cut the pork out of the budget. The American people want the pork cut out of the budget and, darn it, he ought to stand up to the people that keep loading this thing up with pork. That's what they want to have happen first, and that's why they favor the line

-item veto, and we're going to work with this
president. We're glad he's buying on to our agenda now.
MR. RUSSERT: One last thing that affects a lot of Americans. Congressman Archer, are you in favor of raising the minimum wage?
REP. ARCHER: The minimum wage is not before my committee, but the minimum wage is a question of whether you have productivity or not, and we've got to think more in terms of productivity in order to justify pay scales in this country. If it is an artificial thing, a lot of studies show it will cost jobs.
MR. RUSSERT: So you're against raising the minimum wage at this time?
REP. ARCHER: If it's going to cost jobs, yes, and that's what the economic studies show, that it would cost jobs.
MR. RUSSERT: Senator Packwood?
SEN. PACKWOOD: Haven't made up my mind.
MR. RUSSERT: Congressman Kasich?
REP. KASICH: That's not part of our agenda right now. It's a contract for America and moving to a balanced budget. We're not going to put more on the plate and lose our focus in terms of keeping our word and carrying out our programs.
MR. RUSSERT: So you're against raising the minimum wage?
REP. KASICH: We're not talking about it, Tim. We're not -- it is not part of our agenda right now. We have only so many -- you know, it's like a great football team. You know what your game plan is, you stick to it. You don't add a bunch of things in there in the middle of the game. We'll get that done and then we'll --
MR. RUSSERT: Senator Domenici, minimum wage?

SEN. DOMENICI: I'm not for it, but let me tell you,

one of the problems we've got is with a growing economy and prosperity, we still have a problem getting more people into that prosperity mode where they're earning more money. If I thought minimum wage would really do that, I'd be for it. I don't think it does.

MR. RUSSERT: Senator Domenici, Congressman Kasich, Senator Packwood, Congressman Archer, thank you all. We'll be watching you all very carefully in the months and years ahead. Thanks for joining us this morning.

In a moment -- have a Merry Christmas, by the way, everybody, and all -- (inaudible; crosstalk) --

REP. KASICH, SEN. PACKWOOD, SEN. DOMENICI, and REP. ARCHER: Thank you.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME:19-DEC-1994 09:06:31.27

SUBJECT: ABC's GMA w/Archer 12/19

TO: Dawn A. Alexander (ALEXANDER DA) (WHO)
READ:19-DEC-1994 09:56:27.96

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:19-DEC-1994 09:08:40.31

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:19-DEC-1994 09:22:58.47

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:19-DEC-1994 09:17:39.99

TO: Lisa M. Caputo (CAPUTO L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN SA) (WHO)
READ:19-DEC-1994 09:28:45.37

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ:19-DEC-1994 12:36:25.68

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:19-DEC-1994 10:52:49.08

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL J) (WHO)
READ:19-DEC-1994 12:07:04.97

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ:19-DEC-1994 10:41:01.60

TO: Kathy McKiernan (MCKIERNAN K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:19-DEC-1994 14:57:25.13

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE J) (WHO)
READ:19-DEC-1994 11:46:02.02

TO: Victoria L. Radd (RADD_V) (WHO)
READ:19-DEC-1994 13:01:39.16

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:19-DEC-1994 09:06:35.61

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:19-DEC-1994 09:40:39.74

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:19-DEC-1994 20:00:05.04

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ:19-DEC-1994 17:22:28.89

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ:19-DEC-1994 09:36:27.45

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:19-DEC-1994 09:07:09.48

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ:20-DEC-1994 08:12:52.65

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

ABC "GOOD MORNING AMERICA" INTERVIEW WITH:
REPRESENTATIVE BILL ARCHER, R

-TX

MONDAY, DECEMBER 19, 1994
7:10 A.M.

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

OTHER BRIEFINGS AND SPEECHES BY WIRE SOON AFTER THEY END, PLEASE CALL CORTES RANDELL AT 202

-347

-1400.

CHARLES GIBSON: President Clinton and members of his cabinet plan to announce their proposals today for cutting the federal budget, the cuts designed to offset tax breaks for middle

-class families that Clinton proposed last week.

A competition is now under way between Democrats and Republicans over who has the best tax cut plan and who can best shrink the size of the federal government.

Joining us this morning from Washington, Representative Bill Archer, a Texas Republican who will become chairman of the House Ways and Means Committee. That, of course, is the committee which writes the tax plans.

Congressman, good to have you with us.

REP. ARCHER: Charlie, it's good to be with you this morning.

MR. GIBSON: Chairman

-designate, I guess we have to now call you.

REP. ARCHER: Yes.

MR. GIBSON: It does seem to be open season on tax cut plans. Everybody has a tax cut plan, I think including the Capitol tour guides. Everybody has their own plan. Do you suspect that eventually you're going to find one that can be compromised, that both the Senate and the House can pass, and that the president can sign?

REP. ARCHER: I believe we will, Charlie, but the important thing to note is there are a lot of exciting things happening here in Washington, and we're going to do what we promised in the contract with America, which is to cut taxes but also to pay for it -- cut spending first, or at least at the same time that we cut the taxes so that we don't increase the deficit.

In addition, we're going to downsize government. We've already started. On the Ways and Means Committee, we've cut the staff already by one

-third. Actually, the majority staff has been cut by 40 percent. We're going to be much leaner, and those millions of dollars are going to go back to the taxpayers. We're going to have so much extra office space up here that we're going to be able to sell a federal building.

These are new, exciting times in Washington.

MR. GIBSON: Well, let me get to the spending cuts in a moment, because billions are required, not just the hundreds of thousands or millions that you're talking about there.

REP. ARCHER: That's true. No, that's true, Charlie, but you've got to start at home, and in the area where we have control, right here on Capitol Hill. We're going to start there first and that's going to set a pattern for the rest of the entire government, but you're right. We've got to do much more than that.

MR. GIBSON: Let me get to what you think the range of cuts will be in a bill that can be compromised between the two houses and the president. There's a pretty big gap now between what you're talking about and what the president's talking about. Where do you think we're going to be in five years of tax cuts?

REP. ARCHER: Well, really, there's not that big a gap. The overall revenue losses are really not that much different, and so we need to start thinking in terms of how do we put these things together, how do we move the country forward, how do we have an agenda for the next century? We need to think about alternative ways to raise money for the federal government, and in these tax cuts that we're talking about right now, which, whether they go to the middle class or whether they go to create jobs or whether they go to senior citizens so that they will be able to continue to work without losing their Social Security benefits, whether they go toward IRAs, which will enable greater savings for the country -- those things are either in fairness or in economic growth designed to where they're the right thing to do.

MR. GIBSON: Congressman, history is littered with times when Congress has said it will cut spending to balance off tax cuts. Why should we believe it's any different this time? It's like believing that Charlie Brown's finally going to get to kick the football.

REP. ARCHER: Well, Charlie, for the first time in 40 years, the Republicans have taken over control of the Congress, and we're going to do what we promised, and our promise is that we will cut spending so that the tax cuts will not increase the deficit. We will keep that promise.

MR. GIBSON: Congressman, traditional economic theory has always been that you cut taxes when the economy needs stimulation, not when it's humming along. It seems to be humming along pretty well now, so why shouldn't tax cuts be seen as basically political in nature and not economic?

REP. ARCHER: Well, for two reasons, Charlie. Number one, we're cutting spending to meet the tax cuts, and that's a very different thing. Tax cuts that don't match cuts in spending can be stimulative to the economy. These would be matched by spending cuts.

Number two, we're cutting taxes in an area like in capital gains, which will preserve capital and create an incentive for more savings, which can buy tools and technology to create jobs so that more Americans, as the president says, will have the opportunity to have higher real earnings in their paycheck, and that's very, very important for the future.

MR. GIBSON: Do you worry there's a possibility of overstimulating the economy, that what you might wind up with is the Fed feeling the need to raise interest rates even higher and thus tax cuts could have a negative effect long run?

REP. ARCHER: As long as we do the two things that I just mentioned, match them with spending cuts and also at the same time be sure that we're doing things that are going to create more supply, more jobs, then clearly that's not a signal to the Federal Reserve to raise interest rates, and there's really much, much that we can do that the American people have wanted for a long, long time: To downsize government and to, yes, give them part of that dividend and at the same time plan for the future to where we can get to a balanced budget by the year 2002.

MR. GIBSON: And a final, very quick question, because we're out of time: There will be a capital gains tax cut, do you think, in a bill that comes out this year?

REP. ARCHER: There will in the plan that comes out of the Ways and Means Committee. And, Charlie, this committee is going to be run now by a chairman that does his own tax return. I think the American people are going to be pleased to hear that, because we ought to know what we're putting on other people. In addition, this chairman, Bill Archer, has never taken any PAC contributions. For the first time in history, the chairman of the Ways and Means Committee will be somebody that does not accept PAC contributions.

We're going to have an exciting Congress in the next year.

MR. GIBSON: Bill Archer, it's going to be an interesting Congress. I look forward to talking to you many times in the next year.

REP. ARCHER: Thanks, Charlie.

MR. GIBSON: Good to have you with us.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS L) (WHO)

CREATION DATE/TIME:25-DEC-1994 08:35:22.33

SUBJECT: CNN's Late Edition 12/25

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: 5-JAN-1995 12:02:56.36

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ:NOT READ

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:26-DEC-1994 17:39:14.29

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ:27-DEC-1994 08:49:55.88

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN SA) (WHO)
READ:26-DEC-1994 12:07:03.56

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ: 9-JAN-1995 13:57:07.77

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ: 2-JAN-1995 13:31:43.32

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH L) (WHO)
READ:28-DEC-1994 08:09:16.03

TO: Kathy McKiernan (MCKIERNAN K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:NOT READ

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ: 3-JAN-1995 14:04:06.26

TO: Victoria L. Radd (RADD_V) (WHO)
READ:28-DEC-1994 13:11:35.58

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:NOT READ

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ:29-DEC-1994 14:01:35.55

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ: 4-JAN-1995 14:39:27.14

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ: 3-JAN-1995 08:59:29.79

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ: 3-JAN-1995 08:09:43.59

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

CNN'S "LATE EDITION"
HOST: FRANK SESNO
GUESTS:
RICHARD JOLLY, DEPUTY DIRECTOR, UNICEF
JULIA TAFT, PRESIDENT, INTERACTION
ROY WILLIAMS, THE INTERNATIONAL RESCUE COMMITTEE
TO BE AIRED AT 5:00 P.M. (EST)
SUNDAY, DECEMBER 25, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

FEDERAL NEWS SERVICE IS A PRIVATE FIRM AND IS NOT AFFILIATED WITH THE FEDERAL GOVERNMENT.

MR. SESNO: Making a difference in the world's crisis zones. How much progress has been made? How much prevention will be needed to head off disasters in the future? We'll also take a look back at the year in politics with our journalists, all ahead on Late Edition.

ANNOUNCER: From CNN in Washington, this is Late Edition with Frank Sesno.

MR. SESNO: It's Sunday, December 25th, 1994. Welcome to Late Edition on this Christmas Day for a special look at the year gone

by. During much of the year we bring you stories from around the world that reflect the darker side of human nature, stories about war, famine and hard times. But in the spirit of hope and giving, we thought on this day we would look at the many efforts underway to improve the human condition in the world's trouble spots. This year's success stories include improvement in the lives of the world's children.

Also ahead we'll go 'round the table with our panel of journalists for a look at the political winners and losers of 1994. And Bruce Morton has his last word for the year as it passes into history.

But first to the news desk for a look at the day's top stories.

(News headlines/announcements.)

MR. SESNO: Welcome back. Around the world, 1994 was a year of widespread need and some promise. Close to a million refugees poured into Goma, Zaire to escape Rwanda's civil war. Others fled to Tanzania for safety. Relief groups took on a task of monumental proportions. The challenge now: Returning to Rwanda and rebuilding.

Haitian President Jean

-Bertrand Aristide returned to his country to face a people in poverty. They are the poorest in the western hemisphere, and even basic services like roads, schools and hospitals are lacking. Relief groups focus on helping a nation feed itself.

In Bosnia, the winter will be harsh, but it may be a bit warmer for many because of the fuel and shelter brought in to help hundreds of thousands of refugees. Efforts continue to provide medical care and safe water and to reunite thousands of children separated from their parents.

For the organizations providing relief around the world, there is much to be done. But the best hope lies in prevention, in acting before a crisis becomes a disaster. As the year comes to a close, there is progress to report. UNICEF says the state of the world's children is getting better. There's a trend toward less hunger and malnutrition, fewer diseases and a more promising future, a measure of the ability to make a difference.

Joining me now, three people who are making a difference with their efforts: Richard Jolly, deputy director of UNICEF, the United Nations Children's Fund -- he joins us from the United Nations in New York; Julia Taft, the president of InterAction, a coalition of groups working to provide humanitarian aid around the world; and Roy Williams, deputy director of operations for the International Rescue Committee.

Welcome to all of you. Thanks very much for coming in. Merry Christmas.

MS. TAFT: Merry Christmas to you.

MR. WILLIAMS: And to you.

MR. SESNO: Let's start by talking about this notion of preventing crises from becoming disasters, because much of the world sees them after the fact, after they've become disasters. You see them as sort of slow

-motion train
wrecks about ready to happen. How can they be prevented? Or is that pie

-in

-the

-sky stuff?

MR. JOLLY: Not at all pie in the sky from the point of UNICEF. Of course, there's the political prevention that's needed. But there's also a human prevention. We need to focus on empowering families, empowering women; in other words, removing the worst features of vulnerability of the poor. And on that we're seeing some progress and there's much more that can be made and that will make a big difference. That will help both people who are not in disaster situations but also people who are in disaster situations. If people are empowered, they can take control of their households, their families, and avoid a bad situation getting worse.

MR. SESNO: Julia Taft, Roy Williams, can you cite an example where a crisis becoming a disaster has been prevented? What do you mean by that?

MS. TAFT: We're looking right now at, in Rwanda, trying to prevent another disaster. As you know and was cited earlier, millions of people have left the country and there are a whole variety of nongovernmental agencies, relief agencies, trying to provide stability within Rwanda through health programs, through water programs, through training programs, to help provide the security for people wanting to come back.

We're watching that closely. We're working with it. We're also involved in sending out monitors to ensure that human rights abuses are not taking place. This is a prevention. We hope that it will be a magnet for people to come home and to prevent any future dissolution of that country.

MR. WILLIAMS: I think also that you can add another dimension to this in that a curious thing is happening in Rwanda. It has been obviously a very difficult situation in terms of guilt, retribution and so forth, which I think the world community still has to resolve or at least recognize. But as importantly, there's a dimension that the NGO community has brought into that situation.

MR. SESNO: Nongovernmental organizations.

MR. WILLIAMS: Nongovernmental organizations, exactly. By this I mean by taking a stance, by providing a position of leadership and direction, we've noticed that the Rwandese people themselves are beginning to coalesce around the idea that there may be other options than those they see in the Zairean camps.

MR. SESNO: To go back.

MR. WILLIAMS: To go back, and that the NGO community is going to assist them in going back to be part of a repatriation to the extent that it's feasible.

MR. SESNO: Are they going back? Is the trend -- or is there so much fear of retribution that there really isn't much progress to report there?

MR. WILLIAMS: There still is a profound fear of retribution, but let me give you a for instance. The 15 members of the NGO community signed on to a statement early in November indicating that we felt very strongly that what was happening in the camps in Zaire in particular was totally unacceptable and that if certain conditions weren't met in terms of improving the lives of the people, taking the power away from the people who were running the camps, the ex

-Hutu militia and so forth, that we were going to be seriously thinking about withdrawing. The day that statement was issued was the quietest day in the camps in months. Almost nothing happened by way of the usual violence and abuse of people.

MR. SESNO: And now?

MR. WILLIAMS: And now it is still better. And also, most reassuringly, some of the refugees themselves, who never in the past would have dared talk about repatriation, are now talking about it.

MR. SESNO: Julia Taft, there are, according to the United Nations High Commissioner for Refugees, some 23 million refugees in the world. You work with a lot of them. Most notably we've heard about and seen the refugees in Bosnia. What is being done with these people with such shattered lives to help them rebuild their lives? Or are they just waiting for this terrible thing to end?

MS. TAFT: I think the most important thing for us to realize is that refugees and internally displaced people are survivors. They have to find from within whatever they can to be able to carry on their lives. The NGOs -- the relief agencies have been involved, for instance, in Bosnia in some very exciting ways to put people back to work even in the height of the conflict.

MR. SESNO: Work? Jobs?

MS. TAFT: Absolutely. And Roy is the expert on this, but the International Rescue Committee, for instance, instead of bringing in outside relief commodities, put people back to work in factories where they themselves are still making shelter material, making blankets, and having part of the psychological, positive impact of being able to control their destiny a little bit. It's trying to help, through the various agencies and U.N. programs, help people cope with a really untenable situation.

MR. SESNO: Dr. Jolly, I understand there's a lot --

MR. JOLLY: I would --

MR. SESNO: Go ahead.

MR. JOLLY: I would go along entirely with that. From the point of view of children in Bosnia, what they ask for, what they even demand, is a touch of normalcy. And for children -- getting back to school for children in a crisis and disaster situation is normalcy. And we have schools that have been started in the stairwells of buildings, in all sorts of odd corners.

In Rwanda we've started with UNESCO school in a box in which, under a tree or in a situation, one gives children that frame that they're getting back on with their lives. I think it's for children the equivalent of employment for adults; in both cases, empowering people, helping the community to function more like a community. It's that which is so desperately needed.

MR. WILLIAMS: I think that choice of phrase is very apt, normalcy. Essentially I think when we began working in these local production projects as we called, we recognized that people had two options, either stay or leave. Staying was a difficult option in the absence of being able to provide any way for themselves to survive. And leaving was even less attractive; so if they can resume something like normal lives, support themselves.

There's another aspect to this that we've also found very successful, and that's agriculture. Central Bosnia, after all, is basically an agricultural area, so it's --

MR. SESNO: Within the refugee settlements and camps.

MR. WILLIAMS: Well, within the whole region. As a matter of fact, there are very few refugee settlements per se in Bosnia, basically. There are a lot of people, displaced persons living in community shelters. But most people are living on their own land to the extent that they have not been overtaken by military aggression.

MR. SESNO: Julia Taft, where is the situation now in terms of, again, still in Bosnia for a minute, in terms of resettling some of these refugees, perhaps out of the country, in Europe, in the United States? What needs to be done? What has been done?

MS. TAFT: Well, about 200,000 refugees have been resettled in Germany. The United States has taken some. Obviously the most important thing for a refugee is to try to go back home. And we're hoping that --

MR. SESNO: Not when war is raging.

MS. TAFT: That is correct, and that's why it's very important that in addition to relief programs and self

-help programs that there be political resolution. It is happening, though, in other parts of the world. And I think one of the important stories of 1994 has been the large number of refugees that have returned back into Mozambique, which had been a war

-torn country for just decades. And now they're going back. They're planting their fields. They're starting their lives again. And this is a great success story. Cambodia is another one. So one sees that while resettlement in the United States or other places is important, if it's at all possible to go back home, that's the thing to do.

MR. SESNO: We're going to take a quick break. When we come back, the state of the world's children; it's getting better.

(Announcements.)

MR. SESNO: Welcome back to Late Edition; today, giving a hand up around the world.

Dr. Jolly, UNICEF, which takes a look at the world's children, reported not too terribly long ago some good news from the developing world. We don't often hear good news from the developing world, at least not in the traditional sense. What were you reporting?

MR. JOLLY: Well, qualified optimism. In other words, in many countries in Asia, in Latin America, even some in Africa, we're seeing things improving for children markedly.

MR. SESNO: Such as?

MR. JOLLY: If you -- well, such as a reduction in the number of children dying each year. If you go back 40 years, it was nearly 25 million. It's now down to 13 million, a horrifying figure; but in a world where population has doubled, this is real progress in reducing mortality rates. If you look at nutrition, everywhere in the world in the last 10 years, except in Africa,

we've seen improvements in child nutrition. Take some of the really horrible diseases; polio. We've seen the number of cases of polio go down from half a million to about 100,000, to the point where we can now see polio disappearing from the face of this earth.

MR. SESNO: Your report reported that you were on the verge of victory against certain disorders that can cause mental retardation. What was that?

MR. JOLLY: Well, that's one of the most exciting. That's iodine deficiency, which we've just realized affects about a third of the world's population and some perhaps 20 &1/2million&3/4 or 30 million severely suffering, what we call cretinism. Well, we've learned that at virtually no cost, to iodize the world's salt can completely get rid of this. And we're working with the target of the end of next year iodizing the salt from all the producers everywhere and to ensure that iodine deficiency disappears. It could raise IQ rates of a large number of affected children by 10 to 15 points. It really is an impressive step forward.

MR. SESNO: I know one of the things that you're working on -- we were talking about refugees a while ago -- was the whole question of child tracing, trying to pair children up with parents. It's a heart

-rending story, of course, and a very predictable and tragic outcome of war. Where are those efforts bearing the most fruit, Roy Williams?

MR. JOLLY: Well, on the borders of Rwanda there's 110,000 children without contact with parents, either parent. We are struggling; many of the nongovernmental organizations are struggling to put those children back in touch with at least some relative.

MR. SESNO: Roy Williams, how are you doing that, and where are your efforts directed?

MR. WILLIAMS: Well, our efforts are primarily directed at Europe, because in relation to the Bosnian situation, early on a lot of people sent their children out of the former Yugoslavia in the expectation that the war would be over quickly. So no formal steps were undertaken to keep track of these children, and many, it's estimated probably about 10,000 to 12,000, simply got absorbed into the European society. And depending upon which country, they were either registered very carefully or they were not. So that's where our efforts, in coordination with UNHCR, are being focused.

MR. SESNO: How does one go about that, you know, really operationally? How do you actually try to track a child and a parent in the midst of a crisis such as this?

MS. TAFT: Let me give you one example. In Rwanda, for all of the children that came out into Zaire, for instance, there was almost a wave of people, a million people in a couple of days. Some of the children got separated. And as soon as those children were separated, there would be people there, relief workers, that would interview the children, talk to whoever they were with, try to take their pictures, show the pictures around to the various camps, and try to find the mothers to match up with these children.

It is a very arduous process. But there are many things that give you clues; their clothes, the kind of dialect they speak, where their villages are. They often know quite a lot about their own villages, even the very young. And since many of the people just got swept up and separated in the outpouring, trying to catch these people early and trying to make sure they're protected and interviewed early is very important. We're very much opposed to rapid adoption.

MR. SESNO: I was going to ask, what happens, though, when unfortunately the parents have lost their lives or cannot be reunited for one reason or another with their children? What is happening to all these children?

MS. TAFT: There's a wonderful phrase in African lore which says it takes an entire community to raise a child. And what we find is that there are community relationships and extended families who are out there ready to receive these children and try to be helpful. So it's not just a question of whether their parents are alive. If there's anyone from the community there, they can identify and raise the child.

MR. JOLLY: There are -- we need to remember there are nongovernment groups within all of these countries. There are people very committed to their own children and to working -- building local structures that can help take on these tasks much better often than NGOs from abroad.

MR. SESNO: Roy Williams, about 10 seconds. We have to take another break.

MR. WILLIAMS: A very positive note has been struck. I mean, we've been overwhelmed with the crescendo of these crises over the last four or five years particularly, but one thing has become apparent. A lot of the institutions -- and Dr. Jolly refers to some of them -- are being brought closer together by a recognition that they all are basically looking for the same ends. And we're functioning much better today, I would have to say, than we ever have.

MR. SESNO: Okay, we will take another break. When we come back, remembering the needs of the world and what each of us can do about it. We'll be back.

(Announcements.)

MR. SESNO: Back on our very special Late Edition today, talking about the superhuman humanitarian relief efforts underway in the world out there. In the few moments remaining, we have a debate in Washington now, or one coming down, over the so

-called foreign aid budget of the United States of America. Many would like to cut it and see the money spent elsewhere. But there is much money that is spent overseas that has nothing to do or does not come through the United States government.

MS. TAFT: That's right. About $4 billion a year are donated to the various relief and development agencies from American people, in addition to the money through their taxes they give for foreign aid. Americans are not opposed to foreign aid that helps save lives, feed children, help people have a stake in their own development.

MR. WILLIAMS: I might -- I'd like to say something which will probably sound rather naive, but I don't think that foreign aid is foreign aid, because I think what we've seen happening over the last decade is that the world is shrinking and that aid to people in crises is eventually and ultimately going to be aid to ourselves to avoid crises of another sort.

MR. SESNO: Dr. Richard Jolly, you get the last word.

MR. JOLLY: Well, I think we need a new year's resolution to realize we're trying to construct a better world, a better world without disasters, but also a world that reaches out to everyone in need, especially children and other vulnerable groups. People can make a difference. We need to act locally for that.

We also need to realize in a shrinking world we have an international obligation. The United States must be a leading part of that. So must the other richer countries, not just the governments, but through ordinary people, through nongovernment groups. Together we can build on the positive progress of the last 30, 40 years. We mustn't lose hope at this point.

MS. TAFT: And on this Christmas Eve, or this Christmas evening, when we're celebrating the birth of Jesus, we have to keep in mind that Jesus was a refugee when Mary and Joseph took him into Egypt to flee persecution. And all of us have an investment and a concern about people who are not at home with their families today and are dispossessed. And we want to thank the American people

for that and thank CNN, too, for bringing into the lives of everybody in the United States what it's like to live overseas in a disaster and how much hope there can be for them.

MR. SESNO: Julia Taft of InterAction, we thank you very much for your time today. Roy Williams of the International Rescue Committee, thanks for coming in.

MR. WILLIAMS: My pleasure.

MR. SESNO: And to Dr. Richard Jolly of UNICEF outside the United Nations there, thanks very much for spending time with us.

MR. JOLLY: Thank you very much.

MR. SESNO: When we come back, it has been a topsy

-turvy year here in politics in the United States. We'll go 'round the table with our panel of journalists on who was up and who was down in 1994.

(Announcements.)

MR. SESNO: It has been quite a year in Washington, and here to go 'round the table and dissect something of 1994, some of Late Edition's finest regular contributors: Tony Snow, political columnist for the Detroit News; Juan Williams, columnist for the Washington Post; Susan Page, White House correspondent for Newsday. And Merry Christmas to all of you.

MR. SNOW: Merry Christmas.

MR. WILLIAMS: Merry Christmas.

MR. SESNO: Let us start, I suppose, where we should start for 1994 -- Bill Clinton, William Jefferson Clinton, and how it's been for him. He might have some sympathy with the queen, who last year or the year before said it had been a horrible year, invoking some of her Latin. President Clinton, not so many months ago, it seems like ages ago, as he talked about health care.

PRESIDENT CLINTON: (From videotape.) If you send me legislation that does not guarantee every American private health insurance that can never be taken away, you will force me to take this pen, veto the legislation, and we'll come right back here and start all over again.

(Applause.)

MR. SESNO: Tony Snow, we know what happened to the legislation. Where do you suppose the pen is?

MR. SNOW: Well, I mean, the good news for Bill Clinton is that he didn't have to use the pen. The bad news is he

didn't have to use the pen. I mean, the problem for Clinton is health care was a huge bomb. The funny thing was, this was a speech, the State of the Union address, that was written for that one line. It was a line that a lot of people took credit for the day after, and now it's an orphan line that nobody knows how it got in the speech.

MR. SESNO: Susan, I still have my health security card that they passed out. (Laughter.) I have a souvenir. What becomes of the whole concept of universal health care coverage, and what becomes of Bill Clinton and health care reform?

MS. PAGE: Well, with the benefit of hindsight, I think we know that that whole effort, producing a big bureaucratic governmental plan, was the biggest political mistake of the year because it did two things. It defined Bill Clinton as an old Democrat and it also squandered the opportunity for health care reform that was really here in the aftermath of the '92 election.

MR. SESNO: When that was first introduced, though, people weren't screaming "old Democrat, big government." There was a lot of support for that initially.

MR. WILLIAMS: No, and I think it's worth remembering that it was seen as a courageous act. There was a lot of public sentiment that said we need to reform the health care system in some way that would allow people to deal with unexpected crises in their lives, take care of elderly parents. And I think that sentiment still exists.

I think what happened this year was that the Republicans and the conservatives in the legislature were quite successful in saying that it represented big government. And Donna Shalala now, the secretary of health and human services, says the only future that any health care plan could possibly have is to say we're going to gear it toward children; we're going to do something for children. On Christmas Day I guess that's a good thing to remember.

MR. SESNO: Does Clinton get credit, though, for having raised the issue, for having submitted to national debate the subject of health care?

MR. SNOW: Well, I suppose in a theoretical sense you can do it. But again, he blew the opportunity so badly that it's a hard thing to give him credit for. I think, again, what he gets credit for, frankly, is finally discrediting the bureaucratic aid solution to health care. And he, I think, has put pressure on the Republicans to come up with a free

-market way of doing it.
That's going to be the challenge in the next couple of years.

Keep in mind, when health care started it was really a good surrogate for people's anxiety about the economy.

People's jobs are kind of secure now. They're not as worried about health care. They're worried about their jobs.

MR. SESNO: Okay. Well, Hillary Clinton was in the middle of health care. She was also in the middle of Whitewater, and she had some comments about that that were memorable as well.

HILLARY RODHAM CLINTON: (From videotape.) I think what has helped me in the last couple of weeks, aside from some good friends who have talked with me and helped me get rezoned, if you will, is my belief that this is really a result of our inexperience in Washington, if you will; that I really did not fully understand everything that I wish now I had known. And, you know, it's a learning experience.

MR. SESNO: How much learning? How much naivete?

MR. WILLIAMS: I don't believe a bit of that. (Laughter.) I mean, I think she was spinning people in that session. I think she'd come out after a long time not talking about Whitewater and decided that she was going to come out in that pretty pink suit. But Hillary Clinton is a pretty sophisticated person, is very knowledgeable, and I don't think she was surprised one bit. I think what she was surprised at maybe was that people didn't sort of get in line and didn't sort of kowtow to the large panel she put together, the huge report that came out. It was bad politics, and I don't think she's a good politician.

MR. SNOW: Yeah, I --

MR. SESNO: Lots of stuff, this Whitewater in 1994.

MR. SNOW: Well, the other thing is, this is a perfect example of how the White House has mishandled everything. They try to deal with substantive issues by mounting a symbolic press conference; the pretty

-in

-pink press conference. As it turned out, that backfired because she misled the press on how they handled Vince Foster's documents. It turned out they'd been in the White House and so on. So even that appearance blew up.

She says she was rezoned. That was April 22nd. Then after the election she said she didn't understand what was going on in America. This has been a very tough year for Hillary Rodham Clinton because she thought, I think, that she knew how to solve a very important problem, and the American people rejected her cure.

MS. PAGE: I don't think Whitewater is a result of their inexperience, but I do think she makes a point that's true, that this administration has been hurt from the get

-go by the fact that neither the president nor the first lady nor the people around them in the White House had experience in

town. And even now the only person with a real depth of experience in the White House is Leon Panetta.

MR. SESNO: Ah, Leon Panetta. Funny you should raise his name, because he joins us on videotape as well from comments earlier in the year.

WHITE HOUSE CHIEF OF STAFF LEON PANETTA: (From videotape.) For 30 years I have dedicated myself to public service. Now I have the opportunity to help direct the office of the presidency and to try to make it serve the president in an effective and efficient manner. It will not be easy.

MR. SESNO: Now, there's an understatement.

MR. WILLIAMS: But, you know, he's done a good job. mean, I think he has taken control of that White House as best as possible. I think he has engineered any number of things, from Mike Espy's resignation to what happened with Joycelyn Elders to the sense of responding after the Republican victories of the fall. In some way we can say, well, the White House is at least trying to get its act together. I don't know if they're being successful about it, but they're trying.

MS. PAGE: You know, it's sort of like a single

-parent

household, though. And he's doing a good job, and you have to respect him for it, but you sort of wish there were some other people around him that he could delegate to.

MR. SESNO: But Leon Panetta was also the deficit hawk that drove a lot of the administration's policy toward the deficit. And now they're saying, "Hey, maybe we blew it. Maybe we shouldn't have, you know, leaned on the deficit. Maybe we should have been doing this tax cut thing." So in some strange way are his earlier policies or priorities coming home to roost?

MR. SNOW: No, I don't think so, because, again, the one thing the president does get credit for, where he gets credit, is lowering the deficit. So I think that Panetta was basically a success at that in political terms. As Susan said, it's even worse than being a single

-parent household. This is one like the teenage son is running things.

The big problem in this White House is to get the president to focus, because Panetta has done a good job in disciplining everybody who works for Leon Panetta. There's one guy at the top who still needs to get focused, and Panetta can urge him on to do that, but it's up to the president to provide the structure the White House needs.

MR. SESNO: When we come back, we look back on 1994 and how it played out at the other end of Pennsylvania Avenue,

on Capitol Hill, with one Newt Gingrich.

(Announcements.)

REP. NEWT GINGRICH (R

-GA): (From videotape.) Why are we here? Why not just run against the Clinton administration and its collapsing public support? And in the spirit of total honesty, I have to say when you watch them collapse this badly, it is tempting. But it's not good enough. The fact is that America is in trouble, and our trouble extends beyond the White House.

MR. SESNO: Newt Gingrich might be the "I told you so" kid of 1994.

MS. PAGE: And I'll tell you, I think that it looks now like the contract with America &1/2was&3/4 a brilliant and strategic stroke. I think it probably helped Republicans in the midterms, although maybe they didn't need that much help. But it also gives them a governing agenda for the first weeks. You know, the next couple of weeks are going to be incredibly active on Capitol Hill, and it's contributed to making Newt Gingrich the most powerful speaker since Joe Cannon ran things in the House of Representatives.

MR. SESNO: It's ironic, too, that the Democrats tried to make that contract with America seem like the fatal flaw in the Republican strategy.

MR. WILLIAMS: Well, it wasn't. I mean, I remember Stephanopoulos using it as a point of attack to go after them.

MR. SESNO: It's all they had.

MR. WILLIAMS: That's right, that's all they had. And another thing to be said here is I don't think most Americans voted on the contract with America. I think that was really sort of extraneous. The point was, I think, widespread discontent with President Clinton and with big government.

MR. SESNO: Do you agree with that, that Americans didn't vote on that?

MR. SNOW: Well, in some ways. Yeah, it was kind of a backdrop. I mean, a lot of folks sort of vaguely understood that they were talking about making government smaller. What it does provide, though, as Susan said, is an agenda for Republicans to act on. They've already written the 10 bills in the contract. They're ready to go. And Gingrich has a very energized House which includes moderate and conservative Republicans, and they're going to move on this. And they're going to drive

the action in the Senate as well.

MR. SESNO: I know we're supposed to look back, but let's look forward on the contract. What happens if they don't get all or most of those passed?

MR. WILLIAMS: I don't think it hurts. I think in large part what you have to understand -- I think Gingrich is a master of this -- is that it's a lot of media

-driven
stuff. And what you do is you get out there and you say, "I put it on the table and we're working towards it," and you make the Democrats, from the Republican perspective, into the obstructionists.

MR. SESNO: What was the turning point for Newt Gingrich and the Republicans in 1994?

MS. PAGE: Bill Clinton.

MR. SESNO: Bill Clinton? Just Bill Clinton.

MS. PAGE: I think Bill Clinton elected them. But now they have the opportunity to show their stuff and whether they can govern and deliver what people want.

MR. WILLIAMS: I think there were two bills that really were turning points this year for the Republicans. I think one was the crime bill, that a lot of Democrats celebrated. You remember all the hoopla. But I think that idea of midnight basketball really played badly; and then secondly, I think the health care plan, the idea of big government. Gosh, big government hasn't taken a beating like this in my lifetime, and nobody wants government. It's like, "Do you want an FAA?" (Laughter.)

MR. SNOW: Yeah. Well, let me give you a squirrely answer. I think it was locked into when Perot ran in '92, because you created an activist group of Americans who were distrustful of government, and this year they went for Republicans.

MR. SESNO: Ready to roll.

MR. SNOW: They were ready to roll.

MR. SESNO: What happened to Ross Perot in 1994? He lost the NAFTA debate and then, plunk, he falls through the trap door in the floor.

MR. SNOW: Well, what's interesting, though, Perot did a couple of things. About half of the endorsements he made fell through. His endorsement was useless. On the other hand, he did tell his people, "Hey, let's get active on this Republican contract." And I think that had more appeal to the grassroots than specific recommendations for

races in Texas or New York or New Jersey.

MR. SESNO: Juan, I've got another name for you and some more tape -- Jimmy Carter.

FORMER PRESIDENT JIMMY CARTER: (From videotape.) Let us assess some of the misunderstandings and try to overcome them.

This is my eighth visit to Haiti for pleasure and for promoting democracy with elections, but I think this is by far the most important, urgent visit that I've ever made.

Well, I would just like to report that we've had a very successful meeting here, very encouraging, and I'm going back to Pale now to seek agreement on an immediate cease

-fire.

MR. SESNO: North Korea, Haiti, Bosnia. Do you think he's still in the White House?

MS. PAGE: Well, he's certainly the most interesting former president we've seen in my lifetime. And, you know, he may or may not succeed in Bosnia, for instance, but you've got to admire him for being willing to take risks, being willing to fail. I mean, he's really made his position as a former president something that has mattered in the world. And you certainly have to praise what he did in Haiti.

MR. SNOW: Well, there's a delicious irony in this, though. The whole Iran

-contra affair was about privatizing foreign policy. As you recall, there were these complaints about privatizing. The Republicans talked about something called the Logan Act, which dates back to the 19th century, that says if you do this sort of stuff, we throw you in jail. So in many ways Jimmy Carter has become America's most colorful outlaw. And he's become a complete thorn in the side for the White House, because where he's had success -- and I think it's been temporary -- it's been at the expense of the credibility of Bill Clinton.

MR. WILLIAMS: I don't know if it's at the expense of Bill Clinton. In fact, I think in some ways he says to the American people, "Here's a thoughtful, caring Democrat who really has put himself out and cares deeply about the world's affairs." And I think that that's the best of Democratic tradition and it really appeals to Bill Clinton.

MR. SESNO: Didn't he show in 1994 that one person can make a difference and can avert a crisis? I mean, seriously here.

MR. WILLIAMS: Absolutely. If there is a victory for the Democrats in 1994, you've got to say it's Haiti. Haiti -- none of the Republicans and many of the Democrats thought that was going to be a huge failure; there was going to be a loss of American life. In fact, there has been none. It has been a tremendous success.

MR. SNOW: I agree.

MR. WILLIAMS: And you've got to give Jimmy Carter lots of credit.

MR. SNOW: I was wrong on Haiti, too. But you still have to think, in geopolitical terms, about what this does to Clinton. In many cases Carter has gone on these things without fully consulting the White House and just done it. He's a free agent. That does undermine the United States. I absolutely agree Haiti's a success.

MR. WILLIAMS: I hear your point, but I don't think it hurts Bill Clinton. If it hurts anyone, it hurts Warren Christopher.

MR. SESNO: Okay, we're going to take another break. I don't want to hurt you here, but we'll be back. Winners and losers of 1994 -- got to do that -- right after this.

(Announcements.)

FORMER HOUSE SPEAKER THOMAS FOLEY (D

-WA): (From videotape.) So in leaving, I thank you and I salute you and I wish you all, those of you who are leaving with me and those who will be part of the 104th Congress, every success in the future.

MR. SESNO: Winners and losers of 1994. I don't want to put any ideas in anyone's head, but there was Tom Foley saying his farewell. Losers for the year?

MR. WILLIAMS: He's a big loser; no doubt about it. You know, he spoke about the voice of people being the voice of God. I think that the voice has spoken, and 40 years of Democratic rule on that Hill has come to an end, and that's a big loss. I think, though, if I'd pick one loser, I'd pick Oliver North. I think that North really entered this year on a high. Everyone thought he was going to be a central figure, political figure, in this country, go into the Congress that once repudiated him and stolen the way. And he didn't win in a very conservative state.

MR. SNOW: I'm going to give you two losers. One is Stan Greenberg, the pollster for Democrats, who was going to lead them to victory. But I think the more profound loser for 1994 is Queen Elizabeth. I mean, she has to deal with this daffy family, and then today she ends up doing dueling TV appearances with CNN star Jesse Jackson.

What an awful year.

MR. SESNO: At least they don't have term limits for the royal family -- yet.

MS. PAGE: I think, you know, speaking on behalf not only of myself but also my husband and two sons, the sports fans of America have been big losers this year; no baseball, no hockey. Now even the jockeys are talking about going off on strike.

MR. SESNO: One of these days. Winners for 1994; let's go out on an up note. Juan, are there any?

MR. WILLIAMS: Gee, you know, I have a hard time thinking of any. I guess you could say that in some ways you'd have to say the American people, who spoke so loudly and clearly. I mean, it's incredible.

MR. SNOW: You know, I wish I could remember the name of the guy who wrote "Forrest Gump." You know, there are a couple of little -- there was a series of movies this year that made people feel good, and the folks who put those together made a bundle of money, and more power to them.

MS. PAGE: George Foreman. There's hope when you hit 40. (Laughter.)

MR. WILLIAMS: I like that one.

MR. SESNO: Well, on that note we will take our farewells. As far as I'm concerned, the winners of the year, all of you guys. Thanks very much for coming in throughout the year.

MR. WILLIAMS: Thanks, Frank. Merry Christmas.

MR. SNOW: Merry Christmas.

MR. SESNO: Merry Christmas to you, and spend some time with your kids. (Laughter.)

We'll be right back with Bruce Morton and the last word still ahead.

(Announcements.)

MR. SESNO: And on this special day, a special last word from Bruce Morton.

MR. MORTON: A seasonal last word, Frank.

Jesse Jackson, campaigning for the presidency in 1988, used to put his own spin on the Christmas story. It's a story, he would say, about a homeless couple. And, of course, it is. Joseph and Mary, homeless, on the road, reached Bethlehem and there was no room for them at the inn. The HUD office, Jackson used to say, was closed. They took shelter in a manger, in a stable.

We would say nowadays that they survived in the private sector. We are talking now about asking more of that private sector, of truly closing HUD offices and saying volunteers can do this. And it's certainly easy to argue that government has cared poorly for the poor and maybe volunteers can do it better.

The difficulty is that if you talk to private organizations -- shelters for the homeless, food banks, food kitchens -- they say that demand is up and supplies are tight. Keith Mitchell, who used to be homeless, "spent the coldest eight months of my life on a grate behind the White House," he says. Keith Mitchell now runs a large homeless shelter and says people don't seem to care. "It's all me, me, me," he says. "Never mind the other guy."

Mankind is imperfect, of course; kindness and cruelty mixed up all through the centuries. We read in this season of three kings who followed a star, but civilizations have followed a kind of moral star for even longer. The struggle, the Greek poet Escalas (ph) called it, "to tame the savageness of man and make gentle the life of the world." We never manage that, of course, but in any given year a number of us try.

So we give cautious thanks this season -- no mushroom clouds, more countries at peace than at war; but the poor and the homeless among us as always. We follow a star but do not catch it.

MR. SESNO: And we never will.

MR. MORTON: I don't think so.

MR. SESNO: But it is human nature to keep trying, Bruce. And as you say, there is progress over the years. Our guests earlier in the show talked about the efforts on behalf of the world at large, yet the problems continue to run away from us.

MR. MORTON: It's the American thing, I think, Frank, to think that we're going to do it, that problems are solvable, that our children will live better lives than we did. And I think it's an ebbing of that belief which has led to some of the anger and the uncertainty in the country today.

MR. SESNO: You're a student of this country, Bruce, and you've traveled so much. I think of some of the reporting you've done over the course of the year. Are we still an optimistic people?

MR. MORTON: No. I find a lot of people who are uncertain. If you say, "What's ahead for your kids," they say, "I don't know; I worry about that."

MR. SESNO: What's the cause of it?

MR. MORTON: I think that people don't see their own lives improving. You know, America became more competitive but people lost their jobs in that process. A lot of people got jobs that were a little worse than the ones they'd had. There isn't that sense of tomorrow is better that we used to have.

MR. SESNO: There isn't the sense that tomorrow is better, but there is a sense in the people I talked to that "I'll keep trying for tomorrow; I'll keep working." People may be uncertain, but they haven't given up.

MR. MORTON: Oh, no, no. That's also American. You've got to keep at it.

MR. SESNO: Prediction for 1995?

MR. MORTON: Continuing uncertainty. The new Congress, the Republican Congress, will get some of what it hopes for, but by no means all.

MR. SESNO: And for those of us who are lucky enough to be journalists in this town, lots of good entertainment.

MR. MORTON: A fine year.

MR. SESNO: A fine year. Bruce Morton, it's been a fine year. Thanks very much. Merry Christmas.

MR. MORTON: Merry Christmas.

END

MR. SESNO: That's it for this Late Edition. I'm Frank Sesno in Washington. From all of us at the program, thanks very much for joining us today and all year long. We wish you and yours a very Merry Christmas. Enjoy what's left of your holiday weekend.

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2015-0017-F Segment 2

Bucket: Default

Creation Date: 1994-12-25

Subject: CNN's Evans w/Buchwald 12/24

Creator: Lawrence J. Sampas SAMPAS_L WHO

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME: 1-JAN-1995 12:33:20.68

SUBJECT: CBS's Face w/Dole 1/1

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: 5-JAN-1995 12:16:34.46

TO: David B. Anderson (ANDERSON D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ: 4-JAN-1995 16:03:03.05

TO: Jill M. Blickstein (BLICKSTEIN J) (OMB)
READ: 2-JAN-1995 08:55:38.22

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: 3-JAN-1995 08:44:50.04

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: 2-JAN-1995 13:25:43.98

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ: 9-JAN-1995 13:58:15.77

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ: 3-JAN-1995 08:59:47.48

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH L) (WHO)
READ: 3-JAN-1995 08:38:32.32

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:NOT READ

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ: 9-JAN-1995 10:37:02.77

TO: Victoria L. Radd (RADD_V) (WHO)
READ: 2-JAN-1995 10:53:36.98

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ: 2-JAN-1995 20:25:16.90

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ: 3-JAN-1995 16:24:15.38

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ: 2-JAN-1995 08:55:23.82

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD_N) (WHO)
READ: 4-JAN-1995 15:05:06.26

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY M) (WHO)
READ: 3-JAN-1995 08:59:40.56

TO: Catherine Balsam-Schwaber (BALSAMSCHW C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING G) Autoforward to: Paul A. Deegan (DEEGAN P) (PDONE)
READ: 3-JAN-1995 08:15:37.13

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

CBS "FACE THE NATION"
WITH HOST: RITA BRAVER
JOINED BY: RON BROWNSTEIN
GUEST:
SENATOR ROBERT DOLE (R

-KS), INCOMING MAJORITY LEADER
SUNDAY, JANUARY 1, 1995

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS CBS PROGRAM TO "CBS'S FACE THE NATION."

MS. BRAVER: With us now in our Washington studio, the incoming Senate majority leader, Republican Bob Dole of Kansas. And joining in the questioning this morning, Ron Brownstein of The Los Angeles Times.

Thank you both for being here.

We begin this morning, Senator, in the wake of terrible attacks on abortion clinics. The question now seems to be whether there should be a stronger federal role in protecting these clinics. Attorney General Janet Reno has said that she would like to talk to Congress about that. What's your opinion?

SEN. DOLE: I think it may be reaching that point. listened to Janet Reno saying, you know, we can't be everywhere, the federal government can't protect everything. But obviously this is murder. It's terrorism. It's -- call it what you will. Now, whether we can protect every clinic in America is probably very highly questionable, but I think at least -- you know, let's take a look. Let's see what, if there's anything else, we can do to stop the violence. I mean, demonstration is one thing, but violence is something else.

MS. BRAVER: Any ideas of what might you do?

SEN. DOLE: Well, I don't know how you can -- I agree with the attorney general. It's pretty hard to police everything in America on the basis some violence might occur when it's probably going to be -- you know, even though this happened, it's still exceptional; it doesn't happen very often.

MS. BRAVER: It could be expensive, though, to have a lot of security --

SEN. DOLE: Oh, it could be very, very expensive, and I think we need to rely some on the states and the local communities. I know in this case Governor Weld has

promised more security for clinics in Massachusetts. Maybe we can cooperate with the states and the local communities.

MR. BROWNSTEIN: Senator, some of the anti

-abortion
forces that have supported the Republican Party in this campaign and other campaigns are hoping that Congress will move to legislatively reimpose the ban on clinics receiving federal funds from providing counseling about abortion. Is that on your agenda?

SEN. DOLE: It's not on the agenda -- it may be on the agenda later. It's certainly not -- we're not going to get into those issues early on on the Senate side. I don't think they are on the side either. What we want to address are jobs, the balanced budget amendment, coverage of Congress, a lot of things we promised the American people. And this was not either in the Contract with America or our -- what we called Seven More in '94, the Senate pledge to the American people.

MR. BROWNSTEIN: But between now and 1996 do you foresee the Republican Congress taking any action to further restrict the access to abortion that exists now?

SEN. DOLE: Well, I don't know. I assume that could happen, but right now I can tell you it's not on the legislative agenda.

MS. BRAVER: Senator, I want to move on to another story that's very much in the headlines this morning. There are reports of fierce fighting in and around

Chechnya. Is it time for the U.S. to have a serious condemnation of Russia? And is it time for the U.S. to distance itself from Boris Yeltsin? Should the administration be doing that?

SEN. DOLE: Well, I must say I think it makes it very difficult for President Clinton or many of us in the Congress who've been strong supporters of President Yeltsin. This is a no

-win situation for Yeltsin, and it's an indication that democracy may be on the brink of failure. All the things we've talked about, the aid to Russia -- so there are a lot of high stakes involved. On the other hand, I think you can't just dismiss the integrity -- territorial integrity that Yeltsin's talking about. I think it's the use of force that will turn off the American people and the American Congress.

MS. BRAVER: Well, what would you advise President Clinton to say about this? I mean, people are going to be expecting something certainly from the president of the United States.

SEN. DOLE: Oh, I think -- I would hope the president may have already done it through back channels, but obviously this is going to be troubling the American people. If Boris Yeltsin, for example, is looking for additional assistance from the Congress of the United States, this is certainly --

MS. BRAVER: He's not going to get it?

SEN. DOLE: Well, I wouldn't say he's not going to get it, but there's certainly going to be a big, big hurdle to jump. You know, we hope they can have democracy. We thought they were going in the other direction. And we understand some of the problems that Boris Yeltsin has, but what this does is to inspire the nationalists in Russia. It gives them more impact, more force. They're more effective. We think they could take us back in the old Soviet system.

MS. BRAVER: I just want to get one thing clear before Ron takes us to another subject. Are you suggesting that you might be holding up foreign aid to Russia because of this?

SEN. DOLE: I'm not suggesting that, but I think it's something that Congress may examine. I haven't talked with either Senator Helms or Senator Lugar, others who would play a key role in this area, but I just know that when these things happen, when you have helpless people, when their cities are destroyed and innocent women and children -- whether it's Bosnia, whether it's Chechnya, whatever it may be -- when it's on television, we watch television and we react. And we don't believe in this case that Yeltsin can possibly come out on top. He's going to lose whatever happens.

MS. BRAVER: Will he be here next year?

SEN. DOLE: Yeltsin? Probably a close call.

MR. BROWNSTEIN: Let me ask you about a couple of other trouble spots around the world. Bosnia. You've been pushing, suggesting that you want to push early next session for legislation to unilaterally lift the arms embargo toward the Bosnian Muslims. Now there are reports of a four

-month cease

-fire in Bosnia. Does that put your idea back on the shelf?

SEN. DOLE: No. No, it puts it right up front, because what we would do is introduce it along with Senator Lieberman so it's a bipartisan resolution. We've worked on it -- we've been doing this, you know, in this battle for a long time. We would lift the arms embargo, make it effective whenever the cease

-fire ends so that we would

not interfere with this four

-month truce, if it in fact is a four

-month truth.

MR. BROWNSTEIN: Well, couldn't that undermine the cease

-fire? Wouldn't the Bosnian Serbs be justified in feeling that they should maximize their military position before arms start flowing to the Muslims?

SEN. DOLE: Well, they've been doing that off and on in any event. They're getting a lot of arms from a lot of sources, the Serbian -- the Serbs have. And we think Bosnia is an independent nation. They're a member of the United Nations. They're entitled to a right of self

-defense. And that's all we're suggesting. We're not suggesting putting American forces there. We're saying, "Okay, let's lift the arms embargo; let's at least send a signal to the Serbs." I think it has the opposite effect. If we send a strong signal to the Serbs that we're about to take this action, even though the British and the French may not like it, I think you may have them sitting down at the peace table talking seriously about peace.

MR. BROWNSTEIN: What will happen to NATO if we do this?

SEN. DOLE: NATO? Well, what's happening in NATO now is they've become rather ineffective. We've talked about NATO expansion. It gets back to Russia again. Is Russia going to have a veto? I don't think so. NATO is seen as sort of a hapless giant right now with no mission. They're battling with the U.N. They can't hit targets in Bosnia, for example, unless somebody on the ground in the United Nations clears it. They have this dual key approach. I mean, it's not working.

I visited NATO recently. I'm sympathized. I'm a supporter of NATO. But I must say they're almost an organization without a mission.

MR. BROWNSTEIN: On North Korea, this week you described the administration's agreement to stop the North Korean nuclear program as, quote, "a lousy deal."

SEN. DOLE: Lousy deal. That's right.

MR. BROWNSTEIN: Do you intend to try to block it legislatively in the new session?

SEN. DOLE: I'm not certain we can, but certainly we can look at it. We might be able to cut off appropriations for oil or other things the administration may want to do. And we may be convinced that it's a good agreement. But I think on the face of it -- I went back and read Forbes magazine, a piece by Caspar Weinberger,

former secretary of defense, where he lists about 20 things wrong with this agreement, and I have a lot of respect for former Secretary Weinberger.

MR. BROWNSTEIN: If we block the agreement, isn't there the risk they would just simply start up their nuclear weapons program again?

SEN. DOLE: Well, I'm not certain, knowing the North Koreans and the Bobby Hall incident for example, how much they can be trusted in any event. So maybe -- the administration said, "Well, don't worry about, we can verify it. Well, if we can verify it, that's one thing we ought to find out in hearings. There are going to be hearings on the North Korean agreement. We may decide the president did precisely the right thing or this administration, or we may decide other safeguards should be taken to protect our interests in South Korea and Japan and our other friends in that area.

MS. BRAVER: How soon will you launch those hearings?

SEN. DOLE: Well, again, I will not be the committee chairman. That'll again be up to probably Senator Helms' Foreign Relations Committee and maybe the Armed Services Committee. But I'll be -- you know, we'll be urging that hearings be conducted very quickly. And also Senator Murkowski of the Energy Committee's involved because of certain things. He's been there. He has a little different view now than he had. But he'll have hearings, too.

MS. BRAVER: I want to talk about another agreement that you may have lost this week, and that is the agreement that your friend Newt Gingrich appeared to have to get $4

-1/2 million up front for some books that he intended to write. Did you talk to him? And do you think that what you said influenced his decision to not take that money up front?

SEN. DOLE: No, I think he'd already made the decision. In fact, I think what we learned from that -- what I learned -- I told my press secretary to be sure to talk to Newt's press secretary every day because I wasn't trying to step on his story. He'd already made a decision. He'd been working on this letter to his colleagues for a number of days.

But I was asked -- I didn't have a press conference. I was asked in a conference call what do I think about it, and I repeated what I'd heard. And I think he made the right choice. It lays it to rest. It ought to silence the political critics. And we ought to start working on what we promised the American people we would do.

MS. BRAVER: But some people are still troubled by the

fact that he has a business arrangement with a company that's controlled by Rupert Murdoch, who has a lot of serious issues that are up before Congress right now.

SEN. DOLE: Well, I think that, if you go back and look at other book contracts -- I never -- you know, I never had that kind of an offer, but I remember an agreement, somebody could look at that company and say, "Well, they have something before Congress." I think Newt pointed out 23 senators have had book contracts. Maybe some of those companies who had the contracts had something before Congress.

But I'm not -- Newt Gingrich is man of honesty and integrity, and I think he did precisely the right thing. As he quoted somebody from Pennsylvania, "We all worked together to make you speaker, and let's get off on the right" --

MS. BRAVER: You don't think he'll be called the "$4

-1/2 million man" anymore?

SEN. DOLE: No, I think by doing -- taking the dollar, making the contract valid, accepting the royalties -- and his book's going to sell, no doubt about it. If we do what we should do, his book will even be a bigger seller, and he won't need to worry about the $4

-1/2 million.

MR. BROWNSTEIN: Speaking of ethics, you said ethics reform is going to be a top priority in the new Congress, but when it comes to campaign finance reform, Senator Mitch McConnell, the leading Republican on the issue, says, quote, "It is not on the agenda, and it will not be on the agenda in the Senate." Is that your position as well?

SEN. DOLE: Well, that's Mitch McConnell's position. He's been the leader on this -- in this effort for a number of years on the Senate side. In fact, I designated him as a member of the Rules Committee just to keep an eye on it.

I must say, as I travel around the country, I'm not asked much about campaign finance reform. What we had last time was a Democratic bill that helped the Democrats. I guess if we put one together it might help Republicans. I've suggested an alternative course, where you get a bipartisan group of people to take a look at it and make recommendations. But I don't think it's going to be on the front burner in the Senate.

MR. BROWNSTEIN: There's another ethics question that could come up as soon as this week, which is the gift ban from -- ban on gifts from lobbyists to members of Congress. That was part of a lobbying bill last fall that Republicans killed under your direction. Now, Republicans --

SEN. DOLE: No, no. No, no, I'm not sure we killed it.

MR. BROWNSTEIN: Well, it was shelved.

SEN. DOLE: We offered the gift ban, and Senator Mitchell didn't want it to come up.

MR. BROWNSTEIN: If Democrats offer the gift ban this week as an amendment to the Congressional Accountability Act, which would apply laws to Congress that it applies to others, will you try to block the gift ban if it's offered this week?

SEN. DOLE: Yes. You know, we control the Congress now, and we're going to set the agenda. We'll have -- we'll get around to lobbying disclosure and gift bans later on in this session, but I'm going to ask my colleagues to stick with the leader, to table all these efforts by Democrats in the early days to embarrass Republicans or to bring up issues that don't affect congressional coverage. So the answer is we'll get around to that. You know, we're going to set the agenda. We have a majority. We haven't had it for a while. Give us an opportunity to address some of these questions, but if somebody offers the gift ban, it'll be -- I'll offer a motion to table it, to set it aside until we have a chance to look at it in a different light with a different chairman and then bring it to the floor.

MS. BRAVER: What about a tax cut? Because that's something that is pretty high on the agenda. Tell us what it really is going to look like?

SEN. DOLE: Well, nobody knows. I mean, I think you have to wait and see what Congressman Bill Archer, chairman of the Ways and Means Committee, does; what Senator Bob Packwood, chairman of the Finance Committee. Nobody knows how --

MS. BRAVER: Well, what's your ideal?

SEN. DOLE: We know we have to pay for it.

MS. BRAVER: What's your ideal for this?

SEN. DOLE: My ideal is to have a tax cut that has -- that the middle

-class American understands is a tax cut, but they also understand we pay for it. People are very sophisticated. They don't want us increasing the deficit. I think we -- in fact, I think we ought to take a look at reducing the capital gains rate. I know that sends chills down the spines of some liberals, saying we're helping the rich. We're not helping the rich. We're helping create some opportunities and jobs for people across America. So

I'm on the Finance Committee. We're going to be discussing this. What we want is a good, reasonable tax cut that's paid for, that will have some impact on the people who receive it and some impact on the economy.

MR. BROWNSTEIN: Welfare reform.

SEN. DOLE: Welfare reform.

MR. BROWNSTEIN: The secretary of health and human services this week said that the House Republican bill would lead to five million children, when it's fully implemented, being pushed off the rolls, more than half of the total case load. If that is, in fact, the outcome that would be reached, is that acceptable to you as the price of reform? Or is that too punitive in your view?

SEN. DOLE: Well, my view is that she just used hysteria trying to scare people in America. They don't have a program of their own. She's trying to say everything the Republicans are for are going to cause all these major problems. Again, welfare reform is a very important issue. It's very high on the priority scale all across America -- Democrats, Republicans, independents. And it ought to be addressed. Now, if Donna Shalala wants to be a player, she'll have the opportunity. If she just wants to scare people, she probably won't have much of an opportunity.

MS. BRAVER: Senator, before we run out of time, it is New Year's Day, and it seems to us here at Face the Nation that this is a day that Bob Dole ought to tell the world whether he is going to run for president of the United States or risk looking like Mario Cuomo maybe.

SEN. DOLE: Oh, no. I don't want to do that today. see he's out of work starting today. But I think what we should do as Republicans right now is to make a resolution, and the New Year's resolution ought to be to keep our promises to the American people, make an effort to do that. We may not succeed in every case, but they're looking for us for leadership, and we're going to try to provide it.

MS. BRAVER: Well, what about a resolution to give straight answers? Are you going to run for president?

SEN. DOLE: That decision's in the process of being made, and I had a meeting as recently as yesterday with some of my political friends. So we haven't forgotten about the election in '96, but I think right now I need to focus on what happens starting next Wednesday, January 4th, in the United States Senate.

MS. BRAVER: Was that a yes or a no? I --

MR. BROWNSTEIN: I'm not sure.

Let me ask you very quickly, why wouldn't you run for president? Do you think you're too old, too much of an insider?

SEN. DOLE: Oh, no. No, well, I don't think any of those things, but I think it's a very important decision. And right now my view is let's get the Congress started. Newt and I have a lot of work to do. We want to do it together. And that's our New Year's resolution.

MR. BROWNSTEIN: Do you see a Republican who could do the job better than you could right now?

SEN. DOLE: Well, if I said no, then people would say, "Well, there he" -- I think there are a lot of good candidates, put it that way. My view is that we're going to have a good candidate in '96. Don't know who it's going to be, but '96 ought to be a good year for us if we do our job in Congress the next two years.

MS. BRAVER: All right. One last chance. When are we going to get this decision?

SEN. DOLE: You're probably one of the first to know.

MS. BRAVER: Well, thank you very much for coming this morning.

SEN. DOLE: It'll be some time this year.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME: 1-JAN-1995 12:20:32.18

SUBJECT: CNN's Evans w/Moynihan 12/31

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: 5-JAN-1995 12:15:20.88

TO: David B. Anderson (ANDERSON_D) (WHO)
READ:NOT READ

TO: Heather Beckel (BECKEL_H) (WHO)
READ: 4-JAN-1995 16:02:54.97

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ: 2-JAN-1995 08:52:12.11

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: 3-JAN-1995 08:44:40.96

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) (WHO)
READ: 2-JAN-1995 13:25:30.11

TO: Daniel P. Collins (COLLINS_D) (WHO)
READ: 9-JAN-1995 13:57:50.83

TO: Amanda Crumley (CRUMLEY A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL_C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER_D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN_M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN_D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET D) (WHO)
READ:NOT READ

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 3-JAN-1995 08:38:12.68

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:NOT READ

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS_M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE_D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ: 9-JAN-1995 10:36:56.38

TO: Victoria L. Radd (RADD_V) (WHO)
READ: 2-JAN-1995 10:51:13.72

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN_R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ:NOT READ

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT R) (WHO)
READ: 3-JAN-1995 14:13:38.95

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE_A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO_V) (WHO)
READ: 2-JAN-1995 08:58:45.53

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ:NOT READ

TO: Nancy L. Ward (WARD N) (WHO)
READ: 4-JAN-1995 15:04:40.99

TO: Carter Wilkie (WILKIE_C) (WHO)
READ:NOT READ

TO: Meeghan E. Prunty (PRUNTY M) (WHO)
READ: 3-JAN-1995 08:59:35.99

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:NOT READ

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ: 3-JAN-1995 08:15:27.94

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

CNN'S "EVANS AND NOVAK"
HOSTS: ROWLAND EVANS AND ROBERT NOVAK
GUEST: SENATOR DANIEL PATRICK MOYNIHAN (D

-NY)
12:30 P.M. (EST)
SATURDAY, DECEMBER 31, 1994

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

FEDERAL NEWS SERVICE IS A PRIVATE FIRM AND IS NOT AFFILIATED WITH THE FEDERAL GOVERNMENT.

MR. EVANS: I'm Rowland Evans. Robert Novak and I will look at the 104th Congress, convening next week, by questioning one of its senior Democratic members.

MR. NOVAK: He is Senator Daniel Patrick Moynihan of New York, outgoing chairman of the Senate Finance Committee. Pat Moynihan, the first New Yorker to head the Senate Finance Committee since 1849, will relinquish that coveted position when the Republicans take over next Wednesday. For the first time, he'll deal with a Democratic president and a Republican Congress as the Finance Committee considers tax cuts.

As chairman in the last two years, he guided through President Clinton's 1993 tax bill, but did not hesitate to criticize the president's ill

-fated health reform. A PhD
and former Harvard professor, Senator Moynihan served in the Kennedy administration but later was a White House aide and ambassador to India and the U.N. in the Nixon and Ford administrations. He entered the Senate in 1977 and bucked the Republican tide November 8th to win his fourth term by a landslide.

Mr. Chairman, last Thursday of this week President Clinton announced that he will seek reelection. Do you unequivocally and unconditionally support him for renomination as president?

SEN. MOYNIHAN: I unequivocally state he will be renominated and I think he's going to get reelected, and I'll tell you why. Could I give a -- just a moment of reflection at the end of the year and about --

MR. NOVAK: Sure.

SEN. MOYNIHAN: We're going through a big
anti

-government moment. And I was reading the other day in the morning, The New York Times of Wednesday, March 3, 1858, an article called "Interesting from Albany" said that Senator Ely had introduced a petition to call a constitutional convention. And it said that owing to the falling off of the canal revenues, the swelling of taxes, the great expansion of office holders and size of government, that we call convention to abolish both the executive and legislative departments as they now exist and to vest the powers and duties thereof on the president, vice president and directors of the New York Federal Railroad Company.

MR. NOVAK: Not a bad idea.

SEN. MOYNIHAN: Well, it was introduced as a joke, promptly passed by the legislature, and the following November lost by 3500 votes. Now, I'm going to make the same prediction about the Contract with America, because it does say down the bottom, "If we break this contract, throw us out. We mean it." And it lists about 10 things, five of which are perfectly legitimate ideas, five of which are impossible. The contract's not going to be fulfilled. And then on the terms -- it says it on this side, it says it on the back side -- it says, "A campaign promise is one thing, a signed contract is another."

MR. NOVAK: They're only promising to bring it up. They're not promising to pass it. Isn't that correct, Senator?

SEN. MOYNIHAN: It says here you're to check it off done, done, done, done.

MR. EVANS: But the promise only goes to bringing up on the floor of the House and the Senate, I believe. Isn't that correct?

SEN. MOYNIHAN: Well, I think so, but I think we won't

MR. EVANS: How (realistic ?) is it?

SEN. MOYNIHAN: We will be able to make the issue --

MR. NOVAK: Since I interpret that entertaining discourse, Senator, as a endorsement of President Clinton -- is that correct? That's an endorsement?

SEN. MOYNIHAN: Sure.

MR. NOVAK: You would then recommend that your good friend Senator Kerry of Nebraska not run against him in the coming --

SEN. MOYNIHAN: He has so stated about that.

MR. EVANS: But is that -- that's not the final word on 1996.

SEN. MOYNIHAN: Nothing's final.

MR. EVANS: Senator, all right, then. Let me just test you for a second, Mr. Chairman. And I -- we're only allowed a few more days to use that title. We want to use it profusely, Mr. Chairman, because you won't be chairman in the new Senate.

The president said when he announced his reelection intentions, quote, "I'm doing what's right for this country," unquote -- meaning the past two years. Do you agree with that?

SEN. MOYNIHAN: We haven't -- we have done one absolutely necessary thing, which is we began reducing the deficit. It has paralyzed our government. Bob, Rowly, you and I met in the Kennedy years, and I'll tell you something about this constitutional convention which is giving the impression that a constitutional amendment on the balanced budget gives you the impression that our government can't govern itself and has to have restates in the constitution. No.

When John F. Kennedy came to Washington, the biggest

problem that Walter Heller, the chairman of the Council of Economic Advisers, would tell you was the problem of fiscal drag, which was --

MR. EVANS: Yeah.

SEN. MOYNIHAN: That is, the economy moved towards full employment, revenues in the federal government swelled up, but Congress wouldn't spend them.

Therefore, you had to think of ways to do it. Heller thought up revenue sharing; give it to the governors, they'll spend the money. President Nixon, with George Shultz as budget director, explained very carefully to the Congress his full employment budget, which had a deficit but actually wouldn't be -- at full employment it wouldn't be a deficit. Then we went through the '80s, acquired a vast debt, and also acquired the idea that we can't control ourselves. That's not so. We didn't have a debt in 1979. And we can get back there. But until we do, every question in American government will start off, "Can you pay for it?" and the answer will be no.

MR. EVANS: So, quote, "I'm doing what's right for this country," your answer is equivocal? You have not said yes.

SEN. MOYNIHAN: Year one, the president did exactly what is right.

MR. EVANS: Okay, but not in year two.

SEN. MOYNIHAN: We got a lot done in year two.

MR. EVANS: All right. Now if that's true, if it's that close a proposition as you seem to make it, how is it that these groups of voters who all supported, leaned positively toward the Democratic Party in 1992 -- the elderly, independent voters, young voters, middle

-income,
$20,000-$50,000

-a

-year voters, and white males without
college -- all favored the Democratic Party in 1992, do

not favor the Democratic Party going into the 1994 election? Does Clinton have nothing to do with that remarkable shift of political opinion?

SEN. MOYNIHAN: Oh, that's our fault.

MR. EVANS: Whose fault?

SEN. MOYNIHAN: The Democratic administration, my fault.

MR. EVANS: Well, why support him for reelection?

SEN. MOYNIHAN: Because we have learned from it. The

first year we cut that deficit. It went down -- it's going to go down three years running because -- for the first time since Harry S Truman, coming off World War II. But the second year we had big government all over again.

MR. NOVAK: What do you mean --

SEN. MOYNIHAN: Bigger, bigger and bigger.

MR. NOVAK: Is that what you mean by lost track, that the government got too big?

SEN. MOYNIHAN: Yeah. Well, we started by making it bigger.

MR. EVANS: Well, he's still president. Will that go on a third year?

SEN. MOYNIHAN: I think -- no, it will not. It won't -- at least it won't have my vote. And I think the experience of those of us who are out running, we came back -- people aren't difficult to -- and New Yorkers can make themselves understood. I heard what they had to say. They said, "Gosh, you had a good first year, then you went all to hell."

MR. NOVAK: What do you think of the president's so

-called middle

-class bill of rights, which, as I see it, is a lot of tax deductions for people under a certain income? Do you think that's a good idea? Will you support it?

SEN. MOYNIHAN: It has to be paid for. It has to be paid for. And Bob, we went through hell's own time finding $11.9 billion to pay for the Uruguay Round, the most important culminating trade agreement of 60 years of American foreign policy. We had to have a post- election session, and it was a near run thing right to the end. Just 11.9 -- we watched this, you reported it. Rowly, you saw it. Where are you going to get $30 billion? Where?

MR. NOVAK: So you're saying there's going to be no tax cut, in your opinion?

SEN. MOYNIHAN: None.

MR. NOVAK: Including no capital gains cut either?

SEN. MOYNIHAN: It depends on whether the Republicans can persuade us into dynamic accounting.

MR. NOVAK: Do you favor that?

SEN. MOYNIHAN: That's what -- how we accumulated $4

trillion in debt.
MR. NOVAK: So you're opposed to that? You're opposed to a cut in the capital gains tax?
SEN. MOYNIHAN: I'm opposed to not paying for what you reduce. We tried that in the '80s, and that's why we're stuck in the '90s. Now, we can get out of this, but you've got to have a little patience. You've got to plant the tree and let it grow.
MR. EVANS: You don't think President Clinton agrees with you that there will not be a tax cut next year, do you?
SEN. MOYNIHAN: No, he does not agree on that at all.
MR. EVANS: I want to go to the welfare question for just a moment, Mr. Chairman. The Heritage Foundation, a conservative foundation here, reports that the bill for overall welfare spending is $324 billion a year today. Newt Gingrich, your friend in the House of Representatives --
SEN. MOYNIHAN: My friend, I'm happy to say.
MR. EVANS: -- the speaker

-to

-be, the speaker to be,
Mr. Chairman, has proposed many possible cures, one of which involves the use of orphanages --
SEN. MOYNIHAN: All right. Can we stop right there?
MR. EVANS: -- for unwed mothers who have illegitimate babies they can't take care of.
SEN. MOYNIHAN: Right. Can we stop right there?
MR. EVANS: I haven't asked a question.
MR. NOVAK: Well, let him --
MR. EVANS: Go ahead.
SEN. MOYNIHAN: I heard Newt on that. First of all, you know, some things should get settled. In 1909 Theodore Roosevelt, in the interregnum between himself and Taft, called a White House conference on dependent children and we made a decision to move away from orphanages, which had been the 19th century mode of managing children without parents, to foster care. Now, Rowly, the children of our country by about now, I think, about a third of the children born in our country are to single parents.
MR. EVANS: That's correct. Two

-thirds of blacks,
one

-third total.

SEN. MOYNIHAN: They're not orphans. They only have one parent.
MR. EVANS: So you're against it?
SEN. MOYNIHAN: We want to keep that child with the parent.
MR. EVANS: Now, what do you think of Newt Gingrich's

plan and the Republican plan in the -- and you just showed us the Contract with America -- trying to return some of the problems, some of the responsibilities for these issues, to the states? Donna Shalala, the --

SEN. MOYNIHAN: It's happening.

MR. EVANS: -- has said she's against this, she doesn't trust the states.

SEN. MOYNIHAN: Oh, oh, she -- Donna Shalala not two weeks ago gave Indiana a waiver to experiment with things that 10 years ago would have been unthinkable, including many of the things in the Republican contract.

MR. EVANS: So you favor that yourself?

SEN. MOYNIHAN: Well, can I just say the first thing we have to ask is the child. You're not going to have the America we've grown up in if these rates of children out of wedlock continue. We're not alone. The United Kingdom has it, Canada has it, France has it. This is something -- you know, don't think it just happens in America.

But it's not the mother, whether she works or not; it's does that child grow up to be a self

-reliant, responsible citizen. And you don't do it by laying them out in the street. You don't do it by -- you know, you have to care for them close to -- if they don't have two parents, one will have to do.

MR. EVANS: All right. One more question on welfare. There are 700,000 legal immigrants -- legal immigrants, but not citizens in this country. Should they have all the opportunities in feeding at the welfare trough that citizens have?

SEN. MOYNIHAN: Did you say "feeding at the welfare trough"?

MR. EVANS: Well, that's a manner of speaking.

SEN. MOYNIHAN: Is there feed at that welfare trough?

MR. EVANS: Mr. Chairman, that's a manner of speaking. Should they have all the rewards --

SEN. MOYNIHAN: Yes. They're here as legal immigrants. If you don't want them here, don't let them in in the first instance. Now, responsibility. The first idea is their sponsors are responsible for them. Keep them that way. Many of these people are old. Many of them from Russia and places like that are very old, and it's not going to be a problem for long.

MR. NOVAK: Senator, I'm going to give you a very blunt question. Some people have felt privately in the Democratic Party that President Clinton's call for all these tax cuts, middle

-class tax cuts, and spending cuts was imitation Republicanism. Is this fair or not?

SEN. MOYNIHAN: Well, it was a proposition that was to be expected, and it hadn't been on the agenda two weeks earlier or in October as it were. And we won't get anywhere trying to be -- well, this was Harry Truman's old remark: If people have to -- you know, a "real Republican" and a "imitation Republican" -- they'll choose the real Republican any day.

MR. NOVAK: So you think the president's going in the wrong direction in that approach?

SEN. MOYNIHAN: Give him a chance. Give him a chance to put together his budget, his State of the Union message. We are Democrats, and there are things that define this, the oldest political party in the world, and there's a tradition that we should not abandon, even for the purposes of the next election.

MR. NOVAK: I want to ask you quickly about an appointment he made as Mr. Glickman as assistant -- as secretary of agriculture after Mr. Glickman had voted against the GATT treaty. Is that a bad decision?

SEN. MOYNIHAN: Well, it's a bad signal. I'm sorry. I read that one -- oh, god, you know, I was left out on the front side. I was the floor leader to round up what would -- what in the end was 67 votes for the waiver and 76 votes for the whole thing. But you don't take on an issue of that importance -- that was the most important -- probably the most important legislation of this decade, and -- in terms of the prospects of what really can happen given your budget. And then to take someone -- an admirable man, admirable person -- but to say, "Oh, well, I said to you it was the most important, but it wasn't." No, no, no, no, no. Reward loyalty and -- after all, it was any -- there was no single sector of the American economy that would benefit more from the Uruguay Round than agriculture.

MR. EVANS: Mr. Chairman, one foreign policy question on Russia which is creating some problems in Europe and Asia today. Do you think American -- U.S. aid to Russia, as many of your Republican colleagues believe, should in the future be tied to the proposition they don't get the aid unless they take their troops out of independent, sovereign countries? And that, of course, does not include Chechnya, which is where they've invaded most recently. Would you be for that?

SEN. MOYNIHAN: Sure, but they will be for it, too.

MR. NOVAK: Who will?

SEN. MOYNIHAN: The Russian army and the Russian parliament. You know, not next week. Half the problem is they don't have any housing to put them in at home. I mean, there's that kind of transition. That will work out. That's the least of our problems. But things like what do you do with the continued ethnic disintegration will be with us for the next 50 years.

MR. NOVAK: All over Europe.

SEN. MOYNIHAN: All over Europe and all over what is now Russia, but which became Russia in 1840 or 1870 or --

MR. EVANS: 1864.

SEN. MOYNIHAN: Yeah, whatever --

MR. EVANS: We've got to take a break. I'm sorry, Mr. Chairman.

When we come back after these commercial messages, we'll have the big question for Pat Moynihan.
(Announcements.)

MR. EVANS: The big question for Senator Moynihan, will your colleague Senator D'Amato's investigation of the Whitewater scandal threaten the Clinton presidency?
SEN. MOYNIHAN: Yes, it will, and necessarily, but he, Senator D'Amato, has made a very responsible decision not to act until the special prosecutor has concluded his work, and that being done, there will be even more to do or not.
MR. EVANS: But in view of that, Senator, why should you go by such a quick answer on backing Clinton in 1996 before you know, you've just said, this could threaten his presidency?
SEN. MOYNIHAN: Because I am a New York Democrat who was once an election district captain in the --

MR. NOVAK: You're a regular.
SEN. MOYNIHAN: -- in the first assembly district of New York.
MR. EVANS: More than the other --
SEN. MOYNIHAN: I'm a Democrat, I'm a regular.
MR. NOVAK: I want to ask you a totally unrelated thing, Senator. Speaker

-to

-be Gingrich has abandoned the
$4

-million contract he'd just taken for his books, just taking one dollar plus royalties. Since you get advances on your books, why can't Mr. Gingrich take his? What's wrong with $4 million?
SEN. MOYNIHAN: It puts the likes of me in jeopardy. had -- I published a book last year that will be out by University Press, and I got an advance of $1,000. But that's a thousand times what Newt will get, but I think his shares will be better.
MR. EVANS: But what about the question?
MR. NOVAK: What's the question -- is there a difference between $4 million and $1,000. I mean, one -- is there a dollar limit and it's okay to take a certain advance but not another if you're a member of Congress?

SEN. MOYNIHAN: The speaker

-designate made a wise
decision, which is even more bad news for the Democrats.

MR. EVANS: Twenty seconds, Senator. Will there be baseball next year and will you succeed in removing the exemption from --

SEN. MOYNIHAN: There will be baseball next year, and America will go on into the next millenium very much a healthy and strong society.

MR. EVANS: Thank you, Chairman Pat Moynihan of the Senate Finance Committee. I'm afraid that's the end of our questions.

My partner and I will be back in a moment with a comment.

(Announcements.)

MR. EVANS: You know, Bob, if they have a tax cut, as Mr. Clinton wants, next year, they're going to have to drag Pat Moynihan to that tax

-cut trough kicking and

screaming. He says it will have to paid for, "I want to see the proof." And if you -- the bottom line is, he really is not for a tax cut today, under those circumstances.

MR. NOVAK: You know, Rowly, as a self

-described New York regular Democrat, he's not going to say anything other than he's for the president's renomination. But he virtually said that this imitation Republicanism, coming out with these tax cuts, won't do the job. I think he's very unhappy with the president, very unhappy with the direction he's going.

MR. EVANS: I agree, Bob. Can you imagine anybody other than Chairman Moynihan going back to The New York Times, 1858, and finding a little blurb there that Teddy Roosevelt and Taft, President Taft, at the transition, were talking about taking kids out of orphanages because it was bad for them? That was his answer to Newt Gingrich.

MR. NOVAK: You know, Rowly, on Gingrich, he said that Newt did the right thing in not taking the $4 million, and he said something I hope nobody missed, he said, That's more bad news for the Democrats." I think he thinks the Democrats are going to have a tough time against Newt Gingrich.

I'm Robert Novak.

MR. EVANS: Happy New Year from both of us. I'm Rowland Evans.

END

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Lawrence J. Sampas (SAMPAS_L) (WHO)

CREATION DATE/TIME: 2-JAN-1995 09:07:14.37

SUBJECT: ABC's Brinkley -- roundtable 1/1

TO: Dawn A. Alexander (ALEXANDER_DA) (WHO)
READ: 5-JAN-1995 12:19:24.76

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: 2-JAN-1995 09:08:20.67

TO: Heather Beckel (BECKEL_H) (WHO)
READ: 4-JAN-1995 16:03:22.15

TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ: 2-JAN-1995 10:01:23.05

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ:NOT READ

TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
READ:NOT READ

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: 3-JAN-1995 08:45:09.70

TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN SA) (WHO)
READ: 2-JAN-1995 13:26:07.70

TO: Daniel P. Collins (COLLINS D) (WHO)
READ: 9-JAN-1995 13:58:47.91

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:NOT READ

TO: Carolyn Curiel (CURIEL C) (WHO)
READ:NOT READ

TO: David Dreyer (DREYER D) (WHO)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Karen Finney (FINNEY_K) (WHO)
READ:NOT READ

TO: Jeremy M. Gaines (GAINES_J) (WHO)
READ:NOT READ

TO: Mark Gearan (GEARAN M) (WHO)
READ:NOT READ

TO: David R. Gergen (GERGEN D) (WHO)
READ:NOT READ

TO: Ernest D. Gibble (GIBBLE_E) (WHO)
READ:NOT READ

TO: Jonathan P. Gill (GILL_J) (WHO)
READ:NOT READ

TO: Kukis, Heidi (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Arthur L. Jones (JONES_A) (WHO)
READ:NOT READ

TO: Cerrell, Joseph W. (Joseph W. Cerrell@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: David Kusnet (KUSNET_D) (WHO)
READ: 2-JAN-1995 17:37:25.16

TO: G. N. Lattimore (LATTIMORE_G) (WHO)
READ:NOT READ

TO: David Leavy (LEAVY_D) (WHO)
READ:NOT READ

TO: Lorraine McHugh (MCHUGH_L) (WHO)
READ: 3-JAN-1995 08:39:47.49

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:NOT READ

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:NOT READ

TO: Paul Meyer (MEYER_P) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Alison Muscatine (MUSCATINE_A) (WHO)
READ:NOT READ

TO: Margaret J. Myers (MYERS M) (WHO)
READ:NOT READ

TO: Dianna A. Pierce (PIERCE D) (WHO)
READ:NOT READ

TO: Jonathan M. Prince (PRINCE_J) (WHO)
READ: 9-JAN-1995 10:37:13.73

TO: Victoria L. Radd (RADD_V) (WHO)
READ: 2-JAN-1995 11:03:44.80

TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
READ:NOT READ

TO: Rica F. Rodman (RODMAN R) (WHO)
READ:NOT READ

TO: Lawrence J. Sampas (SAMPAS_L) (WHO)
READ: 2-JAN-1995 20:24:05.48

TO: Jessamyn Sarmiento (SARMIENTO_J) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
READ:NOT READ

TO: Richard L. Siewert (SIEWERT_R) (WHO)
READ: 3-JAN-1995 10:17:21.16

TO: Joshua Silverman (SILVERMAN_J) (WHO)
READ:NOT READ

TO: George Stephanopoulos (STEPHANOPO G) (WHO)
READ:NOT READ

TO: Alan J. Stone (STONE A) (WHO)
READ:NOT READ

TO: Richard Strauss (STRAUSS_R) (WHO)
READ:NOT READ

TO: Aman, Sally J (Sally J. Aman@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Virginia M. Terzano (TERZANO V) (WHO)
READ:NOT READ

TO: Marshall Jr., Thurgood (Thurgood Marshall Jr.@EOP_OVP@CCGATE@EOPMRX)
READ:NOT READ

TO: Lorraine A. Voles (VOLES_L) Autoforward to: Remote Addressee (Lorraine A. Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
READ:NOT READ

TO: Michael Waldman (WALDMAN_M) (WHO)
READ:NOT READ

TO: Ann Walker (WALKER_A) (WHO)
READ: 3-JAN-1995 17:10:53.39

TO: Nancy L. Ward (WARD_N) (WHO)
READ: 4-JAN-1995 15:05:47.70

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: 3-JAN-1995 11:06:54.77

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ: 3-JAN-1995 08:59:46.14

TO: Catherine Balsam-Schwaber (BALSAMSCHW_C) (WHO)
READ:NOT READ

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ: 2-JAN-1995 14:17:16.67

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Paul A. Deegan (DEEGAN_P) (PDONE)
READ: 3-JAN-1995 08:15:50.27

TEXT:
PRINTER FONT 12_POINT_COURIER
The Federal News Reuter Transcript Service

ABC "THIS WEEK WITH DAVID BRINKLEY"
WITH HOST: SAM DONALDSON
JOINED BY: GEORGE WILL, JOHN COCHRAN, AND JULIE JOHNSON
ROUNDTABLE DISCUSSION
SUNDAY, JANUARY 1, 1995

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS ABC PROGRAM TO "ABC'S THIS WEEK WITH DAVID BRINKLEY."

MR. DONALDSON: Okay. We're starting a big year now. On the Republican side, we've gotten a taste of what they're going to do. I mean, it's a Blitzkrieg -- think of any cliche. They're going to have legislation like there's no tomorrow -- that was my cliche earlier. And on the Democratic side, the counter is that Bill Clinton says he will run again for re

-election.

Now, John, Capitol Hill is your beat. How do these two forces collide?

MR. COCHRAN: I think that Bill Clinton sits back, reacts to what the Republicans do. He will veto something this year. He will satisfy his Democratic constituency by killing some of the spending cuts that the Republicans will propose. In the end though, he will go along with them on most spending cuts. And he will go along with them on their tax cuts.

MR. DONALDSON: Gerry --

MR. COCHRAN: I cannot see Bill Clinton vetoing a tax cut.

MR. DONALDSON: He's not like Gerry Ford, who I think had 38 or some huge number of vetoes, Julie?

MS. JOHNSON: Well, I mean, if that's his strategy, then America will be asleep. I mean, I go back to what we said last week, which is the Democratic party has to be a party of ideas. Bill Clinton needs to come up with some ideas. And I think what he says -- what was interesting in a Newsweek article published this week -- that, "It's hooey," he says, "for people to say I don't have any core beliefs, for people who say they don't know what I believe." Well, that's precisely the problem, I think. The American people never knew and still don't know, in some degree, what Bill Clinton thinks or believes. And I think what his mission is going to be, as the Republicans move forward with their agenda, is to give an alternate agenda. It can't just be sit back with a veto pen.

MR. DONALDSON: George, this Republican steamroller, is Clinton the main problem or is it the Republicans themselves, between the House and the Senate?

MR. WILL: The problem is that a lot of bluffs are going to be called, beginning in this -- what may be the most interesting month in Washington since March 1933 when Roosevelt came sweeping in. The old axiom is, that the American people are ideologically conservative, but operationally liberal -- which is to say, they talk a Jeffersonian small government game, but when push comes to shove, they're not willing to live under it. We're going to find out. And we're going to find out particularly when they deal with small business and agriculture and other core Republican constituencies that are big beneficiaries of the government.

MR. DONALDSON: Now, I want to bring up two irritants on both sides. Let's start with President Clinton. One of the irritants has been this Paula Jones sexual harassment suit. A judge has now said that the president need not go into court until he leaves office. However, he can be deposed. And people in the case will give depositions, which will inevitably leak into the newspapers. And so, the White House team is appealing the judge's ruling -- or the president's lawyer. Now, what do you make of this? Is this serious business?

MR. WILL: It is. You know, there's an old axiom -- "You only get one chance to make a first impression." You only get so long to appear presidential. And if Clinton has a generic problem, that encompasses all the others, it is that people just don't think of him as worthy, somehow, of the office. And this is just more of the acid rain of diminution that's taking him down.

MR. COCHRAN: And to be deposed in the last half of your presidency, so close to the election, I think it will just be a terrible thing -- no matter what leaks out. Obviously, he's going to deny all the charges, but the charges then will again be repeated, once again.

MR. DONALDSON: Julie, what do you think of the judge's ruling?

MS. JOHNSON: Well, I don't think he's going to be deposed.

MR. DONALDSON: I mean, you have a legal background.

MS. JOHNSON: I don't -- first of all, I don't think he's going to be deposed. What the judge said is sort of this in the nutshell. Paula Jones waited until two days before the statute of limitations was about to expire before she filed suit. The judge said, "Well, clearly, she

has no urgency in getting to court, so we can put a temporary lid on this going forward." That's what the judge said. But at the same time, the judge allowed for, quote, "depositions and discovery," which is the allowing of either side to go in and dig around.

MR. DONALDSON: Then, why do you say the president is not going to be depose?

MS. JOHNSON: Because this allows for the president's counsel, his lawyers, who are not White House lawyers, to go into yet a higher -- a court of appeals --

MR. DONALDSON: They'll appeal it, right.

MS. JOHNSON: -- and on to the Supreme Court. That's a very long time

-line. So, I don't think, before the election, you'll see any sort of deposition or any sort of question of who shot John in this Arkansas hotel room in 1991. But I do think George is precisely right, that this just keeps on bringing back that same old theme that haunts Bill Clinton, which is, are you up to the job? And I think this is sort of, again, people thinking that if it goes on too long, that she does deserve her time in court. And it's just going to be a problem that will haunt him until the end.

MR. DONALDSON: But on the other side, now, on the Republican side, there's the Newt Gingrich book deal that has, you know, jumped into the newspapers. He first said he'd take $4

-1/2 million as an advance. And then, on Friday, he said, "Well, that's not a good idea. I understand. I get it. I'll take $1, and I'll earn my royalties as they come." What was in his mind, John?

MR. COCHRAN: The political tin ear there is just remarkable. I'm just amazed that he did this -- particularly the man who brought down Jim Wright on a sweetheart book deal. You would think that all of his antennae would have said, I cannot do this. But he did do it. And, of course, his story is, he only changed his mind after Bob Walker -- a congressman and close friend of his from Pennsylvania -- said an elderly precinct worker said, you know, "This isn't what we fought for in the election."

MR. DONALDSON: Well, now, George, you've had book advances. (Laughter.) I got a small one once, also. Is there really something wrong with that?

MR. WILL: You know, there's a case to be made -- in fact, I will now make it -- for repealing all restraints on income. What we really ought to do is encourage congressmen to go out there and hold jobs and be normal people. That's part of the cut their pay and send them

home changed. I'm saying --

MR. COCHRAN: But, George, he's going to take money from Rupert, Rupert Murdoch, here --

MR. WILL: I understand. Well --

MR. COCHRAN: -- who has serious business with the United States government.

MR. WILL: Yes. Let me say this. It was clearly a mistake. But it's also -- he did show how to cauterize a mistake in Washington, which is, say you're sorry and get on with the next story. He shouldn't have taken that kind of money, but it is -- I would hope, someday, we'd come to a discussion of whether or not congressmen and - women would be better at their jobs if they had other jobs.

MS. JOHNSON: Well, I do think, though, that what we're sort of not looking to is what people were bothered by. I mean, there was a mandate sent to Washington by the American people, and I think that mandate was, we want a Congress to do something and do something differently. If Newt Gingrich is to be the Speaker of the House and do something differently, quite frankly, I think the average American is wondering, how do you have time, Mr. Gingrich -- even Dr. Gingrich; he has that Ph.D in history -- to write two books and even earn $4.5 million.

MR. DONALDSON: But, Julie, isn't it called -- it's a fine, old American phrase -- cashing in?

MS. JOHNSON: Well, and it's also that.

MR. DONALDSON: I mean, no one, last year at this time, would have paid Newt Gingrich 4

-1/2 million. Maybe, you know, 100,000 for a book.

MS. JOHNSON: And he may still get the money.

MR. DONALDSON: Now, he's hot. And when you're hot --

MS. JOHNSON: When you're hot --

MR. DONALDSON: -- as Barry Wells once said about the old Braniff Airlines, "If you got it flaunt it" -- if you've got it, cash in. That's what he was doing.

MS. JOHNSON: Well, and he may actually still cash in, depending upon the skill of his attorney negotiating the book deal. He can still get $4.5 million, if he takes a royalty of 15 percent, and if he sells a million books for $30 a book.

MR. WILL: And if --

MR. COCHRAN: The good thing for Gingrich, he seems to be trainable. He learns from his mistakes. When he talked about school prayer, right after the election -- other Republicans didn't like that. He realized that was going to muddy the agenda. He backed away from it. Same thing here. He, eventually -- as George said -- did cauterize.

MR. WILL: If he sells a million books, well I -- (laughter) -- I've published --

MR. COCHRAN: You'll be jealous. (Laughter.)

MR. WILL: I --

MR. DONALDSON: Yes.

MR. WILL: I have --

MR. DONALDSON: Rush Limbaugh has sold a million books.

MR. WILL: I have published nine books, and I can tell you what Americans are interested in. Eight of them were on public affairs, and one was on baseball.

MR. DONALDSON: And baseball was a runaway best seller --

MR. WILL: And I recommend that --

MR. DONALDSON: -- on the top of the list.

MR. WILL: I recommend you write about baseball.

MR. DONALDSON: And does anyone remember some of the other books? State Craft Is Sole Craft or --

MR. WILL: I barely remember them myself.

MR. DONALDSON: -- some turgid thing like that.

MR. WILL: Yes.

MS. JOHNSON: Well, Newt's books are, one, to restore America and the Democracy reader. I mean, the question of whether they'd be a big seller sort of, again, gets beyond the issue, I think, that troubled Americans. I mean, I think what Americans want is for their elected leaders -- whether it's Bill Clinton or the new to be Speaker of the House Newt Gingrich to see them at the Price Club, to come into their regular lives, and to understand what's troubling them. I mean, it's crime. It is some change in welfare. They're on issues, not these books.

MR. DONALDSON: Okay. We have a minute left. Some quick predictions. And as I said before we went on the air. I won't ask the question. Just give me some predictions. George?

MR. WILL: The American people, this year, are going to learn a lot about the 10th Amendment, the 28 most important words in the Constitution, saying that government -- the federal government does not have powers that aren't enumerated, delegated, and limited.

MR. COCHRAN: Republicans will make some mistakes. Newt Gingrich will put his foot in his mouth some of the time, but he will prove to be a very effective Speaker of the House. The Republicans will do well enough so that, at the end of the year, they will still be fairly high in the polls. And because of this, Ross Perot will say he will not be running for president in the next year. Colin Powell will not only not announce for president, he will not even tell us what party he prefers.

MR. DONALDSON: Julie?

MR. COCHRAN: And finally, someone -- I don't know who -- a Democrat will announce he's going to run against Bill Clinton in the Democratic primaries.

MS. JOHNSON: For all the big talk in the Contract of America, I think we'll see minor tinkering of the crime bill, we'll see minor tinkering on the welfare reform agenda. And what will really bedevil the House and Senate Republicans is what to do about questions of immigration and affirmative action.

MR. DONALDSON: And I say that, by the end of year or early in the next year, Bill Clinton will announce that he is not going to run again for the presidency, and Al Gore will take up the standard for the Democrats.

Thanks all. Thank you very much.

I'll be back with a final word in a moment.

(Announcements.)

MR. DONALDSON: And this evening, watch ABC's "World News Sunday," with Carole Simpson, for a complete look at today's top news stories.

Well, that's our program for this Sunday morning. David Brinkley will be back next week. I'm Sam Donaldson. From all of us here at ABC's "This Week," Happy New Year.

END