

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

CREATOR: Robert Gordon (GORDON_R) (OPD)

CREATION DATE/TIME:16-JUN-1995 17:25:37.20

SUBJECT: Six House Democrats Ask Clinton To Back Capital Gains Cu

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Elena R. Mccoy (MCCOY_ER)
(PDONE)

READ:16-JUN-1995 17:48:06.44

TO: Theo Lubke (LUBKE_T) (OPD)

READ:16-JUN-1995 17:59:49.41

TEXT:

TAXES

Six House Democrats Ask Clinton To Back Capital Gains Cut

Six House Democrats today urged President Clinton to back their plan for both a capital gains tax cut targeted to job creation -- generally favored by Republicans -- and a hike in the current \$4.25-per-hour minimum wage supported by most Democrats.

"We believe that Democrats should advocate for economic policies that include growth and fairness," the Democrats wrote in a letter to Clinton. The six were: Reps. Ron Wyden of Oregon, Robert Matsui of California, Bill Richardson of New Mexico, Charlie Rose of North Carolina, John Spratt of South Carolina and Ike Skelton of Missouri. The plan "would help us show that we Democrats have what it takes to create new economic opportunities for all Americans," the letter said. In an interview, Wyden said, "What we need to do is show that you can be for growth without forgetting the [Democratic] Party's historic base, which is people without power." He added, "What we need to be is a party that's concerned about growth but also a party with a heart."

The letter urged Clinton to embrace two goals: "Incentives for entrepreneurs and small businesses to create new jobs that can spark a 21st Century economic renaissance," and "justice for the millions of American families who no longer can make a minimum wage salary stretch far enough to put food on the table and pay for necessities." The letter did not specify the amount or in what way capital gains taxes should be cut -- or by how much the minimum wage should be raised. Wyden said the letter's signers intentionally left it unspecific. But, he predicted, the swap of capital gains for minimum wage "could well be where we end up in terms of big picture economics." Clinton earlier this year proposed -- and congressional Democrats introduced -- a 90-cent minimum wage hike in two equal steps over two years. And House Republicans, as part of the "Contract with America," included a capital gains cut in their FY96 budget resolution.

The Congress Daily --- Friday --- June 16, 1995

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

CREATOR: Brenda Anders (ANDERS_B) (WHO)

CREATION DATE/TIME:25-JUN-1995 22:06:40.02

SUBJECT: Meet the Press 6.25

TO: David B. Anderson (ANDERSON_D) (WHO)
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TO: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:26-JUN-1995 08:35:13.88

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
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TO: Elizabeth C. Bowyer (BOWYER_E) (WHO)
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TO: Lisa M. Caputo (CAPUTO_L) (WHO)
READ:NOT READ

TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W.
Cerrell@EOP_OVP@CCGATE@EOPMRX (VPO)
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TO: Steven A. Cohen (COHEN_SA) (WHO)
READ:26-JUN-1995 07:52:44.57

TO: Daniel P. Collins (COLLINS_D) (WHO)
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TO: Amanda Crumley (CRUMLEY_A) (WHO)
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TO: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King (KING_A) (WHO)
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TO: John Gibbons (GIBBONS_J) Autoforward to: Remote Addressee (
gjack@ccmail.ostp.eop.gov@inet) (STP)

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TO: Mary Ellen Glynn (GLYNN_M) (WHO)
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TO: Robert Gordon (GORDON_R) (OPD)
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TO: green_j (GREEN_M) (OMB)
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TO: Daniel J. Gunia (GUNIA_D) (OA)
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TO: Brenda I. Hilliard (HILLIARD_B) (NSC)
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TO: Elgie Holstein (HOLSTEIN_E) (OPD)
READ:25-JUN-1995 23:52:51.12

TO: Heidi Kukis (Heidi Kukis@EOP_OVP@CCGATE@EOPMRX)
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TO: Payne, Julia M. (Julia M. Payne@EOP_OVP@CCGATE@EOPMRX)
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TO: G. N. Lattimore (LATTIMORE_G) (WHO)
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TO: Theo Lubke (LUBKE_T) (OPD)
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TO: Marlene A. MacDonald (MACDONALD_M) (WHO)
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TO: Thurgood Marshall (MARSHA_T) Autoforward to: Remote Addressee (Thurgood
Marshall Jr.@EOP_OVP@CCGATE@EO (VPO)
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TO: Julie E. Mason (MASON_J) (WHO)
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TO: Lorraine McHugh (MCHUGH_L) (WHO)
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TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
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TO: APRIL K. MELLODY (MELLODY_A) (WHO)
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TO: Paul Meyer (MEYER_P) (WHO)
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TO: Julia Moffett (MOFFETT_J) (WHO)
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TO: Alison Muscatine (MUSCATINE_A) (WHO)
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TO: Margaret J. Myers (MYERS_M) (WHO)
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TO: Thomas O'Donnell (O'DONNELL_T) (OPD)
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TO: Dianna A. Pierce (PIERCE_D) (WHO)
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TO: Jonathan M. Prince (PRINCE_J) (WHO)
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TO: Victoria L. Radd (RADD_V) (WHO)
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TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A) (WHO)
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TO: Rica F. Rodman (RODMAN_R) (WHO)
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TO: Laura D. Schwartz (SCHWARTZ_L) (WHO)
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TO: Janna B. Sidley (SIDLEY_J) (WHO)
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TO: Richard L. Siewert (SIEWERT_R) (WHO)
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TO: Joshua Silverman (SILVERMAN_J) (WHO)
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TO: Gene B. Sperling (SPERLING_G) Autoforward to: Elena R. Mccoy (MCCOY_ER)
(PDONE)
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TO: George Stephanopoulos (STEPHANOPO_G) (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: FAX (95869987,Michael Gauldin) (TLXA1MAIL_F:95869987\C:Michael GauldinREAD:NOT READ

TO: Barry J. Toiv (TOIV_B) (WHO)
READ:26-JUN-1995 11:37:50.59

TO: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (O'DONNELL_T)
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Voles@EOP_OVP@CCGATE@EOPMRX (WHO)
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TEXT:

NBC "MEET THE PRESS"
WITH HOST: TIM RUSSERT
JOINED BY: LISA MYERS

GUESTS:
SENATOR PHIL GRAMM, R-TX
SENATOR TRENT LOTT, R-MS
SENATOR TOM DASCHLE, D-SD

SUNDAY, JUNE 25, 1995

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS NBC PROGRAM TO
"NBC'S MEET THE PRESS."

MR. RUSSERT: And with us now, a man who wants to be
president, Senator Phil Gramm of Texas. Welcome.

SEN. GRAMM: Thank you, Tim.

MR. RUSSERT: A pretty good week for Bob Dole?

SEN. GRAMM: I think it was a pretty good week for the
Republican Party and for the country.

MR. RUSSERT: Why?

SEN. GRAMM: Well, I think that the president appointed another surgeon general whose views were outside the mainstream of American thinking. We had the disastrous wake of Joycelyn Elders's tenure, a tenure that was so disastrous the president was forced to fire her. We had another person with similar views.

I stood up four months ago and said that they were going to have to get 60 votes in order to confirm him. They were unable to do it.

We also passed a budget this week that fulfills a campaign promise that Republicans made. It balances the budget over seven years, it lets working people keep more of what they earn, it provides incentive for economic growth. I think obviously that's very important.

Now we've got to make it work, but the commitment is a very important one, and the most important thing, I think, for Republicans is it's promises made and promises kept, something that doesn't happen very often in Washington, DC.

MR. RUSSERT: Let's talk about both Foster and the budget. You said that Dr. Foster's thinking was out of the mainstream of the American public. Is being in favor of abortion rights out of the mainstream of the American public?

MORE

SEN. GRAMM: No, I don't think it is. I don't expect the president to appoint someone whose views agree with mine on abortion. Dr. Foster violently opposed parental consent in the case of minors having abortions performed on them. Seventy-seven percent of the American people disagree with that. Dr. Foster believes that abortions should be allowed right up to the moment of birth. Eighty-four percent of the American people strongly disagreed with that, and I think that it's very interesting that the president appoints people who have radical views and then he attacks Republicans for opposing them.

I mean, you've got to say one thing about Bill Clinton, and that is he's good at this PR game.

MR. RUSSERT: But it's okay if a surgeon general's pro-choice?

SEN. GRAMM: Well, I think when you elect a president, elections have consequences, and I would not vote against a Clinton nominee, since he won the election, simply

because they opposed my view on abortion, no.

MR. RUSSERT: Senator Bob Dole said that when he devised his strategy of bringing Dr. Foster's vote to the floor, quote, "We got it done even though Gramm was out of town."

SEN. GRAMM: Well, I think we all know -- and let me say this, Tim. If this were a bill that we -- a bad bill we had defeated, like the health care bill, which I led the effort to kill, I'd feel pretty good about it and I might even crow a little bit.

But in the case of Dr. Foster, you're dealing with another human being, a decent human being, and so I don't want to go too long on the subject. I thought he was the wrong person for the wrong job at the wrong time, but let me say this: Had I not stood up and said that those who supported this nomination were going to have to get 60 votes and there was no circumstance under which I was going to let it happen any other way, Dr. Foster would be at a tailor this afternoon being fitted for his surgeon general uniform.

MR. RUSSERT: So --

SEN. GRAMM: I don't think there's any doubt about the fact that Bob Dole would have cut a deal on Dr. Foster.

MR. RUSSERT: But for Phil Gramm, Bob Dole would have allowed Henry Foster to be confirmed?

SEN. GRAMM: I think exactly the same thing was true on the health care, too. Had I not stood up and said, "The Clinton health care bill is going to pass over my cold, dead political body," Senator Dole had signed off to a big-government compromise that taxed private health insurance, it set up health-care purchasing cooperatives, it set up a national health board, and it started a new medical entitlement bigger than Medicaid.

I think my willingness to stand up and say, "Over my cold, dead boy" on health care, I think there would have been a deal cut then had I not provided the leadership. I think there would have been a deal cut on Foster, as well.

MR. RUSSERT: One other thing that Bob Dole was involved in this week was the budget compromise. He kept you off the committee --

SEN. GRAMM: Yes.

MR. RUSSERT: -- but the group came back -- Newt Gingrich, Bob Dole, Pete Domenici, John Kasich -- with a

budget that is balanced in seven years, tax cuts \$245 billion in seven years. Will you support that plan fashioned by Senator Dole?

SEN. GRAMM: I will support it enthusiastically, and, as you will remember, Tim, that when the budget passed in the Senate, when my amendment fulfilling the contract with America was defeated so that we had no tax cut in the Senate budget and so that we were spending more money than the House, I said that I would lead opposition to the final budget and that I believed I had the votes to defeat it unless it did three things: Number one, unless we balanced the budget over seven years, unless we let working families keep more of their own money to invest in their own children, in their own future, sending spending power back to the family from the government, and, finally, unless we had incentives for economic growth.

Now, I believe that that was critically important, because we had 10 Republican senators, as you will recall, who were saying, "No tax cuts." So I think my willingness there to take that strong position, even though it is true that Senator Dole decided that, given the strong position I'd taken in favor of tax cuts, that I ought not to be on the conference committee.

I think I had an influence on what happened here, and I'm very pleased with it, and I give Senator Domenici, Senator Dole, and everybody involved a lot of credit. I think we've written a good budget. Now we've got to enforce it and make it work.

MR. RUSSERT: But you also said this week, despite Senator Dole's involvement in the budget that you are now praising, that he was too moderate, too status quo, and, quote, "too committed to taxes and spending." That's a little unfair on the same week that --

SEN. GRAMM: Well, let me go back and give you the context. I think it's totally fair. What I said was, I was asked about what was going to ultimately happen at the end of the primary process. I was in St. Louis. I said I was ultimately going to win. If people are ready for a dramatic change, if people don't believe that we're going to solve America's problems by cutting deals with Democrats in Washington, DC, and that a candidate who in 1980 and in 1988 was passed over as being too status quo, too committed to tax and spend, that logic defied the argument that that candidate could be the right candidate in 1996, when America is ready for a dramatic change and when we've come off elections in 1994 where the American people said very clear, "Stop the taxing, stop the spending, stop the regulating."

And I think in order to bring that all together and get our money back and our freedom back and our country back, we've got to win one more election, and that is we've got to elect a committed conservative as president of the United States.

MR. RUSSERT: Bob Dole is not a committed conservative?

SEN. GRAMM: I believe that anybody who knows Bob Dole and anybody who knows me understands the difference, that I am more committed to fundamentally changing American government.

MR. RUSSERT: As you and Senator Dole conduct this campaign out in the country, but many times on the Senate floor, would it be better that he step aside as majority leader so that your contest with him does not begin to impede the Republican agenda?

SEN. GRAMM: I don't think so, Tim. I would never urge Senator Dole to do that. He has every right to stay as majority leader. I would stay as majority leader.

But I think it is very interesting that after the election, Senator Dole was saying, "Nobody's read the contract with America. I didn't sign the contract with America," and yet he ended up supporting it. Why? Because we're running against each other for president.

I think that the American people have benefited from this election because, given that we are both trying to appeal to a conservative constituency, I'm getting a lot more help on these issues from Bob Dole than I would be getting if he weren't running.

MR. RUSSERT: Bob Dole is governing at the sufferance of Phil Gramm?

SEN. GRAMM: I think Bob Dole is doing what the American people want done in part because he's running, and I think it's a good thing.

MR. RUSSERT: Lisa?

MS. MYERS: Senator, I'd like to talk to you about the state of your campaign. I'll show you some recent headlines. "A Gramm meltdown." "Gramm, after a torrid start, slips and slides in 1996 race." "Gramm's ailing campaign regroupes as seldom-seen manager steps back." Subtitle: "Christian conservatives warming to Dole."

What's the problem?

SEN. GRAMM: I don't think there is a problem. I think

basically what happens in any campaign -- when we announced over an eight-day period -- I was on three Sunday talk shows, I was on "60 Minutes," I did five morning shows, my announcement speech was run 19 times on C-SPAN, and I jumped in the polls from five percent to 15 percent, and everybody said, "Wow!" In fact, I said, "Wow!"

There was speculation at that point Bob Dole might not even run. I knew that Bob was going to run. And what happened is that once that eight days was over, the good news is that we stayed up in the polls. The bad news is they don't let me announce a second time.

For me to move the polls again, one of three things has got to happen. One, some cataclysmic event, and I don't have the ability to control it. Number two, I've got to spend lots of money, and I'm not going to do that until the public is focused on the race, or, number three, I've got to win a primary or a caucus.

So we're now doing things that aren't very glamorous, that don't make headlines. We're building an organization now in 26 states. We're out working hard, getting people to put up their time, their talent, their money. I feel good about where we are, but this is basically block and tackling kind of stuff. I believe that I'm going to win because America's ready for a change, but most people, while I'm ready to talk about this presidential campaign, most Americans are planning their summer vacation, and they're not yet paying attention. When they're ready, I'm ready.

MS. MYERS: You seem to be having particular trouble in the state of New Hampshire. The governor, Steve Merrill, told "The New York Times," quote, "I Never expected to be at arm's length from Phil Gramm in the summer of '96. I thought I would be reinforcing his conservative message. I can assure you I do not do that now." Why so much --

SEN. GRAMM: Let me explain --

MS. MYERS: -- trouble in New Hampshire --

SEN. GRAMM: -- let me explain --

MS. MYERS: -- isn't that a crucial state?

SEN. GRAMM: -- because I think this is important. The problem in New Hampshire, and let me say the senior senator's supporting me, we've listed the names of a hundred current or former elected officials who've endorsed me. I feel like we're building a grass-roots base of support there, but there've been all kinds of conflicts between New Hampshire and other states about

primaries.

The governor asked me not to speak at a state convention in Delaware that I had promised that I was going to go give a speech to, and I said, "I'm going to go and give that speech because I promised I was going to give that speech."

I can't let people, no matter how well intended they may be, no matter how they may be representing their constituents, I can't let people tell me where I'm going to campaign. I'm running for president, and if I can't stand up to a little political pressure in a campaign, how am I going to deal with the Russians, much less the Democrats?

So I think, quite frankly, when politicians let other politicians tell them where to go to campaign, I wonder about their ability to be tough enough to do the job of president of the United States.

So look. I want to be loved. I want everybody to be for me, but I have to be who I am, and I think one of my strengths -- you won't see any headlines, "Gramm re-invents himself." You don't see headlines, "Gramm, like Bill Clinton, different person this quarter than last quarter." You don't see headlines, "Gramm, like Bob Dole, repositions himself."

I am who I am, and I think my strength in this campaign is that I'm a committed conservative who's been trying to change the status quo in Washington, in the House, in the Senate. The American people want that job done now, and if they vote based on our records, I'm going to win.

MS. MYERS: A freshman legislator in New Hampshire said that, quote, "The problem is Gramm himself," that "all the senior Republican legislators around the state are walking around angry with him. He seems to be in a constant feud with the governor, and a lot of people know this and don't like it."

Why are you having so much trouble getting along with people who want to be your allies?

SEN. GRAMM: Well, first of all, I've got legislators who are supporting me, but what he's referring to is this dispute between states.

But, look, when you're running for president, I don't get to set the campaign schedule, but I am not going to let people tell me that to campaign in my state, you can't campaign in another state.

If -- I'm like the father in the "Field of Dreams."
You build it, and I will come. You hold a primary, I'm going to run. I'm going to run in all 50 states, I'm going to do the best I can, and I believe in the end I'm going to win in New Hampshire. Not because that it's not problems that you've got these disputes about Delaware wanting to have their primary within four days of New Hampshire on an amendment offered by a Democrat -- and I didn't even know anybody in Delaware when they did this -- but in the end, I am a conservative. I'm for less government and more freedom. I want working people to keep more of what they earn, and, in the end, the voters of New Hampshire -- and it's their endorsement I want -- are going to choose me because of that.

MS. MYERS: Let's take a different issue, the religious right. A couple of leaders of religious right came in to complain to you that you weren't putting enough emphasis on moral issues. You reportedly said to them, quote, "I ain't running for preacher. That's your job."

Now, isn't using the bully pulpit to talk about moral, social, other issues afflicting the nation, isn't that part of the job of the primaries?

SEN. GRAMM: It is part of the job, but let me go back to that statement. I don't feel comfortable wearing my religion on my sleeve. I want people to judge me by my works.

I look at Bob Dole's comments about Hollywood. Everybody in America wants our institutions to be more responsible, but if we're going to change America, we're not going to change it by talking about it, we're going to change it by changing a tax code that is anti-family and anti-marriage, we're going to do it by changing a welfare system which corrodes our basic values and virtues.

As our social safety net has become a hammock, as people have looked more and more toward government to solve their every problem, by their nature they turned away from their family and their faith. By rendering unto Caesar, people are not rendering unto God.

If we want to change America, we're going to have to change policy. We could have Billy Graham write Bill Clinton's speeches, and some people would feel better about it. I'd like it better myself. But if we had Bill Clinton's policies, the moral decline would continue.

MR. RUSSERT: Let me talk about an issue along those lines. You voted for legislation which would, in effect, ban obscenity -- or stated intention, ban obscenity from computers. Newt Gingrich said that is not well thought

out, it's a violation of the First Amendment for adults to do what they want to do. What do you say to Newt Gingrich?

MORE

SEN. GRAMM: I think Newt's wrong on this issue. I think we have a right to set standards when we're using -- the computers are tied together by the telephones. We have historically had bans on profanity and obscenity at a certain level over the telephone. We have treated it as a common carrier, like the mail, and I think we have the right to do this.

I think obviously you've got to set very strict standards. I'm not for having a national censor. I think ultimately that values and virtues well up from the people. If we've got to have the government to impose morality on America, we're in deep trouble and probably lost. I don't think that we have to have that and, quite frankly, I'd be afraid of it.

MR. RUSSERT: But to keep those kinds of writings off the computer -- 20 years ago, you invested in an R-rated movie. In hindsight, would you now be for banning R-rated movies?

SEN. GRAMM: I'm not for banning R-rated movies. I made an investment 21 years ago with a brother-in-law. If you've ever had a brother-in-law, you understand those investments. (Laughter.)

MR. RUSSERT: But the issue is one of consistency, Senator. If you're for keeping obscenity off computers, why not --

SEN. GRAMM: Well, we're not -- listen, when we're talking about obscenity on the Internet, we're not talking about R-rated movies. We're talking about hard-core pornography, and we've got a problem in that 12 year-olds are getting into this material.

So what adults want to do in the privacy of their own home is one thing, but what you're exposing my children and your children to is another, and I don't think it's a good thing, and I want to stop it.

MR. RUSSERT: Two other quick questions and we'll let you go.

Should the U.S. resume nuclear testing?

SEN. GRAMM: I think if the safety of our nuclear

inventory is involved in the decision, if to have safety and reliability, we've got to do underground testing, I'm for it. I think the burden of proof ought to be on those who want to do it.

MR. RUSSERT: So we should do it?

SEN. GRAMM: I think we should do it if safety and effectiveness require it. The military has always said that we need some limited nuclear testing. It can be done underground, it can be on a very small scale, but nuclear devices have inherent dangers, reliability is important, and I think we ought not to get caught up in the PR of testing to the exclusion of safety of a weapons system.

MR. RUSSERT: The base commission has released its findings, closing military bases around the country to comply with the limit in growth in defense spending. Four bases in California are scheduled to be closed, 20,000 employees. The president has to decide by July 15 whether to accept that report or send it back.

Considering its impact on California, what should President Clinton do?

SEN. GRAMM: Well, I think the president has got to go forward with base closings, and let me say that we also have bases in Texas. We have almost 20,000 jobs. I hate it, but we've cut defense by a third since 1985, and I think it is irresponsible to not go forward with the process, and I don't have any doubt in my mind the president's going to go forward with it. I just don't think he has any choice.

MR. RUSSERT: And if he doesn't?

SEN. GRAMM: Well, if he doesn't, then I think that obviously at some point in the future we're going to have to go back and re-evaluate, because we cannot provide for the common defense given the amount of money we have and keep all these bases open. So would I rather they be closed in a state other than Texas? Yes, I would, but if we're going to be responsible, we've got to follow through with this process, and I expect the president to be responsible on this.

I would be shocked if, for political reasons going into this election, he went back on something like base closings, even though I would benefit. My state would benefit, and there are a lot of good people in my state who've dedicated their lives to serving their country and keeping it free who are going to lose their jobs in these closings, and I hate it.

But the process was set up, we went through the process, and if you're asking me is the president going to go back on it and say no, he's not going to do that.

MR. RUSSERT: And you'll vote for it.

SEN. GRAMM: I'll vote for it.

MR. RUSSERT: Senator Gramm, we thank you for joining us, and be safe on the campaign trail.

SEN. GRAMM: Thank you.

MR. RUSSERT: Coming next, will the Republicans and Democrats compromise on Medicare, welfare, and tax cuts? We'll talk with Republican Lott of Mississippi and Democrat Daschle of South Dakota.

(Announcements.)

MR. RUSSERT: We're back. Senators, welcome.

SEN. DASCHLE: Good morning.

SEN. LOTT: Good to be back.

MR. RUSSERT: Senator Lott, let me try with you. The budget plan that was announced by Senator Dole, Speaker Gingrich this week -- will that be the final budget, no compromises down the road whatsoever with President Clinton?

SEN. LOTT: Well, I think it probably will be changed down the road. The president is president of the United States. As we go along on appropriations bills and as we get to the final package, the president will have some things to say. He'll have some impact.

But this is a many step process. We've already made two of those steps. This budget resolution is a major, giant step forward, but as we go through it, the president will have his opportunities to have some input.

MR. RUSSERT: As now, as it's presently constituted, the president says it may risk putting the country into a recession.

SEN. LOTT: Well, you know, there's no longer really debate on this budget question. The president stepped in and he did say that he thought we should have a balanced budget. He did say that we needed some tax incentives for growth in the economy, and he said that we were going to have to have some reform of Medicare. So the big issues, he has said, "I agree with you." So now it's just a

question of how do we get the numbers to accomplish those things.

MR. RUSSERT: So where's the give? On tax cuts, will you come down a little bit?

SEN. LOTT: Well, you know, I hope we don't have to do that, because I think the tax cuts are going to be important for the economy, I think getting the budget resolution and having the tax cuts in there will encourage the Fed to lower interest rates, and the capital gains tax cuts will help with growth, and that is very important.

But, you know, we'll be -- maybe on the way the spending occurs. The president has some priorities that are different from some of the priorities that we had in our budget resolution, and I'm not advocating that yet, but along the way, I assume there'll be some.

MR. RUSSERT: Are you concerned the perception is that the Republicans cut taxes for the rich, in order to pay for that, are going to go after Medicare and student loans and education?

SEN. LOTT: Well, first of all, that's just fundamentally wrong. One provision in this budget resolution that was added by Hank Brown, senator from Colorado and, I believe, Barbara Boxer of California, a Democrat, was that 90 percent of the tax codes go to people who make under \$100,000 a year, and it may be still modified even more. When we get through, it's going to be tax cuts that bring fairness to the tax code, with things like the IRA for spouses in the homes and to get rid of the marriage penalty over a period of years. It'll help the economy, create some jobs.

So I think that, you know, the president, in the end, will be supportive of what we're trying to do, but we may change the numbers some there, too.

MR. RUSSERT: Senator Daschle, President Clinton came forward with a proposal to limit the growth of Medicare and to cut taxes as well, over a 10-year period. Will you move a vote on the president's budget bill on the Senate floor?

SEN. DASCHLE: Well, we're beyond the budget resolution per se, Tim. What we've got to do now is to take the extreme measures that are in the budget conference and bring them more towards the center, eliminate some of the extraordinary and deep cuts in education, deep cuts in Medicare, deep cuts in Medicaid, the taxes on the working families of this country, and try to bring it more towards the middle. That's what the president suggested in his

alternative budget. That's what we suggested in our amendments on the Senate floor.

So we think that's possible. Obviously, this bill will not go anywhere unless they move more towards the middle. This bill is dead in the reconciliation process unless we do something to try to moderate some of the extreme measures that it now includes.

MR. RUSSERT: Do you support President Clinton's budget proposal of reductions in growth of Medicare and tax cuts, as proposed last week by President Clinton?

SEN. DASCHLE: Absolutely. We may differ on what the numbers are, but there is no difference whatsoever that we've got to cut Medicare and Medicaid and the various other components of the budget.

The big difference between the president and the Democrats on one side and the Republicans on the other is to use all of those cuts for huge handouts to the wealthy.

Do we line the pockets of the wealthy by picking the pockets of the middle class? That's the difference. The president has said no. Democrats in Congress have said no.

MR. RUSSERT: You say "Democrats in Congress." Senator Bob Kerrey, Democrat from Nebraska, ran for president, said that President Clinton's budget numbers are cooked, that he's using OMB, his own numbers, rather than the congressional CBO numbers. A ranking Democrat says the budget numbers are cooked.

SEN. DASCHLE: Well, let me just say I didn't see his quote, but let --

MR. RUSSERT: Oh, it's accurate. I get things right.

SEN. DASCHLE: Well, I'm sure you do, but let me say the president has said all along he will go by CBO numbers. We will -- we will come to whatever accommodations there are to ensure that CBO is the final arbiter on the numbers. That's not any question. There's no difference between the president and the Congress on that.

MR. RUSSERT: So President Clinton --

SEN. DASCHLE: The president has said --

MR. RUSSERT: So President Clinton will accept CBO numbers in the end?

SEN. DASCHLE: That's what he has said all along. What he has said here -- there is a very small difference in

projections in terms of inflation and economic growth. That's the difference, and so the president has said all along that ought not be the difference that divides the president's for a vote and -- the president and the Republicans. What really divides us is just how deep a tax -- how significant a tax cut we give to the wealthy at the expense of Medicare, at the expense of Medicaid and education.

South Dakotans have made it very clear to me -- and I'm sure they have to other people, as well -- they cannot tolerate a \$900 in the cost for Medicare in the seventh year. That's unacceptable.

SEN. LOTT: Tim, two quick points. Two quick points.

MR. RUSSERT: Then I'm going to get Lisa in here.

SEN. LOTT: One, we may give the Democrats a chance to vote on the president's second budget and see how they actually vote on it.

The other point is I want to correct again we're not cutting Medicare. You'll note this is handmade. (Laughter.) We're trying to save money. But the point is that Medicare goes up steadily and Medicaid goes up steadily -- \$349 billion increase over seven years for Medicare.

MR. RUSSERT: Senator Daschle said cuts. I said limits in growth.

SEN. DASCHLE: Right.

SEN. LOTT: Right. You're getting it, Tim.

MR. RUSSERT: Let the record show --

SEN. DASCHLE: Well, let the record show something else. That doesn't take into account the explosion we've seen in population among seniors, it doesn't take into account the terrific increases we've seen in technology costs, and so it does represent a real cut in the availability of funds to provide the current services. There's no doubt about that. No one disagrees with that.

MR. RUSSERT: And, Senator Lott, you would accept the fact that with those reductions in the growth of Medicare, on your terms, or cuts, as Senator Daschle said, that seniors on Medicare going into the system would have to pay a little more in premiums and receive a little less in services.

SEN. LOTT: Yes, I would accept that, but remember

this. Again, on an individual basis, their per capita income before Medicare will go from \$4,300 a year to over \$6,000, so it is going up for the individuals.

SEN. DASCHLE: It represents --

MR. RUSSERT: Lisa.

SEN. DASCHLE: -- a \$5,700 reduction in benefits over seven years for the typical South Dakotan on Medicare.

MR. RUSSERT: Lisa.

MS. MYERS: Senator Lott, you've been working with Senator Bob Dole now for six months as his number two man. You know what he does behind the scenes, you know what deals he tries to cut, you know what is possible given the political realities of the Senate.

Is Senator Gramm correct? Would Senator Dole have cut a deal on the Foster nomination were it not for the threat of a filibuster?

SEN. LOTT: Well, I do have an opportunity to watch him very closely, and I have found Bob Dole to be very steady and very committed. He never wavered on the Foster nomination from the beginning. There's no question that Phil Gramm and Bob Dole both were working toward the same goal and Phil did get out there and say, "I'm going to have a filibuster," but Bob Dole also asked me as the whip, go out there and get the votes, and so he seemed to be committed to it from the very beginning.

MS. MYERS: So there was no effort to cut a deal on his part?

SEN. LOTT: None. None at all.

MS. MYERS: All right.

Do you believe that Senator Dole generally is too willing to cut deals that compromise conservative principles, as Senator Gramm has charged?

SEN. LOTT: Well, you know, I've been accused of that sometime myself, but, you know, after all, this is a legislative body, and there comes occasion when I need to be able to work with Tom Daschle, the Democratic leader in the Senate, and we have to give and take a little bit. Some people say that's deal making. What I call it is legislating and trying to do the best you can, as you see it, for the good of the country.

MS. MYERS: So you think Senator Gramm is wrong on that?

SEN. LOTT: I'm -- I didn't put it that way. I think that sometimes Bob Dole does try to make a deal when it's all we can get and when it's the best for the country.

MS. MYERS: Do you think Senator Dole was insufficiently committed to a big tax cut, as Senator Gramm has alleged?

SEN. LOTT: Well, I was around the final negotiations on the budget resolution and I saw Bob Dole's eyes, his commitment, and his statement, "We're going to get at least \$245 billion for tax cuts," and he wasn't equivocating. He was very firm on that. And actually, I think he wanted more.

So, you know, he's been pretty strong on that.

MS. MYERS: You've had some difficulty getting parts of the contract with America through the Senate. Do you think Senator Gramm could have been any more successful than you and Senator Dole have?

SEN. LOTT: Well, let me say this in Phil's defense: Phil's commitment, his presence on the floor, the way he articulates the issue, it's very important. I think he has helped drive the issue of the contract. He's very aggressive in advocating those positions, and I think that he has been very helpful in that regard.

I don't know that we could have gotten a lot more done than we've done, but remember this: We are committed to doing everything that's on the contract before this year is out. Now, it may not be the exact numbers or the identical language, but we are committed to those principles.

As a matter of fact, I think the American people are so strongly committed to them there are some Democrats who'd like to see those things happen, too. Regulatory reform, welfare reform -- we're all for that.

MR. RUSSERT: So, Senator Lott, you would say that Bob Dole is a truly committed conservative?

SEN. LOTT: I would.

MS. MYERS: He's not a closet moderate.

SEN. LOTT: I don't think he is.

MR. RUSSERT: Lisa.

SEN. LOTT: God forbid.

MS. MYERS: (Laughs.) Senator Daschle, you have been all over the lot on balancing the budget. Last year you voted for a constitutional amendment to balance the budget. This year, when it had a chance to pass, you voted against it. On this program in January, you said you favored balancing the budget in seven years and that you would offer a specific plan to accomplish that. When you had a chance to vote for a balanced budget, you voted against it, and you still have not offered a specific plan.

Why should anyone believe that you are really -- that you really care about balancing the budget?

SEN. DASCHLE: Lisa, just to clarify the record here, we voted in favor of a number of balanced budget. We didn't vote in favor of the last one, the Republicans' budget resolution that said, "You take this one or none at all." We supported one that exempts Social Security, we supported one that took into account capital budgeting, we supported one that recognized that there ought to be some judicial review. There are a whole series of balanced budget amendments that we supported up or down.

We wouldn't be willing to support the Republican budget resolution that simply said, "We're going to use Social Security trust funds to balance the budget over the course of the next seven years." That was wrong, and we just felt all along that that wasn't the way to do it.

We also said that when the budget resolution would present itself that we would offer a series of alternatives in the form of amendments, which we did. We protected Medicare, protected Medicaid, protected education, protected the programs directly affecting the American families. We did that, those were our alternatives, and we got broad Republican and Democratic support for many of the issues here.

The problem is we couldn't get the necessary majority because the Republicans weren't willing to support it as they should have.

MS. MYERS: Will you commit the Clinton administration, if they are going to use the Congressional Budget Office numbers, to come up with the specific cuts needed to actually balance the budget in 10 years? Right now, they're hundreds of billions of dollars short.

SEN. DASCHLE: Absolutely. We have said all along we do not differ with the date certain. We do not differ with the need to make the kinds of cuts necessary. What

we do differ with the Republicans on is whether or not we should take all of those cuts and transfer them into huge new tax breaks for the wealthy. We're unwilling to do that, and that's -- that, I think, is something we've got to address during the reconciliation process.

That's not going to happen. The president isn't going to let it happen, Democrats in Congress can't let it happen. We want to balance the budget. There's no reason why we can't agree to do it by a date certain -- the year 2002 or the year 2004 -- but let's do it without benefiting the wealthy. This is a spend now, pay later budget, it's a Fortune 500 budget, and it's wrong.

MR. RUSSERT: Senator Lott, I'll give you the last word on the budget, and then I have one last question for both of you.

SEN. LOTT: Well, first of all, the president's budget, the last one he proposed, had, like, \$209 billion in deficits 10 years from now.

On the other side, look, you only balance budgets by doing three things. One is raise taxes, which Clinton and the Democrats did in 1993. I still think that was a mistake. The other two things is you cut spending. I mean, you cannot say, "Not this, not this, not that." You've got to come up with some tough choices.

SEN. DASCHLE: And we did.

SEN. LOTT: Even Senator Bob Kerrey, a Democrat from Nebraska, says that.

And last, and not the least, you also can do it by having the economy grow, by incentives for people to save and invest. A capital gains tax rate cut will do that.

MR. RUSSERT: Senator Lott, who's Dick Morris? (Laughter.)

SEN. LOTT: Is there such a person? Have you got any pictures of him?

MR. RUSSERT: Yes, we're going to see him in a few minutes.

SEN. LOTT: Oh -- (inaudible; crosstalk) --

MR. RUSSERT: And according to documents filed with the FEC, the Federal Election Commission, you paid him \$7,000 last year to consult with you.

SEN. LOTT: Yeah.

MR. RUSSERT: Who is he?

SEN. LOTT: Well, he is a consultant. Some people describe him as a pollster. He's worked over the years for Democrats and Republicans. He's a man with a lot of interesting ideas, and I've enjoyed working with him. Sometimes his advice is brilliant, sometimes not so brilliant, and I'm not very happy with him right now, because I thought he was working only for Republicans. He seems to be over working for a Democrat now.

MR. RUSSERT: Can he work for President Clinton and for you, too?

SEN. LOTT: Not at the same time, no.

MR. RUSSERT: Last spring, you had a conference for Republican senators. He was there. He gave you some advice about President Clinton. What did he tell you?

SEN. LOTT: Well, he was careful not to, you know, give information that would have been inappropriate, but he did talk to us about trying to -- how to understand the man. Who is this guy Bill Clinton? I'm not sure we know yet. Sometimes it differs from day to day, but it was just a free-wheeling discussion and helping Republicans understand who the president of the United States is that we're going to have to work with sooner or later, one way or the other.

MR. RUSSERT: According to "Time" magazine, you said that Mr. Morris told you how to get the best of Bill Clinton and that the president didn't get the name "Slick Willy" by accident.

SEN. LOTT: I think that the last part of that probably is accurate.

MR. RUSSERT: That's what Mr. Morris told you?

SEN. LOTT: Something to that effect.

MR. RUSSERT: So he's a hired gun?

SEN. LOTT: Oh, sure. I mean, every consultant, pollster, and media person to a degree is. Unfortunately, he seems to have more flexibility than most of them.

MR. RUSSERT: Now, you told Mary McGrory in today's "Washington Post" that Republicans and Democrats are different. They use different sides of their brains. They're like men and women.

SEN. LOTT: I think so, yeah.

MR. RUSSERT: Which party's men and which party's women?

SEN. LOTT: Well, I think that we're the party of Mars, but we would like to have the Venus side of the American society in our party, too.

MR. RUSSERT: So the Republicans represent men and the Democrats are women --

SEN. LOTT: No, no, I wouldn't go --

MR. RUSSERT: -- in terms of your brain?

SEN. LOTT: -- I wouldn't go that far.

MR. RUSSERT: That's what you said.

SEN. LOTT: Well, I said not that they are one or the other, but, like men and women, they seem to think with different sides of their brains, not that there are necessarily the male on one side and women on the other.

MR. RUSSERT: I think you're going to have an interesting conversation with your wife today, Senator. (Laughter.)

SEN. LOTT: Yeah, I'm sure I will.

MS. MYERS: Which side of the brain do women think with?

SEN. LOTT: The right side. How about that?

MR. RUSSERT: So if the right side is women, right is Republican.

SEN. LOTT: Well, it may be the left side of the brain, but it's the right side, either way. (Laughter.)

MR. RUSSERT: Senator, we're going to leave it there. Senator Daschle, I'll let you not participate in this one. I think you're only -- (inaudible; crosstalk) --

SEN. DASCHLE: I've enjoyed this very much. I'm thinking with both sides of the brain right now. Thank you, Tim.

MR. RUSSERT: And so do all women, right?

SEN. DASCHLE: That's right.

MR. RUSSERT: Get in there! All right. All right.

Thanks for joining us. We'll be right back to talk more about Dick Morris and the political infighting in the Clinton White House, right after this.

(Announcements.)

END

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CBS "FACE THE NATION"
WITH HOST: BOB SCHIEFFER

GUEST:
RALPH REED, EXECUTIVE DIRECTOR, CHRISTIAN COALITION

SUNDAY, JUNE 25, 1995

PLEASE CREDIT ANY QUOTES OR EXCERPTS FROM THIS CBS
PROGRAM TO "CBS'S FACE THE NATION."

MR. SCHIEFFER: And welcome again to the broadcast. We start this morning in Washington with Ralph Reed, the head of the Christian Coalition, which has become a powerful force in American politics -- certainly in Republican politics. Mr. Reed, thank you for coming.

MR. REED: Thanks, Bob, good to be here.

MR. SCHIEFFER: People talked a lot about the defeat of Foster being a defeat for the President. Do you consider the defeat a big victory for you and your organization? And what does it mean to you?

MR. REED: Not really, Bob. I think it was really unfortunate. I think it was regrettable. I think all of

us wish that we didn't have to go through this. My hope would have been that President Clinton, after the traumatic and tortured tenure of Joycelyn Elders, would have moved to the center, would have tried to find a nominee for this office that could unite the American people, that could heal the American people, that could bring us together. What we need in the surgeon general's office, Bob, is not a Republican or a Democratic position, not a pro-life or a pro-choice position, or a liberal or conservative position. We need one for all the American people. We would have liked to have gotten that, and really never even been involved in this. And this week we are going to be submitting to the White House and to congressional leaders a list of names -- five or ten names -- any one of which if they'll choose from we would not oppose.

MR. SCHIEFFER: Would any of those people be pro-choice?

MR. REED: Well, I think again we are an organization that defends the sanctity of innocent human life, and I don't know whether or not we would be able to favor a nominee that was pro-life or pro-choice based on that. We would have to take a look at the nominee. But I certainly think the Senate would confirm a nominee that didn't necessarily agree with my position on abortion. They have, after all, done it -- they confirmed Joycelyn Elders. And I don't think at the end of the day, frankly, that Dr. Foster got into the problems that he did solely because of the abortion issue. Clearly there were probably 20 votes against him based on that issue. But, Bob, eight of the U.S. senators who voted against him were pro-choice -- people like John Warner of Virginia, who doesn't agree with our movement on very much at all; people like Senator Ted Stevens of Alaska, Senator Kay Bailey Hutchison of Texas. These were all pro-choice to moderate Republicans, and they voted against him.

MR. SCHIEFFER: The President said this sends a chilling anti-abortion message to the American people.

MR. REED: Mmm-hmm. (In acknowledgement.)

MR. SCHIEFFER: Do you think that's what the message that was sent? And do you think that's a good thing?

MR. REED: I don't think that's the message that was sent. I think the message that was sent is that when you send forward a nominee to Capitol Hill it has to be properly vetted, it has to be properly staffed. One White House official described the process that led to Dr. Foster's selection as a soccer team of 10-year-olds in which everyone was trying to kick the ball at once. There were

misleading statements made to Senator Nancy Kassebaum, chairman of the Labor Committee. We'd really like to move beyond this. The reality is that what the American people want this President and this Congress to do is to lower the deficit, cut taxes, balance the budget, and reform welfare. We did not make this nomination the top legislative priority. We forwarded our contract with the American family on May 17th, which is our legislative agenda for this Congress, and the surgeon general wasn't even on that list.

MR. SCHIEFFER: Let me go back to something you said when you talked about sending a list of people that you would consider acceptable candidates to be nominated for surgeon general. You said that you might not be able to recommend someone who was pro-choice. But did you also mean by saying that that you could accept someone who was pro-choice, if indeed that he seemed to be a good person -- he or she seemed to be a good person otherwise?

MR. REED: Well, again, I think that we are an organization that supports and defends the sanctity of innocent human life, and we would like to see a nominee that codified those values. I think the reality is that as long as Bill Clinton is president, if there is a litmus test it's probably his litmus test. He hasn't favored anybody for this position that didn't take a very extremist position on abortion. But I don't want to get into too many names today, but let's just give one example of one that I know was on the short list before they chose Dr. Foster -- that's former Congressman Dr. Roy Rowland of Georgia. He's a conservative Democrat. He supported Bill Clinton in 1992. He doesn't exactly take our position on abortion, but he also doesn't take NARAL's or Planned Parenthood's position either. And I think if he could forward a nominee that was against taxpayer funding of abortion and against late-term abortions, I think many people would support him.

MR. SCHIEFFER: Is your group moving toward eventually seeing a ban on all abortions? Is that really what you would like to see at the end of the day?

MR. REED: Well, I think our position really has been clear, consistent, and unequivocal. Our position on the sanctity of innocent human life is the same position as Mother Teresa, it's the same position as the U.S. Roman Catholic Bishops, it's the same position of Democratic Governor Bob Casey of Pennsylvania. We believe in protecting innocent human life for the aged, the disabled, the infirm and the unborn. We believe that includes constitutional and statutory protection. What we forwarded for this Congress is an agenda that would include an elimination of late-term abortions, heinous and

controversial abortion procedures, like partial-delivery abortions.

MR. SCHIEFFER: Let's talk a little bit about Republican politics, because clearly your group has emerged as a force in Republican politics. How would you rate the various campaigns right now? How is Bob Dole in your view?

MR. REED: Well, I think Bob Dole is clearly someone who, in the aftermath of his speech on Hollywood and family values, is on a roll. He's the front-runner. But, you know, this is an awfully long process.

MR. SCHIEFFER: Will your group endorse anyone in any of the primaries?

MR. REED: No, we will not, Bob. We don't think it's appropriate --

MR. SCHIEFFER: Okay.

MR. REED: -- for an outside organization to endorse.

MR. SCHIEFFER: Well, let me ask you about Phil Gramm. A lot of people say his campaign is not doing so well these days. How do you judge it?

MR. REED: Well, I think Phil has had a tough time of late. But I think the truth of the matter is -- I know Phil Gramm very well, admire him greatly. He's been a champion for the things that we advocate in the Senate. You never underestimate anybody who has won as many campaigns as he has, who has \$20 million -- and I think he's going to be a serious, credible candidate.

MR. SCHIEFFER: Why do you think he's having problems right now?

MR. REED: Well, I think it's awfully early. I think the main thing is he has been struggling with a way to talk to the issue of values and culture and the fraying of the social fabric. I think he is going to find his voice on that, and when he does he is going to surprise a lot of people.

MR. SCHIEFFER: Pat Buchanan -- quickly.

MR. REED: I think Pat Buchanan, having already run, having the high name ID, is going to do extremely well. I think he's also going to surprise a lot of people.

MR. SCHIEFFER: Do you think that abortion will be an issue in next year's campaign?

MR. REED: You know, Bob, I think it will be an issue, but I think the reality is that as we saw in exit polling in 1992 and '94, it's going to be a small group of voters that will vote singly on that issue -- probably somewhere in the neighborhood of 12 to 16 percent. They'll break, as they always have, two-to-one pro-life. It will be an issue. I don't think it will be the issue. And I think if Bill Clinton tries to make it the issue I think he's going to get the mother of all wake-up calls on Election Day 1996.

MR. SCHIEFFER: Thank you very much, Ralph Reed.

GUESTS:
REPRESENTATIVE PAT SCHROEDER (D-CO)
SENATOR PATTY MURRAY (D-WA)

MR. SCHIEFFER: And joining us now from Denver, Representative Pat Schroeder of Colorado -- she's on the House Judiciary Committee; and with us here in our Washington studio, Senator Patty Murray of Washington, who led the forces for Dr. Foster during the nomination fight last week. Let me ask you both first about what Ralph -- the last thing Ralph Reed said as he left. He said he thought that abortion in the presidential campaign in '96 would be an issue, but not the overriding issue, and if the President tried to make it that he would get the "mother of all wake-up calls." What would be your reaction to that?

SEN. MURRAY: Well, I think the American public doesn't want to see a divisive, ugly debate over abortion. But I also believe that most Americans want to make sure that there are safe legal abortions available for medical needs as they are out there. And I don't think they are going to tolerate us going back 25 years when we had back-room abortions.

MR. SCHIEFFER: What do you think about what Mr. Reed just said, Congresswoman Schroeder?

REP. SCHROEDER: Well, I got a big kick out of it. This is the man who admitted he put his whole contract together by polls -- not some great high ideology doctrine. And I think the reason he tried to be so mellow and low key today is he got the "mother of all wake-up calls" because people are beginning to realize how extreme his agenda is, and that they are moving on all fronts to really roll back the pro-choice gains that were made early on in this administration. So I think the President has every right to be mad. Don't forget they've now made women in the military second-class citizens by taking away his executive order on that, they've introduced all this radical legislation; and they're totally admitting their

goal is to do away with all abortions. And, finally, who in the world that's a good OB-GYN could ever be surgeon general of the country on the criteria that they insisted be applied to Dr. Foster? They realize from their own polls they've gone too far, and now they're trying to pose for holy pictures.

MR. SCHIEFFER: Should the President as the next step --

I'd like to ask both of you -- send up a pro-choice nominee? Or should that even figure into it, whether the person who is going to be surgeon general is pro-choice or anti-abortion? Senator?

SEN. MURRAY: Well, you know, I am very concerned now about what kind of person can serve as surgeon general, after living through this tremendous debate. What is the nation going to have? Dr. Scholl, the foot doctor who can't put forward any good ideas about teen pregnancy, can't stand for anything, can't speak up for what the real needs are in this country? And no one ever thought that when the President sent Dr. Foster to us that this would become an abortion issue. It became that because they started going back through his record and pushing that issue. I fear for anybody who puts their name forward now, that whoever they are out there are going to push them into some pocket and make claims about them, and then say it's all botched up. And then the poor individual whose name is out there won't even want to go through the process.

MR. SCHIEFFER: Let me say I had forgotten Dr. Scholl was still around, but I'll take your word that he is. Congresswoman, what -- should it be a pro-choice person only, or should it be just a doctor -- a nice dentist perhaps?

REP. SCHROEDER: (Laughs.) Well, Bob, I totally agree with Senator Murray. I mean, look at this -- we say one of the number one problems in this country is raging adolescent unwed pregnancies. Now, Dr. Foster was one of President Bush's points of light, for heaven's sakes. This is a man who had really addressed that issue. If we don't want to address these issues with people who know something about it, and who have done absolutely nothing illegal -- being pro-choice is not illegal in this country -- please! -- they want to make it illegal, and that's why they want to make it their litmus test. But, otherwise, what kind of a doctor do we have? Just Mr., you know, Goody-goody-goody, and nobody can talk about anything real? Why even have a surgeon general if they can't take tough stances? Look how proud we were of the prior surgeon generals who took on smoking, who took on AIDS, who took on many of these controversial issues. And we now have

said teen pregnancy is key -- front and center. And they say, "Oh, yeah, but they can't be legal -- they can't be talking pro-choice."

MR. SCHIEFFER: Let me ask you, Congresswoman, because there are a number of bills that relate to abortion now pending over in the House. What's going to happen over there?

REP. SCHROEDER: Well, I'm introducing one next week with Congresswoman Nita Lowey, who is the new head of the caucus. And we're going out there and saying we are not rolling back. The trouble with women is we often think the progress we have attained can never go backwards. Well, it's going backwards every day in the Congress. So we are drawing a line in the sand, and asking everybody to sign up, join on. And I know Senator Murray is going to be doing the same thing in the Senate. We just have to wake people up as to how radical and extreme their agenda is for women.

MR. SCHIEFFER: Do you think that what is happening is that the anti-abortion forces are kind of sort of attacking and taking issues around the edges, when what they're really aiming at is a ban on abortion, Senator?

SEN. MURRAY: Oh, absolutely. And it's really a stealth contract. The nation is focused on the "Contract With America" and the economic package that the Republicans are putting through. But every day in the Senate, in all kinds of committee hearings, we are looking at their stealth contract, which really is trying to take a lot of social policy way back. And we can't allow that to happen.

MR. SCHIEFFER: Would you say that the atmosphere for passing anti-abortion legislation is greater in the Senate or in the House? I would guess it's probably greater in the House.

SEN. MURRAY: I believe right now it is in the House, but we will see it in the Senate as the appropriation processes go forward. And certainly we saw it on the floor of the Senate on Thursday, when one of the senators brought very inflammatory pictures and raised the rhetoric on Dr. Foster's nomination beyond belief.

MR. SCHIEFFER: And I'll give you a final word, Congresswoman: What's next in the House?

REP. SCHROEDER: Well, I totally agree. I think the House is where it is all starting. And people sat around very calmly at the beginning saying, "Oh, oh, the Senate won't do this." Well, I think the Foster nomination said the Senate will do this, and they forgot that it seems like

everyone in the Senate is running for president, and they're all trying to go way to the right to attract those primary voters. And so women's rights are going to be trampled on as they go. We're going to be the road kill in this primary fight if we don't wake up.

MR. SCHIEFFER: And one final question -- we have about 30 seconds. Dr. Roy Rowland -- Ralph Reed just suggested that he might be an appropriate person to be surgeon general. You served in the House with him -- what's he like? What's he about?

REP. SCHROEDER: Oh, he's very fine gentleman, but I think that he probably would be a little appalled to have them saying that he would be okay, because that's meaning that he's not allowed to talk on teen pregnancy. He's been very strong on

AIDS, very strong on some of those issues. And I think he cares a lot about dealing with teen pregnancy too.

MR. SCHIEFFER: All right. I want to thank both of you very much for joining our discussion this morning.

END

**Clinton Presidential Records
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STALLS IN CONGRESS

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

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TEXT:
MEET THE PRESS
JULY 23, 1995

SPEAKERS LIST: TIM RUSSERT, NBC NEWS WASHINGTON BUREAU
GWEN IFILL, NBC NEWS, WILLIAM BENNETT, FORMER SECRETARY OF
EDUCATION, EMPOWER AMERICA, SENATOR BILL BRADLEY REPRESENTATIVE
KWEISI MFUME, REPRESENTATIVE J.C. WATTS.

TIM RUSSERT: Welcome again to MEET THE PRESS. Our issue this Sunday morning, Race in America. Today, NBC news begins a week long series entitled "Black, White and Angry." We'll examine the attitudes and emotions of blacks and whites toward each other, subjects such as affirmative action, welfare, crime, illegitimacy and more.

Our guests this morning, the Democratic Senator from New Jersey who has been outspoken on the issue of race, Bill Bradley; the former Secretary of Education and author of "The Book of Virtues," William Bennett; the former Chairman of the Congressional Black Caucus, Kweisi Mfume, Democrat from Maryland; and the first southern black Republican elected to Congress since Reconstruction, Congressman J.C. Watts from Oklahoma.

In our MEET THE PRESS Minute, archival footage of the leader of the early Civil Rights Movement and the winner of the Nobel Peace Prize, the Reverend Martin Luther King, Jr. He was interviewed on MEET THE PRESS thirty years ago, March 28, 1965. And joining in to question today, Gwen Ifill of NBC news. Gentleman, welcome all.

Mr. Bennett, let me start with you. Will the Republican Party use affirmative action and race as a wedge issue in the '96 campaign?

BILL BENNETT: Well, the words are important "use as a wedge issue." I hope we don't use as a wedge like you use a wedge in hammering. It's like the values issues, if you will. If it's used as a stick or a club, if it seems mean-spirited, if it seems motivated by politics or political considerations mainly it should not use it, and it will backfire. If, however, this is an issue generally subscribed to by candidates and by many people, which it is, if it is a bedrock principle, if it is an appeal to moral principle and if it is presented in that way, in a way that appeals to our history, to our sense of equality, indeed to the very beginnings of the Civil Rights Movement, then, I think it is an appropriate issue to discuss and discuss in that way.

A lot of it has to do, it seems to me, with how it is presented and whether the presentation brings about a degree of cynicism in the American people or reminds them of a certain fundamental principle. I support the action, for example, of the University of California regents the other day. I have supported it for 25 years, issues like this from the time I was involved with the Civil Rights Movement. But, if it looks like political opportunism, it will not serve our party.

RUSSERT: Do you think that Governor Wilson is making it look like political opportunism?

BENNETT: Well, Governor Wilson has a problem because Governor Wilson signed in to law 21 bills on affirmative action, and now he is opposed. This is an immutable

principle. One has to explain why one changed one's mind, and Governor Wilson, I think, is subject to that burden. I wrote a book on this 16 years ago. Some of us have been of this view for some time, opposed those specially racially created districts some years back because we think that counting by race in this way is offensive. Those who have come to this opportunistically, or if it looks like they have come to this opportunistically are not going to serve themselves, and they are not going to serve the party.

RUSSET: Do you think Governor Wilson is exploiting this issue?

BENNETT: I think he's got to meet a burden of proof.

RUSSET: Let's turn to what was discussed in California. At the University system, it is said that race can no longer be taken in consideration in terms of admission to the University. Do you think that being the son or daughter of an alumnus should be taken in to consideration?

BENNETT: Not at a public university, I don't think so, and I think even at private universities, my own preference would be not. But, no, I don't think that's a valid criterion. But, race is, I think, a special category. It is a special, has a special history in the United States, and I regard it as especially noxious. I think when we count by race, we divide by race. So, that's why I think it was the proper move at this time.

RUSSET: At California, I read the statute very carefully, or the language very carefully, and it says "that consideration shall be to Africans, individuals who, despite having suffered disadvantaged economically or in terms of their social environment such as an abusive or otherwise dysfunctional home or neighborhood of anti-social influences, have demonstrated sufficient character."

RUSSET: That's a big opening.

BENNETT: Sure, it's a big opening.

RUSSET: You have no problem with that one.

BENNETT: No, I don't find that morally offensive at all. Under the current circumstances, you can have the son of an upper middle class black businessman get racial preference for admission over a poor white kid or Latino kid who meets this criterion but isn't of the "right race".

No, I do not think this is morally offensive in the way

that race is. We have a history of racial division in this country. We have a horrible history of slavery and of segregation. although I don't question the motives of people who put these plans in effect -- they were put into effect by people who had good intentions -- nevertheless, I think they have tended to divide and to balkanize this country rather than to bring us together.

RUSSET: Senator Bradley, what's wrong with what happened at the University of California on Friday?

BRADLEY: Well, I think it's a step leading to the initiative that's going to be on the ballot in California, that says nobody shall be employed by the state government on the basis of race or gender or any other external circumstance. I think, frankly, a more helpful initiative on that ballot would say that no one shall be employed by the government on the basis of race, gender or any other external circumstance or standardized tests, but shall be employed on the basis of their service to their community, as revealed by work in church, by work with the elderly, the poor, any other group in need, and that success in promoting racial harmony in those actions, shall be considered as a part of the qualification for working for the state government of California.

It seems to me that would say that we want people working for the state government who have empathy and who are caring, and would get away from this idea of using this issue to divide people. I think that would be a much more helpful and positive development.

RUSSET: Do you think that people should be admitted to the university because of athletic ability?

BRADLEY: Well, what do you think?
(LAUGHTER)

I think that clearly race should be a factor and can be a factor. I mean, just take the freshman class at a place like Harvard. You have 4,000 people who apply who are qualified, and then the admissions department has to figure out, well, how are we going to put together 1,000 people who are going to be in this freshman class? Well, what should we consider?

Well, as you pointed out, alumni children are certainly given certain preference. Geographical diversity, I mean when I applied to Princeton from Missouri, I had a certain advantage, because I was from the midwest. Somebody from Montana has a better opportunity than someone from Massachusetts. What about somebody who is a great flutist? That's got to be a consideration. Why shouldn't

race be a consideration too, among a pool of qualified applicants.

You see that's the issue here. Affirmative action says that you have to be qualified, and out of a pool of qualified applicants, you then will make a selection.

RUSSET: The problem in California, as I understand it, is that there was a 288 point difference in the SAT scores between black and white. Does that mean that they're not part of the same qualified pool?

BRADLEY: Well, what's the minimum?

BRADLEY: You see, I think when you reach a certain level, you're qualified. I think that as anybody knows, that the intangibles are they key. I mean, in athletics, for example, you could say that you know, somebody is not good unless they have certain stats. But it's the intangibles who determine, which determine whether somebody is going to be a contributing member to our society. I believe that after a certain level of qualification, it's a judgment call.

RUSSET: So, the Bradley plan would be minimum standards, a certain threshold in terms of academic scores and testing and performance, and then consider alumni, race, geography, athletic ability, extra-curricular activities, social action in the community?

BRADLEY: Well, I would say it's very difficult to have a iron-clad rule here. Obviously, you want people who are qualified in universities, but then, there are a lot of factors that go into that consideration. I mean, I think that if, you know SAT scores were a qualification, I'm not sure I would have gotten into a Princeton. But there were other qualifications -- I like to think intangibles, that through a lifetime of work you kind of live up to.

RUSSET: Do you think Governor Wilson is trying to use this issue politically?

BRADLEY: I don't think there's any question that he is stirring the pot of racial turmoil by his actions. I mean, I think anybody who would seek to be President of the United States has got to kind of tell the American people, on the issue of race, where they're coming from, what their history was, what they believe, why they believe what they believe, how they came to make certain choices in their life.

And I personally think the President did that last week, but

I think anybody who would be President or who would want to be President has got to do that, because this is one of the central issues in this country today and it deserves a President who's thought about it a little bit longer than the latest report from a focus group.

RUSSET: Congressman Watts, you have, as reported, met with your fellow black congressmen and white congressmen and said, "Be careful on this issue, the Republican party cannot just abolish affirmative action without a viable alternative and we can't give folks the wrong impression of who we are as a party." Is that accurate?

WATTS: Well, I think we've done too much over the last six or seven years. When I was, when I first joined the Republican party back in 1989. I think too much has been done over the last six, seven years for us to come out and wipe out that, those gains by not handling the affirmative action issue.

I think this issue is just as important as Medicare, unfunded mandates or balanced budget, anything that we dealt with in the Contract With America and I just want to be sure that I'm encouraging my colleagues and all of America to make sure they're doing the right thing for the right reasons. I think that what the Republican party is trying to do in abolishing programs based on race and gender, I agree with that. But I think you can also do the right thing for the wrong reason. And I just would make sure that this country, that we're dealing with this for the right reason.

RUSSET: What do you think of Senator Bradley's suggestion that you have a minimum standard based on academic scores and then consider other factors, such as race, athletic ability, geography, activism in the community?

WATTS: Well, Tim, I think, first of all, I think that this country is prosperous enough, I think we're wealthy enough in the public and the private sector to guarantee any kid, any child, regardless of the color of the skin or economic background, guarantee them a college education if they make good grades and stay in school and do the things that's expected of them to get there.

WATT: I do agree with Senator Bradley that the ACT exam -- I don't think because a kid makes 16 rather than 18 on an ACT exam that that kid should not qualify for school. You're looking at a guy that's serving in Congress and a guy that served as Chairman of Oklahoma Corporation Commission, that got a degree in journalism from the University of Oklahoma. I

made a 16 on the ACT exam...

RUSSET: Journalism?

WATT: I would not ...

(LAUGHTER)

RUSSET: Doesn't speak well of you Congressman.

(LAUGHTER)

WATT: I would not, I would not have qualified for University of Oklahoma under today's standards. I do think there are some intangibles that have to be considered but I do believe that when you make it, when you make that determination based on race -- I think that need to create policy that will bring America together, not create policy that will divide us. And if you are a white male, then we're competing with each other and you are making your strength the difference from me of being a white male, then that's going to force me to use my difference of being a black male to try to gain equal footing with you, and the same goes vice versa. So, I think we have to be very careful how we use the policy of race, if you will, to progress in this country.

RUSSET: Do you think Governor Wilson is using this issue and is dividing this country?

WATT: Well, I agree with Bill Bennett. I think he's got the burden of proving it.

RUSSET: Congressman Mfume, what's wrong with having affirmative action but not quotas, not set aside, not preferences, simply saying there has to be minimum standard to be achieved and to qualify for, and then it's one of several other criteria that we use?

MFUME: Well, we don't have quotas. That's something that really needs to be said. Quotas are illegal. I mean the court can only impose quotas. If I go and write a law that says that imposes it's going to be found Constitutionally illegal. I mean part of the civil rights act of 1991 came about because George Bush and the White House insisted in the preamble that we state that, and we did that. The issue of set asides is a different sort of ball game, I think, in many respects when you look at the awarding of contracts. You talk about the whole area of procurement, heretofore if we look at what happened prior to any sort of set aside, most of the contracts, 98.3 percent went to white male, and white male contractors. The question was then raised by people who are taxpayers who said, look, we pay our fair share of the taxes. There

ought to be some sort of guarantee that there's an equal opportunity at least to access some of those. And so hence, you came up with, the Congress did, in the late 1980s, this notion of a five percent or 10 percent set aside which said essentially that five percent of the business in this particular agency would be set aside so that women and minorities would compete for it, which I don't think is a great deal because the opposite of that means that you're setting aside almost 95 percent for white males, which has been the case up until that point. So, that allowed people to get into the mix. It allowed women. It allowed Hispanics and African Americans and Asians and Native Americans to participate. If you do away with that, I would strongly suggest that we will find ourselves going back to the days when 97 or 98 percent of contracts went to white males because there were things that are at work such as bonding requirements, which you're hampered if you're a small business because you hadn't been in business, so a larger business with a history can get bonding, and a number of other things that prevent the sort of even playing field that we all would like to think exists.

RUSSET: Congressman Watts, did you accept set asides, five percent, 10 percent, targeted, designated specific number for blacks or women?

WATTS: I think the Constitution guarantees everyone, an equal opportunity. And I think it should. And I think what affirmative action should do, is to assure that the quality of opportunity is in place. I'd like to see minorities be able to compete for 100 percent of the jobs. And rather than having it set aside on race, or gender, I'd say, let's create bonding opportunity. Let's create capital formation. Let's create credit. And let's create mortgage companies that will make loans in poor communities for home owners...

RUSSET: What would you do then, if 100 percent of all the contracts suddenly went to white men?

WATTS: I believe that it wouldn't. I think affirmative action should be in place, for that very reason, to make sure that everybody gets a fair shot at the contract.

IFILL: One of the arguments about affirmative action is that we are moving away from a color blind society. And one of the leading supporters, of affirmative action, as little as it's known -- I want to read this quote to you, Mr. Bennett, said, recently in a speech, "Some of my friends in Washington say you can't keep this philosophy going because of vague and ancient perceived problems."

Well, it ain't perceived they are real. It's not that vague to the person who's suffering from it. And frankly they're not that ancient.

BENNETT: Well, there is racism in America.

IFILL: That was Colin Powell who said that.

BENNETT: There is discrimination in America. I don't think anybody denies that. The question is, do we remedy discrimination, with other discrimination. I think you guys are a little too cavalier on the scores, on the 300 points, on the 288 points. Sure, I mean, from the perspective of the young person you're giving a chance, you say all right we're not going to make SATs and ACTs count for everything.

But, there's somebody you're denying a place to. And if the University of California at Berkeley says, through it's advertisements, this is -- you have to really work hard to get here. You have to really, you know, show some academic performance, because it is a university and academic performance matters. Some Asian kid, who's 288 points lower gets turned down.

I understand the good will, and support the good will toward the kid who's 288 points lower. But doesn't the kid who's scored high, doesn't he have a gripe. Well, wait a minute, you're changing the rules here. If we're talking about the slight differences in abilities, I, you know, I think that, that's a different kind of question.

These are kind of massive, very large kinds of differences that people are talking about...

IFILL: But, we have sitting at this table people who admit that they got preferential treatment in order to get into college. Senator, they got, you said you would with your 18 ACT you wouldn't necessarily have been at the University of Oklahoma.

WATTS: But those standards were not in place. The standard they have today, were not in place. Just like what I saw, was what I was saying, is just because a kid can't run a 4.5 40, if you understand that?

RUSSERT: A forty yard dash, and four point...

WATTS: ...four point five seconds...

(OFF MIKE)

(LAUGHTER)

WATTS: ...doesn't mean that he can't, that he can't play football. What I said was, regardless of the color of skin, regardless of economic background, I think America can provide us college education for anyone that stays in school, and makes good grades. I mean, that, that's the standard. I mean that is a standard.

IFILL: Well, I wonder if we haven't gotten to the point, and Senator Bradley, I want you to jump in on this, or Congressman, that maybe the overdependence on federal solutions, or government solutions, to societal problems has caused an inevitable backlash against programs like affirmative action.

MFUME: Gwen, it has only been the federal government that has made the laws work.

MFUME: We had the 13th, 14th, and 15th amendments on the books for a hundred years before they were enforced, and so people were denied basic rights to citizenship, until the government stepped in. We had the government step in to integrate schools in the South, the government step in to make sure that people's lives were not taken by the Klan. I don't know if it's an overdependence, but it's the only option you have out there, because the good will of society has not stepped forward to take care of many of these ills.

Look at mortgage lending. Let's talk about something in 1995. Every major study -- private, public -- has shown that if you live in a certain area and you happen to be black or brown, you are denied the right to get a mortgage, to buy a house, almost 10 times more than anybody else.

Now how do you fix that? I don't think banks are going to do it on their own, because they haven't. You've got to have enforcement of the law. So people say, you've got to have an end to affirmative action. What do we put in its place? I have yet to hear anything except people say, well, you know we've got to have enforcement. Who brings about enforcement but the government?

BENNETT: How about justice? Equal justice? How about color-blindness and how about recognizing that for the problems we are talking about, I think to bother everyone at this table, in terms of the inner city black community, affirmative action, frankly, is a non-issue. I mean crack would be a more appropriate topic, if we're talking about the problems of inner-city black kids.

MFUME: I think they're both issues though.

BENNETT: Well, I think crack is much more important. I think law enforcement is a much more important issue. The breakdown of the family is much more important. I know you're going to get to these. But, I mean it makes a big difference whether we're talking about middle managers at G.E. and whether they get promoted to vice president, or kids with 600 or 650 going to Berkeley, or the problems that are tearing apart parts of black America. These, I think, are subject to very different analysis and solutions.

BRADLEY: As to whether we're a color blind society or not, I mean, look at the poll numbers among blacks and whites on O.J. Simpson, for example. Look at what happened when Susan Smith said that the problem was that some black men took her children, and they ransacked the black area in South Carolina. I mean, we're not a color blind society, and we have to face up to that fact. I mean, I'm not saying this might have happened to any of you, but it certainly happened to a number of my black friends. If you think we're a color blind society, try to get a cab on 8th Avenue in New York City heading uptown, if you're an African American male, late at night. The cabs pass you by. We are not a color blind society.

IFILL: But this country and this society suffers from the building of ethnic walls and divisions. How different is that from what Governor Wilson said this week about increasing tribalization?

BRADLEY: Well, it is a description of the reality that we have retreated behind our racial walls, instead of extending the hand of brotherhood to each other. We've come a long way from the time Martin Luther King said, and how we all feel when we hear the I Have A Dream speech or when we hear the Mountaintop speech. What we sense is a sense of ethical purpose and sense of community, and the belief that love and respect will triumph over the humiliation and exploitation of racism. We've come a long way from that, and yet...

IFILL: Does the word "tribalization" press any buttons for anybody at this table?

BENNETT: Look at the universities. Look at Berkeley. Go to a sporting event at Berkeley. Quite apart from the admissions process, you will see the black students sitting at one part of the stadium, and the white students sitting in another. We have black student unions on campuses, and white student unions.

BENNETT: What do we do next, water fountains, separate water fountains? Now it is my view, that if you admit by race and count by race and keep drawing attention to race, you will have racial, racialism. You will divide by race, and students will divide by race. I think it is very bad for the country.

RUSSET: But, Congressman Mfume, when the Governor of California uses a word like tribalization, what does it mean to you?

MFUME: In this instance, it doesn't mean a lot coming from this Governor because I think this Governor is a political hypocrite. To sign 21 bills in to law that are all affirmative action bills, and then to get religion overnight and you are opposed to it, I don't think that's pure. Bill Bennett's position is pure. I don't have a problem with that, people who have been consistent in it. But, I think in this instance, Governor Wilson, of all people, says things for political purpose and this instantly became something that was for political purpose but at the same time had something underlying.

It was a buzz word that a lot of people picked up on. Tribalism is associated to Africa, is associated to people of color. And to say that in that sort of tone, in this debate at least, causes one to wonder whether or not he was trying to send a code word.

RUSSET: Before we take a quick break, Senator Bradley you raised the O.J. Simpson trial. Our polls show by five to one Whites think O.J. Simpson is guilty, by five to one Black Americans think he is not guilty. What will the reaction in the White community be in America if O.J. is acquitted or found, is not convicted?

BRADLEY: Well, if the poll numbers are right, most people won't agree with that. What will be the reaction? I think people will say "Well the jury worked its will."

Meaning, I think that... You know I'm not about to jump in to that, middle of that trial and say whether I say whether he is guilty or innocent, but I think that the poll numbers themselves illustrate the difference in perception of the criminal justice system by White Americans and Black Americans, and that comes out of a history. That doesn't just come out of somebody's whim, that comes out of a history of a lot of African Americans encounter with the criminal justice system of this country in ways that are fundamental, the meaning.

Example, quick story, I got a friend, second year Harvard Law School student, a number of years ago was an intern in a Los Angeles law firm. Every Sunday afternoon,

the partner, a different partner would entertain the interns. One Sunday afternoon, he is driving with a white woman in the car and they're going to the partner's house. The police stop him in a posh neighborhood of suburban Los Angeles. One police car pulls in front. One police pulls behind him. They get him out. They throw him down on the ground. They hand-cuff him behind. They then run around to the woman who is the front seat and say, "You are being held against your will, aren't you?"

Fifteen minutes later, as he contemplated, finally convinced them -- No, he's a second year Harvard Law School student on his way to a partner's house for lunch. They let him go. The police flipped down their glasses. Put on their hat and drove away without saying I'm sorry once. The question there is a -- These things happen. That's why these poll numbers are as polarized. But second, the question is, what did the senior partner of that law firm do on Monday morning? Did the senior partner of that law firm call the police department in Los Angeles and say, look, this kind of thing can't be tolerated?

If he didn't, then he as much to blame as the police.

RUSSETT: Mr. Bennett, O.J. Simpson? Five to one whites think he is guilty. If he is not found guilty will whites believe that he was set free simply because he was African-American?

BENNETT: Well, no, actually I think it's not as provocative an answer. I'll think they'll say he bought the best defense team money could buy, who succeeded in obfuscating issues. That's what a lot of people will say. But, I think the point, the different perception has to do with what Senator Bradley is saying, certainly, but also that we have been encouraged in many ways to think by race to think in terms of our interest as whites, our interest as blacks because we have been doing this now for 15 or 20 years.

BENNETT: Again, I think that if you admit by race, if you count by race, if you do the numbers of admissions by race, you draw attention to race and it is bad. Sooner or later, I think we are going to return to this principle that King enunciated. I just hope it's sooner rather than later.

BRADLEY: The question is, Tim, what do you when discrimination occurs?

BENNETT: Yeah, how do you get two color bias?

BRADLEY: How much do you, what happens when discrimination occurs? Right now, you say, well, you gotta get a lawyer. Well, 60 percent of the people can't

afford a lawyer. Legal services are being eliminated. The EEOC has 97,000 cases back-logged of people who claim that they've been discriminated against.

What do you do about discrimination when it occurs? You provide a proper remedy to discrimination for enough people and a lot of these issues begin to disappear.

RUSSET: We have to take a quick break. We'll be right back after this message for more of a discussion of race in America.

Welcome back, we're talking about race in America.

Congressman Watts, let me ask you a couple questions about an article you wrote for THE HILL newspaper, entitled "The measurement of Compassion." You talk about single-parent families, out-of-wedlock births. Two out of every three black children born out-of-wedlock, one out of every five white children.

And you go on with some startling statistics, that 60 percent of the rapists in the country are born to single-parent families, 72 percent of adolescent murderers born to single-parent families, 40 percent of students, students who are from single-parent families have a 40 percent higher chance of failing, flunking school, a 70 percent higher chance of being expelled. What do we do to stop single-parent families, and have people get married before having children?

WATTS: Well, Tim, I think Senator Bradley pointed out something about Dr. King that I think is very critical in this debate. Dr. King was probably the last national civil rights leader that based his thoughts, his actions on scripture, on a principle of love and not hate and working together and a level-plan, equal opportunity, never talked about race or we need to do this for them because they're black, do it for them because they're white or because they're females or native American, whatever the case may be. He based his principles on scripture, on love and we've got to get along. We can't divide. We've got to bring together.

These statistics, the reason I believe these statistics are so high is because I think over the last 25, 30 years we have lost all the things that Dr. King talked about. We've lost that ability to get along and to love each other regardless of the color of skin. We've allowed the family to be broken apart and I believe the government has contributed to that in many respects. I believe the family is the most important union on the face of earth.

In my neighborhood, I grew up in a poor neighborhood and my father was pretty strict, but I guarantee the single moms in my neighborhood were as tough on their kids as my dad ever thought about being. There was a responsibility, there was morality, there was strong education in my neighborhood. Those strong positive institutions that were very important to us and were very strong 25, 30 years ago, they don't have the same clout.

RUSSET: What do we do about it? What do we say to the African American community, where two out of every three children are born out-of-wedlock, how do you convince those young children having children that that is not the thing to do, if you're not going to use government to do it?

WATTS: There was a football game that had gotten beaten 173 to 0, and the coach decided to figure out what to say to the team, and he went in after the ball game, and he said, guys, we're going to get back to basics. He said, "this is a football". I think that's where we are in America. We've got to go back to the basics.

RUSSET: What are the basics?

WATTS: Strong education. Let's do things to strengthen the family. Let's not weaken the link between effort and reward. Let's strengthen the family, strengthen our educational institutions. Let's teach responsibility at home. That's very, very, important.

RUSSET: How?

WATTS: By people getting up -- people like me -- and people around this table, and every other American. Getting out in the community. Taking pride in their community, just as we did, when I was growing up. Taking pride in their education, forcing the educational system, forcing them to do what they must do, and that's to teach our kids how to read, write, and do arithmetic.

You know, we cannot continue to spend. Dollars are not the only solution to the problems that we're facing in America. Take every individual, every individual taking an active part, and building our country, and strengthening and getting it back to what we enjoyed 30 years ago in those areas that I've just mentioned.

RUSSET: Congressman Mfume. Is illegitimacy a problem in the black community?

MFUME: It is a problem, and it has been a problem. But it's not just in the black community. It's throughout

America, and the reason it cuts across race and cuts across economic lines, I think, is we tend to tolerate it in this society.

Let me tell you something very personal, Tim. My mother died in my arms when I was 16 years of age. I dropped out of school a week later. A week later after that, my sisters and I were split up. I ended up running the streets, not having an education -- ended up being a teenage parent before my time -- on my way to hell in a handbasket, if I had not gotten hold of myself because of basic values that were instilled in me, that I couldn't run away from. Every time I went in the house, it was my mother's voice that I heard or my father's voice, saying you've got to do this.

Kids today sometimes don't always have those values. But as a society, we tend to look at an illegitimacy -- and I hate to use that term, because I don't think a child is illegitimate -- but a birth out of wedlock, we tend to look at it and say, well, it's OK. We've got to figure out what we're going to do now. I think we've just got to be able to say, it's not the way to go. I go to schools day in and day out, throughout every community, to tell young people that there's a better way. You don't have to be like me. I got lucky; most people don't. So don't run the risk.

Part of not running the risk is understanding that values do have a place in our society, that there is such a thing as a work ethic, that life is sacred, that respect is due to your elders, that when you have something and it's yours, it's a responsibility to take care of it. Unless we do that and lead by the simple eloquence of our own examples, we're going to be in a situation where, 30 years from now, someone else will sit around at MEET THE PRESS and ask, is it a problem, and the same person will say, yes, it's a problem throughout America.

IFILL: You know one of the things that Senator Bradley talked about in his speeches in 1992 and 1991 is the search for a common meaning -- to search for something that reaches across racial lines, which is not necessarily a government-mandated solution. What is that search?

When Hillary Clinton talked about the politics of meaning, she was roundly ridiculed. No one knew what she was talking about. But aren't we back to that again?

BRADLEY: Sure, sure.

BENNETT: And I think, we're inside the Beltway. But I think one of the signs -- it's both the good news and the bad news. The bad news is we're looking to the government to do what fathers used to do, and strong mothers, and

what churches used to do.

Government can stand for the right values and it should. I think in the welfare debate, at its best, Democrats and Republicans are talking about changing a system, so we can emphasize the right values. But government can't instill these values. This has to come from individuals and institutions -- fathers and churches. But what we need to do is in some ways, get out of the way and let those institutions do their work. You bet, common ground, I think, has now been found on this issue, because as the congressman points out, we've got a rising white under class in this society that will dwarf the size of the black under class.

BENNETT: Value is the only correction that I'd offered because values aren't a point of the game. They are the whole game. What predicts what a person will do with his life, is what he believes. What he believes is important and valuable. And we are in the midst of this debate, we are having a debate about the culture. And there are some idiots out who don't know whether it's a good idea or not to preach violence, knocking girls around, beating people up.

They're wondering whether this has an effect on effect on the culture, and on our activity. Well, I think what happens on TV and in the movies and on the radio and in the street has more to do with the future of this country, than the public policies that we are discussing here --they're important, public policies-- but they're not like what fort and souls of our kids.

IFILL: Three of the four of you here, are elected officials though. Is there anything that any role that you have other than giving speeches, as government officials, to do something about this?

BRADLEY: Gwen, I think that the political debate on this subject, and on a lot of subjects, actually gets into the ridiculous stereotype. Republicans talk about the private sector as the answer to all our problems, Democrats talk about government as the way to solve problems, with government as the operating social agency. There is another whole part of America out there that's called our civil society. The fact is that the government ethos of the private sector, is to get as much as you can, as quick as you can. The government ethos of the government is, let me legislate pass a law that tells you what is right, for you. But the ethos of the civil society is giving something to someone else without expectation of return.

Now, I don't believe that the problems that we are

confronting today are going to be solved without some more resources. I think the deliberate agent, though can be through this civil society, through the churches, through the community development corporations, through the people who are out there today, putting their lives on the line, committed to their neighbor because of a conviction -- that that is their obligation as a human being. Those are the individuals that need to be empowered. And I believe that we can provide more resources to them, to do more of what they're already doing now, well.

That it boils down to, as J.C. says, what's the football here. The football here is getting back to the basic values of parenting, the basic values of working hard, the basic values of being, feeling an obligation to your neighbor, simply because that person is a human being.

IFILL: Congressman Watts.

WATTS: Gwen I was, before I came to Congress, one of things I did was, I was a youth minister for eight years. And I worked with white kids and black kids, and my mission was, was not necessarily to make them viable scholars, although that was very important to me, but my main mission was to teach, and to instill in them, that values are very important today. The Ten Commandments are very relevant today, it teaches you how to strike, strike a posture toward your man, how to strike a posture toward God.

Those things are very relevant today. And we saw great results, with teaching responsibility, making them carry their own weight. We hardly ever had a function, and I was in a blue collar church. We never had a function. But we would have totally sponsor the function for the kids. I would always require them, that anybody bring a dish, some kind of covered dish, or if cost \$3, you got to pay a dollar and half. And got great results with those things, simply because I was out there in the trenches, trying to work with families, work with fans, work with young people. And trying to minister to them that all these issues of responsibility and values are important.

RUSSERT: We have to take another quick break, we'll be right back for more of a discussion on race in America with Bill Bennett, Kweisi Mfume, Bill Bradley and J.C. Watts.

We're back on MEET THE PRESS.

Congressman Watts, we're talking a lot about common ground. This is what the Republicans put out, a wanted poster. There are ten women, ten blacks and eight Jews, many of them in safe districts and the Republican party is

saying, we have to get those folks.

What kind of symbol is that?

WATTS: Well, I think, I was here a couple days ago, a few days ago, I saw a poster, Congressman Schuster had the same type of poster of Congressman Schuster there, said, it said, "wanted for polluting the environment," or something to that effect. There was a wanted sign on Bud Schuster.

You know, Tim, I would not do anything like this. You know, I would, however, let me share something with you that happened in my campaign. I had, back during my campaign, I had a situation where my white Democratic opponent took a picture of me when I was in high school, my senior picture, and showed it with this big Afro and put it on TV and, you know, basically implying, is this who you want as your Congressman?

Now, that was a white Democrat. Now had that been a Republican, he would have been crucified. Now, I was, the Afro picture didn't picture didn't bother me because I was quite proud of my Afro. I worked very hard on my Afro.

RUSSET: But Reverend Watts, you're not suggesting, an eye for an eye.

WATTS: No, no, I'm saying it's not right in any Party, Tim, it shouldn't be right for any Party.

RUSSET: Mr. Bennett, is this the kind of thing the Republican Party should stand for?

BENNETT: No, I don't think so. It's tacky.

RUSSET: But...

BENNETT: But an eye for an eye....

RUSSET: Stop using it?

BENNETT: Yeah. An eye for an eye, though, in terms of the Old Testament is not a bad doctrine. Not in this case. I just want to straighten out.

BRADLEY: I don't think that we should end this discussion without at least considering the economic facts of life. The problem in this country as it affects race, but a lot of other things, is inadequate economic growth, unfairly shared. And until we confront that, we are simply going to be talking about dealing with some of the issues around the edge.

Now, it's the work ethic, a lot of other important values. Demonstrations are, I think, a step toward improving the quality of economic activity, but there's no way to separate somebody's earning power from their prospects for life. If you were an African-American cotton-picker in the South in the 1940s, the new cotton-picking machine displaced you. You went to Chicago, you worked in automobile plant, automation displaced you. In the 1970s, you start to work for government, and cuts in the '80s displaced you.

RUSSET: But lack of a job is no substitute for lack of values.

BRADLEY: Absolutely not. These are both required. See again, this debate is it economics or values? It is both.

BENNETT: Fundamental disagreement.

IFILL: Let me leap in here with something I have to ask Congressman Mfume. You have been a very big supporter of Jesse Jackson in the past, 1984, 1988 and you have even suggested that perhaps if he ran as an independent and hurt the President, it wouldn't be a bad thing for Congress.

This week, Jesse Jackson basically had part of his support cut out from under him when the President surprised him by coming down on his side on affirmative action. Is there still a viable reason for Jesse Jackson to hurt the President by running against him as an independent?

MFUME: Well, I think only Jesse can answer that. But let me correct you. I don't think that running to hurt this President so that it benefits Congress is something that I advocate at all. I said this is what would happen if, in fact, there was a Jackson candidacy -- it hurts the President, but it helps, I think, in Congressional races. And I think that's a fact of life. What he will do remains up to Jesse Jackson.

RUSSET: Should he, Congressman?

MFUME: Well, I really can't say whether or not he should or not.

RUSSET: So, it wouldn't bother you if he ran?

MFUME: Well, I'm not bothered by anybody that runs except the people that run against me. Those are the ones that I'm most bothered by.

RUSSET: Senator Bradley, speaking of running, are you going to seek reelection?

BRADLEY: I fully intend to.

RUSSET: You fully intend to. You know the Republicans are putting out big headlines "More Doubts Raised About Bradley Run."

BRADLEY: Well, look, Tim, (OFF-MIKE)

RUSSET: That's very respectable advertising.

(LAUGHTER)

That's not a wanted poster.

(LAUGHTER)

BRADLEY: Bob knows I'm (OFF-MIKE).

(LAUGHTER)

RUSSET: But you will seek reelection?

BRADLEY: I said I fully intend to.

(LAUGHTER)

RUSSET: Fully intend to run. We have to pause...(OFF-MIKE)

IFILL: I got it. Wrote it down.

RUSSET: Senate Bradley, Congressman Watts, Congressman Mfume, Mr. Bennett, we thank you all for joining us for a very good, solid, civilized discussion, and we'll be right back.

Our MEET THE PRESS Minute after this brief news and weather update.

RUSSET: Martin Luther King whose name is synonymous with civil rights. Thirty years ago he appeared on MEET THE PRESS and was asked about nonviolent civil disobedience.

(VIDEO TAPE)

MARTIN LUTHER KING: "I must be honest enough to say that I do feel that there are two types of laws, one is a just law and one is an unjust law. I think all have moral obligations to obey just laws. On the other hand I think

we have moral obligations to disobey unjust laws because noncooperation with evil is as much a moral obligation as is cooperation with good. I think the distinction here is that when one breaks a law the conscience tells him is unjust, he must do it openly. He must do it openly. He must do it cheerfully. He must do it lovingly. He must do it civilly, not uncivilly. And he must do it with a willingness to accept the penalty. And any man who breaks the law that conscience tells him is unjust and willingly accepts the penalty by staying in jail in order to arouse the conscience of the community on the injustice of the law, is at that moment expressing the very highest respect for law.

WICKER: How are we to enforce law when a doctrine is preached that one man's conscience may tell him that the law is unjust when other men's consciences don't tell them that?

KING: I think you enforce it and I think you deal with it by not allowing any anarchy to develop. I do not believe in defying the law. As many of the segregationists do. I do not believe in evading the law as many of the segregationists do. The fact is that most of the segregationists and racists that I see are not willing to suffer enough for their beliefs in segregation and they are not willing to go to jail."

(END VIDEO TAPE)

RUSSET: Three years after our interview Martin Luther King, Jr. was shot dead in Memphis, Tennessee. We'll be right back.

Each day this week all NBC news programs, Sunrise, Today, Nightly News, and Dateline, will address the subject of race. On Monday blacks and whites at work. Tuesday blacks and whites in their communities and the question of separate worlds. Wednesday Mfume about blacks and whites. Thursday the part politics and politicians play in issues affecting blacks and whites. And Friday blacks and whites, the next generation. A week long examination, black, white, angry. Only on NBC News.

That's all for today. We'll be back next week. If it's Sunday, it's MEET THE PRESS.

END

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Date: 08/01/95 Time: 19:27

Senate Deplores House GOP's Inaction on Line-Item Veto

WASHINGTON (AP) The Senate tried Tuesday to nudge House Republicans into acting on stalled legislation to give the president line-item veto authority.

On an 83-14 vote the Senate passed a resolution urging House leaders to appoint lawmakers to negotiate differences between two line-item veto bills already passed by the two chambers. The issue was a key part of the House GOP's "Contract With America" agenda.

Democrats have accused House Republican leaders of stalling the bill in order to deny President Clinton a chance to use the new authority on a series of appropriations bills now moving toward congressional approval.

Sen. Byron Dorgan, D-N.D., accused House Speaker Newt Gingrich, R-Ga., of blocking the bill. House leaders have said they have been too busy to appoint members to a conference committee for resolving differences between the two bills.

"Speaker Gingrich has had time in the intervening months to write two books and do a national book promotion tour, but he hasn't had time to make any appointments to the line-item veto conference committee," Dorgan said.

Forty-five Republicans joined Senate Democrats on approving the sense-of-the Senate resolution as an amendment to a spending bill involving the Energy Department and various water projects.

Sen. John McCain, R-Ariz., said there were "significant forces afoot" that didn't want Clinton to have the ability to erase specific congressional spending decisions without having to veto an entire bill until after the 13 spending bills become law.

In the House, Rep. Bob Livingston, R-La., chairman of the Appropriations Committee, has acknowledged that he would prefer Clinton not have the ability to delete specific sections of a spending bill.

Sen. Pete Domenici, R-N.M., said he was not ready to accuse House leaders of trying to keep the new authority away from Clinton. There are other reasons that could have kept the House from appointing the conferees so action on the bill could proceed, he said.

Nevertheless, Domenici said, the Senate's resolution serves as "a useful reminder."

The two slightly different bills, approved by both the House and Senate earlier this year, have languished in limbo awaiting consideration by a conference committee. Many lawmakers have said final approval now is unlikely until late this year, or next.

APNP-08-01-95 1933EDT

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TEXT:
FACE THE NATION
AUGUST 6, 1995

SPEAKERS LIST: BOB SCHIEFFER, CBS NEWS
SENATOR DANIEL PATRICK MOYNIHAN (D-NY)
SENATOR PHIL GRAMM (R-TX)
RONALD BROWNSTEIN, LOS ANGELES

SCHIEFFER: And welcome again to the broadcast. With us now, the ranking Democrat on the Senate Finance Committee, Senator Daniel Patrick Moynihan, Democrat from New York -- a long time, I think it's fair to say -- expert on welfare. Someone who's spent a lot of time over the years, thinking about -- talking about it. And also with us from the other side, Senator Phil Gramm, Republican from Texas -- also a Republican presidential candidate. Joining in the questioning this morning, Ron Brownstein of the "Los Angeles Times."

What we're going to talk about welfare -- it's going to be the big subject this week. The Senate has been talking for a year about doing something about it. Now, the debate is finally going to begin on the Senate floor. And I think just to kind of to set the stage, here. I guess I would sum it up by saying, I think the general philosophy behind what the Republicans want to do is -- take the money, send it to the states, and let the states try to deal with welfare, in very simplified terms. Democrats on the other hand say maybe we should keep some of those federal strings attached to welfare as you do it.

Now, one of things that will come up, and one of things that will be a big part of the debate is the bill that Senator Dole is going to present for the Republican side. You, Senator Gramm say it does not go far enough. You want an even tougher bill. But, before we get to your objections to the bill -- let's, let's just talk about that.

One of the things that Senator Dole's bill says, Senator Moynihan, is that it would reduce for the first time the matching funds that states have to put in to get the federal money that they've gotten in the past. Can that possibly work?

MOYNIHAN: Well, may I, one detail, it would not reduce them it would abolish them. It becomes a block grant, and the states will get what they're now getting. That's matter is frozen and there -- and you break the connection between state effort and federal effort.

SCHIEFFER: But, the states no longer have to put in their own funds in order to qualify for those federal funds?

MOYNIHAN: And they don't get any additional federal funds when they have additional needs. The 1930's, we're talking about the Social Security Act of 1935 which had a matching grant arrangement, not for individuals, the entitlement is not to individuals, but to the states. But, for a state puts up a \$1000 the federal government will match it, or maybe even in more in states such as Texas.

If you break that connection between a national commitment that was made in 1935, if we do this 60 years later, we have changed the direction of American

federalism. And I think profoundly endangered the future of a very large number of American children.

SCHIEFFER: Why would it work, Senator Gramm? Why do you think it could work?

GRAMM: Well, first of all, Bob, let me remind you we've reformed welfare in the traditional way now many times. In 1988, we had a much ballyhooed welfare reform that passed, that basically built on the programs of the past, and what happened? Spending went up by 50 percent, the poverty rate went up by 16 percent. The number of bureaucrats employed in all of means tested programs went up by 95,000. Did we benefit from that change? I don't think so.

I think what we've got to have is a dramatic break from the past. I think if you look at the problems we face, and we're now at about a third of the children born in America, born out of wedlock. Poverty has become not a temporary transitional problem when we've had an economic downturn or when a family's broken up, but it has become a permanent status for literally tens of millions of Americans out there. And I think we have got to dramatically change this system.

It's not just that all the means tested programs cost over \$350 billion a year. It's that the system now has made mothers dependent. It's driven fathers out of the household. It's made people more distant from the American dream. And I think if we love them, we have got to change this system, and help make it possible for people to get on the playing field of life and compete. The longer we preserve a system that prevents competition, that encourages people to have children they don't want, the longer we're going to have this problem, and clearly it's getting out of control.

SCHIEFFER: But let me just interject here. One of the things that worries me about this, and I think there's some things to be said about it. But one of the things that worries me about it is that you have one governmental entity appropriating the money, the federal government, and you have another governmental entity, the states, spending it. Somehow that doesn't seem to work very well, does it? I mean, it seems to reduce...this group of taxes, this group over here decides how the taxes are going to be spent, and there's no connection there.

SCHIEFFER: That's the part that I find ...

MOYNIHAN: And there's no national commitment to the welfare of children. You have broken that commitment the moment you have broken the matching shared arrangement.

And I would say to Phil, and he knows how I respect him in these things. In 1988, we did redefine welfare. It began in 1935 as a widows pension. Frances Perkins, and I knew her in the early Kennedy years, she would describe the typical recipient as a West Virginia miner's widow. It was meant to just bridge until the time when survivors insurance came in, matured, which it did.

Then a wholly new group came onto the welfare rolls -- the group that Phil properly describes as children born out of wedlock. The bureaucracy didn't recognize this. It took a long time to see that these mothers weren't widows. Their condition should not be permanent.

In 1988, the Family Support Act came out of the Senate, 96 to 1. President Clinton signed it, and President Reagan signed it. Governor Clinton was there on behalf of the governors. We had a bipartisan consensus that you had to have a social contract. Society had to help you get out of the fix you're in. You had to help yourselves. Work was the way. Child care, health care, so forth, child support from the absent parent. It is beginning to work. The numbers -- we ran right into recession. It didn't take off. We shouldn't expect it to have that much effect that soon.

But 33 states have been experimenting, have gotten permission from the federal government. They don't need it, but it's called a waiver. Texas just got one yesterday ... to have family caps to do this, to do that. They're experimenting, the way states are supposed to do. And now, and Phil this would interest you, because you're an economist and you think these ways.

In the last year, the two big states, California and New York, which have a quarter of recipients, have seen no drop in their welfare rolls. The other smaller states have seen drops up to 20 percent. Something in the mass overwhelms state capacity. In the city of Los Angeles, 62 percent of the children are on welfare. The city of New York, it's 28, but still that's a ... That overwhelms you, but where you're not overwhelmed, the Family Support Act is working.

SCHIEFFER: But...one

GRAMM: Let me take a crack at your question real quickly. I think the bottom line is this: This federal commitment has produced a program that verifiably does not work and what we're trying to do is to take the money that the federal government is now spending, give it to the states and let the states design their own program without federal strings. Let the states experiment with things that they believe will work, tailor the programs to their

states. Clearly, a welfare program in New Hampshire is going to be very different if you could tailor it than a welfare program in New York.

That's the thing, we won't. But the point is that those who say that you end the commitment, if you let the states make the decision assume that Congress cares more about poor children than the state legislatures do, than the governors do and I don't think that's true.

BROWNSTEIN: Senator, in terms of letting the states experiment, the heart of your difference with Senator Dole's bill is in terms of applying your own strings from the federal level. You want to require every state in the country to impose a family cap. You want to require every state in the country to cut off benefits to women under 18 who have children out of wedlock. Is there any evidence that either of those reforms will reduce out of wedlock births?

GRAMM: Let me first say that there are a lot of other differences...

BROWNSTEIN: There are...

GRAMM: Let me try to define them. First of all, the Dole bill claims to eliminate strings but it reforms only about 12 percent of all the means tested programs. It keeps all the program, all the other programs in place with all their strings and it does not eliminate many strings within the program that is block granted. For example, the state of Texas can't use welfare recipients to wash windows in public buildings if that means displacing state employees. There are a lot of strings that are attached to protect special interests, but not to help the people.

BROWNSTEIN: But you have your own strings, you have your own strings in terms of national requirements that every state would have to meet under one rule fits all.

GRAMM: Let me define what I want to do. Instead of doing 12 percent of mean tested program, I want to do everything but Medicaid. I want to give the states total flexibility but I want three principles and they're principles where there's a very strong national consensus. Number one, I want able bodied men and women riding the welfare wagon to get out of the wagon to help the rest of us pull. Number two, I want to stop giving people more and more money to have more and more children on welfare. And number three, I want to end this absurd situation where people come to America to qualify for welfare.

GRAMM: Those are three basic principles that as

compared to Senator Dole's bill, my bill would have tens of thousands of fewer strings than Senator Dole's bill.

MOYNIHAN: Now, I don't want anything to interrupt the argument between Senator Dole and Senator Gramm. I want this to go on and on and on. But I do want to say that what you are asking for is being right now. Sixteen states have applied for a family cap, that means that any additional child born on, to a welfare family, does not get any additional benefit.

BROWNSTEIN: But no state wants to cut off under 18 on their own. That is something that the, Senator Gramm's bill would impose on governors who are resisting.

GRAMM: ...and this is the House provision. This is the Contract with America provision, the Contract that I support. What it says is, is you can help a minor who has a child, but what you cannot do is you can't give her a tax, cash payment, you can't set her up in a household outside her own family. You have to help her within the context of adult supervision, hopefully her own mother or grandmother.

SCHIEFFER: Let's take a break right here. We'll come back and we'll talk about this some more.

We're back again now with Senators Moynihan and Gramm, and Senator Moynihan, you just awhile ago came out with a rather astonishing statement -- 62 percent of the children you said in Los Angeles receive aid to dependent children. That in other words, 62 percent of the children there are on welfare.

MOYNIHAN: Seventy-nine percent of the children in Detroit.

SCHIEFFER: You brought with you a chart. Of course, all of this, so much of this revolves around this whole problem of illegitimacy, and I'd just like for you bring out your chart, and show us what you have.

MOYNIHAN: Here is, and Phil knows this work very well. We went back to 1970 and tracked the illegitimacy ratio. It was 10 percent in 1970 and up to '91 it gets to almost 30 percent. And it does so along a straight line. Now I don't...anybody in high school will understand the correlation. Parents will have to ask their high school children. The correlation is .993. That is almost a straight line. Assault is almost .86, about one percent a year. But now at about 32 and a half, 33.

SCHIEFFER: So the point...the train line now is starting to move, it's straight-up.

MOYNIHAN: This is, well, like a jet plane taking off, it's now up in the air. And at that point, well, we've got to get to 40 percent. The President in his 1994 State of the Union message took our exponential curve and where it gets to 50 percent the year 2004. I don't think we'll get there.

MOYNIHAN: But, there's no society in history has known this experience. It came suddenly, just like that.

SCHIEFFER: So, all right, you both have very different ideas about what to do next. What do you think should be done about that, Senator?

GRAMM: Well, I think first all, I want to agree with Pat on one principle point. No great civilization in history has every risen, except one built on strong families. And no great civilization has ever survived the destruction of it's families.

So when I look at that chart, I say, we can't fool around with marginal changes. We're either going to dramatically change welfare and break this cycle, or we're going to end up losing America as we know it. I see it as a crisis, and when you're in a crisis, you don't continue to make marginal decisions. You take a look at what has produced this problem in the past and the programs we have followed not that you can argue precisely causation. Which you say, if we tried an approach in the past -- and these results have continued and now are accelerating -- we have got to dramatically change that program and I think that we've got to recognize only two things have every broken the cycle of poverty -- work and family. And I think we need to build welfare reform around encouraging, mandating work, and helping to try to take those actions that will strengthen the traditional family.

BROWNSTEIN: Senator Moynihan, you've been critical of the Republican means of trying to reduce illegitimacy. You've been talking about this problem for 30 years. What are the alternatives? Are our options just to throw up our hands and say, "This straight line is our future -- there's nothing we can do about it."?

MOYNIHAN: If that should happen, we will be done in. The Japanese ratio is one percent. It was in 1940 -- is today. We won't survive this. Now, I agree it's a crisis. But I say it's a crisis that requires intense effort with the children now coming into the system.

And that won't happen if the federal government walks away from the problem. It is simply a question of whether

you think a solution of letting people go through the trauma of survival -- or letting people trying to help them with it. I think anyone who's raised children knows that you have to raise them very carefully, one day at a time. They won't adapt on their own. They have to be taught.

BROWNSTEIN: What does that translate into, into specific terms. What were we doing with the children...

MOYNIHAN: ...trying to make the Family Support Act work. I have a bill -- we got eight votes on the Finance Committee, 12 to eight -- to build on it, to add to it, to put more effort into job training, -- not really job training -- more effort into job search. That's what seems to work.

Remember, if I may, that this group of people is divided. About half of them are just women whose marriages have broken up. They're on for two years and then they're out.

SCHIEFFER: But, here is where the contest, you don't want to really help, in essence, do you, Senator Gramm? You want to say, let's just cut these people from this welfare money.

GRAMM: No, no, well, look -- let me say this. I, Pat is so sincere in what he wants to do. But, what Pat is really talking about is it incrementalism based on the current program.

GRAMM: What I'm saying is this. We've got a system now that says to women, if you marry someone who works, we cut off your money. If you get a job, we cut off your money. If you have more children, we give you more money. Should we be surprised? In looking back at it, maybe we would have been surprised in 1960. But in looking back at it, should we really be surprised that people have not done the things we've penalized them to do, and they've done the things we've rewarded them to do. And what I'm saying is, it is suicidal for society to simply say, if you will have another child, we will give you more money.

SCHIEFFER: But in the meantime, what do you do with the little children?

GRAMM: What you've got to do is to help the children. But what you've got to try to do is to eliminate the monetary incentives that we have built into the system for people to have more children. In the long run, we're going to lose our country if we don't make these changes.

I'm not saying, Bob, it's not hard. It is very, very hard to do this. But the point is, when you look at that

chart, what is the alternative? The alternative is the loss of our country as we know it, and we've got to say to people, a year from today, so you've got time to plan on it, if you have another child, we're not going to give you more money. If you're a 14-year-old girl, we are not going to set you up in a household independent of your parents. We're not going to give you food stamps and AFDC cash payments, and housing subsidies, if you simply go out and have a child.

SCHIEFFER: What happens, Senator Moynihan, if by some magic wand was passed and all of that happened, as Senator Gramm wants it to happen. What do you think will happen?

MOYNIHAN: First of all, nothing about the birth rates shows, in New Jersey, in 1992, they began no payments for additional births. We now have the first serious returns in. No effect. These are powerful social movements. Look, they're going on in Europe too. Yes. In France, in the United Kingdom, in Canada.

BROWNSTEIN: And they have a system like our system.

MOYNIHAN: Maybe that's the case. But I put it to you, if we at the federal government abandon this issue, the states will not deal with it, and we will have a crisis at the turn of the century of a kind that both Phil Gramm and I find foreboding and we think we have replaced something that is working. I wish the administration had not come out to change welfare as we know it. How do you change welfare as you know it, when 60 percent of the children, 62 percent of the children in Los Angeles City, are on welfare?

SCHIEFFER: Let me try to preview this week's debate with a couple of quick questions. If the Dole bill passes the Senate, should President Clinton veto it, Senator Moynihan?

MOYNIHAN: I think he should. I don't know that he will. He's given real signals that, if there's a maintenance of effort and such like, he'll sign the bill.

SCHIEFFER: You have six or seven major objections to the amendments that you want to offer. Do you have the votes right now to pass any of those?

GRAMM: Yes, I think so. First of all, the Dole bill does not have a binding work requirement, because it has no enforcement mechanism that actually takes the money away, if people won't work. I think we'll win on that.

I think, secondly, people are going to, there's so much support in America to say to people, and I'm talking about

on a prospective basis, that as of date of enactment, we say to anybody who wants to come to America, if you come to America, come with your sleeves rolled up, ready to work, because you can't come here and go on welfare. I think that's going to pass.

I am hopeful ...

MOYNIHAN: We don't have an argument about that, Phil.

GRAMM: See. That's why I think we'll win on that, even that is not in the Dole bill. Senator Dole has made this a big issue, for example, in the Cuban American community in Miami. Somehow he thinks that giving welfare to immigrants is a good political issue. I think it's a bad public policy.

MOYNIHAN: That's not our problem. The program of our own children ...

SCHIEFFER: Do you have the votes on your two key measures, on imposing the family cap and ...

GRAMM: I don't know. I think they're going to be very close votes, but again, unless we deal with illegitimacy, we are not going to solve this problem.

BROWNSTEIN: If they lose, will you vote for the final bill?

GRAMM: I've got to look at the final bill. But let me say this.

SCHIEFFER: We have about 30 seconds.

GRAMM: The Dole bill, as written, is not going to change Pat's chart. It's like you got a house, it's on fire, and we've been fanning the fire for 30 years. I want to try to put some water on top of it.

SCHIEFFER: OK. I have to put some water on here. We're out of time. Thanks to both of you. We'll be back with a final word in just a minute.

Finally, today, by now, surely everyone within reach of a newspaper or in range of a television knows we're approaching the 50th anniversary of the end of World War II. But August also marks another important anniversary -- the beginning of World War I in 1914. The Balkans were aflame then, as they are now, and we all remember, from our high school history classes, how a Serbian nationalist assassinated Archduke Franz Ferdinand, and how that somehow caused the great powers of the day to stumble into what became known as the war to end all wars

-- a war that also came, we might add, as a surprise to many of the citizens in many of the governments involved.

Governments were maneuvering, and the signs of war were everywhere. But in her book, "The Guns of August," Barbara Tuchman writes that, "Most of it went unnoticed by the people of France, who were of all things transfixed that summer by the developments in a sensational murder trial, the trial of a woman accused of killing a leading newspaper editor. And then one day," Barbara Tuchman wrote, "the people of France woke up to find the trial on page two, and their nation at war."

Marking the anniversaries of the end of wars is appropriate, but there may be more to learn by remembering how they started.

That's our broadcast. We want to welcome our affiliate, KWTU- Channel 9 from Oklahoma City, which is airing our show starting today. John Roberts will have the rest of the day's news on the CBS News tonight. Thanks for watching. We'll see you right here next week on FACE THE NATION.

END

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NBC NEWS - MEET THE PRESS
AUGUST 13, 1995

DALLAS, TEXAS

SPEAKERS LIST: ROSS PEROT, UNITED WE STAND AMERICA,
PRESIDENT, TIM RUSSERT, HOST DAVID BRODER, "THE WASHINGTON
POST."

RUSSERT: Welcome again to "Meet the Press." This is a special edition, live from Dallas, Texas.

This was the scene these past 48 hours as practically every major political figure in the country came to offer their views at a National Issues Conference, hosted by this man, our guest, the once and maybe future candidate for President, Ross Perot.

We'll talk about Medicare, Welfare, campaign and lobbying reform and the future of the two party system in American politics. And in our "Meet the Press Minute" another man who ran for President as an independent in 1980, Illinois Congressman John Anderson, appeared on "Meet the Press" fifteen years ago this week.

And joining me in the questioning today is David Broder of "The Washington Post," and with us now, making his third appearance on "Meet the Press," the one and only Ross Perot. Mr. Perot, welcome back.

PEROT: Thank you.

RUSSERT: At the end of the conference yesterday you said something that caught my attention. Shouldn't Congress come forward with a second Contract With America? What would be in that second contract?

PEROT: Well, the two parties presented their thoughts and ideas Friday night. Again and again and again and again we heard: reform, reform, reform. Everything from campaign finance reform to ethical reform to lobbying reform, you name it we heard it from both parties.

And as one of the party leaders left the podium I asked him to come back and I said, "We respectfully propose ... -- and they also said let's do it in a bi-partisan way, let's quit fighting with one another -- I said, "we propose a bi-partisan, second Contract With America, the greatest gift you could give the American people would be to work together as a team and between now and Christmas produce all of these reforms, because we honestly feel that we have good people in Washington trapped inside a system that does not allow them to perform, and if we had the reforms, they could." And then, when the other party leader was leaving the podium later, we suggested it again.

Now, hopefully they will do that, and then all these wonderful people who came from all over the country, that's what they want. Because they know that's what we have to have to deal with the problem.

RUSSERT: What should be in it, specifically; what kind

of reforms?

PEROT: Everything they discussed. It's got to stop right at the top.

Only in America would we have an Ethics in Government Act and exclude Congress. FBI men can't take golf junkets. Military officers don't take free lunches. Why in the world should Congress do these things that diminish the trust and faith of the American people?

Then they ducked it in the Senate and passed a rule and they're proud of that rule, but the average person in our audience just laughs at the rule. They've seen rules before and rules don't get enforced. Laws get enforced and again, the first rule of leadership is to set the example.

I'm really excited and hopeful they'll do that, if we could just get one thing that will get real reform there. We need campaign finance reform. Both parties said we need campaign finance reform. Let's do it between now and Christmas.

Some will say, oh, well, we could never get all that money from the special interests we need to run our campaigns. If it's too late in '96, make it effective in '97. But then when we do it, as I told one of the party leaders, I said, when you do these reforms and we look at them I want them to look like the teeth in an alligator's mouth. Don't give us whitewash, don't give us sham. Give us real reforms.

So then, you'd get the campaign reforms, you'd get rid of the foreign lobbyists, you'd make it impossible for anybody to ever be a foreign trade negotiator for this country and then go over and collect six and seven figure incomes trading it off to the other side.

PEROT: Anybody that's ever been in the Cabinet of the United States should never turn into a foreign lobbyist. No former President should ever take money from any other country. Etcetera, etcetera, etcetera. Let's get an ethical standard here that the Boy Scouts could be proud of.

RUSSET: Now, as you mentioned, the Senate did pass a rule that said \$100 limit on gifts and no free junkets.

PEROT: Then what happens?

RUSSET: The House, however, has refused to even bring that up for a vote.

PEROT: Let's hope they will. See -- I'm -- There's so

many good people. You saw them on the platform. We have wonderful people in Washington, but it's human nature not to want change. Change never occurs, typically, until after a crisis. Hopefully, we'll get change now, and there's some exciting reasons why we might. That has to do with the polls that they live on.

RUSSET: Now, the first American contract, Contract with America -- we still haven't gotten the balanced budget amendment. We haven't gotten the line-item veto. We haven't gotten term limits. We haven't gotten campaign finance reform. We haven't gotten welfare. We haven't gotten capital gains tax.

Shouldn't they fulfill the first contract before they go into the second?

PEROT: They all need -- well, call that first, or put it in the second. Those things have to be done.

The balanced budget amendment is necessary. It should not be necessary. We should have the discipline not to overspend, but there's a flaw here, and that's called the pocketbooks of millions of Americans. You and I can't overspend because we run out of money. We can't go out and ask several hundred million people to send us money. Congress can.

RUSSET: One of the suggestions made by President Clinton and Speaker Gingrich was the creation of a bipartisan commission to look at campaign finance. Is that a good idea, and would Ross Perot serve as chairman?

PEROT: I don't think it's necessary, if you're dead serious about doing it. If you put it together and stack it so that it turns out to be a deluded reform program, it's a waste of time.

It is obvious what we have to do. I love the bipartisan theme. If we are going to work together as a united team for this country, then let's -- the two-party leaders just sit down, put together the plan, discuss it with the American people, have a good-spirited debate on how to make it better. Everything we do, before we do it, we say, "How do we make it better? How do we make it better?" Finally, when we've optimized it, put those reforms in place, if we have to have a commission and an up and down vote, I would say give them a month, max, to do their work. Otherwise, they'll take four years and we'll forget what we had a commission for.

RUSSET: Would you head it up if it lasted for a month, if asked?

PEROT: I would have a long conversation. First, I don't think they'll ask me. But, if they did -- we'll deal in science fiction here -- if they did we'd have a long conversation with the leaders of both parties and the President. I'd say, "Guys, if you're not serious about doing this, don't ask me, because it's going to bounce back on you. Secondly, if you are serious about doing it, and we're going to do it on a short time frame, fine. But, I want you to know that the minute this thing gets watered down and the minute this thing turns into a sham I will resign as a matter of principle, because I am not going to be a part of something that doesn't solve the problem." I think at that point, in the world of images and politics, it's unique. Christmas, let's get some guy here that would kind of stand there and grin when we turn out third rate stuff. No.

If they're dead serious, fine. They don't need me. In the one in ten million chance that they ask me, I would have to do it because I feel so strongly. This is what we have to do. This is what the American people know must be done to regain confidence.

PEROT: That confidence level is so low, Tim, it breaks my heart. I want to see it back up in the 80s and 90s. I'd like to see a 100 percent confidence level.

RUSSERT: David.

BRODER: You heard ... just to follow on this thing. You heard Speaker Gingrich say that before we could tackle these issues of campaign finance reform, lobbying reform, that you've been speaking about, he needs to do a study of the whole sort of role of money in American politics and world affairs. What did you make of his comment?

PEROT: I'd have to get more information from him. I couldn't understand why this took a lot of study. Studies and studies and studies and studies have been done. When you've got former Presidents taking millions of dollars to go over and make 20 minute speeches, when you've got things like that going on ... Well, you say, he's a former President. What difference does it make?

We have sitting Presidents, we have future Presidents, and they know they're certain countries in this world that will make you rich after you're out, if you don't offend them.

BRODER: Now, you're a very direct person. You read the same stories that I read about how, since the Republicans got the majority in Congress, the Republican members of Congress have been soaking up all of that political action committee, PAC money, that used to go to

the Democrats. Do you think that has anything to do with Mr. Gingrich's saying, we need a long study?

PEROT: I don't know, but I love the fact that it's happening, just because it lets the American people see that the people who give this money don't believe in anything except having control, and they really believe in having control.

The Republicans were starving to death for money. The Democrats were rich. Now things are not all bad, when you can go have a \$100,000 a plate fundraiser -- when the President can do that. Don't talk ... When you talk the talk, you got to walk the walk, as they say on the street. When you say you're against this, don't go have a \$100,000 fundraiser.

Now I don't want to pick on him. Let's switch to the other side. I love this one. They had this big \$1,000 a plate dinner in Washington for the Republican party, and 4,000 people attended. But they raised \$11 million. Seven thousand people gave \$1,000 apiece and didn't even get a hot meal. Now that tells you something, I think, in that the power attracts the money. That's the reason you got to stop it. You got to change ...

But all these wonderful ideas exist. Shorten the time for campaigns. That will kill most of it right there. Just cut it down; the rest of the world doesn't run for office for two years.

BRODER: Let me ask you about the President. His counselor, Mr. McLarty, came down, made a speech to your group, gave them a report, gave you a report that said, President Clinton has acted on 80 percent of what Ross Perot asked for in the 1992 campaign.

What kind of a grade do you give the President on that reform agenda?

PEROT: I don't give anybody grades. I learned the hard way never to respond to questions like this. I learned it at the newspaper publishers convention in Baltimore, when they asked me, what advice I would give the President about the White House aide that had rudely treated the general? Remember that one?

BRODER: Yes.

PEROT: And I said I'd fire the aide and apologize to the general. Well, for three days, Perot criticizes the President.

I was just saying what advice I would give, if he asked me. I learned not to do that.

BRODER: But people are looking to you at this meeting to give them some kind of a sense as to ... You've heard from 36 different speakers. Somebody ... You know, your own members are going to be asking you today, help us sort this out. Has the President really fulfilled the Perot agenda?

PEROT: No.

BRODER: Because?

PEROT: Because it changes the system. This young woman Congressman, Congresswoman Smith told this beautiful story. You show up in Washington, you've just gotten elected the first time. You ran as a reformer, and suddenly your phone is ringing off the wall. People want you to come to receptions. They want you to come to dinners. They want to give you money. Well, you are terribly offended, but in her case she didn't have a campaign debt, because she was a write-in candidate. But, most do, and suddenly you realize here is the way I can pay off my campaign debt. But, this is all the things I said I wouldn't do.

And that after you're there for a while, and you realize, "Gee, all the committee chairmen are doing it, everybody that's been here for years does it." Things that are wrong start to seem acceptable.

We need to make that wrong. One of our speakers suggested that you get all your campaign money from you district. I love that one. Only in America could a fellow from a remote rural district come to Washington, get on the Banking Committee and have every big bank in the world covering him up with money.

BRODER: Let me ask you something...

PEROT: That is as rotten as it can be, David. That's like somebody that was in my purchasing department taking money from supplies. You wouldn't think about it. You'd fire him on the spot. But, if anybody in your newspaper would take money from people that they were writing articles about, you ought to hang him up by his thumbs.

BRODER: A big part of your campaign was talking about the budget deficit and the economy.

PEROT: Yes.

BRODER: Now, two and half years later we've got seven million more jobs in this country. Inflation rate is down to the point where the federal reserve board is cutting interest rates. Exports are up 33 percent. Would you say

that that piece of work has been done fairly well?

PEROT: First off, let's look how it get's done. This is what you call... right now politics is a magic act. Now you see it, now you don't. First, let's take the economy. The economy cycles.

Second thing, they ran interest rates through the floor to help solve part of the banking crisis. As you get your interest rates down the interest on the debt goes down. And when the interest on the debt goes that helps pull down the deficit, because the debt is so big. And a combination of all of these things -- and on any given day anything that you can put off budget and the big killers from Manilla are off budget, as you well know, and they're going through the roof -- you put all that together, and the American people are thoroughly confused. And the thing the American people get so tired of is the magic act.

Now, the thing is the economy cycles and we're in a mild cycle. Exports now, I don't where you got that figure, because the facts are, that's a distorted Washington figure -- the trade deficit this year is through the roof. Both of our trading partners in NAFTA got a huge trading deficit with Canada -- that's drawing for the first time we've got a giant trade deficit with Mexico. Our surplus was shrinking. Now, we have a giant trade deficit -- the trade deficit continues to rise.

It's forecasted to be about \$200 billion this year as I understand it.

BRODER: Congress and the President both struggling with the budget deficit at the same time they're both proposing tax cuts.

The Republicans big tax cut, the President a smaller tax cut. Should we have a tax cut this year?

PEROT: Do you remember the song, "Oh, I Love to do the Little Side Step, Now You've Seen Him, Now You Don't, and Here I Go?" You remember that? -- from an old Dolly Parton movie. I won't give you the name of this movie.

OK, first off, let's just go down on the street corner of a small town.

PEROT: And we're talking, if this 1993 tax increase -- the biggest tax increase in history made sense -- how can we be cutting taxes now? Well, the answer is, every, believe me, Forrest Gump can say, "Watch my lips, we've got an election coming up." So everybody wants to give us free candy. I love this. You know, we have to have a tax increase in '93. Now, we've got to give everybody candy for '96.

Let's be rational.

BRODER: And being rational means what?

PEROT: Being rational means putting, oh this my dream, is all of these problems we talk about individually, and deal with as if they were isolated islands -- legislatively -- we work on the budget. We work on Medicare. We work on Social Security. All parts of a very complex intricate puzzle.

BRODER: But, should there be a tax cut of any kind in...

PEROT: That has to be a part of the puzzle.

BRODER: Should there be a cut of?

PEROT: Couldn't be, no.

BRODER: Should not be, of any kind?

PEROT: No. We, well, wait just a minute. What is our agenda? Is our agenda to manipulate the voters? Then, let's do one. Is our agenda to run our country in a thoughtful, rational, businesslike way? We have to look at all the pieces in the puzzle. We have to look at all the tricks we've been playing, and so on and so forth. And we have to look at our forecasts. I love the forecasts. Go to the "Alice Rivlin memo," -- the sky is falling.

Go to the, you know, it was going to take ten years, five years to balance the budget in the 1992 election. Remember that promise?

BRODER: Yes.

PEROT: OK.

BRODER: President Clinton's promise.

PEROT: Yes. Then, it was going to take ten years. And two weeks later the budget's going to balance itself in a few years.
Wow.

Now, give me a break. Give me a break. Let's get down to the facts, the numbers, the facts and numbers if they were on the instrument panel of an airplane we'd eject. If you take those numbers, and these are government numbers, you'd say, "Hit the, you know, grab that thing and let's go."

RUSSERT: You raise the trade relations with Mexico.

PEROT: Yes.

RUSSERT: Should the repeal of NAFTA be part of the second Contract with America?

PEROT: No. No, I want to stay up here, way up here on these reforms.

RUSSERT: So, leave NAFTA alone.

PEROT: No, I love NAFTA. I mean in terms, no, and NAFTA breaks my heart. It breaks my heart, because 80 some odd million decent human beings in Mexico have been devastated.

Let's just look at how NAFTA was packaged and sold. The Mexicans put up \$50 million to lobby it. Then, our country, with everybody holding hands and humming to get down there to that cheap labor, presented Salinas as George Washington the second.

But we know he's not, now. They presented Mexico as a role model for an emerging democracy. We know it's not, now. You follow me? And they said, "Gee, this is going to create jobs in America." We know it didn't. And we know that Mexicans can't buy anything because they're broke.

Their average wage is now down to \$1.88 a day. The interest rates are through the roof. Everything the Mexican people had ever bought on credit, they've lost. The Volkswagen plant that was created down there with the Beetle to sell cars to Mexicans, is practically shut down. It is a heart breaker, and here is the end of the story.

RUSSERT: Should we get of NAFTA?

PEROT: No, I got to finish my story. We, they spent \$50 million. We then had to bail them out. Now, let's look at the conniption fits there on this one. They've always devalued the peso right after an election, but before their new President came in, we intervened, what did they know, and when did they know it?

PEROT: Read A. M. Rosenthal's editorial -- magnificent! We intervened and got them to wait until after our election, because we had manipulated the American People. Then we got them to wait until after the summit in Miami, where one more time Mexico was presented as a role model for democracy, because we wanted to include the rest of the areas down there and then right after that they devalued the Peso and then we had to rush

in with \$50 billion to pay off the guys in Wall Street that give the political contributions and that's how it all ties together.

RUSSERT: So Congress should move to get out of NAFTA?

PEROT: No, you asked me should we make it part of the official

RUSSERT: And you said no.

PEROT: ... I don't want to clutter that up, because too many people have taken too much lobbying money and all we'll do is dilute the reform. If we get the reform straight, that kind of stuff won't happen again.

NAFTA now, once you dive in to an empty swimming pool in the middle of the night and break your neck, which we just did, then you've got to make a cautious, proper, you know, decision about what you do next. That's something you would want to spend a lot of time studying and make sure you don't break a lot more china. The factories are down ... it's a mess.

RUSSERT: How about expanding NAFTA to include Chile?

PEROT: It's just like saying I've got a contagious, deadly disease, so let's get on an airplane and see if we can't infect everybody with it.

So, you know, right now we do these dumb things because people want to go to the cheapest labor in the world and if I don't get any other message out today I hope I can make this clear: Our magic in our country is that we have the largest market in the world, we have the largest market in the world because we have a middle class. If we lose our middle class we will lose our buying power. People who don't have any money can't buy anything! Look at the poor folks in Mexico, and finally, and this is the most important thing I can say, people who don't make any money don't pay any taxes and with our debt and our deficit, Lord knows we need the middle class making good wages so they can pay good taxes and we can balance the budget and pay the debt. If we shift their jobs overseas we're dead on arrival. That's a fact.

RUSSERT: The last time you were on the program you urged the President not to formally recognize Vietnam. President Clinton has now formally recognized Vietnam and former President Bush is going over next month and receiving six figures representing CitiBank in a variety of appearance throughout Vietnam. What's your reaction?

PEROT: Well, anybody that knows me knows my reaction.

I'm heartbroken. I know we left men behind. I can prove to any thoughtful person we left men behind. I can just hand you two memos written in March of 1973 between the State Department and the Defense Department after our prisoners had come home saying we're going to have to bomb Laos in order to get the rest of the prisoners -- interesting. We never bombed Laos and we never got the rest of the prisoners. All kinds of intelligence data, overwhelming intelligence data.

A doctor that works in the Pentagon that used to be in Czechoslovakia, that says that they sent prisoners out of Vietnam to Russia and used them as medical guinea pigs and did drug experiments and he participated.

Yeltsin comes into power and says I think we have prisoners. Documents came out; everybody tried to refute those things. A few months later Yeltsin says you don't want the prisoners back.

When I went to Vietnam at their request in 1987 the first thing they said is your country doesn't want these men back. They declared them all dead. Go to Roger Shields, who was ordered on April 14, 1973 to go out and say there are no more living Americans and he said before he went we still have men there and we know it. All right, fine.

Then, years later a senior person in the National Security Council called me (this was in the mid-'80's) and said, Ross, don't you know there are not many left? And I said yes.

PEROT: "Don't you know they're old?" "Yes." "Injured?" "Yes." "Don't you know that most of their wives have remarried?" "Yes." "Don't you their children have grown?" "Yes." I said, "Is there anything else you want to know if I know?" He said, "No, that's it."

And I said, "Well don't you know that you are admitting that they are some there," and I said, "If there is one man alive, and he dies when he lands at Andrews field, the principle is we should bring him home."

No effort is, no real effort was ever made to get those men, it all goes back, and it breaks my heart; we had Watergate occur, just as the prisoners were coming, well it occurred before as the prisoners came out, but it was heating up as the prisoners came out, everybody was in their survival mode, and we wrote them off.

RUSSETT: So we should not have recognized Vietnam until we have every POW accounted for?

PEROT: What we, all we had to do, and it would have been not difficult, is just sit down in serious negotiation, the whole issue was we promised them reparations money, and we did not pay it, and they kept prisoners back until they got their reparations money.

RUSSERT: What about President Bush? Should he go?

PEROT: If he feels, again I hate to give other people advice, because it always gets twisted, but I'll answer your question. If he feels he has to go, he shouldn't take a penny. Let me tell how strange it is.

The Japanese asked me to come spend a week with them last spring. And I thought "Well, I have not been over there in a long time, it would be interesting." And then they wanted to know what I was going to charge as a fee, and I said "Nothing." Then they said, "Surely we can pay your transportation and your expenses while you are here." And I said, "No, no, I'm coming as a guest, I'm just coming over to see you." And in every meeting a who's who in Japan said, "I can't believe you came over here at your own time and expense and wouldn't take a thing?"

Now isn't that a sad commentary about us?

Now let's go to the Japanese Journal, Economic Journal. Several years ago it wrote a little statement that said, "America is like Indonesia, influence is for sale." The British Economist said, "Washington's unlawful ways of corrupting ways its government are unrivaled anywhere in the world." That gets us right back to where we started.

RUSSERT: We have to take a quick break. We'll be back with Ross Perot after this message.

We're back, live from Dallas at Ross Perot's National Issues Conference and we're talking with the man himself, Ross Perot.

Medicare. You've written a book, called "Intensive Care: We Must Save Medicare/Medicaid Now." You list many options, which Congress should consider.

Both Republicans and Democrats are saying, "we have to save Medicare, we have to find savings in Medicare, but we can do it without affecting beneficiaries in anyway shape or form. They will have the same benefits, the same premiums, the same level of care." Is that honest?

PEROT: Well, my answer to that is I have figured out a way to eliminate gravity, and I have also invented

perpetual motion. Do you believe in it?

RUSSET: No.

PEROT: OK. That's my answer.

OK. The facts are we have runaway costs. Here is what we never do when we have a problem, and if the American people only listen to one thing I say for the rest of my life I hope they listen to this.

When you have a problem in life or when you have a problem in business, you sit down in a thoughtful, rational way, analyze the problem, figure out what should work, here we have alternative solutions, there is a next step, then you discuss it and brainstorm it, and in my business career some young twenty-three year old always comes up with an off the wall idea that turns out to be the best one.

But no matter how good it is, you pilot test it.

PEROT: You'd never mass produce a new airplane. Just think. You put the first one as a model in the wind tunnel. Then you, through painstaking analysis, go ahead and build the first one. Then you say, OK, let's take off. No. You wiggle the tail. You check out everything. You start the engines and let them run. Finally, you do something fairly risky. You taxi, and then you take off.

What works in health care in New York City won't work in a little country town. Fact. One shoe will not fit every foot. Let's come up with pilot programs with the best of these new ideas, check them out, make them work, and here is what has killed Medicare. It is frozen by legislation.

There are people in our government who have brilliant ideas to improve it. In business, you'd improve everything every day.

What if we said, freeze your program. Never change it. It's a great program. You're on top of the charts. Don't touch it. It will die. Right? It would die.

Same with Medicare. There are people in Washington who, for years, have known how to optimize and improve it. When we come up with our new system, no matter how good it is, we need to leave it open for change and have a small group that can authorize change, pilot test the new changes, make sure they're right, and then, off you go.

RUSSET: A couple of things you mentioned. One is, the life expectancy is now 76 for the average American. Should we consider raising Medicare from 65 to 68?

PEROT: We have to consider all these things.

RUSSERT: Means testing. If people ...

PEROT: Absolutely.

RUSSERT: If people are well off, why do they need Medicare?

PEROT: We don't. It would be morally wrong for me to ever take Medicare or Social Security.

When President Bush's economic adviser, Dr. Boskin, before he was in the White House ... He and I were visiting, and he told me one day that if everybody who did not need Social Security refused to take it, it would save \$100 million a year. Interesting phenomenon. But you would have to check ...

RUSSERT: The deductible, from 1970 to 1990, went from \$50 to \$100. The federal cost of Medicare went up 2,100 percent.

PEROT: Through the roof. Exactly.

RUSSERT: Should we consider raising the deductible for people?

PEROT: Well, you've got to look at every single ... You know, everything's on the table.

RUSSERT: Everything?

PEROT: Everything has to be on the table when you're analyzing a problem. Then you come up with a new plan. Then you pilot test the new plan, and you're going to find out that what works in this little town is very different from New York City, so Medicare can't be one shoe across ...

No social program we have works, and here's why, and if the American people will listen to two things I have to say in my lifetime, and this is the second.

We go from noble idea, and our social programs typically are noble ideas, whether it's education, whether it's the poor, whether it's, you name it, it's a noble idea. Then, massive legislation, massive funding, instant massive production, massive cost overruns and failure, because we never tested, debugged it, made it work and kept it dynamic.

RUSSERT: I just want to finish up, David.

RUSSERT: Can you find \$270 billion in savings in Medicare over seven years through pilot programs?

PEROT: You can find the new program that will do the job and whatever you have to cut, you can figure out how to do that with the least pain to the American people through these pilot programs, and then before you put it in nationwide, you know exactly what you've got.

RUSSERT: David.

BRODER: Apply the same thing if you would to welfare. The Senate now is debating alternatives to welfare. Are you saying that welfare grants to the states should go out from Washington with no strings, so that states could experiment?

PEROT: There's an interesting phenomenon here. We're saying, turn welfare back to the states, but keep the money coming into Washington. Interesting. Right?

BRODER: Yes.

PEROT: The real purpose in turning welfare back to the states would be for the states to fund it and stop the flow of money here and back to there. Let the money stay there over time. Very important, because when the money goes to Washington, a lot of it will get wasted getting back to here.

PEROT: Only in America would we have had a national crime bill. Crime is a local problem, David. And what did we do? We gave the largest grant for additional policemen in the United States from Washington, first time around ... Guess where it went? Did it go to New York? Did it go to Los Angeles? No, it went to Little Rock, Arkansas. I wonder why ... Wait a minute, I'm talking about your man, I know, but ...

(LAUGHTER)

BRODER: That will be news.

PEROT: No, but the point is, it went to Little Rock, Arkansas. Then to show how the federal government botches things, they sent \$100,000 to a little town in Oklahoma that didn't ask for it, and the little town had to put up \$25,000. And the little town called Washington and said, we didn't ask for it, and we don't have \$25,000. They said, you mean you don't want it? They said, we don't even have a police force. And they said, well, what's the budget to run the city? They said, \$10,000 a year, so we can't come up with \$25,000.

You better get that money, keep it in the state. Don't send it up to Washington and back, because that gives power up there.

We want it back here.

BRODER: Senator Gramm said last night that as a matter of national policy, the United States should not be giving more money to welfare mothers to have more children. Is he wrong about that?

PEROT: In the context in which ... Certainly, you should not create a financial incentive to have more children, and we do now.

BRODER: So, you would make that a national rule?

PEROT: No, if the states are going to ... I think the idea of putting it back down where the problem is, is a good ... If the states raise the money and fund welfare, that will vary some from state to state. But just to say to a 15 year old, you want to raise your standard of living? Have another illegitimate child. No -- makes no sense.

Study the American Indian -- the most important thing I can say on this subject. He was an empire builder. He just went across this country -- deserts, mountains, you name it, built empires. Central and South America built empires. We put him on the reservation, destroyed his survival skills.

We now have a new reservation. It's called welfare. We have three generations on it. These folks have lost their dignity and respect and their ability to take care of themselves. That's what we have got to restore for them. It will take time, no question about it, and that's a long subject. I know you don't have time for it.

RUSSERT: Before we take another break, Saddam Hussein's son-in-law has defected and said we should overthrow Saddam Hussein. Is now the time for the United States and perhaps the Israelis to work together with Saddam's son-in-law and topple Saddam?

PEROT: Well, you know how I feel about that one.

RUSSERT: I don't.

PEROT: We created Saddam Hussein. Our country did. We gave him all of his technology -- nuclear, chemical, biological. We wanted him to dump it on Iran, and I can't believe our country gave stuff like that to be used in a war against Iran, because we were mad at Iran.

All the major newspapers reported the stories on this forever. Then we went to war over there, and we set our objectives very clearly. We were going to take out his nuclear, chemical, bacteriological -- all of which we gave him. We were going to take him out and we were going to restore Kuwait to the Emir.

But when the dust cleared, we restored Kuwait to the Emir. Hussein was still in power. His nuclear, chemical and bacteriological was still in power. Now may be a time to replace him.

I would look for surgical ways ... This is a great break with his son-in-law coming out ... But as far as having a bunch of troops go in there, they'd probably go in under UN command in today's world. We better be very careful.

RUSSERT: But find a surgical way by the United States to take him out.

PEROT: Absolutely. The best way for that to happen would be for the people in Iraq to throw him out.

RUSSERT: With U.S. assistance?

PEROT: Well, a little of what I call ``quiet assistance."

RUSSERT: We have to take another quick break. We'll be back with more from Ross Perot. Will he run in '96? We have to ask him.

We're speaking this morning with the irrepressible Ross Perot.

Newt Gingrich -- this is what he said -- that he's had private conversations with you and based on those conversations he does not think you'll run for President in '96. And he went further. Quote, ``In the end, Perot will want to replace Clinton, and Perot understands that a three-way race strengthens Clinton."

PEROT: I thought that private conversations, if they took place, by definition were private, didn't you?

RUSSERT: Is he right?

PEROT: Huh?

RUSSERT: Is Mr. Gingrich right?

PEROT: No.

RUSSERT: You will run for President?

PEROT: No, no, no, no. Again...

RUSSERT: You've not made a decision?

PEROT: No, no, everybody in politics has some inside word. Let me just say my position.

I have no interest in public life. I never have. My worst nightmare would be to have to live in the White House and have my cat attacked all day, every day by everybody in the world, you know, much less your family.

But we have problems we must solve. More than anything else we need to focus on those problems and stop always going to the extraneous things, which is a way to avoid dealing with real problems. Our goal is to get this done.

My dream would be to get it done without having to get directly involved in doing it. That's why we have these meetings. That's why we're encouraging everybody to do it. Now everybody's talking about doing it.

Probably one of the most significant things I could do this morning is let the American people know that the speakers in those meetings made tremendous speeches. We've got a book coming out with every speech in it, preparing our country for the 21st century. I hope you'll read it, because there you see a good blueprint about what needs to be done.

But I have no personal goals. I'd like to go back to business. Business is rational, politics is irrational.

RUSSERT: But do you think if you ran as a third party, you would help reelect Bill Clinton?

PEROT: No. One of the great myths in this universe is that that's how Bill Clinton got elected. Let's go back to what really happened. The Bush campaign -- at the very top, with people calling me, whose names were household words, including the President -- were begging me to stay in the race so that Clinton wouldn't win by a landslide.

Now let's go to the exit polls. All the exit polls show that I drew equally from both candidates. Finally, the exit polls showed that if everybody who had wanted to vote for me had voted for me, and had not been effected by all the propaganda, "Don't waste your vote on Perot," I would have won. Those are the facts. But, that's the irrational process of politics.

I did not elect -- all this propaganda that you hear now, coming from certain sources, about if that happened in '96 -- that didn't happen before, it won't happen again, and this is standard propaganda, fear tactics, to frighten the American people. Let's educate them. That's what we're just trying to do.

RUSSERT: Would you ever consider running in either the Republican or Democratic primaries?

PEROT: I don't want to even think about it, but... Let's assume neither party will face and deal with these problems, and they want to continue to do the magic act. Again, if the American people said we've got -- we do have to get it done. Our goal is to get them to do it. I hope that's obvious.

RUSSERT: By December of this year...

PEROT: Look, I would like to go away. But if I go away, the odds we'll get these reforms is zero. So, I kind of have to stay around, like the grain of sand in the oyster. You know, you can't make a pearl without the grain of sand. That's my role, Tim. I'm stuck.

I can't say I'm going away, which is what everybody would love me to say. I sure don't want to say I have to run. I've got to just stand here and take the beating and do everything I can to educate the voters, hope both parties repent and be reborn.

PEROT: I'd say I think they've repented. Now, that comes quick. Getting reborn takes a little time. But we've got to have it and we need to see it before the end of the year.

RUSSERT: Let me just close this down, now. But you might even think about entering the Democratic/Republican Presidential primaries?

PEROT: Well, those are not my ideas.

RUSSERT: But, you're open to it?

PEROT: No, I'm only open to having both parties revitalized and nail the problem. That's what we want. But if I go away, which is everybody's dream and I've told them all in detail how to get us to go away, I'll be talking about that this afternoon. They've got to stand and deliver and do these things.

RUSSERT: By when, by December of '95?

PEROT: The reforms we need could easily take place by

then;
I hope they will.

BRODER: You're going to face a decision today, because, as you've said in your speech last night, half the Democrats and Republicans in the country, two thirds of the Independents want a third choice available to them.

There are lots of people here in Dallas, part of your organization -- United We Stand -- who want to come out of here with some kind of an organizational structure to start building a third party. Are you going to encourage them or are you going to try to stop them from doing that? Not Ross Perot, but these folks operating on their own?

PEROT: The thing that I will ... I would never touch it unless it gets through the one filter. Our organization will never touch it. We have one filter ... a lot of political organizations say how do I get power, how do I get influence, how do I get this, that and the other thing? We've got just one thing that drives us and that is, is it good for our country?

First, our organization won't want to do this unless it's really the best answer for our country. The best answer is for the two parties to get on top of it and do it. We know that. But we won't touch it, we want them to do it. But, if it gets through that filter then it's got to go through my filter.

Let's assume, for some odd reason, at some point in the future they said we've got to do it, it's good for our country. I've got to honestly believe it's good for my country. Because that's the only reason I would want to go serve a hitch in hell!

And that's the kindest word you could put on it, in terms of being in public life. We better change that or we will not get the -- not that I am one of the best people in our country, but I'm thinking in the future.

How would you like to be President and try to get anybody to join you in your cabinet? They'll get shredded in the hearing process. The best people in the country wouldn't touch that tar baby.

BRODER: Mr. Perot, let's come back to what's happening here today. There's been a group meeting, as you know, in the hotel, since the folks came into town, talking among themselves ... we need to get the organization effort started now, if we're going to be on the ballot in 1996. They're going to be meeting with you during the day today.

What is your message to those folks who want to try to get ballot position for third parties starting now?

PEROT: Well, we will not fall into the trap

Washington's in. We will follow the old carpenter's rule: measure twice, cut once. We will be very careful, we will be very thoughtful. We will be driven by one thing and that is what is in our country's interest?

We heard both parties pledge to do everything we've ever dreamed of having done. I would love to see them put together this bi- partisan plan and do it. That would restore confidence in the two parties and confidence in the U.S. government and nothing to get the changes as quickly as that.

BRODER: Now, don't take offense, but you've seen a lot of polls, as we have, that say by roughly a ratio of two to one American people do not think that Ross Perot has the temperament to be President of the United States. Some of the people we've been talking to here say that if Ross Perot would take himself out of the picture, it might be easier to attract someone else to lead this third effort.

PEROT: Oh, I'd be delighted to. But let's go back to your polls, and I realize that they're more important to you than oxygen. And they mean less than anything else. Anybody that leads by a poll has got his finger in the wind. You look at the percentage that have an unfavorable, unfavorable opinion about me ...

BRODER: I though I heard Ross Perot ...

PEROT: ... and it exactly coincides with the number of people in both political parties. I'm amazed that it's not higher and the reason it's not higher is there's so few people that are loyal to those two parties.

RUSSERT: Mr. Perot, we thank you for joining us this morning, and please keep us posted on your plans.

PEROT: Great. Thank you.

RUSSERT: Appreciate it.

PEROT: OK.

END

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TO: Allison Wilkie (WILKIE_A) (WHO)
READ:14-AUG-1995 08:15:09.30

TO: Gabrielle Bushman (Bushman_G) (WHO)
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TEXT:
FACE THE NATION-CBS
AUGUST 13, 1995

SPEAKER LIST: PATRICK BUCHANAN, GOP PRESIDENTIAL CANDIDATE
THE REVEREND JESSE JACKSON, PRESIDENT, THE RAINBOW COALITION,
RONALD BROWNSTEIN, LOS ANGELES TIMES, BOB SCHIEFFER, CBS NEWS
CHIEF CORRESPONDENT & HOST

SCHIEFFER: And welcome again to the broadcast. With us now, we start today in Dallas, Republican Presidential candidate Pat Buchanan, and joining in the questioning this morning will be Ron Brownstein, from the "Los Angeles Times."

Well, Mr. Buchanan, according to the morning papers, you got a very good reception from the convention of Perot supporters in Dallas. By some accounts, a much more enthusiastic reception than the Republican front-runner, Bob Dole.

I want to ask you first about something you said on this broadcast six weeks or so ago, you said that you would not run as a third party candidate no matter what happened that you would support the Republican candidate, if you did not get the nomination yourself.

But I'm beginning to wonder, seeing these polls that now say nearly 60 percent of the American people think maybe a third party, a third party's time has come. Are you rethinking that? And if you are not going run as a third party candidate, do you think Ross Perot ought to start a third party?

BUCHANAN: Well, I don't want to give Ross Perot advice, Bob, but let me tell you, the tremendous reception we received down here vindicates the position I've taken. That Republicans have to reach out and bring the Perot voters back into the Republican fold, if we're going to win in '96 and create a new governing coalition. And I've said that I'm the strongest Republican with the Perot voters, and I think we demonstrated that yesterday.

SCHIEFFER: Are you totally ruling out a third party run, if you do not get the nomination? Do you still stand by those earlier statements?

BUCHANAN: Bob, let me say this. I made a conscious decision to run in the Republican primaries, to try to bring the Perot voters and the Reagan Democrats back to the Republican party to become the nominee, and to lead it to victory in 1996.

By the 1996 convention which is August of that year, I have said I have always supported the Republican nominee. And I intend to support the Republican nominee in 1996 -- even if I don't win that nomination, and I'll stand by that commitment.

BROWNSTEIN: Mr. Buchanan, in a "New York Times"/CBS poll that was released Friday night, it found that 85 percent of the people who say they might vote for Ross Perot in 1996, in effect, rejecting both parties, are people without college educations. They same ones who've been losing the most ground, economically, in terms of

hourly wages and so forth, over the last 20 years.

When you look at the Republican agenda embodied in the Contract with America, the kind of things that front-runner Bob Dole is talking about, do think the Republican party is offering those people, who have been losing ground economically a chance for a better future, and a reason to bind again with the GOP?

BUCHANAN: No, I don't think it, look, there are wonderful things in the Contract with America, but your question is well taken. These people are losing jobs because of NAFTA and GATT and unfair trade deals that are exporting American manufacturing jobs overseas.

In January we had a \$200 billion merchandise trade deficit. That translates into four million manufacturing jobs lost.

Republicans are not only not addressing that, they are voting for GATT. They are voting for NAFTA. They're voting for the World Trade Organization. They're voting for the Mexican bail out, or supporting it publicly.

Now the Perot voters are dead right on these issues, and I agree with them. And I fought by their side. And the Republican party has got to wake up and realize, we can't win with Wall Street. If we don't get Main Street and middle America which is moving away from the Republican party, and bring that back in, we are not going to have a governing coalition. And I see that as my job.

BROWNSTEIN: You use the phrase, Perot voters, do you think there is a coherent Perot vote that Ross Perot himself can influence, and perhaps control? Or is he really a place holder for a broader set of anxieties and disappointments about the two parties?

BUCHANAN: Well, I think it's really, there's really a measure of both, Ron. These folks are alienated from, and distant from their national government, and they despise world government.

BROWNSTEIN: Ross Perot gave them a place, he gave them a place at the table in 1992. Can others do the same thing? We're going to see, but Ross Perot and I were on the same side of those battles on NAFTA and GATT and other issues, and I'm trying in the Republican primaries, to bring them back into the Republican Party so, if you will, we can take over the country club ourselves.

SCHIEFFER: Let's go back to something you said about third parties and not running as a third party candidate. Let us suppose that Jesse Jackson, who will be on this broadcast in just a minute after your interview, let's

suppose that he decides to run as a third party candidate. Would you then entertain running as, say, a fourth party candidate to balance that out?

BUCHANAN: I would certainly encourage Reverend Jackson to consider running as a third party candidate, quite frankly, and because I do think that in a lot of ways Mr. Clinton has walked away from Jesse's agenda, which is not my agenda.

But you know, I've sort of said in effect, Bob, that I'm going to go down this road to the Republican nomination, I'm going to try to bring the Reagan Democrats and the Perot voters, I'm going to try to win.

But I will say this, if in '96 the Republican Party walks away from the Reagan Democrats on social and cultural issues the way it walked away on economic issues, then it's going to face a very serious problem with Bill Clinton, because he's a formidable candidate. And then it's going to really almost forfeit its future if it does that. But, I'm not saying I'm going to walk. I intend to be the nominee.

SCHIEFFER: What do you think of Colin Powell? Do you think that he is going to run as a third party candidate and do you see any things that you and Colin Powell agree upon?

BUCHANAN: Well, Colin Powell and I, Bob, worked together for four months in the Reagan White House, we met every night and every morning at the Senior Staff meetings, and I have great respect for Colin Powell. He was a magnificent chairman of the Joint Chiefs.

But Bob, I don't have the foggiest idea where Colin Powell stands on the issues and you can't run for President writing a book! You've got to come out and talk to the American people. And while I admire and respect Colin Powell, you know, I can't vote or support an individual until I know where he stands on things I care about and I believe in.

If he ran third party, my guess would be his best day would be opening day, because then you've got to take a stand on issues that are quite controversial -- life, gun control, NAFTA, GATT, all of these issues. And so, I mean he's not going to listen to me for my advice, but I have great respect for the man.

SCHIEFFER: One more question along this line: Do you think that any third party candidate other than Jesse Jackson would elect Bill Clinton, would result in Bill Clinton being elected?

BUCHANAN: Well, clearly Reverend Jackson would take away a significant slice of what has been the Democratic coalition, the way I think Ross Perot took away a significant slice of the Reagan coalition.

You know, you're asking me to get back into the realm of speculation. Look, if you ran a strong conservative who was a populist and traditionalist as a third party candidate, it would split the Republican coalition, no doubt, and very probably re-elect Bill Clinton, depending on the strength of the candidate, there's no question.

SCHIEFFER: Even Perot?

BUCHANAN: Listen, if Ross Perot runs as a third party candidate, let me say this, and probably the answer will come through in my answer. I hope and pray that the Republicans address the issues Ross addressed and raised and I raised here yesterday. And if they don't, if they walk away from these people they're going have to expect these people to walk away from them, and yes, that will risk the glorious opportunity to create a new governing coalition that is not only conservative and traditionalist, but populist. That is Main Street, and not big, corporate giver, Wall Street.

BROWNSTEIN: One of the things that has been spurring and stirring up the talk of the third party is a sense that neither of the political parties is delivering on their agenda.

In his speech yesterday to the convention, Lamar Alexander basically said the Republican revolution in Congress is running out of steam. Welfare reform didn't happen. Balanced budget amendment didn't happen. Term limits didn't happen. Regulatory reform has been derailed. Do you agree with that characterization? Are the Republicans running out of steam?

BUCHANAN: I agree with Lamar on that. I think, clearly, Ron, you're seeing it bogged down in the Senate. We've got a lot of folks, I think, at the hierarchy of the Republican party who really do not understand, appreciate, and may not even like the agenda of middle America that it wants.

But -- I mean, look at the the -- it's true of the hierarchy of both parties. Grass roots didn't want NAFTA. Nobody in the grass roots wanted GATT. Nobody wanted that \$50 billion bailout. How, then, can these things be effected and done?

I'll tell you what's happening. Big money is calling

up the leaders of both parties and saying, "We've been giving to you boys for years. Now this is one we've got to have and we've got to have it now." And they're responding to that. That's why they're losing middle America. They're too much in thrall to corporate money, big money, K Street and Wall Street.

BROWNSTEIN: Speaking of the hierarchy, is it both parties? The Senate is still struggling on how to deal with Senator Packwood, who's facing new accusations from a minor. You've said he should resign if those are true. How do you feel -- what do you feel about the way the Senate is handling the charges against Packwood? Should there be public hearings? How should they proceed?

BUCHANAN: Look, I would hope our leaders in the Senate, Bob Dole Phil Gramm, Dick Lugar and others who voted against public hearings, would realize how this looks to the working women of America. There are a lot of single moms in the work force. There are working women out there in the millions and millions. How does it look if we're perceived as covering up behavior which is unacceptable, abusive and intolerable?

I have said; Look, if it involves a 17 year-old intern, for Heaven sakes. Congressman Reynolds is on trial in Chicago for, in effect, having an affair with 16 year-old girl. If you're in a position of authority and power and a 17 year-old girl -- that's a crime in some places. If that is true -- and Senator Packwood denies it, as I saw yesterday -- but if it is true, about the 17 year-old intern under his supervision, then I think his colleagues ought to consider expulsion if he doesn't resign.
If it's true.

SCHIFEFER: One final question, on the subject of tobacco. The President came out with putting some new restrictions this week on tobacco sales to minors. What's your position on all of this, Mr. Buchanan?

BUCHANAN: Bob, my view on this is, look, give us -- I'm an ex- smoker, two packs a day. As a journalist, we all used to smoke our heads off. I gave it up about 20 years ago.

But I believe this. Give the American people the information, which I think demonstrates that tobacco smoking is related to cancer, emphysema, heart disease, everything. Give them the information, but as Americans and free men and free women, leave the people to make the decision themselves. If they want to smoke, tell them, "Look, it's a foolish thing, but you've got a right to smoke." Let restaurants decide for themselves. Give big

government...

SCHIEFFER: Even let the kids make their choices?

BUCHANAN: Look, I smoked a pack a day when I was 14 years old. I shouldn't have been doing it. My view is, look, get big government, national government, out of it. Let this be done at state and local level by the people themselves. But get the feds out of it.

SCHIEFFER: All right. We're going to stop there. Thank you very much. Good luck in the coming campaign days.

BUCHANAN: Thank you.

SCHIEFFER: When we come back we'll talk to Jesse Jackson, in a minute.

Earlier this weekend, of course, he, too, was in Dallas for the Perot convention. Well, Reverend Jackson, it sounds to me like you've already picked up some support if you decide to run for President. Pat Buchanan says he really thinks you ought to do it. Why do you think he would say that?

JACKSON: His motive really is rather disingenuous.

JACKSON: His interest is in hurting Clinton. That's a Republican/Democrat fight. My interest is in changing priorities and changing directions. I'm looking at abandoned cities, earnings up, wages down, tax base eroding, school second class and jail the number one growth "industry" in these cities. My interest is in expanding the agenda and creating more options for the American people.

SCHIEFFER: Let me ask you this, every time that you take issue with something that the President says or you find yourself in disagreement with him you sort of say, well maybe you might run as a third party candidate. Or even run in the primaries. Are you still thinking about that and how far down the line are you in making up your mind on what you're going to do?

JACKSON: It is very much a line consideration. My concern now is that so often we see one party with two names, two parties with one assumption -- both of them are focused far more on welfare reform and crime and not on the impact of economic down-sizing and mergers.

The impact of a Federal government cutting jobs and closing military bases without conversion and shifting good jobs to cheap labor markets in the NAFTA and GATT zone. The absence of those jobs, welfare, is the

by-product. And anti-social behavior in youth is the by-product. And jails and crime is the by-product. And yet both parties go hit lock, they say they're in gridlock when it comes to earnings up, wages down, workers busted.

I mean, last week when these two mergers took place between ABC and Mickey Mouse and CBS and Westinghouse, we know the impact is going to be a few people will become billionaires -- they'll be called genius. A few more will become millionaires -- they'll be called smart. But many workers will lose their jobs and they'll be called unblest or unfortunate or untrained or unlucky.

People need leadership that will, in fact, address something as basic as reinvest in America. Protect the American worker and even playing field. We can compete with the Mexican worker or with the Chinese worker. We cannot compete with slave labor and we should not have to and our mission really should be to lift their living standard and not to lower our own.

SCHIEFFER: Reverend Jackson, in terms of advancing all those goals that you laid out, there is a divergence of opinion about how your third party race might affect the Democratic prospects in 1996. On the one hand it would clearly make it more difficult for Bill Clinton to be reelected. On the other hand it might increase the prospects of gaining Democratic seats in Congress. If the latter were true, would that be worth losing the White House in your point of view?

JACKSON: Well, hopefully, we will look at this in our assessment. We know that our running would increase the interest and the voter base that could regain the Congress. It is a significant step. It does mean the White House must know that there is a vast body of Democrats who are simply dissatisfied with the lack of an urban policy. The lack of expanding rural poverty.

Why can't we at this time put forth a policy shift? Mr. Clinton promised an economic stimulus, to reinvest in these cities. As opposed to economic stimulus we have the jail industrial complex -- the most vast lock-up plan in the history of our country. We were promised a labor law reform, an even playing field for workers. We have NAFTA and GATT -- they're now trying to go to Chile. He won on the premise of a very different agenda. And I would hope that the first consideration would be for the White House to, in fact, review its own commitments of 1992 and honor it. That would be a much, it would be a very contrasting view with the Dole, Gingrich, Gramm, Buchanan arrangement.

BROWNSTEIN: Another thought about '96 has been that Colin Powell might run, as an Independent. There's been a

lot of discussion of this. Do you consider him an authentic representative, as Lani Guinier might have put it? An authentic representative of black America? Is he a legitimate voice for the people that you hope to represent?

JACKSON: Of course he is a legitimate voice. And why would one limit him to race interests, when his race is self-evident? He is a military general, who had a tremendous track record as a general, who said that he was an average student, but a good soldier -- and could not have become general except that the pool was, was narrowly defined and Jimmy Carter said to Cliff Alexander, overlook the pool to include more blacks, and more of the Hispanics, and he got in the affirmative action pool. And of course the rest of his ascendancy is history.

He appears to have tremendous credibility -- a background of struggle. But we really don't know enough about his political views beyond the military domain to make an intelligent political assessment.

Once he steps out of the realm of a rather non-threatening, credible, exciting military general, into the domestic world of controversial decision-making politics, it'll be a very different arrangement. Some were saying, "Hosanna, Hosanna," now will be saying, "Crucify him, crucify him," the next week. And that's the decision that General Powell has to make.

SCHIEFFER: Let me ask you a question that is clearly labeled hypothetical, but we're told that Bob Dole in a New York minute would put Colin Powell on the ticket as his Vice President if he could convince Colin Powell to do that.

If Bob Dole got Colin Powell to come on the ticket with him, and that was the Republican ticket, could you see yourself supporting that ticket?

JACKSON: Well, not necessarily, it would be based upon the direction that the ticket would take. For example, Colin Powell will support affirmative action, Bob Dole does not. Colin Powell gave \$1,000 to Chuck Robb, while Dole supported Ollie North. So that would immediately be a little tension in the House.

BROWNSTEIN: In November there are a group of cities are holding a non-binding preference primary called "City vote." You said recently that you will participate in that. What is the significance of your participation in that event? Is that a sign that you're going to be running in the Democratic primary?

JACKSON: It's a sign of my desire to put the cities in the middle of the national debate. Eighteen cities are involved in "City vote." There will be debates leading up to "City vote." There should be voter registration involved. There should be a lot of discussion about plans to reinvest in cities -- the economic stimulus. Plans to reclaim our children as alternatives to unnecessary jailing.

We could very well overlook the debate to include cities. I mean, what are we looking at in places like Chicago -- where we see the extent of operation is plants closing, jobs leaving, tax bases eroding, families disintegrating, schools become second class. And again, jails, I mean to think about that the number one growth in urban America is jails -- and I might add companies like American Express, and Merrill Lynch, and Prudential are now investing in these privatized jails.

That is not the America we want -- what we're looking forward to a generation of parolees rather than graduates. We need to go another direction.

BROWNSTEIN: Reverend Jackson, Pat Buchanan has echoed a lot of your rhetoric, and for that matter, Bill Clinton's rhetoric about the pressure on the living standards of most Americans. His solution to the problem is restricting both foreign trade -- which you largely support -- but, also restricting immigration, both illegal and legal immigration.

BROWNSTEIN: Do you agree with him that legal and illegal immigrants are causing downward pressure on the wages of working class Americans?

JACKSON: Of course, you should restrict illegal immigration, but for those who are ... What makes America great, in part, is, "Give me your tired, your poor, your huddled masses, who yearn to breathe free." That says much about the character of our country.

I disagree with Pat Buchanan's notion of putting up a wall or fence between the U.S. and Mexico. We share 2,000 miles of border with Mexico. There are 80 million Mexicans who live next door to us. We would do well, if they got some plan ... I would support reviewing NAFTA, now that we see wages are down in Mexico, that we've had to bail out the peso. I would review not so much scrapping NAFTA, but reviewing NAFTA, maybe even renegotiating NAFTA, because there were supposed to be some safeguards in case the worst scenario happened, and the worst scenario is, in fact, happening.

I keep arguing the case that we should put forth a plan

to lift their living standards and engage in a mutually beneficial development, for labor is at the table, not just speculative investors.

SCHIEFFER: Reverend Jackson, I never like to overlook the obvious questions, but, of course, sometimes I do. I want to just ask you one question. Has Bill Clinton asked you not to run?

JACKSON: He has not.

SCHIEFFER: Have you talked about that with him?

JACKSON: I have not.

SCHIEFFER: All right. I think we'll leave it there. Good luck to you also in the coming months.

JACKSON: Thank you.

END

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

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TEXT:
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SCHIEFFER: And welcome again to the broadcast. With us now, we start today in Dallas, Republican Presidential candidate Pat Buchanan, and joining in the questioning this morning will be Ron Brownstein, from the "Los Angeles Times."

Well, Mr. Buchanan, according to the morning papers, you got a very good reception from the convention of Perot supporters in Dallas. By some accounts, a much more enthusiastic reception than the Republican front-runner, Bob Dole.

I want to ask you first about something you said on this broadcast six weeks or so ago, you said that you would not run as a third party candidate no matter what happened that you would support the Republican candidate, if you did not get the nomination yourself.

But I'm beginning to wonder, seeing these polls that now say nearly 60 percent of the American people think maybe a third party, a third party's time has come. Are you rethinking that? And if you are not going to run as a third party candidate, do you think Ross Perot ought to start a third party?

BUCHANAN: Well, I don't want to give Ross Perot advice, Bob, but let me tell you, the tremendous reception we received down here vindicates the position I've taken. That Republicans have to reach out and bring the Perot voters back into the Republican fold, if we're going to win in '96 and create a new governing coalition. And I've said that I'm the strongest Republican with the Perot voters, and I think we demonstrated that yesterday.

SCHIEFFER: Are you totally ruling out a third party run, if you do not get the nomination? Do you still stand by those earlier statements?

BUCHANAN: Bob, let me say this. I made a conscious decision to run in the Republican primaries, to try to bring the Perot voters and the Reagan Democrats back to the Republican party to become the nominee, and to lead it to victory in 1996.

By the 1996 convention which is August of that year, I have said I have always supported the Republican nominee. And I intend to support the Republican nominee in 1996 -- even if I don't win that nomination, and I'll stand by that commitment.

BROWNSTEIN: Mr. Buchanan, in a "New York Times"/CBS poll that was released Friday night, it found that 85 percent of the people who say they might vote for Ross Perot in 1996, in effect, rejecting both parties, are people without college educations. They same ones who've been losing the most ground, economically, in terms of

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When you look at the Republican agenda embodied in the Contract with America, the kind of things that front-runner Bob Dole is talking about, do think the Republican party is offering those people, who have been losing ground economically a chance for a better future, and a reason to bind again with the GOP?

BUCHANAN: No, I don't think it, look, there are wonderful things in the Contract with America, but your question is well taken. These people are losing jobs because of NAFTA and GATT and unfair trade deals that are exporting American manufacturing jobs overseas.

In January we had a \$200 billion merchandise trade deficit. That translates into four million manufacturing jobs lost.

Republicans are not only not addressing that, they are voting for GATT. They are voting for NAFTA. They're voting for the World Trade Organization. They're voting for the Mexican bail out, or supporting it publicly.

Now the Perot voters are dead right on these issues, and I agree with them. And I fought by their side. And the Republican party has got to wake up and realize, we can't win with Wall Street. If we don't get Main Street and middle America which is moving away from the Republican party, and bring that back in, we are not going to have a governing coalition. And I see that as my job.

BROWNSTEIN: You use the phrase, Perot voters, do you think there is a coherent Perot vote that Ross Perot himself can influence, and perhaps control? Or is he really a place holder for a broader set of anxieties and disappointments about the two parties?

BUCHANAN: Well, I think it's really, there's really a measure of both, Ron. These folks are alienated from, and distant from their national government, and they despise world government.

BROWNSTEIN: Ross Perot gave them a place, he gave them a place at the table in 1992. Can others do the same thing? We're going to see, but Ross Perot and I were on the same side of those battles on NAFTA and GATT and other issues, and I'm trying in the Republican primaries, to bring them back into the Republican Party so, if you will, we can take over the country club ourselves.

SCHIEFFER: Let's go back to something you said about third parties and not running as a third party candidate. Let us suppose that Jesse Jackson, who will be on this broadcast in just a minute after your interview, let's

suppose that he decides to run as a third party candidate. Would you then entertain running as, say, a fourth party candidate to balance that out?

BUCHANAN: I would certainly encourage Reverend Jackson to consider running as a third party candidate, quite frankly, and because I do think that in a lot of ways Mr. Clinton has walked away from Jesse's agenda, which is not my agenda.

But you know, I've sort of said in effect, Bob, that I'm going to go down this road to the Republican nomination, I'm going to try to bring the Reagan Democrats and the Perot voters, I'm going to try to win.

But I will say this, if in '96 the Republican Party walks away from the Reagan Democrats on social and cultural issues the way it walked away on economic issues, then it's going to face a very serious problem with Bill Clinton, because he's a formidable candidate. And then it's going to really almost forfeit its future if it does that. But, I'm not saying I'm going to walk. I intend to be the nominee.

SCHIEFFER: What do you think of Colin Powell? Do you think that he is going to run as a third party candidate and do you see any things that you and Colin Powell agree upon?

BUCHANAN: Well, Colin Powell and I, Bob, worked together for four months in the Reagan White House, we met every night and every morning at the Senior Staff meetings, and I have great respect for Colin Powell. He was a magnificent chairman of the Joint Chiefs.

But Bob, I don't have the foggiest idea where Colin Powell stands on the issues and you can't run for President writing a book! You've got to come out and talk to the American people. And while I admire and respect Colin Powell, you know, I can't vote or support an individual until I know where he stands on things I care about and I believe in.

If he ran third party, my guess would be his best day would be opening day, because then you've got to take a stand on issues that are quite controversial -- life, gun control, NAFTA, GATT, all of these issues. And so, I mean he's not going to listen to me for my advice, but I have great respect for the man.

SCHIEFFER: One more question along this line: Do you think that any third party candidate other than Jesse Jackson would elect Bill Clinton, would result in Bill Clinton being elected?

BUCHANAN: Well, clearly Reverend Jackson would take away a significant slice of what has been the Democratic coalition, the way I think Ross Perot took away a significant slice of the Reagan coalition.

You know, you're asking me to get back into the realm of speculation. Look, if you ran a strong conservative who was a populist and traditionalist as a third party candidate, it would split the Republican coalition, no doubt, and very probably re-elect Bill Clinton, depending on the strength of the candidate, there's no question.

SCHIEFFER: Even Perot?

BUCHANAN: Listen, if Ross Perot runs as a third party candidate, let me say this, and probably the answer will come through in my answer. I hope and pray that the Republicans address the issues Ross addressed and raised and I raised here yesterday. And if they don't, if they walk away from these people they're going have to expect these people to walk away from them, and yes, that will risk the glorious opportunity to create a new governing coalition that is not only conservative and traditionalist, but populist. That is Main Street, and not big, corporate giver, Wall Street.

BROWNSTEIN: One of the things that has been spurring and stirring up the talk of the third party is a sense that neither of the political parties is delivering on their agenda.

In his speech yesterday to the convention, Lamar Alexander basically said the Republican revolution in Congress is running out of steam. Welfare reform didn't happen. Balanced budget amendment didn't happen. Term limits didn't happen. Regulatory reform has been derailed. Do you agree with that characterization? Are the Republicans running out of steam?

BUCHANAN: I agree with Lamar on that. I think, clearly, Ron, you're seeing it bogged down in the Senate. We've got a lot of folks, I think, at the hierarchy of the Republican party who really do not understand, appreciate, and may not even like the agenda of middle America that it wants.

But -- I mean, look at the the -- it's true of the hierarchy of both parties: Grass roots didn't want NAFTA. Nobody in the grass roots wanted GATT. Nobody wanted that \$50 billion bailout. How, then, can these things be effected and done?

I'll tell you what's happening. Big money is calling

up the leaders of both parties and saying, "We've been giving to you boys for years. Now this is one we've got to have and we've got to have it now." And they're responding to that. That's why they're losing middle America. They're too much in thrall to corporate money, big money, K Street and Wall Street.

BROWNSTEIN: Speaking of the hierarchy, is it both parties? The Senate is still struggling on how to deal with Senator Packwood, who's facing new accusations from a minor. You've said he should resign if those are true. How do you feel -- what do you feel about the way the Senate is handling the charges against Packwood? Should there be public hearings? How should they proceed?

BUCHANAN: Look, I would hope our leaders in the Senate, Bob Dole Phil Gramm, Dick Lugar and others who voted against public hearings, would realize how this looks to the working women of America. There are a lot of single moms in the work force. There are working women out there in the millions and millions. How does it look if we're perceived as covering up behavior which is unacceptable, abusive and intolerable?

I have said, Look, if it involves a 17 year-old intern, for Heaven sakes. Congressman Reynolds is on trial in Chicago for, in effect, having an affair with 16 year-old girl. If you're in a position of authority and power and a 17 year-old girl -- that's a crime in some places. If that is true -- and Senator Packwood denies it, as I saw yesterday -- but if it is true, about the 17 year-old intern under his supervision, then I think his colleagues ought to consider expulsion if he doesn't resign. If it's true.

SCHIFEFER: One final question, on the subject of tobacco. The President came out with putting some new restrictions this week on tobacco sales to minors. What's your position on all of this, Mr. Buchanan?

BUCHANAN: Bob, my view on this is, look, give us -- I'm an ex- smoker, two packs a day. As a journalist, we all used to smoke our heads off. I gave it up about 20 years ago.

But I believe this. Give the American people the information, which I think demonstrates that tobacco smoking is related to cancer, emphysema, heart disease, everything. Give them the information, but as Americans and free men and free women, leave the people to make the decision themselves. If they want to smoke, tell them, "Look, it's a foolish thing, but you've got a right to smoke." Let restaurants decide for themselves. Give big

government...

SCHIEFFER: Even let the kids make their choices?

BUCHANAN: Look, I smoked a pack a day when I was 14 years old. I shouldn't have been doing it. My view is, look, get big government, national government, out of it. Let this be done at state and local level by the people themselves. But get the feds out of it.

SCHIEFFER: All right. We're going to stop there. Thank you very much. Good luck in the coming campaign days.

BUCHANAN: Thank you.

SCHIEFFER: When we come back we'll talk to Jesse Jackson, in a minute.

Earlier this weekend, of course, he, too, was in Dallas for the Perot convention. Well, Reverend Jackson, it sounds to me like you've already picked up some support if you decide to run for President. Pat Buchanan says he really thinks you ought to do it. Why do you think he would say that?

JACKSON: His motive really is rather disingenuous.

JACKSON: His interest is in hurting Clinton. That's a Republican/Democrat fight. My interest is in changing priorities and changing directions. I'm looking at abandoned cities, earnings up, wages down, tax base eroding, school second class and jail the number one growth "industry" in these cities. My interest is in expanding the agenda and creating more options for the American people.

SCHIEFFER: Let me ask you this, every time that you take issue with something that the President says or you find yourself in disagreement with him you sort of say, well maybe you might run as a third party candidate. Or even run in the primaries. Are you still thinking about that and how far down the line are you in making up your mind on what you're going to do?

JACKSON: It is very much a line consideration. My concern now is that so often we see one party with two names, two parties with one assumption -- both of them are focused far more on welfare reform and crime and not on the impact of economic down-sizing and mergers.

The impact of a Federal government cutting jobs and closing military bases without conversion and shifting good jobs to cheap labor markets in the NAFTA and GATT zone. The absence of those jobs, welfare, is the

by-product. And anti-social behavior in youth is the by-product. And jails and crime is the by-product. And yet both parties go hit lock, they say they're in gridlock when it comes to earnings up, wages down, workers busted.

I mean, last week when these two mergers took place between ABC and Mickey Mouse and CBS and Westinghouse, we know the impact is going to be a few people will become billionaires -- they'll be called genius. A few more will become millionaires -- they'll be called smart. But many workers will lose their jobs and they'll be called unblest or unfortunate or untrained or unlucky.

People need leadership that will, in fact, address something as basic as reinvest in America. Protect the American worker and even playing field. We can compete with the Mexican worker or with the Chinese worker. We cannot compete with slave labor and we should not have to and our mission really should be to lift their living standard and not to lower our own.

SCHIEFFER: Reverend Jackson, in terms of advancing all those goals that you laid out, there is a divergence of opinion about how your third party race might affect the Democratic prospects in 1996. On the one hand it would clearly make it more difficult for Bill Clinton to be reelected. On the other hand it might increase the prospects of gaining Democratic seats in Congress. If the latter were true, would that be worth losing the White House in your point of view?

JACKSON: Well, hopefully, we will look at this in our assessment. We know that our running would increase the interest and the voter base that could regain the Congress. It is a significant step. It does mean the White House must know that there is a vast body of Democrats who are simply dissatisfied with the lack of an urban policy. The lack of expanding rural poverty.

Why can't we at this time put forth a policy shift? Mr. Clinton promised an economic stimulus, to reinvest in these cities. As opposed to economic stimulus we have the jail industrial complex -- the most vast lock-up plan in the history of our country. We were promised a labor law reform, an even playing field for workers. We have NAFTA and GATT -- they're now trying to go to Chile. He won on the premise of a very different agenda. And I would hope that the first consideration would be for the White House to, in fact, review its own commitments of 1992 and honor it. That would be a much, it would be a very contrasting view with the Dole, Gingrich, Gramm, Buchanan arrangement.

BROWNSTEIN: Another thought about '96 has been that Colin Powell might run, as an Independent. There's been a

lot of discussion of this. Do you consider him an authentic representative, as Lani Guinier might have put it? An authentic representative of black America? Is he a legitimate voice for the people that you hope to represent?

JACKSON: Of course he is a legitimate voice. And why would one limit him to race interests, when his race is self-evident? He is a military general, who had a tremendous track record as a general, who said that he was an average student, but a good soldier -- and could not have become general except that the pool was, was narrowly defined and Jimmy Carter said to Cliff Alexander, overlook the pool to include more blacks, and more of the Hispanics, and he got in the affirmative action pool. And of course the rest of his ascendancy is history.

He appears to have tremendous credibility -- a background of struggle. But we really don't know enough about his political views beyond the military domain to make an intelligent political assessment.

Once he steps out of the realm of a rather non-threatening, credible, exciting military general, into the domestic world of controversial decision-making politics, it'll be a very different arrangement. Some were saying, "Hosanna, Hosanna," now will be saying, "Crucify him, crucify him," the next week. And that's the decision that General Powell has to make.

SCHIEFFER: Let me ask you a question that is clearly labeled hypothetical, but we're told that Bob Dole in a New York minute would put Colin Powell on the ticket as his Vice President if he could convince Colin Powell to do that.

If Bob Dole got Colin Powell to come on the ticket with him, and that was the Republican ticket, could you see yourself supporting that ticket?

JACKSON: Well, not necessarily, it would be based upon the direction that the ticket would take. For example, Colin Powell will support affirmative action, Bob Dole does not. Colin Powell gave \$1,000 to Chuck Robb, while Dole supported Ollie North. So that would immediately be a little tension in the House.

BROWNSTEIN: In November there are a group of cities are holding a non-binding preference primary called "City vote." You said recently that you will participate in that. What is the significance of your participation in that event? Is that a sign that you're going to be running in the Democratic primary?

JACKSON: It's a sign of my desire to put the cities in the middle of the national debate. Eighteen cities are involved in "City vote." There will be debates leading up to "City vote." There should be voter registration involved. There should be a lot of discussion about plans to reinvest in cities -- the economic stimulus. Plans to reclaim our children as alternatives to unnecessary jailing.

We could very well overlook the debate to include cities. I mean, what are we looking at in places like Chicago -- where we see the extent of operation is plants closing, jobs leaving, tax bases eroding, families disintegrating, schools become second class. And again, jails, I mean to think about that the number one growth in urban America is jails -- and I might add companies like American Express, and Merrill Lynch, and Prudential are now investing in these privatized jails.

That is not the America we want -- what we're looking forward to a generation of parolees rather than graduates. We need to go another direction.

BROWNSTEIN: Reverend Jackson, Pat Buchanan has echoed a lot of your rhetoric, and for that matter, Bill Clinton's rhetoric about the pressure on the living standards of most Americans. His solution to the problem is restricting both foreign trade -- which you largely support -- but, also restricting immigration, both illegal and legal immigration.

BROWNSTEIN: Do you agree with him that legal and illegal immigrants are causing downward pressure on the wages of working class Americans?

JACKSON: Of course, you should restrict illegal immigration, but for those who are ... What makes America great, in part, is, "Give me your tired, your poor, your huddled masses, who yearn to breathe free." That says much about the character of our country.

I disagree with Pat Buchanan's notion of putting up a wall or fence between the U.S. and Mexico. We share 2,000 miles of border with Mexico. There are 80 million Mexicans who live next door to us. We would do well, if they got some plan ... I would support reviewing NAFTA, now that we see wages are down in Mexico, that we've had to bail out the peso. I would review not so much scrapping NAFTA, but reviewing NAFTA, maybe even renegotiating NAFTA, because there were supposed to be some safeguards in case the worst scenario happened, and the worst scenario is, in fact, happening.

I keep arguing the case that we should put forth a plan

to lift their living standards and engage in a mutually beneficial development, for labor is at the table, not just speculative investors.

SCHIEFFER: Reverend Jackson, I never like to overlook the obvious questions, but, of course, sometimes I do. I want to just ask you one question. Has Bill Clinton asked you not to run?

JACKSON: He has not.

SCHIEFFER: Have you talked about that with him?

JACKSON: I have not.

SCHIEFFER: All right. I think we'll leave it there. Good luck to you also in the coming months.

JACKSON: Thank you.

END

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MEET THE PRESS
SEPTEMBER 10, 1995

SPEAKERS LIST: TIM RUSSERT, NBC NEWT GINGRICH (R-GA), SPEAKER OF
THE HOUSE

RUSSET: Good morning. Welcome back.

GINGRICH: Good morning. Good morning, Tim.

RUSSET: The book tour, how many copies did you sell?

GINGRICH: Well, we signed about 25,000 while I was actually in book stores. So, we raised about \$90,000 for Learning by Learning because all that, all the money went straight to help poor children learn how to read. But it was an amazing tour. And I'm sure that Colin's about to have the same experience. He and Dan Quayle and I, all three, have talked about it.

And it's just a phenomenal thing to go through.

RUSSET: Yeah, they printed 625,000 copies of your book. Have they sold them all?

GINGRICH: No, but they've sold my guess is somewhere around 400, 450,000 so far. And we've had eight weeks at number one. I think we're number two this morning. I haven't looked at it yet in the New York Times. But it's a pretty good run.

RUSSET: So, that's about a million and a half bucks in your pocket?

GINGRICH: Well, no, by the time you get done paying the guy who helped write it and the agent and I paid my own way on the trip. And we gave away \$90,000 to Learning by Learning. Guess to be dramatically smaller, but still for an assistant professor at a college, it's still a whole lot of money. And I'm glad we did it.

RUSSET: And Don't forget, Mr. Speaker, you have to pay taxes.

GINGRICH: We will and I'm sure. My only hope, my only hope, Tim, is to get up into the zone you're in so that I can have that kind of, you know, have that kind of experience once in my life.

RUSSET: All right. Let's talk about some serious issues. This morning, the New York Times, there's the headline, "Republicans draw plan for slowing Medicare growth." And then it goes onto say, that the Republican plan, which will be introduced this week, will increase premiums for most people on Medicare. Is that true?

GINGRICH: Let me say, let me say first of all, I think, it's a pretty fair headline. I'd like to just share two things for a minute, Tim. One is that we are doing all of this

at a very grassroots level. This is a book, a remarkable book, that was done by an advisory committee for me here in the District. I'll be sharing with my colleagues starting tomorrow.

And we had members who went out and interviewed senior citizens. Over 75 percent of them knew the trust fund was in trouble. Over 90 percent of them wanted Congress to do something about it. It's a very remarkable, very thorough study. And then my only other gimmick of the day, if you will, a chart is that we take Medicare from \$4,800 per senior citizen. And we increase it over seen years to \$6,700 per senior citizen.

The only point I want to make here is that the amount spent per person goes up every year. And these are increases in the amount we're spending on Medicare.

Now, we are going to ask senior citizens to stay at exactly the same percentage of paying for part B, that's the medical doctor part of Medicare, that's 31 and a half percent, that's what they pay right now, that's what they pay under our plan all the way through.

The difference between that and dropping back down to the 25 percent level turns out in the last year, 2002, to be \$7.00 per month, per senior citizen. And, I think, if you went to the average senior citizen and said, "Would you be willing in 2002 to pay \$7.00 a month extra if that's your share of helping Medicare survive?" I think frankly, virtually everyone would say, "Yes." That's not in any way unreasonable.

The second thing we're probably going to do, but I want to emphasize, this is all in development now. We're not imposing this. We're got to listen to all of our members who've been back home listening to all of their constituents.

But we're going to probably propose to the Republican membership this week that we enter an affluence test probably at about \$125,000 per couple in retirement income because Part B is a subsidy. It's a direct government subsidy.

GINGRICH: It's not compulsory. You don't have to take it. If you can get a better buy in the private market, you can go get it. We're not sure there's any reason to say to a \$25,000 a year couple with three children, we're going to take taxes from you and transfer it to somebody who's well-enough off that they have a \$125,000 per couple retirement income.

So, we may well phase out, starting at about \$125,000 for a couple, the subsidy from the government for the Part B premium. We find, frankly, in the reports from our members, that back home, all across the country, there

were senior citizens saying that's a fair thing to do. Those are the only two direct changes that would affect senior citizens in terms of any kind of negative impact.

The positive change, let me just say, is we are adding a series of choices; what's been called a medi-choice option. We're keeping the original plan for anybody who wants to keep it. Nobody will be coerced or forced to leave the current system.

But if they want to, they'll have a Medical Savings Account option. They'll have a Providers Service Network option. They'll have a Health Maintenance Organization option. We're going to offer a chance for people who are currently in a group insurance, if they wanted to, to stay in the same group insurance when they retire, but have a senior citizen part of it.

So we're looking at a series of options, so that seniors have the same right to choose that everybody else does.

RUSSET: So the headline this morning, Mr. Speaker, in terms of Medicare is, in order to limit the growth in Medicare seniors are going to have to make some choices, they're going to have to pay a little bit more in premiums, and those couples making over \$125,000 will have to pay significantly more.

GINGRICH: I think that's a fair way to put it, because they will see a gradual phase-out of their premium. Now, they'll also have the choice of not taking that particular kind of Medicare, and moving, say, into a Medical Savings Account.

If you're a very successful person, I think you're almost certainly going to want the Medical Savings Account option, which allows you to keep the money that is saved under the medical plan. So, I think that would more than offset any loss they had in terms of the premium increase under Part B.

RUSSET: Now, in 1981, when the Social Security Commission dealt with the issue of social security and there was a means test on social security recipients making higher income, you opposed that, saying it was a tax increase.

GINGRICH: There's a difference. The 1980 -- actually, it's something like 1983, Tim -- the 1983 social security proposal imposes a tax on senior citizens that is a mandatory taking of their income. This is a government subsidy for a voluntary program. This is the government taxing other Americans to transfer the money.

And all we're suggesting is, if it's a voluntary program, if it is a government subsidy, if you're going to try to truly get to a balanced budget, at some point you

start to have to make choices. The fact is, you're going to want to try to help the poorest Americans if you have very limited resources. You're not just going to want to throw the money around so that a \$25,000 couple with three children ends up subsidizing a multi-millionaire. I think that nobody really thinks that makes sense.

There's a difference between paying a subsidy with government money and changing the tax code in a coercive way to punish people for being successful.

RUSSET: Do you have any indication that President Clinton and the Democrats will accept this Medicare plan?

GINGRICH: I don't have any indication yet. I know the President, frankly, has been very helpful in admitting openly that his trustees report on April 3rd did indicate that the trust fund is going to go broke and that there do have to be changes. I know that among his more left-wing Democrats that caused him some problems, but I think he did the country a service by being blunt and honest about the need to change Medicare.

GINGRICH: This is what I think the test really is, Tim. We have asked a lot of real health providers. Not policy wonks at Harvard or Stanford, but real healthcare providers. People who everyday take care of citizens in hospitals, in doctors' offices, in health maintenance organizations.

We have said to them, if the government is a purchaser of health care, is prepared to pay you \$6,700 a year by the end of this process, can you provide first rate healthcare as good as any other American gets? Consistently, across the board, they have said to us, if you'll let us do our job and not be trapped in government red tape, we can in fact, deliver world class care for \$6,700 a year.

Now, my question to the President and the Democrats will be, "If we can design a brand new approach, a way of strengthening the system, of giving seniors choice, and if as a result of that, seniors will be able to choose world class care for \$6,700, why would you want to spend more? Why would you want to waste the taxpayers money paying more money for the health care that you need to pay to get the best health care in the world?"

RUSSET: If President Clinton came to you, Mr. Speaker, and said, "Newt, Senator Dole has suggested a bipartisan commission to tackle this issue of Medicare, to take it out of politics. I'm for it. Mr. Speaker, will you sign on to a bipartisan commission?"

GINGRICH: Well, Senator Dole and I were at a press conference the day after that comment when he was asked about it and he said, his point was not to set up a commission, although he made a reference back to the Social Security Commission of '83. His point was that the President and he and I ought to be able to sit down together, work this out in a bipartisan way and not go out and try to scare senior citizens and run some of a kind of demagogic disinformation campaign.

I'd be very willing Monday or Tuesday, if the President wanted to invite us, for Senator Dole and the President and I to sit down, talk through the details, let the President frankly see our plan. Because we've put months into this.

As you know, Tim. Bob Michel founded the House Republican Task Force on Health back in July of 1991. I was the co-chair. So, we've put over four years now, into studying health care and we believe that when the President saw what we're doing, overall, we might have disagreements with the margins. But, overall we believe the President is going to embrace this idea of allowing seniors to have a choice and when he sees how well thought out these ideas are, because they're not ours. These are ideas developed by the providers, by the health maintenance organizations, by the doctors, by the hospitals.

I think the President's going to want to embrace most of it and at the margins, of course we're willing to rethink some things, because frankly, no small group can design a plan this complex perfectly. We'd love to have any additional ideas the President has, or for that matter, if Dick Gephardt or Tom Daschle wanted to actually be positive for a change, we'd love to have any good ideas they have about how to do this in a better way.

RUSSERT: Is there any meeting scheduled with President Clinton, with you and Senator Dole?

GINGRICH: Well, I saw a note in the paper this morning that the White House says there'll be a Tuesday meeting. There'll be a bipartisan Leadership meeting. I don't know, I haven't checked with my scheduler. I obviously am willing to meet with the President any time.

I think that we face several big issues this fall about how to get to a balanced budget, and I think that if the President is willing to sit down and talk about it, that's better for the country and I think that Senator Dole and I'd both be very willing to try and work out how to do it.

Remember again, though. I said the Friday after the election. We will cooperate, but we will not compromise.

We are going to get a balanced budget in seven years. We are going to save the Medicare program. We're going to have tax cuts for families and economic growth, and we're going to pass Welfare reform that emphasizes work.

How we do the details within those four, I think we can discuss with the President. But, we are going to insist, before this year is out, on those four things happening.

RUSSET: Mr. Speaker, excuse me, if you're unwilling to compromise on welfare, on budget, on Medicare, don't we have the train wreck that's being talked about occurring in Washington?

GINGRICH: I don't think so. I think -- notice what I just said. As long as the President will accept the framework -- that the American people, 88 percent of the American people want the budget balanced. Sixty-one percent want Medicare saved this year. Eighty-eight percent want welfare reform emphasizing work.

Now, I think the President, if he intends to run for re-election will find it useful to be with 88 percent of the American people, and I think his advisors are telling him it's pretty silly to be opposed to 88 percent of the people if he's going to run for re-election.

So how we get to the balanced budget over the next seven years is discussable. How we save Medicare is discussable. The final details of welfare reform emphasizing work is discussable. But the principles of those, I think are non-negotiable.

RUSSET: As we go through this budgetary process where the Republicans will send a budget reductions in growth to the President, and he vetoes them, and to get on to deadlines of October 1 where the government has to, needs funding to keep going, and the debt ceiling has to be increased, do you believe now that the government will shut down for a few days?

GINGRICH: I don't think it has to if the Senate Democrats will be cooperative. Senator Dole and I met with Senator Hatfield and Senator Domenici and Congressmen Livingston and Kasich to plan how we get through the next 60 days, and we all believe that if the Senate Democrats will be cooperative and the scheduling of the Senate so that we can stay on schedule in terms of continuing resolutions, that there's no reason, certainly through October, for any kind of shutdown.

We believe that we ought to be able to find a way to write continuing resolutions and to deal as professionals with each other in an adult manner, and to keep things

working. Denni Hastert said it best. The American people's train is on track.

As long as we stay with the American people's train of balancing the budget, reforming welfare, cutting taxes, and saving Medicare, we think that that's a pretty powerful package. And we are willing, during the negotiating process to pass continuing resolutions and take the steps necessary to keep the government working while the President and the Republican leadership work out the details of how we're going to do this.

RUSSET: Will you also increase the debt ceiling?

GINGRICH: I think that we might temporarily increase it. It might be very temporary. Again, it depends.

In the Senate, because of its rules, any single Senator can block things. The President, Senator Dole, Senator Daschle had all signed off on the rescissions package to save the taxpayers \$9 billion over this year, and two left wing Senators in the Democratic party stopped that bill for three weeks.

Now if we have a temporary debt ceiling that has to go into effect in three days, and all of a sudden you get a couple of left wing Democrats, who for their own partisan reasons, decide to stop it, we can't guarantee to the President that we can pass it.

Because unless he provides enough votes so that Senator Dole can get a 60 vote cut-off filibuster, even then, in a very short timeframe, the cloture doesn't work, as you know, Tim. It doesn't work very well.

So I would say if the Senate Democrats will cooperate procedurally, we can have temporary changes and keep the government going and keep the debt ceiling until we get to an agreement, if we're negotiating over the essence of what I've described.

If the President comes out and says he doesn't want the balanced budget in seven years, he doesn't want welfare reform emphasizing work, he doesn't want Medicare to be saved this year, he doesn't want to cut taxes to help families or to have economic growth, I think at that point, you have a different situation entirely, and then who knows. But then he would have thrown the switch on the train, and he will clearly in public be seen, I think, as the person who's causing the train wreck.

RUSSET: There's a new magazine out this week, the Weekly Standard, a conservative magazine, paid for by Rupert Murdoch, Bill Kristol is the editor.

And there's a quote, Mr. Speaker, I want to show you in today's Standard which says, "Many Americans quite correctly believe that it's the Speaker himself, up front, not the President driving the train we're all talking about wrecking. It's by no means clear that conservatism would benefit from the crash that might result from this game of budgetary chicken." Do you agree?

GINGRICH: No. I think that the President of the United States is still the President of the United States.

If we are prepared to pass a continuing resolution that the country sees would keep the government open and the President decides to veto it, it seems to me to be pretty clear who throws the switch.

If we're prepared to pass a temporary, very short term debt ceiling and three liberal Democratic senators block it, I think it would be very clear who's throwing the switch.

We're indicating clearly, we're not flinching, we're not backing down, we're not going to cut a deal. But if the President's willing to work out the details of how we get to the goals the American people want, we're willing to work with him and not have a train wreck.

RUSSERT: Lisa Myers.

MYERS: Good morning, Mr. Speaker.

GINGRICH: Good morning, Lisa.

MYERS: Let's talk about the Senate and Majority Leader Bob Dole. Dole, the Presidential candidate, very much needs to keep the Senate from becoming known as the graveyard for the Contract With America.

The balanced budget amendment is dead, regulatory reform is in a coma. Does he now have to pass every other item on the Contract to be able to claim that he delivered?

GINGRICH: Well, let me say that -- that the language is wonderful. One is dead, another's in almost a coma. Then we could have a couple in serious care, one or two over in the critical care unit, two or three are ambulatory. I think that's actually not a bad way of describing it. I think of litigation reform as ambulatory but needing outpatient care.

So it's a -- we're here back on health care again.

I think first of all that Bob Dole has a job which is about ten times harder than my job. The Speaker -- the

Senate is designed to allow minorities to stop things, and when we're in the minority we love that. Now we're the majority, we sort of think it's difficult. But for the good of the nation, for the good of freedom, the Senate's a very powerful instrument at slowing things down and that's good in the long run even if it's frustrating.

I believe that Senator Dole will get welfare reform this coming week, that is a tremendous step in the right direction. Senator Bill Roth, the new chairman -- I think will be the new chairman -- of the Finance Committee is an old friend. He campaigned for me in 1978 when I finally won. We worked very hard on the Kemp-Roth or as he would have called it, the Roth-Kemp, tax cuts.

I think that he's going to be a superb leader in terms of getting the family and economic growth tax cuts. I think the Senate will keep its word on the budget resolution and I think that we'll get the three major things we're talking about.

If Senator Dole and Senator Gramm and Senator Lugar and Senator Specter are all able to go out and campaign and say, "Look, we participated in a Senate which balanced the budget, which balanced the budget over seven years while cutting taxes, which saved Medicare and which passed welfare reform with a work requirement -- and by the way, we also got litigation reform, I think we'll get line item veto by the end of the year.

I think that we're almost certainly going to get telecommunications passed, which is a big job bill. It's going to create millions of American jobs and let us compete in the world market. I hope we're going to pass Superfund so we can effectively clean up toxic waste sites by spending the money on engineers and managers, not spending it on lawyers and bureaucrats.

If they can go out in late November or early December with those accomplishments, I think people are going to think the Senate, frankly, did a pretty fair job this fall.

GINGRICH: Now, if it all gets bottled up and if we can't get these big, the major things I've described, then I think, frankly, the Senate would have a big, big problem. And Senator Dole as the leader would have the biggest problem.

MYERS: But if the senator passes all those items you said, then he can rightly claim that he is a true revolutionary and not a closet moderate?

GINGRICH: I don't think Bob Dole's a closet moderate,

except by the standards, say of Pat Buchanan, who is clearly a fire brand conservative.

Bob Dole is, you know, is a Republican, Kansas conservative of Eisenhower vintage, who really has a tremendous understanding of what we're doing. Either he or Phil Gramm, frankly, represents an ability to get things done.

Phil's a more aggressive conservative, but I think Senator Dole's challenge isn't the presidential campaign. I mean, that will come up soon enough.

Senator Dole's challenge is that he's only got, with Senator Packwood resigning, 53 members. Now, it takes 60 to close a filibuster. It takes 51 to pass. So he's got to either find seven Democrats consistently while holding every Republican. Or he cannot -- to get a filibuster stopped -- or he can only afford to lose two out of the 53, on final passage, to actually pass something.

When you look at the controversial scale of what we're trying to accomplish, that is an incredibly tight balancing act. And I think the presidential campaign will heat up after we get out of session.

But I'll tell you, for the next 45 or 50 days, I hope that all of the presidential candidates, including, frankly, folks who aren't here, Wilson, Alexander, and Buchanan. I hope all of them will think about how they can help us get our package through the Senate because I think it's a very hard job.

And, and not because of Senator Dole's weakness or Senator Gramm's weakness. But because it is a very difficult historic moment. And the transition is further down the road in the House than it is in the Senate.

MYERS: So, you would urge that Senator Gramm and others to stop sniping at Senator Dole on a daily basis?

GINGRICH: I wouldn't put it that way because I think they're running for president and he's the front runner and, you know, if you're the front runner you'd better expect to get sniped at every morning. And it's the down side of the good side of being the front runner. That's, that's fine. But what I would urge them all to do is figure out how do they get the 51st vote.

I would urge Senator Lugar, Senator Gramm, Senator Specter, as well as, as I've said, I mean, Governor Wilson, who is a very powerful figure has a very strong voice. Lamar Alexander is a terrifically creative guy. Pat Buchanan represents an army of followers out there as

an activist.

I'm just saying if everybody will get up every morning and from now until we adjourn, ask themselves how do we make sure we get 51 votes in the Senate? Then I think, as a team, we can worry about who we nominate after we get out of session this fall.

But if we allow ourselves to get pulled apart in the next 30 or 40 days, we're going to look like idiots. And, frankly, we're not going to elect anybody next year to the presidency. And we might lose the House and Senate. So, we have a lot riding on our ability as a team to work together to passage.

Now, again, remember this is a framework, balanced budget in seven years with tax cuts for families and growth, saving the Medicare program, and passing welfare reform emphasizing work. This is not a timid or small assignment. This is very bold step towards getting America back on the right track.

MYERS: And very briefly, within that framework, Bob Dole can cut any deal he wants as long as he gets the bill and it has your blessing?

GINGRICH: No, no, no, no, no. First of all, I think, he can do anything he needs to to get a bill to conference. When we come out of conference, we have to meet the requirements of the budget resolution.

GINGRICH: We have to be in a position that will work requirements for welfare. And we have to genuinely save the Medicare program. But within that framework, obviously, the details on this scale, and of course, you know this, Lisa, because you cover it so closely. This is a huge undertaking and there are thousands of small details. And we can't afford to get hung up on one or two or three of the details and decide to be purist. We've got to be flexible on the detail but we've got to be absolutely firm on the big goals.

MYERS: Mr. Speaker, one area where the Senate is ahead of the House is in outlawing freebies. Beginning next year no Senator can accept any gift, travel, free meals, anything worth more than \$100 from a lobbyist or any other individual. Why hasn't the House done the same thing?

GINGRICH: I wouldn't be surprised to see us take that up sometime this fall. Certainly no later than early next year. The practical reason we haven't done the same thing, as you know, we passed more appropriations bills than they did. We passed more of the Contract with America than they did.

We focused on a different range of substance. I said all along, for example, that I'm very determined to get to campaign reform. But that frankly, until we finish the Medicare project, that saving Medicare was such an important issue that I thought we had to focus on it.

My guess is, if you went to the average American and said, "If you had a national leader whose choice was to focus his time on press conferences about campaign reform or to focus his time on trying to save Medicare, which would you give a priority to?" By about 99 to one they would have said, "Get Medicare under control and save it for senior citizens and do so without a tax increase and then let's go to campaign reform."

So the House is going to get caught up in a couple of areas. But I don't think you can claim we're sort of sitting around being idle. We just set a standard of priorities on substantive change in the government that was our first call.

RUSSERT: Do you think, Mr. Speaker, the House will adopt the Senate ban on gifts?

GINGRICH: No, I don't think that. I said we would take up something like that either this fall or early next year. And I think you'll see us either have the Senate language or something which is very close to it. Again, this is not a topic we've had very many meetings on because we have been immersed in meetings for two months on Medicare.

Before that we were immersed for several months on how to get to a balanced budget in seven years. But it's a topic we're aware of. We have a number of people who are working on it very intensely. And Chris Shays, who has been one of the leaders, I talked to him about it last week.

But again, I want to make sure we first solve these very large national problems that directly affect the lives of every senior citizen. And as soon as I'm sure that's under way, we'll start holding meetings on how, what we need to do in that particular area..

RUSSERT: Mr. Speaker, we have to take a quick break. We'll be right back after these messages.

(BREAK)

RUSSERT: Mr. Speaker, you said last week, "If Colin Powell were to decide to run for President, that would clearly make it less likely that I would run." Why?

GINGRICH: Well, partly at a practical level, particularly if he runs as a Republican, because I think that you probably, under any conceivable circumstance,

would only have space for one outsider media oriented candidate who relied heavily on volunteers.

I was just responding analytically as somebody who thinks about these things as to what they mean. Now I think if he decided to run as an independent that would be a very different issue and would have no impact on my thinking. But I would strongly urge him not to run as an independent.

RUSSERT: Why?

GINGRICH: Because I think it's frankly in the long run a joke. This country is a party country. You run the House and Senate with parties. You appoint cabinets out of parties. There is no magic independence of people who are just able to stand up and magically produce a government.

You can produce a campaign speech. You can produce a 30-second commercial. You can hire consultants. But when you get elected Governor or you get elected President, if you're an independent, you have no base in the legislative body, you have no base in the country at large.

The Republican party is a broad party. Rudy Giuliani is the Mayor of New York, Bill Wells is the Governor of Massachusetts, John Engler is the Governor of Michigan, Tommy Thompson is the Governor of Wisconsin.

GINGRICH: But there's a team you can bring together that has many different viewpoints.

RUSSERT: If Colin Powell...

GINGRICH: But there is a party. I think an independent presidency would, in fact, be a disaster for this country.

RUSSERT: If Colin Powell, in fact, decides to run as a Republican, would he pretty much become the immediate front runner?

GINGRICH: No, I think he would immediately become the chief rival to Dole. I think Dole's institutional base is so deep that nobody could automatically displace him as the front runner. But I think that a Colin Powell who decided to enter the New Hampshire primary as a Republican would be a very formidable contender, and I think would automatically become the immediate chief rival to Senator Dole.

RUSSERT: Let me get your reaction to a couple things that Colin Powell says in his books. "I'm certainly more moderate in my views than the Republicans who are out there now fighting for

the heart and soul of the party. I distrust rigid ideology.

I'm not particularly comfortable with either party at this particular time. I'm a fiscal conservative with a social conscience, but," he goes on, God, he does not like those who suggest that God has a legislative agenda. What do you think of those comments? Are those the comments of a true- believing Republican conservative?

GINGRICH: Well, first of all, if he's a fiscal conservative but a social moderate, he ought to go and have lunch with Christie Whitman and Bill Weld and Rudy Giuliani, and discover how comfortable he'll be as a Republican. I think all three of them would identify exactly with that self-description.

Second, I'm not sure that I am totally comfortable with people who think that God's told them what to do. I'm also not totally comfortable with people who are totally convinced that their own ego, or libido, or id has told them what to do either. So, totalitarian personalities of any kind are dangerous, and I would oppose them.

I would suggest, though, that if Colin Powell were to sit down, say with somebody like Ralph Reed, and chat about their common interests, their common belief in the family, their common belief in faith -- I've seen some of Colin Powell's comments on faith. I know how he feels about courage on the battlefield and about the moral responsibility of sending young men and women to risk their lives for their country. I think he might find an awful lot of those folks who pray when it's their son or daughter who he's sent into combat, prayed very similar prayers to the one that I suspect he prayed when he made those decisions. I think that he'd have a lot in common with them.

RUSSERT: If Colin Powell does not run, will you run?

GINGRICH: I don't know yet. We will make a decision probably the last week of November, the first week of December. As you know, you don't have to file in New Hampshire until December 15th.

I currently don't think I'll run. My plans are to stay as Speaker of the House, assuming I can get reelected here at home, in Georgia, and I can get reelected by my party. But, I think that there's just -- frankly, there's just enough of a desire for somebody who's aggressive and articulate and willing to lay out boldly where we need to go, that I can't quite close the door at this stage.

RUSSERT: Gail Sheehy in Vanity Fair this month, Mr. Speaker, wrote a long story about you, in which she

details examples of marital infidelity and the so-called character issue. Will that influence your thinking about a presidential race?

GINGRICH: I knew when my book "To Renew America" knocked her book out of number one that we'd get a mean, spiteful, nasty article. Now, you know as well as I do, the article had been written earlier.

The fact is, Gail Sheehy is a vicious liberal who has used exactly the same character traits about Michael Dukakis, in terms of some of his personality growth, to explain why he was a wonderful, perfect savior for America. And Arianna Huffington has done a brilliant job of taking, quote by quote, out of her profile of Dukakis and her profile of me, and showing how, if you're a conservative, each of these traits proves you're a bad person, and if you're a liberal, each of these traits proves you're a wonderful person.

I think Gail Sheehy's piece was a despicable hit piece by a person who has virtually no values, so I don't worry about her. I mean, I think the country's got to look at my entire career, my entire life, and then the country's got to decide who I am as a person. I expect people like Gail Sheehy to do their best to damage me in that process. It's part of the business.

RUSSET: But you have not denied any specific allegations she has...

GINGRICH: I have never commented and I'm not going to this morning, Tim, because I know that this is a serious show of substance, and I'm not going to get involved in trash journalism. I'm not commenting at all.

GINGRICH: And my point is that people who run around and write articles about 20 years ago are perfectly entitled to do that. I think that every person I know who likes me, who talked with Gail Sheehy frankly resents having done so because she so systematically manipulated and was so totally dishonest in the article.

And I have had people say to me they're ashamed that they made the judgment of talking to her and my advice to anybody in the future who's a rational person, who's a conservative or moderate is just don't allow Gail Sheehy to interview you because you'll be savaged.

So my position's clear. I have a clear public life. I have been around a long time. People can look at me and decide whether or not they trust me and what they think of my character and I'm not going to comment on the trash tabloidism that seems to be common in the current generation.

RUSSET: But Mr. Speaker, for the record, the Republicans were not reluctant about, talking about President Clinton's character or traditional...

GINGRICH: That's right.

RUSSET: ...Or traditional...

GINGRICH: That's right.

RUSSET: Or traditional family values. And that's fair game for Republicans.

GINGRICH: Sure. Absolutely, and I think if -- and I think if you look at the record, he said he would fight for a middle class tax cut, he passed a tax increase. He said he'd fight to change welfare as we've known it, he hasn't changed it.

Go down the list of what he campaigned on: he said he'd balance the budget in four years on the Larry King Show when he was a candidate. He now says you can't even balance it in seven years.

I think people measure the President, frankly, far more by whether or not he keeps his word on public matters that change their lives and I think, frankly, it's in that zone that the President has found reflection.

We campaigned on the Contract With America, we passed all but one of the items and we -- and 85 percent of the Republicans for that item. We said we'd be for a seven-year balanced budget. We're keeping our word. We said we'd save Medicare, we're keeping our word. We said we'd reform welfare with an emphasis on work, we're keeping our word.

I think that's what people think of as character in a public figure and I think our record, frankly, is pretty good.

RUSSET: Let's just -- one more comment on the Vanity Fair -- let's take a look at a comment from your wife that caused a lot of discussion. And get your reaction. This is Marianne Gingrich, "He can't do it without me. I told him if I'm not in agreement, fine, it's easy. I just go on the air the next day and undermine everything. I don't want him to be President. I don't think he should be." Not a ringing endorsement, Mr. Speaker.

GINGRICH: Well, you cut off the sentence which precedes it. "She responded, giggling." Now the fact is in the original interview, Gail Sheehy said to her, "Why

are you so sure you'll be in the room?" And Marianne broke up laughing because it was a stupid question.

The fact is -- and her point's just that she has enormous -- just as Elizabeth Dole has with Bob Dole, just as Nancy Reagan had with Ronald Reagan -- she has enormous impact on what I do and it's -- it's unquestioned and that was her point.

Frankly, she was so mad about being taken out of context and mischaracterized in the article that she didn't mind the junk about 20 years ago nearly as much as she minded the fact that Gail Sheehy had manipulated her and had misused her words.

Marianne believes and has said publicly that I should stay as Speaker. She accepts the fact that the door's open, she'll be in the room in late November. There are circumstances where she agrees I should run. Neither of us think those are likely, but we're not going to cross that bridge until we get there.

RUSSET: We have just 30 seconds.

MYERS: Mr. Speaker, a conservative group, The Family Research Council, is demanding that the House Republican Campaign Committee give back a \$5,000 contribution from a gay rights group, the Human Rights Campaign Fund. Should they give the money back?

GINGRICH: I think that, frankly, that -- Bill Paxton and the campaign committee ought to set their own standards and their own rules. That we -- I mean, if you start giving back money of every group that you disagree with on something, then you imply that every group that gives you any money, you're automatically going to do 100 percent of what they want.

GINGRICH: I would suggest to the Family Research Council that if we checked everybody who donated to them, we'd find some people whose views they don't agree with. And I think this is just a little bit of dangerous game -- to start to defining people in the sense of -- if I don't agree with you 100 percent, go before me. Because then, the Congress says, "If I accept your money, I better know everything about you, to make sure I totally understand who you are." I'd go a little cautious on that.

MYERS: Well then, did Bob Dole make the wrong decision in giving back a \$1,000 from gay Republicans, the Log Cabin Republicans?

GINGRICH: Look, there are two different standards here. The Congressional Campaign Committee represents a very broad range of Republicans, and accepts support from a very broad range of people. It is an institution. Bob Dole is a single person running for President who has other people running for President who are going to attack him.

I suspect that in part he's got to make a whole set of decisions based on what gets him nominated. And whether or not, frankly, having a fight for 60 or 90 days with Pat Buchanan and Phil Gramm over that contribution is worth the contribution.

Now, I would just suggest as a practical matter, the decisions Presidential candidates make are not the same as decisions that the Republican National Committee or the Democratic National Committee would make in the same setting.

MYERS: Well, let me just ask you, would you accept a contribution from the Log Cabin Republicans?

GINGRICH: I don't think it's at all likely. So, it's not a question I need to worry very much about.

MYERS: Well, would you though?

GINGRICH: I'd frankly, never thought about it? I doubt, because I'm not running for President, and because I'm not worried about being attacked, I just never thought about the implications. But, I can tell you, that I don't accept the concept that if you -- that somebody who decides to support you, then automatically defines who you are. I think that that's not a concept I support.

RUSSET: Mr. Speaker, we thank you for joining us this morning. We look forward to having you back in Washington. It's going to be a most interesting 90 days.

GINGRICH: Thank you.

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