

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	Answers to Questionnaire from American Association of Retired Persons by Clinton/Gore 96 (political) (4 pages)	06/26/1996	Personal Misfile
002. fax	Answers to Questionnaire from American Association of Retired Persons by Clinton/Gore 96 (political) (4 pages)	06/26/1996	Personal Misfile
003. fax	American Association of Retired Persons to Clinton/Gore re Questionnaire (political) (4 pages)	06/05/1996	Personal Misfile

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Molly Brostrom
OA/Box Number: 8397

FOLDER TITLE:

Social Security Reform-POTUS Position

2012-0326-S

kc780

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
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TALKING POINTS AND Q&A ON SOCIAL SECURITY/MEDICARE COMMISSION

Talking Points

The first step should be to get all sides back to the table and agree on a balanced budget plan. As the President has stated, there are clearly enough common savings and policies to immediately extend the life of the Medicare Part A Trust Fund for a decade.

The President has also recognized that even with such an important extension of the Trust Fund, there are still longterm financial challenges that will need to be dealt with. Likewise, on Social Security, the President has also recognized that while the system is strong and there is certainly no crisis, as a result of demographic changes there is a shortfall in the 75 year projection that this nation must eventually address.

The President is deeply committed to Social Security and Medicare. They reflect our commitment to the basic value of ensuring that current and future generations of the elderly complete their retirement years with dignity and respect. *The President has repeatedly stated that the best way to address longterm challenges in Medicare and Social Security in a way that reflects our values is to rely on a bipartisan commission or process that shares the strengths of the 1983 Social Security commission.*

Q&A:

1. TIMING AND DETAILS:

Q: So does this mean we can expect the President to appoint a high-level commission with a specific timetable soon after the election if he wins? Will there be a strong effort to get a vote in the first or second year?

A: The President believes the best way to deal with these longterm challenges in Medicare and Social Security is to rely on a bipartisan commission or process that shares the strengths of the 1983 Social Security commission. *Details on timing or form or process are all issues that would have to be discussed and considered after wide consultation and review.*

2: BASE-CLOSING COMMISSION:

Q: Leon Panetta expressed that this could be done in a form resembling a base-closing commission. Is that what the President is considering?

A: Leon Panetta believes that this will certainly be one of the types of bipartisan processes that will be considered, but as I said those are all issues that the President will have to review carefully after having a chance to consult experts and people of all parties.

3. ONE OR TWO COMMISSIONS:

Q: Would the President be appointing one overall entitlement commission or a Medicare commission or a Social Security commission?

A: That is a good question. It would be an important decision and one that would have to be made after careful review and wide consultation with experts and representatives.

4. WHY NOT DISCUSS NOW?

Q: If this is such a vital legacy issue, why not tell Americans exactly what the President plans to do on longterm Medicare and Social Security right now?

A: The President has repeatedly called for the Republicans to come back to the table to balance the budget so that we can pass the common savings and policies that would extend the life of the Medicare Trust Fund.

He has also been clear that we need some form of bipartisan commission or process to address the longer-term challenges to the Medicare and Social Security systems. Trying to debate specific policy reforms right now in the middle of an election would be ill-advised because it would inevitably lead to a political reaction that might make it harder to get the type of bipartisan consensus that could be possible after the election.

SOCIAL SECURITY Q&A

July 15, 1996

Q: Did the President open the door yesterday to supporting some experimental version of allowing a portion of Social Security to be privatized as first a demonstration project?

A: The President made clear three points:

1. Importance of Bipartisan Process in Least Political Context Possible: The President made clear that he supports a bipartisan independent process like existed in 1983 to consider the steps that needed to be taken to keep the Social Security system strong. Unfortunately, the current Social Security Advisory Council seems to have failed -- it reportedly could not reach consensus on a bipartisan plan to ensure the program's long-term solvency.

2. Opposes Privatization or Anything that Would Put Older Americans at Serious Risk: The President also made clear that he opposes complete privatization because it would not be dependable enough for many older Americans and would put them "at serious risk."

3. Willing to Study Ideas -- But Will Not Support Implementing Ideas that Change Social Security -- Without Careful Study, Testing and Review: We do want to clarify that the President does not mean to propose experimenting with privatizing a portion of Social Security system.

Q: If you look at his statement it seems to imply that he means that you don't want sweeping changes or complete privatization until you have experimented with some partial privatization that can be studied or tested. Are you saying that he did not mean this or misspoke?

● The President is not making any proposals, nor does he support any proposals for any type of privatization. What he was saying was that within the context of a bipartisan commission or process like the one in 1983, even new ideas should only be considered that are carefully tested before implemented, and that if new ideas are to be considered he would want careful study and even testing before we take any risks with a program that has worked so well for the American people.

We have an obligation to our parents and children to protect Social Security for the future. Under my administration, we have done just that, making Social Security an independent agency, reducing backlogs, and upgrading services. I have opposed, and will continue to oppose, measures to cut Social Security to reduce the deficit or pay for other spending priorities or tax cuts.

While Social Security is on firm financial footing well into the next century, most experts agree that steps will be needed to address its long-term financing and demographic changes. We should address these long-term issues the same way we have done in the past: through serious, bipartisan efforts that put politics aside and allow all parties to focus on the steps needed to ensure that Social Security will continue to provide the same true security it has provided millions of older Americans for decades.

Word Count: 147

Molly -

This reflects your changes.

I got it to Scott.

- Pauline

TALKING POINTS ON SOCIAL SECURITY

February 20, 1996

Social Security Advisory Council. The Social Security Advisory Council is an independent, bipartisan council appointed once every four years to consider long-term issues related to the Social Security system. We expect that the current Council will release a report in the near future. While there have been some rumors and reports of that they have not been able to come to agreement and that they will present a series of options, we feel we should wait till they finish their work. At that point, the Administration will review their options or recommendations.

Q: Does the Administration support the proposals by Forbes and others to allow people to use a portion of their payroll tax to set up their own IRAs?

A: None of these are proposals that the Administration has ever considered. Generally, we will not support proposals to privatize Social Security or proposals that would explode the deficit.

Q: Are you saying that the Administration would never consider any proposal that allowed people to take a portion of their Social Security and set up private savings accounts? Even Robert Kerrey has proposed something like this?

A: We oppose proposals that seek to privatize Social Security or make it voluntary as Ollie North proposed during the 1994 campaign. I can't comment on every hypothetical, undefined proposal that could be out there, but our general position is that we oppose privatization of Social Security.

Social Security is one of our most successful programs. It is the bedrock of retirement for tens of millions of Americans. A Social Security check is all that keeps 13 million older Americans from living in poverty. Social Security has helped cut elderly poverty by more than half since the 1960s. In 1966, the poverty rate among our older Americans was 28.5 percent; today, it is 11.7 percent.

Q: But there are serious problems with Social Security. Is the President going to have recommendations this year on how he would handle this.

A: As the President has long said, there are longterm financing concerns, and they need to be dealt with in a bipartisan context in the most non-political atmosphere possible.

ATTACHMENT 2

Summary of Advisory Council Plans

Maintenance of Benefits Reform Plan (Bob Ball Plan)

- Relatively small changes in the basic structure of the program
- Assumption of a lower CPI for future COLAs
- Partial investment of the trust fund in equities (37% of assets)
- Full taxation of benefits in excess of contributions and transfer revenue to OASDI (Benefit tax revenue is currently deposited in the Hospital Insurance Trust fund)
- Expand coverage to all state and local workers

Individual Accounts Reform Plan (Ned Gramlich Plan) “Little PIP”

- Assumption of lower CPI for future COLAs
- Includes a new mandatory private investment plan funded by a 1.6 % payroll tax
- Gradual increase in the normal retirement age (NRA) to 68
- Full taxation of benefits in excess of contributions
- Scale back benefits to high wage workers
- Reduce future benefit levels by extending the benefit computation period from 35 years to 38 years
- Expand coverage to all state and local workers

Personal Security Accounts Plan (Carolyn Weaver Plan) “Big PIP”

- A more aggressive partial privatization scheme that diverts five percentage points of the current 12.4% combined employer/employee payroll tax into private savings accounts
- The remainder of the payroll tax funds a minimum flat benefit plus disability and survivors benefits
- A new tax equal to 1% of GDP (about 2% of payroll) would be created to fund the transition to the new system
- Gradual increase in the NRA to 68, fully tax benefits in excess of contributions, and expand coverage to all state and local workers

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Cage; Edward Rensi, president and chief executive officer of McDonald's; and Mayor Rudolph Giuliani of New York City.

Statement on Signing Legislation Reauthorizing the Merit Systems Protection Board and the Office of Special Counsel

October 29, 1994

Today, I am signing into law H.R. 2970, a bill to reauthorize the Merit Systems Protection Board and the Office of Special Counsel and provide additional protections for Federal employee whistleblowers and other victims of prohibited personnel practices.

I have been advised that one provision in this bill (section 9), which concerns the apparent authority of an arbitrator to discipline a Federal employee, who was not a party to the original action, raises serious constitutional questions. Accordingly, I am directing the agencies to follow appropriate procedures to protect the constitutional rights of such Federal employees and to consider the need for remedial legislation.

William J. Clinton

The White House,
October 29, 1994.

NOTE: H.R. 2970, approved October 29, was assigned Public Law No. 103-424.

Remarks at a Rally for Democratic Candidates in Philadelphia, Pennsylvania

October 31, 1994

The President. Thank you. It is good to be home, and it's good to be back in Philadelphia. Thank you.

Let's give a big hand to the George Washington High School Band. [Applause] Weren't they great? Thank you. Thank you.

Senator Wofford, Lieutenant Governor Singel, Members of Congress, Mayor Rendell, City Council President Street, Democratic Chair Bob Brady, District Attorney Lynn Abraham, our State senator and nominee for Congress, Chakha Fattah, and

my fellow Americans. It is wonderful to be here on behalf of these fine people.

You know, Harris Wofford doesn't always vote with me, but he always votes for you, and you ought to keep him there. I read the endorsement in your distinguished local newspaper, which said, "Harris Wofford has been America's conscience when we need it. He has the record, the heart, the vision that has done Pennsylvania proud, and he deserves reelection." I couldn't say it better than the Philadelphia Inquirer did.

And I read the endorsement of Mark Singel, which said that he has the better vision, a better program, mentioned his positions on education and welfare reform, two things I like to think I know something about, that are absolutely critical for any Governor. And it said, and I quote, "His blueprint for Pennsylvania is so much stronger, he deserves the chance to put it into action." And I hope you'll give it to him.

Just before I left for the Middle East, I challenged the American people to think hard about this election, to look at the record, to look at the future, to shine some light on a debate that had been pretty muddled up until a couple of weeks ago. Well folks, the Sun has begun to shine in this election.

Every day more Americans are beginning to know that the real issue here is who will fight for ordinary Americans, for their future, for their families, for their jobs, their children's education, their parents' Social Security, their security? Who is going to be in this on your side for tomorrow? The answer is, we are. And you need to help us win on November the 8th.

This election represents a simple choice between going forward and going back. Twenty-one months ago, with the enormous help of the people of Pennsylvania and a terrific mandate from the city of Philadelphia, I moved to Washington to try to change this country, to try to make our country and our Government work for ordinary citizens, to try to get this economy going again, to try to make sure that every American was prepared to compete and win in this tough global economy.

Remember the challenges we faced when I went there? We'd had 4 years of the slowest

*opposition to
voluntary syst/
privatization*

economic growth since the Great Depression; 4 years in which Pennsylvania had lost 8,300 jobs—no gain, a loss. We were dealing with 12 years of trickle-down Reaganomics, which exploded our deficits and sent our jobs overseas, divided our people. We were dealing with 20 years of stagnant wages as people struggled just to hold on to their jobs with more and more uncertainty in a rapidly changing economy. We were dealing with 30 years of developing social problems in the family and on the streets with crime and violence and drugs and gangs. No one thought this could be turned around overnight. But I can tell you, my friends, after 21 months, we're beginning to make a difference, and we need to keep going.

Look at the record. We passed the family and medical leave law, which enables over 2 million Pennsylvania workers to be able to take some time off when there's a baby born or a sick parent. Senator Wofford voted for it; his opponent voted against it.

We passed the student loan reform law which enabled 20 million Americans, including 1.7 million in Pennsylvania, middle-class folks, to borrow money to go to college on better, more affordable terms. Senator Wofford led the fight; his opponent voted against it.

We passed the national service bill, a domestic peace corps, to say to the American people, look, if you'll go back to Philadelphia, and you'll go to work on those streets, and you'll help kids one on one in trouble, if you'll do something to help solve the problems of America and give some of your time to building our country from the grassroots, we'll give you some money to go to college. Senator Wofford led the fight; his opponent voted against it.

We cut income tax rates for 15 million working families, including over 500,000 families in Pennsylvania, people who work full time, have children in their homes, but have very modest wages. Why? Because we don't think anybody who works full time and has kids in the home should live in poverty. That is our policy. Senator Wofford supported it; his opponent voted against it.

We passed a budget that cuts spending by \$255 billion, that cut the Federal bureaucracy by 272,000 positions. We changed the

way Government buys things to make it more competitive, so you won't have to read about a system that produces those \$500 hammers and \$50 ashtrays anymore. Senator Wofford led the way on that.

Now, when we implemented this economic strategy last year, do you remember what they said, the other guys, the people that are opposing Harris Wofford and Mark Singel? Every one of them voted against the economic strategy. They said, "Oh, if you do this, you will ruin the economy. You will explode the deficit. You will lose jobs. America will be in terrible shape." Well, they were wrong. They have launched the most vicious attacks, often misrepresenting what was in that program on every Member of Congress who stood up and gave America a chance to go into the future. But they were wrong.

What are they going to say? The deficit's going down 3 years in a row for the first time since Truman was President. We have a budget that is reducing the Federal Government to its smallest size since John Kennedy was President. There has been a new study, as it comes out annually, of international economists, saying that for the first time in 9 years, America has the most productive economy in the world.

You know, believe me, I know we still got a lot to do. I read the story of the Philadelphia worker who said he was a part-timer in '92, and he wanted a full-time job. He's still got a part-time job; he doesn't know whether he should vote or not. Well, I have a message. Between '89 and January of '93, your State lost 8,300 jobs. In the last 21 months, your State has gained over 86,000 jobs. We're going in the right direction. Let's don't turn back now.

Imagine this folks, imagine if Harris Wofford were a Republican Senator running for reelection. No, don't boo. Keep in mind, we're all preaching to the saved today. You've got to go reach somebody else between now and election day. So, think of this. If Harris Wofford were a Republican Senator running for reelection, if these Members of Congress were Republican Members running for reelection, and they had voted to reduce the deficit, to shrink the size of the Federal Government, for the toughest crime bill in American history, to explode the economy after

years of stagnation, the Republicans would be building statues to them and saying we were unpatriotic for opposing them. And they ought to be building statues to them anyway and reelecting them here today.

And instead, what are they doing? Now, they're trying to say no to the progress we have made. Three hundred and fifty of them went to Washington the other day and signed a contract with America. It's a trillion dollars' worth of promises.

Now, listen to this: big tax breaks, mostly for the wealthy, billions more on defense, revive Star Wars, balance the budget. Does that sound familiar to you? We've heard that before, haven't we? And you know what will happen. If they get control of the Congress and that's their program, you'll explode the deficit, ship jobs overseas again. You'll have cuts in Medicare, cuts in student loans, cuts in veterans' benefits. We will never fund that crime bill that Ed Rendell talked about.

The worst news is that the Republican contract could devastate Social Security and senior citizens. The House Budget Committee says to meet their program, the contract they signed, they'd have to cut Social Security about \$2,000 a person a year and Medicare about \$1,800 a person a year. That's \$3,600 a year out of the most vulnerable people in this country, people who have worked hard all their lives, people who have paid their taxes, people who have paid their dues. That is wrong. That is wrong, and we must not allow it to be done.

I know. You know, you hear something like this, it's just incredible. You can hardly believe that they did it. But don't forget, President Reagan tried to do it in '81. The House leader proposed it in '86. Mr. North, the Senate candidate of the Republicans in Virginia—

Audience members. Boo-o-o!

The President. —he just proposed making it voluntary Social Security, which means killing it. And now Senator Wofford's opponent says that he wants to raise the retirement age to 70, and I quote, "further if I could." Well, he can't do that if you don't let him.

So I say to you, say no to this radical attack on Social Security. Say no to billions more in tax breaks that explode the deficit and send

our jobs overseas. It all sounds so good, their pretty promises, a trillion dollars' worth of promises. You know, it's a week from the election, folks. We'd all like to stand up and make you a trillion dollars' worth of promises. That's real money. We could all have a good time on a trillion dollars' worth of hot checks. [Laughter] But it would be wrong.

We need men and women in the Congress who will keep their promises to middle-class America, their promises to our future. They need people up there in Washington who understand that when you work all your life, you deserve the peace of mind that Social Security and Medicare give you because you have earned it, not a Government handout but a contract for people who say, "We've done our part," and the rest of us say, "A job well done."

So, my fellow Americans, that's it. That's your choice a week from today. This country's in better shape than it was 21 months ago. We've got more jobs, a lower deficit, a Government doing things for ordinary people in a world that is safer and more secure and more prosperous. We have a long way to go until everybody who wants a job has one, people who work hard get a raise, people who don't have health care get it, and people who have it don't lose it. We've got a lot to do, but the way to do it is to keep going forward, not to turn back.

You know, I just want to close with this thought. You know I just got back from a pretty arduous trip, and I hope I'm doing all right today. I'm still a little jet-lagged. I want to tell you something. Brave people in every part of this world are struggling and fighting for freedom, for democracy, for prosperity, for security; whether it's Israel and her Arab neighbors, the people in the Persian Gulf where our brave soldiers are, the people in Korea who want to make Korea all a nonnuclear peninsula, the people in Northern Ireland trying to bury hundreds of years of hatred, the people in South Africa trying to build their democracy, the people in Haiti welcoming home President Aristide. These people all over the world are trying to do this, and everywhere they wish to have America's support for their courage because they admire our values and they admire the strength of our system and they admire our

willingness to change. They believe in us. And we need to believe in ourselves, just as much.

Folks, this country is not still here so many long years after the Founders first came here to Philadelphia because we took the easy way out, we listened to the easy promises, we let people divide us and play on our fears. We are here because we voted our hopes, because we voted for unity, because we voted for the future, because we had the courage to change. We looked to the future with hope and optimism. Others look at us that way.

If we will look at ourselves that way on November 8th, you will elect Harris Wofford. You will elect Mark Singel. You will elect these Members of Congress who are here.

Thank you, and God bless you all.

NOTE: The President spoke at 12:43 p.m. in the Courtyard at City Hall. In his remarks, he referred to Lt. Gov. Mark Singel; Mayor Ed Rendell of Philadelphia; and City Council president John Street.

Interview With Don Lancer of KYW Radio, Philadelphia

October 31, 1994

Mr. Lancer. Good afternoon, Mr. Clinton.

The President. Hello, Don.

Mr. Lancer. Can you hear me?

The President. I can hear you fine. Can you hear me?

Mr. Lancer. Can you hear me, Mr. Clinton?

The President. Yes, I can hear you. Can you hear me?

Midterm Elections

Mr. Lancer. Yes. Good afternoon. You're in the State, ostensibly, to help Harris Wofford win election to a full term. He replaced John Heinz in a special election a couple of years ago, and he went to Washington on the matter of national health care, which we all know did not make it through the Congress this year. Polls have shown overall that the Democrats are not going to do that well in the election, come one week from tomorrow on the 8th. What's the reason for that?

Why is it voters look so poorly on your party and its candidates right now?

The President. Well, first let me say I think the surveys all show that our prospects are looking up. But I think what happened was two things. There is a lag time between when you accomplish something in Washington and when people feel it in their own lives. There are still a lot of voters who have jobs, but they're worried about whether they'll lose them or they'll lose their health care or will they ever get a raise. It's a tough, fast-changing global economy, and a lot of people feel personally insecure. There are also a lot of people who are worried about crime and social breakdown. The other big problem is, when Congress is meeting and the Republicans are trying to kill everything, delay everything, talk everything to death, all of the focus is on conflict, process, failure. The American people don't know what's happened.

Now when the Congress has gone home for the last 2 or 3 weeks, you can sense a real movement out there. People sense that they've got a real fundamental choice here. If you look at Pennsylvania—you heard the quote there—we've had 86,000 new jobs in Pennsylvania. The economy is growing; the deficit is down. We've done things that the Congress had refused to address for years and years. We passed the family leave law to protect working people who have to take time off. We passed a law to expand Head Start, one to immunize children, one to give tax cuts for working families on modest incomes that have children in the home so they'll never be in poverty. We're making the Government work for ordinary people again. And we've expanded trade and promoted peace and security around the world. Russian missiles aren't pointing at Americans for the first time since the beginning of the nuclear age.

So when you look at that record and then you look at this Republican contract which promises to take us back to the eighties and would promise everybody a tax cut, especially for wealthy people, spend more money on defense and Star Wars, balance the budget—they'll have to cut Social Security and Medicare and do it steeply to pay for it. I just don't think the American people want that,

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President Clinton and Social Security

President Clinton believes that the Social Security program is one of our nation's great successes. Since its inception in the 1960s, Social Security has helped cut elderly poverty in our nation by almost two thirds -- to today's record low of 10.5 percent.

While Social Security is on firm financial footing well into the next century, President Clinton agrees with most experts that steps will be needed to address its long-term financing and demographic changes. The President believes that we should address these long-term issues through a bipartisan commission or process that puts politics aside, and allows all parties to focus on the steps needed to secure the long-term solvency and maintain the existing broad national support for the Social Security program. The President believes any bipartisan plan must ensure that Social Security continues to provide the same true security it has provided millions of Americans for decades.

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- Reference to making SocSec
voluntary

THE WHITE HOUSE

Office of the Press Secretary
(Providence, Rhode Island)

For Immediate Release

November 2, 1994

REMARKS BY THE PRESIDENT
TO SENIOR CITIZENS

Portuguese Social Club
Pawtucket, Rhode Island

2:33 P.M. EST

THE PRESIDENT: Thank you very much. Congressman Kennedy -- has a nice ring to it, don't you think? (Laughter and applause.) We'll take pictures later, okay? And I'll go over here and we'll shake hands and take pictures, have a big time. (Applause.)

Let me say how delighted I am to be here. I was told in my briefing this morning that I am the first President of the United States to visit Pawtucket since Andrew Jackson. (Applause.) And that's not all that inappropriate. I probably care more about average Americans than any President since Andrew Jackson. (Applause.)

I want you to know, Mr. Mayor, how delighted I am to be here in your wonderful city. I am delighted to be here in the Portuguese Social Club. And for the members of the national press traveling with us, we have over a million Portuguese Americans, and most of them live in Rhode Island and Massachusetts and in California. And I'm glad to be here in this community and in this club today. (Applause.)

I'm glad to be here with Patrick Kennedy. You know, he's got a shade of Irish luck. (Laughter.) Wouldn't you love to be running for Congress against a person named Vigilante? (Laughter.) I mean, especially in this election year with these issues.

I'm glad to be here with Myrth York and with your Senatorial candidate, Linda Kushner. I hope you will support them all -- and my good friend, Jack Reed, who has been a terrific congressman for the state of Rhode Island.

I'm glad to be here with Senator Claiborne Pell, who just took a trip with me to the Middle East, an historic trip for the United States and for the world. And I know you must be so proud of his leadership not only in foreign affairs, but also in

education and in so many other areas here at home. And I thank you him for it. (Applause.)

Again, Mr. Mayor, let me say how glad I am to be here. I thank you for the key to the city. I already see a lot of hearts that are unlocked -- (laughter) -- and I intend to use it. I've got a little tape on my foot here -- (laughter) -- you all don't need to worry about me, I'll stick; I don't need the tape. (Laughter and applause.)

Twenty-one months ago, with the help of the state of Rhode Island, the people of the United States sent me to Washington to try to change the direction of this country -- to get the economy going again; to empower our people to compete in a tough global economy; to get the government to work for ordinary citizens again; to try to help make the world more peaceful and more prosperous for Americans to live and flourish in. Well, 21 months later, jobs are up, the deficit is down; we

have more educational opportunities; we've taken a serious assault against crime; the tax system is fairer; we've increased trade and reduced the nuclear threat -- for the first time since the dawn of the nuclear age, no Russian missiles are pointing at your children or grandchildren. (Applause.) America has become recognized as the world's defender of peace and freedom and democracy.

In short, we've still got a lot of problems, folks, but this country is in better shape than it was 21 months ago. (Applause.) And the issue is whether we're going to keep going forward. (Applause.)

Just remember the challenges we faced -- 30 years of deepening social problems with more and more children being born into difficult family circumstances, and more and more violence and gangs and drugs building up; 20 years in which most of our wage earners have worked harder every year without getting wages that even kept them up with inflation; 12 years of a very different economic policy -- trickle-down economics -- that really believed that you could give tax cuts to the wealthy, increase spending, explode the deficit and somehow stagger your way to prosperity.

In the last four years before I became President, this state alone lost about 30,000 jobs. Well, we're trying to change all that. We try to reward the values of work and family and strengthen our communities. Instead of making easy promises to the American people, I've tried to have discipline, commitments and challenge the American people.

We passed the Family and Medical Leave law after seven years, which guarantees 164,000 working families in Rhode Island if they have to take a little time off for a baby to be born, or to take care of a sick parent, they won't lose their jobs now. (Applause.)

Thanks in no small measure to Senator Pell and to Congressman Reed, we made 20 million students and former students eligible for lower-cost college loans and better repayments, including 117,000 right here in Rhode Island. (Applause.)

You heard Mr. Kennedy say that we provided a fairer

tax system. We did ask 1.2 percent -- the wealthiest of our people -- to pay higher income taxes. We put all their money into paying down the deficit, along with \$255 billion in spending cuts. But we gave 15 million working families, including 38,000 right here in Rhode Island, a tax cut because they work 40 hours a week, they have children in the home; and we don't believe people who are working full-time and raising kids should live in poverty in this country because of the tax system.

We did pass the Brady Bill and the crime bill. And I'm proud to say I wore here a watch I got on the day I signed the crime bill from the Rhode Island Police Chiefs Association. (Applause.) I wore it not only because the Rhode Island chief gave it to me, but to highlight the fact that even though our Republican opponents in the Congress tried to kill the crime bill after having supported it, and alleged that it was full of wasted money, even though they sponsored a lot of the programs in it, every major law enforcement organization in the United States supported the crime bill; and we gave it to the American people to make our streets safer. (Applause.)

Now, when we did these things, our opponents in the Republican Party -- and every one of them voted against the deficit reduction package; every one of them voted against middle-class college loans. They said the world would come to an end; they said the economy would go to pieces; they said we were doing a terrible thing trying to pay our bills. (Laughter.) They said it was just awful.

Well, guess what? In the last four years before I showed up, your economy lost 32,800 jobs. In our first 20 months, Rhode Island gained over 10,000 jobs. This deficit is \$100 billion lower this year than it would have been if we'd left their budgets in place. We are giving the future back to our children and building an economy that can compete in the 21st century. It is the right thing to do. (Applause.)

Believe me, I know that we have more to do. I know that there are still people who don't have work, and others who have work who are afraid they'll lose their jobs or never get a raise or lose their health care. I know there are senior citizens in this country every single month who are not quite poor enough to be on Medicaid, but have a hard time getting along on Medicare and Social Security, who choose every month between food and medicine. I know that. (Applause.) But the question before you, my fellow Americans, is if you want to make progress are you going to go with the folks that have moved forward on jobs, forward on bringing down the deficit, forward on making the tax system fairer, forward on expanding Head Start to our kids -- forward, forward, forward at home and abroad -- or are you going to go with the crowd that's got a program to take us back, that got us into trouble in the 1980s? That is the choice in this election.

Our opponents said no to our economic program, no to deficit reduction, no to the middle class college loans. They said overwhelmingly -- almost all of them said no to the crime bill, no to family leave, no to the Brady Bill. They said no. I offered a health care bill that would have reduced the deficit over the next 10 years and provided for medicine -- prescription medicine, supports for elderly people who aren't poor enough to

be on Medicaid, and would have begun to phase in a long-term care program in addition to nursing homes so that people who wanted to live at home or in boarding homes could have some support. And they all said, no.

Once there were 24 of them who said, we'll be for universal coverage; we at least want everybody to have health insurance. And when the time came for the floor debate in the Senate, we had gone from 24 Republicans to zero. The more we moved toward them, the more they ran out the back door on health care. Why? Because they believe that the cynicism and the skepticism and the negative feelings of the American people would be so great that they could be irresponsible on every issue. They could say no to health care. They could say not to campaign finance reform. They could say not to lobbying reform. They could even say no to cleaning up the toxic waste dumps in this country. They could say no to it all and they could punish us for what they didn't do.

But you know what? You're smarter than that. And you're going to send them a message on Election Day. (Applause.)

Now, I heard -- I watched your faces when Jack Reed and Patrick Kennedy talked to you about this Republican contract. And I can tell some of you find it hard to believe that anybody, even the most conservative Republican, would propose a plan that would cut Social Security benefits. After all, Social Security is a solemn contract. It's worked well for 60 years. The percentage of our national income going to Social Security today is almost exactly what it was 20 years ago. Social Security is not causing the federal deficit. It's hard to believe. But it's true.

It's true. They have one Senate candidate saying Social Security ought to be voluntary, which means bankrupt the system. They have another saying that he wishes the retirement age were above 70 -- above 70. They have a House leader who once basically called for dismantling the system just a couple of years ago.

Now, I want you to see -- this is the contract they signed; this is what they promised: They promised to give everybody a tax cut, but most of it going to the wealthiest Americans; to increase defense; increase Star Wars; to balance the budget in five years. That costs a trillion dollars. That's real money, even in Rhode Island. (Laughter.) A trillion dollars. Every one of us could have a pretty good time on a trillion dollars.

I wish -- it's election season -- I'd like to help elect this candidate for the Senate and this candidate for governor and these fine candidates for Congress. I wish I could come here and promise to write you a trillion dollars worth of hot checks. (Laughter.) But I can't do it with a straight face; I just don't have it -- I'm not shameless enough to do it. But they're better than we are at this; they can say anything. (Laughter.)

So they made a trillion dollars worth of promises. Now, here's how you keep those promises. The only way you can give a tax cut to the wealthy, increase defense, bring back Star

Wars and balance the budget in five years is to cut everything else in the government 20 percent. That's \$2,000 per Social Security recipient a year. Now, that's it; that is the only way you can do it. Then if you say, oh, no, no, I never said I'd touch Social Security, you have to cut Medicare 30 percent and everything else. You really think they're going to cut the Agriculture Department, the Veterans Department 30 percent? That's what they have to do. They have to shut down the rest of the government -- close Yellowstone Park.

Now, if they're not serious, if they just want to do what they did in the '80s -- spend the money and load all the debt onto our children and grandchildren and wreck the economy -- then what they will do is explode the deficit, start sending all our jobs overseas, and put this economy back in the ditch again; just when Rhode Island is beginning to come out. There are no other alternatives; not if they intend to keep the signed contract.

The third alternative is, it was just a bunch of cheap political promises to con people into voting at election time. So I say to you, my fellow Americans, we are better than that. We are moving into the 21st century. We have just been voted for the first time in nine years by the Annual Review of International Economists the most productive economy in the world. For the first time in 10 years, we've had nine months of manufacturing job growth in a row. For the first time in 15 years, American automakers have sold more cars around the world than Japanese automakers. We are coming back. Let's don't mess it up now. Let's don't go back. (Applause).

You know, it makes a difference whether you vote and for whom you vote on Election Day. It is important to reward people that are moving forward and to tell people that want to take you back with beguiling promises, "we have heard this before." The senior citizens of this country -- people who have seen a great world war; people who can remember, many of you, the Depression; people who have seen our country at its best and its worst, motivated by our hopes and our courage in the grip of our fears; hopeful, fearful -- you know that we ought to do the right thing.

If we're moving forward on jobs, forward on bringing the deficit down, forward on giving us government that's smaller but does more for ordinary citizens, forward in bringing peace and prosperity, increasing trade and reduce nuclear threats to the world, we ought not to go backward. Every voter in this country on Tuesday -- just like somebody that has a remote control on a movie about America, they can push forward, fast forward, or reverse. Do not push reverse. (Laughter.) You will regret it, and so will America. (Applause.)

You know, I just want to close with this, folks. I keep seeing how people are beat down and discouraged, and they're so pessimistic because they hear all these bad things all the time. Let me tell you something: Just look at what we've seen in the last few weeks. Look at what we've seen in the last few weeks about how other people look at us.

We had the President of Russia coming here to see me -- a democratic country, working with us on reducing the nuclear

threat. We had the President of South Africa coming here to the United States to thank us for helping to conduct their free election. We have been asked to participate in helping to bring to an end the centuries-old conflict between the Catholics and the Protestants in Northern Ireland. We have been involved in restoring to Haiti the democratically-elected government of President Aristide.

And we are the only country in the world, by the way, that could have done that and actually had Haitian-American soldiers down there speaking Creole to the natives because America is a country for everybody. We are a country of all peoples, all ethnic groups, all backgrounds. (Applause.)

I went to see our young men and women in uniform in the Persian Gulf who so quickly turned back the tide of Saddam Hussein's recent aggressive move. I was there at the signing of the peace treaty between Jordan and Israel. Let me tell you something: Other people around the world, they are not cynical about America. They admire the strength, the values, the energy of this country; our capacity to grow. They know we have the strongest military in the world, but they also know we're the world's strongest peacemaker, the world's strongest economy, and the world's strongest example. That is what we owe to our children and our grandchildren. The best days of this country are before us, but they will not be before us if we divide the old against the young, if we walk away from our responsibilities to our children or to our parents and grandparents, and if we walk away from our responsibility to ourselves.

So I say to you, we're moving forward. You be thinking on Tuesday: "I am in control. I have a remote control on America's movie. I'm going to go into the polling place and I'm going to push forward. Maybe I'll even push fast-forward. But I certainly won't push reverse."

Thank you and God bless you all. (Applause.)

END

2:53 P.M. EST

Economic Scene

Peter Passell

M. H. Kip

Letting Social Security dabble in the stock market.

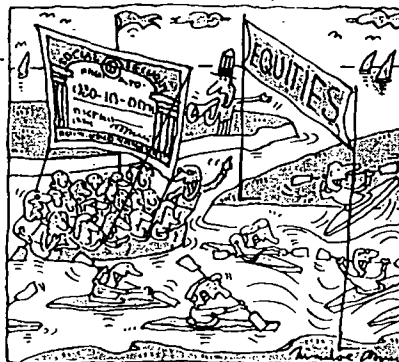
LOOKING for a painless way to cut the gap between what the baby boomers have been promised from Social Security and current revenue projections? Shift a big chunk of the system's trust fund to common stocks, which have enjoyed four times the return of Treasury bonds since the 1920's.

This proposal, championed by Robert M. Ball, a former Social Security commissioner, is being offered as an alternative to the supposedly more radical departures, namely privatization. And when the Social Security advisory panel delivers it — probably after the Presidential election — Mr. Ball's idea is likely to get a cordial reception from politicians loath to raise payroll taxes or make the deep cuts in benefits.

But investing in stocks is a radical idea, too, suggests Lawrence White, an economist at New York University's Stern School of Business and consultant to the Investment Company Institute, a trade association for the investment industry. At best, it constitutes socially redeeming sleight of hand that shifts risk to future taxpayers and pensioners. At worst, it is an invitation to meddle in the world's most efficient capital market. "This would push Social Security deep into unexplored territory of public finance," Mr. White said.

Social Security revenue not needed to cover current pension checks goes into a trust fund credited with interest at Treasury bond rates. But as every sophisticated investor knows, equities have proved to be a much better deal than bonds over the long haul. The real return to common stocks over the last 70 years has exceeded 7 percent, while Treasury bonds have averaged less than 2 percent.

So why should baby boomers be deprived of the gain? Why, indeed: Mr. Ball, along with four other



members of the 13-member advisory panel proposes to shovel \$800 billion of the roughly \$2 trillion trust fund surplus projected between 2000 and 2015 into stocks. Quadrupling the estimated return on this portion of the surplus would relieve the pressure to cut benefits or raise taxes to keep Social Security going.

But Joseph Quinn, an economist at Boston College, wonders whether changes in economic behavior would mirror the accounting shuffle. The point of reform, he suggests, is either to increase national savings to pay for the boomers' retirement or to cut their claims on future national income. And forcing the Treasury to find other buyers for \$800 billion in bonds to finance Government deficits would be self-defeating since no one would be induced to save more or consume less.

On the other hand, if Congress cut the deficit when trust fund surpluses were unavailable to paper it over, national savings probably would rise. Were Congress so moved, though, it would not need Mr. Ball to pull up its fiscal socks.

Not so fast. If an extra \$800 billion went into private investments with four times the return of

Treasuries, wouldn't the economy grow more rapidly and add to the nation's capacity to cover the cost of the boomers' retirement?

No one is quite sure where the historical "equity premium" — the extra return on common stock that apparently reflects much more than the amount needed to compensate investors for added risk — comes from, suggests Stephen Zeldes, an economist at the Columbia University Graduate School of Business. "If we could be sure that the premium would be sustained — a big if — there would be no need to use Social Security's funding problems to justify the switch," he said. It would pay simply to sell more Government bonds and invest the proceeds in the stock market.

Mr. White raises a different issue. Presumably the Government would be a passive investor, buying stocks the way index mutual funds do. But would Uncle Sam limit purchases to the Standard & Poor's 500-stock index when thousands of other stocks beckoned? Would it stop at traded stocks, when millions of small businesses need capital? And what about social considerations? Would Washington invest in tobacco, or in companies that run sweatshops in Guatemala? "Passive investing is tougher than its sounds," Mr. White said.

One need not look far to understand the origins of the Ball plan. Like many Americans — probably a majority — Mr. Ball wants to keep a 60-year-old system on its tried-and-true path, using collective resources to provide funds for generous public pensions for all. From this perspective, circuitous means of replenishing the trust fund are justified if the public will not stand for straightforward ones like tax increases.

But simply assuming the higher returns of stocks save the day raises the political ante. If Americans don't save more as a consequence or if economic growth does not exceed soberer expectations, the cuts needed to fix Social Security a decade or two down the road will be far greater than they are today. In short, what Americans choose not to know now could hurt later on.

THE NEW YORK TIMES

THURSDAY, AUGUST 1, 1996

Concern Over U.S. Economy Sends Dollar Down Sharply

By The Associated Press.

The dollar fell sharply against the German mark and the Japanese yen yesterday, hurt both by growing evidence of economic softness in the United States that would forestall higher interest rates and by fears that the dollar's strength has peaked.

The dollar was also hurt by a surprise cut in interest rates in Australia, bolstering demand for yen, and a statement by Switzerland's central bank that the Swiss franc was overvalued, increasing demand for marks.

"People are wondering how far it can go down," said Peter Wadkins, a director of Treasury sales at the New York office of the Standard Chartered Bank of Britain.

In late trading in New York yesterday, the dollar settled at 1.4721 marks, down from 1.4766 marks on Tuesday and the lowest level since March 15. The dollar traded at 106.77 yen, down from 107.91 yen and the lowest since May 17. The British pound fell to \$1.5554 from \$1.5565.

The dollar was initially hurt in overnight trading when the Reserve Bank of Australia lowered short-term rates in a surprise move to stimulate the economy. The move incited a selloff in Australian dollars for yen, which depressed the dollar.

Traders said the statement by Switzerland's national bank about an overpriced Swiss franc initially helped the dollar. But it was ultimately more beneficial to the mark, which has been strengthening since last Thursday, when the German central bank unexpectedly left interest rates unchanged.

Further hurting the dollar was a report of industrial weakness in the Midwest from a group of Chicago regional purchasing managers. The report is considered a harbinger to results of a closely followed national survey of purchasing managers to be released today.

The data suggested to currency traders that the Federal Reserve might refrain from raising interest rates at its Aug. 20 policy-making meeting. A rise in rates would tend to make dollar-denominated assets more valuable, and expectations of an increase had been built into the market.

"We have been assuming U.S. rates are going up and German rates are going down, but both sides have held steady," said Roger Chapin, foreign exchange manager at Bank One in Columbus Ohio. "So we've built in a lot of expectations that haven't been met. People are now rethinking that."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 15, 1996

INTERVIEW OF THE PRESIDENT
BY TOM BROKAW OF MSNBC

The Roosevelt Room

8:00 P.M. EDT

MR. BROKAW: Good evening, and welcome to InterNight. It's going to be a nightly primetime program here on MSNBC in which we talk to the major newsmakers of the day. What better way to launch this program tonight than with our guest, our special guest, the President of the United States. He faces an election campaign that will determine his and this country's future.

Mr. President, I was struck by the fact that we're here in the Roosevelt Room -- no one personified the beginning of the 21st century better than Teddy Roosevelt. And as we come to the conclusion of the 21st century we're not only on cable television, but we're on the cyber universe as well, on the Microsoft network. It's a remarkable time.

THE PRESIDENT: I think Teddy Roosevelt would like this very much. This is a room that is named for Teddy and for Franklin Roosevelt. Theodore Roosevelt's Nobel Prize which he won in 1905 is here in this room. We keep it here. And he really brought us into the modern age, and we're now going into a very different kind of world. And I think it would excite him very much to see it.

MR. BROKAW: We saw another demonstration of that kind of world today when Boris Yeltsin stiffed the Vice President of the United States, to put it in inelegant terms. He stood him up. They had an appointment. The Vice President told me earlier this evening he doesn't know whether Yeltsin is in good health or not, or whether he, in fact, is just fatigued. Does that make you a little nervous, that we don't know the condition of his physical being?

THE PRESIDENT: Well, we have -- we don't know, but we have no reason to believe that he has a serious illness. We do not know. I talked to him just a few days ago -- we had a very good talk. He was very glad that the Vice President was coming over. Mr. Mamedov, his Deputy Foreign Minister, was just here a couple of days ago and I saw him. So in terms of the relations between the two of us, our two countries, we're doing fine.

And I would urge us not to read too much into it. After all, he's just finished an exhausting campaign. You know how exhausting it is to run for President of the United States, and keep in mind, if you want to be President of Russia you have to be willing to travel through 11 time zones. So he's been through a lot and he may just be tired.

MR. BROKAW: But, frankly, he has had some health problems in the past.

THE PRESIDENT: He has.

MR. BROKAW: What happens to our intelligence in Russia that we can't find out what's going on with the President?

MORE

THE PRESIDENT: Well, we normally have a pretty good idea. And as I said, we certainly have no reason to believe, as I am talking to you tonight, that there's something serious wrong. But we just don't know. We can't know everything, and we can't know everything instantaneously. But I have no reason to believe that he did anything but ask Al Gore if he could delay the meeting.

And I don't consider it being stiffed since he knows what Al's -- what his itinerary is in Russia. He's not being asked to stay later or anything to see him.

MR. BROKAW: Would you be surprised if Boris Yeltsin does not finish his four-year term and that the reigns of power are assumed by somebody like General Lebed?

THE PRESIDENT: I would. I think he'll be able to finish his term. And I was very encouraged that he found a way to put this new team together that kept Prime Minister Chernomyrdin there, who is a real symbol I think of stability and progress, discipline. They're a good team, and Mr. Lebed seems to be finding his way into the team. So I think it's working out reasonably well so far.

MR. BROKAW: What makes you more nervous, Russia's fragile democracy or China's uncertain future?

THE PRESIDENT: I don't know that I'm nervous about either one. But I think that Russia is clearly now committed to a democratic future, and one in which it is a responsible partner in world affairs. I think China is committed to a future of continued economic progress. I think they're still ambivalent about democratic freedoms, but we seem to be developing a more constructive relationship with them.

I have told a lot of people -- I'd like to say it again on your show because I want our -- you have got a lot of future-oriented people listening to this show -- I think how Russia and China define their own greatness in the next 20 years will have a lot to do with how the 21st century comes out. And I want them both to define their greatness in terms of the positive achievements of their people, their winning and peaceful cooperation on economic and cultural and athletic fields, and their willingness to cooperate with us to fight our common enemies: terrorism, the proliferation of dangerous weapons, and environmental destruction and diseases sweeping the globe. We need great countries working together if we're going to make the 21st century what it ought to be.

MR. BROKAW: Let's switch from international politics and the future to domestic politics. We have some polls tonight -- good news and bad news for you. The latest NBC news poll shows that you have expanded your lead as of the moment over Bob Dole. You're leading now by a factor of 54 to 30 percent. That's about a 7 percent -- 7-point gain for you in just the past three weeks.

Here's the bad news. We did a poll three weeks ago. We asked the question whether the people believed that you were telling the truth on Whitewater. By a factor of 55 to 24 percent, they said, no. Mrs. Clinton -- it's even greater: 62 to 18 percent the American people believe that she is not telling the truth. These are fundamental questions about personal character. Doesn't that bother you some that the American people believe that they're not getting the truth from either one of you?

THE PRESIDENT: It bothers me some, but I don't see how they could draw any conclusion other than that since if you looked at the information that they have been given, I'm sure it's four, five, six to one negative. And I think character is a legitimate issue, and I look forward to having that discussion. But I think that you

can demonstrate character most effectively by what you fight for and for whom you fight. And I believe that the fact that I've stood up for the American people for the things like fighting for the Family Leave law or the assault weapons ban or the Brady Bill or the V chip for parents or trying to keep tobacco out of the hands of kids and a lot of other issues -- those things will count for something and they demonstrate character, too.

But on the other matter, I just -- I would like to remind everybody that this has gotten a lot of exhaustive attention, perhaps more than it deserves, and every reading of the evidence, as opposed to another round of questions, fails to demonstrate any wrongdoing by either one of us. And I believe that in the end that will come out and come clear to the American people. I just think that in the meanwhile all we can do is go about our business. We've got to keep working for the American people and let them sort that out. I feel good about it.

MR. BROKAW: What do say each other in the privacy of the living quarters about these questions, however, at the end of the day? Because none of us, after all, is immune to that kind of judgment on the part of the people that we care a lot about.

THE PRESIDENT: Well, I try to remind Hillary not to worry too much about it because every time she goes out and people see her and she relates to people they admire her, they like her, they respond to her just as they did around the world in this last trip where world leaders always contact me after she's been to a country and say, thank you for sending her; she really represents your country well; she inspires our young people, and thank you for doing it.

And I also remind her about the evidence being on her side. I mean, it didn't get a lot of publicity, but there's only been one definitive report on this whole business and that was the Resolution Trust Corporation's report -- supervised by a staunchly Republican-appointee from the previous administration -- which said that there was no evidence of any wrongdoing, not even any basis for a civil action against me or Hillary or her law firm; and that her billing records, which received so much publicity, actually confirm her account.

Now, that's a dispassionate view of the evidence. So I think the American people are fair-minded. They've heard a lot more negative than positive, so they have questions. But I think in the end they say, well, what do we know, and what has this man done and what have they done, what have they fought for, who have they stood with. So I keep -- I remind her whenever this comes up -- it doesn't come up so often anymore -- that we only have so many hours of the day and every day we spend thinking about that, every minute we spend thinking about it is a minute we're not working on the job we were sent here to do. And so we just try to cooperate when questions are asked and keep working ahead when they're not.

MR. BROKAW: She's had to appear before a grand jury, and you're very close friend, Bruce Lindsey, has been named an unindicted co-conspirator -- he's down in Arkansas now on another trial. Does that ever lurk in the back of your mind that there may be more indictments that will arrive at the White House, maybe even for the First Family after the election? Has that possibility occurred to you?

THE PRESIDENT: No, and it's a highly politicized operation. And I think it's obvious, there's no precedent for it that I know of, ever. But even so, it's very hard to just make things up. And I don't think anyone doubts that, for example, Mr. Lindsey, if there was any serious evidence that he'd done anything wrong that they would have moved against him.

So we'll just wait and see. But I still believe it's hard to make a lie stick and call it the truth. I think in the end the American people will figure it out. And I wake up and go to bed every night with that assurance and I'm just going to keep working.

MR. BROKAW: Mr. President, we've got a lot of ground to cover here tonight, a lot of substantive issues. We've got phone calls. We've got questions from the Internet, as well, to get to.

We'll be back with InterNight in a moment.

* * * * *

MR. BROKAW: Mr. President, do you think that smoking is an American health hazard?

THE PRESIDENT: Absolutely.

MR. BROKAW: And addictive?

THE PRESIDENT: Yes.

MR. BROKAW: In the last 10 years the tobacco companies have given the Republicans something like \$7 million in campaign contributions, but they've given your party \$2 million. Why don't you make a pledge tonight to the American people you will take no more tobacco money -- not just the Clinton campaign, but the Democratic National Committee?

THE PRESIDENT: Well, I think the Democratic Committee is reviewing its policy, although let me say, I have never fought even with the Republicans over their money. It's just a question of does the money have an adverse impact on your policy. It's their policy I disagree with. I have never tried to even put the tobacco companies out of business. I think they have a right to sell a legal product and they have a right to market it to adults.

The real problem is that it's illegal in every state in America for children to start smoking, but 3,000 start every day, 1,000 of them will die soon because of it. And we have to do something to stop it.

And they'll have to answer whether the fact that they do better than we do on contributions has anything to do with their policy. But our policy is the correct one. And I don't want to treat the people who work for these tobacco companies like their not citizens. They're not doing anything illegal, but they're wrong in fighting us on this policy. They should help us.

MR. BROKAW: But given all that, why not just turn off the money spigot?

THE PRESIDENT: The money spigot has been pretty well turned off. I think that in the last couple of years they're going five or six to one for the Republicans. But, again, I don't want to get into that. The money is relevant, only insofar it has an influence on the wrong-headed policy. These people, they're not criminals because they work for tobacco companies. They're citizens, they have a right to participate in the political process. They have a right to have their voices heard. They have a right to sell legal products.

What is wrong is they are marketing in ways that they know -- I believe they know has to be appealing to young people. You look at -- young people, for example, who smoke illegally are far more likely to buy the most heavily advertised brands than adults are. And smoking would continue to deteriorate in this country and

go down as a health hazard if people didn't start before they were adults.

Now, I just want to keep the attention of the American people focused on that. And that's why -- my fight with the Republicans has been clearly focused on their policy. They got -- may get more money because of their policy, but their policy is wrong and they ought to change it.

MR. BROKAW: Recently, Bob Dole said, in response to your criticisms of his stand on tobacco, you know, the Clinton administration, the use of marijuana and other illegal drugs went up before he started to do something about it. Why were you so late off the mark in beginning to attack what was a plain increase in the use of illegal drugs during the last four years?

THE PRESIDENT: Well, first of all, I don't think that's a fair criticism. I think the -- if you go back and look at our '93 budget, we asked for more funds in '93 both for enforcement and for treatment. I named a drug czar promptly. The man did a lot of experience running big-city police operations, dealing with drugs. And then, when he left, I named General McCaffrey, who had managed our Southern Command and dealt a lot with drug exports. So I've been interested in this right along.

The drug use did start going up in the early '90s among young people, especially marijuana use. Cocaine use has continued to drop, but they're diversifying drug use. It's a terrible problem; we're working on it. We have a strategy; we're trying to implement it. And we've basically been able to do this in a bipartisan fashion in this country in the last 10 years or so. And I'd like to see us continue to do that.

But it is a serious problem. When I came here we instituted, even in the federal government, in the Executive Branch, stiffer drug testing policies than the Legislative Branch had. I think it's a really serious problem. I have always fought it and will continue to do so.

MR. BROKAW: Let's talk for a moment about welfare. The Republicans have a bill that they think you will sign on the Hill. It eliminates the federal guarantee of cash assistance for poor children in this country, a guarantee that we've had in place since the early 1930s. Are you prepared to have that happen?

THE PRESIDENT: It depends on what else is in the bill. That is, if--

MR. BROKAW: You can foresee the possibility it will take away the ultimate safety net of no federal cash assistance for very poor children?

THE PRESIDENT: Of the guarantee -- if the bill has provisions in it which provide more child care to these same families, which has more flexibility to enhance the ability of the parents in these families to go to work, which help the young parents who have children at home to be better parents. The money will still be spent on the children. The reason they want to get rid of the guarantee is so the states will have more flexibility to require people to move from welfare to work more quickly. And if that's what's going on, then I can support it, if the rest of the supports are enough.

Let me just make one other point. There's a dramatic difference already in the welfare benefits from the poorest to the richest states. There's not really a national guarantee that amounts to much now.

MR. BROKAW: We're not going to leave this alone, we're going to come back to it in a moment --

THE PRESIDENT: Let's do it.

MR. BROKAW: -- because we want to talk some more about that and we want to hear from our viewers out there by telephone and the Internet. Back in a moment on InterNight.

* * * * *

MR. BROKAW: We're back on InterNight and we're looking with the President of the United States at various chat rooms on the on-line service that MSNBC is providing to all of you. Here is a question that came from one of the many thousands of people who submitted them: How will you keep the Social Security solvent without raising taxes? That's on the minds of a lot of people, especially because your generation is a big bulge out there.

THE PRESIDENT: That's right.

MR. BROKAW: And the question is, can Chelsea afford you as parents in about 10 years? I think that's the relevance of that.

THE PRESIDENT: The answer is there will probably have to be some changes in the Social Security system, and what we need to do is to preserve its integrity in the same way we did in 1983. In 1983 we had a bipartisan commission representing all the various interests in the country. They came up with a proposal, and they implemented it. Now, then they did raise the payroll tax, but if you look at it now it's a long way -- this system is solvent till 2019. And so we can make some changes now that won't require payroll tax changes that I believe will be widely accepted by the American people if we get into it and we do it in a totally nonpartisan way, the way we did in '83.

MR. BROKAW: There's a growing wave of people out there who believe that we ought to either privatize it or give people that option. Do you think that's a good idea?

THE PRESIDENT: Well, there's apparently going to be a report issued from the advisory commission that will recommend that this be looked into. I think if you privatize the whole thing you would really put people who are not sophisticated investors and didn't have a lot of money on their own at serious risk. If you gave them the option individually or as a system to do it, that's something I think you could study. You could even -- that's something that could be tested.

But before we do something that totally changes something that's worked rather well, there ought to be a way to test it in kind of a laboratory sense. And I would favor looking at it very closely with some evidence before we made a big, sweeping decision.

MR. BROKAW: Here's another question. We had 60,000 hits on the system and 8,000 questions submitted. What is the most important thing that you've learned in the last four years?

THE PRESIDENT: That the President can really make a positive difference, but that it requires every bit of concentration every day to do it. You simply cannot be distracted. You have to keep thinking about your job and the American people. That's the most important thing.

I feel more optimistic today than the day I became President about the potential of all of us to change our lives together for the better, especially the presidency. But requires enormous discipline not to be distracted and not to be diverted. And I think that -- there are a lot of other things I've learned. I've learned more humility. There are a lot of things I don't know the answers to that I once thought would be easy to find out.

MR. BROKAW: Were you ready for primetime when you arrived here, do you think?

THE PRESIDENT: I think I knew enough to be President. I think I -- and I think my ideas were right and my vision was right. I think I would have been probably a little more successful early on if I had had more Washington experience. But I think maybe the fact that I didn't have any made me more optimistic about what I could get done, and more ambitious. And that was good.

But I think that I'm definitely better at my job than I was four years ago, in terms of just getting through the day-to-day work of it. I just learned a lot. I don't think anyone, even someone who's been around here a long time, can be fully prepared for the pressures and the work of the presidency until you actually do the job.

MR. BROKAW: Here's another question, Mr. President, that's very relevant and very timely. With U.S. soldiers dying in defense of Saudi oil fields, shouldn't we have a renewed vigor about the pursuit of freeing the United States from the dependency on foreign oil?

There's not been much talk recently, fairly, from either party about conservation or finding alternative forms of energy.

THE PRESIDENT: Well, we have had -- that's one of our budget fights that we had with the Republicans. Let me answer that question in two parts.

We are not in Saudi Arabia simply for Saudi oil fields. We're there because it's a base from which we can prevent further aggression by Saddam Hussein in the area, first. And, second, it's a base which enables us to cooperate with those who agree with us in the Middle East, including many Arab countries, in fighting terrorism. So that's not the only reason we're there.

But we should be trying to become less energy dependent. We have worked with Detroit to find a clean car that gets three or four times the average mileage now. We have worked hard on alternative technologies. We have worked hard to do things that would make us much more energy efficient. And, frankly, this Congress disagrees with us on that. They don't believe we should be investing money in new technologies to achieve energy efficiency.

But if you look at the explosion of technology that we're celebrating tonight, that same technology is available to make us more energy-efficient, and we ought to be investing a lot more money in it because it's a way of cleaning the environment, reducing our dependence on foreign oil, and making us wealthier without really eroding the country and the globe that we share.

MR. BROKAW: Why are the Saudis giving us such a bad time on the investigation? And we have had to send the FBI Director Louis Freeh back over there for a second time to try to get things moving again. Why can't you get on the phone to King Fahd and say, hey, listen --

THE PRESIDENT: We've had several talks about it, and we expect that they will cooperate. And I think there will be

cooperation; I do expect it. I believe that any time a crime is committed in a country that's high profile, that nation wants to believe that it can handle it and do what's right. And I understand that. But this is a case with international implications, and we have to cooperate.

MR. BROKAW: Here's another question from the Internet: Why don't we have a flat tax for everyone instead of taxing our income and then taxing everything we buy? It was a very popular issue, as you know, during the primaries.

THE PRESIDENT: It was. First of all, you should know that as far as the federal income tax, we're getting pretty close to a flat tax. Fifty-seven percent of the taxpayers over the last couple of years have filled out that simple little form and paid the 15 percent with the standard deduction. That's pretty close to a flat tax. But I have never seen a single tax rate that did not either raise taxes on everybody that was making less than \$100,000 a year or leave us with a much bigger deficit.

So I would do anything I can to further simplify the tax system. I'm trying to let more people file electronically. I'm all for making the forms simpler, the rate structure simpler. But I have never seen a plan -- I've studied them carefully because I know how much people want to be free of it -- that doesn't either raise taxes on most people or balloon the deficit. And we can't afford to do either one.

MR. BROKAW: Mr. President, we have got a lot more ground to cover tonight. We do have some telephone calls coming as well as questions from the Internet. We'll be back on InterNight in a moment.

THE PRESIDENT: That's a good question.

* * * * *

MR. BROKAW: We're back on InterNight, Mr. President. You and I have been looking at another question from the Internet: Does Chelsea net surf and, if so, how do you protect her from inappropriate material? Does she use the computer pretty handily?

THE PRESIDENT: She does. I don't think she net surfs a lot, simply because, at least during the school year, she has too much homework at night, for several hours every night. But she does some. And, honestly, I can't protect her in that sense because she knows so much more about it than I do.

But one of the things that we're trying to do -- I think with the support of everyone -- is, first of all, get a case up to the Supreme Court so that they can define what the First Amendment requires us to do and not to do in terms of legislation here. And then we need to find some sort of technological fix.

During the break you said that Mr. Gates, Bill Gates, said that there's at least a possibility of developing a log --

MR. BROKAW: Yes, they've got a log built in now that you can go in and check on.

THE PRESIDENT: Yes, so the parents can see what's been called up. And, of course, we're working on this V-chip with television and with the entertainment industry supporting us with the rating system. So there probably will be some sort of technological responses here. But then parents like me are going to have to assume the responsibility of becoming literate enough with the technology to

work with our children and make sure that we and they make responsible choices.

MR. BROKAW: Mr. President, we promised a lot of viewers out there that they could ask questions via telephone. I think we can do that right now. We have a call from Leesburg, Virginia. A question for the President, please.

Q Mr. President, I'd like to know if the deductible that you have proposed for families, the \$1,500 for the college students, do you expect that that will come to fruition before the end of the year? And also I would like to tell you and the First Lady I think you're doing a wonderful job.

THE PRESIDENT: Thank you. The truth is, I don't know whether it will come to fruition before the first of the year. I think there's a chance we could pass it if I could reach agreement with the Congress on the balanced budget. Now, most of the experts here in town will tell you that's not going to happen because we're only three and half months away from an election. But I still think there is a possibility that we can reach a balanced budget agreement.

If it does, I will push very hard for my two major education proposals. One is a \$10,000 deduction for the cost of tuition after high school for people without regard to their age; AND in addition to that, a \$1,500 credit for two years of college after high school which would, in effect, guarantee community college access to people throughout the country.

My goal here is to make college affordable for everyone, but to make the second two years -- at least a community college education -- as universal within a couple of years as high school is now, because we know we need that. I mean, look at what we're celebrating here tonight. We need more education. So I expect to push it, and if we don't get it this year and I'm successful in the election, then it would be a top priority just as soon as the Congress comes in next year.

MR. BROKAW: Mr. President, some people believe that, for the moment, it's just mostly campaign rhetoric, however, because you have not sent anything up to the Hill yet on the college deduction.

THE PRESIDENT: But that's because the only way we can pass it now, this year, is if it was put into an omnibus budget agreement. And so that's how I will advance it. And I'm still hoping we can do that. You know, we've got agreement here -- look, we passed an antiterrorism bill this year; we passed telecommunications legislation this year. We may get welfare reform; we may get the minimum wage -- it's looking very good on the minimum wage. We might get the Kassebaum-Kennedy health care reform bill. If we do all that, I don't see why we couldn't have a budget agreement, too.

MR. BROKAW: Mr. President, before we get back to the Internet questions, I wanted to follow up just for a moment on welfare if I can. If, in fact, you sign the Republican bill that is likely to come down from the Hill, all the projections show that that will push, at least short-term, more than a million youngsters in this country below the poverty line. That's a high risk for youngsters in this country who are already in peril.

THE PRESIDENT: That's right. There are two problems there. The main reasons for that are the proposal on food stamps, which I think may be moderated some, and what I consider to be excessive cuts in assistance to legal immigrants. We're not talking about illegal immigrants. So before our budget negotiations broke up, I asked the Speaker and then-Senator Dole -- now it would be

Senator Lott, of course -- to consider whether or not we ought to give assistance to the children of legal immigrants, at least who were in trouble through no fault of their own -- the parents had an accident or got cancer or were mugged in a 7-11 or something. Those kind of folks, it seems to me, we ought to take care of the children. Now, if we did that, then I believe you'd see a continued reduction in poverty.

Keep in mind, we let the states experiment with moving people from welfare to work. I have granted 67 experiments to 40 states. So 75 percent of the people on welfare today are already under welfare-to-work programs, which have helped to reduce the welfare rolls by 1.3 million. Those kids are better off, not worse off, when their folks get off welfare. So that's what I want to do for the whole country.

MR. BROKAW: In 1992 you said we're going to end welfare as we now know it, as we have been practicing it in this country. But most of your welfare proposals have been reacting to what the Republicans have proposed in the last year or so. There have not been --

THE PRESIDENT: That's not accurate. I started granting these waivers -- I had to write the last welfare reform law, so I knew the President could tell the -- could give states permission to try their own experiments. I started doing this in 1993. And then I sent legislation to Congress which was not adopted in '94, so I just kept on doing the waivers. Then I vetoed the Republican welfare bill and I kept on doing the waivers.

So now three out of four people in America are already on welfare under welfare-to-work experiments. I think you can make a compelling case, as The New York Times, that we have made a quiet revolution in welfare. I'd like to finish it. I'd like to go on and pass welfare reform legislation. But we're clearly moving in the right direction.

MR. BROKAW: We have another question from the Internet about, in fact, foreign policy, and we're going to click on to it right now, even as you watch. We'll see how facile our people are, and they're pretty good. Between the United States and China, what is more important, the economy or democracy? That's especially a concern to people in Hong Kong, obviously --

THE PRESIDENT: Yes.

MR. BROKAW: -- because next year the Chinese take over that --

THE PRESIDENT: Well, I believe over the long run between the United States and China, the thing that's most important is democracy, because I think the freer the people are the more likely they will be to be responsible partners. But the implication of that is, therefore, we should subordinate our economic goals, or we should withhold most favored nation status from them and not treat them like ordinary partners if they're not as democratic as we think they should be. That's what I disagree with.

That is, imposing some sort of economic sanctions will not make China more democratic. I believe they're more likely to become democratic if they progress economically, if we have regular relationships with them, and if we don't pull any punches when we disagree with them if they violate human rights or do other things we don't agree with.

So I believe that economic development and democracy will go hand in hand. And there is some evidence of that. If you look at South Korea, it's more democratic today than it used to be.

It was led by economic advances. If you look at Taiwan, they just had a very raucous election there with a huge turnout, growing out of incredible economic progress in the years before.

So my hope is that we can find a way to deal with the Chinese and be partners with them and agree to disagree, but be honest about that so that we can follow economic and democratic objectives hand in hand. I think that's the way to pursue it.

MR. BROKAW: We have a question. I want to remind everybody that we do have a telephone number. It's 1-888-676-2287. That translates, you'll not be surprised to hear, into MSNBC USA, after the 888 number. We have a call now from Miami, Florida, Mr. President.

Q Hello, Mr. President. It's an honor to be speaking with you. As Mr. Brokaw said, I'm calling you from Miami and we are a community of immigrants and there's two questions regarding this community of immigrants that I'd like to ask. It's a two-pronged question, so please indulge me.

MR. BROKAW: If you could just make it briefly, please.

Q The first one has to do with our Cuban community and we'd like to know whether you are going to enforce the title in the Helms-Burton bill which allows Cuban Americans to sue companies and the investors in Cuba with confiscated properties.

And the other question that I'd like to ask you is about the Nicaraguan community. As you know, there's a lot of Nicaraguans here in Miami, Florida, which have been here for a great deal of time -- many have been here for over 15 years. And there's a limbo as far as to their immigration status goes. Many of them are in great danger because of the Simpson-Smith bill, which is about -- pending in Congress. I'd like to know whether you are leaning towards signing the Simpson-Smith bill and whether any decision at all will come regarding the status of the Nicaraguans. And I'd really encourage you to do so, to make a positive decision. There are communities which have contributed enormously.

MR. BROKAW: Let's let the President answer the first one --

THE PRESIDENT: Let me answer the Nicaraguan question first. The bill to strengthen our hand in dealing with illegal immigration I am strongly inclined to sign if we can get the provision out of there which would require schools all over America to kick the children of undocumented immigrants out of this country, out of the schools. I think that would be a mistake. Every law enforcement group in America has come out against kicking the immigrant children out of the schools.

So we need a bill that would give us some more tools to deal with the problem of illegal immigration. It's out of hand and it's wrong and it's costing the taxpayers too much money, and it's unfair to the legal immigrants who wait in line and do what they're supposed to do.

Now, the Nicaraguans present some special issues, as you pointed out, and we will attempt to resolve those in a fair and honorable way. But, on balance, the country needs this illegal immigration bill.

With regard to the Helms-Burton bill, let me say, first of all, I signed it, as you know, after the Cuban government shot down two airplanes and killed American citizens who were in international waters. We have already begun to enforce vigorously Titles IV of the act, which revokes the travel privileges to this

country from companies that are involved in dealing with confiscated property. I have to make a decision on Title III tomorrow. After this program is over I'm going to have a meeting about it and then I'm going to have another meeting tomorrow. And I will make a decision. I have, as I understand it, three or four different options under the law.

The criteria is that I must do what I think is in the national interests of the United States and what is most likely to bring democracy to Cuba. And, in general, we believe that putting more pressure on does that.

As you know, we've been severely criticized by our European allies and others for doing this, and I was for signing the bill. But I believe that we have to keep pushing until we get a democratic response and some changes in Cuba. But I've not made a decision on specifically what I'm going to do on Title III, and I can't until I have these meetings tonight or tomorrow. I'll make a decision tomorrow.

MR. BROKAW: Mr. President, we have another question from the Internet on InterNight. Here it is -- what do you admire most about Bob Dole, the man you're likely going to be running against next fall?

THE PRESIDENT: Well, there's more than one thing I admire about him, but I think the thing I admire most about him is I believe he really loves our country. He was hurt very badly in World War II. He could have been embittered. He could have walked away. He could have lived a very different secluded life. He threw himself into politics and public life.

And on several occasions when I had to do unpopular things, even when he disagreed with me he didn't try to stop me. When I tried to help Mexico because I thought it was important -- it was unpopular; he agreed with me. When I tried to support democracy in Haiti, he disagreed with me. When I went into Bosnia, he disagreed with me, but he didn't try to interrupt it because he believed that you could only have one President at a time.

And I believe he really loves America. And I think that's the first and most important thing for anybody who wants to get into public life. And I admire him. I think it's genuine, and I admire it.

MR. BROKAW: What do you think about the issues that your old friend, Richard, Lamm is raising, the former governor of Colorado, and the manner in which he is raising them?

THE PRESIDENT: Well, I haven't -- I don't know about the manner in which he is raising them. I haven't had much time to keep up with the manner in which he is raising them. But I have known him a long time and very well. And many of these issues we've discussed probably for 10 years or more now. And he's a brilliant man, and he's a man with some very strong convictions, and he looks at the world in a unique way. And I'm looking forward to whatever contribution he makes to this debate.

MR. BROKAW: Will Mrs. Clinton have a role at the Democratic National Convention in Chicago? Do you expect that she'll address the delegates?

THE PRESIDENT: I don't know. She didn't -- I don't believe she spoke in 1992. There was a campaign film in which she spoke, but I don't believe she did. And we really haven't made a lot of the final decisions yet.

It's her hometown, and she's looking forward to kind of hosting a lot of things there in Chicago because she always has considered it her home and she still has a lot of friends there from

her childhood, and a lot of them are very active in the convention. So she'll be very active there. But we haven't decided what specifically she'll do.

MR. BROKAW: Here's a question from the Internet, one more -- Independence Day, the movie -- could we really fight these guys off, or what, Mr. President?

THE PRESIDENT: I loved it. I loved it and --

MR. BROKAW: A lot of people did, apparently.

THE PRESIDENT: Mr. Pullman came and showed it. I thought he made a good president. And we watched the movie together, and I told him after it was over he was a good president, and I was glad we won. And it made me wonder if I should take flying lessons.

But, yes, I think we'd fight them off. We find a way to win. That's what America does -- we'd find a way to win if it happened.

The good thing about Independence Day is there's an ultimate lesson for that -- for the problems right here on Earth. We whipped that problem by working together with all these countries. And all of a sudden the differences we had with them seemed so small once we realized there were threats that went beyond our borders. And I wish that we could think about that when we deal with terrorism and when we deal with weapons proliferation -- the difference between all these others problems. That's the lesson I wish people would take away from Independence Day.

MR. BROKAW: Mr. President, we thank you very much for being our first guest here on InterNight -- the new enterprise of MSNBC, which combines cable television, of course, and the Internet and telephones and over-the-air broadcasting as well. We thank you very much. We wish you well, and Bob Dole as well in the coming months.

THE PRESIDENT: Thank you very much.

MR. BROKAW: Our best to your family.

END

8:45 P.M. EDT

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Social Security

FACTS TO CONSIDER

Social Security is the nation's primary family protection program, supporting not only retirees and their families, but also disabled workers and the spouses and children of deceased workers. It is a social compact between the generations. The median household income for those age 65 and older is \$18,000. Almost two-thirds of beneficiaries receive one-half or more of their income from Social Security. The average monthly check for individuals is just over \$700. The Social Security Trust Funds will be able to pay total benefits until 2030 without any change in the program. Modest changes in revenue and/or benefits will be necessary soon to meet the large costs associated with the retirement of the "baby boom" generation beginning around 2010.

What balance of benefit (including retirement age) and/or revenue changes do you propose to ensure Social Security's long-term solvency? What would you oppose?

CLAYTON K. KUTNER

Until the Congress balances the budget, reforms welfare, and moves more decision making out of Washington, DC, I don't think we should be advancing plans to overhaul Social Security. We want a secure and more flexible system that will keep the promises it has made. We also need to give participants more information about how much they have contributed to Social Security so they have a better understanding of their investment. But, we shouldn't turn Social Security into a welfare system, which it was never intended to be.

JOHN F. CROWLEY

I would not raise Social Security payroll taxes—period. The most important revenue change I would propose is that the government stop robbing the Social Security fund to pay for long-term deficit spending.

BILL CLINTON

We have an obligation to our parents and children to protect Social Security for the future. Under my administration, we made Social Security an independent agency, reducing backlogs and upgrading services.

I am opposed to seeking savings from Social Security to solve our deficit problem or pay for other spending priorities or tax cuts. Future changes should be geared to one thing only: what is best for the long-term viability of the Trust Fund.

While the Fund is secure for the near future, most experts agree that we will have to make long-term adjustments to address future demographic changes. Those adjustments should be made in the same way we have done in the past: through serious, bipartisan efforts that put politics to the side and allow all parties to focus on the long-term changes that best preserve the viability of the Trust Fund for generations to come.

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TO: Molly B.

FROM: Judy C.

COVER + 1 pages

Here's the quote you requested.
We also have a large file
containing quotes from Members and
Key Administration Officials regarding
items of interest to Social Security

11/1/94 Baltimore Sun, p. 14A, AP Story
Clinton Accuses GOP of Feeding Voter Cynicism

Mr. Clinton, who accused the GOP on Monday of plotting a "radical attack" on Social Security, said hours after Mr. Gingrich's news conference that Republican promises to cut taxes, increase defense spending and balance the budget cannot be kept without massive cuts in entitlement programs.

"The only way to do it is to cut Social Security and Medicare, and that's wrong," Mr. Clinton said in Cleveland. "And we're not going to let them do it."

Aides said Mr. Clinton would return to the Social Security issue in Rhode Island today. ...

11/1/94 USA TODAY, p. 2A
Clinton Jumps on Social Security Issue in Pa. Contest

11/9/94 The New York Times NATIONAL, p. A20
Bolstered Clinton Campaigns for Allies

Philadelphia--... President Clinton arrived Monday with warnings that Republicans are plotting to slash Social Security. He brought a message that Democrats hope will scare elderly voters to the polls--that the GOP will cut Social Security. Clinton charged the GOP's promises to balance the budget, increase defense spending and give tax breaks would force devastating cuts in other program. "Say no to this radical attack on Social Security," Clinton told the crowd.

 The President singled out Wofford's opponent, Rep. Rick Santorum, R. Pa., as well as Virginia GOP Senate candidate Oliver North as the two candidates who want to tamper with the retirement for the elderly. Santorum, Clinton said, wants to raise the retirement age to 70 or higher. "Well, he can't do that if you don't let him," Clinton told the crowd.

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Clinton Stumps for Wofford in Pennsylvania Visit

Clinton said the Republicans' "Contract With America" would require Social Security cuts of \$2,000 per person annually and Medicare cuts of \$1,800 a year to achieve the promised balanced budget and tax cuts. "That's \$3,600 a year out of the most vulnerable people in this country...That is wrong, and we must not allow it to happen," Clinton said. "So, I say to you, say no to this radical attack on Social Security."

A recently leaked memo by their own budget director, Alice M. Rivlin, outlined a package of potential cuts in Social Security, such as capping benefits of wealthier recipients, increasing the retirement age, and reducing cost of living adjustments. But the