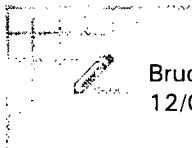


NYT
interview
w/ POPS



Bruce N. Reed
12/04/97 08:07:32 PM

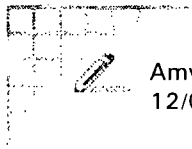
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Subject: INTERNAL TRANSCRIPT: NY Times interview of the President

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Amy W. Tobe
12/04/97 06:18:55 PM

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Subject: INTERNAL TRANSCRIPT: NY Times interview of the President

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Subject: INTERNAL TRANSCRIPT: NY Times interview of the President

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

December 4, 1997

INTERVIEW OF THE PRESIDENT

BY
THE NEW YORK TIMES

The Oval Office

3:13 P.M. EST

Q As you've been told, what we're looking at is a couple pieces on the state of the presidency and where things are and your goals for the future, particularly on domestic policy. And the first thing that struck us in a lot of interviews, people said your style has changed since early in your first term. You're much more -- there is more of a corporate atmosphere here. There aren't the long sort of bull sessions that go on and on, and you're delegating more. And it's maybe not as much fun as it was, but things get done -- you're more decisive. And I wonder if you see yourself having grown in the job and your executive style changed at all?

THE PRESIDENT: I guess the short answer to that is, yes, but it's somewhat more complex than that. When we came in, I had a very detailed agenda which I had laid out first in New Hampshire, then right before the Democratic Convention, and then in the book that Al Gore and I put out in the '92 campaign, "Putting People First."

But as always happens, there is a difference between running for office and governing. You have to confront the facts as they are. We spent a lot of time right after the election and before the inauguration and then in the early part of this administration having exhaustive bull sessions, if you want to call them that, trying to work through and talk through these things, because we had to come to grips with some very difficult issues at home and abroad. I think we've got -- once we made the big tough decisions, it was easier then to regularize the flow of work.

I also think you just learn how to do it better. And I do think we're better organized now. And I think it's important that the President delegate a lot. I'm still actually -- I was thinking I'm probably putting in more hours now than I ever have on the job, but I spend a lot of time talking to people one on one, reading, trying to work through ideas. I still send Rahm as much stuff as I ever have. But I think that in terms of bringing the rest of the White House in, I think it's very important that you get as much done as possible, and I think we've steadily gotten better and better and better at that.

Q Can you just give an example of that, of an issue where you're not quite as intimately involved as you might have been a few years ago, where you've delegated more?

THE PRESIDENT: No, I don't think -- if it's a big

issue, like climate change or the next steps in the Middle East peace process or something like that, a big issue, I'm just as involved as I ever was. But if it's something that we have more -- there is more of a past now, more of a shared understanding, I might make more decisions based on a detailed memo without a long meeting than I would have otherwise, if it's something where I have a higher comfort

level and we've got a clear course established. I think that's a better indicator.

On the other hand, we still have large meetings with broad discussions when there is a new set of decisions made. For example, we're now working on next year's budget, and we have the same sort of process we all have there. You can't make those decisions by memo because you have to talk through what the alternatives are and work through them and then hear everybody around the table.

We will have -- sometime in the next few days, for example, we'll have, regardless of what happens at Kyoto, we'll have to have a big meeting on how we're going to do what we're going to do anyway to deal with the climate change issues. And we'll analyze why we didn't make as much progress in the first four years as I thought we should have, apart from the fact that the economy grew very strongly. And we'll work through that and try to set up a different, whole different way of dealing with it so it will be more effective. That will require meeting, exhaustive batting around of options.

You can't pre-cook a lot of that. But the more you're here, the more a lot of decisions flow within the framework that's already been established, and you can make them more quickly.

Q You've spent 20 years as a chief executive developing state and domestic policy in one way or another, and you've experimented quite a bit over the last five years in how to do it -- creating the NEC, soliciting more outside memos from different people, and you're generally credited now with doing a good job of coordinating with the agencies and bringing them into the process. How would you describe specifically the way you're idea generation system works now? And are you satisfied with it? Do you think you've gotten to the point -- to its best point so far, or do you still have some more work that you plan to do?

THE PRESIDENT: There is a difference -- first of all, I'd say -- I'll answer the question, but let me first say, there is a big difference in generating ideas and then putting them through a policy process to see if they make sense, and coming up with a policy, and then a strategy to implement it. I think we have developed, through trial and error and an enormous amount of hard work, a policy development process where we can take an idea, and even if it's a new and different one, we can protect it from being dismissed out of hand by people who are normally change averse or

overworked or whatever. We've got a kind of openness to it. And then have it honestly vetted, and still do enough of the basic work that needs to be done so that everyone feels that they're consulted and everybody with relevant information and knowledge and experience can bring that to bear on the decision-making process. And I believe that it's a little less cumbersome and more timely than it used to be, but still very serious.

Now, it's a different thing on the idea of generation, how do you get the ideas, and I don't know that there is an explicit process. There are a lot of people who know they can write us at any given time with new ideas. We all read everything that's in print all the time, trying to come up with new ideas. We listen to people all the time. But we get the ideas from a variety of different sources. Sometimes members of Congress have put in bills that reflect the new ideas that we want to work and see if there is something there that maybe if we get behind we can make a difference.

So I don't know that we have changed our system of getting new ideas. When I was a governor, I used to say -- there were three or four things I used to cite where Arkansas was the first state in the country implementing something. And then I had eight or 10 examples where we were the second or the third state in the country. And I would always say, I'm prouder of the places where we were second or third, even though we were first, because it proves that the states are the laboratories of democracy, that we could learn from one another, and that we could move things. We weren't too proud to seek out new ideas wherever we could find them, if they made sense for our people, and implement them.

One of the things I keep trying to do here is to always have enough new people coming in to keep the idea quotient high and to make sure that all the people here, like Bruce Reed in Domestic Policy, that they're always talking to people outside the White House to try to make sure that we've always got ideas coming in, and then whatever I think up.

Let me give you one little specific idea, example. I'm very concerned about the fact -- when people think about this business of intergenerational responsibility and how we're going to go into the new century, both providing for the retirement of the baby boom generation and doing it in a way that doesn't soak up the incomes and the capacity of our children to support our grandchildren and to invest in the future, most of the thought that's given is given to, well, what should be done to stabilize Social Security to make sure it's there. But the truth is, Social Security is only a threshold for living for the vast majority of seniors. And yet only about half the American people are saving for their retirement.

Now, in the first five years we've been here, the first important thing we did was to try to protect retirement savings that were endangered, which we did at the end of '94 with the legislation that we'd worked on that saved 8.5 million people's pensions and stabilized 40 million others.



And the second thing we did was to make the 401(k) plans more functionally useful to people who were changing jobs. And interestingly enough, I got that idea from a letter that a guy I grew up with wrote me because he was talking about how it took him nine months to transfer his 401(k) plan and what the problems were. So we worked with Congress. It turned out there were a lot of people in Congress in both parties that were interested in this same sort of thing, so we got together and we did that. But still only about half the American people are saving for their retirements.

So I've been soliciting ideas. I saw a couple of -- I don't want to quote the competition, but there were a couple of editorials sort of on both sides of the issue in USA Today the other day about whether the right way to go was to expand 401(k) more and then there was an opposing saying, no, it's inevitably tilted too much toward upper-income retirees. But we had a whole discussion the other day about what the next steps were in addition to whatever we might do on Social Security reform to get more people to save for their own retirement and to empower them to do so, and then to protect the savings once they're made.

So those are the kinds of things that we do around here, and there is a lot of talk -- I don't know how many times, probably three times a week I read a story in the paper or I see an article in a magazine or something, and I just send it to Rahm, and I say, we need to have somebody start working this idea, see if there is something here that's -- something we ought to do.

Q My question follows a little bit from that. Rahm will correct me if I'm wrong, but you have roughly 1,142 days left in office.

THE PRESIDENT: A thousand days plus, yes.

Q A thousand days plus. You have very healthy approval ratings, the best economy in a generation or longer -- no more campaigns to run for Bill Clinton. What are you going to do with that time? What is the second term going to be remembered for? You talked a little about Social Security in the upper case sense -- I've gotten some lectures about lower case social security. Are you going to tackle entitlements, or are you going to try and knit together all the things you've been talking about for six years?

THE PRESIDENT: Both. That is, when I ran in '91, I made a decision that was a huge personal decision for me to undertake a rigorous campaign and to leave a job that I loved and a life that I loved very much, because I felt that we had no strategy for moving our country into the 21st century, and that the consequence of that was stagnation and drift and division. And I wanted to change that.

I have not -- presidents are the custodians of the time in which they live as well as the instruments of the visions and dreams they have. So the first thing I had to start with was, you

know, we don't have a war, we don't have a depression, we don't have a cold war, but what we do have is a breathtaking change going on as the economy and the societies in which we live become more globalized, as the information technology revolution continues to accelerate and as the world faces a whole new set of security threats as well as opportunities, and, as ordinary people see this, in terms of change that is both hopeful and threatening at the same time.

Now, that is the new reality that, as far as we can see now, will dominate the lives of our people for more than a generation. We have no reason to believe that these structural changes are likely to abate anytime soon.

So I came to the American people and I said, look, we need to have a new approach. First we have to have a strategy to provide opportunity for everybody who is responsible enough to work for it. Secondly, we have to figure out how, with all these changes going on and pulls, if you will, both beyond and within our national borders, we're going to preserve our American community, our nation as one America. And the third thing we have to do is to figure out how we're going to maintain our leadership for peace and freedom and prosperity.

Opport
unity
leadership

And so everything that I laid out, including having a new philosophy of government which would -- because we had to do something about the deficit -- we had quadrupled the debt in 12 years, we had to do something about it, but we couldn't walk away from our investment responsibilities.

So I said -- the first thing I tried to do was articulate a new vision of government that was not something for nothing and not everybody for himself, but a government that would get everybody the tools and conditions they need to make the most of their own lives -- career, family, community, country. And everything I've done has sort of flown out of that.

tools

And I think that, for me, the next 1,100 days I think will be just as exciting as the five years that have just passed and we'll be building on that. Now, you have to -- you know, things come up, like the Mexican financial crisis came up -- things present themselves and you deal with them. But they should be dealt within the context of what we've done. So in that context, let's just talk about some of the things that I think we should be doing.

First of all, we made a good beginning this year on our education agenda, particularly what was done to open the doors of college to all Americans which is the most signal achievement in educational opportunity in higher education in 50 years. But we have more to do. We've won the initial battles, but we're not there on the national standards in testing; we're not finished with providing educational technology to all the schools. I still believe we should be working to try to deal with the infrastructure of our educational institutions, even though we didn't succeed on that.

edu
tech

I think that it is very important to identify school districts that are, on balance, not functioning well, and try to create an entirely different environment with more school choice, more charter schools, end of social promotion, adequate use of standards in testing. The substance of the announcement I made yesterday at the Akron town meeting was I wanted to create educational opportunities zones where we would basically support communities that were willing to do something like what Chicago's involved in now, so there's a whole education agenda out there.

In addition to that, I think we have to recognize that we have to do more for adults. As you know, I strongly disagree with folks in either party who don't support the fast track issue, but one of the underlying things there is that you can show I think that there are more winners than losers in this economy, but there's a sense that people who don't do well don't get enough help quickly enough in a meaningful fashion to expand the winner's circle and to be part of this move into the future.

For four years in Republican and Democratic Congresses alike, and almost for five years now, I've tried to collapse all these district government training programs into a G.I. Bill of Rights for American workers so we could basically create a system of lifetime learning that would be immediate, quick, efficient and relevant to the prospects of people all over America, so that that's a security they know they always have that they'd be able to get that.

So there's a big education agenda out there. The second thing I think we have to do is to continue to work on helping families balance work and family. I'm very proud of what we've done with family leave, with the earned income tax credit, with the minimum wage, with tougher child support enforcement -- all these things have helped to reward people who are struggling to be good parents and effective workers. And I'm proud of what we did on child care and the welfare reform bill. But we need to do more there, with a broader family leave and a number of other issues.

The third thing I'm interested in is this whole idea of our responsibilities across the generation for the health of our people. So we're about to have this Medicare reform commission to look at what can be done to add more life to the Medicare trust fund and structure it in a way that will guarantee quality affordable health care to people who are Medicare eligible.

I think, in addition to that, I think we should take on the issue of the long-term stability of the Social Security system and, as I said earlier, ways that we can provide supplemental opportunities for people to save for their own retirement, so they'll have Social Security as a threshold, but have something on top of that.

I think we have to look at ways to continue to expand health care coverage. We have to implement this -- what we did in

✓
(2) Family Issues

✓
(3) Response to Medicare

this budget, to provide health care coverage to 5 million more kids in working families. But there's still 5 million kids out there without insurance; there are a lot of young people that don't have affordable options. And maybe the biggest problem that you see, with more and more people taking early retirement, there are a lot of people between my age and their qualification for Medicare that lose their job-related health insurance and can't afford to get anything else. And you'd be amazed -- I mean, I've taken a little good-natured ribbing for having a way for the people who I grew up with to have a way to write me at the White House -- I got a letter just the other day from a woman who was in my high school class; her husband got sick and took early retirement, he's got a pretty decent retirement but they can't afford health insurance. And this is a bigger and bigger problem for Americans.

U.S.
m

So I'm very interested in this whole issue of health care, affordable health care coverage. I think we should adopt a patient's bill of rights. I'm going to fight very hard for it. I think we worked hard to reconcile all the interest there -- you know, we had health care providers, we had businesses, we had labor groups, we had consumer groups, and I think it's a good solid document.

child care

So, anyway, there's that whole issue. And I think we ought to move on -- we ought to try to do some more on child care -- affordable, save, quality child care. That's more on the working family thing, but I forgot to mention it. I still think -- I go into crowd after crowd after crowd, even upper-income crowds, everybody will acknowledge that if they have school-age children they have felt some conflict -- and I bet every reporter you know with a school-age child has felt some conflict between their responsibilities at work and responsibilities at home. Now, you can't make all that go away, but at least people ought not to be just torn up and upset all the time, worried about how they're taking care of their kids and whether they're doing that right.

In the environmental area, I intend to spend a lot of time in the next three years on three things at least -- first, the climate change issue, which I believe is very serious. I am convinced that we can demonstrate to the American people that we can substantially reduce our greenhouse gas emissions and fulfill our global environmental responsibilities as well as our responsibilities to our own people without giving up economic growth, but it will require a very disciplined, organized, coordinated effort to do it.

environmental
global

So I intend to do that. We still haven't passed the Superfund reauthorization and we still have too many toxic waste sites out there that are really causing a problem that is not only environmental but is economic to the places where they exist. We've got to continue -- we've got to keep working until we get that done.

Superfund
toxic sites

And the third thing that I'm very interested in is to continue to work in this food safety area where I think -- if you imagine over the next 20 years, it is inconceivable that you won't have more and more and more volumes of food crossing national lines

in trade, and we have to be able to guarantee to the American people that we have a safe food system. I think that's terribly important.

Finally, in this whole area, I would very much like to see something done to even go further than we have with biomedical research. I do believe that in scientific terms, the last 50 years will be seen as an age of physics and an age of space exploration. I think the next 50 years will very likely to be characterized predominantly as an age of biology and the exploration of the human organism, especially with the completion of the human genome project, which I think will literally explode what we know about how to deal with health issues.

Biomed
R&D

So there will be a lot there to do. Let me just mention a couple of other things. Our race initiative here I think needs to be seen in the context also of what I have tried to do since I got here on citizen service, the whole idea of AmeriCorps, participating in the President's Summit on Service, all that. My goal with that is not only to have some policy prescriptions which will help, some of which I've outlined, and to help people try to come to terms with the things that we're fighting about like affirmative action, but in a larger sense, to create an ethic of service across racial lines so that when we begin this new century and when I leave office and go off into the sunset, the typical American will have at least three opportunities for constructive engagement with people with other races -- one at work, one at school and one in community service working on common problems.

Race
Service

So I intend to try to work to sort of integrate all that. And finally, I've got a huge foreign policy agenda for the next three years, as you know. And you didn't ask me about that, but I mean, basically we have an area that we've -- the momentary impasse over fast track notwithstanding, I think we've got to try to create a global system where the democracies of the world are cooperating more with shared markets. I think it's good for our own prosperity and it's good for them. And we can do it in a way that elevates environmental and labor standards in that's accompanied by a more aggressive program here to help people who are hurt get readjusted.

Foreign
Policy

You have to keep in mind, in the last five years we have more than doubled the amount of money being spent on worker training already. And we are now kind of setting up a system within the federal government, which we should have done earlier -- I'll take responsibility for that; we should have done it earlier, but we're working hard to set it up -- modeled on what we did with communities that had military bases close, to try to deal with communities that have dislocations from trade, so we can move in a hurry.

But I think we have to continue the trade agenda. I think we -- I hope we can get the Senate to support the Comprehensive Test Ban Treaty. We're going to have a protocol at the Biological Weapons Convention which will build on what we did with the Chemical Weapons Convention, which was ratified this year by the Congress, to help to strengthen our hand in dealing with the biological and

chemical weapons fight.

I'm going to China to continue to try to work out our approach with them, which is engagement with integrity, and I think it's working well. I hope to have an impact, a positive impact on the difficulties between Greece and Turkey, and relations between India and Pakistan. I intend to go to India and Pakistan next year if all goes well. I hope to activate our Africa Trade Initiative, and I'm going to Africa.

And I feel very good that we are in better shape than we were six, eight months ago with our peace efforts in Bosnia. I'd like to see them successfully concluded. I think we've got a good chance now to see a successful peace in Northern Ireland because of what's going on there. And I'd like to see, if Russia ratifies START II. I'd like to go back to President Yeltsin and finish the START III process as we continue to dramatically lower the nuclear threat.

So I feel pretty good about those things. I do believe we are going to have to face very clearly our responsibilities to see that economic policy and foreign policy have to be integrated. If you look at what I've been doing in the last few days over the Thanksgiving holiday, working on the Asian financial problems, you know, trying to set up a system for dealing with that; working with the Japanese to try to think about the long-term implications. We've got to develop a bipartisan majority, a substantial majority committed to the proposition that our own welfare requires us to try to stabilize and promote growth in other parts of the world because it helps us to do it, and it maintains the march of democracy, and it is essential to our maintaining world leadership. So I intend to work a lot on that.

Q Given all that's on your plate that you just described, why do you think there is a sense out there among several people we talked to, said openly, in all wings of the Democratic Party they described a sense of what they see as aimlessness in this White House?

THE PRESIDENT: Beats me. I mean, look what we did this year. We got the balanced budget agreement through, which had the biggest increase in child health since '65, the biggest increase in aid to education since '65, the biggest increase since the G.I. Bill in aid to higher education. We reformed the FDA to move drugs to market more quickly, and medical devices. We had a huge adoption reform bill, which is an issue that I care passionately about and that Hillary has worked on for years. And we had NATO expansion. We had this China issue, I think, put on a very much more solid footing. We had the Chemical Weapons Convention ratified. There is a lot going on this year. And there will be a lot going on next year. And there will be a lot going on in '99, and a lot going on in 2000.

You know, I can't answer that. I honestly don't know why that is. But all I can tell you is, I'll do the very best I can to disabuse them of it every day I'm here.

in, you know, basically his idea that we ought to have some sort of national sales tax. And I said I would be glad to talk to him, and I had a fascinating hour's conversation with him.

I have drawn no conclusion yet about what I would be for, but let me say, my objectives on taxes are -- and my questions about all tax reform is: Is it fair to average American taxpayers? Is it realistic that you can implement the proposal, whatever it is? Will it be good for the economy as a whole; will it support our continuing growth of our economy? And will it be simpler? Can we do that?

Now, since we've been here, we've done a lot of work to make it easier for people to interact with the tax code. More than half the taxpayers now fill out that simplest little form. Millions of people can file electronically who couldn't before. We've done what we could to really improve the system as it is, based on progressive income taxation.

So at the end of the year, every year, we do this. We're open to new ideas, and I wanted to listen, but I didn't draw any conclusion from it and I haven't reached a decision yet about what, if anything else, I might recommend in this area.

I will say this -- we had a huge bipartisan vote at the last of this last year in the House on a bill to further improve the functioning of the IRS, which I hope the Senate will take up and pass at its earliest opportunity in early '98. That would make a big difference to a lot of American taxpayers, and I hope they will at least do that.

Q But can we expect to see some form of tax reform or tax relief in the next budget in the State of the Union?

THE PRESIDENT: No, I wouldn't say -- I don't think I should give you any false expectations there. I can't say yes, I can't say no. I wouldn't rule out the fact that I might find something that I think would work, but I don't have an idea on the griddle as you are doing this interview.

But one thing, let me say, I have a different view about this than some people do. We do not have a surplus now. We do not have a surplus now. We have a deficit now. It's a tiny one, and it's less than 10 percent of what it was when I took office, but the people who say we have a surplus, I think it's very important that we understand what they're saying. They're saying that the deficit has gone down more rapidly than it was predicted to go down when we signed -- when I signed the balanced budget bill and when it passed back last summer.

Therefore, some people think that we should go back to the curve that we predicted last summer and spend all the money between where we are now and where we are then. I think that is a questionable course. I hope that we can continue to grow at 3

percent a year, and private sector growth has been over 3.5 percent a year since I've been President. I hope we can continue to do that. But I think that it is not prudent for us to go spending a lot of money that we haven't really realized yet. So I think we have to be very careful -- this so-called spending the surplus -- it is not a surplus that is being spent; it is the difference between the projected deficit line today and the one that existed last summer.

And if we hold tight and save all of that money or most of that money, and show some discipline here, we might get a balanced budget a lot quicker than they thought, and then we can decide what to do. But I think we need to be somewhat careful before we just go spend all this money that hasn't materialized.

Q Just to be clear on something you mentioned -- we have one more just to try to clarify something. Are you saying you might endorse a national sales tax?

THE PRESIDENT: No, I didn't say that at all. I said that you should draw no -- he didn't even ask me if I was going to endorse a national sales tax. John asked if this meant that I had decided that I was going to offer a tax reform idea in '98, and I said I hadn't decided to offer any tax reform idea in '98. But I think that we should be open to ideas and listen to arguments.

Is it fair? Is it progressive? Will it work? Will it be more simple and efficient? I think those are legitimate questions. And Mr. Archer asked me if I'd have the meeting, and I said of course I would, and I did. I did not decide that I would endorse it after the meeting.

Q Can I just quickly ask you -- we can't leave here without asking about golf because many people that meet with you said that you talk a lot about golf, but even to the degree where some said it's sort of a preoccupation, where it's filling your thinking in a way that polls used to during the campaign and so forth. And they're worried that you may even be going too far in your golf talk. We've heard that from Tom Daschle and other people, and Senator Breaux said, it's golf, golf, golf; that's all he talks about.

THE PRESIDENT: Almost the only people that ever complain about it are people that don't play golf. (Laughter.) And I try not to say anything about it around them, but sometimes they're in crowds -- I think that's a -- that's not so. For one thing -- one of the things that I've learned is that anything a President says is subject to being multiplied by five -- (laughter) -- or 10. I'm interested in it, and it's fun. It's just a way I get away from it. And when I talk about it, it's just a way I get away from it. If I were really serious about it, I'd have a lower handicap and a different approach. (Laughter.) But I like it; it's a lot of fun for me. It relieves the pressure of the job. But it's not -- I don't think that I'm -- it's not fair to say I'm obsessed with it.

Just like -- I think even that polling thing, to be

fair, if I had been a completely poll-driven President, I would not have been willing to pass an economic plan that could only pass by one vote. Or since I know how to read polls and I know that it's not just the numbers but the intensity, I wouldn't have been the first President to take on the NRA, or help Mexico, or do Bosnia, or do Haiti, or do any number of other things we've done here.

I think these polls are interesting and they're important. They tell you what the people who hired you think, at any given moment in time. And they shouldn't be completely disregarded. But on the other hand, they're not a very effective guide for action in a dynamic world. You have to understand what really matters is what the condition of the country is when you're finished, or when you're up for election, or whatever. And if an administration in a dynamic world really made decisions just based on polls, what they would find is it was ultimately self-defeating because by the time they were held accountable, the polls had been changed.

You always really have to -- the right thing to do in making decisions like this is to ask, first of all, what do you think the right thing to do is. Secondly, where do you want to be at the end of the road; when you're finished what do you want the results to be? And then, thirdly, is there a compelling way in a free society you can sell it to the American people so that they will stay with you, because it is important to have popular support because that's the way democracy works. And polls can be very helpful in that regard, but they are a very poor guide to deciding what you're going to do tomorrow, because the circumstances tomorrow may be entirely different than they will be six months or a year from now, particularly if you take the easy way out now. You wind up in more trouble tomorrow.

We took the tough decisions in '93 and '94, and I regret very badly that some of our people paid with their seats in Congress -- on the economic plan and on taking on the gun lobby and all that. But the country is in much better shape now and I think we laid the foundation for a much stronger, progressive politics and a much stronger Democratic Party into the 21st century because we did that and that's part of our party's legacy.

Q Have you had any success in converting anyone in the Senate on Bill Lann Lee?

THE PRESIDENT: No, but I think it's a real mistake. I think they made a real mistake on that. And I still don't even know -- you know, I've had a pretty good working relationship and a very candid relationship with both Senator Lott and Senator Hatch, and I must say, I'm just -- I'm really disappointed. I just don't -- I just think it was a mistake and I don't even think it makes political sense for them.

This guy, his life story, his life's work, he made it unambiguously clear that he was going to enforce the law as it is written and interpreted by the Supreme Court; that he would recuse if

the specific California issue came up. I mean, this is a -- they just didn't make much of a case for being against this guy. It looked to me like whoever was in this kind of conservative bloc there just decided he was going to take the fall. And I think it's a terrible mistake. I think he's a very able, good man.

Q Are you going to recess-appoint him?

THE PRESIDENT: I'm not prepared to make a statement on that one way or the other yet.

Q Tell them next week?

THE PRESIDENT: Well, that depends in part on -- it's not just my decision to make, you know. There's more involved in that than me. But I'm not prepared to say one way or the other yet. I'll just tell you I think they made a terrible mistake.

Q Is he willing to do it? Mr. Lee, come here with that sort of uncertainty?

THE PRESIDENT: I don't know the answer to that for sure. You'd have to -- somebody here may know the answer, so I'm not trying to mislead you.

Q Somebody here does.

THE PRESIDENT: I'm not trying to mislead you on that. I've been working on this -- most of what I've been doing the last few days has been on the financial issues in Asia, so I don't know.

Q Are you worried about a backlash from that and the United States being seen as sort of a global economic superpower dictator --

THE PRESIDENT: In Asia? No, because of the way we did it. Keep in mind, the Korean plan is consistent with the agreement that all the finance ministers in the Asian Pacific region made --

Q In Manila.

THE PRESIDENT: In Manila. And instead of Japan and the United States coming in and bailing -- just doing the bailout ourselves, and dictating the terms, this was part of an agreed-upon negotiation with the IMF where we and others came in in a supporting role.

Did we say that there ought to be strong terms? Yes, we did do that. But again, that's just like what we had to do in '93. It would have been a lot easier for us to have an easier plan in '93, but it would have had less satisfactory results. Because we had a tough plan we got interest rates way down, we got growth way up.

Look at what Mexico did, because they took the tough way

out. They took a terrible beating for a year and a half; two years later they were in much better shape than anybody ever dreamed and the government enjoyed strong support.

So the only thing that the United States did, Secretary Rubin, was to say, look, Korea has no stronger supporter than the United States and we believe in its economic potential and its economic future. But we want the plan to be real. And that's what the IMF said they wanted and that's what we got. And I'm very hopeful.

Q Has Louis Freeh made it harder to make the case that campaign finance reform charges that remain are essentially political?

THE PRESIDENT: I don't think so.

END 3:38 P.M. EST

Message Sent To:

Lori Anderson
Brenda M. Anders
Douglas B. Sosnik
david t. johnson
Joseph P. Lockhart
Laura D. Schwartz
Michael McCurry
Megan C. Moloney
Jonathan Murchinson
Elizabeth R. Newman
Julia M. Payne
Joshua Silverman
Darby E. Stott
Amy W. Tobe
Barry J. Toiv
Michael Waldman
terri tingen
SUNTUM_M @ A1@CD@LNGTWY
WOZNIAK_N @ A1@CD@LNGTWY

Message Sent To:

Rahm I. Emanuel/WHO/EOP
Paul E. Begala/WHO/EOP
Bruce N. Reed/OPD/EOP
Gene B. Sperling/OPD/EOP
Michelle Crisci/WHO/EOP

Message Sent To:

Elena Kagan/OPD/EOP
Thomas L. Freedman/OPD/EOP
Christopher C. Jennings/OPD/EOP
Michael Cohen/OPD/EOP
Cynthia A. Rice/OPD/EOP
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