



Laura Emmett

01/14/98 03:49:10 PM

*Pres. Der Hal
Q & A*

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Subject: Time and US News Internal Transcripts

Here are the transcripts you should refer to when updating your Q & A's. Please note that if you are observing MLK day that you must have your updated Q & A's to me by COB Friday. Please review these transcripts carefully for your subject matter. Thanks.



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01/13/98 02:58:00 PM

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Subject: INTERNAL TRANSCRIPT: US News and World Report Interview

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

January 13, 1998

INTERVIEW OF THE PRESIDENT
BY
U.S. NEWS AND WORLD REPORT

The Oval Office

11:40 A.M. EST

Q Let me just start off with sort of resuming our conversation we had coming back from South America on Air Force One

where you were talking about sort of your reading of history and you sort of briefly touched on -- at that point, you were looking at presidencies of the Gilded Age. And I just wanted to get a sense from you in a broad way what your reading of history has given you insights into about where we are today and what your role in history is and where your presidency is, and what you can accomplish, if there are some parallels that you've seen particularly in other presidencies.

THE PRESIDENT: I believe that throughout the history of the country we have been very blessed to have essentially a two-party system -- although from time to time at periods of great change, we have had more than two parties. We had four parties when Abraham Lincoln was elected the first time. We had three parties when Woodrow Wilson was elected. We had three parties when I was elected. And we had three and a half parties last time -- Ralph Nader got a big vote in at least two states that didn't affect the outcome of the states. It affected my vote, but not the outcome of the states. We had a big -- we had four parties in the '48 election.

But, by and large, we had two parties. And one party has essentially been for strengthening the nation and focusing the attention of the nation on the challenges of the moment, always arguing that whatever action needed to be taken was a logical extension of the principles of the Constitution to the challenges of the moment.

One of the reasons that I spent a lot of time last year reading -- I read a biography, a great biography of Grant -- Geoffrey Perret -- biography of Grant. I read Ari Hoogenboom's biography of Hayes, Rutherford Hayes. And then I went back and read Nagel's biography of John Quincy Adams and Jean Edward Smith's terrific biography of John Marshall. And I was trying to sort of put all of that into the larger context of American history. And essentially, my belief is that -- if you look at -- the other party always argued that, well, we shouldn't do that because the nation should not -- the most important thing was to worry about the dangers of government, that government was inherently dangerous and that we should have more power in private hands or local hands, and that, if you look at it, that that debate has been constant throughout history, from John Marshall and Alexander Hamilton and James Madison all the way up to the present day. And so the first thing I tried to do is fulfill what I think the number one historic responsibility of the President is, which is to define the larger purpose of the nation and keep the nation together and get the nation to meet the challenges of the moment.

Now, in terms of history, I still believe the time in history that this most approximates is the shift from the

Agricultural to the Industrial Age. There are parallels, there are dramatic differences, and the transformation that there is no fixed point in history, but we normally associate that with the administrations of Teddy Roosevelt and Woodrow Wilson -- although to

be sure, a lot of it began well before them and a lot of it was not resolved until the Great Depression and World War II. So these things go on a long time. But I think that's the point in history it most approximates.

So, what does that mean in terms of me? It means, I think, several things. First of all, we have to define the moment. What is this moment characterized by? Primarily, it's characterized by enormous globalization of the economy and increasingly of non-economic functions. Number two, it's characterized by a breathtaking revolution in information and telecommunications and the biological sciences. Number three, it's characterized by an increase in the scope and pace of change in the way ordinary people work and live, relate to each other and relate to the rest of the world. And, fourthly, it's characterized by great, new challenges to the role of government and to societies, generally, to preserve their values. That's the time we live in.

Now, what I've been trying to do since I got here was to get this country -- to use my metaphor -- cross that bridge into a new century and a new millennium, with the American Dream alive for everybody who would work for it, with America's leadership in the world for peace and freedom and prosperity still strong and unquestioned, and with our American community coming together instead of being driven apart with all the forces at work today that tend to drive people apart.

I think that a lot has been done in the last five years. I think a lot still has to be done. But if you were to ask me what has been the central contribution we've made so far, I would say, first of all, I do believe we have successfully advanced a different philosophy of government, kind of going beyond the old argument that government was the problem -- or that government is the solution to which people are entitled, I've tried to move beyond the entitlement versus enemy dichotomy of government.

My mantra has been opportunity, responsibility and community -- that you can't create opportunity in the end without responsibility from citizens, and we have to be one community because we can't fulfill our individual or family aspirations unless we go forward as a country.

I've also tried to move with that formulation to try to remind the American people that politics is always about more than economics; that economics is very important, but we have to move beyond materialism. We can't possibly meet the challenges that we are going to face as a people unless we have that philosophy grounded in values that embrace more than just economic goods. So that's the first thing.

And let me just briefly say, the second thing I think that we have done that is quite important is to focus on the central importance of the global economy and this concomitant revolution in information technology. The third thing I think we've done that's

important is to redefine the operational role of government away from an all-or-nothing sort of dichotomy toward a government that operates to give people the tools and to create the conditions to solving their problems -- one that operates more in partnership with local government in the private sector, and in partnership with people beyond our borders. It recognizes increasing interdependence, and one that operates as a catalyst.

You know, I've been criticized a lot for so-called "small ideas," but if you just look at what we did with the school uniform thing and you see the percentage of school districts that now have school uniforms that didn't before I went to Long Beach, I think this whole idea of government is catalyst. The national service work is a catalyst. There are a lot of other things we've done that I think have been very successful in that regard.

The fourth thing we've done is to put in place I think an economic policy that is well-suited to the present moment and that works, that focuses on fiscal discipline, expanding trade and investing in people. And I think the final thing that we've done that will be of enduring significance is this whole focus on one America, not only in terms of bridging the racial divides, but also in terms of citizen service.

Now, let me just make one other kind of introductory point, because you've talked about what do you hope to accomplish. It seems to me that this era, not only for us but for other advanced countries -- and in some ways for emerging countries as well -- presents us with a number of dichotomies -- you know, real serious choices that have to be made. There is the apparent conflict between the present and the future. You see it in America in terms of the most -- shall we give a tax cut or take care of the entitlements. You know, the present versus the future. But we've had that in a lot of -- and I always argue that the present would be better off if you were taking good care of the future, which has certainly proved right in getting the deficit down.

The second big dichotomy is the dichotomy between this new, super-charged global marketplace and what we think of as the social contract. Obviously, the sort of guarantees that people grew up with in the Industrial Age and after World War II have been frayed around the edges. Not all of them have. We have -- homeownership and work force participation are both at an all-time high. But that's why we've worked so hard on the most critical ones -- balancing work and family, if you work for small companies and you travel around -- how do you get lifetime education, how do you have a secure retirement, how do you get access to health care, what do you do about child care -- those questions.

And just two more -- one is economic growth versus the environment, which is most starkly stated by the climate change issue. There I would say we're doing quite well with the environmental challenges that are right before us the ones that are a little over the horizon are more difficult to deal with.

So, for example, we've got cleaner air, cleaner water, fewer toxic waste dumps, safer food supply, more land set aside, according to Bruce Babbitt, than any administration except the two Roosevelts' heritage. But this climate change, I've still got to get the country to come together with that.

And then the final one, I would say, in the global sense is kind of community versus chaos. We see this world that's increasingly interconnected and we all get together and do Bosnia and we feel good about it. But there are explosions of population and poverty; there is the possibility of spreading disease; there is the environmental degradation in the poor countries; there is the possibility of the spread of weapons of mass destruction; there are governments that seem to have popular support that still practice ethnic cleansing.

So you're going to have -- I would say, the market against the social contract, the present against the future, the environment and the economy and the chaos and community -- I think these are the four big global challenges, and you can see them in America and you can see them around the world. That's the larger landscape on which I'm operating right now.

Q There is just one other thematic point, and then we have some specific policy themes and other themes you wanted to get into. But to what extent, given the good times now and the country at peace and things going well, do you feel this is an opportunity to sort of use this as a window to limit these dark forces that have been in our history before? Racism -- you've mentioned a two-year race initiative and we've had the problems with class hatreds, with xenophobia and so on. What kind of a moment is this in which you can sort of close the window or at least limit --

THE PRESIDENT: Well, that's obviously what I'm trying to do on the race front and in other areas. You know, I spoke at the Human Rights Campaign Fund dinner last year. I've tried to find ways to reconcile the religious differences in America with the work Secretary Riley and Attorney General Reno and I did, trying to explain to people what they could and couldn't do in terms of their religious convictions in the schools. Very, very important, I think, in terms of the practical way people live. I think that's important.

I think it's also important for us to be -- this is an important time to deal with the entitlements issue, and I want to do that in the next three years. It's an important time for us to try to construct insofar as we possibly can a global framework that will provide the means by which my successors -- I don't mean just presidents, but the American people -- can work with others to solve their problems, which is why I'm so concerned about continuing to follow the momentum on trade and also just resolving these issues surrounding the United Nations and the other international

organizations.

I think that we're going to have to do more of this problem-solving together. The United States can lead the way, but we have to be able to work with other people, and we can't do it if, for whatever reason, we don't seem to be carrying our own load.

Q You talked there as you went through the principle of the idea of government as catalyst. And when you were up in The Bronx the other day in Charlotte Gardens, you talked about that same notion of government as sort of providing impetus for people to deal with problems at the local level. The critics of that approach basically say it's a way to justify a smaller federal role at a time when there isn't a lot of public support for the federal role or a lot of money. If you have more money to spend, if there was more money to spend, would you be doing things differently in urban policy and other areas, or do you think this approach fundamentally makes sense no matter what the scale?

THE PRESIDENT: I think it makes sense no matter what the scale. If I had more money to spend, I would be doing more of the same thing. Let me give you an example. Look at the child care thing. How did we propose to spend the child care money? Through a big increase in the block grant to the states. Why? Because the reality of the child care delivery system is different from state to state, indeed from community to community; they're in a better position to do that. All we can do is, we can raise the income level and the people can get a little help. Through an expansion of the child care tax credit, that goes -- money directly to people. We empower people to do things. And then we do things that we think will make the system better. The rest of the money is spent on guaranteeing more safe child care centers and a better educational and developmental component for the kids once you get in there, putting, if you will, the values base component there.

If you look at what -- the kind of stuff that Andrew Cuomo has done and what Henry Cisneros did when he was here; if you look at the success Dennis Archer had with the empowerment zone -- a lot of these strategies where the social problems still exist in America you have to have local participation, local buy-in and local entrepreneurial skills coming out of the private, the nonprofit or the public sector. And it just doesn't make sense for the United States to have a bunch of federal employees go in and basically try to direct how that happens. It's far better if you have to create the conditions for a vibrant, thriving community.

So if I had more money, I would have more incentives for people to invest in these communities to bring enterprise. Just in a couple of days from now, I'm going up to New York, to Wall Street with Jesse Jackson, to make an argument that he has made several times quite compellingly, I think, that one of the great untapped markets for American growth is the unemployed and the underemployed neighborhoods of urban and rural America.

We just had an announcement that appeared in the press a couple of days ago -- and Bill Daley is out in California, I think, talking about it today -- we're going to try to do something a little different with Labor Department funds. We're going to try to have a crash training program for people in these information-based job shortage areas.

You know, there are almost 400,000 computer-related jobs going begging today. There was an article in The Washington Post a few weeks ago which said that in this area, there are 25,000 jobs, openings in computer-related jobs, not all of which require advanced degrees of any kind where people could be trained. So if I had more money, I would do more of that. I would train more people more quickly. I would go in and I would try to create more entrepreneurialism. I would try to have more community development, financial institutions making more loans. I think you've got to create the conditions of a coherent, successful community in order to make any progress in these social policies.

Q And yet, you want to at least, certainly -- in the campaign of '92 and then moving further in '95, you have argued that Democrats have to sort of bind their commitment to activism within a sort of jacket of fiscal restraint and now --

THE PRESIDENT: I agree with that.

Q -- and now government balance, that should be part of the party message.

THE PRESIDENT: I believe that. Why? Because, among other things, your obligation always has to be to make the country work first. The country has to work first. And, secondly, you have to serve a majority of the people. Keep in mind, we have work force participation at over 64 percent now, for the first time in history, and we have more than two-thirds of the people in their own homes for the first time in history. I don't believe any serious person thinks that would have happened in the last five years if it hadn't been for fiscal responsibility.

We still have fundamentally a private economy, and the rules of that economy, particularly in terms of capital investment, are increasingly being set, if you will, by people who can put their money anywhere in the world. That's what you see in the Asian financial crisis. So governments have to stipulate sound economic policy as a precondition of achieving their social objectives because at any given time, except in war-devastated countries, more than half the people are on the job. More than half the people are out there in the private society succeeding at their own lives. They're doing what has to be done. So in order to make real progress you have to build on success. You can't threaten the success of the 90-plus percent of the people in order to reach the problems of the others.

Q Do you believe there is a consensus now in the Democratic Party behind these central ideas, sticking with fiscal

discipline, government is the catalyst, balancing opportunity and responsibility, opening up the global market -- do you believe the party is fundamentally Clintonite in effect at this point?

THE PRESIDENT: I wouldn't use the last word, but I think there is a consensus. I think -- first keep in mind, we got two-thirds of the House caucus to vote for the balanced budget bill. We had -- a higher percentage of Senate Democrats and Senate Republicans voted for the balanced budget amendment. Vast majorities of our group voted for the crime bill in '94. And we had a majority in the Senate -- I don't know if we had a majority in the House or not on the welfare reform, but it was --

Q Even in the House and a majority in the Senate.

THE PRESIDENT: And basically that was just over the question of -- in the House we would have had a huge majority there but for the non-welfare reform provisions on food stamps and immigrants -- we largely had done away with. And I don't even think trade is a real exception there. We had a clear majority in the Senate for our trade policy and an overwhelming majority among Democratic state and local officeholders.

In the House you have a particular set of problems there where I think they have legitimate concerns, but I think their solution is wrong. That is, I think defeating the attempt to continue to open new avenues for American trade is not the answer to the dislocations of trade. We can talk more about that later if you want to.

So I think, on balance, there's been a -- with the exception of the trade vote in the House of Representatives, there is a new consensus within the Democratic Party. And I think it is absolutely consistent with the values in the Democratic Party going all the way back -- going back to Franklin Roosevelt and Woodrow Wilson. I don't think there's any difference there, I just think -- what we're doing is applying our values -- we basically believe that nobody should be discriminated against, everybody ought to have a chance, and if somebody deserves it they ought to have a hand up. That's basically what we believe. And Roosevelt always talked about the imperative of work, the dignity of work, the moral worth of work. We're just applying that to a new century, a new economy, a new world out there. No one could expect the institutional arrangements of the last 50 years to work for the next 50, given the nature of changes we're facing.

Q So the changes you pushed going back really to '91 and '92 and the original campaign, you think these are rooted in the party line, that this is a turning point?

THE PRESIDENT: Well, I hope so, I do. But this has not been a short-term thing. I remember in the early '80s when I proposed teacher testing in Arkansas, I was practically burned in effigy. And now you've got both the NEA and the EFT out there saying

they think there ought to be national tests, there ought to be national standards.

I think there is -- just to give you one example -- I believe that there is a consensus. Now, can the consensus be frayed, might we turn back around and go the other way? I mean, anything could happen. But I believe that there is a strong conviction -- even on the trade debate, the people that voted with me and the people that didn't, we all agreed on something that a lot of people in the Republican Party don't agree on. We all agreed that environmental issues and labor issues as well as child labor issues, all these things should be part of the mix of global negotiations as we go forward. These are things that countries have to work on together.

I was just in south Texas, you know, where there is strong support there for my trade position, but also strong support for investing more in environmental cleanup on both sides of the border, for doing more for the people in El Paso who lost their jobs when they moved across the border, for -- in other words, creating a different kind of social compact that moves more quickly to help people who were dislocated adversely from changes in the global economy.

Q I wanted to ask a couple of specific policy questions. On the entitlement issue, have you decided whether a special session would make sense? I understand there's been some talk with the Hill leadership at least at the staff level, and I wonder where you feel that goes now -- Social Security --

THE PRESIDENT: No, I haven't made a decision on that. We've got the Medicare commission meeting and we reached agreement with the Senate and House Republican and Democratic leadership on Medicare process, and I'm hoping that we can reach agreement on the Social Security process but accelerate this. I was very worried that, to be fair to them, both the House Democrats and the House Republicans felt more vulnerable for different reasons on Social Security and felt that it would be almost impossible for me to construct a framework in which there wouldn't be some adverse political reaction.

My sense of that, by the way, is that that's absolutely wrong. I believe -- for one thing, most people on Social Security now are not going to be much affected, if at all, by anything that is recommended and implemented. And I don't talk to anybody my age and younger -- and I'm the oldest of the baby boomers -- I don't talk to anybody my age and younger who doesn't feel that we have to do something to preserve the safety net of Social Security for our generation without bankrupting our children who are going to be taking care of our grandchildren.

So, therefore, what my intense focus has been -- I mean,

you and I know what all the options are, but my focus -- for substantive changes -- but my focus has been on trying to get a process that would bring the players in line who would have to make these decisions sometime in the next three years. I very much want to do it before I leave office. I think, for one thing, I should have credibility with the American people who, first of all, know that I care very much about Social Security and Medicare and the people who need them most, and secondly, who know that I'm not running for reelection so I don't have to pull any punches, but that I do have the values -- it's kind of like President Nixon going to China. I want to preserve these things for the next generation, but I want to do it in a way that makes sense.

It's the same argument as the fiscal discipline argument you asked me about. The Democrats ought to be out there leading the charge to say we will need a social safety net for retirees and Social Security. We certainly need a health care program. We don't want to not have universal health care for seniors; we see the price of not having it for other people. But we have to make the changes necessary to accommodate the new realities in lifespan, medical technology, health care choices and the generational -- just the sheer numbers in these different generations.

Q You mentioned lifespan there. In '94 the Terry Danforth Commission proposed the same thing you have -- something similar to what you have recently developed, allowing an early buy-in into Medicare. But that was half of the equation. The other half was raising the age of full eligibility and, in effect, they saw the early buy-in as a way to deal with the problems of that. As your proposal moves into Congress would you support an effort to reconnect these two ideas and raise the age of full eligibility as a part of the process of allowing the early buy-in?

THE PRESIDENT: No -- well, no, but I think that should be debated, that issue should be debated in the context of what we're going to do with Medicare reform, because, to be fair to Terry Danforth's Commission, unlike the later congressional proposal, which just wanted to raise the retirement age --

Q -- both --

THE PRESIDENT: But the later congressional proposal didn't. So we had this huge number of uninsured people. I think that ought to be done in the context of Medicare reform.

Q Do you think it should be done, though?

THE PRESIDENT: Well, it depends on what else is done. It depends on whether health insurance is really affordable for people. It depends on -- I don't think we ought to do anything that reduces the percentage of people with health care coverage and creates more dislocation in the health care delivery system. And whatever I think I wouldn't say it now because anything I say will weaken the chances that we get a bipartisan consensus agreement on

the Medicare commission.

I think once I've turned over the commission I'll be glad to offer my opinion about their recommendations when they give them. But I think we ought to let the work and do their work now.

Let me come back. Our proposal is more limited than their original let everybody at 62 buy in. It may prefigure that. Some of my Republican friends are worried that it prefigures that. But keep in mind, what we proposed is that people who were promised retirement by their -- health insurance by their companies when they took early retirement and didn't get it, and people who are dislocated over 55 should get in, dislocated workers can't get back in the work force -- and then people who are 62 to 65 who lost their health insurance because their spouse got on Medicare principally. But our proposal, unlike Terry Danforth's which was a sliding scale of subsidies, our proposal is fully paid for in the balanced budget, almost all of it by premiums, out-of-pocket premiums. We do have a small subsidy related to changes we're going to make in the administration of the program to reduce abuses in it, but it's not significant.

Q I feel hot breath on my neck, so let me ask them very quick. Minimum wage -- since you granted the minimum wage in '96 the terrible things that were predicted have not happened. Unemployment has continued to drop, the economy has continued to do well. Is there a case for raising it again?

THE PRESIDENT: Well, it's still not -- in terms of purchasing power, it's still not where it was in the '60s and early '70s. And I had been asked to consider that and so I've asked the Council of Economic Advisors and my economic team here to do the best they can -- it's really not possible to fully evaluate the impacts of it, but it obviously hasn't been very damaging. We've got 14 million jobs, so we're doing pretty well.

So I've asked them to review that and come back and give me a recommendation. I've generally always been sympathetic to that. But I think, again, that's part of what -- the minimum wage, the earned income tax credit, the changes we made in retirement savings -- and I hope, by the way, to do some more on that. I'm going to try to do more to make retirement -- to encourage people to save for their own retirement more.

That's another point that needs to be made on the Social Security. No matter what we do on Social Security, only half the American people now are saving for their own retirement. Hardly anybody can retire on Social Security alone and maintain the living standard they had before they retired. There are very few people who are at that low level of income. So we also have to do more to encourage private savings. We're having a big conference on that later this year that was authorized by a congressional bill, and the

Republican leadership and the Senate leadership and I, each of us get to put 100 people in there. But even before that, I'll probably have some more retirement proposals.

Q Have you thought at all about the proposal of Bill Galston and others they're promoting about wage insurance?

THE PRESIDENT: Yes. It's a fascinating idea. I just don't know what the costs are. We have to work through the costs. It's a fascinating idea as a way of recognizing that there are a relatively small number of people who can take quite a big hit in their lives because of technology or trade-related dislocation and maybe ought to be able to take out an insurance policy that goes beyond the traditional unemployment system. But he sent me that idea and I asked our people to do some work on it, and I just don't know enough about the costs and the difficulties of it to have an opinion.

I'm fascinated by the idea because, obviously -- what I'm looking for are the ways that keep the dynamism of this economy going, that get the benefits of it for our people, and still allow us to take the places where people's sense of -- if I am a responsible person, if I work hard, if I'm trying to raise a good family, what do I need to be able to look forward to. Well, they've got a better chance of having a job, they've got a better chance at owning a home than they have in a long, long time. But what's still out -- they also -- they have a better chance of going to college than ever before, virtually open the doors to college, and going back and getting further education and training in their lifetime. So those are three huge things.

But what are the problems still? The long-term stability of Social Security and Medicare; the availability of private retirement; and access to health insurance; and what happens if I'm a person with a pretty good job without much education and my job goes away -- it disappears into a machine, I lose it in trade, my company fails -- what happens while I'm getting retrained? Those are the places where if we could figure out a way to do that, that reinforces the market economy, that's obviously the best way to do it.

So that's what we're grappling with. Galston's got a good idea; I just don't know if it will work, I don't know how much it costs.

Q Thank you.

THE PRESIDENT: Interesting interview, guys.

Q Thank you. On a legal matter, are you resigned to this Paula Jones thing going to trial, does that seem to be inevitable?

THE PRESIDENT: Probably. I let other people talk for me on that because I just try to put it over in a little box and go

and do my work. It's just another -- it's someone else's politics, not mine. So I've just got to focus on what I'm interested in.

Q The walking out question. There's an understanding now about how little college freshmen are interested in politics, and I wonder if --

THE PRESIDENT: Do you think that's true?

Q Well, I wanted to ask you what you thought and if Chelsea, for instance, has given you any ideas about what new freshmen are like.

THE PRESIDENT: My impression from talking -- I don't have a representative sample, I wouldn't say that. But I know that when we -- I only have one example, besides Chelsea. We started this America Reads program and we began with the colleges. And we said we would like to have the colleges set aside a certain number of these work-study slots to get volunteers to be part -- well, so we got 800 colleges interested in it, and I don't know how many, but a very substantial number of them told us that they had all these kids showing up who weren't eligible for work-study who also wanted to be a part of it.

So we had tens of thousands of college volunteers out there doing this America Reads thing. That does not indicate to me that there's some great loss of the spirit of service or citizenship out there. I was actually a little surprised to see the study.

END

12:15 P.M. EST

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SUNTUM_M @ A1
01/13/98 04:54:00 PM

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Subject: INTERNAL TRANSCRIPT 1998-01-13 POTUS Interview with Time

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

January 13, 1998

INTERVIEW OF THE PRESIDENT
BY TIME MAGAZINE

The Oval Office

12:33 P.M. EST

Q First of all, we understand that you've been thinking a lot and reading a lot and learning a lot about some rather quiet times in the 19th Century and some relatively obscure presidents. And I was wondering sort of what gives and what makes them of interest to you at this point?

THE PRESIDENT: Let me explain why I did it. Last year, I tried to determine in my own mind whether there were any unifying threads that run throughout the whole history of the country. I had read a great deal about the founding of the country and I read -- earlier in my term here, I actually went back and I read a biography of George Washington and a biography of John Adams and I read a biography of Thomas Jefferson; a lot of them have come out recently. I've read a couple of books about Jefferson. And then I read some more about Lincoln, I read some more about Roosevelt. I read August Heckscher's biography of Woodrow Wilson. I read some more about Teddy Roosevelt. And then I obviously -- I've done a lot of reading on more recent Presidents.

I just finished Jeff Shesol's book on Lyndon Johnson and Bobby Kennedy. It's a terrific book. But I wanted to read some -- it occurred to me that we don't know much about what happened -- most Americans don't know much about what happened after Lincoln and before Teddy Roosevelt, and most American's don't know a great deal about what happened after Andrew Jackson and before Abraham Lincoln.

So I went back -- I read Jeffrey Perret's new biography of Grant and Harry Hoogenboom's biography of Rutherford Hayes, and then I read Nagel's biography of John Quincy Adams. And then I read Jean Edward Smith's terrific biography of John Marshall, because it kind of crystallized what I had been thinking about the seminal break points of American history. And I think we're at one today. Everybody knows that the Civil War was important and that we preserved the Union over slavery and separatism and everybody knows that the progressive era was important under Teddy Roosevelt and Woodrow Wilson when we made the adjustment from an agricultural to an industrial society, and we know that the Depression and World War II and the beginning of the Cold War were important, the civil rights era was important.

But if you read these other periods, you basically see that -- you read about these other presidents -- particularly if you read the Marshall biography, you can see that from the beginning, this country, I think, has been quite blessed by having a two-party system, which has been frayed around the edges, like there were four parties in the Lincoln election, four parties in the 1912 election, four parties in the 1948 election and there were three parties in our 1992 election and kind of three and a half this last time. Nader was a significant -- they got a significant vote in a couple of states. But you see throughout, basically, a contest between one party articulating the imperatives of strengthening the nation and applying the principles and values of the Constitution to the challenges of a new era.

And another party always sa

ying, no, no, it's more

important to be mindful of the dangers of government and to concentrate more power in private hands, or locally. And if you all the way through American politics, you can see that.

Now, sometimes the issues have been mixed, but basically, that's the story of American politics. What I have so to do is to redefine the role of government and to define what the nation's interests are as we move into a new century, characterized overwhelmingly by two different things. One is the globalization of the economy and increasingly noneconomic issues as well. And second is the revolution in information and technology and biological sciences. Those two things together characterize our age, and they mean, among other things, that we have a much more rapid and far-reaching pace of change in how we work and how ordinary people work and live and relate to each other; and, secondly, we are more interdependent, for good or ill, whether we like it or not, with people beyond the borders of our neighborhood, our state, and our nation.

And so what -- my reading of history in these, what might call these "fallow periods," was more to see if I could determine, in effect, an unbroken line from George Washington and John Marshall and Alexander Hamilton on the one hand and, in effect,

you're responsible, can you get a job, can you raise your family, you have access to education and health care and retirement. And arrangements that worked for the last 40 or 50 years are not adequate to the present moment.

There is the whole emphasis, this -- having all this information and having so much market dominance puts on the here now -- it's against our obligations to the future. You'll see that for example, in the debate about should we give ourselves a tax cut if we get a surplus, or do we have to make sure we've got Social Security and Medicare 30 years from now taken care of first.

There is the tension between impulse that people here and around the world have on the desires for economic development and our responsibilities to preserve the environment. Are we going to see these things as inextricably opposed? If we do, we'll continue to have the kind of environmental degradation you see in the Third World and nobody will take on the responsibility of dealing with climate change. I believe the evidence is that they can be reconciled.

And, finally, let me just say there is one other big issue that we see, and whether it's in Bosnia or the threat of chemical and biological weapons, or the questions that some people are raising now about the spread of malaria. You've got this phenomena now called "airport malaria," where people who are

the 1980s there was basically a war between those who said govern was the enemy and those who basically wanted to preserve the government of entitlements that had grown up after the second world war. And I think we've gone beyond that with my now -- some would say "shopworn" formulation of opportunity, responsibility and community, what that says is that government is about more than economics, it has to be about values, but it can't sit on the sidelines; that there ought to be -- that opportunity and responsibility mean something; that you can't create opportunity without citizen responsibility. And community means something. means that we can't pursue our individual agendas fully unless we are part of a community in which everybody has a chance and everybody has a part. I think we've changed the governing philosophy of the country.

Secondly, I think in very practical ways, we've changed the role of government away from government trying to do everything and government trying to do nothing, to a focus on giving people tools and creating the conditions to allow people to make the most of their own lives, and having government operate more as a catalyst than a partner.

Now, that has led to some people saying, well, you know, a government of small ideas; but I'll just give you a couple that I think are quite significant. We were purely a catalyst in school uniform debate, but now if you look at the percentage of

lifetime system of education and training which would -- policy -- then operationally the way we set up the economic team here in the White House, the National Economic Council, which most people predicted wouldn't last six months, looking outward to the world inward to the smallest neighborhoods, we have made, I think, an enduring contribution to showing that there is an economic policy that works in the modern era and it will work for our successors well.

Then, the last thing I would say that I think is an enduring contribution of our term, will be, is this whole emphasis on one America, on bringing people together across all the lines that divide us -- not just race, but the other lines -- to enhance the common good in a way that helps people pursue their individual agendas, and the emphasis on service being a part of one America, AmeriCorps, the Presidents' Summit on Service and all of that. I think those things will last.

Now, there's still a whole lot to do because there are a lot of challenges out there, but if you look at -- I think we've given a new governing philosophy, a new way of government, a new direction in the economy, and a new direction on one America. I think those things are already out there.

Q Is there a concern on your part, though, that the unifying theme that you see isn't really perceived by the public,

increase in access to college in 50 years," most people would have thought those were three big ideas. Yet, when we did it, this sort of college access thing was sort of a ho-hum deal around here.

I just went to South Texas and talked to 18,000 people in a football stadium in McAllen; they still think it's a big deal.

Q I was there, yes.

THE PRESIDENT: They think it's a big deal that they get to go to college now, and that basically community college is free in America now, with the HOPE Scholarship, and that there is lifetime learning credit, and that their parents can go back to school and get education and get some help. They think that is a really big deal. So there may be a difference beyond the Beltway what is or is not a big idea.

But the main thing is, there is a lot going on, and I think very often -- if you look at my State of the Unions, I've tried to focus people on the immediate tasks at hand, because I find that what energizes people and that's what gets them working and maybe that we do lose the big picture, or maybe that the big picture is compelling.

But I think that there is a consensus within my own party that didn't exist before on what that -- if we're going to

But I also think we're very concerned about, to go back to one of the big tensions, that the whole business about how do we preserve a coherent life for hard-working people and take advantage of these churning markets. Just since I've been here, we've doubled worker training funds. We have expanded access to retirement for people who move around among small business jobs. We've made lifetime education a virtual reality to people, and we have the highest percentage of homeownership in history and the highest worker participation in history.

So I've tried to deal with these problems of dislocated workers in the American market, and I think one of the things that we haven't done as well as I should have is to try to tie all of the things we've done with dislocated workers to the trade initiative. But the truth is that 80 percent of the people who lose their jobs lose their jobs for reasons unrelated to trade. But I do think that I've got to try to tie all these things we have done, plus the things we propose to do in one place and tie it to the trade initiatives. Because I think that our economic policy is -- a central pillar of it has to be being part of the global economy, being part of the global trading system.

But I think that every country has to have a system that moves aggressively to help people that are left behind, and we need even more new ideas to do that.

mean, it was an amazing thing. I just sat there and listened all night. I, of course, answered a question or two and asked several but I mostly listened.

I think, first of all, there was a general consensus one, that this is a unique period in American history, that it was harder for people to see since it doesn't seem to be characterized by a big crisis, like the civil rights era or the Civil War or World II or the Cold War, or by a big breakdown. We knew when we went from the Agricultural Age to the Industrial Era, we knew that there was a lot of good things going on; a lot of people had jobs, a lot of people were moving to cities, there were a lot of big problems -- know, the child labor problems and all that.

But the problems don't seem as pronounced; they're more like looming out there on the horizon, you know. But there was a genuine consensus that this is a big period of change in America, big, new period. And I felt that there was a general consensus that this was a time that we did have to redefine our national purpose to reassert the purposes of the nation just as George Washington John Marshall did, just as Lincoln did, just as Teddy Roosevelt and Woodrow Wilson did, just as FDR did or President Johnson did in the civil rights crisis, but that it would be different, that we needed a different kind of government, but this was a new time, the larger purposes of the nation had to be reasserted.

in this enterprise and business leaders and others is that the most important thing is that we have to fight complacency. This is no time for complacency. Just because things are going well -- when things are going well we should feel a heightened sense of responsibility, because we know we have these larger issues out there. We have to reconcile in our own country the demands of work and family. We still haven't created a genuinely universal system of educational excellence for a lifetime. We still have health care issues before us. We still have the entitlements issue unresolved and I think we just -- around the world, you see all of these -- the prospect of peace, the prospect of having international cooperation and, yet, we see the threats of burgeoning criminal syndicates and the narco-traffickers are out there alive and well. You've got the threat of chemical and biological weapons. But you also have the new environmental and disease threats that could cross national borders, associated with explosions of population and poverty in a lot of countries, all of which could feed -- so it's this -- we have to -- I think this is a time for new energy, for creating an international community of cooperation and interdependence and fighting back the chaos.

It's a new time to say we're going to grow the economy and preserve the environment. It's a new time to say we're going to take care of these present needs, but we're going to deal with the entitlements, we're going to deal with the problems of the future well. So to me, it could hardly be more exciting for the United

threatening to you; that's the first thing.

Then, secondly, I think there are noneconomic elements of this, which relate to the economics, principally related to work and family. I think we have to show people that they can communicate their values to their children and they can balance the demands of work and family, which is why I worked hard on family leave and the earned income tax credit -- tax policy -- you know, the family credit and the minimum wage and all that; that's very important on work and family, so that you get to the non-values issues. That's why I worked -- some people thought this was one of my small ideas, but I thought it was important -- when the Attorney General and the Secretary of Education now work so hard to tell schools how to reconcile the religious issues with the First Amendment.

And I think that, there, people need to understand, that there is a global dimension to that, which is why we've worked hard around the world for human rights and religious freedom and we want Americans to be involved in helping other people deal with their human problems -- whether it's the environment or disease or fighting for peace and humanity in Bosnia or the Middle East or anywhere else. I think that the one thing that I have to keep working to do is to show the American people how we can have a strong nation, but not an isolated nation, that we are increasingly interdependent, and that whether it's economics or security issue or even the family values issues, we have to understand the global

explaining all this, do you have a sense that you've done a lot in terms of sort of perspiration and -- a lot of changes made but you now have to shift your attention to inspiration to get the American people to --

THE PRESIDENT: I think that the American people -- there is a difference -- I don't think it's a perspiration/inspiration thing; I think it's a specific agenda/big picture issue is better. What I'd like to do is to try to do more in the State of the Union to capture the nature of this historical moment, and also to try to emphasize -- I think the American people intuitively understand this is a big and different time. I'd like to try to explain it a little more.

Also, I think the American people intuitively know that we are more interdependent, even though all the surveys show they are not interested in foreign policy. I think that the truth is that they care a lot about it when their values are affected or when they know our interests are affected.

But I would like to sort of take that moment to paint the bigger picture of the times that we're in and how all the specific things that both inspire and cause us to perspire to achieve them fit into a bigger picture. I'm going to try to do that a little more, because that's part of what you should do at the State of the Union.

history and what the larger landscape is, and I hope I can do it briefly enough to be able to meet their other expectations in the speech and do what I need to do. But also, I hope I can do it effectively enough so that I've got a better grounding with them taking on some of these tough decisions we have to take on, whether it's entitlements at home or the continuation of our involvement Bosnia abroad, or a continuation of an aggressive trade agenda, or dealing with our international responsibilities in trying to shore up the Asian financial crisis.

We made it absolutely clear that most of these changes have got to be made by the countries on their own; they have to undertake their own efforts; otherwise, they can't get investors back, no matter what everybody else does. Still, they need to know what these other nations do, that we understand that we've got a common future with them, that we have a common stake in the positive outcome here, so that we give them the reinforcement they need to do what they should do.

Q One final question. Mike Duffy made me ask this. Are you going to settle with Paula Jones?

THE PRESIDENT: I don't discuss that. Somebody else talks about that for me.

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PRESIDENT'S Q & A →EW



Laura Emmett

01/14/98 03:49:10 PM

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To: See the distribution list at the bottom of this message

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Subject: Time and US News Internal Transcripts

Here are the transcripts you should refer to when updating your Q & A's. Please note that if you are observing MLK day that you must have your updated Q & A's to me by COB Friday. Please review these transcripts carefully for your subject matter. Thanks.



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01/13/98 02:58:00 PM

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Subject: INTERNAL TRANSCRIPT: US News and World Report Interview

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

January 13, 1998

INTERVIEW OF THE PRESIDENT
BY
U.S. NEWS AND WORLD REPORT

The Oval Office

11:40 A.M. EST

Q Let me just start off with sort of resuming our conversation we had coming back from South America on Air Force One

where you were talking about sort of your reading of history and you sort of briefly touched on -- at that point, you were looking at presidencies of the Gilded Age. And I just wanted to get a sense from you in a broad way what your reading of history has given you insights into about where we are today and what your role in history is and where your presidency is, and what you can accomplish, if there are some parallels that you've seen particularly in other presidencies.

THE PRESIDENT: I believe that throughout the history of the country we have been very blessed to have essentially a two-party system -- although from time to time at periods of great change, we have had more than two parties. We had four parties when Abraham Lincoln was elected the first time. We had three parties when Woodrow Wilson was elected. We had three parties when I was elected. And we had three and a half parties last time -- Ralph Nader got a big vote in at least two states that didn't affect the outcome of the states. It affected my vote, but not the outcome of the states. We had a big -- we had four parties in the '48 election.

But, by and large, we had two parties. And one party has essentially been for strengthening the nation and focusing the attention of the nation on the challenges of the moment, always arguing that whatever action needed to be taken was a logical extension of the principles of the Constitution to the challenges of the moment.

One of the reasons that I spent a lot of time last year reading -- I read a biography, a great biography of Grant -- Geoffrey Perret -- biography of Grant. I read Ari Hoogenboom's biography of Hayes, Rutherford Hayes. And then I went back and read Nagel's biography of John Quincy Adams and Jean Edward Smith's terrific biography of John Marshall. And I was trying to sort of put all of that into the larger context of American history. And essentially, my belief is that -- if you look at -- the other party always argued that, well, we shouldn't do that because the nation should not -- the most important thing was to worry about the dangers of government, that government was inherently dangerous and that we should have more power in private hands or local hands, and that, if you look at it, that that debate has been constant throughout history, from John Marshall and Alexander Hamilton and James Madison all the way up to the present day. And so the first thing I tried to do is fulfill what I think the number one historic responsibility of the President is, which is to define the larger purpose of the nation and keep the nation together and get the nation to meet the challenges of the moment.

Now, in terms of history, I still believe the time in history that this most approximates is the shift from the

Agricultural to the Industrial Age. There are parallels, there are dramatic differences, and the transformation that there is no fixed point in history, but we normally associate that with the administrations of Teddy Roosevelt and Woodrow Wilson -- although to

be sure, a lot of it began well before them and a lot of it was not resolved until the Great Depression and World War II. So these things go on a long time. But I think that's the point in history it most approximates.

So, what does that mean in terms of me? It means, I think, several things. First of all, we have to define the moment. What is this moment characterized by? Primarily, it's characterized by enormous globalization of the economy and increasingly of non-economic functions. Number two, it's characterized by a breathtaking revolution in information and telecommunications and the biological sciences. Number three, it's characterized by an increase in the scope and pace of change in the way ordinary people work and live, relate to each other and relate to the rest of the world. And, fourthly, it's characterized by great, new challenges to the role of government and to societies, generally, to preserve their values. That's the time we live in.

Now, what I've been trying to do since I got here was to get this country -- to use my metaphor -- cross that bridge into a new century and a new millennium, with the American Dream alive for everybody who would work for it, with America's leadership in the world for peace and freedom and prosperity still strong and unquestioned, and with our American community coming together instead of being driven apart with all the forces at work today that tend to drive people apart.

I think that a lot has been done in the last five years. I think a lot still has to be done. But if you were to ask me what has been the central contribution we've made so far, I would say, first of all, I do believe we have successfully advanced a different philosophy of government, kind of going beyond the old argument that government was the problem -- or that government is the solution to which people are entitled, I've tried to move beyond the entitlement versus enemy dichotomy of government.

My mantra has been opportunity, responsibility and community -- that you can't create opportunity in the end without responsibility from citizens, and we have to be one community because we can't fulfill our individual or family aspirations unless we go forward as a country.

I've also tried to move with that formulation to try to remind the American people that politics is always about more than economics; that economics is very important, but we have to move beyond materialism. We can't possibly meet the challenges that we are going to face as a people unless we have that philosophy grounded in values that embrace more than just economic goods. So that's the first thing.

And let me just briefly say, the second thing I think that we have done that is quite important is to focus on the central importance of the global economy and this concomitant revolution in information technology. The third thing I think we've done that's

important is to redefine the operational role of government away from an all-or-nothing sort of dichotomy toward a government that operates to give people the tools and to create the conditions to solving their problems -- one that operates more in partnership with local government in the private sector, and in partnership with people beyond our borders. It recognizes increasing interdependence, and one that operates as a catalyst.

You know, I've been criticized a lot for so-called "small ideas," but if you just look at what we did with the school uniform thing and you see the percentage of school districts that now have school uniforms that didn't before I went to Long Beach, I think this whole idea of government is catalyst. The national service work is a catalyst. There are a lot of other things we've done that I think have been very successful in that regard.

The fourth thing we've done is to put in place I think an economic policy that is well-suited to the present moment and that works, that focuses on fiscal discipline, expanding trade and investing in people. And I think the final thing that we've done that will be of enduring significance is this whole focus on one America, not only in terms of bridging the racial divides, but also in terms of citizen service.

Now, let me just make one other kind of introductory point, because you've talked about what do you hope to accomplish. It seems to me that this era, not only for us but for other advanced countries -- and in some ways for emerging countries as well -- presents us with a number of dichotomies -- you know, real serious choices that have to be made. There is the apparent conflict between the present and the future. You see it in America in terms of the most -- shall we give a tax cut or take care of the entitlements. You know, the present versus the future. But we've had that in a lot of -- and I always argue that the present would be better off if you were taking good care of the future, which has certainly proved right in getting the deficit down.

The second big dichotomy is the dichotomy between this new, super-charged global marketplace and what we think of as the social contract. Obviously, the sort of guarantees that people grew up with in the Industrial Age and after World War II have been frayed around the edges. Not all of them have. We have -- homeownership and work force participation are both at an all-time high. But that's why we've worked so hard on the most critical ones -- balancing work and family, if you work for small companies and you travel around -- how do you get lifetime education, how do you have a secure retirement, how do you get access to health care, what do you do about child care -- those questions.

And just two more -- one is economic growth versus the environment, which is most starkly stated by the climate change issue. There I would say we're doing quite well with the environmental challenges that are right before us the ones that are a little over the horizon are more difficult to deal with.

So, for example, we've got cleaner air, cleaner water, fewer toxic waste dumps, safer food supply, more land set aside, according to Bruce Babbitt, than any administration except the two Roosevelts' heritage. But this climate change, I've still got to get the country to come together with that.

And then the final one, I would say, in the global sense is kind of community versus chaos. We see this world that's increasingly interconnected and we all get together and do Bosnia and we feel good about it. But there are explosions of population and poverty; there is the possibility of spreading disease; there is the environmental degradation in the poor countries; there is the possibility of the spread of weapons of mass destruction; there are governments that seem to have popular support that still practice ethnic cleansing.

So you're going to have -- I would say, the market against the social contract, the present against the future, the environment and the economy and the chaos and community -- I think these are the four big global challenges, and you can see them in America and you can see them around the world. That's the larger landscape on which I'm operating right now.

Q There is just one other thematic point, and then we have some specific policy themes and other themes you wanted to get into. But to what extent, given the good times now and the country at peace and things going well, do you feel this is an opportunity to sort of use this as a window to limit these dark forces that have been in our history before? Racism -- you've mentioned a two-year race initiative and we've had the problems with class hatreds, with xenophobia and so on. What kind of a moment is this in which you can sort of close the window or at least limit --

THE PRESIDENT: Well, that's obviously what I'm trying to do on the race front and in other areas. You know, I spoke at the Human Rights Campaign Fund dinner last year. I've tried to find ways to reconcile the religious differences in America with the work Secretary Riley and Attorney General Reno and I did, trying to explain to people what they could and couldn't do in terms of their religious convictions in the schools. Very, very important, I think, in terms of the practical way people live. I think that's important.

I think it's also important for us to be -- this is an important time to deal with the entitlements issue, and I want to do that in the next three years. It's an important time for us to try to construct insofar as we possibly can a global framework that will provide the means by which my successors -- I don't mean just presidents, but the American people -- can work with others to solve their problems, which is why I'm so concerned about continuing to follow the momentum on trade and also just resolving these issues surrounding the United Nations and the other international

organizations.

I think that we're going to have to do more of this problem-solving together. The United States can lead the way, but we have to be able to work with other people, and we can't do it if, for whatever reason, we don't seem to be carrying our own load.

Q You talked there as you went through the principle of the idea of government as catalyst. And when you were up in The Bronx the other day in Charlotte Gardens, you talked about that same notion of government as sort of providing impetus for people to deal with problems at the local level. The critics of that approach basically say it's a way to justify a smaller federal role at a time when there isn't a lot of public support for the federal role or a lot of money. If you have more money to spend, if there was more money to spend, would you be doing things differently in urban policy and other areas, or do you think this approach fundamentally makes sense no matter what the scale?

THE PRESIDENT: I think it makes sense no matter what the scale. If I had more money to spend, I would be doing more of the same thing. Let me give you an example. Look at the child care thing. How did we propose to spend the child care money? Through a big increase in the block grant to the states. Why? Because the reality of the child care delivery system is different from state to state, indeed from community to community; they're in a better position to do that. All we can do is, we can raise the income level and the people can get a little help. Through an expansion of the child care tax credit, that goes -- money directly to people. We empower people to do things. And then we do things that we think will make the system better. The rest of the money is spent on guaranteeing more safe child care centers and a better educational and developmental component for the kids once you get in there, putting, if you will, the values base component there.

If you look at what -- the kind of stuff that Andrew Cuomo has done and what Henry Cisneros did when he was here; if you look at the success Dennis Archer had with the empowerment zone -- a lot of these strategies where the social problems still exist in America you have to have local participation, local buy-in and local entrepreneurial skills coming out of the private, the nonprofit or the public sector. And it just doesn't make sense for the United States to have a bunch of federal employees go in and basically try to direct how that happens. It's far better if you have to create the conditions for a vibrant, thriving community.

So if I had more money, I would have more incentives for people to invest in these communities to bring enterprise. Just in a couple of days from now, I'm going up to New York, to Wall Street with Jesse Jackson, to make an argument that he has made several times quite compellingly, I think, that one of the great untapped markets for American growth is the unemployed and the underemployed neighborhoods of urban and rural America.

We just had an announcement that appeared in the press a couple of days ago -- and Bill Daley is out in California, I think, talking about it today -- we're going to try to do something a little different with Labor Department funds. We're going to try to have a crash training program for people in these information-based job shortage areas.

You know, there are almost 400,000 computer-related jobs going begging today. There was an article in The Washington Post a few weeks ago which said that in this area, there are 25,000 jobs, openings in computer-related jobs, not all of which require advanced degrees of any kind where people could be trained. So if I had more money, I would do more of that. I would train more people more quickly. I would go in and I would try to create more entrepreneurialism. I would try to have more community development, financial institutions making more loans. I think you've got to create the conditions of a coherent, successful community in order to make any progress in these social policies.

Q And yet, you want to at least, certainly -- in the campaign of '92 and then moving further in '95, you have argued that Democrats have to sort of bind their commitment to activism within a sort of jacket of fiscal restraint and now --

THE PRESIDENT: I agree with that.

Q -- and now government balance, that should be part of the party message.

THE PRESIDENT: I believe that. Why? Because, among other things, your obligation always has to be to make the country work first. The country has to work first. And, secondly, you have to serve a majority of the people. Keep in mind, we have work force participation at over 64 percent now, for the first time in history, and we have more than two-thirds of the people in their own homes for the first time in history. I don't believe any serious person thinks that would have happened in the last five years if it hadn't been for fiscal responsibility.

We still have fundamentally a private economy, and the rules of that economy, particularly in terms of capital investment, are increasingly being set, if you will, by people who can put their money anywhere in the world. That's what you see in the Asian financial crisis. So governments have to stipulate sound economic policy as a precondition of achieving their social objectives because at any given time, except in war-devastated countries, more than half the people are on the job. More than half the people are out there in the private society succeeding at their own lives. They're doing what has to be done. So in order to make real progress you have to build on success. You can't threaten the success of the 90-plus percent of the people in order to reach the problems of the others.

Q Do you believe there is a consensus now in the Democratic Party behind these central ideas, sticking with fiscal

discipline, government is the catalyst, balancing opportunity and responsibility, opening up the global market -- do you believe the party is fundamentally Clintonite in effect at this point?

THE PRESIDENT: I wouldn't use the last word, but I think there is a consensus. I think -- first keep in mind, we got two-thirds of the House caucus to vote for the balanced budget bill. We had -- a higher percentage of Senate Democrats and Senate Republicans voted for the balanced budget amendment. Vast majorities of our group voted for the crime bill in '94. And we had a majority in the Senate -- I don't know if we had a majority in the House or not on the welfare reform, but it was --

Q Even in the House and a majority in the Senate.

THE PRESIDENT: And basically that was just over the question of -- in the House we would have had a huge majority there but for the non-welfare reform provisions on food stamps and immigrants -- we largely had done away with. And I don't even think trade is a real exception there. We had a clear majority in the Senate for our trade policy and an overwhelming majority among Democratic state and local officeholders.

In the House you have a particular set of problems there where I think they have legitimate concerns, but I think their solution is wrong. That is, I think defeating the attempt to continue to open new avenues for American trade is not the answer to the dislocations of trade. We can talk more about that later if you want to.

So I think, on balance, there's been a -- with the exception of the trade vote in the House of Representatives, there is a new consensus within the Democratic Party. And I think it is absolutely consistent with the values in the Democratic Party going all the way back -- going back to Franklin Roosevelt and Woodrow Wilson. I don't think there's any difference there, I just think -- what we're doing is applying our values -- we basically believe that nobody should be discriminated against, everybody ought to have a chance, and if somebody deserves it they ought to have a hand up. That's basically what we believe. And Roosevelt always talked about the imperative of work, the dignity of work, the moral worth of work. We're just applying that to a new century, a new economy, a new world out there. No one could expect the institutional arrangements of the last 50 years to work for the next 50, given the nature of changes we're facing.

Q So the changes you pushed going back really to '91 and '92 and the original campaign, you think these are rooted in the party line, that this is a turning point?

THE PRESIDENT: Well, I hope so, I do. But this has not been a short-term thing. I remember in the early '80s when I proposed teacher testing in Arkansas, I was practically burned in effigy. And now you've got both the NEA and the EFT out there saying

they think there ought to be national tests, there ought to be national standards.

I think there is -- just to give you one example -- I believe that there is a consensus. Now, can the consensus be frayed, might we turn back around and go the other way? I mean, anything could happen. But I believe that there is a strong conviction -- even on the trade debate, the people that voted with me and the people that didn't, we all agreed on something that a lot of people in the Republican Party don't agree on. We all agreed that environmental issues and labor issues as well as child labor issues, all these things should be part of the mix of global negotiations as we go forward. These are things that countries have to work on together.

I was just in south Texas, you know, where there is strong support there for my trade position, but also strong support for investing more in environmental cleanup on both sides of the border, for doing more for the people in El Paso who lost their jobs when they moved across the border, for -- in other words, creating a different kind of social compact that moves more quickly to help people who were dislocated adversely from changes in the global economy.

Q I wanted to ask a couple of specific policy questions. On the entitlement issue, have you decided whether a special session would make sense? I understand there's been some talk with the Hill leadership at least at the staff level, and I wonder where you feel that goes now -- Social Security --

THE PRESIDENT: No, I haven't made a decision on that. We've got the Medicare commission meeting and we reached agreement with the Senate and House Republican and Democratic leadership on Medicare process, and I'm hoping that we can reach agreement on the Social Security process but accelerate this. I was very worried that, to be fair to them, both the House Democrats and the House Republicans felt more vulnerable for different reasons on Social Security and felt that it would be almost impossible for me to construct a framework in which there wouldn't be some adverse political reaction.

My sense of that, by the way, is that that's absolutely wrong. I believe -- for one thing, most people on Social Security now are not going to be much affected, if at all, by anything that is recommended and implemented. And I don't talk to anybody my age and younger -- and I'm the oldest of the baby boomers -- I don't talk to anybody my age and younger who doesn't feel that we have to do something to preserve the safety net of Social Security for our generation without bankrupting our children who are going to be taking care of our grandchildren.

So, therefore, what my intense focus has been -- I mean,

you and I know what all the options are, but my focus -- for substantive changes -- but my focus has been on trying to get a process that would bring the players in line who would have to make these decisions sometime in the next three years. I very much want to do it before I leave office. I think, for one thing, I should have credibility with the American people who, first of all, know that I care very much about Social Security and Medicare and the people who need them most, and secondly, who know that I'm not running for reelection so I don't have to pull any punches, but that I do have the values -- it's kind of like President Nixon going to China. I want to preserve these things for the next generation, but I want to do it in a way that makes sense.

It's the same argument as the fiscal discipline argument you asked me about. The Democrats ought to be out there leading the charge to say we will need a social safety net for retirees and Social Security. We certainly need a health care program. We don't want to not have universal health care for seniors; we see the price of not having it for other people. But we have to make the changes necessary to accommodate the new realities in lifespan, medical technology, health care choices and the generational -- just the sheer numbers in these different generations.

Q You mentioned lifespan there. In '94 the Terry Danforth Commission proposed the same thing you have -- something similar to what you have recently developed, allowing an early buy-in into Medicare. But that was half of the equation. The other half was raising the age of full eligibility and, in effect, they saw the early buy-in as a way to deal with the problems of that. As your proposal moves into Congress would you support an effort to reconnect these two ideas and raise the age of full eligibility as a part of the process of allowing the early buy-in?

THE PRESIDENT: No -- well, no, but I think that should be debated, that issue should be debated in the context of what we're going to do with Medicare reform, because, to be fair to Terry Danforth's Commission, unlike the later congressional proposal, which just wanted to raise the retirement age --

Q -- both --

THE PRESIDENT: But the later congressional proposal didn't. So we had this huge number of uninsured people. I think that ought to be done in the context of Medicare reform.

Q Do you think it should be done, though?

THE PRESIDENT: Well, it depends on what else is done. It depends on whether health insurance is really affordable for people. It depends on -- I don't think we ought to do anything that reduces the percentage of people with health care coverage and creates more dislocation in the health care delivery system. And whatever I think I wouldn't say it now because anything I say will weaken the chances that we get a bipartisan consensus agreement on

the Medicare commission.

I think once I've turned over the commission I'll be glad to offer my opinion about their recommendations when they give them. But I think we ought to let the work and do their work now.

Let me come back. Our proposal is more limited than their original let everybody at 62 buy in. It may prefigure that. Some of my Republican friends are worried that it prefigures that. But keep in mind, what we proposed is that people who were promised retirement by their -- health insurance by their companies when they took early retirement and didn't get it, and people who are dislocated over 55 should get in, dislocated workers can't get back in the work force -- and then people who are 62 to 65 who lost their health insurance because their spouse got on Medicare principally. But our proposal, unlike Terry Danforth's which was a sliding scale of subsidies, our proposal is fully paid for in the balanced budget, almost all of it by premiums, out-of-pocket premiums. We do have a small subsidy related to changes we're going to make in the administration of the program to reduce abuses in it, but it's not significant.

Q I feel hot breath on my neck, so let me ask them very quick. Minimum wage -- since you granted the minimum wage in '96 the terrible things that were predicted have not happened. Unemployment has continued to drop, the economy has continued to do well. Is there a case for raising it again?

THE PRESIDENT: Well, it's still not -- in terms of purchasing power, it's still not where it was in the '60s and early '70s. And I had been asked to consider that and so I've asked the Council of Economic Advisors and my economic team here to do the best they can -- it's really not possible to fully evaluate the impacts of it, but it obviously hasn't been very damaging. We've got 14 million jobs, so we're doing pretty well.

So I've asked them to review that and come back and give me a recommendation. I've generally always been sympathetic to that. But I think, again, that's part of what -- the minimum wage, the earned income tax credit, the changes we made in retirement savings -- and I hope, by the way, to do some more on that. I'm going to try to do more to make retirement -- to encourage people to save for their own retirement more.

That's another point that needs to be made on the Social Security. No matter what we do on Social Security, only half the American people now are saving for their own retirement. Hardly anybody can retire on Social Security alone and maintain the living standard they had before they retired. There are very few people who are at that low level of income. So we also have to do more to encourage private savings. We're having a big conference on that later this year that was authorized by a congressional bill, and the

Republican leadership and the Senate leadership and I, each of us get to put 100 people in there. But even before that, I'll probably have some more retirement proposals.

Q Have you thought at all about the proposal of Bill Galston and others they're promoting about wage insurance?

THE PRESIDENT: Yes. It's a fascinating idea. I just don't know what the costs are. We have to work through the costs. It's a fascinating idea as a way of recognizing that there are a relatively small number of people who can take quite a big hit in their lives because of technology or trade-related dislocation and maybe ought to be able to take out an insurance policy that goes beyond the traditional unemployment system. But he sent me that idea and I asked our people to do some work on it, and I just don't know enough about the costs and the difficulties of it to have an opinion.

I'm fascinated by the idea because, obviously -- what I'm looking for are the ways that keep the dynamism of this economy going, that get the benefits of it for our people, and still allow us to take the places where people's sense of -- if I am a responsible person, if I work hard, if I'm trying to raise a good family, what do I need to be able to look forward to. Well, they've got a better chance of having a job, they've got a better chance at owning a home than they have in a long, long time. But what's still out -- they also -- they have a better chance of going to college than ever before, virtually open the doors to college, and going back and getting further education and training in their lifetime. So those are three huge things.

But what are the problems still? The long-term stability of Social Security and Medicare; the availability of private retirement; and access to health insurance; and what happens if I'm a person with a pretty good job without much education and my job goes away -- it disappears into a machine, I lose it in trade, my company fails -- what happens while I'm getting retrained? Those are the places where if we could figure out a way to do that, that reinforces the market economy, that's obviously the best way to do it.

So that's what we're grappling with. Galston's got a good idea; I just don't know if it will work, I don't know how much it costs.

Q Thank you.

THE PRESIDENT: Interesting interview, guys.

Q Thank you. On a legal matter, are you resigned to this Paula Jones thing going to trial, does that seem to be inevitable?

THE PRESIDENT: Probably. I let other people talk for me on that because I just try to put it over in a little box and go

and do my work. It's just another -- it's someone else's politics, not mine. So I've just got to focus on what I'm interested in.

Q The walking out question. There's an understanding now about how little college freshmen are interested in politics, and I wonder if --

THE PRESIDENT: Do you think that's true?

Q Well, I wanted to ask you what you thought and if Chelsea, for instance, has given you any ideas about what new freshmen are like.

THE PRESIDENT: My impression from talking -- I don't have a representative sample, I wouldn't say that. But I know that when we -- I only have one example, besides Chelsea. We started this America Reads program and we began with the colleges. And we said we would like to have the colleges set aside a certain number of these work-study slots to get volunteers to be part -- well, so we got 800 colleges interested in it, and I don't know how many, but a very substantial number of them told us that they had all these kids showing up who weren't eligible for work-study who also wanted to be a part of it.

So we had tens of thousands of college volunteers out there doing this America Reads thing. That does not indicate to me that there's some great loss of the spirit of service or citizenship out there. I was actually a little surprised to see the study.

END

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THE WHITE HOUSE
Office of the Press Secretary

Internal Transcript January 13, 1998

INTERVIEW OF THE PRESIDENT
BY TIME MAGAZINE

The Oval Office

12:33 P.M. EST

Q First of all, we understand that you've been thinking a lot and reading a lot and learning a lot about some rather quiet times in the 19th Century and some relatively obscure presidents. And I was wondering sort of what gives and what makes them of interest to you at this point?

THE PRESIDENT: Let me explain why I did it. Last year, I tried to determine in my own mind whether there were any unifying threads that run throughout the whole history of the country. I had read a great deal about the founding of the country and I read -- earlier in my term here, I actually went back and I read a biography of George Washington and a biography of John Adams and I read a biography of Thomas Jefferson; a lot of them have come out recently. I've read a couple of books about Jefferson. And then I read some more about Lincoln, I read some more about Roosevelt. I read August Heckscher's biography of Woodrow Wilson. I read some more about Teddy Roosevelt. And then I obviously -- I've done a lot of reading on more recent Presidents.

I just finished Jeff Shesol's book on Lyndon Johnson and Bobby Kennedy. It's a terrific book. But I wanted to read some -- it occurred to me that we don't know much about what happened -- most Americans don't know much about what happened after Lincoln and before Teddy Roosevelt, and most American's don't know a great deal about what happened after Andrew Jackson and before Abraham Lincoln.

So I went back -- I read Jeffrey Perret's new biography of Grant and Harry Hoogenboom's biography of Rutherford Hayes, and then I read Nagel's biography of John Quincy Adams. And then I read Jean Edward Smith's terrific biography of John Marshall, because it kind of crystallized what I had been thinking about the seminal break points of American history. And I think we're at one today. Everybody knows that the Civil War was important and that we preserved the Union over slavery and separatism and everybody knows that the progressive era was important under Teddy Roosevelt and Woodrow Wilson when we made the adjustment from an agricultural to an industrial society, and we know that the Depression and World War II and the beginning of the Cold War were important, the civil rights era was important.

But if you read these other periods, you basically see that -- you read about these other presidents -- particularly if you read the Marshall biography, you can see that from the beginning, this country, I think, has been quite blessed by having a two-party system, which has been frayed around the edges, like there were four parties in the Lincoln election, four parties in the 1912 election, four parties in the 1948 election and there were three parties in our 1992 election and kind of three and a half this last time. Nader was a significant -- they got a significant vote in a couple of states. But you see throughout, basically, a contest between one party articulating the imperatives of strengthening the nation and applying the principles and values of the Constitution to the challenges of a new era.

And another party always saying, no, no, it's more important to be mindful of the dangers of government and to concentrate more power in private hands, or locally. And if you go all the way through American politics, you can see that.

Now, sometimes the issues have been mixed, but basically, that's the story of American politics. What I have sought to do is to redefine the role of government and to define what the nation's interests are as we move into a new century, characterized overwhelmingly by two different things. One is the globalization of the economy and increasingly noneconomic issues as well. And second is the revolution in information and technology and biological sciences. Those two things together characterize our age, and they mean, among other things, that we have a much more rapid and far-reaching pace of change in how we work and how ordinary people work and live and relate to each other; and, secondly, we are more interdependent, for good or ill, whether we like it or not, with people beyond the borders of our neighborhood, our state, and our nation.

And so what -- my reading of history in these, what you might call these "fallow periods," was more to see if I could determine, in effect, an unbroken line from George Washington and John Marshall and Alexander Hamilton on the one hand and, in effect, Thomas Jefferson on the other, although Jefferson himself was quite a nationalist as President, through all the crises of America and the great challenges of America down to the present day and what implication or application that might have as we -- to use my metaphor, "as we build our bridge to the 21st Century."

But it's absolutely fascinating. It has been a fascinating exercise.

Q And in that unbroken line is this tension between the two ideas.

THE PRESIDENT: Yes. And I think you saw it manifest in '95 when we had the argument over the Contract on America and whether there was a national purpose that the national government should pursue and whether it was better to walk away from a lot of our public health, educational and environmental commitments. I think you see it in a lot of the debates that we have today. It's important not to look too much in the past, but it was reassuring to me to know basically that, to some extent, there are historical precedents at all of the critical periods in American history in the past, although to some extent this is a period without precedent.

If you look at this era we're living in, there are -- basically, there are some very big challenges that we have to face. We have to come to terms with the global economy and we have to deal with the challenges of the market and, yet, the desire that people have to preserve a social contract; you know, if you work hard and

you're responsible, can you get a job, can you raise your family, can you have access to education and health care and retirement. And the arrangements that worked for the last 40 or 50 years are not adequate to the present moment.

There is the whole emphasis, this -- having all this information and having so much market dominance puts on the here and now -- it's against our obligations to the future. You'll see that, for example, in the debate about should we give ourselves a tax cut if we get a surplus, or do we have to make sure we've got Social Security and Medicare 30 years from now taken care of first.

There is the tension between impulse that people here and around the world have on the desires for economic development and our responsibilities to preserve the environment. Are we going to see these things as inextricably opposed? If we do, we'll continue to have the kind of environmental degradation you see in the Third World and nobody will take on the responsibility of dealing with climate change. I believe the evidence is that they can be reconciled.

And, finally, let me just say there is one other big issue that we see, and whether it's in Bosnia or the threat of chemical and biological weapons, or the questions that some people are raising now about the spread of malaria. You've got this phenomena now called "airport malaria," where people who are traveling around the world all the time are coming in contact with other people in airports who have gotten malaria because malaria is now spreading to more and more climates where it never was before.

All of this -- in this world where we're all sort of thrown together, will it lead to more community, more cooperation, or will it lead to more chaos? But if you look at this -- community versus chaos, the environment and the economy, the market and the social contract, the present and the future, these are the sort of -- those things are going to shape how this globalization and the information technology revolution will play out. That's the sort of larger landscape on which I have operated for the last five years and which I think will dominate the next three.

Q Having defined the landscape and having accomplished a lot -- certainly a lot of things that just about anybody could name at this point -- the historians say that important presidencies are either based on handling of a crisis or putting forward some big ideas. Can you sort of stand back from the canvas of what you've accomplished and what you hope to accomplish and sort of tell us what it adds up to, what is Clintonism?

THE PRESIDENT: I don't know about that. I'll have to leave that for others to define. But I can tell you some of the big things that I think -- the big ideas.

First of all, I think we have offered a new idea for what the governing philosophy of the country should be. Throughout

the 1980s there was basically a war between those who said government was the enemy and those who basically wanted to preserve the government of entitlements that had grown up after the second world war. And I think we've gone beyond that with my now -- some would say "shopworn" formulation of opportunity, responsibility and community, what that says is that government is about more than economics, it has to be about values, but it can't sit on the sidelines; that there ought to be -- that opportunity and responsibility mean something; that you can't create opportunity without citizen responsibility. And community means something. It means that we can't pursue our individual agendas fully unless we're part of a community in which everybody has a chance and everybody is a part. I think we've changed the governing philosophy of the country.

Secondly, I think in very practical ways, we've changed the role of government away from government trying to do everything and government trying to do nothing, to a focus on giving people the tools and creating the conditions to allow people to make the most of their own lives, and having government operate more as a catalyst and a partner.

Now, that has led to some people to saying, well, you know, a government of small ideas; but I'll just give you a couple that I think are quite significant. We were purely a catalyst in the school uniform debate, but now if you look at the percentage of school districts and the percentage of American students who are in school districts that have school uniforms now as compared with when I first went to Long Beach, California, and what that's done for education, it's very impressive.

If you look at -- to take a little bigger issue -- if you look at what we're trying to do in the child care area here in the coming year, what I propose to do is to empower other people to do child care. That is, we propose to double -- I can't remember -- a big increase in the child care block grant to the states, a big increase in the child care tax credit. That puts the power in the hands of other people to do it, but it directs public purpose toward greater child care to help resolve the conflicts of work and family.

So from my point of view, that has worked. If you look at what's happened in Detroit where the unemployment rate has been cut in half, where we put the empowerment zone, we were the catalyst for them, the people at the local level, to figure out how to get the economy working again. So I think that's been significant. So I think the governing philosophy and then the way government operates, the sort of reinventing government is the second issue.

The third thing I think we've done is to really replace an economic theory that wasn't working with one that does, and show how to make it work. That is, our policy on fiscal discipline, expanded trade and investing in people and education and creating a

lifetime system of education and training which would -- policy --and then operationally the way we set up the economic team here in the White House, the National Economic Council, which most people predicted wouldn't last six months, looking outward to the world and inward to the smallest neighborhoods, we have made, I think, an enduring contribution to showing that there is an economic policy that works in the modern era and it will work for our successors as well.

Then, the last thing I would say that I think is an enduring contribution of our term, will be, is this whole emphasis on one America, on bringing people together across all the lines that divide us -- not just race, but the other lines -- to enhance the common good in a way that helps people pursue their individual agendas, and the emphasis on service being a part of one America, AmeriCorps, the Presidents' Summit on Service and all of that. I think those things will last.

Now, there's still a whole lot to do because there are a lot of challenges out there, but if you look at -- I think we've given a new governing philosophy, a new way of government, a new direction in the economy, and a new direction on one America. I think those things are already out there.

Q Is there a concern on your part, though, that this unifying theme that you see isn't really perceived by the public, that you're too much perceived as sort of a smorgasbord or reactive sort of a situation?

THE PRESIDENT: I don't know that the public perceives me that way, but the press may write about it that way; but I don't see it that way. Every politician has to react to the circumstances that he or she faces. Every public leader deals with the time in which he or she lives and with the circumstances, the array of political forces that are out there, in order to achieve.

All I can tell you is, I started my campaign in '91 with a theory that I am still pursuing. I've learned a lot as I've gone along, too.

Q Such as --

THE PRESIDENT: Well, I've learned more about how to do what I'm doing. I've learned more, I think, about how to communicate with the American people, how to blend showing what the connections of the present moment to the past and the enduring values of the country, what is new about the present moment, what is big and also what is practical about it.

But ordinary people don't view this in the same way. For example, I was astonished -- I believe if I had told anybody a year and a half ago "you give me a year and I'll give you a balanced budget, 5 million more -- the biggest expansion in children's health since '65, and universal access to college education, the biggest

increase in access to college in 50 years," most people would have thought those were three big ideas. Yet, when we did it, this sort of college access thing was sort of a ho-hum deal around here.

I just went to South Texas and talked to 18,000 people in a football stadium in McAllen; they still think it's a big deal.

Q I was there, yes.

THE PRESIDENT: They think it's a big deal that they all get to go to college now, and that basically community college is free in America now, with the HOPE Scholarship, and that there is a lifetime learning credit, and that their parents can go back to school and get education and get some help. They think that is a really big deal. So there may be a difference beyond the Beltway in what is or is not a big idea.

But the main thing is, there is a lot going on, and I do think very often -- if you look at my State of the Unions, I've tried to focus people on the immediate tasks at hand, because I find that's what energizes people and that's what gets them working and maybe that we do lose the big picture, or maybe that the big picture is not compelling.

But I think that there is a consensus within my own party that didn't exist before on what that -- if we're going to have an economic policy that gives opportunity for everybody, we have to have a governing social policy that emphasizes personal responsibility. I think that's embedded in the Democratic Party now. If you look at -- we had -- almost all of the Democrats voted for the '93 economic plan, a majority of the Democrats in both Houses voted for the Crime Bill. A majority of the Democrats in the Senate voted for the welfare reform bill and half the Democrats in the House did. And if it hadn't been for the totally unrelated cuts in benefits to immigrants, which we have largely restored now, I think we would have gotten a big majority in the House to vote for that.

Q But then you lost them on fast track.

THE PRESIDENT: We lost in the House. But we have a big majority in the Senate for the trade policy and an overwhelming majority of the Democratic governors, mayors and local officials support the trade policy. In a funny way, even on trade, I think we're closer than it appears we are because, while there are still a few elements in the Democratic Party that just don't want any more trade agreements, most Democrats believe we should both expand trade and expand the range of negotiations on the environment, on labor conditions and to go beyond child labor conditions, generally. I think that's where we come down. And we want to do that. We're arguing about how best to do that. I think we cut off our nose to spite our face if we deny ourselves access to markets which are good for America's opportunities, when other wealthy countries in Europe and Japan are taking those markets. I think that's wrong.

But I also think we're very concerned about, to go back to one of the big tensions, that the whole business about how do you preserve a coherent life for hard-working people and take advantage of these churning markets. Just since I've been here, we've doubled worker training funds. We have expanded access to retirement for people who move around among small business jobs. We've made lifetime education a virtual reality to people, and we have the highest percentage of homeownership in history and the highest work participation in history.

So I've tried to deal with these problems of dislocated workers in the American market, and I think one of the things that I haven't done as well as I should have is to try to tie all of the things we've done with dislocated workers to the trade initiative. But the truth is that 80 percent of the people who lose their jobs, lose their jobs for reasons unrelated to trade. But I do think that I've got to try to tie all these things we have done, plus the things we propose to do in one place and tie it to the trade initiatives. Because I think that our economic policy is -- a central pillar of it has to be being part of the global economy, being part of the global trading system.

But I think that every country has to have a system that moves aggressively to help people that are left behind, and we need even more new ideas to do that.

Q And is that what you're going to be focusing on over this next period of your presidency? I mean, sort of putting up the navigational charts there?

THE PRESIDENT: I want to do that, but there are a lot of specific things I'd like to do. I want to see us implement the children's health initiative. I want to see us pass the child care initiative. I'll have more education initiatives. When I leave here, I really want there to be a big picture of education that begins early in life and goes throughout a lifetime that just focuses on access and quality, high standards. We still have a lot of work to do in the education area.

Q But in terms of big picture, we understand you recently had a thinkers' dinner, one of your annual thinkers' dinner, pre-State of the Union. It seemed like a different crowd, certainly different mix of thinkers than you had --

THE PRESIDENT: An interesting group of people. Fascinating.

Q What was your -- apparently you had a great time, from all accounts. Of all of the great things you heard, what did you really -- what was the highlight for you of this? What did you come away smarter about or clearer about?

THE PRESIDENT: First of all, there were lots of people there, as you know, and they all had something fascinating to say. I

mean, it was an amazing thing. I just sat there and listened all night. I, of course, answered a question or two and asked several, but I mostly listened.

I think, first of all, there was a general consensus, one, that this is a unique period in American history, that it may be harder for people to see since it doesn't seem to be characterized by a big crisis, like the civil rights era or the Civil War or World War II or the Cold War, or by a big breakdown. We knew when we went from the Agricultural Age to the Industrial Era, we knew that there was a lot of good things going on; a lot of people had jobs, a lot of people were moving to cities, there were a lot of big problems -- you know, the child labor problems and all that.

But the problems don't seem as pronounced; they're more like looming out there on the horizon, you know. But there was a genuine consensus that this is a big period of change in America, a big, new period. And I felt that there was a general consensus that this was a time that we did have to redefine our national purposes, to reassert the purposes of the nation just as George Washington and John Marshall did, just as Lincoln did, just as Teddy Roosevelt and Woodrow Wilson did, just as FDR did or President Johnson did in the civil rights crisis, but that it would be different, that we needed a different kind of government, but this was a new time, the larger purposes of the nation had to be reasserted.

And then there were some interesting differences about what the most important element of that was. Some thought it was balancing the need for economic growth with building a new social contract. Samuel Beard, who is way up in his '80s now and just the most alert person there, constantly articulate, said, he said, I still believe the major crisis is race and that now that you've got -- that it's not just black-white anymore, it's a multidimensional thing, and that if we solve that problem, we've got a strong economy, we're going to lead in the world, and we will show the world, from Africa to the Middle East to Bosnia, that the right way is for people to be reconciled to one another so that everybody can take advantage of this new globalization. So there were a lot of differences as well as -- those are the -- the thing I came out of it was, there was a consensus that the larger purpose of the nation needed to be reasserted, and that this is a new time, and that there were differences in what the priority ought to be.

Some people thought that the priority was, as I said, creating a new social contract, including resolving the entitlements dilemma. And some thought that it was a race issue, some thought it was educational. It's very interesting.

Q What did you think?

THE PRESIDENT: That I agreed -- where there was consensus, I agreed with them. Where they had differences, I personally believe we should move on all fronts. I don't think -- what I keep trying to tell the Congress and others who are involved

in this enterprise and business leaders and others is that the most important thing is that we have to fight complacency. This is not a time for complacency. Just because things are going well -- when things are going well we should feel a heightened sense of responsibility, because we know we have these larger issues out here. We have to reconcile in our own country the demands of work and family. We still haven't created a genuinely universal system of educational excellence for a lifetime. We still have health care issues before us. We still have the entitlements issue unresolved, and I think we just -- around the world, you see all of these -- the prospect of peace, the prospect of having international cooperation and, yet, we see the threats of burgeoning criminal syndicates and the narco-traffickers are out there alive and well. You've got the threat of chemical and biological weapons. But you also have these new environmental and disease threats that could cross national borders, associated with explosions of population and poverty in a lot of countries, all of which could feed -- so it's this -- we have to -- I think this is a time for new energy, for creating an international community of cooperation and interdependence and fighting back the chaos.

It's a new time to say we're going to grow the economy and preserve the environment. It's a new time to say we're going to take care of these present needs, but we're going to deal with the entitlements, we're going to deal with the problems of the future as well. So to me, it could hardly be more exciting for the United States, because things are going well for us, but we know there are challenges on the horizon, and yet we have the luxury of meeting them without some ominous threat. I think it's a great time to be alive and a great time to be dealing with this.

Q Some other people who have been there suggested that one of the other things that came up was a concern about anxiety amid prosperity, that there is some kind of a problem there?

THE PRESIDENT: I agree with that. I think there are two sources of it. Maybe there are three sources of it, but let me just mention what I -- there was a sense that people know things are going well, but there is an underlying sense of anxiety. I think that one is, people understand how globalized the economy is, and they don't know that there are any guarantees. Well, there aren't any guarantees in terms -- in 1950s terms or in early 1970s terms. But on the other hand, let's look at the upside.

Homeownership and work force participation are at all-time highs. So how do you relieve the anxiety on the economic front. You give people a 21st century way to access retirement, health care, lifetime education. So you say, if we can create all of these jobs and work force participation remains high and you know you can own a home, provide for your own retirement, get an education for yourselves and your children and have access to health care, then the fact that all these changes are going on should be exciting, not

threatening to you; that's the first thing.

Then, secondly, I think there are noneconomic elements of this, which relate to the economics, principally related to work and family. I think we have to show people that they can communicate their values to their children and they can balance the demands of work and family, which is why I worked hard on family leave and the earned income tax credit -- tax policy -- you know, the family credit and the minimum wage and all that; that's very important on work and family, so that you get to the non-values issues. That's why I worked -- some people thought this was one of my small ideas, but I thought it was important -- when the Attorney General and the Secretary of Education now work so hard to tell schools how to reconcile the religious issues with the First Amendment.

And I think that, there, people need to understand, too, that there is a global dimension to that, which is why we've worked hard around the world for human rights and religious freedom and why we want Americans to be involved in helping other people deal with their human problems -- whether it's the environment or disease or fighting for peace and humanity in Bosnia or the Middle East or anywhere else. I think that the one thing that I have to keep working to do is to show the American people how we can have a strong nation, but not an isolated nation, that we are increasingly interdependent, and that whether it's economics or security issues, or even the family values issues, we have to understand the global aspect to all these things.

We've got to recognize that there is an interdependency to our world which we should embrace and not run away from.

Q On that score, on a tactical level, are you going to revisit fast track, or do you need that capital for the fight over the IMF? What's more important?

THE PRESIDENT: I don't think it's necessarily either/or; the real question is, how do we get the United States -- what is the objective here. The objective is to maximize our ability to continue to improve our position in a global trading position -- system. And that's really the question. And I haven't reached a final decision on how best to pursue that. I think that the President ought to have the negotiating authority, clearly. It's also very important with this Asian financial question out there that we participate aggressively with the IMF and with our allies, and terribly important that we paired those to the United Nations and go on participating.

As these matters -- you know, as the time goes on, what I'll do is, I'll pick the strategy I think is best designed to achieve the objectives, but I haven't made a final decision yet.

Q To follow up what you were saying before about

explaining all this, do you have a sense that you've done a lot in terms of sort of perspiration and -- a lot of changes made but you now have to shift your attention to inspiration to get the American people to --

THE PRESIDENT: I think that the American people -- there is a difference -- I don't think it's a perspiration/ inspiration thing; I think it's a specific agenda/big picture issue is better. What I'd like to do is to try to do more in the State of the Union to capture the nature of this historical moment, and also to try to emphasize -- I think the American people intuitively understand this is a big and different time. I'd like to try to explain it a little more.

Also, I think the American people intuitively know this: we are more interdependent, even though all the surveys show they're not interested in foreign policy. I think that the truth is that they care a lot about it when their values are affected or when they know our interests are affected.

But I would like to sort of take that moment to paint the bigger picture of the times that we're in and how all the specific things that both inspire and cause us to perspire to achieve them fit into a bigger picture. I'm going to try to do that a little more, because that's part of what you should do at the State of the Union.

The American people are inherently pragmatic, too. You know, they want to get at the task at hand. One of the reasons that they liked last year's State of the Union so well is it said, "Here are 10 things in education we're going to try to get done."

Q This isn't going to give you the hit in the polls.

THE PRESIDENT: We like that, we -- that's what -- Americans are turned toward that; they like that. And they don't make the sort of little/big distinctions that most of the rest of us do. Little and big -- it's big if I can imagine how it could affect me and my family and our community and our country. So what I have to do is, we have to have enough of that so that Americans know what the game plan is.

Basically, they look to the State of the Union every year is that, this is this year's game plan and this is what we're all going to do together and he's going to tell me what he's going to do and he's going to tell me what he expects the Congress to do and then he's going to tell me what he expects me to do.

It's basically -- I think Americans have come to expect that after how many of these have I given now, five, right. So that's what they're looking for. But this time, I also want to try to let them go through in a very abbreviated form what I have been trying to go through both for the last five years and even last year in trying to understand where we are at this moment in American

history and what the larger landscape is, and I hope I can do it briefly enough to be able to meet their other expectations in the speech and do what I need to do. But also, I hope I can do it effectively enough so that I've got a better grounding with them for taking on some of these tough decisions we have to take on, whether it's entitlements at home or the continuation of our involvement in Bosnia abroad, or a continuation of an aggressive trade agenda, or dealing with our international responsibilities in trying to shore up the Asian financial crisis.

We made it absolutely clear that most of these changes have got to be made by the countries on their own; they have to undertake their own efforts; otherwise, they can't get investors back, no matter what everybody else does. Still, they need to know, these other nations do, that we understand that we've got a common future with them, that we have a common stake in the positive outcome here, so that we give them the reinforcement they need to do what they should do.

Q One final question. Mike Duffy made me ask this. Are you going to settle with Paula Jones?

THE PRESIDENT: I don't discuss that. Somebody else talks about that for me.

Q I don't blame you.

THE PRESIDENT: So I don't want to talk about that.

Q But --

THE PRESIDENT: Just watch and you'll see. I have to keep that in a little-bitty box, you know. That's somebody else's politics. I don't let other people -- they pursue their politics and I do what I think is best for the country. But the detailed questions have to be answered by someone else.

Q Okay.

Q Thank you very much.

THE PRESIDENT: Thanks.

Q Duffy made me do it.

THE PRESIDENT: I forgive him. I'm glad you did it. Thanks. I enjoyed this. I hope you did.

END

1:07 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
RUBIN_E @ A1@CD@LNGTWY
SUNTUM_M @ A1@CD@LNGTWY
WOZNIAC_N @ A1@CD@LNGTWY

Message Sent To:

Sarah A. Bianchi/OPD/EOP
Michael Cohen/OPD/EOP
Diana Fortuna/OPD/EOP
Thomas L. Freedman/OPD/EOP
Christopher C. Jennings/OPD/EOP
William R. Kincaid/OPD/EOP
Jennifer L. Klein/OPD/EOP
Jeanne Lambrew/OPD/EOP
Cathy R. Mays/OPD/EOP
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Christa Robinson/OPD/EOP
Leanne A. Shimabukuro/OPD/EOP
Paul J. Weinstein Jr./OPD/EOP
Jose Cerda III/OPD/EOP
Mary L. Smith/OPD/EOP
Tanya E. Martin/OPD/EOP
BALDERSTON_A @ A1 @ CD @ LNGTWY
Essence P. Washington/OPD/EOP
Julie A. Fernandes/OPD/EOP
Andrea Kane/OPD/EOP
Neera Tanden/WHO/EOP

5X@PJL SET PAGEPROTECT=OFF
 Laura Emmett @PJL SET RESOLUTION=600
 01/14/98 09:24:30 PM

Laura Emmett

@PJL SET RESOLUTION=600
01/14/98 09:24:30 PM

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@PJL ENTER LANGUAGE=PCL
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Record Type: Record

To: See the distribution list at the bottom of this message

cc: Elena Kagan/OPD/EOP, Bruce N. Reed/OPD/EOP

Subject: POTUS Q & A's due Monday

B

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education

tobacco

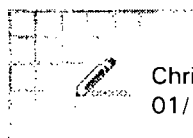
food safety

crime

health care

welfare

child care



Christa Robinson
01/15/98 11:49:26 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Cabinet Memo 1-15-98

AGRICULTURE

Today - the Secretary is taping interview with CBS on Milk Marketing program

ONDCP

Today - the Director is in Houston and Denver launching media campaign

Tomorrow - in Tucson continuing launch of media campaign

EDUCATION

Today - the Secretary delivers remarks to National Association of Secondary School Principals
Principal-of-the-Year award dinner

EPA

Today - the Administrator interviews with Detroit affiliate on cleaner cars

HHS

Today - the Secretary attends Medal of Freedom event at WH; attends Medicare expansion
hearing on the Hill

HUD

Today - the Secretary announces disaster relief money for New York; satellite press
conference to Orange County announcing launch of investigation into housing discrimination
case

Message Sent To: _____

WEINSTEIN_P @ A1 @ CD @ LNGTWY

Bruce N. Reed/OPD/EOP

Elena Kagan/OPD/EOP

Cathy R. Mays/OPD/EOP

Laura Emmett/WHO/EOP

Thomas L. Freedman/OPD/EOP

Cynthia A. Rice/OPD/EOP

Jennifer L. Klein/OPD/EOP

Tanya E. Martin/OPD/EOP

Diana Fortuna/OPD/EOP

Mary L. Smith/OPD/EOP

Leanne A. Shimabukuro/OPD/EOP

Christopher C. Jennings/OPD/EOP

Sarah A. Bianchi/OPD/EOP

Michael Cohen/OPD/EOP

William R. Kincaid/OPD/EOP

Essence P. Washington/OPD/EOP

Nicole R. Rabner/WHO/EOP

Jeanne Lambrew/OPD/EOP

Allison Balderston/OPD/EOP

Andrea Kane/OPD/EOP

Donna L. Geisbert/OPD/EOP

Julie A. Fernandes/OPD/EOP

Drive A: maps to a local disk.
Drive B: maps to a local disk.
Drive C: maps to a local disk.
Drive G: = OPD\MAIN: \HOME\OPD\DPC\DP1
Drive H: = OPD\MAIN: \HOME\OPD\DPC\DATA
Drive I: = OPD\MAIN: \HOME\OPD\DATA
Drive Q: = OPD\NTAPPS: \
Drive S: = OPD\MAIN: \DATA

SEARCH1: = C:\STD\WINNT\system32
SEARCH2: = C:\STD\WINNT
SEARCH3: = Z:\ [OPD\SYS: \PUBLIC]
SEARCH4: = Y:\ [OPD\NTAPPS: \STD\WINDOWS\WINSUP]
SEARCH5: = X:\ [OPD\NTAPPS: \SPECIAL\UTIL]
SEARCH6: = F:\STD\WINNT [OPD\MAIN: \HOME\OPD\DPC\DP1\PERSDIR\FREEDMAN]
SEARCH7: = W:\
SEARCH8: = C:\PROGS\WINSUP

Drive A: maps to a local disk.
Drive B: maps to a local disk.
Drive C: maps to a local disk.
Drive G: = OPD\MAIN: \HOME\OPD\DPC\DP1
Drive H: = OPD\MAIN: \HOME\OPD\DPC\DATA
Drive I: = OPD\MAIN: \HOME\OPD\DATA
Drive Q: = OPD\NTAPPS: \
Drive S: = OPD\MAIN: \DATA

SEARCH1: = C:\STD\WINNT\system32
SEARCH2: = C:\STD\WINNT
SEARCH3: = Z:\ [OPD\SYS: \PUBLIC]
SEARCH4: = Y:\ [OPD\NTAPPS: \STD\WINDOWS\WINSUP]
SEARCH5: = X:\ [OPD\NTAPPS: \SPECIAL\UTIL]
SEARCH6: = F:\STD\WINNT [OPD\MAIN: \HOME\OPD\DPC\DP1\PERSDIR\FREEDMAN]
SEARCH7: = W:\
SEARCH8: = C:\PROGS\WINSUP



Andrew J. Mayock

01/15/98 05:01:57 PM



Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: EEOC/Civil Rights Meeting

FYI: The purpose of this meeting is to discuss the following issues, among others:

- Policy announcement in the speech
- Paper - press release / talking points / Q&A (backlog; DOJ civil rights; EEO chair and board)
- Press timing / validators (op eds)
- Potential participants - Bill Lann Lee, Advisory Board member
- Outreach / Amplification - Friends, Congressionals, Cabinet

----- Forwarded by Andrew J. Mayock/WHO/EOP on 01/15/98 04:57 PM -----

June G. Turner 01/15/98 04:15:38 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: EEOC/Civil Rights Meeting

Sylvia Mathews would like for you to join her tomorrow morning at 9:30 am in Room 211 to work on the Rollout for the EEOC announcement.

Attendees:

Sylvia Mathews
Maria Echaveste
Judy Winston
Susan Liss
Eli Attie
Janet Murguia/Tracey Thornton
Ben Johnson (may be out of town)
Minyon Moore
Elena Kagan/Tom Freedman
Andrew Mayock

Message Sent To:

Eli G. Attie/OVP @ OVP
Judith A. Winston/PIR/EOP
Susan M. Liss/OVP @ OVP
Maria Echaveste/WHO/EOP
Minyon Moore/WHO/EOP
Elena Kagan/OPD/EOP
Janet Murguia/WHO/EOP
Robert B. Johnson/WHO/EOP
Andrew J. Mayock/WHO/EOP

Message Copied To:

Marjorie A. Black/PIR/EOP
Audrey M. Hutchinson/PIR/EOP
Aimee M. Malnati/OVP @ OVP
Angelique Pirozzi/WHO/EOP
Marjorie Tarmey/WHO/EOP
Miriam H. Vogel/WHO/EOP
Laura Emmett/WHO/EOP

Message Sent To:

eli g. attie/ovp @ ovp
Judith A. Winston/PIR/EOP
susan m. liss/ovp @ ovp
Maria Echaveste/WHO/EOP
Minyon Moore/WHO/EOP
Elena Kagan/OPD/EOP
Janet Murguia/WHO/EOP
Robert B. Johnson/WHO/EOP
Dawn M. Chirwa/WHO/EOP
June G. Turner/WHO/EOP
Thomas L. Freedman/OPD/EOP
Tracey E. Thornton/WHO/EOP

Message Copied To:

Marjorie A. Black/PIR/EOP
aimee m. malnati/ovp @ ovp
Angelique Pirozzi/WHO/EOP
Marjorie Tarmey/WHO/EOP
Miriam H. Vogel/WHO/EOP
Laura Emmett/WHO/EOP
Audrey M. Hutchinson/PIR/EOP