

a lot to do. I'm going to give them the first balanced budget, 3 years ahead of time, and a great child care initiative and an important Medicare initiative. We've got a Medicare commission meeting. We're going to be able to actually see this budget balanced and start to run a little surplus. We've got a lot of things to do around the world, so I think this is quite important.

Mr. Kondracke. Okay. Let me just ask you one more question about this. You said in a statement today that you had no improper relationship with this intern. What exactly was the nature of your relationship with her?

The President. Well, let me say, the relationship's not improper, and I think that's important enough to say. But because the investigation

is going on and because I don't know what is out—what's going to be asked of me, I think I need to cooperate, answer the questions, but I think it's important for me to make it clear what is not. And then, at the appropriate time, I'll try to answer what is. But let me answer, it is not an improper relationship, and I know what the word means. So let's just—

Mr. Kondracke. Was it in any way sexual?

The President. The relationship was not sexual. And I know what you mean, and the answer is no.

NOTE: The interview began at 4:26 p.m. The President spoke from the Oval Office at the White House.

Interview With Mara Liasson and Robert Siegel of National Public Radio January 21, 1998

Independent Counsel's Investigation

Mr. Siegel. Mr. President, welcome to the program.

Many Americans woke up to the news today that the Whitewater independent counsel is investigating an allegation that you, or you and Vernon Jordan, encouraged a young woman to lie to lawyers in the Paula Jones civil suit. Is there any truth to that allegation?

The President. No, sir, there's not. It's just not true.

Mr. Siegel. Is there any truth to the allegation of an affair between you and the young woman?

The President. No, that's not true, either. And I have told people that I would cooperate in the investigation, and I expect to cooperate with it. I don't know any more about it than I've told you and any more about it really than you do, but I will cooperate. The charges are not true, and I haven't asked anybody to lie.

Ms. Liasson. Mr. President, where do you think this comes from? Did you have any kind of relationship with her that could have been misconstrued?

The President. Mara, I'm going to do my best to cooperate with the investigation. I want to know what they want to know from me. I think it's more important for me to tell the American people that there wasn't improper relations; I

didn't ask anybody to lie; and I intend to cooperate. And I think that's all I should say right now, so I can get back to the work of the country.

Ms. Liasson. But you're not able to say whether you had any conversations with her about her testimony, any conversations at all?

The President. I think, given the state of this investigation, it would be inappropriate for me to say more. I've said everything I think that I need to say now. I'm going to be cooperative, and we'll work through it.

Mr. Siegel. But is the fact that in this case, as we understand it, a close friend of this young woman was outfitted with a wire, with a microphone to record conversations with her at the instruction of the Whitewater counsel, does that disturb you? Do you regard that Mr. Starr is playing the inquisitor here in this case?

The President. Well, that's a question the American people will have to ask and answer, and the press will have to ask and answer, the bar will have to ask and answer. But it's inappropriate for me to comment on it at this time. I just have to cooperate, and I'll do that.

Scrutiny of the Presidency

Mr. Siegel. And a broader question. I understand that you don't want to comment on this. There are some commentators—on our network,

it would be Kevin Phillips, who said that the moral leadership of the Presidency justifies the kind of scrutiny that you're receiving. Do you agree with that?

The President. Well, I think there is a lot of scrutiny, and there should be, and I think that's important. I'll leave it to others to define whether the kind we have received in volume, nature, and accuracy, and sometimes downright honesty, is appropriate. That's for others to determine.

I just have a certain number of days here. I came here as not a Washington person. I came here to try to change the country and to work to build the future of America in a new century. And I just have to try to put this in a little box like I have every other thing that has been said and done, and go on and do my job. That's what I'm going to work at.

Ms. Liasson. Mr. President, earlier today you said you tried your best to contain your natural impulses and get back to work. Were you furious? Is that what you were referring to?

The President. I was. I was.

Ms. Liasson. And what were you furious about?

The President. Well, I worked with Prime Minister Netanyahu until 12:30 last night; I'm getting ready for Mr. Arafat; I'm working on the State of the Union; and we've got a lot of big issues out there within and beyond our borders. And I don't think any American questions the fact that I've worked very hard at this job. And anything that's a distraction I dislike.

Ms. Liasson. Do you see this as a partisan attack? Is that what—

The President. I didn't say that. I don't know what the facts are. I don't know enough to say any more about this. I don't want to get into that. You know at least as much about it as I do. I worked until 12:30 last night on something else. That's why I have given the answer that I have given to your questions today.

Middle East Peace Process

Mr. Siegel. Moving on to the matter you were working on late at night last night. First, it seems the message to Mr. Netanyahu from the U.S. was, we want to see you withdraw from some part of the West Bank. First, what's the message to Yasser Arafat, if you could sum it up?

The President. Well, first of all, let's talk about what they want. I think what Israel wants is a peace process that moves immediately to final status negotiations and gives them a stronger sense of security. I think what the Palestinians want is a peace process that gives them a stronger sense of self-determination and possibility and dignity.

So what we've tried to do—for 12 months now, ever since the Hebron redeployment, we have been out involved in the region, talking to all the players—that's not the royal "we," I mean me, the Secretary of State, Mr. Ross, Mr. Berger, others involved—trying to analyze what it would take to get the peace process back on track. And we've formulated some ideas and we talked to the Israeli Prime Minister about them yesterday; we're going to talk to Mr. Arafat about them tomorrow. We hope that by the time we finish the talk that both sides will be closer together than they were before we started. And if they are, then we'll try to close. But I think there may be circumstances under which we could take a real leap forward in the Middle East peace process if we get a break or two.

Mr. Siegel. This week?

The President. No, I wouldn't go that far. It's going to take a while. We have to work with the Palestinians tomorrow, then we have to analyze where we are with both and whether we can go forward. And we may not make any progress at all. And if we don't, I'll tell you that.

Mr. Siegel. I'd like to ask you, though, after spending so much time with Mr. Netanyahu on this visit and on other visits, some people regard him as a man who always opposed a land for peace settlement to the conflict with the Palestinians, certainly wouldn't have negotiated the Oslo accords had he been in office then, has never liked them particularly. Some would say he's really trying to thwart that process and contain the damage from his standpoint. Do you think so?

The President. No, I can't say that based on what I've seen. I do believe—he's made no secret of the fact that he has principle differences with the Oslo process, which he has pledged to support. And we all know he has a different political coalition, and that indeed, the political forces in Israel itself are different than they were even a few years ago in terms of the composition of the population, the rise of these

small parties and immigrant-related intense groups and all that. So I think that's all there. I think that, historically, there's been a little bit of difference in the kind of the texture of the relationship between the Likud Party and the Palestinians and the Labor Party and the Palestinians. So there are a lot of layers here.

But the bottom line is, I think, Mr. Netanyahu is an intelligent man who wants to make peace and understands that there has to be some formula where some marginal increase in territorial insecurity by giving up land is more than offset by a dramatic increase in security by changing the feelings of the people, the climate, the capacity for growth and opportunity.

So we're just trying to hammer out what each side will have to do to take another step. I'm hopeful.

Situation in Iraq

Ms. Liasson. Mr. President, in Iraq, diplomacy hasn't worked yet. UNSCOM is still barred from doing its job the way it sees fit, getting into the sites that it wants to inspect. Yet on the other hand, military action also has downsides. It might upset any progress you're making with allies on other issues. Do you think the U.S. has any good choices on Iraq?

The President. Well, there are no easy choices. If we define good as easy, the answer is no. What is the problem? The problem is the weapons of mass destruction program, chemical and biological weapons, primarily. What is the solution? Letting the UNSCOM inspectors go wherever they want. And that means that Saddam Hussein cannot determine when, where, and who, when it comes to the UNSCOM teams. So now he says that he's going to determine that, and there is not going to be any "when" for a couple of months, during which time he'll be free to move whatever he wants wherever he wants.

I think that this is a big mistake, and I believe that the United Nations will see it as such, and a real thwarting of its position. And we just have to see where we go from here.

Mr. Siegel. Do you feel that to even wield the threat of military action, possible military action, that you have to be able to point to some progress in the Arab-Israeli negotiations in order to maintain the support of U.S. friends in the region? Is there some linkage between progress—

The President. I don't think there is a linkage, a direct linkage. It may affect the atmospherics, just, you know, the attitude about America. But I think it would be wrong to say there's a direct linkage.

The main thing is every country in the region and throughout the world has a vested interest in seeing that no one who would either use or sell weapons of mass destruction—especially chemical and biological weapons which could be carried around in small amounts, in little valises—that no one who would use or sell them has a big program of them, which is why the whole United Nations is against the Iraqi program. They need to think long and hard, these countries that have been a little squeamish about being firm, whether or not it's possible that they could be the victims of this, if not directly from Iraq, from some group or another that Iraq sells to in the future.

So I think we need to be firm, and I'm going to do my best to keep rallying support and keep working ahead. I prefer the inspections. I prefer the diplomatic pressure. I have not been trigger-happy on this; some here in our country think that we should have acted before. But I don't think we can rule out any option.

Federal Budget

Ms. Liasson. Mr. President, moving to domestic policy and the budget surplus, Republicans and Democrats on the Hill have already said what they want to do with it, either cut taxes or pay down the debt or spend more money on social problems. But so far, you've been silent on this. And I'm wondering if you are ready to make a commitment to using whatever surplus there might be to shoring up the Social Security Trust Funds, making sure that safety net is there for the baby boom generation when it retires.

The President. Well, I'll make a commitment that—in my State of the Union Address, I'll announce what I think should be done.

Q. Well, what do you think should be done?

The President. I've decided, but I don't want to announce yet. I need to have something to say in the State of the Union that's new.

But let me say before I say that, I would like to just caution—we've had 5 great years, and we've always done better than we were predicted to do on the deficit. But I think I would still caution the Democratic and Republican leaders of Congress from passing some big 5-

year program to spend money through spending programs or tax cuts that hasn't yet materialized. We do not yet have a balanced budget. We've worked so hard for so long to get this done; I sure hate to start counting our chickens before they hatch. So I would like to start with that. And then when I speak at the State of the Union, I'll say what I think ought to be done.

Social Security

Mr. Siegel. Would you like to caution equally against shoring up the Social Security fund in that case?

The President. Well, in general, I believe—my position on Social Security is that we need a bipartisan and fairly rapid process to work through the options and prepare for the long term health and viability of the Social Security system, along with the efforts that are going to be made by the Medicare commission, which I'm very hopeful about. One of the big things I hope to achieve before I leave office is entitlement reform in both major systems. So I tell you, I think that that needs to be done, and we're exploring how best to do that.

Ms. Liasson. Well, we don't want to let you off the hook too easily. You're not saying you're against using the surplus to shore up the Social Security Trust Funds?

The President. I'm not saying one way or the other. I'm saying I'd like to have something to announce on State of the Union night.

Proposed Tobacco Agreement

Mr. Siegel. Mr. President, on tobacco, there is talk on Capitol Hill of writing and passing a "kids only" bill, as opposed to seeking a huge global settlement. That would achieve the aims in theory of raising the cost of a pack of cigarettes by so much that it would be beyond the reach of teenagers, achieve your major aim, and not take companies off the hook for future liability. Are you in favor of such a bill?

The President. You'd have a "children's only" bill that did what? I'm sorry, you had a lot of points there.

Mr. Siegel. Yes, well, first, it would raise the price of a pack of cigarettes simply to deter teenage purchasers of cigarettes.

Ms. Liasson. And strengthen the hand of the FDA, do some marketing restrictions, but not be a complete global settlement.

The President. Well, I would favor doing something like that without committing to the

specifics if we fail to get a global settlement. But I think we owe it to the attorneys general and the others who worked with us on this in good faith to try to achieve one, because I think, long term, we need to deter teen smoking with more than just a higher price tag for cigarettes. I think there are lots of other things that can be done. And I think that we ought to have certain benchmarks of performance for the tobacco companies, too, which in my view will help because then they'll be free to do more—that they even have to spend a little more money than they're obligated to under the agreement—if they're not meeting the targets, they may decide they ought to do that to save even more money down the road.

So I'm going to look for a global settlement in the tobacco case for the benefit of our children. If we fail, then I'll look at something else.

Ms. Liasson. Mr. Clinton, following up on that, you've cautioned Congress not to spend the surplus until they have it. Yet you have committed \$60 billion of some projected tobacco settlement bill before it's even passed to new spending. Do you think that's wise? And if you don't get a tobacco settlement, are you committed to those programs? Will you cut elsewhere in order to keep that new spending?

The President. Well let me just say this: I will not, under any circumstances, favor funding anything I have recommended with the surplus—with the projected surplus.

Ms. Liasson. So, if you don't get the tobacco settlement, you'll cut elsewhere?

The President. If I don't get—in other words, if we don't get the tobacco settlement, we'll either have to cut the size of the child care initiative or cut elsewhere, or do something else, because I will not just, on my own, get up and propose that we spend the proposed settlement, or part of it, on these programs. I think they are terribly important, but right now we've got other fish to fry. And we've got to make sure—the most important thing is to keep this economy growing, to keep disciplined, to keep strong, to do what makes sense. And that's what has gotten us here, 5 hard years of that, and we don't want to forget that.

So we do have new spending in our programs, but it's new spending within a context of fiscal discipline. It's new discipline with the smallest Federal Government since Kennedy was President and the size of it continuing to go down.

Accused Unabomber Theodore Kaczynski

Mr. Siegel. Federal prosecutors reportedly rejected a plea bargain agreement not long ago with Theodore Kaczynski, with his lawyers at least, that might have guaranteed his imprisonment for life. Evidently they want the death penalty. Is it important to you, say, if he's convicted, that there be an exercise of the Federal death penalty?

The President. If he's guilty, he killed a lot of people deliberately, and, therefore, I think it's something that the jury should be able to consider. From my point of view, I approve of the laws that we have in America now, the sort of two-tiered trial where you determine guilt and then you determine penalty, and I would want to hear all the testimony before I decided how I'd vote in that case. But I do think it should be presented to the penalty phase.

Mr. Siegel. Even if you had a guilty plea that—as there is no parole in the Federal system—guaranteed none and spared any possibility of an acquittal, you would still prefer to reject that plea, to offer the jury the option of the death penalty?

The President. I think the jury should have the option. Now, also, as a practical matter, there aren't many inmates—perhaps he would be one—that actually do get life without parole. And that's probably not a terrible thing. That is, in a prison system, where you don't want prison riots, you have to reward people who do an extraordinarily good job of being good inmates within the prison system, perhaps the practice of allowing people who have life sentences to be paroled after quite a long period of time is a good one, or, at least, defensible. But juries know that, too.

So I think the—it's hard to generalize. But this was a case where, based on what I know, I would consider it appropriate to present that to the jury.

Asian Economies

Ms. Liasson. Mr. President, on the Asian financial crisis, a lot of Americans don't understand why taxpayers should help bail out banks and investors in the U.S. or Japan or in Europe who took a risk and made some mistakes. Don't they bear some responsibility? Don't they have to take some of the hit?

The President. Absolutely. They do bear some of the responsibility, and they shouldn't all be bailed out. And that's one of the most frustrating things about this. On the other hand, what this is about is about rebuilding confidence in the investment climate of these countries. I don't think they ought to get one red cent unless the governments commit to do things for the future that will mean these banks will have to take a bigger risk, and get their act cleaned up, unless the International Monetary Fund plan is implemented, and then the U.S. and Japan and these other countries come in as a backup.

But if we refuse on the front end to do anything, the problem is it could hurt us a lot worse than it could hurt the odd banker that doesn't get his money back, because if a lot of people start not getting any of their money back, then other people say, "Well, I'm going to get my money out," and then others say, "Well, I'm not going to put my money in"; and then all of a sudden the value of the currency goes way down. Then what happens? They don't have any money to buy American products and all their products are cheaper, competing against ours and other countries.

So we have a big economic interest as well as a huge interest in a stable, democratic Asia. And that's why I think we're doing the right thing. I hope in the State of the Union I can persuade the American people that it's the right thing.

President's Political Philosophy

Ms. Liasson. I want to ask you about "Clintonism." We've been hearing a lot about "Clintonism" lately, a coherent political philosophy that may or may not be identified with you. Do you think there is such a thing, and what is it?

The President. Well, I do. I think, first of all, it's a very—it's a future-oriented political philosophy that attempts to break the logjam between the 1980's and early nineties debate of the Republican position that Government is the enemy and the Democratic position is, sort of, Government is the solution if we do more of the same; we just need to do more.

My position is we need a different kind of Government for a different kind of society and a different kind of world. And we need to focus more on giving people the tools they need to make the most of their own lives, more on being a catalyst for good ideas, more on empowering

the disadvantaged, and creating opportunity, enforcing responsibility, building community. I think that's what "Clintonism" is about. And I think it will get us to the 21st century.

Mr. Siegel. Mr. President, thank you very much for talking with us.

The President. Thank you.

Mr. Siegel. I'd like to tell our listeners that the entire transcript as well as audio of this interview will be available later this evening on our website, which is www.npr.org. And once again, thank you very much.

The President. Thank you.

NOTE: The interview began at 5:08 p.m. in the Oval Office at the White House and was broadcast live on National Public Radio stations nationwide. During the interview, the President referred to Ambassador Dennis B. Ross, Special Middle East Coordinator; and the United Nations Special Commission (UNSCOM). Mr. Siegel referred to Linda R. Tripp, witness in Independent Counsel Kenneth Starr's expanded investigation.

Letter to Congressional Leaders on Continuation of the National Emergency With Respect to Terrorists Who Threaten To Disrupt the Middle East Peace Process

January 21, 1998

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to grave acts of violence committed by foreign terrorists that disrupt the Middle East peace process is to continue in effect beyond January 23, 1998, to the *Federal Register* for publication. The first notice continuing this emergency was published in the *Federal Register* on January 22, 1996.

The crisis with respect to the grave acts of violence committed by foreign terrorists that threaten to disrupt the Middle East peace process that led to the declaration of a national

emergency, on January 23, 1995, has not been resolved. Terrorist groups continue to engage in activities with the purpose or effect of threatening the Middle East peace process, and which are hostile to U.S. interests in the region. Such actions threaten vital interests of the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to deny any financial support from the United States for foreign terrorists that threaten to disrupt the Middle East peace process.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The notice is listed in Appendix D at the end of this volume.

Remarks at the White House Endowment Dinner

January 21, 1998

Ladies and gentlemen, may I have your attention please? This will be a brief program, because we want you to have a wonderful time

tonight at the White House. We thank you for doing so much to support the White House Endowment Fund and for your commitment to