

Interview With Ron Insana of CNBC's "Business Center" in
New York City
January 13, 2000

Mr. Insana. As you know, the Wall Street Diversity Project has been underway for a number of years now, and President Clinton is here at the New York Stock Exchange to talk about diversity on Wall Street, among a number of other topics.

Mr. President, it's good to see you again. Thanks for coming back to the program.

The President. Thank you, glad to be back.

New Markets Initiative

Mr. Insana. Are you getting a sense that there is some progress being made on the diversity issue down here in the lower corridors of Manhattan?

The President. Oh, I think so. We had the annual meeting of the Wall Street Project here with Reverend Jackson and Sandy Weill and Dick Grasso and a lot of other people. There is, I think, a general sense that the economy is opening up more and more to all America and a specific sense of urgency that one of the ways to keep this expansion going without inflation is to involve people and places that have been left behind. So I'm quite hopeful.

Mr. Insana. Now, last time we met, in fact, in July—that was one of your initiatives, the new markets initiative, that focused on underprivileged people in rural and other parts of the country. And today you talked about tax incentives, also, for the working poor. How likely is it that a Congress in an election year will let you make any progress on that issue?

The President. Well, I think it's quite likely, actually. I have worked very hard to make this a bipartisan or a nonpartisan issue. I don't think economic opportunity ought to be the sole province of the Democratic Party. I think it ought to be the birthright of every American. And I've worked very hard to involve the Speaker of the House, particularly, who is from Illinois. And he came to our meeting in Chicago, and I've had several good conversations with him. And I expect that we will have legislation coming out of the House to give significant tax incentives to people who will invest in poor places in America that haven't been part of this recovery.

What I want to do is basically give the same sort of incentives, at least, if not more so, that we give to people to invest in poor communities in Latin America or Africa or Asia. And I'm going to offer a more aggressive program this year even than I did last year in the State of the Union. And I think it will be well-received.

National Economy

Mr. Insana. Let me ask you a question about the broad economy right now. We've got some information today showing that retail sales were strong, inflation starting to creep up a little bit, and bond market interest rates have gone up a lot in the last 15–16 months to nearly 6.75 percent. Do you get the same whiff of inflation that the financial markets seem to be getting at the moment?

The President. I think the evidence is mixed. There still have been remarkable increases in productivity. And I think the fact that we're still—we actually paid off some of our debt in advance in the last day or so, for the first time in the history of the country. So the Government is continuing to try to get out of the debt market, make it more liquid. Wages still aren't going up at any unreasonable amount. Productivity driven by technology is going up a lot, and we're still trying to keep our markets very open.

So I think that the larger forces are still operating against the resumption of inflation. It's almost inevitable that you're going to have—well, like we had last year, where oil goes up, or you have a bottleneck in this product or that service because of the growth of the economy. But so far I feel pretty good about where we are on inflation.

Mr. Insana. When we spoke in July, I asked you a question about whether or not you were worried if there was a bubble in the stock market. At the time, the NASDAQ was at about 2800, and you said thoughtful people should think about this question and at least review how they should invest in that environment. It's gone from 2800 to 4100 on the NASDAQ, a 46 percent gain in that period. What should thoughtful people do now?

The President. Well, I think one of the things that we have seen, since you and I talked last, are some very encouraging new studies about the nature of productivity, indicating that people who do this sort of thing are actually beginning to measure, and feel comfortable measuring, much bigger increases in productivity driven by technology and information spreads than they had previously thought.

To me, the main thing for us to do is to keep our markets open, keep paying the debt off, try to have a competitive environment, and continue to invest in new technologies and the human capacity of our people. And we'll just see how long it will go. In a few weeks, this will be the longest expansion in history, including that which embraced World War II, where we were completely mobilized for a war and had legal controls on inflation.

So there's never been anything like this before. The truth is, no one knows for sure what's going to happen. I will say again, I think having good fundamentals and then continuing to invest in the people and places left behind—because that's a noninflationary way to go, where you create new markets as well as new businesses, new employees—that, I think, is what we should do. And then we'll see what happens. But I'm quite hopeful.

Microsoft Corporation

Mr. Insana. One of the architects of that technological revolution, Bill Gates, today stepped back from his day-to-day responsibilities at Microsoft, elevated Steve Ballmer to the CEO position. What do you think about Mr. Gates switching his emphasis in his career?

The President. Well, I think it's a very interesting move by him. Ballmer is obviously a very able man, and Gates is a genius with technology. So it will be interesting to see what happens.

I'd like to say, since you asked the question, a word of appreciation to Bill and Melinda Gates for the commitments they've made through their foundation to help minority young people go on to college and the massive commitment they've made to make vaccines more available to poor people throughout the world. I think the fact that he is doing these kinds of things with the wealth he's accumulated is a very good thing to do. So I wish him well, and I want to encourage him to do more of that.

Mr. Insana. Mr. Ballmer had a statement in his first day as CEO and suggested that it would be reckless and irresponsible of the U.S. Government to break up Microsoft. How would you respond to that?

The President. Well, my response would be, first of all, that the decision would have to be made by a court and that, because it is a legal proceeding, I had nothing to do with what the Antitrust Division did, and I certainly can't have anything to do with what the judge does.

So my response is, whatever I think, I shouldn't say it, one way or the other, because I'm not involved in it, and I shouldn't attempt to impact either the market or what's going on here. I think the record has been made; the judge's opinion is there, and they have to argue about the remedy, which is anybody knows in antitrust cases completely different from finding whether someone violated the laws or not. And they'll go through it all, and I hope they'll do what's best for the American economy and the American consumers in the short run and over the long run.

Presidential Candidate Al Gore

Mr. Insana. Going back to the economy for a minute. Vice President Gore has been out doing his campaigning, but he has not necessarily delivered a full-scale platform on the economy yet. Do you think he should? And if he did, what do you think should be included in that platform?

The President. Well, I think he—first of all, he did give a pretty comprehensive speech in New Hampshire a couple of weeks ago, which I thought was quite good, committing himself to continuing to pay the debt down, which I think is very important, and to increasing our investments in education and in science and technology. And he has committed himself to continue to expand the frontiers of trade.

I have said before, and I'll say again, I think it is a mistake that there are elements in both parties of the Congress that seem to be afraid of continuing to expand trade. I do believe we should try to put a more human face on the global economy. I think that core labor standards, being against child labor, trying to have basic environmental standards, all that is very important. But the expansion of trade is very important for a country like ours, with 4 percent of the world's people and 21 percent of its income and the longest growth in history. You

can't keep that going unless you find more customers. And he believes in that.

So he's for continued paying off the debt, continued investment in people, science and technology, and continued expansion of trade, and doing it in a way that tries to bring all people into the stream of economic opportunity. I think it's a good economic program, and I support it.

President's Future Plans

Mr. Insana. Final question to you. Down here on Wall Street, there have been a couple published reports that suggested that you have an interest in coming to work here, once you finish your term as President, and going to Lazard Freres for what is not an inconsiderable amount of money. Any truth to those stories?

The President. It's a total fabrication. I must say that it was an immense surprise to my wife and daughter that anybody would ever offer me that kind of money to do anything. [Laughter] So, no, I don't think it's really appropriate for me at this time to be discussing that.

What I want to do is to work until the last hour of the last day I'm President, to get as much done for the country as I can, to leave America in the best shape I can, and then to have—for the rest of my life, try to be a good and useful citizen. And I'll have plenty of time to figure out what I should do to make a living at a later time.

It was a flattering rumor. Many of the other rumors have been flattering. But they're all, as far as I know, completely unfounded.

Hillary Clinton's Appearance on "Late Show With David Letterman"

Mr. Insana. We saw Mrs. Clinton on "Letterman" last night. You didn't happen to bring a Top 10 list with you this evening, did you?

The President. No, but I thought she was fabulous. I must say, I was sort of—I was amazed. I used to think I was the funny one in our family. And I was very proud of her. I thought she was wonderful.

Mr. Insana. Mr. President, good to see you. Thanks for joining us tonight.

The President. Thank you.

NOTE: The interview began at 6:55 p.m. in a broadcast booth at the New York Stock Exchange. In his remarks, the President referred to Rev. Jesse Jackson, founder and president, Rainbow/PUSH Coalition; Sanford I. Weill, chief executive officer, Citigroup; Richard Grasso, chairman and chief executive officer, New York Stock Exchange; Steve Ballmer, president and chief executive officer, and William H. (Bill) Gates, chairman and chief software architect, Microsoft Corp.; and Mr. Gates' wife, Melinda. A tape was not available for verification of the content of these remarks.

Remarks at a Wall Street Project Conference Reception in New York City
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Well, first let me thank Reverend Jackson. And Jackie, thank you. And Dick Grasso, thank you for having all of us here tonight. This is the first time I have ever spoken from this microphone. You know, as President, I'm superstitious, and we've had such a good stock market. I don't ever comment on it—except I like the way it finished today. [Laughter]

I wanted to say just a couple of things very briefly. First of all, I want to thank Dick Grasso for his leadership in the Wall Street Project. A lot of people don't know that the stock market was organized over 200 years ago so that there would be a mechanism through which bonds could be issued to finance America's debts in

the war for our independence. So, in the beginning, this stock market had not just a profit motive but a public interest purpose. This man has infused the stock market not only with its greatest success in history but with a public interest purpose, to include all Americans in our prosperity. And we thank him.

Most of you were with us today in the afternoon, and I won't make you sit through my speech again—or stand through my speech again, even though I'd kind of like to, because this is the first crowd in a long time when I've been guaranteed a standing ovation. [Laughter]