AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

time. Their position, which is, "Let's give everybody a tax cut. It's your money, because we project it"—it really does remind me of these Publishers Clearing House, these sweepstake letters you get from Ed McMahon. "You may have won $10 million." You may have. And everybody that went out the next day and spent the $10 million should seriously consider supporting the Republicans in this election. [*Laughter*] Every single one of them. But everybody else ought to stick with us and keep this thing going.

And that's just one difference. But I'm telling you, it is—there really is—I've dealt with a Republican Congress now for 5 years, and I've found a lot of common ground with Speaker Hastert. We're going to pass this new markets legislation, I think, this year. We passed the Africa/Caribbean Basin trade bill with the help of the Republican and the Democratic leadership, where Senator Lott and Senator Daschle worked together. I work every which way I can. But I promise you, this is—it is a profound philosophical difference.

They actually believe it's okay to have tax cuts based on a hundred percent of the projected surplus. And I can tell you—people ask me all the time—Bob Rubin and I were together the other day at his portrait unveiling, and we were talking about how we started the economic team and Lloyd Bentsen was my first Treasury Secretary and all that. And all these guys came up to me—one guy says to me, he says, "Well, Mr. President, what was the principal economic reform you brought to Washington. What do you think was the principal thing you've done that led to all this incredible growth, and what was the main change?" And I said, "Arithmetic." [*Laughter*] "We brought back arithmetic. We stopped spending money we didn't have. We stopped projecting in a rosy way. We stopped acting like all this stuff falls from trees and the sky. And we started working in a disciplined way to make hard choices."

So I'm just telling you, Hillary needs your help; the Vice President and Senator Lieberman need your help; America needs your help. Every one of you has a network. We've got a chance to keep this economy going and spread its benefits. But the first and foremost thing we have to decide is, are we going to continue the disciplined path of the last 8 years, taking advantage of the fact that we can do more than we could when I came in because we've turned it around, or are we going to back to the policy which says all tax cuts are good whether you've got the money or not, give it away, and worry about the consequences later?

Now, we've tried it both ways. You had 12 years of one way; now you've had 8 years the other way. And you can add up the evidence either way and draw your own conclusion. But the only way we can get in trouble is if people don't think about it like that, if they don't really think it's a big election, if they think this thing is so strong you couldn't mess it up with a stick of dynamite, if they don't understand with clarity the choice there. Clarity is our friend.

You can be positive and upbeat, and you should be. You never have to say a bad word about any of our opponents. Just talk about the differences, and let people decide. We've been around here over 200 years now because usually the people get it right if they have enough time and enough information.

The final thing I want to say is I want to thank Tom for what he said about Ireland and the Middle East. It's been the great joy of my life to labor for peace, which is the highest example of what Harry Truman said is the essential work of the Presidency, which is trying to persuade people to do what they should do without having to be asked in the first place. [*Laughter*]

Thank you very much.

NOTE: The President spoke at 10:15 p.m. at a private residence. In his remarks, he referred to dinner cohosts Tom Quinn and Pam and Brasim Ekpone.

Remarks in a Roundtable Discussion on Higher Education in Chicago, Illinois

August 10, 2000

The President. Thank you very much, Ken. Ladies and gentlemen, thank you for this warm welcome. I didn't know if we could stir up so many students in the middle of the summer. [*Laughter*] But I'm delighted to see you all here.

I want to thank Representative Rob Blagojevich for joining me, and also, behind me, Representative Bobby Rush and John Stroger and Tom Hines. And there are a lot of other of my friends here, but I want to thank them all for coming. And I want to recognize that I have one special young man who works for me in the Department of Cabinet Affairs in the White House, Sean O'Shea, who is here with me. He's an alumnus of DePaul.

There's been a lot of talk in the press lately about this whole issue of legacy, and that means when you've got one leg in the political grave, that's what they start talking to you about. [*Laughter*] But I think I should note that DePaul educated two generations of Daley mayors. Now, that's a real legacy. And I congratulate you on that.

I also—I saw that Princeton Review survey saying that your students were the happiest. And I thought to myself, they're not happy because there are no academic standards here. That would be bad. [*Laughter*] They must be happy because of the atmosphere, the culture, the way people relate to each other across all their differences. And that is an enormous tribute, and you should be very proud of that. And maybe it has something to do with the basketball team, too. [*Laughter*]

Let me say to all of you, we are here because all of us know that when we open the doors of college, we open the doors of opportunity; we give people the chance to live out their own dreams. And in the process, we strengthen our Nation and our ability to contribute to the progress of the entire world.

I got to go to college because I had, in college and law school, scholarships, loans, and lots of jobs. And if I hadn't had all three of those things, I wouldn't have had a chance to go. And if I hadn't had a chance to go, I wouldn't be here today.

I think it is important to recognize that while a college education has always been profoundly significant for certain jobs, like the one that you've made it possible for me to hold over the last 7½, it's more important than it's ever been for all kinds of people in all kinds of ways.

The number of new jobs in the years just ahead requiring a bachelor's degree will grow twice as fast as those which don't. The three fastest growing occupations require at least a bachelor's degree, and all three pay much better than average wages. Twenty years ago college graduates earned about 40 percent more than high school graduates. In the new information economy, the gap has almost doubled. If we value opportunity for all, as we say we do here in America, we have to provide all Americans access to opportunity, and that means access to college.

From the very start, our administration has worked hard on this. I was telling our panelists on the way out here, I got interested in this whole issue when I was Governor, and we basically got rid of State tuition for everybody in our State that had a certain grade average or above. And we increased scholarships and loan aids.

But I got into it because in the 1980's I kept running into young people who told me that they had started college and dropped out because they had become convinced they would never be able to repay all their loans, especially those, ironically, that we needed the most, the ones who wanted to be police officers, teachers, nurses, that wanted to be in the serving, helping, socially strengthening professions. And we can't allow that to happen.

I just talked to your president, Father Minogue, on the telephone over in Thailand, and he told me that 25 percent of the entering freshman class at DePaul will come from families with incomes of under $40,000. Now, we have got to do something about it. I want to talk today about what we have done, what we're doing now, and what I think we ought to do.

I agree with what the Congressman said. To me, it is one of the proudest achievements of the last 7 years that we've done so much to open the doors of college to everyone. We have more than doubled student aid in 7 years. We've increased Pell grants by more than 40 percent. We rewrote the student loan program to make it easier and cheaper to get student loans and to pay back those loans as a percentage of your disposable income after you get out of school. By doing this, people don't have to choose between paying their loans and choosing a career that may not be right for them just because it gives

them a big enough income to pay their loans back. The direct loan program that we started in 1993, and the competition that it has fostered, have already saved students over $8 billion in loan repayment costs. It's made a big difference.

We expanded work-study slots by over 40 percent. We now have a million of them in colleges and universities throughout the country. We created AmeriCorps, which has now given 150,000—actually, more than 150,000 young people the chance to earn money for college while they serve in communities all across America in remarkable ways. We gave American families a chance to save for college in education IRA's, which meant the income wasn't subject to taxation while they were saving it, and then if the money is taken out of the IRA for the purpose of college education, it's never subject to taxation.

And of course, in 1997 we created the $1,500 HOPE scholarship tax credit, which effectively made 2 years of high school education—post-high-school education free in every community college in the country but was obviously available to people who went to 4-year universities as well.

We supplemented that with a lifetime learning tax credit that applied to the junior and senior years of college, graduate schools, and adult education efforts for people to upgrade their skills, to try to create a seamless thread of lifetime learning in our country. Since 1997, over 5 million families have already benefited from the HOPE scholarship tax credit.

Now, this is the biggest increase in college access and college opportunity since the passage of the GI bill right after World War II. As a result, we now have, for the first time, over two-thirds of our high school graduates enrolling in college. That's a substantial increase from 1993. But even with all the new forms of financial aid and even though the rise in tuition cost has slowed over the last few years, the vast majority of families with people in college still feel stretched. After all, over the past 20 years, the cost of college has quadrupled. Many parents still take second mortgages or second jobs to pay tuition bills.

That's why, to build on the success of the HOPE scholarship and the lifetime learning credits, I have proposed a landmark $36 billion college opportunity tax cut that will benefit millions of middle class families. It essentially will allow them to deduct up to $10,000 a year in college tuition costs, at a 28 percent rate, whether they're in the 15 percent income tax bracket or the 28 percent income tax bracket. It can be worth, in other words, up to $2,800 a year if the students are in school at a place that has tuition of $10,000 or more.

Today I came here to do two things—to talk to these folks and to announce two other steps to make college more affordable. First, beginning today, the Federal Direct Student Loan Program will reduce interest rates for students who meet their responsibilities and repay their loans on time. This could save more than 2 million students more than—and their parents—$150 through an interest rebate on new loans and $500 on refinancing existing loans.

Right now—I'm very proud of this—right now the student loan default rate is 9 percent. When I became President, when the interest rates were high and the system was not user-friendly, the default rate was 22 percent. So it's gone from 22 down to 9. By rewarding responsibility from borrowers who pay back on time, we can bring that default rate down even more.

At the same time, these two proposals I just mentioned will save students and parents more than $600 million in the next 5 years alone. When you add it up, that will save college students, since 1993, an average of $1,300 on their college loans and lower interest rates and then premiums for paying on time. You don't have to be a math teacher to know that's pretty good arithmetic. [*Laughter*]

Second, I am pleased to announce a new loan forgiveness program to reward those who teach in our most hard-pressed communities. The students in these communities need the most help from the best teachers. We know that one of the most important things in education, no matter what else we discover, is, has been, and always will be a trained, dedicated, talented teacher.

And through schools like DePaul, we're adding more and more. But we have to add more and more. We have the largest student population in our history, the most diverse student population in our history. We have all these schools that are bursting to the gills, overcrowded, either in old facilities that can't be modernized or in trailers out back. The largest number of trailers I've seen at any one school was a dozen. I was at a grade school in Florida where the school building had a dozen trailers out back.

And we know that 2 million teachers are going to retire over the next 5 or 6 years. This is a very important issue in Chicago, where you have worked so hard to turn your schools around, and the whole country is impressed by the efforts you're making. But it doesn't matter what steps you take. If the young people who are dedicated to teaching aren't there, the rest of the changes won't work.

Now, because of the teacher shortage, we already have too many people going into the classroom who haven't been properly certified to teach the classes that they're supposed to teach. A quarter—listen to this—a quarter of all our secondary school teachers don't have majors or minors in the subjects they teach, mostly in math and science. Students at schools with the highest minority enrollment have less than a 50–50 chance of having a math or science teacher with a license or a degree in the field that the teacher is teaching. Many of those who are qualified end up leaving their classrooms before they can really make a difference because of the financial problems. Listen to this: One-fifth of all of our new teachers leave the classroom within the first 3 years of teaching.

Now, what we want to do is to put better teachers in the schools that need them most and help them stay there. This program would propose to forgive up to $5,000 in loans for teachers who stay in the classroom for 5 years. They'll be paying it back by teaching our kids. It builds on our billion dollar budget proposal to improve teacher quality, help retrain and recruit teachers, and put 100,000 new teachers in the early grades to lower class size there.

This is an assignment we cannot afford to fail. And I hope that this loan forgiveness program will encourage more young people to get into teaching and to stay in more than 1 or 2 or 3 years. Taken together, these proposals will help to provide more families with the support they need and help to provide our economy with the work force it needs.

There are lots of other things we need to do in education. There are lots of other things we need to do in terms of tax relief. But I think helping people to go to college is number one. And I've also proposed tax relief that we can afford for long-term care, for elderly and disabled family members, for child care, to help older workers who lose their health insurance on the job to buy into the Medicare program, to help lower income workers with lots of kids to get more tax relief so they don't pay any income tax.

And what I propose would bring a lot of benefit to Americans and still allow us to invest in education and health care and the environment and science and technology and get this country out of debt. I have some real hope that this proposal on college tuition can pass this year, when the Congress comes back. But in a larger sense, the American people will have to decide whether this is the way they want to go on tax cuts or whether they want big, sweeping tax cuts that take up all of our projected surplus.

I think that is a bad idea, because first of all, the money hasn't materialized yet, and most of us can't spend money we don't have, and I don't think we ought to do it as a nation. And secondly, we still need to keep investing in education and other things that will make us strong.

So I wanted to come here and say this. We have got to keep working until there is not a single, solitary soul in America who stays out of higher education or drops out of higher education because of the cost. Anybody who is able to go, willing to work, willing to learn and make the grade ought to be able to go, stay, and succeed afterward without being unduly burdened. These steps we're taking today are a good step in the right direction. And if we can just get this tuition deductibility program passed, we can really say we have actually opened the doors of college to every American family.

Thank you very much.

Now, what I want to do—for most of you, you won't be surprised, those of you who are part of the DePaul community, perhaps by any of the stories that are told. But I think it's important to illustrate what we're trying to do in terms of real people's lives. And so we have four folks come here today, and they're going to talk, and I'm just going to start here and go around.

But I want to start with Pam McNeil, who is a dance instructor at Columbia College, and she has three children, ages 3 through 10. You heard that said before. Her husband is an advertising art director. And when their children enter college, she could be eligible to save, with her family's total income, up to $1,500 for each freshman and sophomore, through the HOPE scholarship; up to $2,000 a year for each junior and senior; and if the college opportunity tax cut is enacted, $2,800 a year for each one in all 4 years if they go to colleges where the tuition is that high, which all will be by the time she gets there. [*Laughter*]

So tell us about what you're doing to get your kids thinking about your kids' college education, even though they're quite young.

[*At this point, the discussion proceeded.*]

The President. So you're going to benefit from the education IRA, because the money at least you can put aside not subject to taxation and take it out not subject to taxation. But if you could deduct $2,800 a year from your taxes—keep in mind, this is a tax credit, not a deduction—you get—the effect of it would be a $2,800 a year reduction in your tax bill for every student in college. It would make a difference in your ability to send your kids.

[*The discussion continued.*]

The President. I want to put in another plug for something else we're trying to do. [*Laughter*] No one in my family had ever been to college before, and of course, in my generation that was not all that uncommon. But my family started talking to me about it when I was a little kid. There was never—it wasn't a question; it wasn't an option. If I had ever suggested anything to the contrary, I would have been denied dinner or something. [*Laughter*]

The reason I make that point is there's still millions of kids who grow up in this country who don't get that message from their parents. And that's another thing that I hope will come out of these programs. I want people who think they can't send their kids to college to hear this message today so they'll start telling their kids what you tell yours.

We started a program a couple of years ago that was developed originally in Philadelphia, that Congressman Chaka Fattah from Philadelphia sponsored, but the consortium of universities there were going out and mentoring kids in the schools and trying to convince kids in very low income areas from very difficult family situations that they could all go to college if they learned their lessons.

And what they did was, they had a combination of mentoring the kids and actually showing them what the Pell grant was. A lot of kids think they can't go to college because they don't even know what's on the books now. So the Congress was good enough to pass this program on a nationwide basis. It's called the GEAR UP program. We now have college students all over America going into middle schools, mentoring kids.

They're also educated on what the whole range of student loan options are so they can actually sit down with a 12- or a 13-year-old student and say, "Here's what your family income is. If you go to college, here's what you can get right now. We can tell you right now, you'll be able to get at least this. It will probably be more by the time you get ready, but you've got to make your grades, and we're here to help you." And the message is very, very important.

So I think, in a funny way, what you're telling your kids is just as important as the money you're setting aside for them.

I'd like to now ask John Schoultz, who is the financial aid director here, to talk a little about how things have changed, financial aid and access to college. He's been in this business for 30 years, so he has seen a lot of changes. That's almost as long ago as I started needing financial aid. [*Laughter*]

So what would you like to tell us about this?

[*The discussion continued.*]

The President. I want to turn to Alicia Buie, who is exhibit A of the announcement I made today on loan forgiveness. This is the sort of person we need more of in America right now. She took a big pay cut and a big loan out to become a teacher in a high-need area with kids who need people like her, who are willing to do things for less money and more social return.

But she's got a husband and two kids; she's got a family; she still has to pay bills. I mean, when the electric bill comes, it doesn't say, "Here's your discount for being a good person." [*Laughter*] So I want her to talk about the decision she made, what she's doing, and keep in mind—and how she would be affected by these proposals.

So will you tell us a little?

[*The discussion continued.*]

The President. So under the present system, she would be—any out-of-pocket costs she has on the college would be subject to tax deductions. The loans under the direct loan program are less costly for the reasons I just mentioned. But she'll actually get now to write off almost a third of her loan for being a teacher. And I think it is a tiny investment for the rest of us as a nation to make, to reward and encourage people who make the kind of decision she did.

I hope we can—we started doing things like this—we have a little pilot program, actually, for younger people who just start their bachelor's degree, where they could teach off all their undergraduate loans. But it's not as big as I want it to be. And I want to keep—I hope when I'm gone that this thing will have enough life that other people will keep doing it.

We got the idea to do this because, when I was Governor of Arkansas, we had all these rural places where no doctors would go. And there was a bill passed by the Congress back, I think, in the early seventies, maybe even in the late sixties, where doctors could, in effect, work off their very expensive medical school tuition if they would go to isolated, rural areas or inner cities where there were no doctors.

And now we have the equivalent shortage of teachers, especially in the areas of highest need, especially for the young kids, because that's where the classes are biggest—what you're doing—and in the area where it's hard to get certified people in science and math.

So I hope one of the things that will happen after I am no longer President is that somebody will come along and say, "Let's let them get rid of all the loans if they serve for 5 years or 6 years or whatever and do other things to try to get"—[*inaudible*].

Now I want to call on Heather Ely. She is a junior here, majoring in computer information systems. Now, there is a guaranteed future. [*Laughter*] She has borrowed a good deal of money from the student loan program and private sources to go to college. I want her to talk about it, and I want to illustrate how she could save some money just under the proposal I announced today.

[*The discussion continued.*]

The President. You actually got hurt by the prosperity of the economy in that, because what happened was, when the economy started growing so fast, interest rates went up because there was a lot of competition for money and because the Federal Reserve got worried about inflation. And that's why I've worked so hard to pay the Government's debt down to keep interest rates as low as possible, because it's a good thing to have growth without inflation, but if you have to get it by raising the interest rates, you have all these unintended consequences.

When people raise interest rates, they think, I'm going to do this to try to slow down the economy, so I'll stop people from buying optional things, or I'll defer the business loan for expansion. But they don't think about people on flexible interest rates, home mortgages, college loans, and things like that—or credit cards, even.

Let me just sort of use you as an example. The direct loan program, as I told you before we came in here, will cut the cost of repayment rather dramatically on the part that you get from the Government; then if you pay it off on time, you'll save another several hundred dollars.

One thing, though, I must say that you presented me today that I don't know the answer to is, if you did pay out of pocket right now for any of this money that you have borrowed—for example, if you paid up to $1,500

a year, or since you're a junior or senior it would be up to $2,000 a year—you would literally, if you had income tax liability or your family did, you'd get it right off the Government. That is, you could deduct up to $2,000 in cash.

I don't know whether the subsequent repayment of private loans gets the same tax treatment, but it ought to. Logically, it ought to. So you've actually given me something to go back and look into. [*Laughter*] It will be something positive to occupy myself with, since I'm not a candidate this year. [*Laughter*] I need something good to do in September and October, and I'll do that. [*Laughter*]

But if you think about it, all these cases—you ask yourself, don't we have a national interest that we should address as a nation together, through the tax code and through investments like the Pell grants, in seeing that he doesn't have to say no to any qualified student; that she doesn't have to worry about whether her third child will have the same opportunities her first child did because of the accumulated costs; that if she wants to make a decision to give up probably half or more of her income, that we don't make it harder by the cost of the transition, which is basically what her education was; and that if this young woman is willing to go out, essentially, and finance her own education all by herself, that she ought to be rewarded for it and not punished? I mean, these are just four examples. And all around here, you look at all these students; a lot of them have been nodding their heads through this. There has got to be a story like this inside the life of every student sitting here.

So if you think about what you want America to look like in 10 years and you think about how wonderfully diverse we are, racially, ethnically, religiously, all kinds of ways, and how well suited we are to this global society we're in—here, your president is over in Thailand having a partnership today, right? That's a good thing. Before you know it, some of you will be taking a semester off to go to Thailand to study. It's a good thing. And the rest of you won't have to go, because by the time we get all these Internet connections worked out and simultaneous transmissions with good screens, you'll just flip them up on the screen, and you'll be there in class anyway, in Thailand, and they'll be here.

Now, as good a shape as America is in today, all the real benefits of the work we've done together as a nation over the last few years are now out there to be reaped. But the absolute precondition is our ability to give all of our kids a globally competitive education from preschool through high school and opening the doors of college to everyone.

No one contests that we have the best system of higher education in the world. My daughter's friends and then the children of my friends, all of them, they go through this college application process, and they're all so nervous. And I tell them all that this is the highest class problem you can have because, believe it or not, there are at least 400 places in America—right, there are at least 400 places in America, maybe more—where you can literally get a world-class undergraduate education. It's an astonishing thing.

But if we don't get all of our kids ready to go, which means we've got to have more people like her, and if we don't open the doors of college to everybody, which means he doesn't have to say no, then we're never going to reach our full potential. On the other hand, if we do, however good you think things are in America today, believe me, it's just the beginning, and the best days are still ahead. But we've got to allow all these folks and everyone like them in America to succeed.

Thank you very much.

NOTE: The roundtable began at 11:35 a.m. in the Stuart Center Cafeteria at DePaul University. In his remarks, the President referred to Kenneth McHugh, executive vice president for operations, Rev. John P. Minogue, president, and John Schoultz, director of financial aid, DePaul University; John Stroger, president, Cook County Board of Commissioners; Tom Hines, committeeman, Chicago's 19th Ward; and Sean O'Shea, Special Assistant to the Cabinet Secretary, White House Department of Cabinet Affairs.

Remarks in a Discussion at the Ministers' Leadership Conference in South Barrington, Illinois

August 10, 2000

Rev. Bill Hybels. It wasn't as bad as I told you it was going to be. [*Laughter*]

The President. It's never been as bad as you told me it was going to be. [*Laughter*]

Reverend Hybels. You know, there are some cynics out there that think that I'm just going to ask you a bunch of softball questions. They don't know me very well.

The President. They obviously never sat in on any of our sessions. [*Laughter*]

Buddy

Reverend Hybels. So I'm going to start with a tough one: How's Buddy? [*Laughter*]

The President. He's doing fine. I'm not doing as well as he is. We took him up to Martha's Vineyard for a little family weekend, and we went swimming in the ocean. And he panicked and jumped on me, and I forgot to give him a manicure first. [*Laughter*] So it's a good thing I've got a suit on. [*Laughter*]

Ministers' Leadership Conference

Reverend Hybels. All right. These folks all know you and I have been meeting for many years. I'd just like to ask you, how would you characterize for these people what our meetings are like?

The President. Well, first of all, they all have certain things in common, then they're different from time to time. They all include you asking me point blank about the state of my spiritual life, and if you think I give you an evasive answer, then you do pointed followup questions. [*Laughter*] And then—and they all end with a prayer. Most of the time we both pray.

Before we came out here, we both prayed. I prayed that you wouldn't give me too tough a time for asking me to come here today. And then we talk about things. We talk about what's going on, what's going on at the office. You ask about the other people that work for me and how they're doing. If there is some particular issue in the news, we talked about that, or particularly if there's a big development involving war or peace, we talk about that.

And you've given me the opportunity to ask you questions about what you do. I mean, I was fascinated about how Willow Creek was born and grew and how you got into this business that I think is so important, of trying to build up the strength of local churches throughout the country and throughout the world. And I've learned about how I do my work by talking to you about how you do yours. And I hope that the reverse is true on occasion.

But basically, they've been spiritual conversations, conversations between two friends. There are some things that are always the same, and then they change based on what's going on.

Reverend Hybels. Now, recently, you told me that you think more pastors should try to help politicians; they should make themselves available and offer to kind of play the role that I've played.

The President. Yes, I really believe that.

Reverend Hybels. Why?

The President. First of all, because we need it, and not just someone like me, who obviously does. But we do. In 1918 the German sociologist Max Weber wrote an essay. You and I never talked about this before; I just thought about it while you asked me the question. It's called "Politics as a Vocation." And Weber was a Christian Democrat, a devout Catholic. And he said politics is a long and slow boring of hard boards. And anyone who seeks to do it must risk his own soul.

Now, what did he mean by that? What he meant by that was, even in a democracy, where you draw your authority from the people, you have it for a limited amount of time, and it's self-circumscribed by the Constitution. You get the ability to make decisions which affect other people's lives, decisions which are beyond your own wisdom, often made under circumstances which are unimaginably difficult, either because you're under political or personal duress.

And I just think it's—most people who don't know any people in public life who have to make those kind of decisions may think, well, they're just—they don't have a spiritual life, or they're all automatons, or they're not this, that, or the other thing. I can tell you,