Interview With Ron Insana of CNBC's "Business Center" in New York City
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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?