

# TRANSCRIPT: Hillary Clinton meets with the Daily News Editorial Board, April 9, 2016

*The Daily News Editorial Board interviewed Hillary Clinton, Democratic candidate for President, on April 9 in the offices of the newspaper in downtown Manhattan.*

**Daily News:** Welcome. I really appreciate the opportunity to speak with you about the issues in this campaign. We will be making an endorsement. Let me start with the economy. You've made lifting the fortunes of the working and middle classes a centerpiece of your campaign. And you're well aware that in 2000, you pledged to create the conditions that would add 200,000 jobs upstate. You're also well aware that that didn't come true. The state Labor Department data show that the average annual number of jobs actually fell during that period. What went wrong?

**Hillary Clinton:** I would start by recognizing that my plans during the 2000 campaign were premised on what I thought we could do with a Democratic administration to continue the work that had been done in the prior eight years by my husband using every tool: the new market tax credit, empowerment zones, but generally continue the robust growth in the economy. We all know George W. Bush came in with very different economic policies and began to implement them.

The second thing that happened was 9/11, which had quite dramatic effects on our economy for some period of time. And it was clearly focused on what happened here in the city, but it had ripple effects going upstate. And then, of course, the Great Recession, which hit as I was transitioning from my second term as senator to the Department of State.

Now I also believe that there were some steps that we did take which showed what could have happened. And I was in Buffalo yesterday, Arthur, and I was encouraged because what I did in Buffalo was to bring together what I saw as the principal assets of that city. Namely, the people in the medical complex in the university, people who knew that if they could redevelop the waterfront, it would be a big deal, and to use the power of convening plus the carrot of federal funds, which I worked with then the Republican congressman, Tom Reynolds, to secure, to really invest in a medical campus in downtown Buffalo. They have added 12,000 jobs. They have spun off a hundred businesses. And so yesterday I was gratified that the work we did do in many cases, that being one example, has paid off. But more needs to be done.

## [HILLARY CLINTON BLASTS OBAMA'S ANTI-TERROR FUNDING CUT](#)

**Daily News:** Okay, but let's take a look at, in terms of paying off, and still looking at upstate New York, the data also show that the average annual number of jobs upstate fell from 2008 to 2015 during the Obama years while the United States did gain jobs. I'm still wondering, what is your diagnosis of what went wrong and why is upstate New York such a laggard in the economy and is it really a proxy for a lot of problems that are happening across the country?

**Clinton:** I think that's a very pointed and important question. Upstate New York has had a series of setbacks going back several decades now, lost a lot of industry first to the South, then lost a lot of industry overseas. And we did not have the right combination of economic tools there or in other places that experience the same kind of job decline to, number one, halt the trend and then to reverse it. And I think we now understand better, or at least I feel like I understand better, what the specific incentives might be in order to tackle loss of employment in places like upstate New York.

And I would go back to the Buffalo example. Now I said first we have to halt the trend. We have to try to stabilize the economy and then we have to try to build on it. But there are many approaches that I would take to that. I'm a big believer in looking at what are the assets in particular communities. I also, you know, worked hard in Rochester to invest in advanced manufacturing at the Rochester Institute of Technology, because you have to have these anchor investments that then ripple out and attract people to them.

I also think that we stopped using... in the Bush administration, and because of the pressures of Great Recession posed on the Obama administration, it was more of a firewall exercise as opposed to a building exercise... but using tools like the New Markets Tax Credit, using empowerment zones, using the tax system to attract investments, private investments, makes a lot of sense, and we have examples of where that's worked. So I think there now is a better understanding of how to do them.

Final thing that I would say about this is, if you look at neighborhoods, towns, cities, even regions that have fallen on hard economic times, very often the best leading indicator is whether you can attract creative people, predominantly but not exclusively young.

So I'll just give you another Buffalo example, because I got a great overview of everything that I've worked on and what it had amounted to. I pushed to take an old industrial building and to make it into an artists' live-and-work space. Now that's common here in New York City. And in fact if you look at developments in a lot of the neighborhoods in Manhattan, it started with people coming in live-and-work space as creative or artistic residents. And so this neighborhood is now slowly moving up because of that.

So I think we know a lot more than we did, and that's, as President, what I want to emphasize.

### **HILLARY CLINTON: 1994 CRIME BILL LED TO MASS INCARCERATION**

**Daily News:** Okay. Well, let's move it out to the macro picture then. Assess the state of the American economy and in particular as it relates to the American worker.

**Clinton:** I'd say the following: First, we have weathered the Great Recession better than most countries. It was devastating. We had a total loss of 9 million jobs. Five million homes were lost and \$13 trillion in family wealth was wiped out. That was a body blow from which many Americans have not yet recovered, and I don't believe that the economy as a whole has fully recovered.

We have seen some good signs, we've increased the rate of job creation. We haven't yet gotten back to labor participation rates as they were before the Great Recession, but there are some positive signs. I would characterize our challenges as follows. First of all, I think the federal government has an opportunity and, indeed, an obligation to play a more active role in supporting job creation: infrastructure jobs, advanced manufacturing jobs, clean renewable

energy jobs. We also have to figure out what is holding down small business formation. There's credit problems, there are licensing, regulation problems, but we have fallen down the global standing in creating small businesses. So we've got to unleash that again and unleash the entrepreneurial spirit.

I think if we take the plans I've outlined, and I've been as specific as I can be and much more than anybody else has been in this campaign, you can see the kind of blueprint that I would work to implement as President to try to get more good jobs with rising incomes, to target places that need extra help, places in upstate New York, places in Appalachia, Native American reservations, places that are truly being left out unless we change our approach. And I think we can get results.

**Daily News:** When you announced, or when you gave your economic policy speech, you referred back to President Clinton's record and the creation of 23 million jobs. And you did say that President Obama had rescued the economy from the abyss at that point. What you did not do is celebrate the record of job creation, and you didn't go any further than saying that he had rescued the economy and rescued the auto industry. And I'm wondering why.

**Clinton:** Well, I have in other speeches. I can't recall the exact wording of that one you're referring to, but in many different settings, I have said, you know, we've recovered jobs and we still have a ways to go. We've had good monthly job numbers from the Department of Labor. Now I think it's 70, 71 straight months, so we've got a good record.

**Daily News:** Seventy-three.



***Hillary Clinton meets with The Daily News Editorial Board on April 9, 2016.***

[\(Robert Sabo/New York Daily News\)](#)

**Clinton:** Seventy-three. We've got a good record and now we have to build on it. So I often say he did dig us out of the ditch that he inherited. He got us standing again. We're walking but we need to be running. And that's where I think my plans, my understanding of what has worked and what can work again will be put to good use if I'm President.

**TRANSCRIPT: JOHN KASICH MEETS WITH NEWS EDITORIAL BOARD**

**Daily News:** Well there are, leaving aside the job creation numbers that the administration celebrates, if you will, you mentioned a labor participation rate that's extremely low.

**Clinton:** Not extremely low. It's inched up.

**Daily News:** It has inched up. It has inched up by six percentage points. It's not that far off from a 37-year low, so that's why I think it's a low labor participation rate. And there are many indicators that there are people working forced part-time, that the incomes have been stagnant...

**Clinton:** Yes, that's true.

## LINDA STASI: HILLARY CLINTON TALKS A LOT, BUT SAYS LITTLE

**Daily News:** ...that there has been a hollowing of the middle class going back for maybe 40 years, people are recognizing that this trend has been going on. And we've seen more wealth going towards the top. The number of people in poverty is not falling. What is it? What's the diagnosis, your diagnosis of what's wrong with the American economy? Why is this happening? And why did it take so long even to get this far from the Great Recession?

**Clinton:** Well, let me put it into the context as I see it. Because, yes, I do talk about my husband's record on job creation but the critical factor that I also mention all the time is incomes went up for everybody, not just people at the top: middle-class, working families, poor people. More people were lifted out of poverty than at any time in recent history. We had some very good numbers.

Now I'm not saying we repealed the business cycle, but I am saying that when Bush came in, I said on the Senate floor, I said in interviews and speeches, he wanted to turn the clock back not just on the eight years of the Clinton administration. He wanted to go as far back as he could, and I think that was a very profound mistake, going back to trickle-down economics, slashing taxes not once but twice.

You know, I was against the very big tax cut in the spring of 2001. I said we could have had a more moderate, sustainable tax cut, but I voted against the big one that the Bush administration pushed through. After 9/11, they came back and asked for another tax cut. So they basically stopped investing in the tools and the experiences that help us build a more flexible, knowledge-based economy in the 21st century. And that I think was a grave error.

So we did have this Great Recession. I think that the work that the Obama administration and the Democratic Congress did in the first two years, in 2009-2010, with the Recovery Act, with Dodd-Frank, with the Affordable Care Act, did reinstate some of the building blocks for us to once again try to get the economy moving. Well, as often happens, Democrats didn't turn out in the 2010 midterm election. We lost the house and that made the job much harder. I think we could have actually put to use a bigger stimulus. We were pretty much constricted by what was thought to be passable. I accept that in the political environment in which we operate. But there were some very positive steps taken. It just, in my view, did not go far enough fast enough.

And now for the last six-plus years, we've been locked in this partisan battle. And the best I can tell, and you certainly hear it from all of the Republicans running for President, they want to go back to trickle-down on steroids. They are committed to really undoing if they can Dodd-Frank, Affordable Care, a lot of the initiatives that the Obama administration did take to try to lift up manufacturing again, to look at ways that we could expand infrastructure and the like.

So what's wrong with the American economy is I don't think we're making the right investments in our most important asset, which happens to be the American people. I think our education system is not really focused on creating the kind of citizens and productive workers that we need. I think we are starving our higher education system. That's primarily something that's happening on the state level but it has national implications.

I think we have walked away from infrastructure investment and jobs. It took years to just pass the ordinary Highway Transportation bill, which was the principal vehicle for

infrastructure investments. When I was in the Senate, we had a Republican Senate during part of the time I was there. We got together and passed it, and now it's taken years. We finally got it passed; it's woefully inadequate. We have a real roadblock in making the kinds of investments in clean, renewable energy and energy efficiency that will put many, many people to work and spin off jobs.

And so I think you've got a fundamental divide between what I think both evidence and Democratic doctrine believes about what we can do to try to deal with the challenges of globalization and technology and automation and the like, and a view coming on the Republican side, which is woefully out of date and is not going to produce the kind of job-ready, skills-prepared people that we need to be competitive. So that's how I see where we are right now.

**Daily News:** The reason I was asking is to try to measure your sense of the problem against the solutions that you offered, the specific solutions that you're offering. I happen to think that the economy is in far weaker shape than the job numbers would suggest. I think that there are long-term trends toward income inequality. And even when you mentioned that under President Clinton that incomes were rising, the Federal Reserve did find then that there was growing income inequality in the same reports that they were saying that there was broad-scale rising income.

So that's something that's happened and is continuing to happen over a long time. Let me ask you this way: What would be the top three things in your program that are the remedies?

**Clinton:** I have set forth a plan for increased growth in the economy, increased fairness in the economy and a particular emphasis on incentivizing long-term growth. So in that tripartite prescription, I've already mentioned some of what I think the Federal Government can and must do to create more job opportunities, to create more growth. We also have to rein in some of the corporate behavior that exports jobs and diminishes growth.

So for example, I have called for the, to pass a law that requires companies that want to move jobs out of our country to repay every penny of taxpayer money they've ever received, even in predecessor companies, to expand, to train, you know, the tax abatements and the other benefits that have been provided to them, because there was an implicit bargain: We're going to forswear property tax payments because you're bringing jobs to our community. And now all of a sudden you're picking up and leaving.

# DAILY NEWS

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I also was pleased by the recent decision of the Treasury Department to rein in inversions, and, you know, I have said that they should be called perversions. We have to take a hard look at what companies are doing because they've got to be part of the solution, not just the problem we rail against.

We have to take a look at the corporate tax code. Clearly it is not working. It's not working either in terms of collecting taxes, because the effective tax rate is absolutely not the stated tax rate. But it's also not working because we've got to stop and say, "What is it that creates jobs and growth in the 21st century?" It's not necessarily the same that's created it in the 20th century. So I have a whole plan about what I would do to get growth going.

On fairness, we have to take on the fact that most Americans haven't had a raise in 15 years. And you're right, although inequality was going up, so was incomes. And what I have seen in every survey that I have looked at, and what I hear from people in this campaign and I've now talked to many thousands of them, they just want to make sure they're getting ahead. It's not so much the fair acquisition of higher income. It's the manipulation of the system. It's the rigging of the system.

## [TRANSCRIPT: BERNIE SANDERS MEETS WITH NEWS EDITORIAL BOARD](#)

**Daily News:** So how do you get raises for people? How do you do that?

**Clinton:** Well, I think several things. There is an uptick right now. In the latest reports, we're seeing a slight uptick because the labor market is getting somewhat tighter. I am withholding

judgment about, you know, how strong it is because I think I see more indicators that we're heading in the right direction. I will always be alert to those that are not. But when it comes to how we get raises, we have got to take a hard look at how work is being performed today and what are the drivers of companies cutting hours back.

And a lot of people say it was the Affordable Care Act, because above 30 hours, there's going to be certain expectations. Well, it's also because a lot of companies don't want to pay benefits of any kind, so trying to keep employees below whatever the threshold is. We have to take a hard look at that. That is just making it nearly impossible for so many working families to get ahead.

And look at what's happening with scheduling. And I'm particularly sensitive to this because I hear about it from a lot of young people. They are having to take one, two, sometimes three jobs, and they're at the mercy of unpredictable scheduling. So I think the federal government, through the Department of Labor, we have to look at how we enforce the existing laws. Overtime laws are a perfect example. And then, what do we need to do to try to adjust our laws to the so-called gig economy, which is ripping away the safety net from so many working people?

**Daily News:** But going back to something more basic, I think your theory is: promote growth, increase growth, will increase employment, will increase the upward pressure on raises, on salaries, right?

**Clinton:** Yes, right.

**Daily News:** That I think is the fundamental theory of your economic plan.

**Clinton:** Right, but I also want to change...I didn't get to the long-term part, but let me just finish on fairness quickly. I support the increase in minimum wage. I supported the Fight for 15. I think the way New York has done it makes a lot of sense, because, you know, applying it more quickly in New York City, having a more phased-in application upstate, keeping an eye out for unintended consequences. California's doing something similar.

So I think raising the bottom historically has meant you also bump up those above the bottom. We also have to guarantee equal pay for women. And you know, people look at me when I say this like, "Well, that's a luxury." It's a necessity. It goes into the wage base. It goes into the pocket book, and we have a continuing big problem about unequal pay for women. And the women's soccer team is just the latest example. There's a lot of issues around this because we have a lack of transparency.

So this is a big deal to me. I point out all the time, because when I'm speaking to big crowds, I say we have to guarantee equal pay for women. The women all applaud wildly, and a lot of the men are just sort of looking at me. And then I quickly say this is not just a women's issue. It's a family issue. If you have a mother, a wife, a sister, a daughter who is not being paid fairly, she does not get a gender discount when she's checking out at the supermarket. You're a white woman, therefore you only have to pay 78 cents on the dollar, or you're an African-American woman, you only have to pay 68 cents, or you're a Latino, you only have to pay 58 cents. That doesn't happen, so it is a family issue and it's a broader issue of economic fairness and I would argue growth.



And then long-term, we've got to look at capital gains as well as corporate tax. I want to reward patient capital. I think the more we can try to nudge our business leadership into looking at what will grow their companies and grow their employment base.

And the final thing I'll say about this, because I could talk on for a long time. When I was giving one of my economic speeches and I was looking through a lot of the reporting, there was a survey that had been done with leaders of major American corporations, people in the top 100, right? And they were asked a question, to paraphrase, that went like this, "If you could make an investment today in plant and equipment, in research, in training and education for your workforce and you could be guaranteed it would pay off in five to 10 years in your bottom line, but it would knock a penny off your share price, would you do it?" To a person, they said no. And I guessed that one of the people saying no is somebody I know who heads one of these big corporations. So I called that person up. I said, "Were you part of this?" "Yes," the answer was. I said, "You really said no?" and the response was, "You have no idea. The activist shareholders, the market would destroy me. I can't make those kinds of long-term investments."

So we're looking at the incredible cost that quarterly capitalism is imposing on our economy. And if we aren't smart enough to figure out how to look at that and deal with it, shame on us. Because I remember when I went to law school, shareholders were not the only constituency of a corporation that had to be given priority, and we have slowly moved away from that for all kinds of legal and economic reasons and pressures. So we've got to take a look at how we are funding ourselves and the kind of pressures we are putting on corporations, which are driving American growth but not feeling like they can make the investments that will actually pay off.

### [JOHN KASICH TELLS THE DAILY NEWS HE'S THE 'ADULT' IN THE RACE](#)

**Daily News:** So on taxes, that I did call for among other things, a surcharge on incomes over \$5 million, 30% minimum, the Buffett rule, over a million...

**Clinton:** Over a million. Yeah, right.



***Hillary Clinton talked about domestic and international issues during her interview at the Daily News offices.***

[\(Robert Sabo/New York Daily News\)](#)

**Daily News:** ...and then to carried interests, a change in capital gains that would reward people for holding for six years or more, I believe it is. How much revenue do you foresee coming off that and what will be the impact on growth?

**Clinton:** Well, I have connected up my proposals for the kind of investments I want to make with the taxes that I think have to be raised. So on individual pieces of my agenda, I try to demonstrate clearly that I have a way for paying for paid family leave, for example, for debt-free tuition. So I would spend about \$100 billion a year. And I think it's affordable, and I think it's a smart way to make investments, to go back to our economic discussion, that will contribute to growing the economy.

Now I'm well aware that this is a heavy lift. I understand that. But I think connecting what I'm asking for to the programs, to the outcomes and results that I'm calling for give me a stronger hand, and that's how I'm going to go at it.

**Daily News:** So if I understand you correctly, if you look at your proposals for college costs and for family leave, for infrastructure investments...

**Clinton:** Well, that's a little bit different, because infrastructure investment, I'm still looking at how we fund the National Infrastructure Bank. It may be repatriation. That's one theory, or something else. It's about \$100 billion a year.

**Daily News:** A hundred billion a year, so that comes out to about a trillion dollars...

**Clinton:** Over ten.

**Daily News:** ...over ten years. Okay. Now on the infrastructure, since we've mentioned it, it was like \$325 or...

**Clinton:** Two hundred and fifty plus 25 billion to seed the National Infrastructure Bank.

**Daily News:** Okay. And that's over what period of time?

**Clinton:** Over 10 years.

**Daily News:** Over 10 years. What do you do with it? What happens?

**Clinton:** Well, glad you asked. I have this image of the Old Executive Office Building. They have some very big rooms with really high ceilings, and I want a map of our country where we plot all of the most pressing infrastructure needs, both what we can see — roads, bridges, tunnels, airports — and what we can't see, like water systems, so that what happened in Flint, doesn't happen anywhere again. And to finish building out high-speed affordable internet access for everybody because that's an economic tool and we are leaving a lot of jobs and income on the table because we haven't done that. And to really prioritize. You know, back in the Recovery Act in '09 and '10, the Obama administration said we're going to go for shovel-ready projects. And to a great extent, they did.

But we need to get ahead of that and to get states and localities to immediately, within the first 100 days, prioritize their infrastructure needs and let us know what they are, and then we will overlay that with some of what I consider to be national infrastructure needs. For example, leaking pipelines across borders. So one state may say, "Well, you know, that's somebody else's problem."

So I want to also be creative about what kind of new infrastructure investments might be worth pursuing. I think a lot of the work we need to do on clean, renewable energy requires a new electric grid. We got some planning done under the Recovery Act. I want to... I'm not immersed in it. I don't have access to it because a lot of it needs to be dealt with in security constraints, but we need to look at all of that and I'm excited by this.

See, I really believe, Arthur, now this may be betraying my level of enthusiasm and confidence about what we can do, but I really believe that if you tell Americans what you're trying to do, and you tell them again, and you bring them along, and you demonstrate that we can actually do things together again, you can rebuild what has been a real collapse in confidence in our economy, our government and our political system, because really if you get beyond the specifics, what we're dealing with is a turning away from a belief that anything, anywhere is gonna help people.

**[CLINTON: KEEP HAMILTON ON THE \\$10, DUMP JACKSON ON THE \\$20](#)**

**Daily News:** There are many who believe that the stimulus program that had a lot of infrastructure money was divided up politically.

**Clinton:** Well, look. Politics has to play some role in this. Let's not forget we do have to play some role. I got to get it passed through Congress. And I think I'm well-prepared to do that. I was telling you about Buffalo. I got \$20 million. Now I got that because it was political. But it worked. And it has created this amazing medical complex. So I don't disregard the politics, but I believe one of the ways to get to the overall political outcome is by doing a better job than I think was done in the Obama administration, in constantly talking about what this can mean — new jobs, new economic growth and competitiveness.

One of our challenges is because our infrastructure is really below grade in so many ways, we don't even have an airport in the top 25. I'm glad at least that we're looking at upgrades to LaGuardia, which we all know has been an embarrassment. So we're making some progress in some of these areas, but we need to link what needs to be done to what can be achieved and I will take that on gladly.



[26 photos view gallery](#)

[Hillary Clinton through the years](#)

You see, I really believe that one of the challenges is we're locked in this ideological binary world right now where you've got the Tea Party ideologues, which are basically determining what Republicans say, taking a negative stand toward everything. "Government can't do anything and we shouldn't even pretend that it can." And then you've got the people who say "the government's got the answer to everything. Whatever is ailing you, we got to get the government back doing all these things." Look, I think you've got to say, "Hey, what are the goals we're setting? What are the steps we take?" It sounds boring but this is the kind of

strategic analysis and presentation I believe in, and, "How are we going to accomplish it?" And then you look at that map and you say, "Where do I need to get the support? Where do I go to make the case?"

So I think we can do that, and particularly if we can get the mechanism for the National Infrastructure Bank. Because if all we do is rely on Congress, then we are going to be at their mercy every five to seven to eight years. Whereas if we say, yeah, Congress still has the primary role... It passed finally \$275 billion program, but we want to have an ongoing, revolving fund. We need to look at how we can once again use municipal bonding authority. How can we use more state bonding authority? We used for a little period of time, and I like the idea of federal bonds that can be used for infrastructure, as long as you have a revenue stream. Look, I'm excited about this stuff. I'm kind of a wonky person. I'm excited by it.

**Daily News:** Get excited about your college plan now.

**Clinton:** Yeah, I'm very excited about my college plan.

**Daily News:** Make me understand it.

**Clinton:** Yeah, okay. Well, the best way to do that...

**Daily News:** I better have something to drink.

**Clinton:** Yes, something stronger maybe. The best way to do that is to ask, "Okay, what's the problem?" Here's the problem. States have been disinvesting in higher education now for 20 years but at an accelerating pace for 10 years. So that the flagship higher education systems in California, in New York, in Michigan, other places have been under increasing pressure because states have diverted money to other purposes. Building prisons has taken a lot of state dollars, and I think we should end building any more prisons. I think we need to be focused on moving people out of prison and diverting them in the first place. But we have to figure out how we get states, once again, to invest, because tuition has gone up 42% in the last 10 years. Nothing else has gone up that fast.

So you're putting families and young people in an increasingly untenable position. So I have what I call the New College Compact. And it takes federal dollars to use basically as the incentive for states to join with the federal government in providing debt-free tuition for middle-class, working and poor families. I will not make it free the way my opponent, Sen. Sanders, has offered, for two big reasons.

First, I want not only to incentivize states to reinvest in higher education. I want to incentivize colleges and universities to take a hard look at their costs, because I do think that there needs to be a rigorous analysis. You know, one of the complaints that I think students rightly make is every student pays for athletic facilities. It may be required to buy tickets that they will never use. We need to take a hard look at what's going into the base for the tuition that the average student has to pay. So if you say it's free, I mean that's like, take the pressure off, okay?

### **DE BLASIO CONFIDENT CLINTON WILL WIN NEW YORK PRIMARY**

**Daily News:** Describe the flow of the money now from Washington to New York, for instance.

Clinton: Okay, let me finish. I get excited. Okay, so you've got the states, you've got the institutions and you've got the families, and then students who want to take advantage of debt-free tuition have to agree to work 10 hours a week. It's work-study at the college or university, because a couple of public institutions — Arizona State University being a prime example — have lowered their costs by using students for a lot of the work. Yes, it's free. It's in effect in exchange for lower tuition. So I want that to be part of the deal.

So the federal government would hold out this promise. And I think states with Democratic governors like New York or California would accept it.

**Daily News:** But the promise is what? That federal government would give what?

**Clinton:** Would ensure that as students are accepted into public colleges and universities, they would submit an application that included their family income and resources, and below a certain level, they would be told, "Okay, you can afford this much, x amount, to pay for your tuition, but you can't afford any more than that. We will make up the difference." And some people will be told, "You can't afford any of it, so we will pay. So you do not have to borrow any money whatsoever to go to school."

But it would be better, it would work better, if the states were also reinvesting. And so part of the compact is to encourage the states to do that by saying, "We got a great deal for your students, but we're going to request that you put more money in. And by the way, colleges and universities, I don't see how you're going to tell your students they can't be eligible but we want you to engage in the hard analysis of what you are charging your students."

**Daily News:** Okay, well, right now, you go through the financial aid process and...

**Clinton:** Right, and it's too long, and too messy, and yeah.

**Daily News:** And students and families fill out a form, and then they're told what they can afford.



## ***Hillary Clinton makes a point during her interview with the Daily News.***

[\(Robert Sabo/New York Daily News\)](#)

**Clinton:** Yeah, but here's the difference, Arthur. They are told, "You are eligible for this kind of aid." The aid comes with usually an interest rate that is often above market level, number one. The aid is very often not in any way going to help them if they can afford through the aid to have tuition, but they get no help on the expense side. So I am also offering help on the expense side for young people who need it.

So we've got this perfect storm. They go through this long, burdensome process, and they often end up being told, "Well, you can borrow x amount at this rate." They borrow x amount at this rate, but there's no guarantee that the rate stays the same. We are eliminating that.

**Daily News:** But after you've decided for an individual student, this is what this student or the student's family should be able to afford, will the government be making a grant on top of that? It's not a loan.

**Clinton:** It's not a loan.

**Daily News:** So if somebody says, "You can afford \$1000 and tuition is \$4000..."

**Clinton:** We pay three.

**Daily News:** You pay three.

**Clinton:** We pay three. Now what I want to do is look at all of the available financial assistance that's out there, because we can combine with state grant programs or institutional grant programs.

But here's what I also feel really strongly about is as you're looking at this...you know, when I taught at the University of Arkansas Law School, tuition was very low, but there were a lot of poor kids. And a lot of poor kids could scrape the money together for tuition, but their whole education was dependent upon keeping all the other costs affordable.

So they lived out in the country, and they had an old clunker car. And the car broke down. There was no mass transit. People were stuck. And for the lack of \$300, they were out of luck, because they couldn't get to classes, or if they were a single parent, the scholarship, I mean the child-care money was no longer affordable, or whatever their problem might be. So I started something called the Arkansas Single Parent Scholarship Fund to fund those expenses that were not tuition, but were room, board, books, but also these unexpected...and so I want to move Pell Grants so that they can be used for non-tuition expenses. So this whole package will lead to debt-free tuition.

But here's the final point I want to make, why I feel absolutely committed to this. If you look at the data, and I know you do look at data, if you're a young person in the bottom quartile of income right now, in America, you have a lesser chance of starting and completing college than someone in the same position did 30 years ago. Even if you're a top student, if your grades are good, if your test scores are good. And we are just shrinking the pipeline. If we're supposed to be a meritocracy, then let's get back to helping people who deserve it. And I am not going to pay for my granddaughter. I'm not going to pay for Donald Trump's children or



grandchildren. I'm going to focus on middle-class, working and poor families. And that's where I think we need to be lifting those young people up.

Now the other thing I want to quickly say because I also feel strongly about this. We do need to try to get the cost of community college as close to free as possible. And the President made a proposal about that. I think he's on the right track on that, because a lot of young people, especially starting in high school, go to community college programs and actually acquire college credits as well as credentials. Maybe it's a credential as a machinist or maybe it's college credits so you can start as a junior and save the money that you would have otherwise spent in your freshman or sophomore years.

So I am determined that we're going to do more with community college, more with technical institutions, because we have to once again send a very strong message that going to college is not the only way to get a good middle-class life. We have about 1.2 million jobs in this country that are going unfilled for machinists and welders and tool and dye makers and computer coders and a lot of things that don't require a four-year college degree but do require skills. So we have to look at the total picture about how we make college affordable, how we make community college readily available starting in high school, how we produce more credentialed workers and then get them out into the workforce.

**Daily News:** Let me switch to another domestic issue that's of the moment, mass incarceration. Would you define the term?

**Clinton:** I think the term refers to the over-incarceration of people for low-level offenses, non-violent offenses, often but not exclusively drug offenses. And I think it is a problem that slowly but steadily made itself known over the last 10, 12 years. And now I think it's important to take a hard look at how we divert more people from the criminal justice system in the first place, how we acknowledge and deal with systemic racism, which has a lot to do with who ends up there, as opposed to a fair assessment of who should, and what we do for people coming out and how we do a better job of reconnecting them and preparing for them to live in society.

So the first speech I gave in this campaign, back in last April, was on reforms of the criminal justice system and tackling this incarceration problem. And I've been encouraged because as I've traveled around the country, I've actually been seeking out programs that are working to divert people and programs that are working to provide opportunities once people come out, and also looking at jurisdictions that have decriminalized low levels of drug possession.

And then I think the clemency provisions, the hard look at who really needs to be incarcerated and how we get back to having more programs within the prisons, because one of the unfortunate decisions that was made by a lot of states including ours was to cut out college programs, to cut out all kinds of education and skills programs. So if you put the whole package together, then I think we have a better shot at incarcerating those who should be.

**Daily News:** President Clinton and you are facing accountability questions for the Violent Crime Control and Law Enforcement Act of 1994, which passed Congress with terrific support. What are your thoughts now looking back on that law and its effects and your responsibility and his responsibility, if any, for the results?

**Clinton:** Well, I think he has said, last summer at the NAACP, that there were some good programs in the crime bill. We did have more police on the street because of the crime bill.

The Violence Against Women Act, the assault weapons ban, which was part of the package, coming up with in a more limited way, the recognition that giving young people something to say yes to as opposed to getting into trouble was a real need in a lot of communities, and there were programs for that.

But there was a lot of moves by states following the passage of the crime bill to criminalize a lot of behavior and to incarcerate a lot of people, who, as we just discussed, didn't necessarily need to be.



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[Bill and Hillary Clinton's relationship through the years](#)

So I think that was not as apparent at the time, but part of being a responsible decision-maker is to keep track of what's happening. And now I think it's clear that there were some consequences that we do have to address. And when I was a senator, I went after racial profiling, introduced legislation. I supported reducing, I wanted to eliminate, but reducing the disparity between crack and powdered cocaine, looking for ways to try to eliminate some of the effects, or the failures to act that were leading to over incarceration, mass incarceration.

**Daily News:** Well, it was a time of higher crime. There's no question of that. And there was a great deal of fear, and people had seen the effects that crack had taken, right? That was the backdrop. It's not to excuse. It's merely to state those are the facts. You had used the term “super predator.”

**Clinton:** Only once. Never did it again.

**Daily News:** Yeah. And looking back, what happened? Why?

**Clinton:** Well, Arthur. Look, I agree with your historic contextualization here. And a lot of people have been very willing to step up, including Al Sharpton, and say “we were begging for action,” because there was a terrible sense of fear and insecurity in so many communities across our country.

And there were some specific findings. For example, 30 years before, there had been three police officers for every felony committed. By the early '90s, there were only one police officer for every three felonies, and so we knew we had a manpower problem. We also had a policing strategy problem, which was the whole idea behind community policing and trying to develop better relations with communities so that they could be partners in making their own communities safe.

So there was a real problem. I will not ever deny that. And I think that, as I said, there were some positive changes that came out. But it is important to constantly be evaluating and I agree with those who say a lot of the sentencing, a lot of the three strikes and you're out, a lot of the over criminalization of nonviolent actions led to a situation which we now must address.

**Daily News:** In July, President Clinton spoke to the NAACP and he said that he thought that the policies had sent low level offenders to prison for too long. The other day, he had a more heated exchange with some Black Lives Matter, I think, people. What happened there? And what have your conversations been since?

**Clinton:** Well, he made the point, which I think is an important one, that we need to be talking and listening to each other. And that's exactly what I've been doing from the first day of this campaign until right now, where I am meeting with a lot of activists, leaders, concerned citizens in many communities across America about all of the issues that they are concerned about.

One of the most extraordinary experiences that I've had is getting to know the mothers of the movement, women who have lost their children to violence, predominantly gun violence, some to police actions, but a lot to the epidemic of gun violence. And I listened to them, and they want to end the gun violence. One of the women who lost her son is a chief in the Chicago fire department. Her husband is a detective in the Chicago police department. Her honor student son was on a public bus in Chicago when a gang member got on because he saw on the back of the bus through the window somebody he was looking for from a rival gang and the guy started shooting. And this woman's son put himself in front of his schoolmates and he died.

So you're not going to get an argument from me that we still have to make sure that people can live without fear, that they can live safely and securely, that the epidemic of gun violence has to be addressed, which is why I'm so determined to take on the gun lobby... that we do need to reform police practices so that police don't reach for their gun as the first choice. They try to deescalate situations. So I am committed to looking at this broadly. It's not either/or. It has to be both/and.

**Daily News:** Okay, so let me bring you back to something that President Clinton did say, which was that when he looks back at that law, he said he felt that, because of how the financial incentives was structured, and because of the kind of theory of it, that it set a tone that expanded incarceration across the United States, that the federal government, that that legislation had set a pattern that much of America followed.

More recently you had a very frank and interesting exchange with a gentleman from the Black Lives Matter movement that was on tape. It was videoed. And you go into a discussion. And at one point, he talked about changing hearts. And you said that you don't believe that you change hearts, Mr. Jones... you said, "I believe you change laws. You change allocation of resources. You change the way systems operate. You're not going to change every heart, you're not. But at the end of the day, we can do a whole lot to change some hearts and change some systems and create more opportunities for people who deserve to have them."

So now you're talking policy. So what have you thought now in terms of what policy changes the federal government can make for the federal system and to reverse the tone in the way the 1994 act set the tone for the United States at that time?

**Clinton:** Well, that's why I've rolled out an agenda to address that. And, very briefly, number one, we do have to invest federal funds in police retraining and work with those departments that set a high standard. Create regional training centers or use ones that are already there to try to introduce and reinforce best policing practices.

Secondly we've got to do more to demilitarize the police. I think some of the issues that need to be addressed result from what we did predominately after 9/11 where there was a lot of concern about homeland security and a lot of military equipment was shared with, sent to local police departments, including in small places where any threat assessment would have demonstrated that maybe New York, maybe L.A., but not these smaller towns.

So thirdly I think we need to do much more to incentivize diversion programs on the front end and work with the police and communities to be partners in that and much more to incentivize different behaviors and programs inside correction facilities. Right now, we are putting people in prison who have addiction problems, mental health problems, lack education and skills, and we're basically doing nothing other than warehousing them and very often, putting them in conditions that make their future lives even more dangerous.

**Daily News:** Well would you see sentencing reform...

**Clinton:** Yeah, sentencing reform.

**Daily News:** Can you see a way to incentivize the states to reverse?



***Daily News Chairman & Publisher Mortimer B. Zuckerman gives Hillary Clinton a tour of the newsroom after she met with The Daily News Editorial Board.***

[\(Robert Sabo/New York Daily News\)](#)

**Clinton:** Yes, I do. I'd do that.

**Daily News:** How would you do that?

**Clinton:** Well, there are some really good talks going on right now. Cory Booker, Mike Lee, Dick Durbin, even Chuck Grassley are talking about sentencing reform. Now we don't, at the federal level, have control over state and local sentencing plans, but by setting an example and

again by providing incentives, financial incentives, but also lifting up what are more reasonable sentencing guidelines, I think we can have a downward pressure that will cause states and cities to do that.

And I'm encouraged, I'm hoping, that maybe there will be some bipartisan sentencing reforms before the end of this Congress. Now maybe it'll get lost in the political shuffle, but I've talked to some of the Democrats who are working on it and they still are hoping that can happen.

**Daily News:** Wall Street, too big to fail.

**Clinton:** Too big to fail.

**Daily News:** How do you stop too big to fail? What needs to happen?

**Clinton:** Well, I have been a strong supporter of Dodd-Frank because it is the most consequential financial reforms since the Great Depression. And I have said many times in debates and in other settings, there is authority in Dodd-Frank to break up banks that pose a grave threat to financial stability.

There are two approaches. There's Section 121, Section 165, and both of them can be used by regulators to either require a bank to sell off businesses, lines of businesses or assets, because of the finding that is made by two-thirds of the financial regulators that the institution poses a grave threat, or if the Fed and the FDIC conclude that the institutions' living will resolution is inadequate and is not going to get any better, there can also be requirements that they do so.

So we've got that structure. Now a lot of people have argued that there need to be some tweaks to it that I would be certainly open to. But my point from the very beginning of this campaign, and it's something that I've said repeatedly: big banks did not cause the Great Recession primarily. They were complicit, but hedge funds; Lehman Brothers, an investment bank; a big insurance company, AIG; mortgage companies like Countrywide, Fannie and Freddie — there were lots of culprits who were contributing to the circumstances that led to the very dangerous financial crisis.

### [CLINTON WON'T COMMIT TO REAPPOINTING PREET BHARARA](#)

**Daily News:** Should some of those culprits have been prosecuted, and in prison, successfully? Does that rankle you?

**Clinton:** Well, it rankles me that I don't believe we had sufficient laws, sufficient prosecutorial resources to really go after what could have been not just dangerous, unethical behavior but perhaps illegal behavior. I've talked with some of the people responsible for trying to determine whether there could be cases brought. And they were totally outresourced.

We haven't adequately resourced the regulators — SEC, Commodity Futures Trading Commission, FDIC — and we have not sufficiently resourced the Justice Department and U.S. attorneys to have the expertise and the ability to go after anything they sought.

**Daily News:** There's two slightly different questions. One is, was it a problem of law or was it a problem of prosecutors not being sufficiently resourced?

**Clinton:** The prosecutors tell me it was the problem of the law. Other analysts, as you well know, have said that there could have been more vigorous efforts that might have led to prosecutions. Now there were cases brought in some of the mortgage companies. There's also a problem with the statute of limitations, because these are difficult cases to bring. They take a long time. I think we should certainly extend the statute of limitations.

So I'm not going to second-judge people who I believe were acting in good faith, because I think they were — U.S. attorneys, Department of Justice prosecutors. But they concluded that they could not make cases. So I think we have to have a very robust analysis of what were the real reasons they couldn't make cases. Are the laws insufficient? Therefore how do we try to make them tougher as a deterrent and make it clear to people in the financial services industry that there's a new sheriff in town so that there will be additional legal requirements and we will resource better.

So I think we have to take a hard look at this, and I believe we can do that.

**Daily News:** If I hear you correctly, Dodd-Frank has got mechanisms for looking at institutions that are grave perils to the United States' economy. Do you believe now that any of the banks are inherently a grave threat to the United States' economy?

**Clinton:** At this point, I am not privy to the analysis that is being conducted under Dodd-Frank to make that determination. I am however quite concerned about the recent district court judgment overturning the regulators' assessment that MetLife should be considered an institution under the too big to fail rubric, because I don't think that the Financial Stability Oversight Council acted precipitously when they so labeled MetLife. And they clearly did their homework and came to that conclusion. And for a district judge to in a sense substitute her judgment for FSOC concerns me.



### ***Making her case***

[\(Robert Sabo/New York Daily News\)](#)

So right now, I don't know what the analysis of the existing potential for a grave threat or the suitability and completeness of their living wills might be. But I want to stress I will be looking for regulators who I have confidence in will be able to make those hard calls. We can't ever let what happened happen again.

But we've got to go further. We've got to have more transparency with hedge funds. We don't even know what kind of risk they pose. We need to look at repurchase agreements, which need more collateral so that they can't be used for the leverage that they were used before. That was a big problem with Lehman Brothers. We have to look at money market funds. One of the problems with one of the big money market funds back then was that it had too much Lehman Brothers debt in its portfolio and the government had to step in to boost it back up.

So my point has been continuously: The banks always have to be under now a tight regulatory oversight. But if all you do is look at the banks, you are missing shadow banking, and I have put forth a plan that everybody from Paul Krugman to professors of finance have said is a top-to-bottom, comprehensive look at not just what happened in the past but how we prevent risks in the future.



**Daily News:** Okay, your credibility has been called into question because of the Goldman Sachs speaking fees. Why did you speak with them given the sensitivities and why will you not release the transcripts? And if you will not do that, what did you tell them?

**Clinton:** Well, first of all, I have a record on Wall Street. I went after carried interest when I was your senator. I went to NASDAQ in late 2007 and confronted them about the packaging of risky mortgages. I even ran an ad in Iowa that year taking on the problems that this caused. So it's not like I've never said anything about the dangers and the behavior of Wall Street. And then as soon as I got into this campaign, I talked about and then put forth a plan that is the toughest, most comprehensive plan that anybody has put out.

In fact, it's public knowledge. A couple of hedge fund guys, some of whom you know, Mort, have run ads against me. They formed their own little anti-Hillary superPAC, which I think speaks volumes about their knowing that I mean what I say and I always try to follow through. So I ask people to look at my record. I was on the speech-making circuit. I talked to a whole bunch of different groups, and I have said...

**Daily News:** But people would like to look at your work and in terms of what you've said...

Clinton: Yeah, here's what I have said. I will release those transcripts when others in the campaign on both sides release theirs. I have been more open than anybody running. You can go and look at...I've got eight years of my tax returns on my website. I've released 30 years of tax returns. I don't hear that coming from my opponent, Sen. Sanders, or from Donald Trump. So there's a lot of information out there about me. And so when I said I will release those transcripts of those speeches when everybody else does, I have reason to believe that others have made some speeches of some interest, and so...

**Daily News:** Who might that be?

**Clinton:** Well, we'll have to wait and find out.

**Daily News:** Right now you're only running against Bernie Sanders, and he's your only opponent. He hasn't given the speeches....

**Clinton:** Yeah, but he will not be my only opponent in this general election. So I'm looking over the horizon.

**Daily News:** Do you know these three Republicans have given speeches paid to?

**Clinton:** I have reason to believe Donald Trump has, for money, rather considerable amounts. A lot more than I ever was offered.

**Daily News:** A couple quick questions, and I'm going to telescope these things unfortunately. Israel. Settlements. What will your approach be? You rather famously gave a lecture to Prime Minister Netanyahu over the phone. It's supposed to have been 43 minutes of you talking ,and two of him, about settlements.

**Clinton:** I think that's probably an exaggeration.

**Daily News:** That's what's been reported, but in any case, what will your approach be?

**Clinton:** Look, I think administrations both Democrat and Republican have all adopted the same position: that settlement expansion is not helpful in the context of the continuing American interest in helping to bring the parties together to try to achieve a two-state solution to the conflict. So I am in line with prior Republicans and Democrats. But I also have a long history and a personal commitment to Israel's security and to its future that I have been outspoken about, that I have been stalwart and strong in every way.

When I was secretary of state, the effort to try to work to support a peace process was one that I took seriously. And I have very frank and open conversations with my Israeli counterparts. I think that's what you're supposed to do with people who you respect and who you've known for many years as I have known Prime Minister Netanyahu and before him, Prime Minister Olmert, and Prime Minister Barak, and Prime Minister Rabin and many of the other major players. I am a friend, and I would not be much of a friend if I did not share my opinions, which I have done, and believe me it has been reciprocated.

But I think any disputes or disagreements should be handled in a respectfully and preferably private way, so we don't give any aid and comfort to Israel's adversaries or drive any wedges between us.



***Hillary Clinton meets with The Daily News Editorial Board.***

[\(Robert Sabo/New York Daily News\)](#)

So my position which I outlined at length, in my AIPAC speech, is that I will continue to ensure that Israel has a qualitative military edge; that I will continue, as I did as a senator, as I did as secretary of state to do anything and everything for their security; that I will continue to speak out against the BDS movement, which I think is one-sided, discriminatory and unfair; that I will be a President who tries to always support Israel in the United Nations or any other international tribunal, as I have in the past.

So settlements is a piece of this, and it isn't helpful, but that is a piece of a much larger set of policies that I'm committed to.

**Daily News:** Secretary Clinton, I'd like to ask you if I can about Latin-America and the policies specifically you were directly involved in, the coup in Honduras. As you know in 2009, the military overthrew President Zelaya. There was a period there where the OAS was trying to isolate that regime, but apparently some of the emails that have come out as a result of the State Department releases show that some of your top aides were urging you to declare it a military coup, cut off U.S. aid. You didn't do that. You ended up negotiating with Oscar Arias deal for new elections.

But the situation in Honduras has continued to deteriorate. There's been 300 people killed by government forces, and all these children fleeing and mothers from Honduras over the border into United States. And just a few weeks ago, one of the leading environmental activist, Berta Cáceres, was assassinated in her home. Do you have any concerns about the role that you played in that particular situation, even not necessarily being in agreement with your top aides in the State Department?

**Clinton:** Well, let me again try to put this in context. The legislature, the national legislature in Honduras and the national judiciary actually followed the law in removing President Zelaya. Now I didn't like the way it looked or the way they did it but they had a very strong argument that they had followed the constitution and the legal precedence. And as you know, they really undercut their argument by spiriting him out of the country in his pajamas, where they sent the military to take him out of his bed and get him out of the country. So this began as a very mixed and difficult situation.

If the United States government declares a coup, you immediately have to shut off all aid including humanitarian aid, the Agency for International Development aid, the support that we were providing at that time for a lot of very poor people, and that triggers a legal necessity. There's no way to get around it. So our assessment was, we will just make the situation worse by punishing the Honduran people if we declare a coup and we immediately have to stop all aid for the people, but we should slow walk and try to stop anything that the government could take advantage of without calling it a coup.

So you're right. I worked very hard with leaders in the region and got Oscar Arias, the Nobel Prize winner, to take the lead on trying to broker a resolution. Without bloodshed. And that was very important to us that... Zelaya had friends and allies not just in Honduras but in some of the neighboring countries like Nicaragua, and that we could have had a terrible civil war that would have been just terrifying in its loss of life.

So I think we came out with a solution that did hold new elections, but it did not in any way address the structural, systemic problems in that society. And I share your concern that it's not just government actions. Drug gangs, traffickers of all kinds are preying on the people of Honduras.

So I think we need to do more of a Colombian plan for Central America, because remember what was going in Colombia when first my husband and then followed by President Bush had Plan Colombia, which was to try to use our leverage to rein in the government in their actions against the FARC and the guerillas, but also to help the government stop the advance of the FARC and guerillas.

And now we're in the middle of peace talks. It didn't happen overnight. It took a number of years, but I want to see a much more comprehensive approach towards Central America because it's just Honduras. The highest murder rate is in El Salvador and we've got Guatemala with all the problems you know so well.

So I think in retrospect we managed a very difficult situation without bloodshed, without a civil war that led to a new election, and I think that was better for the Honduran people, but we have a lot of work to do to try to help stabilize that and deal with corruption, deal with violence and the gangs and so much else.

**Daily News:** Can I just get a quick parochial question in about New York that will fall into your lap?

**Clinton:** About a what deal?

**Daily News:** A parochial--

**Clinton:** A parochial. Okay, I thought you said pieroga, which is a Polish...

**Daily News:** Corruption in New York has been rampant. Probably the best and some would say the only police person on the job has been Preet Bharara, the U.S. attorney, whose term is up at the end of the Obama administration. What's your feeling about what he's done so far? And would he be someone you would reappoint to the position since he says he would love to stay?

**Clinton:** Look, I will take all that into account if I am lucky enough to be elected President. I obviously want the very best people to be U.S. attorneys. I want them to give no favor to anybody. If there are cases to be investigated and made, they should do it. But I'm not going to comment on any particular personnel decision.

**Daily News:** Thank you, Mrs. Clinton.

**Clinton:** Thank you, thank you. You didn't ask me about homeland security money. I thought you would, Arthur. We need it. We need it. I want it. I don't agree with the Obama administration on that.

**Daily News:** Ken, do you want to talk, one more...

**Woman:** Go ahead, go ahead.

**Ken:** Yeah, would you like to expand on that homeland security money?

**Clinton:** Thank you, Ken.

**Man:** And how much you disagree with the Obama administration?

**Clinton:** I have a great confidence in and commitment to making sure that New York has all of the homeland security funding that it needs from the federal government and I believe that its request is reasonable. And I would very much want to see the Obama administration produce that \$90 million that it has otherwise decided to withhold. And in the absence, I support my former colleague and friend, Chuck Schumer, in getting it through the Congress.

**Ken:** And have you spoken to the President about this?

**Clinton:** No, I haven't talked to him in quite some time, but that's a good thing to put on my list the next time I do. But I'm telling you, so I guess somebody will read it.