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TEXT:
CNN Inside Politics

Aired May 3, 2000 - 5:00 p.m. ET

Gore Continues Attacks on George W. Bush; Congress

Debates Education Funding; DCCC Files Suit Against Tom

DeLay

(BEGIN VIDEO CLIP)

AL GORE, VICE PRESIDENT OF THE UNITED STATES: For

Governor Bush

to offer a giant risky tax scheme, his secret plan, risk

your retirement savings. Is

that the responsible way? I don't think so.

(END VIDEO CLIP)

JUDY WOODRUFF, CNN ANCHOR: Al Gore's lines of attack.

(BEGIN VIDEO CLIP)

CANDY CROWLEY, CNN SR. POLITICAL CORRESPONDENT

(voice-over):

Words like "irresponsible," "risky" and "smug" are
mantras as Al Gore, day by
day, methodically rips apart George Bush's proposals.

(END VIDEO CLIP)

BERNARD SHAW, CNN ANCHOR: Candy Crowley on the anti-Bush
rhetoric
and the strategy behind it.

Plus...

(BEGIN VIDEO CLIP)

REP. PATRICK KENNEDY (D-RI), CHAIRMAN, CONG. CAMPAIGN
COMMITTEE: Never before has a senior congressional and
party leader devised
a scheme like this, hammering contributors for money,
threatening to punish
those who decline.

(END VIDEO CLIP)

WOODRUFF: Democrats take on House Majority Whip Tom
DeLay in court.

SHAW: And a changing of the guard in London, from a
ceremonial city chief to
a duly elected mayor.

ANNOUNCER: From Washington, this is INSIDE POLITICS,
with Judy
Woodruff and Bernard Shaw.

SHAW: Thanks for joining us. We begin with Al Gore,
staying on message as he
launches a second week of verbal grenades aimed at
George W. Bush. The
topics and the backdrops may change.

Today, Gore talked about Social Security in New Jersey,
but as CNN's Candy
Crowley reports, the broader "sock it to bush" theme
remains the same.

(BEGIN VIDEOTAPE)

CROWLEY (voice-over): Al Gore says George Bush's support
for letting

workers invest some of their Social Security money is irresponsible, and the lack of specifics even worse.

GORE: How does the Bush plan propose to deal with the bankruptcy of Social

Security that his privatization scheme would cost? He doesn't even bother to

provide an answer. He just smiles and goes on with the smug assumption that

there is no need to share with you the details of what he wants to do.

CROWLEY: Words like "irresponsible," "risky," and "smug" are mantras as Al

Gore, day-by-day, methodically rips apart George Bush's proposals, on

education, health care, Social Security and all things in general.

GORE: Will we roll the dice in the same casino economics that devastated our

economy and hurt working families. Does anyone in this room really think that

we should go back to the union bashing, job-destroying budget-busting policies

days of the Bush/Quayle years? I don't think so.

CROWLEY: Wednesday's audience was a New Jersey labor meeting in Atlantic City, where the subject was mainly Social Security and the images location-appropriate.

GORE: I think it's wrong to cut benefits, raise the retirement age or risk your retirement savings in a game of stock market roulette.

CROWLEY: Gore aides compare this time in the election cycle to last summer, when the vice president, struggling against a strong challenge, dissected Bill Bradley's positions in what Gore aides call a virtual debate. Bush had laid some things out there, said one staffer, and we can pick them over.

GORE: I truly believe that the Republican nominee is heading in the wrong direction and proposing that the country head in the wrong direction.

CROWLEY: The assault -- and the Gore campaign stresses, nothing personal

here -- comes amidst Bush's ongoing effort to moderate
his party's image and

show himself as a different kind of Republican. In
recent weeks, he has unveiled

health care, housing and savings initiatives aimed at
low-income Americans. But

for every step Bush tries to take toward the middle,
Gore tries to shove him back
to the right.

GORE: His tax plan is far bigger than anything Newt
Gingrich even dreamed of

proposing. CROWLEY: The Gore camp says the Bush
initiatives are fig leaves,
designed, said one, to cover up the same old-same old
right-wing positions.

(on camera): The Bush campaign is confident Gore's
tactics won't work. They

know that, unlike Bill Bradley, George Bush has and will
continue to respond to

what the Bush camp sees as distortions of the Bush
record. Then, too, they note

the audience has changed. No longer must Gore appeal
just to partisan

Democrats, but to independents and moderates that the
Bush campaign believes

will be turned off what they see as partisan attacks.

Candy Crowley, CNN, Washington.

(END VIDEOTAPE)

WOODRUFF: Well, joining us now from New York, Gore adviser Ron Klain,
and Bush campaign senior adviser Ari Fleischer. He joins us from Austin, Texas.

Ari Fleischer, is the governor of Texas engaged in not only a risky tax scheme,
but does he have a secret plan to privatize Social Security and so on and so on?

ARI FLEISCHER, BUSH CAMPAIGN ADVISER: Well, Judy, you're hearing one
of the reasons that so little work has gotten done in Washington recently. It's just
this type of partisanship, this type of name-calling that's prevented people from
getting together to save Social Security.

No, of course the governor doesn't that. The governor has a very reasonable and
balanced program to stop money from being wasted in

Washington, by cutting

taxes, and he also has a plan that he will announce

shortly that's going to help

younger workers who indeed receive Social Security

because the system is

going broke, and he wants to make sure it's there for

younger workers, so they,

too, can retire in security.

WOODRUFF: Ron Klain, is the vice president engaged in

some distorting of his

own?

RON KLAIN, GORE CAMPAIGN ADVISER: Not at all, Judy. We

think there is

a big difference between Gore's positions and Governor

Bush's positions on

Social Security and taxes. We think that if you look at

the Bush positions, it

shows he's not ready to be president. His Social

Security scheme would for the

first time ever take Social Security benefits and put

them at risk on the

fluctuations of the stock market. And his tax plan would

explode the deficit and

put at risk for economic growth and economic prosperity.

Those ideas aren't

ready for primetime. They aren't ready or the next president of the United States.

WOODRUFF: Ari Fleischer, how do you respond when the other side says the governor is not ready to be president?

FLEISCHER: Well, Judy, again, I think it shows why the vice president, frankly,

is moving backwards in the polls and the governor is expanding his lead over the

vice president. The bigger the lead, the more the vice president attacks. Why is it

OK for Al Gore to own stock in the market? Why is it OK for Al Gore to support

a program that allows federal workers to invest their pensions in the stock

market, but he doesn't think it's OK for other Americans.

KLAIN: Ari, I'm happy to answer that.

FLEISCHER: Keeping in mind that the vice president proposed allowing the

government to directly own and control investments in the market.

KLAIN: Ari, I think the answer is clear and consistent.

What Al Gore has always

opposed is letting individuals' benefits ride up or down on the stock market.

People should make their own investments in the market.

Maybe the trust fund

was one idea we explored. But we never said that any individual benefits would

be at risk in the stock market. That's what George Bush has said. I should also

say, no president, Democrat or Republican, before has ever proposed this idea.

It's a risky idea

FLEISCHER: So why then did the vice president support allowing federal

workers to have money their money invested in the stock market? That's their retirement nest egg.

KLAIN; Allowing their personal pensions. The federal workers were also

covered by Social Security. His position is clear, Ari -- everyone should have

Social Security guaranteed and protected. Other investments. people should have the right to make their own choices.

FLEISCHER: See, Judy, this is part of I think what's the old style of partisan politics. It's not going to look at solutions to our nation's worse, most difficult problem, and this is something where Daniel Patrick Moynihan, who said the governor has offered a very serious proposal; Moynihan said it's the logical completion of social security.

(CROSSTALK)

KLAIN: Well, privatizing Social Security is a 50-year-old Republican idea that is...

WOODRUFF: Well, when both of you are talking, we can't hear what either one of you are saying.

FLEISCHER: I just thought I'd finish.

WOODRUFF: Well, Ari Fleischer, this comment that Ron Klain has made just now, that there's been no president who's ever proposed going as far as

Governor Bush has suggested with Social Security?

FLEISCHER: Well, let me remind that you on January 19, 1999, when the president in the State of the Union stood up and said that the government should directly invest money, not Social Security money, in the stock market, and the government should own it, control it, direct it. The vice president of the United States stood up behind the president and applauded. So that's another example of...

(CROSSTALK)

WOODRUFF: Well, let's get the specific response then from Ron Klain?

KLAIN: Sure. What the vice president and the president have said is let's explore a number of ways to help fund the trust fund, but never, never have they suggested that an individual's benefits would go up or down based on the stock market. That's what George Bush is proposing. That's dangerous for retirees.

He's also put on the table other benefit cuts, raising the retirement age. And

again, it's not just Social Security. His tax-cut plan would wipe into the Social

Security surplus, putting Social Security at risk, putting Medicare at risk. Those

are ideas not good for the next president to have.

WOODRUFF: Gentlemen, we are going to have to leave it there. There is much

more to cover here, but we're going to have to move on.

We will have you both

on very soon.

Ron Klain, Ari Fleischer, thank you, both -- Bernie.

SHAW: Now some historical perspective on why Gore seems so eager to say

Bush's name and the word "risky" in the same breath.

Here is our senior political

analyst Bill Schneider.

WILLIAM SCHNEIDER, CNN SR. POLITICAL ANALYST: Bernie, Americans

always want change, but they don't like risk. That contradiction is at the heart of

every presidential campaign. Which prevails? Well, it

depends on which is

greater, the desire for change or the fear of risk.

(BEGIN VIDEOTAPE)

SCHNEIDER (voice-over): In 1980, the desire for change was overwhelming.

There was a strong feeling that Jimmy Carter's presidency had failed, but the fear of Ronald Reagan was also pretty powerful.

(BEGIN VIDEO CLIP, 1980)

JIMMY CARTER, PRESIDENT OF THE UNITED STATES: And I see risks,

the risk of international confrontation, the risk of an uncontrollable, unaffordable and unwinnable nuclear arms race.

(END VIDEO CLIP)

SCHNEIDER: Polls showed a close election until a week before the election

when Carter and Reagan held their one and only debate.

Reagan reassured voters

that he was not a monster.

(BEGIN VIDEO CLIP)

RONALD REAGAN (R), PRESIDENTIAL CANDIDATE: Next Tuesday,
all of
you will go to the polls. You'll stand there in the
polling place and make a
decision. I think when you make that decision, it might
be well if you would ask
yourself, are you better off than you were four years
ago?

(END VIDEO CLIP)

SCHNEIDER: In the end, desire for change trumped fear of
risk in a year when
both were powerful. In 1988, the Democrats were the out
party. Their job was
to sell change.

(BEGIN VIDEO CLIP, JULY 22, 1988)

GOV. MICHAEL DUKAKIS (D-MA), PRESIDENTIAL CANDIDATE: But
my
friends, maintaining the status quo, running in place,
standing still isn't good
enough for America.

(END VIDEO CLIP)

SCHNEIDER: In fact, most Americans did want to change direction in 1988.

The Republicans were prepared for that.

(BEGIN VIDEO CLIP)

REAGAN: We are the change.

(END VIDEO CLIP)

SCHNEIDER: If they were the change, what did that make the Democrats? The risk.

(BEGIN VIDEO CLIP)

GEORGE W. BUSH, VICE PRESIDENT OF THE UNITED STATES:
Should
public school teachers be required to lead our children
in the Pledge of
Allegiance? My opponent says no and I say yes.

(END VIDEO CLIP)

SCHNEIDER: In 1988, fear of risk trumped the desire for

change.

This year, with the country in a record-breaking economic boom, you'd think there'd be no desire for change. You'd be wrong.

Americans are split over whether they want to continue President Clinton's policies or change direction. Predictably, George W. Bush is embracing change.

GOV. GEORGE W. BUSH (R-TX), PRESIDENTIAL CANDIDATE: Now, there's a great debate taking place in America. There are those in Washington who want to protect the status quo by saying, "We can't share any of the surplus with the people who pay the bills," but I feel differently about it.

SCHNEIDER: Al Gore depicts Bush as risky and dangerous.

AL GORE, VICE PRESIDENT OF THE UNITED STATES: I believe that George W. Bush's entire economic agenda is built on a foundation of irresponsibility and risk.

(END VIDEOTAPE)

SCHNEIDER: Good news for Gore: The desire for change is not as great this

year as it was in 1980 or 1988. Good news for Bush: He does not look as risky

as Reagan did in 1980 or as Dukakis did in 1988. That is why Gore is trying to

turn him into a fearsome figure -- Bernie.

SHAW: Thank you, Bill Schneider -- Judy.

WOODRUFF: All right. And still ahead on INSIDE POLITICS, the debate over

schools, funding and control. A look at the parties and why they disagree on this election year issue.

Plus, Bob Novak joins us with a latest buzz on the Republicans and Democrats who may be considered for the No. 2 spot.

(COMMERCIAL BREAK)

WOODRUFF: President Clinton today began a two-day, four-state tour aimed at winning support for the Democrats' education proposals.

On Capitol Hill,

members of his party are battling Republicans over the
\$14 billion Elementary
and Secondary Education Act, which is up for
reauthorization.

As CNN's Chris Black reports, the fight is philosophical
as well as political.

(BEGIN VIDEOTAPE)

CHRIS BLACK, CNN CORRESPONDENT (voice-over): From radio
chats...

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Today, as the U.S. Senate debates an
alternative
education bill, joining us on the line, live, Senator
Carl Levin.

Senator, we're all going back to school, I guess.

SEN. CARL LEVIN (D), MICHIGAN: We are indeed. I'm in a
school room here,
kind of virtually, but here I am.

(END VIDEO CLIP)

BLACK: ... to interactive war rooms...

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Accountability and child-centeredness.

Child-centeredness -- is that a word?

Child-centeredness?

(END VIDEO CLIP)

BLACK: The philosophical battle over education has been joined in Congress.

Everyone agrees education is the No. 1 issue this election year, but the two parties strongly disagree on the federal government's role.

SEN. TIM HUTCHINSON (R), ARKANSAS: My constituents overwhelmingly believe that local control and local flexibility is a better course for American education.

SEN. TOM DASCHLE (D-SD), MINORITY LEADER: What they are proposing

is not reform; it is retreat.

BLACK: The Republicans want to consolidate the 50 education programs for poor and needy children into a single block grant, let state governors decide how to spend the money, and allow parents to use federal money to purchase educational services for children.

Judd Gregg of New Hampshire wrote some of the major changes in the bill.

SEN. JUDD GREGG (R), NEW HAMPSHIRE: First, it's child-centered. It's directed at the children. It's not directed at the schools. It's not directed at the administrators. It's directed at the children.

Secondly, it requires achievement.

BLACK: The Democratic proposal continues President Clinton's effort to hire 100,000 new teachers, build and modernize public schools, and targets federal dollars to specific programs for poor children.

Only seven cents out of every education dollar spent at the local level comes from the federal government. So Senator Edward Kennedy says Washington must zero-in on specific problems to guarantee results.

SEN. EDWARD KENNEDY (D), MASSACHUSETTS: Some guarantees on smaller class size, on some guarantees on teacher training. Some guarantees on after-school programs. On some guarantees in terms of accountability.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES: "On a foggy morning, Charlotte's web was truly a thing of beauty."

BLACK: President Clinton is making his own push: two days on the road promoting the Democratic approach to updating programs for disadvantaged school children. Democrats say Republicans are opening the door to using public money for private school tuition and giving a blank check to governors, two-thirds of them Republicans.

KENNEDY: What'll happen is the money will just be, I think, will just go off to whoever the governor wants to take care of without tough accountability, and these needy children will be left high and dry.

BLACK: Republicans say Democrats are defending the status quo and stuck in the past. GREGG: There is a certain arrogance here in Washington that says, oh, we know exactly what the local child should learn in Epping, New Hampshire.

Well, no one here in Washington knows what a local child in Epping, New Hampshire should learn.

(END VIDEOTAPE)

BLACK: Nine centrist Democrats are proposing a compromise, but even their leader concedes the effort may be futile. The two sides are so far apart that attempts to reshape this law to reflect either the Democratic or the Republican vision now seems destined to fail -- Bernie.

SHAW: Thank you, Chris Black. Pardon me.

And joining us now with his "Reporter's Notebook" Robert
Novak of the

"Chicago Sun-Times."

Bob, what are you hearing about a possible interest rate
hike by the Fed?

ROBERT NOVAK, "CHICAGO SUN-TIMES": There was a meeting
at the

Federal Reserve yesterday behind closed doors --
everything there is done behind

closed doors -- and they discussed the possibility of
raising interest rates before

the next meeting of the Federal Open Market Committee,
the policy-making

group, on the grounds that this would be more dramatic
in showing the

determination to fight the inflation numbers, or maybe
they're getting some

inflation numbers.

Now, you don't have to be much more dramatic for the
stock market than

what's going on, because the market tanked again today.

This would really have,

I think, a very negative effect.

But just to make it clear, this is a possibility before
the next meeting, a 25 basis --

that is one-quarter of 1 percent interest rate -- and
then another 25 percent, 25

basis point, one quarter of 1 percent, when the Federal
Open Market Committee
meets on May 16. Possibility.

SHAW: Let's go to the campaign trail, you hear there is
another Democratic
name being floated for vice president?

NOVAK: Yes, now this is going to sound crazy, but it was
given to me by a very
senior official and a very serious official in the
Clinton administration, who

volunteered the information, but he said the strongest
ticket to bring in a -- Al

Gore as president in a Democratic House would be Dick
Gephardt, the House

minority leader. Now, Dick Gephardt wants to be speaker
of the House. He

doesn't want to carry the House and give it to somebody
else. But for somebody

high in the Clinton administration to say that I thought
it was worth reporting.

SHAW: Indeed. What about the Republican vice presidential pick?

NOVAK: You know, John McCain almost blew off the meeting that he's going to have in Pittsburgh with George Bush because I reported that they would ask him if he would take the vice presidency. But that didn't come from the Bush people.

The people who want him to be vice president are in the House of Representatives. Some are very few members who supported McCain for president, but many who supported Bush. They think a Bush-McCain ticket is the strongest possible ticket. They would hope he would consider, but Senator McCain is a very stubborn man and he doesn't even want that brought up when he sits down with Governor Bush.

SHAW: Before you go, what's the very latest on that New York Senate race?

NOVAK: You know, it's the conventional wisdom in

Washington, Bernie, that the

only person that Rudy Giuliani can beat for the Senate
in New York is Hillary

Rodham Clinton, and the only person she can beat is
Mayor Giuliani.

But the Democratic politicians very well placed that I
talked to don't think that,

they believe that if Rudy Giuliani's prostate cancer
forces him to drop out and

there's some new congressman who's not known around the
state who is

brought in it's too late for him, somebody like
Congressman Quinn or

Congressman Lazio to catch Mrs. Clinton. They believe
the only person who can

beat Hillary Clinton is Rudy Giuliani.

I still think that this is a manageable cancer, I still
think he's going to run, but

nobody is certain, and she may -- the Clinton luck may
hold. She may have a

neophyte to run against instead of the mayor of New
York.

SHAW: Bob Novak, thanks very much -- Judy.

WOODRUFF: It's all fascinating.

SHAW: Thank you.

WOODRUFF: Thanks.

Well, in that New York Senate race Hillary Rodham Clinton is launching the first TV ads of her campaign. Here's a portion of the 30-second spot designed to underscore Mrs. Clinton's experience beyond her role as the president's wife.

(BEGIN VIDEO CLIP, HILLARY CLINTON CAMPAIGN AD)

NARRATOR: First she became a lawyer, named one of the top hundred in America. Her first cause was children fighting abuse and sharing the board of the Children's Defense Fund. Her first priority was public schools, helping to establish teacher testing. More than a first lady.

(END VIDEO CLIP)

WOODRUFF: Beginning tomorrow, those ads will air for two weeks in television

markets across New York state. Mrs. Clinton's campaign
characterizes the ad

buy as -- quote -- "significant."

There is much more ahead on this edition of INSIDE
POLITICS.

Still to come:

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Whenever one party sounds the alarm
of illegal conduct

by another, particularly where money is involved, it's
easy and all too typical for
observers to just shrug and say, well, everybody does
it.

(END VIDEO CLIP)

WOODRUFF: Democrats file suit against a Capitol Hill
figure. A look at the
charges and the politics behind them.

Plus, attacks and counter attacks -- which candidate is
faring best in the
presidential battle? We'll ask Margaret Carlson and

Tucker Carlson.

And later:

(BEGIN VIDEO CLIP)

RICHARD BLYSTONE, CNN CORRESPONDENT (voice-over): The
mayoral
post is supposed to be American style, but the
campaign...

KEN LIVINGSTONE, LONDON MAYORAL CANDIDATE: Well, it
sounds
very much like American politics. This is the sort of
personality politics, the
backstabbing, the negative campaigning.

(END VIDEO CLIP)

WOODRUFF: London takes a page from American politics.
Richard Blystone
takes a look at the rather unusual results.

(COMMERCIAL BREAK)

WOODRUFF: We'll have more of this day's political news
coming up, but now a

look at some other top stories.

The church leader for millions of Catholics in New York,
Cardinal John
O'Connor, is said to be gravely ill. A spokesman for the
Roman Catholic
archdiocese of New York says the cardinal's health has
grown significantly
worse.

(BEGIN VIDEO CLIP)

JOE ZWILLING, ARCHDIOCESE SPOKESMAN: During the night,
the
condition of his eminence, John Cardinal O'Connor, has
worsened. His family
and friends are with him. We invite the prayers of all
for his eminence at this
time.

Now a question or two.

QUESTION: Joe, does it appear he is dying? ZWILLING: As
we say in the
prayer of the Hail Mary, we pray that God is with us at
the hour of our death,
and I would say that the cardinal is at the hour of his

death.

(END VIDEO CLIP)

WOODRUFF: John Cardinal O'Connor underwent surgery last summer to remove a brain tumor.

SHAW: Several U.S. lawmakers are joining protesters camped out on the tiny Puerto Rican island of Vieques as they brace for a forced evacuation by U.S.

authorities. Two American warships are off the coast, reportedly carrying hundreds of Marines and an undetermined number of law officials. The

lawmakers among the protesters join members of the National and World

Council of Churches and Pastors for Peace. The Pentagon wants to reclaim the

island as a bombing range, something the protesters have prevented for over a year.

WOODRUFF: A drama aboard a hijacked bus in Japan has ended 15 hours after it began. Police stormed the bus a while ago and

arrested a teenager suspected of
hijacking the bus and killing one passenger. Police say
none of the passengers
still on the bus was injured.

SHAW: Eleven years after the bombing of Pan Am Flight
103, the trial of the
accused is underway. Two Libyans are on trial in the
explosion which killed 270
people. Relatives of the victims were on hand Wednesday
as the proceedings got
underway in Amsterdam.

(BEGIN VIDEO CLIP)

JIM SWIRE, VICTIM'S FATHER: I feel an overwhelming sense
of relief. That
feeling started really in April '99 when the two accused
were handed over to the
Scottish authorities by the Dutch and it's been growing
since then. But to see the
trial actually rolling into action today brings on a
tremendous feeling of relief and
a certain degree of pride, because I think we've played
an active part, a
significant part in allowing this to take place.

(END VIDEO CLIP)

SHAW: Relatives of those who died aboard the flight are sharing space in the courtroom gallery with relatives of the accused men.

WOODRUFF: Across the river from Washington today, the names of 332

journalists killed in the line of duty since 1812 were added to the Freedom Forum

journalist memorial. Veteran White House correspondent Helen Thomas took part

in the dedication, which fell on World Press Freedom Day. Forty of the journalists memorialized were killed last year.

When INSIDE POLITICS returns, a new court battle. Democrats versus Tom DeLay.

(COMMERCIAL BREAK)

SHAW: One of the most powerful Republicans on Capitol Hill was named today in a civil lawsuit filed by the Democratic Congressional Campaign Committee.

House Majority Whip Tom DeLay is accused of the sort of

behavior usually

associated with organized crime. DeLay says the suit is politically motivated.

Kate Snow reports.

(BEGIN VIDEOTAPE)

KATE SNOW, CNN CORRESPONDENT (voice-over): Democrats are targeting

House Majority Whip Tom DeLay with an unusual legal action, typically

associated with organized crime. Filed under the Racketeering Influenced and

Corrupt Organization act, or RICO, the chairman of the Democratic

Congressional Campaign Committee accuses DeLay of extortion and money

laundering.

KENNEDY: Mr. DeLay is unfortunately conducting these activities under the

color of his office, as he seeks through the use of systematic extortion to coerce

the contributions of millions of dollars to Republicans, and at the same time, to

intimidate those inclined to support Democrats.

SNOW: The suits says DeLay used his office to threaten organizations with legislative consequences if they contributed to Democrats or withhold money from Republicans.

On the money-laundering charge, they described a complex pattern of money movement between three organizations controlled by DeLay, none of which is required to disclose its activity to the Federal Election Commission: the U.S.

Family Network, the Republican Majority Issues Committee and Americans for Economic Growth. DeLay hopes to raise some \$25 million to spend on issue ads in targeted congressional districts this year.

The suit itself contains few specifics about the illegal activities alleged, relying mainly on news accounts. The plaintiffs hope the court will help uncover more evidence.

BOB BAUER, ATTORNEY: This is a systematic effort to structure a political

operation based on the illicit use of power to raise the money.

SNOW: DeLay's office called the suit ridiculous. In a written statement, DeLay

says "The Democrats clearly chose this language and charges for the pure shock

value. No one is his or her right mind would read through these outrageous

allegations and believe that the Democrats are acting in any way other than pure

ugly political venom."

Some observers agree.

STEPHEN MOORE, CATO INSTITUTE: This isn't a mob operation that Tom

DeLay is running, and I think this is a little over the edge in terms of these

allegations against this political action committee, and so I don't think that there

is much to these charges.

SNOW: But others say using such a lawsuit might be one way to open up the

activities of political committees like DeLay's, which thus far have been able to

avoid scrutiny in the election process.

ROY SCHOTLAND, GEORGETOWN UNIV. LAW CENTER: I think the lawsuit

is very imaginative. To think of using RICO for this -- somebody had an awfully bright idea. And I think it will succeed, and I think it has value, because it is bringing light on efforts to avoid the light.

SNOW (on camera): If the court accepts the case, Democrats are asking that DeLay's committees be stopped from fund-raising until the court rules. An aid to DeLay says that proves the true purpose behind this suit: to hurt the Republicans' chances in November.

Kate Snow, CNN, Washington.

(END VIDEOTAPE)

WOODRUFF: Now to the battle over abortion and the race for the White House.

The National Abortion Rights Action League is launching a new ad campaign today, clearly designed to help Al Gore, by targeting

George W. Bush. Here is

part of that 30-second spot.

(BEGIN VIDEO CLIP, NARAL AD)

UNIDENTIFIED ANNOUNCER: The next president has the power
to take away

a woman's freedom to choose. George W. Bush said "I'll
do everything in my

power to restrict abortions." Bush would nominate
Supreme Court justices who

would overturn Roe versus Wade. He even supports a
constitutional amendment

to outlaw abortion. And in Texas, Bush actually opposed
laws to protect women

from violence at health clinics.

(END VIDEO CLIP)

WOODRUFF: NARAL says the ad buy is limited, airing only
here in the

Washington area on CNN for at least two weeks.

Just ahead, more on the presidential candidates, as well
as the latest on the New

York Senate race. Bernie will talk with Margaret Carlson
and Tucker Carlson.

(COMMERCIAL BREAK)

WOODRUFF: In North Carolina, former Charlotte Mayor Richard Vinroot won the Republican nomination for governor in yesterday's primary. State Attorney

General Mike Easley got the Democratic nod in the battle to succeed the term-limited Democratic governor, Jim Hunt.

In Indiana, Congressman David McIntosh easily won the GOP nomination to challenge first-term Democratic Governor Frank O'Bannon, who was unopposed.

SHAW: Joining us now to talk more about the presidential election and other political matters, Margaret Carlson of "TIME" magazine and Tucker Carlson of "The Weekly Standard."

We all know Vice President Gore has been shelling, shelling Texas George W.

Bush on the issues. The question is, beginning with you, Margaret, is Governor

Bush ducking or is he effectively responding? Foreign policy? Everything?

MARGARET CARLSON, "TIME": He will respond. It just started. Gore's been missing in action up until this point. From the end of the primaries until now, he was more or less going around on his own kind of listening tour and not attacking Bush's policies. I mean, not Bush himself, which I think is out of bounds, but coming back on education, environment, whatever.

I mean, Bush stole the Democrats' issues and Gore let him get away with them, and now he's coming back with it, and we'll expect, you know, Bush to come back on top of that.

SHAW: As you were saying that, Tucker had a smile on his face.

TUCKER CARLSON, "THE WEEKLY STANDARD": Well, it's interesting, because, I mean, the Bush campaign decided not to release the details of the

Social Security plan primarily because they didn't want to be attacked on the specifics by Gore. So Gore turns around and says, this is a secret Social

Security plan, like it's some sort of diabolical, you know, plot to, you know, invade somewhere or something, like there's something wrong with keeping the details secret, as if the details that presidential candidates offer become law anyway.

You know, presidential candidates often act like there is, you know, a single branch of government, that once they're elected, they're going to write the laws and then they'll become in fact law.

I don't know, though. I think it's probably a pretty clever strategy on the Bush campaign to keep the details under wraps. I don't really see an advantage of letting them out.

SHAW: But this is May 3rd. Why is Gore hammering the way he is? What do you think he's after? What's he trying to do?

M. CARLSON: Well, he's trying to get the momentum back that he lost. Bush

had a tough campaign, beat a tough competitor and got stronger. Gore, who was

supposed to have a tough one, didn't, had a weak one, and came out, I think, not

quite as tough as Bush did having -- you know, it's important to beat someone,

and once you've done that you're a better competitor.

Gore got soft. He only does well when he is engaged fully. He needed -- in some

ways he kind of wooed Bush out, gets Bush to do some things, and then comes

back on them, because that's the way he operates best.

T. CARLSON: Right, and I think not just important to beat someone, but to

squash him, you know, to grind him under heel like a cigarette butt. I mean, that

is -- if there is one lesson in the primaries, it is that attacking works.

I mean, Bill Bradley was just demolished by Gore when Gore went after him, and

I think John McCain was fatally wounded in South

Carolina because Bush hit

him so hard. Negative campaigning works. It always has,
and we've learned the

lesson again. SHAW: You were in the control room
watching Kate Snow's piece,
the Democratic Congressional Campaign Committee's civil
suit against House

Republican leader Tom DeLay. What do you make of this?

M. CARLSON: Well, you know, we have weak campaign
finance laws. It's not

what's illegal in Washington; it's what's legal that's
wrong. And this is a very
creative way to get at a very real problem.

Tom DeLay was more blatant than anybody. It would be
like me saying, Bernie,
I'm going to hold you up.

Tom DeLay had people come into the office, like, you
know, heads of various
corporations and say, give me your money or you don't
get what you want. It
was the most blatant form of this, and he got the
nickname, "The Hammer."

T. CARLSON: I think it's very clever. I mean, it's sort

of Tom DeLay as Sam

Giancana. I mean, it's -- actually the idea of it is amazing. I mean, if you put

everybody in Washington who used a 501(c)4, a nonprofit organization, for

political ends in prison under RICO, I mean, you know, it would solve the traffic

problems. There would be nobody here. I mean, everything does this or a

variation of it.

All 501(c)...

M. CARLSON: They -- no, it's not an everybody does this.

And in fact, when

Bill Gates came to Washington a few weeks ago, Tom Davis, who's the head of

the Democratic (sic) Congressional Committee, had him up to the Hill, and a

Republican who was appalled by the conduct of this meeting came out and told

The Washington Post that Tom Davis said to Bill Gates:

"You wouldn't be in this

kind of trouble if you had just given us more money. Now ante up."

It was -- you know, I think that this type of

behavior...

T. CARLSON: Those are the rules, Margaret. You have to play by them.

M. CARLSON: Well, and so you need something creative like, you know, treating him -- treating him like that guy in pajamas in jail, John Gotti.

T. CARLSON: Under RICO? I mean, that's what you do...

M. CARLSON: Yes, yes.

T. CARLSON: ... for people who like kill one another in barbers chairs. I mean, I don't know. It's a terrific stunt.

M. CARLSON: It's another form of dying. It's the dying of democracy. So I say -- I say go...

(LAUGHTER)

T. CARLSON: Dying of democracy. M. CARLSON: ... go to it.

SHAW: Tucker Carlson, Margaret Carlson, thanks very much. Good to have you back.

M. CARLSON: Thanks.

T. CARLSON: Thanks.

SHAW: You're welcome.

And when we return, London's first mayoral race.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: What's the mayor going to do, because he ain't going to bring the prices down?

UNIDENTIFIED FEMALE: I think it's a total waste of money. I don't think we need one, and I wouldn't vote for any of them.

UNIDENTIFIED MALE: It's a bit of a farce really.

(END VIDEO CLIP)

SHAW: A look at this unusual political battle and its

curious cast of characters.

(COMMERCIAL BREAK)

WOODRUFF: As voters in the United States consider their
choices for president

and for Congress for the fall, residents of London have
a new election to ponder.

SHAW: For the first time in its history, the city will
have an elected mayor. And

so far, the race has raised more than a few eyebrows.

Richard Blystone has the story.

(BEGIN VIDEOTAPE)

BLYSTONE (voice-over): If this man didn't raise newts,
would he still be

front-runner for mayor of London? You may think newts
are cute or not, but

keeping them makes you different. And there's nothing
the British public loves

quite so much as an eccentric.

So honk if you want Ken Livingstone in City Hall.

(HONKING)

If you believe the polls, most London voters don't give
a hoot for anybody else.

LIVINGSTONE: (UNINTELLIGIBLE) candidates asking for your
support on

May the 4th. UNIDENTIFIED MALE: I think Livingstone's
always had
something with the people of London, and I think he's
hopefully the right man
for the job.

UNIDENTIFIED FEMALE: He seems to be one of us.

BLYSTONE: As every tourist knows, London already has a
Lord Mayor. That's
him in the eccentric costume. But his job is ceremonial
and applies only to the
one square mile that's now London's financial district.

The other 609 square miles of greater London have never
had a mayor, though
they once had a city government. It's last leader? Guess
who: Ken Livingstone,
the newt-loving radical whose antics so infuriated
right-wing Prime Minister

Margaret Thatcher that in 1986 she abolished the whole
thing.

(BEGIN VIDEO CLIP, COMMERCIAL)

NARRATOR: On May the 4th, a London mayor will be
elected.

(END VIDEO CLIP)

BLYSTONE: One man's mayor is another man's nightmare.
Livingstone's leading
the race as an independent after losing the Labour Party
nomination to this man,

Frank Dobson. Trailing in the polls despite the
endorsement of Prime Minister

Tony Blair, Dobson gives the impression of the old
soldier who's been told he'll

be a hero if he storms the fort alone with his bayonet.

UNIDENTIFIED MALE: What is the secret of your success?

FRANK DOBSON, LONDON MAYORAL CANDIDATE: Well, I mean,
the first
question is, am I a success?

BLYSTONE: Just as we start our interview...

(on camera): Frank Dobson, Labour candidate for mayor...

(LAUGHTER)

Is this a sign?

(voice-over): It's been that kind of race for the man
they call Dobbo, whose first
challenge is convincing people he really wants the job.

DOBSON: I was always keen to be the mayor of London and
I wasn't pushed
into the job, but I think it was perceived that way.

BLYSTONE: Next hurdle: the battle of Dobbo's beard.

PETER DAVID, "THE ECONOMIST": The bright young boys and
girls who
work at Labour Party headquarters thought that with that
beard he could never
win, and they advised him to shave it off. But he
resisted that, and I think wisely,
because he won't win with the beard off either.

BLYSTONE: And it didn't help when another Frank Dobson,
a retired printer,

made a bid to get himself on the ballot paper too and
ran briefly on the platform
that London doesn't need a mayor.

FRANK DOBSON, FMR. LONDON MAYORAL CANDIDATE: If I had
been
elected, I would have resigned immediately.

BLYSTONE: The Conservative Party's had its own mayor
nightmare. Its first
choice as candidate, the man behind page-turners like
"First Among Equals,"
millionaire fiction writer Lord Jeffrey Archer. But then
his lordship was accused
of having encouraged a witness to tell some fiction in a
libel suit against a
newspaper.

He was barred from the party...

UNIDENTIFIED MALE: Go home.

BLYSTONE: ... and police took him in for questioning.

UNIDENTIFIED MALE: It's hopeless down there. It's
hopeless.

BLYSTONE: The conservatives then turned to Steve Norris,
an ex- car
salesman, whose string of five mistresses while still
married so outraged some
conservative matrons that they almost blocked his
nomination.

DAVID: His sexual reputation is, I suppose, on balance a
little bit of an
advantage. He's got a twinkle in his eye. He -- you can
relate to him as a human
being.

BLYSTONE: Susan Cramer is running, or walking, under the
banner of "Liberal
Democrats against selling off the underground system."
She's a banker, not a
politician, so she needs an issue. And she's got one:
How do you get around in
London?

SUSAN CRAMER, LONDON MAYORAL CANDIDATE: Hello, I'm Susan
Cramer.

BLYSTONE: As it happens, walking through London isn't
that much slower than
driving. Cars average 8 miles an hour, same as in the

days of horse and buggy.

UNIDENTIFIED MALE: And when people get in the cab, it's embarrassing

sometimes to take them anywhere, because you're just stuck in traffic all the time.

BLYSTONE: Some of the most colorful contenders have already quit the race.

(BEGIN VIDEO CLIP)

GLENDIA JACKSON, ACTRESS: My god, \$18,000 -- I could have told him for a lot less.

(END VIDEO CLIP)

BLYSTONE: Actress Glenda Jackson offered to lend politics a touch of class but made her exit on cue.

Malcolm McLaren, founder of the punk band The Sex Pistols, made a brief appearance but decided in those immortal words...

(BEGIN AUDIO CLIP)

JOHNNY ROTTEN, THE SEX PISTOLS (singing): There's no
future, no future,
no future for you.

(END VIDEO CLIP)

BLYSTONE: The mayoral post is supposed to be
American-style but the
campaign...

LIVINGSTONE: Well, it sounds very much like American
politics. This is the
sort of personality politics, the back-stabbing, the
negative campaigning. All we
haven't had so far is someone bumped off.

BLYSTONE: Maybe, but try to imagine not Ken Livingstone
but, say, Hillary
Clinton posing with a giant dalmatian to mark National
Worm Awareness Week,
or a champion of the poor raising campaign funds from
the well-healed at a
benefit auction of contemporary art, complete with
champagne, five-figure bids,
and thought-provoking pieces like this one, entitled

"Dead Mice."

LIVINGSTONE: The next is Peter Kennard's "Haywain With
Cruise Missiles."

BLYSTONE: Ken was there, wielding the gavel...

LIVINGSTONE: They are sold to the lady in the green
scarf.

BLYSTONE: ... and the charm.

LIVINGSTONE: Where's the booze?

UNIDENTIFIED MALE: Downstairs.

UNIDENTIFIED MALE: Yes, down there.

LIVINGSTONE: Down here. Bloody drink. I've just been
expelled for five years.

BLYSTONE: Behind the winning sense of humor...

LIVINGSTONE: Don't look so glum: You can vote for me.
This is Ken

Livingstone, your cheeky London...

BLYSTONE: ... a man who'd recognize gay marriages and
legalize the drug

Ecstasy, and who says the global financial system has
killed more people than

World War II, though in recent years this scourge of
capitalism has developed a

lucrative sideline in reviewing restaurants, making
speeches and appearing on talk
shows.

(on camera): The view from London's new scenic ride
shows you not so much

a city as a cluster of villages, each with its own
distinctive character. Anybody

who wants to get elected mayor here had better find
something that appeals to all
of them.

UNIDENTIFIED MALE: What's the mayor going to do? Because
he ain't going
to bring the prices down.

UNIDENTIFIED MALE: You know, it's like the American
expression: Don't fix
it if it ain't broke.

UNIDENTIFIED FEMALE: I think it's a total waste of

money. I don't think we

need one, and I wouldn't vote for any of them.

UNIDENTIFIED MALE: It's been a farce really.

BLYSTONE (voice-over): True, London's mayor won't have much power and

won't have a single tax to call his own. But that could be the secret of Ken

Livingstone's success. He's a safe way to give the big parties a poke in the eye.

DAVID: If they were voting for a mayor who could raise their taxes, they would

think two or three times before they vote for the man who was once known as

"Red Ken Livingstone." But to be a safe eccentric is a pretty good way to position yourself in British politics.

BLYSTONE: The new mayor's office will be away from Parliament, but just

over the river from that historic bastion of political skullduggery, the Tower of

London, where instead of photo-ops and soundbites the forebears of today's

politicians employed real knives in the back, the

dungeon and the chopping

block. You've got to start somewhere.

(END VIDEOTAPE)

SHAW: What a delicious story.

WOODRUFF: I wish we had that kind of politics here.

(LAUGHTER)

SHAW: That's all for this edition of INSIDE POLITICS.

We'll see you again

tomorrow, when our Frank Buckley will be on the road

with first lady Hillary

Rodham Clinton in New York.

WOODRUFF: And of course, you can go online all the time

at CNN's

allpolitics.com.

I'm Judy Woodruff.

SHAW: I'm Bernard Shaw. "WORLDVIEW" is next.

END

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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SUBJECT: FOX Special Report, May 9, 2000

TO: Anna Richter (CN=Anna Richter/OU=OPD/O=EOP@EOP [OPD])
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TO: Anne M. Edwards (CN=Anne M. Edwards/OU=WHO/O=EOP@EOP [WHO])
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TO: Anne W. Bovaird (CN=Anne W. Bovaird/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Anthony R. Bernal (CN=Anthony R. Bernal/O=OVP@OVP [OVP])
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TO: Elizabeth E. Baylor (CN=Elizabeth E. Baylor/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elizabeth R. Newman (CN=Elizabeth R. Newman/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Ellen Mellody (CN=Ellen Mellody/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Elliott H. Baer (CN=Elliott H. Baer/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Emily Karcher (CN=Emily Karcher/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Gene B. Sperling (CN=Gene B. Sperling/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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TO: Victoria L. Valentine (CN=Victoria L. Valentine/OU=WHO/O=EOP@EOP [WHO])
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TO: gamble-bennett (gamble-bennett@dol.gov @ inet [UNKNOWN])
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TEXT:
FOX SPECIAL REPORT WITH BRIT HUME

May 9, 2000

BRIT HUME, HOST: Welcome to Washington. I'm Brit
Hume.

After an abrupt change of mind, John McCain decided
to use his long-awaited meeting with George W. Bush as the occasion for an
endorsement. It wasn't exactly ringing, and it had the feel of something
McCain was doing to get it over with. But as Carl Cameron reports from
Pittsburgh, site of the meeting, the Bush campaign will clearly take it.

(BEGIN VIDEOTAPE)

CARL CAMERON, FOX NEWS (voice-over): Once bitter
rivals who traded charges of hypocrisy and lying, they emerged from a
90-minute closed-door meeting as allies, with John McCain officially
backing the man who beat him.

SEN. JOHN MCCAIN (R), ARIZONA: Governor Bush's
philosophy, his ideals and his ability to articulate a vision for the
future is the major reason why he should be president of the United States

and not Al Gore.

GOV. GEORGE W. BUSH (R-TX), PRESIDENTIAL CANDIDATE:

I've always respected John. We had a tough primary. I told him point-blank he made me a better candidate.

CAMERON: The former foes repeatedly tried to use humor to cut the tension. At one point, McCain was asked about the fact that initially he did not use the word "endorse" to describe his support for Bush and whether that signaled some hesitance.

MCCAIN: I endorse. I endorse Governor Bush. I endorse Governor Bush. I endorse Governor Bush. I endorse Governor Bush. I endorse Governor Bush.

BUSH: By the way, I enthusiastically accept!

CAMERON: The endorsement had been planned for later this summer, but McCain decided the night before the meeting to end what aides described as the "circus" and get Bush, as they put it, "out of the senator's hair." Neither man was looking forward to the meeting but considered it politically necessary. McCain acknowledged as much.

MCCAIN: "Take the medicine now" is probably a good description.

CAMERON: Bush aides called McCain's endorsement a, quote, "nightmare for Al Gore." If so, a Bush-McCain ticket might be even worse, but was ruled out.

BUSH: I asked his advice about the vice presidency.

MCCAIN: And I asked that I not be considered for vice president of the United States.

CAMERON: Disagreements over reforming campaign finance and the size of a tax cut remain. McCain flashed a bit of his

patented straight talk on that.

MCCAIN: We are not in agreement on every issue. That was made clear during the primary.

CAMERON: Bush preferred to emphasize the issues they share in common.

BUSH: We agree there needs to be substantial reform when it comes to education and Social Security.

(END VIDEOTAPE)

CAMERON: Because McCain generated so much support in the primaries, the Bush campaign says it really believes that some of that can rub off on the Texas governor with this endorsement, unlike most other endorsements, that are generally forgotten in a matter of days, if not hours. But because so much of McCain's support came from his personality, that may prove difficult because, as aides in both camps say, these are two personalities that just don't seem to click.

Brit?

HUME: Carl, until very late in the game, this was not supposed to happen today. What happened?

CAMERON: Well, McCain concluded that he was being criticized as sort of a poor loser, and he almost backed off on the endorsement on this day last night, when he heard that it had leaked too early, sort of a cold war diplomacy. Now it's in the books, they're both glad it's over.

HUME: All right, Carl. Thanks very much.

Bush and McCain may have patched things up, but there's still a GOP feud in McCain's home state of Arizona. The governor there, Jane Hull's, endorsement of Bush over McCain is still a thorny

issue, and last month Hull agreed not to lead the state's delegation to the Republican convention in deference to McCain, who won the state's primary. Now "The New York Times" reports that McCain wants his wife, Cindy, to have that honor, and Hull is said to be miffed. The issue is to be decided Saturday at the state's party convention.

There was a pause in the relentless attacks Vice President Gore has been making on his Republican opponent, but it seemed to have more to do with the events on Gore's schedule than any change in campaign strategy. Besides, as Jim Angle reports, Gore did manage to work in a little dig at Bush anyway.

(BEGIN VIDEOTAPE)

JIM ANGLE, FOX NEWS (voice-over): On a day when the vice president was sure to be overshadowed by the Bush-McCain meeting, he strained to be non-partisan and almost succeeded. At a bipartisan pep rally at the White House in favor of the China trade agreement, Gore even said something nice about someone named Bush.

ALBERT GORE, VICE PRESIDENT OF THE UNITED STATES: I would also like to thank President Bush, who is not here today, but who has been unequivocal on this issue.

ANGLE: Because the administration is depending on Republican votes to pass its China trade policy, Gore had to be nicer to Republicans than usual, but he couldn't resist a little swipe at his opponent. At a luncheon speech to the Anti-Defamation League, he did not mention Bush by name but did find a way to say something critical, as he pointed to the controversy in South Carolina over the Confederate flag.

GORE: We know it is wrong not only to support it, but to find it impossible to summon the moral courage to speak out about

it. It is wrong to remain silent about it.

ANGLE: Bush has refused to take a stand on the issue, saying it's up to the voters of the state.

The Gore campaign has also ridiculed Bush for lacking foreign policy expertise, so it's a good thing it wasn't Bush who, in talking about ethnic strife overseas, invented a new name for Bosnians.

GORE: ... where differences that are sometimes seemingly slight, as the difference between Hutus and Tutsis or Bosniacs and Serbs and Croatians...

ANGLE: Gore may get much of the Jewish vote, but the "Bosniac" vote is still up for grabs.

Since Gore had to be non-partisan, DNC chairman Joe Andrew flew to Pittsburgh to throw cold water on the McCain endorsement of Governor Bush.

JOE ANDREW, DNC NATIONAL CHAIR: You know, if that's a marriage, then those kind of marriages only happen in Las Vegas, and it will last about as long as one that happens in Las Vegas.

(END VIDEOTAPE)

ANGLE: Clearly, the two men have a lot of serious differences, he said. And just in case anyone has forgotten, the Democrats handed out a list of a lot of nasty things that McCain said about Bush back during the primaries.

Brit?

HUME: Thanks, Jim.

Former Louisiana governor Edwin Edwards has been convicted of 17 counts of racketeering and fraud. Charges stem from a scheme to extort hundreds of thousands of dollars from applications for

riverboat casino licenses. A jury in Baton Rouge acquitted Edwards of nine counts but also found his son, Stephen, guilty of 18 related counts.

And coming up next, we'll tell you what the--what battle Donato Dalrymple, the so-called ``fisher of men," is trying to fight in court.

Stay tuned.

(COMMERCIAL BREAK)

HUME: The guest list for that White House rally on normalizing trade relations with China permanently read like a Who's Who list of American politics. Former presidents and cabinet members from both sides of the political aisle came to Washington to call on Congress to support the trade deal. FOX NEWS correspondent Wendell Goler has the story.

(BEGIN VIDEOTAPE)

WENDELL GOLER, FOX NEWS (voice-over): President Clinton and two of his predecessors were joined by policy makers who shaped U.S. relations with China for much of the past 30 years. Gerald Ford, who nurtured Richard Nixon's 1972 opening to China, suggested normalized trade is a no-brainer.

GERALD FORD, FORMER PRESIDENT OF THE UNITED STATES:

The facts are, a negative vote in the House and/or the Senate would be catastrophic.

GOLER: And Jimmy Carter, who in 1979 transferred official U.S. recognition from Taiwan to Beijing, spoke of the changes he's seen in the past 20 years.

JIMMY CARTER, FORMER PRESIDENT OF THE UNITED STATES:

There was no such thing as free enterprise in China. There was no such

thing as religious freedom.

GOLER: No one suggested there's enough of any kind of freedom in China yet, but critics say the U.S. still shouldn't be helping Beijing.

REP. DANA ROHRABACHER (R), CALIFORNIA: You don't hand hard currency over to your worst potential enemy.

GOLER: They say stronger economic ties won't necessarily make China abide by the rules of the World Trade Organization.

SEN. JIM BUNNING (R), KENTUCKY: I strongly disagree that China, who has stolen every nuclear secret that we have--every nuclear secret!--would abide by any judgments of the WTO.

GOLER: And China critics even brought out a movie star to counter the president's political stars, saying it's time to draw a line.

GOLDIE HAWN, ACTRESS: I don't want to give them a bone anymore. I don't think that's a way to make peace. Stay strong and powerful in our convictions of what's right and wrong.

GOLER: The president has come to accept the concerns, though he says denying permanent trade status for China won't help them.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES:
This agreement has become like flypaper for the accumulated frustrations people have about things in the world that they don't like very much.

GOLER (on camera): The Senate's almost certain to approve normalized trade with China, but the House is so close, the president will have talked to more than 100 wavering lawmakers by the time the vote is taken the week of May 22nd.

At the White House, Wendell Goler, FOX NEWS.

(END VIDEOTAPE)

HUME: The man who became famous for helping to rescue Elian Gonzalez now apparently thinks he has the right to defend the boy's interests in court, as well. Donato Dalrymple has filed a petition contesting who has the legal right to speak for the boy. And as FOX NEWS correspondent Rita Cosby tells us, this comes as the boy's father is lobbying for his own cause.

(BEGIN VIDEOTAPE)

RITA COSBY, FOX NEWS (voice-over): Elian's father left the Maryland compound without his son and planned to visit members of Congress with his attorney. At the same time, Elian's Miami relative are getting support from dozens of prominent legal scholars, who jointly placed an ad in "The Washington Post." They say the U.S. government overstepped its bounds by seizing Elian just days after a court rejected the government's request for an order to return Elian to his father.

ROGER PILON, CATO INSTITUTE: What we have here, in other words, is the executive branch precipitously intruding into the affairs of the judicial branch. That raises extraordinarily important questions about the separation of powers.

COSBY: One of the men who saved Elian from the water back in November brought that and other questions to the court of appeals, which will hear the boy's asylum case this week. Donato Dalrymple says he wants to save the boy again. In a sign of possible dissension among the Miami relatives' camp, he sent a petition asking that Miami attorney Kendall Coffey be replaced, alleging Coffey has a conflict of interest.

DONATO DALRYMPLE, RESCUED ELIAN: The best interest

for me, Kendall, is Elian. And you have to do what's best for you. But if you're not willing to fight the raid, what is the reason? I mean, is it because you're connected to the Democratic Party, that you have close ties with Janet Reno from the past?

COSBY: But another attorney representing Elian's Miami relatives said, quote, "The claims are outrageous and unfair. Kendall Coffey is not pandering to any Democratic politicians." He further said, "We remain united."

Meantime, Republican Senator Bob Smith is now saying he misspoke when, at a town hall meeting on Sunday, he described the Maryland location where Elian and his father are staying as, quote, "a concentration camp." The White House said the statement was irresponsible.

JOE LOCKHART, WHITE HOUSE SPOKESMAN: That is so beyond the pale that it's breathtaking.

(END VIDEOTAPE)

COSBY: And there are some new developments surrounding the brawl that took place allegedly outside the Cuban interests section a few weeks ago, in which, allegedly, the Cuban diplomats came out and hit Cuban-American protesters. Although the Cuban interests section will not confirm this, sources close to Elian's father tell me that this past weekend, several of the diplomats involved in that fight left and went back to Cuba. They say that they're not hiding from any potential charges, but they did get some indication that the investigation might be mounting from U.S. officials and they, quote, "didn't want to be a distraction" from Elian's case.

Brit?

HUME: Rita, what about Donato Dalrymple trying to intervene in this suit? Does he--is that likely to be accepted by the court?

COSBY: Well, court officials were telling me today that since he filed no motion to intervene, he has no legal standing with the court and most likely that petition will be sent right back to him.

Brit?

HUME: All right, Rita. Thanks very much.

Coming up next, we will have more on the McCain endorsement of George W. Bush when we talk to "The Weekly Standard's" Bill Kristol, who wanted McCain at one time to pull the whole thing off.

Be right back.

(COMMERCIAL BREAK)

HUME: And now the latest from the political grapevine.

Democratic Senator John Kerry of Massachusetts is putting out the word that he loves his current job and has no plans beyond it. That is a sure sign that speculation about his being Al Gore's running mate has gotten serious. And "The Boston Globe" is reporting that the head of Gore's search team, Warren Christopher, met with Kerry last week in Kerry's Senate office.

It seems there was a reason why Smith and Elizabeth Bagley, the socialite Democrats who held that dinner party at their Georgetown home Saturday, were able to snag Juan Miguel and Elian Gonzalez as guests. Not only is Smith Bagley a big Democratic fund-raiser, but he's also the money behind something called the Arca Foundation, whose major

cause is lifting those economic sanctions against Cuba. And as for Bagley's money, he's an heir to the R.J. Reynolds Tobacco fortune.

Officials Monday night scrambled to correct a map from the White House Web site which placed Owensboro, Kentucky, smack dab in the state of Tennessee. The map, now corrected, is part of something called the president's "school reform tour" and speaks of the Clinton-Gore, quote, "unprecedented commitment to education." The goof was spotted by Clinton nemesis Matt Drudge, the Internet gadfly.

And for those of you who have suspected the worst about what President Clinton does on those nights in the White House when the first lady's away campaigning, well, shame on you. The president told reporters Monday outside the White House that when Hillary's away, he sleeps with Buddy, the dog. "He's my true friend," the president said. "We have a great time."

Sources tell FOX NEWS Microsoft will issue a response to the government's break-up plan. The company will offer to share its code with other software makers and offer computer manufacturers a version of Windows without the Internet browser. But sources say Microsoft will ask for more time to explore the ramifications of splitting up the company. And as FOX NEWS's Jonathan Serrie tells us, politicians are trying to stay out of the fray over the potential break-up.

(BEGIN VIDEOTAPE)

JONATHAN SERRIE, FOX NEWS (voice-over): The Clinton Justice Department shows no sign of backing down in the antitrust suit against Microsoft and, by association, presidential hopeful Al Gore has to navigate rough political waters.

MICROSOFT EMPLOYEE: I was pretty upset and angry.

SERRIE: During an uncomfortable visit to Microsoft last fall, Gore was pressed to address the lawsuit.

GORE (November 15, 1999): For a company who is not able to enter the marketplace and compete has the right to say, "Hey, wait a minute. That violates a fundamental American value."

SERRIE: George W. Bush's comments on Microsoft also lack details, but it's easy to read between the lines.

BUSH (February 27, 2000): I think the great fear is that Microsoft will be broken up.

BILL GATES, MICROSOFT CHAIRMAN (Microsoft ad): Twenty-five years ago, my friends and I started with nothing but an idea.

SERRIE: Competitors aren't big fans of this man, but Bill Gates gets high marks from American voters. A recent FOX NEWS poll puts Gates's approval rating at 62 percent. That's higher than the president and either party's candidate.

SUSAN ESTRICH, FOX NEWS POLITICAL ANALYST: Indeed, if I were Al Gore or advising him, I'd say "Praise Bill Gates for his creativity, his ingenuity. And then as for the antitrust suit, obviously, it's up to the Justice Department and the courts to determine what the antitrust laws mean and how they apply, and then head for the hills."

SERRIE: Observers say Microsoft may get a more favorable settlement from a Bush administration.

NICHOLAS ECONOMIDES, NEW YORK UNIVERSITY ECONOMIST: And he has said publicly that he would only follow cases of price-fixing, extreme cases of violation of the law.

SEN. SLADE GORTON (R), WASHINGTON: Under those circumstances, there's going to be a huge motivation on the part of

Microsoft and its supporters to see to it that Governor Bush is elected.

SERRIE: Recent figures show Microsoft has donated more than half a million dollars in soft money to both parties this election cycle, more than \$300,000 to Republicans, \$218,000 to Democrats.

(on camera): Although the fate of Microsoft may not rank with issues of health and education in this presidential campaign, it could gain importance if stock portfolios and retirement plans keep taking hits each time the company runs into a legal roadblock. Al Gore, who's counting on the support of Silicon Valley, may wind up with a case of high-tech anxiety.

In Seattle, Jonathan Serrie, FOX NEWS.

(END VIDEOTAPE)

HUME: That Microsoft reply to the government's break-up plan, by the way, expected on Wednesday. And to find out more about Microsoft and politics and campaign contributions, check out our Web site. Click on foxnews.com.

And coming up next: Will the Confederate flag come down from the capitol in South Carolina? We'll tell you after this short break.

Stay tuned.

(COMMERCIAL BREAK)

HUME: The South Carolina legislature has started debating a measure that would remove the Confederate flag from atop the statehouse. The governor wants it to come down, but some state politicians feel it's a symbol that should still be honored. A final vote on the issue could come this week, and FOX NEWS's Kris Osborn has details on a debate that has spilled over into this year's presidential race.

(BEGIN VIDEOTAPE)

KRIS OSBORN, FOX NEWS (voice-over): As the Confederate flag flew above the state capitol, members of the state house of representatives were locked in a bitter debate over its fate.

UNIDENTIFIED SOUTH CAROLINA REPRESENTATIVE: I will not vote to take the flag off the dome.

OSBORN: Members began formal debates on the issue, faced with increased pressure from Governor Jim Hodges, who has said he will call a special legislative session to resolve the matter if no agreement is reached by June 1st.

JIM HODGES (D), SOUTH CAROLINA GOVERNOR: We simply cannot allow this to continue on. It can be and should be resolved. We should move the flag from the dome, and we should do it in a respectful way. And that must happen this year.

OSBORN: The debates focused on many options, with over 50 different proposed amendments.

UNIDENTIFIED SOUTH CAROLINA REPRESENTATIVE: We got one amendment down, about 57 more to go right now.

OSBORN: The first plan, already approved by the state senate, would move the flag from above the state capitol building and place it out front, next to this Confederate army monument.

BILL COTTY (R), SOUTH CAROLINA STATE REPRESENTATIVE: The senate did a wonderful thing in being able to come together as a body and get us this, but there's things that you can improve upon.

OSBORN (on camera): Although support for different ideas cuts across party lines in the debate, the state senate-approved compromise, to move the flag down here, is to many members in the house

unacceptable. The black caucus and others would like there to be a bronze flag placed here, yet many members in the house say it shouldn't be moved at all.

JOHN GRAHAM ALTMAN (R), SOUTH CAROLINA STATE REPRESENTATIVE: I support the flag totally. If a referendum were held and the people said ``Take it down," I would come back and vote to take it down and try to do it in the most expeditious and honorable and quick way it could be done because I represent the state of South Carolina, and I'm proud to do that.

OSBORN (voice-over): As some passions outside the state capitol matched those within, one thing most agreed upon was they want this resolved.

In Columbia, South Carolina, Kris Osborn, FOX NEWS.

(END VIDEOTAPE)

HUME: Mexicans who live in the United States can't vote south of the border, but they can influence their friends and family back home. That's the thinking of Mexican presidential candidates who hope to unseat the ruling party in Mexico come election time in July. FOX NEWS correspondent Claudia Cowan reports from California on a man who might outfox the rest of the field.

(BEGIN VIDEOTAPE)

CLAUDIA COWAN, FOX NEWS (voice-over): You'd think he was already Mexico's president, bringing his vision of the future to California's Statehouse. In fact, Vicente Fox is locked in a dead heat with the ruling party candidate, Francisco Labastida in Mexico's hottest race ever. Having emerged from a crowded field of contenders, this charismatic cowboy is poised to topple the PRI government that's ruled

Mexico for seven decades.

VICENTE FOX, MEXICAN PRESIDENTIAL CANDIDATE: We are one step away. We are 54 days away from a democratic transition.

COWAN: As president, he promises to root out government corruption and fight the poverty that drives millions north for jobs. Fox himself has come north not for votes, but support, courting millions of Mexicans who live in the U.S. and still have a voice back home.

FOX: They can participate on this election by writing to their people down there in Mexico and--or telephone calls, so that we make sure that we change things in Mexico.

COWAN: Many believe this fox has already outsmarted his opponents. From his boots to his belt buckle, this maverick Mexican has struck a powerful cord.

UNIDENTIFIED MALE: Very charismatic, very articulate in his message. And I think it's going to resonate.

COWAN (on camera): Here at the airport between campaign stops, it became clear just how popular Governor Fox is. Young and old alike ambushed the candidate for an autograph and listened in as he answered more reporters' questions.

(voice-over): Fox compared himself to Nelson Mandela and Lech Walesa, a grass-roots activist fighting for a stable economy, better jobs and a presidency the people can trust.

FOX: We're in love with our country. We're in love with our people. And we are going to make this change.

COWAN: Many here hope so.

MARIO VEGA, MADERA, CALIFORNIA: He look nice,

nice--nice man. Maybe he change Mexico, you know?

COWAN: He's one of six who'd like the chance, a Fox
in a real horse race.

In Sacramento, Claudia Cowan, FOX NEWS.

(END VIDEOTAPE)

HUME: First one New York political figure, now
another. New York police commissioner Howard Safir has announced he has
prostate cancer. At his side was Mayor Rudy Giuliani, who announced last
month that he is also seeking treatment for the disease. The police
commissioner is 58 years old. He became New York's top police officer in
1996.

And folks, we'll be right back after this break. You
don't want to touch that remote because the FOX all-stars are coming up
next. The regulars are here.

(COMMERCIAL BREAK)

HUME: And so what to make of these developments?
You'll find out from Mort Kondracke, executive editor of "Roll Call,"
Mara Liasson, White House correspondent of National Public Radio, and from
our Chicago bureau, where he's out making a speech, Fred Barnes, executive
editor of "The Weekly Standard." They are all FOX NEWS contributors,
this trio.

Let's start out, Fred, with events in Pittsburgh and
what I--I mean, I think it's only fair to describe it as a somewhat
grudging endorsement of Bush by McCain.

FRED BARNES, "THE WEEKLY STANDARD": It's a done
deal, though, Brit. And McCain didn't beat around the bush. He didn't wait

two weeks. He went ahead and did it. I think for Bush, it's kind of the icing on the cake. Here he's got--who would have thought he'd be in this position, where he's been able to hold onto his conservative base while moving to the center on a number of issues, and now he has McCain. He's in pretty good--he's in a lot better position than he thought he'd be at this moment.

HUME: Mort, you agree with that?

MORT KONDRACK, "ROLL CALL": Yeah. I mean, you know, think how it could have been. I mean, a week or so ago, people were likening the McCain act to that of Jesse Jackson, when he was holding up the endorsement of Michael Dukakis, and which he may never have gotten, actually. It went all the way to the convention. I mean, he--this is an early endorsement. It ain't love. It ain't marriage. But there's some sort of unity there, and my guess is that we'll see some campaigning out of McCain before the campaign's over.

MARA LIASSON, NATIONAL PUBLIC RADIO: Yeah, I think the question is what kind of campaigning are we going to see. I think that...

HUME: He seems happy to take on Gore, at least.

LIASSON: Yeah, well, that to me is the one big contribution he can make for Bush. If he can attack Gore, especially on campaign finance reform, where he has more credibility than almost anybody else, I think he can help Bush. I don't think that there's some kind of automatic transfer of McCain's voters to Bush. I think a lot of them voted for him because they admired him as a person, not because of his agenda. But I think if he attacks Gore, that's about what Bush wants out of him.

HUME: Now, speculate with me about this, if you can.

He's had remarkable press coverage for a defeated candidate. I mean, he had quite an entourage who went with him to Vietnam, including, Fred, your--your associate, Tucker Carlson, who nearly got left behind, or did get left behind but got out. Will his press coverage continue, in your estimation, if he now becomes the man who's attacking Gore on behalf of Bush?

BARNES: Probably not. I think, you know, what the press really wants him to do is attack Bush. Then--then for sure his coverage would continue. Look, he'll still get more than the average surrogate for one of the candidates, but he won't be able to keep up this kind of coverage. Reporters'll drift away if he's merely out there attacking Gore and defending Bush.

KONDRACK: Yeah, this is--it's a "dog bites man" story if McCain is out there doing what McCain is supposed to be doing, acting like a Republican. I mean, he'll get one-day coverage...

HUME: Well, for a while that's a "man bites"--I mean, that's a "dog bites man story" for a while.

(CROSSTALK)

KONDRACK: For a while, right. But after a while, it ceases to be one. I mean, the suspense is part of what's--you know, what's carried this along and, you know, "Will he or won't he?" And so now that he's done it...

HUME: So in a sense, then, this sort of McCain thing is now officially over, isn't it.

LIASSON: I don't know if it's officially over. I mean, the big question about McCain is, if Bush loses, will he be, you know, a candidate in 2004. So that's always going to keep McCain alive

because he potentially has a future. I mean, I can imagine stories being done when he does stump for congressional candidates. ``Does it matter? How does it matter? Is he a bigger draw than any other Republican?"

HUME: Well, yeah, and there's also this. We've noticed in covering campaigns that, you know, you can go into a local community and make no national news, but you can make news in the local area. So he could be...

(CROSSTALK)

KONDRACKER: I would think he'd be a great fund-raiser, too. I mean, just he--he will draw attention. He will draw people in. They'll pay money to see him and, you know...

HUME: Not soft money, though.

KONDRACKER: For congressional candidates, that will help a lot.

LIASSON: And there's another thing. I mean, when Bush finally comes out and talks about Social Security, people will go to McCain. I don't know how forthcoming he'll be, but they'll want to know what he thinks of the plan. I mean, that was one of the places they differed. They didn't talk about it much today. They focused on...

(CROSSTALK)

HUME: Fred, don't they basically agree on that?

LIASSON: Well, no. McCain wants to spend more money to shore up Social Security. They basically agree on private accounts.

KONDRACKER: Smaller tax cut.

LIASSON: But they--certainly, McCain wants a smaller tax cut, and he wants more money poured into Social Security to make up the differences that private accounts...

HUME: By the way, what did you make, Fred, of Bill Kristol's suggestion earlier that Bush needs to scale back his tax cut, either by postponing it or setting some sort of limits on when it starts or whatever? Do you think that--that he could do that without being accused of abandoning what for him has been something very close to a principle?

BARNES: Well, no. I think if he does it--I think what Bill said was, "If it comes to a crunch and there's only so much money, Social Security will get top priority, and the tax cut therefore might be smaller." Look, the tax cut, as much as I love it personally, is a vulnerability for Bush in this election, oddly enough. I mean, it--it helps him with his base, but he's got his base anyway. And it allows a talking point to be voiced by Gore in which he says "This thing will undo the prosperity that we have. It's risky," and so on. Without that, Gore I don't think could make as much hay.

KONDRACK: But I detect no inclination on the part of the Bush forces to scale it back. Quite the--well, they're not expanding the tax cut, but they think that the budget surplus will be so big by the time of the election, the estimates, that they can afford both a \$1.3 trillion tax cut and \$500 billion or more in spending.

HUME: But that isn't...

BARNES: Well, if that's the case, then it'd be easy for him to say, "Look, Social Security first, the tax cut second. But we think we can get both."

HUME: But none of this is going to--the budget numbers, however positive they may be, are not going to slacken the Gore attacks.

LIASSON: Oh, certainly...

HUME: And the question is raised now--I think we talked--Bill and I talked about this--about whether what we're seeing now, despite the increasing poll numbers for Bush and despite the fact that Gore's attacks don't appear to be registering--Bush hasn't responded at all to these attacks. Are we witnessing the beginning, perhaps, of the demolition of Bush, as we witnessed the beginning of the demolition of Bradley, and as Bill suggested, the demolition of Michael Dukakis in 1988, when nobody thought the Bush attacks were working?

LIASSON: We're not going to know that till the fall, but I can tell you the Gore people fervently hope that that is the case. And they say nobody's paying attention now. People will later. And I think, clearly, that's why Gore is out there doing what he's doing. I don't know if it'll work. I mean, I think that, you know, private accounts are probably a little bit more popular than a massive tax cut, but I think Bush has proved himself to be pretty pragmatic, pretty flexible when necessary. And I think he...

(CROSSTALK)

HUME: What about the attacks and the seeming lack of--of...

KONDRACK: Well, but I don't...

HUME: ... a full-throated respond to them?

KONDRACK: You know, I disagree that Bush is just standing there taking it the way Bill Bradley did forever. I mean, he is punching back by saying that, in effect, that Gore is lying all the time, you know? And his--and Ari Fleischer, his spokesman, is constantly accusing Gore of lying about this and lying about that and lying about his

Texas record and lying about the details of the tax plan and whether Bush ever put out a budget, et cetera. I mean...

HUME: Go ahead, Fred.

BARNES: That's Ari Fleischer, though. Bush himself says he's disappointed in Gore. He never accuses Gore of lying. Now, the Bush people insist that he will not be a pacifist, the way Bradley was, and that he will answer anything that Gore says that's wrong. But I think we're going to know before the fall whether the attacks by Gore are working or not. A month from now, if voters are asked, "Do you think Bush is smug or not?" and 60 percent say yes, and if--and if...

HUME: If he's got a risky tax plan.

BARNES: ... and 55 percent say yes, and "Is he arrogant," you know, 62 percent say yes, we'll know the Gore attacks are working.

LIASSON: There's another thing Bush is doing that I think is probably smart. Every day he says how negative Gore is. He's reinforcing Gore's image as an attack dog. And he's trying to keep himself on that sunny, optimistic, Reaganesque, Clintonesque demeanor. And I think that that might come in handy. I mean, people--people don't like a negative attack dog, especially in a time of peace and prosperity.

HUME: But they may sometimes believe the attacks.

LIASSON: They may.

KONDRACK: Yeah, they may, and I think they've got to be answered. But you know, I think the default situation for most people is that Gore is not terribly likable, and he's making himself less likable with all this stuff. Gore--there's no "happy warrior" aspect to Gore at all.

LIASSON: Yeah.

BARNES: There is something--there's a famous comment by I think Leo Durocher that Bush ought to remember. "Nice guys finish last."

HUME: Well, that--yeah, that's--but on the other hand, the point Mort makes is that it--that it's possible to damage your opponent by attacks, but it's hard to look good doing them.

BARNES: It is.

HUME: And is that what we're talking about? Isn't that the problem that Gore faces...

(CROSSTALK)

LIASSON: And I think that's important this year. I really do. These are guys who are not separated by a huge ideological gulf. Personality matters. Clinton made that apparent when he ran against Bob Dole. I mean, he was the sunnier, more optimistic personality.

HUME: And when Bob Dole said he was the most optimistic man in America...

LIASSON: Yeah, nobody believed him.

HUME: ... nobody bought it.

(LAUGHTER)

LIASSON: And you know, I think that's a problem for Gore.

HUME: All right, that's all the time we have--thanks, everybody--for the panel. Thanks, Fred, for coming. Is it raining out there? Is that what the deal is?

BARNES: Was.

HUME: All right.

BARNES: Now it's just plain cloudy.

HUME: Stay tuned for a look at the political savvy
of a Hollywood character.

(COMMERCIAL BREAK)

HUME: Finally, you've got to hand it to these
Hollywood celebrities. There's a certain courage in the risks they're
willing to take to be taken seriously on weighty matters. There was Goldie
Hawn, the comedienne, up here on Capitol Hill with leading Democratic
opponents of the China trade initiative. She wanted us to know what she
wants her member of Congress to know in dealing with China. And some nasty
reporter wanted to know what she knew about her member of Congress. Watch.

(BEGIN VIDEO CLIP)

GOLDIE HAWN, ACTRESS: I want my congressperson to be
able to look at this every year and review the human rights issues that
are going on in China.

UNIDENTIFIED REPORTER: Who is your congressman?

UNIDENTIFIED FEMALE: Henry Waxman.

HAWN: Yeah, Waxman.

(END VIDEO CLIP)

HUME: The helpful off-camera voice you might have
heard prompting her with the name of California Congressman Henry Waxman
was that of Congresswoman Nancy Pelosi, a Democrat, and obviously a
friend.

And that's SPECIAL REPORT for this time. Please come
again next time, and in the meantime, stay tuned for news, fair and
balanced, as always.

END

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PBS NewsHour

May 15, 2000

STATES' RIGHTS VICTORY

In a 5-4 decision, the Supreme Court ruled that Congress overstepped the states' jurisdiction when it allowed rape victims to file civil rights cases against their attackers. Two constitutional law professors discuss the significance of the court's ruling.

GWEN IFILL: Now, with

more on the impact of today's
state's rights ruling, we're
joined by two constitutional
law professors: Michael
McConnell of the University of
Utah, and Catherine
MacKinnon of the University of Michigan and the
University of Chicago.

The limits of the "interstate commerce" clause
Catherine MacKinnon, does the court have a correct
interpretation when they say in your view that Congress
can't really act on this?

CATHERINE MacKINNON,
University of Michigan School
of Law: Well, I disagree with
their interpretation, and as the
dissent showed, there's
substantial support for
Congress having power to
pass this law. They can pass it when there's a substantial
impact on interstate commerce. There was overwhelming
evidence of that here, and also to give people equal
protection of the law when the states aren't doing it. And
the evidence there was absolutely overwhelming. Indeed
the states themselves agreed with it. So, you know, this

was close. There's a very, very strong case on the other side.

GWEN IFILL: Michael McConnell, your view?

MICHAEL McCONNELL,

University of Utah School of

Law: Well, I think this was

an expected decision. I think

it was largely a pretty

straightforward and

commonsensical

interpretation of the constitution. This is, of course, a

very

popular law, and no one opposes effective legal protection

against violence against women, but what was at stake

here is more fundamental structural principle of our

government: Not all power is vested in Washington, that in

our system, a great deal of authority and including some of

the most important laws that we live under are left to the

states to pass and to administer. And this was, as I say, I

think a pretty straightforward interpretation of those

limits.

Congress has the power to regulate interstate commerce.

That's a very important power and a very large power. But

this statute was directed at something that is neither

interstate nor commerce. And I really don't see how the court had much of a -- of an option. It simply went beyond Congress's authority.

GWEN IFILL: So, Professor McConnell, what you're saying it's not up to Congress to step in when the states

or

if the states are not doing their job?

MICHAEL McCONNELL: The Constitution doesn't give Congress the power simply to step in whenever it thinks states are not solving a problem. It gives Congress the power to step in to regulate interstate commerce, and that's the question before the court.

GWEN IFILL: Professor MacKinnon, part of the central argument here was that gender violence was having a direct affect on the national economy. Do you agree with that? I think you agree with that, and could you explain to me what that would mean, how you would prove such a thing.

CATHERINE MacKINNON:

Well it was proven in Congress when the legislation was passed. There's a massive amount of evidence that when

you're being beaten and
violated and, in fact, tortured
and nothing is being done about it by the states in which
you live, not through the police, not through the courts,
that
has a bad effect on your ability to travel to make a
living,
to go to work to make a living, to stay at work to make a
living, to stay off welfare. It has a huge economic affect.
It's substantial. It was direct, and it was proven. So, you
know, there really is absolutely no question about that
impact.

GWEN IFILL: Excuse me.

You heard Jan Crawford
Greenburg say a moment ago
that during the arguments one
of the arguments was if they
took this case and agreed with
the proponents that they would

open the door to all kinds of other actions,
second-guessing the states in all kinds of other cases like
child support and alimony.

CATHERINE MacKINNON: Well, those, first of all,
don't -- you would have to first make a case that was as
strong as this one. And it was a very, very strong case.

Secondly, they don't raise in precisely the same way the same issues under the 14th Amendment. It may be that that case could be made. If it could, possibly something should be done about it. But it hasn't been.

You know, what needs to be kept in mind here is that sex-based violence does deprive women of equality in society. It's deprived them of equal protection under

state law. And what this federal remedy was for was to give women in every state in the nation access to both federal and state courts. They could have brought it in either one -- to stop that violence against them. As I

said,

the states were for it. The idea that states' rights are somehow being violated here isn't correct. Not only did the states themselves not think they were, but this would have continued to allow states to do everything and anything they want to do and can do to address violence against women and only would have given women themselves an additional civil remedy that they could pursue on their own.

Was gender violence the issue?

GWEN IFILL: Professor McConnell, that's an interesting

point. Actually 36 states did sign on in support of this

law.

Is this a broader issue beyond just the question of gender violence, this whole question of states' rights in this

case?

MICHAEL McCONNELL: It

certainly is. We don't judge the

constitutionality of statutes by

whether state attorneys

general, who are after all just a

different species of politicians,

sign briefs supporting the law.

The question in this case was

whether this was a law regulating interstate commerce. I

think the court correctly held that it wasn't. Now, of

course

violence against women effects -- has various economic

effects. There's no question about that. All violence and

all

crime have very substantial economic effects. But if that's

the argument here, then that means that the entire criminal

law could be made a matter of federal concern.

And that is simply not the Constitution that we have and

not the system that we have. There was no showing here

that violence against women had any more of an effect on

the economy than any other slice of the problem of violence crime. In fact, men suffer from violent crime at much higher rates than women do. Seventy-five percent of all homicide victims are male. Two-thirds of robbery and assault victims are male. Men are 2.5 times more likely to be victim of violent assault. And if you look at the

aspects

of crime that probably have the greatest effect on the economy, it's even more extreme. Men suffer over 83 percent of all workplace homicide. They're more likely to be victimized traveling than women --

GWEN IFILL: I'm trying not to reargue the case but in a broader sense I wonder what Congress now has to do in this. Congress has been told in 1995 in the Gun-Free School Zone Act which was set aside by the court as well as now that Congress's role should be scaled back. What does Congress do now? Let me start with Professor MacKinnon.

CATHERINE MacKINNON: Well, Congress could take some shorter steps here, but it strikes me that if any

further

evidence were needed of the need for a federal equal rights amendment to the Constitution, this ought to provide it. In addition, states that want to do something further about violence against women are in a position like

Illinois

recently has done to introduce and pass their own Violence Against Women Act. Congress can, of course, work with additional hate crimes laws that it has and work with a New Violence Against Women Act in an attempt to give women the rights that they need and some men too.

GWEN IFILL: Is the burden now to change this, professor McConnell, on the states rather than on the federal government, to fill in any gaps that might exist?

MICHAEL McCONNELL:

As it always has been and still is, the principal job of fighting crime and violent crime in this country is in the states. I am all in favor of it and I think most

Americans are in favor as

effective enforcement of laws against violent crime as we can possibly have. There's simply no reason to believe that this particular slice of the violent crime problem belongs

to

the federal government instead of the states.

CATHERINE MacKINNON: We look forward to the support of all those people in every state in the union passing their own Violence Against Women Act.

MICHAEL McCONNELL:

Kitty, I don't think you'll find
that there's any political
opposition to effective
anti-crime measures in this
country. This is really not a
very controversial statute on the merits. Everybody is in
favor of making this sort of thing, this sort of activity
criminal and of enforcing it effectively.

GWEN IFILL: Would you agree that overall this court is
moving more and more towards taking power away from
Congress and giving it to the states, Mr. McConnell?

MICHAEL McCONNELL:

Actually, I think that the court
is enforcing only in the most
modest restriction. Essentially
what the court is saying is that
in that exceedingly unusual
case where Congress is
regulating something that is non-economic and not
interstate that it is overstepping its bounds. That doesn't
happen very often. In fact, I can think of very few
statutes
that were likely to be challenged as a result of this

decision.

GWEN IFILL: Catherine MacKinnon, a final word on what the eventual -- where Congress -- where the court ends up with this in trying to scale back Congress's rules over state rights -- I didn't say that well. I think you know where I'm going.

CATHERINE MacKINNON:

Well, states' rights has long been recognized as a fig leaf for racism in this country. What I think we've seen today is its employment as a fig leaf for sexism. It's up to all branches of the government to attempt to get women equal protection of the law which so far we do not yet have.

GWEN IFILL: Catherine MacKinnon, Michael McConnell, thank you both very much.

SAVING SOCIAL SECURITY?

Republican presidential candidate Texas Gov. George W. Bush has proposed a "partial privatization" Social Security

reform plan. After a

background report on Bush's and Vice President Al

Gore's

competing plan, advisors from both campaigns and

independent

experts debate the pros and cons of Bush's

proposal.

RAY SUAREZ: And for

more, we're joined by Alicia

Munnell, professor of finance

and director of the Retirement

Research Center at Boston

College. She is an economic

advisor to the Gore campaign.

Kenneth Blackwell is secretary of state for Ohio, and a

supporter of the Bush campaign. Edith Rasell is an

economist with the Economic Policy Institute, a

Washington research and policy group. And Michael

Tanner, director of the Project on Social Security

Privatization at the Cato Institute.

How Bush's plan would work

Kenneth Blackwell, let's start with you. This Bush plan has

been termed a "partial privatization." How would that

work?

KENNETH BLACKWELL,

Secretary of State, Ohio:

Well, essentially what

Governor Bush is saying is

that people at the lower end of

the economic ladder have a

right to have a stake in the

ownership of America and their retirement security. This

really speaks to the needs of people who are right now on

the wrong side of the asset gap and the wealth gap in this

country.

This is a bold plan, which really understands that the

demographics of the "pay as you go" tax transfer system

no longer works. But more importantly it no longer

provides an opportunity for lower-income workers to

have a real stake in the asset base of this country. One of

the things that I find a bit hypocritical is that I would

imagine that the vice president doesn't have all of his

money, all of his assets, tied to treasury bonds or notes.

The reality is that he benefits from the power of

compounding interest. What we want to do is to give

working people that same benefit.

And I think Governor Bush has established a framework

for us to think differently about this and to think in a

bipartisan fashion. He is not saying this alone. You have

Senator Kerry and Senator Moynihan both saying that this is a logical completion to the Social Security system that was begun in 1935 and that it is this sort of gradual approach, responsible approach, that will lend itself to building a bipartisan base to get this done. This is a ticking demographic time bomb that Al Gore is willing to let explode on our children's future.

RAY SUAREZ: So if this were to become a reality, we would have 105, 110 million American workers each with a privately managed retirement account from this portion of their Social Security?

KENNETH BLACKWELL:

From the small portion of the Social Security taxes. The reality is that Governor Bush's plan would protect the core of the present program. It would... but it would allow some personal ownership and personal involvement in shaping the Social Security destiny of each individual worker. That is the American way.

RAY SUAREZ: Michael Tanner, were you pleased by what you saw?

MICHAEL TANNER, Cato

Institute: I think this is a

dramatic step in the right

direction. Governor Bush is

the first major party

presidential candidate since

Barry Goldwater to be willing

to talk about true Social Security reform. Social Security

faces two distinct problems, not just one. The one we

hear about is the solvency problem. The fact, as your

report indicated, that within just about 15 years it will

begin to run a deficit and the fact that overall it's about

\$21 trillion -- that's trillion with a "t" -- dollars in

debt but

there's an additional problem. And that is the fact that

for

most young workers are receive a remarkably poor return

on their money. Many young workers will receive 1

percent return on their money or less. Others are going to

receive a negative return, actually lose money on the

current Social Security program.

We need to find a Social Security reform that fixes both of

those problems at once -- not only keep the program

solvent into the future but also increases the rate of

return

for young workers and also guarantees them a legal property right in their benefits, a legal right of ownership

and an ability to pass on benefits to future generations.

RAY SUAREZ: And the Bush plan does this in your view.

MICHAEL TANNER: The Bush plan goes a long way towards doing this. I'd like to see more, but it's a good start.

Is major reform needed?

RAY SUAREZ: Edith Rasell, does this satisfy some of the built-in requirements that you would have a national retirement system?

EDITH RASELL, Economic

Policy Institute: Not at all. It's a step in the wrong direction. It introduces risk into a program that now is a guarantee, provides guaranteed income to people in

retirement. This program

instead is more of an

investment program. We

know the stock market can go

up. It can also go down. And
this program also means that
we're going to have winners

and losers. Right now nobody gets rich off Social Security. But everybody gets by, for the most part. And when we have an investment program like he is describing and people put away 2 percent or whatever percent of their income is the final proposal, if you've got a high income and put away 2 percent in a private account and make good investments because you're more experienced at doing that, then you might end up doing very well.

Somebody else who has a more moderate income and puts away 2 percent is going to have not much to start with and if they are unlucky in their investments or happen to retire at a time when the market is down, then they're going to do poorly. And instead of having everybody getting by with their core retirement benefit, as they do now with Social Security, we're going to have some people who do very well and other people who do very poorly. And then the question is what are we going to do about these folks, this growing number of elderly people that are now living in poverty, who are really not security in their retirement. Bush's plan just doesn't really

address

that.

RAY SUAREZ: Alicia Munnell, don't we have winners and losers today with the current set-up of those who are more economically able to provide fairly well for their retirement? Mr. Blackwell pointed out that Vice President Gore is unlikely to have all his future plans based on treasury notes.

ALICIA MUNNELL, Boston

College: I would like to make two comments. The first is that

Social Security is a well functioning program. The trustees are very prudent.

They make financials projections over 75 years. Over the 75-year period, this program is running a small deficit. That deficit can be

fixed

within the context of the current program. There is just absolutely no need for a dramatic restructuring of this program. The second point I want to make is the benefits provided under this program are very modest. For the average person it's roughly \$800 a month. Is \$800 a month an amount that we want to put at risk? It just does not make any sense at all.

KENNETH BLACKWELL:

Well, you know, that's off the

point. What Governor Bush is saying is that we should put 2 percent, we should preserve the core of the program. Now essentially this is the duplicity of the Gore campaign once again. Let me just give you a for instance. He wants to hold a lot of children hostage in schools that don't work but he sends his kids to private schools. Now he wants to benefit from the power of compounding interest and ownership but he doesn't want people -- Latinos and African-Americans -- at the lower end of the economic ladder to have ownership stake.

What we are talking about is a very responsible approach to preserving the core of the program. This is not an effort to supplant the core of the program but to supplement and strengthen it. And I can tell you right now, you would have a substantially higher number of losers -- they happen to be our children. And they would probably happen to be losers when Gore, if he was president, was out of office. That is why Governor Bush's position is a true leadership position because what he's talking about is not a risky scheme. The risky scheme is to stay attached at the hip with the status quo.

An unneeded risk?

RAY SUAREZ: Well, the governor has talked also about no reduction in benefits. I'm wondering how you divert away 2 or 2.5 percent of what Americans are paying in taxes now and not reduce benefits because that money is supposed to be channeled into the system and going out to people as checks.

KENNETH BLACKWELL:

What he essentially said is that over the next 10 years, there will be a surplus of about \$2 trillion. What he wants to do is to put that \$2 trillion against the cost. What that does, it guarantees to people who are presently in the system that their benefits will not be cut and it guarantees to those folks who are right at the margin of becoming retirees that their benefits won't be cut. But it gives the younger generation an opportunity to invest in their future and to have a Social Security, socially secure future. Now, I can just tell you right now, this is typical Al Gore. It is,

you

know, divide, divide, divide. What Governor Bush has proposed is a proposal of win, win and multiplication. He is avoiding inter-generational warfare and I think that's good for the country.

RAY SUAREZ: Alicia Munnell.

ALICIA MUNNELL: Yes. I

think your point about putting

the system at risk is very right.

We have a deficit equal to 2%

of payrolls right now. If

everybody took advantage of

the Bush proposal and put 2%

of their payrolls into the individual accounts, we would

double the deficit. Then you would either have to put

more money into the system or cut benefits. Governor

Bush has made a pledge not to put any more money into

the system. Therefore his plan involves an enormous cut in

benefits.

RAY SUAREZ: Alicia

Munnell, give us the simplest

explanation of what the Vice

President would like to do

instead.

ALICIA MUNNELL: The

vice president wants to stay with the current structure of

the program. He understands that this program is

particularly beneficial for low-income individuals. He

would meet part of the deficit in the program by putting in

some general revenues that are equal to the interest savings that come from using the Social Security surpluses to pay down the debt.

MICHAEL TANNER: The vice president essentially is not reforming the system. Both the Congressional Budget Office and the General Accounting Office have looked at the vice president's proposal and said,

"This is not reform. It is simply a promise that we're going to tax people in the future in order to continue to pay benefits at the levels that are promised." The system needs fundamental, structural reform. It is \$21 trillion in debt.

And it is going to provide a poor rate of return to young workers and it does not give individuals ownership. The vice president doesn't address any of those problems. He doesn't keep the system solvent. He doesn't increase the rate of return, and he doesn't give individuals ownership and investment in this economy.

Gore plan: paying down the national debt

RAY SUAREZ: Edi Rasell.

EDITH RASELL: Vice

President Gore's plan does
provide for a secure future for
people. He makes the system
totally solvent for the next 50
years. Beyond that, if we do
nothing different than what

we're doing now, we have more than two-thirds of the
money we need to pay all benefits. So there is no need to
get rid of really the most important feature of the system,
and that is the guaranteed income -- the social insurance
feature of the program. We can make small adjustments in
the future, if need be. The projections that we all use are
based on fairly pessimistic projections for the economy. If
the economy does well, the problem is even smaller than
what we've described. There is no need to dramatically
restructure this program.

I think one of the most dangerous parts of what's been
proposed today is voluntary nature, evidently, we don't
know all the details-- but it appears that Governor Bush is
proposing voluntarily -- sorry -- that people will

volunteer

to opt into these private accounts. Now what this means is
that some people probably will. And I think it's more

likely that the upper-income people will because they stand to gain the most from doing it. And that means the more moderate-income people who actually benefit most greatly under the current program would stay in the current program. This is dangerous both economically and politically, I think.

RAY SUAREZ: Let's talk a little bit more about the assumptions built into the Gore plan. You're assuming surpluses that stretch out into the future for a while and also making a sort of sophisticated macro economic argument, aren't you, Alicia Munnell, that there are

effects

in paying down the national debt that would be felt in the broader economy and help spur on the solvency of the system?

ALICIA MUNNELL: I wish I could claim that it was sophisticated. It's not that sophisticated. It's very fundamental notion that if we save today and invest today, we'll have more equipment, we'll have more highly trained workers, we'll have a higher GDP in the future and that will make it easier to support workers in the future, so it's based on paying down the

debt and saving, which is very sensible when you have a large, aging population.

RAY SUAREZ: But you're proposing using interest savings, aren't you, to pay future benefits?

ALICIA MUNNELL: The interest savings are just a metric to determine how much of general revenues should be put into the system. So it's a fixed dollar amount that will be put in over a period of time.

KENNETH BLACKWELL: What he is talking about doing is propping the system up with IOUs. Those IOUs will come due, they will come due, you know, to our children. That means that at that point when they come due that they're going to have to increase taxes 20, 25 percent. That's a wallop.

RAY SUAREZ: Would they have to increase taxes if there's no longer any national debt?

ALICIA MUNNELL: Because we save today --

KENNETH BLACKWELL: Yeah.

ALICIA MUNNELL: -- the economy will be much stronger and able to bear that burden and the Treasury

will be in a much stronger position because it will not
have
a huge debt outstanding by the public.

KENNETH BLACKWELL: This is simple.

ALICIA MUNNELL: And then they will be able to
finance that amount.

KENNETH BLACKWELL:

This is simple. Al Gore is
talking about the typical big
government expansionist
intrusion approach. And
George Bush is talking about
developing a bipartisan --
working in concert with Senator Moynihan and Senator
Kerry and other Democrats and Republicans to make
sure that we have a solution that is broadly based and
doesn't divide us generationally, doesn't divide income
wise and doesn't divide us by race and ethnicity. This is
truly a coalition-building approach that will benefit all

but

particularly low-income workers who want a stake in
America's prosperity. Al Gore is slamming a door in their
face. He is a 21st century public policy Luddite --

RAY SUAREZ: He's been talking about generational --

I'm sorry. Go ahead. Alicia Munnell.

ALICIA MUNNELL:

Dramatic change in a program

that functions extremely well

on which many people depend

for their retirement income and

will in the future is not

necessary and will not

improve the security of older workers in the future. It

will

harm them.

KENNETH BLACKWELL: A dramatic change? 2%.

Come on, Alicia.

ALICIA MUNNELL: Two percentage points is a large

portion of a 12.4 percent payroll tax. It will double the

size of the deficit in the program.

RAY SUAREZ: You can be sure that we're going to be

discussing this again down the road. Guests, thank you

all.

KENNETH BLACKWELL: Thank you.

END

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June 1, 2000

Head: Appeals Court Denies Asylum Hearing For Elian Gonzalez>

Sect: News; International>

Byline: Bill O'Reilly>

Guest: Geraldine Ferraro, Cal Thomas>

Spec: Elian Gonzalez; Cuba; Immigration>

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FORM AND MAY BE UPDATED.

BILL O'REILLY, HOST: Hi. I'm Bill O'Reilly. Thank
you for watching us tonight.

Well, first off, welcome to our new viewers in
Northern Virginia and Washington, D.C., on Cox Cable Channel 6. We're very
happy you're on board.

Secondly, if you missed the big shoot-out we had
with the guy who sells his own urine so people can be drug tested, we'll
have a very enlightening mail segment about it.

And, of course, there is this evening's "Talking
Points" memo about our old pal, Jesse Jackson. The reverend was on the
"HANNITY & COLMES" broadcast last night. Take a look.

(BEGIN VIDEO CLIP, HANNITY & COLMES, JUNE 1ST, 2000)

SEAN HANNITY, CO-HOST: I promised my good friend,
Bill O'Reilly--he's a good guy, and he wants to know if you'll come on his

show, and I told him I'd see if I could help him out.

REV. JESSE JACKSON, RAINBOW/PUSH COALITION: He needs help.

ALAN COLMES, CO-HOST: By the way, Reverend, you know, he's really a--he's really a pussycat. Don't buy this tough guy act.

HANNITY: He's a nice guy.

COLMES: You know, the tough guy act is an act.

(END VIDEO CLIP)

O'REILLY: Of course, THE FACTOR has been looking into Jackson's finances, and he's not happy about it. He went so far as to call one of our producers a not-so-nice name.

But my question is: Shouldn't Reverend Jackson want to clear up any misunderstandings about his money? Shouldn't he want to set the record straight?

Here are the facts. The last time federal auditors examined Jackson's books--in 1982--they found that Operation PUSH and a subsidiary misused more than \$1.7 million. The feds ordered Jackson to repay the government more than a half-million dollars but charged him no interest, and Jackson took almost a decade to pay up.

Since much of Jackson's money is tax free, it's important that Americans know his organizations are honest. Yet he still refuses to itemize his tax returns and the government has ignored the situation for the past 18 years.

THE FACTOR got a hold of one of Jackson's Illinois tax statements in 1998 and found more than \$1.2 million in unitemized travel expenses. Whoa! That's a whole lot of travel.

Reverend Jackson himself is a wealthy man. That's fine. But where he gets his money and how his tax-free operations spend it is in the public domain. I simply can't understand why Reverend Jackson doesn't come in here and clear this up. We'll give him as much time as he needs. He can bring his tax attorney and anybody else he wants. But Jackson dislikes me for even asking about his finances.

Hey, Reverend, that's my job. You're a public figure, and you take in big money, money that's often not subject to any taxation. Everybody else has to play by the rules. You should be no exception.

"Talking Points" is happy to reiterate that Reverend Jackson has an open invitation to set me and the record straight anytime.

And that's the memo. Now for the top story tonight. Say goodbye to Elian.

Three federal judges have ruled that the 6-year-old is too young to be considered for political asylum. The judges ruled that the full federal bench in Atlanta, 12 judges, might consider the case if it wants to, so Elian has to stay here until that decision comes down. The heavy odds are, though, that the court will pass and Elian, his father, and the Cuban squad guarding them will all be heading back to Havana very shortly. Attorney General Reno says she's happy with the ruling, but should she be?

With us now is former congresswoman and current FOX News analyst Geraldine Ferraro.

Should Attorney General Reno be happy about this?

GERALDINE FERRARO, FOX NEWS CONTRIBUTOR: Sure. The child is going to be with his--his father and his mother and his little

brother, and he's going back home, and--and I think that that's the important thing.

I think that the courts recognized several things.

They recognized, first of all, that a 6-year-old cannot on their own make a decision to--to request asylum, that it has to be done through an adult, and if the adult does it without the consent of the father, in this instance, then it's no good, and that's--the court found that the regulations that INS had put in place with reference to how an asylum application has to be filed were very reasonable.

O'REILLY: All right. Now that's the legalism, but you're not really happy that Elian Gonzalez is going...

FERRARO: Sure I am.

O'REILLY: ... back to Cuba.

FERRARO: That--this should never have gone on...

O'REILLY: Are you? Are you really happy about it, though?

FERRARO: ... this long. Yes. Yes.

O'REILLY: You don't feel sorry for that kid who's got to live in a totalitarian...

FERRARO: Why?

O'REILLY: ... regime the rest of his life?

FERRARO: You know what? In...

O'REILLY: You don't feel sorry for him?

FERRARO: Bill--no, I don't. The child is 6 years old. I have a 6-year-old grandson. I'm going to his birthday party when I leave here. Nobody...

O'REILLY: Yeah. And your grandson's going to have a good future.

FERRARO: Except--except that the thing about a 6-year-old child--all that 6-year-old child knows--they're happy they're with their family, and that's...

O'REILLY: But he's going to be 26 someday.

FERRARO: Well, someday he will, and hopefully by that time that--we will have a different relationship with Cuba, and if the kid wants to come--the young man wants to come here and work in this country, we will say, "Come."

O'REILLY: Yeah, but how can you be happy sending him back into--into a system where he can't practice...

FERRARO: Well...

O'REILLY: ... freedom of speech, he can't practice freedom of religion...

FERRARO: That child--the child certainly can. The child is going to go and do exactly what he's always done. He's going to do what any kid here does. He's going to go to school because he's told to go to school. He's going to go outside and play with his friends because he's allowed to do that. He's going to live in a loving...

O'REILLY: And he's going to be brainwashed.

FERRARO: ... home with his father...

O'REILLY: Wait, wait, wait, wait, wait here.

FERRARO: ... who adores him and a mother who...

O'REILLY: Maybe it's a loving home, and maybe it isn't. We don't know that, but...

FERRARO: Well...

O'REILLY: ... but I do--I do agree that the father's

rights override political concerns, but in--aren't you concerned that this little boy is going to be brainwashed in the Cuban system, has to--is going to be regimented into the communist philosophy, does not have freedom of expression? Even though kids here have to do what they're told, they certainly are raised with the tenets of liberty.

FERRARO: Bill...

O'REILLY: That doesn't bother you?

FERRARO: You know what bothers me? What bothers me is that we as adults are taking a look at this situation not based on what's in the best interest of that child, which I think Janet Reno does really care about. We're looking at it and how we feel about Castro. If Castro were going to leave tomorrow, would you still have that same view?

O'REILLY: No, if...

FERRARO: No!

O'REILLY: If Cuba was...

FERRARO: No!

O'REILLY: ... a--if it was a free society...

FERRARO: And that can happen.

O'REILLY: Look, if he was going back to France, I--we'd have no problem, but I feel bad...

FERRARO: That's not the...

O'REILLY: ... bad for the kid because I know that this child would--would have many more opportunities being raised in Miami...

FERRARO: You don't really know that. You don't know--did you see the way...

O'REILLY: Opportunities.

FERRARO: No.

O'REILLY: Opportunities.

FERRARO: Except look at what's happened with--with the family from Miami. Look at how they used that child for political purposes. That...

O'REILLY: Well, so did Castro.

FERRARO: ... was just obscene.

O'REILLY: So did Castro.

FERRARO: Did you see what--the report on what happened when the people there--there were--a hundred demonstrators found out that this was happening? One woman fainted. One woman threw up. Some people threatened violence. I mean, you turn around, and you say, "Hey, rule of law in this country. You object to the fact that it's not in Cuba. This is a different country."

O'REILLY: I'm not objecting to the ruling. I think the ruling was legally sound. I'm not objecting to the boy being with his father. I feel badly for Elian Gonzalez. I don't believe Janet Reno feels for the boy. I think Janet Reno does what she's told to do, but just--this kid...

FERRARO: No, I just spent time talking to her about it.

O'REILLY: Just this kid--I just...

FERRARO: No.

O'REILLY: I know what he's going back into, and you do, too.

FERRARO: He's 6 years old, and he's a kid who wants to be with his father and with his--with his baby brother. He wants to see

his grandmother. I've got to tell you something. If that were somebody that took my 6-year-old and said they didn't like the government here and they wanted him someplace else, I'd say to him, "You're absolutely crazy. He's my kid, and I'm going to make sure I have him."

O'REILLY: All right, but you know that Elian Gonzalez is going to be raised in a totalitarian so...

FERRARO: We don't know that. We don't know if Cuba...

O'REILLY: Yes, we do. It's Cuba.

FERRARO: We don't know how long Fidel Castro's going to last.

O'REILLY: Well...

FERRARO: We don't know how long communism will last.

O'REILLY: From the day he gets back to the day Castro dies, this boy is going to be subjected to brainwashing, and that is terrible.

All right, Ms. Ferraro. We disagree on this, but it's always a lively discussion.

And we have another FOX News contributor maybe with a different point of view, Cal Thomas, on deck.

And later on, is Hillary Clinton really pro-family? We'll take a hard look at the first lady's record.

We'll be right back.

(COMMERCIAL BREAK)

O'REILLY: Continuing now with our top story, no political asylum for Elian Gonzalez.

Joining us now from Washington is FOX News contributor Cal Thomas.

So I want you to react to Geraldine Ferraro saying that, you know, she's not all that unhappy Elian's going back to Havana.

CAL THOMAS, FOX NEWS CONTRIBUTOR: Bill, the first thing I want to do is to salute the good judgment of the American people who did not elect Geraldine Ferraro vice president of the United States.

O'REILLY: Oh, that's pretty cold now, Cal.

THOMAS: This is one of the...

O'REILLY: That's pretty cold.

THOMAS: ... greatest examples of moral equivalency I have ever heard. "Cuba and America are just alike. He's going to go back and have a normal life. This"--how quickly we forget what communism is. You pointed it out in your excellent questions. Brainwashing. Reeducation, which he's already getting. No freedom of speech. No freedom of religion. The only thing he can hope for is a good curve ball where he can defect and go play for an American baseball team.

O'REILLY: Yeah, I am--I respect Ms. Ferraro's opinion. I--and I was a little surprised that she was that soft on what the system is over there. It's almost like, "Well, we'll wait for Fidel Castro to die, and everything will be fine." Everything won't be fine.

THOMAS: There's no guarantee of that.

O'REILLY: Those people have been subjected to now 40 years of bombardment in this kind of communistic system that doesn't respect human rights at all. But this case is about human rights, and that's why I cannot object to Elian Gonzalez being reunited with his father because the father does have a basic human right to be with his son.

THOMAS: Yeah, OK. Look--but I still think it should have been argued in family court. That was the main thing where we could get testimony on what kind of life it will be. We all know--it's been reported often on FOX and in the newspapers--he's not going back to a normal life with his father. He'll be at least five days a week in one of these so-called state schools. If he sees his father at all, it will be on the weekends.

It's not going to be a normal kind of life. He won't have freedom of movement or association. He's going to be turned into a hero of the state, already named that by Fidel Castro. He will have certain perks and availabilities that will not be available to any other kid his age or any other citizen of Cuba.

It--it shows how much the American people have forgotten in the Clinton age of spin where Bill Clinton in Berlin today can talk about family values, which is...

O'REILLY: But to be fair--it's really not fair for Juan Miguel Gonzalez to come over to the United States and have to prove he's a fit father when there aren't any allegations he's not a fit father. See, that...

THOMAS: Well...

O'REILLY: That--if you put it into family court and then he--the man has to come in and prove that he's a loving father, that's not really fair because, in our system, you're innocent until proven guilty. There are no charges against Mr. Gonzalez that he abused his son in any way. Mr. Gonzalez is making a decision. Now I believe it's a coerced decision, but--just my belief, I can't prove it--you know, that--that he wants to live in Cuba with his boy. So...

THOMAS: Well, you have a history of communism.

O'REILLY: ... on a human rights basis, you've got to let him do it.

THOMAS: Look, I--I--I'm--I agree with that, but I do think that it would be--it would be nice to see a tear shed or some--some moral concern, as you tried to pry out of Geraldine Ferraro. People don't care. Get the kid back. Put him on the National Council of Churches' plane and let Reverend Joan Brown-Campbell have a big rally with 100,000 coerced people turning out with Fidel Castro and praising communism.

O'REILLY: Well, that...

THOMAS: A lot...

O'REILLY: The politics of this has been very, very nasty.

THOMAS: Oh, it's unbelievable. Unbelievable.

O'REILLY: It's been very nasty, and what it comes...

THOMAS: No question.

O'REILLY: The big winner here is Greg Craig, the attorney for the Gonzalez family who, I believe, when all the bills are in, will take between \$600,000 and a million home for representing this little boy.

THOMAS: That's just a down payment.

O'REILLY: What?

THOMAS: Just a down payment. When Cuba opens up again, guess who's going to be first in line with some of the legal work and the big casinos that will return and the restaurants and the vacation spots? This is all about money. It's all about commerce. It's about doing Fidel a favor. I can't imagine this happening under Ronald Reagan. Anybody

who got to our shores from a communist nation under Reagan...

O'REILLY: That would have been interesting.

THOMAS: ... and probably Bush would never have been sent back, I guarantee you.

O'REILLY: That

see what Ronald Reagan or even George Bush would have done if that had happened to them, but I--you know, no one will ever know.

Cal, we appreciate your point of view, as always.

Thank you very much.

THOMAS: OK, Bill.

O'REILLY: And, directly ahead, she's basing her campaign on looking out for your family, but is Hillary Clinton really sincere about this? A debate when we come right back.

(COMMERCIAL BREAK)

O'REILLY: In the "Impact" segment tonight: Is Hillary Clinton really pro-family? Her TV commercials say so.

(BEGIN TV COMMERCIAL)

HILLARY CLINTON (D), NEW YORK SENATORIAL CANDIDATE:

I've tried to stay focused on our common mission: making a difference for people, lifting up our children with better education and health care, helping our families with tax cuts for college and long-term care, working to create new jobs. If we reach past our divisions, there is so much we can do working together. I hope you'll give me that chance.

(END VIDEO CLIP)

O'REILLY: The fact is that Mrs. Clinton is for unregulated abortion of any kind and supports minors getting abortions without telling their parents. That's pro-family?

With me now to debate the issue is Rabbi Balfour Brickner from the Steven Wise (ph) Free Synagogue in Manhattan, an advisory board member to the National Abortion Rights Action League in New York.

So if I'm Rick Lazio, I'm going right after the first lady because of her abortion--especially her partial-birth abortion--stance and the minor situation. How would you rebut that?

RABBI BALFOUR BRICKNER, NARAL ADVISORY BOARD MEMBER:

Well, first of all, let's--let's talk about pro-family. The question is: Is Rick Lazio pro-family?

O'REILLY: Well, I don't want to get into Lazio here.

BRICKNER: No?

O'REILLY: We're going to talk only about Hillary Clinton.

BRICKNER: Only Hillary Clinton. OK.

O'REILLY: Right. All right.

BRICKNER: Yeah. Well, she's for what the State of New York's law is, informed consent. This business about having to notify parents all the time is something of a scam because a--sometimes the family--one of the members of the family is the person that got the girl pregnant. So we have an informed consent law in the State of New York, which says that a physician or an attending counselor has an obligation or a right to counsel minors before they opt for choice, which is...

O'REILLY: All right, but there's a federal law on

the--in debate now that says all minors would have to get parental permission...

BRICKNER: That's been overturned in eight states already.

O'REILLY: All right.

BRICKNER: It's up in Nebraska. It's called...

O'REILLY: Now I'm--I'm support...

BRICKNER: You don't know how it's going to go.

O'REILLY: I'm supporting that law. I'm saying that's a good thing, that any parent has the right to know if their child is going to terminate a pregnancy because that's a parental right, as--like Juan Miguel Gonzalez' parental right. Now Hillary Clinton says that's not a parental right, OK, and I'm saying that's not pro-family.

BRICKNER: Yeah. I think this is a red herring, to be really honest with you. It has nothing--it's a way to attack and destroy the present abortion laws in this--in the country. That's...

O'REILLY: But tell me why a parent does not have the right to know about that.

BRICKNER: Because sometimes--because sometimes it's the parent that got the girl pregnant.

O'REILLY: All right.

BRICKNER: Because sometimes the girl is so scared...

O'REILLY: You're talking about...

BRICKNER: Hold on a minute.

O'REILLY: ... a crime.

BRICKNER: You asked a question. Let me give an answer.

O'REILLY: You're talking about a crime.

BRICKNER: What crime?

O'REILLY: Incest is a crime.

BRICKNER: Sure it is. You better believe it, and there's a hell of a lot of incest going...

O'REILLY: So if that happens, you...

BRICKNER: ... on in this country.

O'REILLY: ... you--then you put it in the criminal...

BRICKNER: If you can find out.

O'REILLY: You put it in the...

BRICKNER: If you can find out. Lots of times, you just can't find out. Now...

O'REILLY: I think you're--you're making an oblique argument here because...

BRICKNER: No, I'm not.

O'REILLY: ... 90 percent of the parents in the United States are decent parents who have a right, in my opinion, to know if their minors are having an abortion.

BRICKNER: In--in that instance--this issue is not--is not an operative issue because, in that instance, when most of the parents are decent, tender, loving, listening folk, the assumption is that the girl voluntarily will go to the parent and discuss it with them, which is fine...

O'REILLY: Why shouldn't it be a law?

BRICKNER: ... but sometimes it can't happen that way because sometimes the kid is too scared and sometimes the kid has every

reason in the world to be scared and, therefore, she has to have the option of an informed consent opportunity.

O'REILLY: What are the rights of the parents? The parents don't have any rights if the child is scared?

BRICKNER: You know, this is--this is not a matter of parental right. This is not a matter of child right. This is a matter of how can the law, without violating a whole lot of issues, such as privacy, et cetera, thread its way through a very difficult issue because--we're not talking about situations where the parent is loving and listening. We're talking about situations where the kid is scared to death...

O'REILLY: Well, look...

BRICKNER: ... and where she's...

O'REILLY: That--that doesn't...

BRICKNER: ... a minor, where she's pregnant...

O'REILLY: If--because--if a child's scared to death, it doesn't mean that she doesn't have loving parents.

BRICKNER: She ought to have the right to terminate that pregnancy, whether the parent...

O'REILLY: Without the parent knowing it?

BRICKNER: Yes, absolutely.

O'REILLY: Oh, you...

BRICKNER: Absolutely.

O'REILLY: All right. Now if that's your point of view...

BRICKNER: And what's...

O'REILLY: ... don't give me that you or Hillary Clinton are pro-family because that's dividing the family.

BRICKNER: That is--that is family.

O'REILLY: No, that's dividing the family, Rabbi.

BRICKNER: That is--no, the family is divided already, Rick. The family is divided already.

O'REILLY: It's Bill, Rabbi.

BRICKNER: This is--Bill. Excuse me. And that's a way to move around this terrible, terrible burden which is unjustly dumped upon a child--basically a child.

O'REILLY: I think that the--the majority of people in America would feel that any law that excludes a parent from knowing about this kind of a decision is anti...

BRICKNER: You know something?

O'REILLY: ... family.

BRICKNER: You know something? Maybe this issue is not decided by what the majority of people in this country may feel because the majority of country--the majority of people in this country may not have had a chance to examine this issue, and...

O'REILLY: Well...

BRICKNER: ... and, in fact, this issue has been dealt with by the courts over and over again and rejected by the courts.

O'REILLY: By some courts and--and...

BRICKNER: Well, I'll give you the states.

O'REILLY: ... and we'll see--it would pass...

BRICKNER: Arizona, a very conservative state...

O'REILLY: It will pass--it will pass in the Congress, I believe.

Now let's get on to partial-birth abortion. Now

here's another Hillary Clinton--fine. You have to have a late-term abortion, fine. Between you and your physician, fine. How is this pro-family? You know, you--as a cleric, you know--"Thou shalt not kill."

BRICKNER: No. First of all, that's wrong. It says, "Thou shalt not murder," not "Thou shalt not kill." If you're going to quote the Bible...

O'REILLY: Well, you were there with Moses?

BRICKNER: No, no. I read Hebrew.

O'REILLY: Ah.

BRICKNER: Excuse me. I read Hebrew.

O'REILLY: OK. So it's "Thou shalt not kill,"

and...

BRICKNER: No, it's a mis--it's a mistranslation of the text. The text says, "Thou shalt not murder." There's been plenty of killing in the Bible. Plenty of killing. The legitimate kind.

O'REILLY: OK. And aborting a fetus couldn't be construed in some cases as murder?

BRICKNER: No, it's not. It is not.

O'REILLY: How do you know?

BRICKNER: Because, first of all, in my tradition, that fetus is not even a living--it's just a fetus. It's not a...

O'REILLY: When does it become a--a person?

BRICKNER: When--when the head emerges through the birth canal.

O'REILLY: Oh. So a day--a day before, even though the fetus could live if it were out, it's not a person?

BRICKNER: It is--according to Judaism, very clearly--and this is biblically based as well as rabbinically based--it is not a person.

O'REILLY: Now you know that Orthodox Jews disagree with you.

BRICKNER: I beg your pardon. I know what rabbinic law is on the subject.

O'REILLY: But you know the Orthodox disagree with you.

BRICKNER: No. I know that there are some Orthodox Jews...

O'REILLY: So they're wrong? They don't know the translation. They don't know this.

BRICKNER: No, no. No, no, no, no, no. They're not--they have chosen minor interpretations, but the mainstream light (ph) motif of Jewish law on this subject is very much pro-choice right from the get-go, tight from the get-go, beginning with...

O'REILLY: All right, but...

BRICKNER: ... Exodus...

O'REILLY: ... the majority of the Jewish sects reject abortion.

BRICKNER: No. Wrong. The majority of the Jewish community accepts...

O'REILLY: Not community. Sects.

BRICKNER: The majority of the Jewish religious community--you call them sects, I call them denominations or groups--accept abortion.

O'REILLY: All right. OK, Rabbi. I think you'd get an

argument with that, but we appreciate your point of view.

BRICKNER: There's no argument. That's clear.

O'REILLY: All right.

And we'll be right back with more as THE FACTOR continues.

O'REILLY: In the "Unresolved Problem" segment tonight, the high cost of incorporating the English language into the lives of immigrants. This year, the federal government estimates that it will spend 433 million taxpayer dollars on bilingual education, an astounding sum. The question: Should the taxpayer be footing this bill?

With us now is Stephen Moore, an adjunct fellow at the Cato Institute.

You know, this is amazing. This is another one of those stories that is never reported by the media, but we have thousands of people come to the United States with resident status who can't speak the language, and now we have to pay for them to learn it. What's going on?

STEPHEN MOORE, CATO INSTITUTE ADJUNCT FELLOW: Well, it's absurd, you know. We've seen actually about a doubling in the cost of these bilingual education programs, and the thing that's interesting, Bill--and I should say I come from this issue with the perspective that immigrants are great advantages to the American economy. They add to our economy. They add to our culture, but we should also say yes to the assimilation process, and my opinion is that the bilingual education programs actually retard the very process of assimilation and Americanization that is...

O'REILLY: How do they do that?

MOORE: Because they...

O'REILLY: How do the assimilation programs set it back?

MOORE: Well, basically, what you've got going on is, as soon as the immigrants come in, they're put in bilingual education classes. Oftentimes, there's use of welfare, which I think is counterproductive. But the main thing is we ought to basically say, "Look, we want you to come here. We want you to become part of the American culture," and, in fact, most immigrants want to do that. A lot of these programs are setbacks in terms of learning English.

In California, as you know, a few years ago, we had a proposition on the ballot that said, "Do you want to continue with bilingual education or do you want English immersion?" and the vast majority of Californians said, "English immersion," and even the Hispanic population wanted English immersion.

O'REILLY: Yet the government will not make that happen because they feel that it's unfair, but what's really unfair, in my opinion--and please correct me if I'm wrong--is that if I'm the--I am the INS commissioner, if I'm in charge of who gets in and who doesn't get in, I'd make them take a test. I'd make them take a test about America and a language test...

MOORE: Well, you know...

O'REILLY: ... to see if they can get in and have the basic proficiency to prosper in our society. Am I fascist?

MOORE: Well, no, but I think--look, you can't expect that--a person coming from Laos or Cambodia to know English the moment

they get here, but we should...

O'REILLY: But why let them in then?

MOORE: Because they--look, my ancestors came from countries like Germany. They didn't know English when they got here, Bill.

O'REILLY: And they didn't get any assistance. When your ancestors came...

MOORE: No, that's true.

O'REILLY: ... here and--my ancestors spoke English, but when the Italians and the Germans--and they came over in--in the turn of the century in the waves that they came over in, the government wasn't giving them language lessons. They were on their own!

MOORE: No, you're--you're right, Bill, but let's not deny them access and put a no entry sign on the Statue of Liberty. Let's basically say, "Yes, we want you to come. We embrace you when we come, but we"...

O'REILLY: But, Mr. Moore, there are so many people who want to come here, and...

MOORE: That's right.

O'REILLY: ... you would think that the people who wanted to come here would take steps to learn the language so that they could prosper. See, there are more than enough immigrants who speak English to fill the immigration quotas, and I'm saying why reject them if they're going to study and learn it and take the people who aren't.

MOORE: Because some of the best immigrants we've had who've come to this country did not know English when they came and they learned it. The fact is, you know, Bill, if you look at what's happening with learning English, the immigrants are generally learning English. What's setting them back is the government programs. So let's get rid of the government programs and...

O'REILLY: So you'd have them on their own then.

(CROSSTALK)

MOORE: ... immigrants. Pardon me.

O'REILLY: You'd have them on their own. If they come over from Laos, you'd have them not know--they'd go into the public school system. They'd be looking around like this. They don't know what's going on.

MOORE: No. No, Bill. Put them in English immersion programs. If--and within a few years, they'll be speaking English, and...

O'REILLY: OK, but we have to pay for that, you know. We have to pay for the English immersion program.

MOORE: That's not true. If you look at the Vietnamese who came into this country in the '70s and '80s, they didn't have bilingual education programs, and they are prospering in America today, so...

O'REILLY: OK. Well, I taught high school in Miami, and I can tell you the Cuban community down there--they educated their children without the government help, and then they--these kids came in to the school. Yes, they had an accent, and--but they came in and they--the family educated itself, and that's the way I think it should be.

I'll give you the last word.

MOORE: Well, I agree with that, that the family should be responsible for teaching English and the whole Americanization process to their kids. I think that's happening. Let's not lose sight of the big picture, which is we need immigrants now more than ever.

O'REILLY: All right. I--I--listen, I'm pro-immigration. If it wasn't--I wouldn't be here right now. But I'm pro-immigration...

MOORE: Neither would I.

O'REILLY: ... with responsibility on the part of the immigrant, and I don't think...

MOORE: That's right.

O'REILLY: ... we should be paying \$433 million to have...

MOORE: I agree.

O'REILLY: ... these programs over here when there are just thousands of people who understand English already. We'll take them.

Mr. Moore, we appreciate it very much.

MOORE: You and I agree, Bill.

O'REILLY: All right. That's unusual.

Directly ahead, the Truth Police on the real story behind the rising gas prices. We'll be right back with that.

(COMMERCIAL BREAK)

O'REILLY: Thanks for staying with us. I'm Bill O'Reilly.

In the "Personal Story" segment tonight, how are you feeling about gas and oil prices these days?

I'm sure you noticed that many gas stations spiked prices over the Memorial Day weekend, but Energy Secretary Bill Richardson says gas prices will soon be going down. Is that true?

Time for the Truth Police. With us now is Scott Berhang, the conference director for the Oil Pricing Information Service which is an oil industry concern.

You do a newsletter. You do online, things like that. I've got to tell you I'm confused. I'm really confused.

SCOTT BERHANG, OIL PRICE INFORMATION SERVICE: A lot of people are.

O'REILLY: I don't know if there's price fixing going on with the gas stations. I don't know if gas prices are going up, or as Mr. Richardson says are going down, or what. What's going on?

BERHANG: Well, I think it's legitimate. I--I think what you have is a situation where, within the last year, crude oil prices have more than doubled.

O'REILLY: Right.

BERHANG: OK. You have--consumption of gasoline and demand for gasoline has just skyrocketed. We're--we're operating on gasoline inventories in the United States that are well below last year's levels.

O'REILLY: All right. Let's stop now.

BERHANG: OK.

O'REILLY: Why are the inventories so low? Because of the OPEC cutback?

BERHANG: I don't think so. I think they're low because legitimately people have been consuming gasoline. I mean, you have...

O'REILLY: All right. So the--more Americans buying more gasoline have depleted the inventories.

BERHANG: Yeah, I--I think it's also a factor when you look at the fact that more and more people are driving SUVs...

O'REILLY: You think that's a big factor?

BERHANG: I absolutely do.

O'REILLY: All right. So the SUV gas guzzlers...

BERHANG: Well, let me make a point. Let me make a point. If you're driving a big SUV, that thing takes 42 gallons of gasoline. It's a barrel of oil. That's equivalent to a barrel of oil.

O'REILLY: Yeah. And it's a very trendy thing to do, and--absolutely.

BERHANG: Absolutely.

O'REILLY: They're not gas-friendly vehicles. Now when OPEC announced the--that they were going to cut back production, this was not a secret. It was in all the newspapers. Everybody knew they were doing it, and it--the Clinton administration did nothing. Isn't it logical to assume that what has happened would happen?

BERHANG: Well, I think that it is logical to look at it that way. I mean, I think, again, you have to get back to the fact that crude oil prices have doubled, but I also think you have to look at the fact that there is so much demand for gasoline.

O'REILLY: But there's a lot of gasoline around in the world.

BERHANG: Not necess--OK. In the world.

O'REILLY: In the world.

BERHANG: We're talking about the United States.

O'REILLY: No. But I'm saying to you this. I read in the paper OPEC's cutting back production because they want to boost the oil prices because oil was so low.

BERHANG: That's right.

O'REILLY: And I'm saying to myself, "In a year, we're going to be in trouble here." President Clinton says nothing. Energy Secretary nothing. And then, all of a sudden, bang. The oil prices, as you pointed out, double, and then everybody's concerned. Why weren't they concerned the day after OPEC announced that they were going to cut back?

BERHANG: Well, I think that they were. I think that they were. I think...

O'REILLY: Well, they didn't do anything.

BERHANG: Well, I think--well, of course, it takes a while. I mean...

O'REILLY: Why?

BERHANG: Well, consumers eventually--I--because what really happened was prices ratcheted up gradually. It didn't happen overnight.

O'REILLY: But they...

BERHANG: People realized...

O'REILLY: The government could have said to OPEC, because we have the clout to do that, "Don't cut back. Don't hurt us economically like this, or we're going to take reprisals"...

BERHANG: Well, you and I both know that they tried to do that. I mean, we put a lot of pressure on those countries, but, you know, where were we when crude oil prices were \$10 a barrel? Were we trying to support their economies over...

O'REILLY: Everybody was still making money. I mean,

the--Saudi Arabia...

BERHANG: Not necessarily.

O'REILLY: ... is not a poor country, and neither is Kuwait.

BERHANG: No, they really weren't making money when crude oil process were that low because gasoline margins are not that high.

O'REILLY: What's a fair price for gasoline for the American consumer, in your opinion? How much a gallon--for a regular gallon of gas?

BERHANG: I don't really know the answer to that. I mean, I don't really know that. I mean, right now, the average...

O'REILLY: A buck and a half?

BERHANG: Right now, we're at the highest level of retail gasoline we've seen in quite some time. I mean, we...

O'REILLY: Absolutely.

BERHANG: We hit about \$1.50 earlier this year, and today, as a matter of fact, we hit \$1.55.

O'REILLY: Now Richardson says that that's it, it's not going up anymore. Is that true?

BERHANG: I don't think so. I think we will see continued price rises in gasoline.

O'REILLY: To what?

BERHANG: We think that there is a solid possibility--you already see \$2 plus gasoline in many areas. I think there's a couple of other things that we need to point out here. People...

O'REILLY: Wait, wait. But the consumer is more interested in what they're going to have to pay by Christmastime for gasoline. Do you think two and a quarter?

BERHANG: I don't--what I personally think is going to happen is I think we're going to see prices continue to ratchet higher...

O'REILLY: Really?

BERHANG: ... through the summer. I think what you have happening now is you have OPEC that is announcing that they're going to increase production. That's coming up. There's a possibility that by the end of the year the--we may be looking at more than a 1.2 million barrels a day of increased production, OK.

O'REILLY: That will help. That should drop prices.

BERHANG: That will help. But there's another thing you have to realize, too, is that we have introduced--at--environmentally, we have introduced a lot of new fuels. For example, in Chicago, we're rolling out phase two of reformulated gasoline. That's an expensive fuel to produce. It's also a tough fuel to produce.

O'REILLY: And that's to cut down on the emissions in...

BERHANG: Exactly. So...

O'REILLY: But I don't want to get into the ecology of it. I do know that--that we could have other kinds of fuel doing--gasohol and all this other business, but we never got into that to protect the oil industry profits.

BERHANG: Well, I don't--I--that's not what we're talking about here. I think what we're really talking about is the bare facts that--that it's expensive to produce this fuel, OK. We've also had a

number of refinery problems. These--you have to realize that we have not built a new refinery in the United States in more than 35 years.

O'REILLY: And you have to realize that we don't use the Alaskan pipeline at all because of environmental concerns.

Well, look, bottom line on this is that salaries are not going up very quickly in this country, you know, for inflation, but we're going to spend a lot more money on gasoline, right, and heating oil?

BERHANG: I think that's absolutely true.

O'REILLY: OK. There it is. The Truth Police. And I agree with you. Secretary Richardson--we respect him. He comes in, but I--you know, I don't--I'm not optimistic about this at all. People...

BERHANG: Well, I would also like to mention that we think as a group that this is not a permanent thing. We see this continuing probably for another six to eight weeks, and we think that it's going to balance out. We kind of think \$2 is the threshold for people.

O'REILLY: It better be for Al Gore's sake because, if this thing keeps going up, that's going to hurt him.

We appreciate you coming in, Mr. Berhang. Thank you very much.

BERHANG: Thank you.

O'REILLY: And, next, did you know that both Al Gore and George W. were members of secret societies? We'll fill you in in a moment.

(COMMERCIAL BREAK)

O'REILLY: In the "Back of the Book" segment tonight, a new book called "Rule by Secrecy."

The book contends that both Al Gore and George W. Bush were members of secret societies, organizations that have major influence in this country.

With us now is the author of that book, Jim Marrs, a former reporter for "The Fort Worth Star Telegram."

Let's take Al Gore first. You claim that he was a member of the Council on Foreign Relations. Tell me what the Council on Foreign Relations is, first of all.

JIM MARRS, "RULE BY SECRECY" AUTHOR: Well, the Council on Foreign Relations was formed right after World War I by a group of people who were supporting the League of Nations concept, which was a forerunner of the United Nations, and it was--its sister organization is the Royal Institute of International Affairs. They're in England. And both of those were formed out of the old roundtable societies that were founded and funded by Cecil Rhodes, the diamond magnate in Africa.

O'REILLY: And what was the purpose of these organizations?

MARRS: To push the same agenda that they're pushing right now, which is globalization.

O'REILLY: All right. To have everybody come into a common economy and a common way of thinking. Now we've heard of the Council on Foreign Relations. Why do you say that's a secret society?

MARRS: Well, because you and I can't just walk in off the street and join.

O'REILLY: You have to be invited like any country club.

MARRS: That's exactly right and, also, according to

their bylaws, you cannot--you're not supposed to talk about what they discuss, and yet, you know, unlike most country clubs, this is a club made up of people who are shaping the destiny of this country.

O'REILLY: Well, they want discretion in the sense that these are powerful people--Henry Kissinger, Alan Greenspan--but they say--we called the Council on Foreign Relations. They say Al Gore was never a member. You say he was. Who's right?

MARRS: Well, that's--it may be that the material I got was referring to Al Gore, Sr., his father, but he is...

O'REILLY: Well, you should know that, should you not?

MARRS: But he is definitely closely connected to all of these same people.

O'REILLY: But you should know whether Al Gore--if you're going to say in this book that he was a member, you should know whether he was or not, shouldn't you?

MARRS: That's true, and according to the information I have, he was a member before he became part of the administration.

O'REILLY: All right. Well, again, we'll tell the audience that the Council on Foreign Relations says he is not.

Now even if he were a member of this organization, why would that be a bad thing?

MARRS: Well, it's not necessarily a bad thing. I'm not even saying it's a bad thing. My--my thing is that what they are pushing for with this international, this global, one-world economy, one-world government, one-world military, is being pushed along in secrecy. We don't--we don't get to vote on it. I never got to vote for the World Trade Organization.

O'REILLY: Yeah, but they--they're a bunch of old guys sitting around, let's be frank about it, saying all kinds of stuff that they want to say.

MARRS: Right.

O'REILLY: They--they have no influence on whether, you know, this--there's never going to be one world military.

All right. Let's get to the skull and bones because a lot of people have heard--this is a Yale thing.

MARRS: Right.

O'REILLY: And we know that George W. Bush and his father, President Bush--they were both members. But this is like a fraternity. So what's the big deal here?

MARRS: Well, that's--that's right, but since--if you look at the odds, the odds of this one fraternity fielding dozens and dozens of high-ranking government officials--you go look at any other fraternity. You're not going to find that. This is a--it has been styled into and the facts seem to point to that it's a stepping stone into this world elite that--that is in charge.

O'REILLY: Is there anything wrong with that?

MARRS: I don't know. My thing is it--they say that this is the way towards peace and prosperity, and I--I'm not going to argue with that.

O'REILLY: See, but it's always been old money that--that stuck together, and...

MARRS: That's right.

O'REILLY: You know, look, George W. Bush made a lot

of money because of his father, President Bush.

MARRS: Absolutely.

O'REILLY: He got a lot of opportunity. He got a lot--but that's always the way it is. It's the rich guys get richer and the poor guys like us--I mean, we've got to make it on our own, so--but that's America.

MARRS: But all these rich guys are now pushing for a global economy, a global system of government.

O'REILLY: Bill Clinton's pushing for that. He's not a rich guy. The only society he's in is chasing babes.

MARRS: Well, but I--my point is--is that we need to--where is the guarantee that if they achieve this globalization that some new Hitler-like tyrant won't gain control of it?

O'REILLY: No, I don't know. I don't see--I don't see either of these two things as being anything scary or nefarious or...

MARRS: Just an old boys' network.

O'REILLY: Yeah, just let's--look, you go to Yale. The Yale people take care of you. I'm in the Harvard Club, all right. I mean, if I need a favor from some guy at Harvard, if I'm in the club, he's more inclined to do it than if my name is Vinnie and I--and he doesn't know me, you know.

MARRS: Exactly. Well, that's my point.

O'REILLY: But that's America.

MARRS: How does this help the guy down in--in Odessa, Texas?

O'REILLY: It doesn't--it doesn't help it, but that's what America has been for...

MARRS: Well, then when these people run for office, shouldn't we at least point out they're part of that old boy network?

O'REILLY: Yes. I don't mind that--that you point it out, but I do think that you should have really ID'd whether Al Gore was a member of this Council on Foreign Relations or not.

But we appreciate you coming in here, Mr. Marrs. Thank you very much.

O'REILLY: Thank you very much. I did check with their material.

O'REILLY: All right.

And, next, we'll wrap things up with the Most Ridiculous Item of the Day and some of your mail. It will be wild.

(COMMERCIAL BREAK)

O'REILLY: Just a reminder: In case you missed any part of THE FACTOR, we're coming up again in just two hours on this cable and satellite station.

Time now for the "Most Ridiculous Item of the Day." A Toronto firm called Gaydar Direct says it has a device that will buzz if you get within 20 feet of a gay person. They want 69 bucks for this key chain-like thing. What was that quotation? "A fool and his money are soon parted." File this under "Ridiculous."

And, finally tonight, the mail. Big reaction to the interview with the South Carolina man who was selling his urine, also for 69 bucks, to help people beat drug tests. The guy claims companies can legally use drug tests for other purposes and fire anyone without cause. He was not telling the truth, and I called him on it in no uncertain

terms.

George Rusling, Freer, Texas: ``Bill, let me invite you to the great State of Texas where I can fire any employee simply because I don't like their face."

Well, Mr. Rusling, I worked in Dallas for two years, and I've had jobs in other right-to-work states, and here's what I would do if you fired me without cause. I would sue you in federal court under Title VII of the Civil Rights Act of 1964. If you couldn't show cause why you dismissed me, I would claim it was because I was Irish Catholic.

My attorneys would then depose you, and you would be forced to open all your employment records. Any pattern of discrimination would then be discovered or not. This lawsuit would cost you tens of thousands of dollars, and there's a good chance I would win. See you in court.

Linda Stansell, Richmond, Virginia: ``Mr. O'Reilly, how dare you call a guest crazy because you don't agree with him. If you don't like a person's business, don't invite him on the program. You have gone too far."

With all due respect, Ms. Stansell, I probably didn't cut the guy off fast enough. He was not telling the truth. Americans cannot be fired indiscriminately, and companies cannot legally use a drug test for any other purpose than to pinpoint drug use. Look at the Federal Privacy Act, Title V, Section 552.

And one more note to all of you who think I was too rude to this guy. No guest on THE FACTOR will ever be allowed to lie to you period. That will never happen here.

Cathy Hardwick, Nashville, Tennessee: ``Mr. O'Reilly, you were right to call that man a charlatan. I've been involved in drug testing for about 11 years and have never heard of any company testing for anything other than the standard 10-panel drug test."

And if they do, Ms. Hardwick, you can sue them blind, and if that information ever became public, you'd be the CEO of that company.

J.B. Nimmo, Asheville, North Carolina: ``O'Reilly, employees who consent to drug testing are required to sign a consent form. I was happy to see you stand up to that nitwit."

Jake Garther, Panama City, Florida: ``Shame on you, O'Reilly. Your outburst at the urine man was the Most Ridiculous Item of the Day."

And Dr. Don McCann, Cleveland, Ohio: ``Bill, the highlight of my FACTOR viewing so far was seeing you eviscerate the man who sells his urine."

And one more note on this for all of our viewers in right-to-work states. If you feel that your employer is oppressing you in any way, please contact the Legal Aid Society and get the names of some lawyers in your area who are experts in labor law.

The federal government anti-bias statutes are there to protect all Americans, not just minorities. They are strong laws and can override local and state mandates. No one in this country should be abused in the workplace or dismissed with prejudice. You have rights. Seek them out. And don't listen to charlatans who make money on fear.

And if you would like to sound off, the e-mail address is oreillyfoxnews.com. oreillyfoxnews.com.

And then there's the surface mail address, if we can

get it up, and I believe we can because that's the kind of program we are here. THE O'REILLY FACTOR, FOX News Channel, 1211 Avenue of the Americas, New York, New York 10036.

And here are some tips for getting your letter on the air. Keep it pithy. Pithy means to the point. And if it's humorous or said in a way that's unique, you have a better chance. And if it's short, you have a much better chance. We have so much mail now. Right to the point, all right?

And--and all over the world, as everybody knows, name and town, name and town, name and town, if would like to opine. We've got to know who you are and where you live.

And then there's the Web site: www.foxnews.com/oreilly. Now on this Web site we have the Talking Points Memo, which you can download every night. We do change it, so you've got to do it within a 24-hour period. Then we have the Most Ridiculous Item posted.

My column for the apbnews.com network this week is about the simmering feud between FBI chief Louie Freeh and the attorney general of the United States Janet Reno. These people loathe and detest each other. None of the other media reports it. We know it, and you'll have documentation in my column for apbnews.com, all right?

And I think that's all the business we have for you today. As always, we thank you for watching. I'm Bill O'Reilly. Hope to see you again next time.

END

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Monica M. Dixon (CN=Monica M. Dixon/OU=OVP/O=EOP [OVP])

CREATION DATE/TIME:18-JUN-2000 16:38:17.00

SUBJECT: savings plan

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Michele Ballantyne (CN=Michele Ballantyne/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Gene B. Sperling (CN=Gene B. Sperling/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Steve Ricchetti (CN=Steve Ricchetti/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: John Podesta (CN=John Podesta/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:

lots of stories tomorrow. lots of leaks.

Gore to unveil stock-based savings plan
Proposal resembles Bush's initiative for retirement
benefits; GOP
calls it a flip-flop; But programs differ: Vice
president won't touch
Social Security

By Jonathan Weisman
Sun National Staff

WASHINGTON - Early last year, when President Clinton
proposed
using \$250 billion of the budget surplus to create
millions of individual
retirement accounts, Vice President Al Gore balked,
fearing the plan
would cost too much and do too little for poorer
workers struggling

to save their money.

Family . On Tuesday, with great fanfare, Gore will unveil a new

Savings Account proposal that will look remarkably like the Clinton plan he once viewed skeptically. The conversion was fueled by politics, swelling surplus projections, and a change of heart by some of his key economic advisers.

And it could fundamentally change the tone of the debate between the likely presidential nominees over Social Security.

"I'm a convert on this," said Alicia H. Munnell, a finance professor at the Boston College Carroll School of Management and a Gore economic adviser.

Gore's proposal is almost certain to blur the distinctions that he hoped to draw between his efforts to boost retirement savings and Texas Gov. George W. Bush's plan to partially privatize Social Security.

Both candidates now support allowing individuals to invest tax dollars in the stock market to build retirement wealth. Democrat Gore's tax dollars would come out of general revenues, like income taxes. Republican Bush's would come from Social Security taxes.

The distinctions between the plans are significant.

Bush would divert a yet unspecified percentage of Social Security payroll tax to individual savings accounts that could be invested in the stock market.

Because almost all those payroll taxes go toward Social Security benefits for current retirees, the diversion - as much as \$1 trillion over 10 years - would have to be made up out of the projected federal budget surplus to ensure that seniors would

not see a cut in
benefits.

Over time, Social Security's guaranteed benefits would
be cut under
privatization plans like Bush's, though in theory,
those cuts would be
more than offset by higher returns on investment from
the individual
savings accounts.

Gore would not touch the current Social Security
system. Instead, he
would add a supplementary government program that
would use
federal matching grants to entice individuals to open
private
retirement accounts. For low-income workers, the match
will likely
be dollar-for-dollar, with a cap of \$2,000 a year.

Gore aides say the plan will make savings as simple as
possible,
perhaps by allowing taxpayers to check a box on tax
returns that
would instruct the Internal Revenue Service to deposit
tax refunds in
a private account.

"It is a classic, Clintonesque move," said William G.
Gale, a
Brookings Institution economist who studies savings
issues. "He's
saying, 'I'm giving you privatized accounts, but I'm
not cutting Social
Security benefits. Bush is giving you privatized
accounts, but he is
going to cut your Social Security benefits.'"

Arguments undercut

Still, advocates of the Bush plan note that Gore may
have undercut
some of the fundamental arguments against Social
Security
privatization.

Last month, Gore denounced Bush's plan as "stock
market roulette,"
yet now he supports the investment of tax dollars in
the stock
market.

Also, opponents of Social Security privatization, Gore

among them,
have long argued that the creation of millions of
individual accounts
would create enormous administrative costs and
difficulties.

Some of those difficulties would surely emerge with
Gore's Family
Savings Accounts as well, Gore aides admit.

"He now concedes the fact that individual accounts are
feasible, they
can be set up and administered, and people are smart
enough to
invest on their own," said Michael Tanner, director of
the libertarian
Cato Institute's Project on Social Security
Privatization.

Wrong focus

Gore aides and advisers admit that it was a mistake to
focus the vice
president's attacks on the risks of the stock market.
Instead, the
criticism should have been confined to the high
transition costs and
expected cuts in guaranteed Social Security benefits.

And they fully expect to be hit by Bush for the
apparent flip-flop.
Indeed, Bush aides could not wait for the plan to be
formally rolled
out Tuesday.

"It's interesting to see that he has changed his
position for the third
time in one year," said Bush campaign spokesman Dan
Bartlett.

"Once he realized his scare tactics wouldn't work, he
thought he'd
better change his tune."

But Gore aides insist that the criticism is wrong.

"Gore has had a very consistent position on investing
in the stock
market," said one campaign aide. "He's always said we
ought to
encourage investment, but we should have Social
Security as a true,
guaranteed benefit."

Polls and surplus

The vice president's embrace of private accounts was almost certainly driven in part by polls that show wide support for Bush's proposal, said Robert D. Reischauer, director of the Urban Institute.

But another important factor was the ever-rising surplus projections. White House and congressional budget writers are expected to nearly double their 10-year surplus projections late this month, to nearly \$2 trillion.

Gore's biggest concern about Clinton's original Universal Savings Accounts was the cost, which would have precluded nearly every other tax break the vice president had hoped to offer.

"Now the forecasts are much larger," said Robert Greenstein, executive director of the Center for Budget and Policy Priorities.

"You can do ... substantial transfers [of tax dollars] to Social Security and Medicare, and have room for USA accounts."

Savings rates low

But there are strong policy arguments in favor of Gore's approach, economists say. Fewer than half of all American workers are covered by private pension plans, which means upon retirement, most will be almost wholly dependent on Social Security.

For lower-income workers, the number covered drops to 10 percent, said Peter Orszag, a former Clinton budget expert.

Moreover, savings rates over the past two years have been at record lows, indicating that people are not saving for retirement.

Matching grants

Enticing people to save with generous government matching grants

could be "just about the most effective way" to bolster retirement security, Brookings' Gale said. And guaranteed Social Security benefits - meager as they are - would remain untouched.

Under Clinton's original plan, a couple earning \$20,000 a year and contributing \$700 a year to the new account would accrue over a 40-year period nearly \$180,000 through federal matching grants, automatic tax credits and a 5 percent return on investment, according to a study by Gore adviser Munnell and Harvard law professor Stanley S. Surrey.

"The idea of having a supplementary layer, where you add to the income of low-income people, is just a good idea, and one that would make a real difference," Munnell said.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lisa Ferdinando (CN=Lisa Ferdinando/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-JUN-2000 10:16:28.00

SUBJECT: CNN Inside Politics, June 20, 2000

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TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
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TO: Jennifer H. Smith (CN=Jennifer H. Smith/OU=WHO/O=EOP@EOP [WHO])
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TEXT:

CNN Inside Politics

Aired June 20, 2000 - 5:00 p.m. ET

Rising Gas Prices Could Have Political Ramifications;

Gore

Unveils Social Security Plan

JUDY WOODRUFF, CNN ANCHOR: Rising gas costs as a
presidential
campaign issue. Will one candidate pay a price on
Election Day?

(BEGIN VIDEO CLIP)

WILLIAM SCHNEIDER, CNN SENIOR POLITICAL ANALYST
(voice-over):

It's not all that obvious in this year's presidential
race, not when one candidate is
part of the incumbent administration and the other
candidate used to be an
oilman.

(END VIDEO CLIP)

BERNARD SHAW, CNN ANCHOR: Bill Schneider on the
political gray area at
the pump.

Also ahead...

(BEGIN VIDEO CLIP)

Social AL GORE, VICE PRESIDENT OF THE UNITED STATES: My plan is
Security plus, not Social Security minus; it's the best
of both worlds, not the
worst of both worlds.

(END VIDEO CLIP)

WOODRUFF: How does the new Gore retirement savings plan
compare to the
Bush proposal? We'll check the facts.

Plus...

(BEGIN VIDEO CLIP)

We're in a GOV. GEORGE W. BUSH (R-TX), PRESIDENTIAL CANDIDATE:
usual spot to be able to....

UNIDENTIFIED FEMALE: Stop the execution of Gary Graham!

Don't kill an innocent man! Don't kill an innocent man!

(END VIDEO CLIP)

SHAW: The death penalty debate dogging George W. Bush
more intensely on the
trail. ANNOUNCER: From Washington, this is INSIDE
POLITICS, with Judy
Woodruff and Bernard Shaw.

SHAW: Thanks for joining us.

We begin with high gas prices and the potential fallout
for Al Gore. Today, the
administration continues stepping up its bid to be seen
as leading the charge
against possible price gouging. This as Republicans
press their claim that the
president and vice president share some of the blame for
the problem.

(BEGIN VIDEOTAPE)

SHAW (voice-over): White House spokesman Joe Lockhart
criticized the oil
industry, saying its contention that federal clean air
regulations drove prices up
just doesn't wash.

JOE LOCKHART, WHITE HOUSE PRESS SECRETARY: None of this
adds up,
as far as we can see, to the kind of dramatic price rise

that we saw over a very
quick period.

SHAW: Lockhart urged the industry to cooperate with a
federal investigation into
possible price gouging. Across town, Energy Secretary
Bill Richardson asked the
OPEC ministers, who are preparing to meet in Vienna, to
consider raising
production to ease the price pressure.

BILL RICHARDSON, U.S. ENERGY SECRETARY: Right now, our
immediate
task is to try to get more gasoline in the market, try
to find out the reasons for
this price differential and then act.

SHAW: Behind the urgency, a hard political reality:
rising gas prices may be
costing consumers a few extra dollars at the pump, but
they could cost Al Gore
on Election Day. Gas prices are up all over the U.S.,
but they're highest in two
states that have the power to swing the fall election:
Illinois and Michigan.

According to the AAA daily survey of gas prices, a
gallon of regular unleaded
costs an average of \$1.98 in Illinois, \$2.13 in Chicago.
Michigan is close behind,
averaging \$1.96 statewide, and \$2.00 in Detroit -- a 50
cent increase since May.

Illinois and Michigan are among the most competitive
states this fall, and they
hold a combined 40 electoral votes, 15 percent of the
total needed to win. The
fear among some Democrats: that the gas hike will take
the luster off Gore's
"never had it so good" campaign message.

STUART ROTHENBERG, "ROTHENBERG POLITICAL REPORT": A
couple of
percentage points could easily cost him Michigan and
even Illinois. And this -- if
this election is as close as many people think it will
be, something like gas prices,
high gas prices -- which won't fundamentally change the
lay of the land, but
could tip the scales slightly -- could really hurt the
vice president.

SHAW: While the danger for Al Gore from the Midwest
price spike is clear, just

what caused prices to leap remains a mystery. Oil companies say two pipeline problems cut off supply to the region for several days, and so drove up local prices. But the pipeline firm says the most serious problem was fixed months ago, time enough for the market to adjust.

The industry also blames regulations mandating cleaner-burning gas made with ethanol, which is more expensive to produce. But several cities outside the Midwest, including New York, also require the more expensive fuel, and prices in those cities haven't jumped nearly as much.

(END VIDEOTAPE)

SHAW: And from Indiana today, a new effort to ease the high price of gasoline. Democratic Governor Frank O'Bannon says he is using his constitutional authority to place a 60-day moratorium on the state's 5 cents-a-gallon tax. The moratorium will go into effect on July 1, the height of the summer travel season. For the record, O'Bannon is up for re-election this year.

WOODRUFF: For more on the political ramifications of higher gas prices, we're joined now by our senior political analyst Bill Schneider -- Bill.

SCHNEIDER: Judy, what is the political fallout of soaring gasoline prices? Well, it's not all that obvious in this year's presidential race, not when one candidate is part of the incumbent administration and the other candidate used to be an oilman.

(BEGIN VIDEOTAPE)

SCHNEIDER (voice-over): Who do voters blame? Government or business? The answer: both. About equal numbers blame the U.S. government and oil producers like OPEC, followed by the oil companies. Very few blame environmentalists who demand cleaner fuel, or drivers who insist on driving gigantic gas guzzlers.

Gore is vulnerable on this issue because he is the government. Just when Gore starts his prosperity and progress tour to tout all the good news, he gets hit in the face with this. The gas issue also reinforces an impression created by the Los Alamos fiasco: Does this administration know what it's doing?

BUSH: There is no plan, it seems like to me, in Washington to increase the supply of crude oil or natural gas. There is no national energy plan.

SCHNEIDER: Bush says it's a problem of supply and demand. His answer: increase supply, internationally...

BUSH: I don't understand why the administration can't get cooperation from countries like Saudi Arabia, Kuwait and Mexico who -- to open up the spigots to increase the supply of crude oil which would drop the price of crude. These are countries with which we should have enormous amount of capital. These are countries where it wasn't all that long ago that a President Bush helped Kuwait, or United States helped Mexico.

SCHNEIDER: ... and domestically.

BUSH: ... recognize that our country better become less dependent on foreign crude. That's why I'm for the exploration of Anwar, that's why I'm for the exploration of natural gas which is hemispheric, it's not subject to price.

SCHNEIDER: Sure enough, Bush voters tend to blame the government while Gore voters tend to blame oil producers.

GORE: ... because I just learned that the big oil companies' profits for the first part of this year have just gone up 500 percent.

SCHNEIDER: And which candidate does the oil industry favor? Just look at the campaign contributions from the oil and gas industry: \$1.5 million to Bush, less than \$100,000 to Gore. So, Gore sees a convenient target.

GORE: I think the -- that all adds up to a need for investigation of collusion, antitrust violations and price gouging.

(END VIDEOTAPE)

SCHNEIDER: People blame government and business about equally. So, who gets hurt? If people get mad at business, all they can do is complain. If they get mad at government, they can vote, and that's something for Gore to think about -- Judy.

WOODRUFF: All right, Bill Schneider, thanks very much -- Bernie.

SHAW: Al Gore has more on his mind this day than high gas prices, or even his announcement of his retirement savings plan. He rushed back here to Washington on the chance he may have to serve in his role as president of the Senate.

Our Chris Black joins us with details from the Hill -- Chris.

CHRIS BLACK, CNN CONGRESSIONAL CORRESPONDENT: Bernie, Vice President Al Gore took a detour from the second week of his prosperity and progress tour to leave Kentucky, moving his speech up by 40 minutes, to fly back here and break what they think is a dead-even vote on expanding federal jurisdiction for hate-crimes legislation, or hate-crimes prosecution.

The bipartisan amendment to the spending bill would increase the categories for federal prosecutors of hate crimes from the current three -- race, religion, and national origin -- to six. The new categories are gender, sexual orientation, and disability.

The roll-call vote is going on right now in the United States Senate. Gore as the vice president gets to break tie votes, it's his -- one of his few constitutional roles. He came back from the campaign trail just a month ago to do the same thing, but in the end his vote wasn't needed. Today, as

he talked to reporters on
Air Force 2 flying back from Kentucky, he told them why
he thinks this
legislation is important.

(BEGIN VIDEO CLIP)

GORE: I personally don't understand why it's so
difficult to see that these crimes
are really different. They're fueled by a force of
hatred that is unnatural, and can
lead the perpetrator to do horrible things, and unless
that's singled out for
punishment and identified for what it is, then we're not
being true to ourselves in
saying that's inconsistent with the United States of
America.

(END VIDEO CLIP)

BLACK: The vice president has been pushing an expansion
of hate crimes
jurisdiction in his -- on the campaign trail and
President Clinton has been pushing
this for three years. The president made some phone
calls to wavering senators
yesterday from Houston, but Republicans say it's not
necessary. In fact, the
Senate just approved in a 50-49 roll-call vote an
amendment sponsored by
Senator Orrin Hatch, which would have the Justice
Department conduct a study
on hate crimes -- Judy.

WOODRUFF: All right, Chris Black reporting from the
Capitol, thanks.

And now to Gore's main event of this day, the formal
unveiling of his retirement
savings proposal.

Our John King traveled with Gore to Kentucky.

(BEGIN VIDEOTAPE)

JOHN KING, CNN WHITE HOUSE CORRESPONDENT (voice-over):
With the
rollout of the new plan came a clear contrast.

GORE: My plan is Social Security plus, not Social
Security minus. It's the best
of both worlds, not the worst of both worlds.

KING: The vice president calls his new program

"retirement savings plus." It would cost \$200 billion over 10 years and offer government subsidies to encourage workers to invest up to \$2,000 a year in tax-free supplemental private retirement accounts.

Couples making less than \$30,000 a year would get \$3 in government money for each \$1 they contribute. Couples making \$30,000 to \$60,000 a year would get a one-for-one match from the government. And couples in the \$60,000 to \$100,000 income range would get 33 cents from the government for every \$1 they invest in the 401(k)-style accounts. Income limits for individuals would be one-half the amount for couples.

GORE: If you believe that we shouldn't have to choose between the Social Security you have earned, and the savings and investments you deserve, then join with me and we will win this fight.

KING: Governor Bush takes a different approach. He favors allowing workers to divert a small percentage of their Social Security payroll taxes into private investment accounts. Those who choose this option would get slightly reduced Social Security benefits. But Bush argues earnings from the private account would more than make up the difference without creating the costly new government subsidy Gore proposes.

NEIL NEWHOUSE, GOP POLLSTER: It's those 45- to probably 60- years-olds who this is really geared toward. A big chunk of the electorate. They always -- they absolutely always vote. And right now, Gore has a significant deficit among those voters compared to where Bill Clinton was against Bob Dole.

KING: The vice president's first stop on week two of his Progress and Prosperity Tour was aimed at making up some of that lost ground. Kentucky has just eight electoral votes, but is considered a bellwether in presidential politics. Bill Clinton narrowly carried the state twice, but Kentucky was solidly in the

Republican column in 1988.

Gore: If you believe that America can be better off still in terms of our affluence and in terms of our spirit four years from this day, then I want your vote.

King: Gore advisers acknowledge Governor Bush got a head start in appealing to voters worried about retirement savings, but they predict the vice president's plan will have more appeal in the end.

(on camera): And as that competition unfolds in the months ahead, both candidates are facing criticism that their plans do little to deal with the financial crisis facing Social Security in about 25 years as more of the baby boomers retire and the system begins paying out more than it's taking in.

John King, CNN, Lexington, Kentucky.

(END VIDEOTAPE)

Shaw: And we have an addition to our lead story about those high gas prices in certain Midwestern states, especially Illinois and Michigan. Vice President Gore this afternoon said that he is asking for a meeting of governors most affected.

The vice president is asking the energy secretary, Bill Richardson, and EPA administrator Carol Browner to contact governors of states most affected by those high gas prices. The vice president wants a meeting so the federal government and the states can work together and come up with solutions.

Still ahead here on INSIDE POLITICS: Al Gore's plan to help retirees.

(BEGIN VIDEO CLIP)

Gore: It does not come at the expense of Social Security. It comes in addition to Social Security. We will protect Social Security.

(END VIDEO CLIP) Shaw: The nuts, the bolts of Gore's plan and a look at how it differs from the Bush proposal.

(COMMERCIAL BREAK)

WOODRUFF: With Vice President Gore formally outlining his plan today to help Americans save for retirement, the two leading presidential contenders now have competing plans on the table.

Our Brooks Jackson takes a look at both plans and how they differ.

(BEGIN VIDEOTAPE)

BROOKS JACKSON, CNN CORRESPONDENT (voice-over): The stock market is about all they have in common. Al Gore and George W. Bush both propose to put tax money into private Social Security accounts, where investments could grow tax-free, like present 401(k) accounts, but otherwise their plans are very different.

Bush has offered few details, just a general approach. Gore's plan is fairly detailed as far as it goes.

Bush's plan is carved out of existing Social Security taxes. Gore's would be added on top of the existing program.

Bush has proposed no direct subsidies to savers. Gore's plan has \$35 billion worth per year when fully effective.

Anybody could participate in Bush's plan. But Gore's is limited to those making under \$100,000 a year.

Unlike Bush's approach, Gore's plan has a big Robin Hood element. It would transfer billions from upper-income taxpayers to lower-income savers.

GORE: The hardest-pressed working families will get even bigger tax credits.

JACKSON: Under Gore's plan, couples making \$30,000 a year or less could get savings subsidies of up to \$3,000 a year from the government, but to get that full benefit, they must save \$1,000 of their own money. Would incentives work?

MICHAEL TANNER, CATO INSTITUTE: The problem is, if you don't have money to invest, you don't have the money.

JACKSON: Bush wouldn't rely on incentives. He'd just deposit some portion of Social Security taxes directly into private accounts.

Bush has this in common with Gore: Both leave a lot of questions about how to cure the basic ills of the Social Security system itself.

GENE STEUERLE, URBAN INSTITUTE: Social Security now has over three workers per retiree. It's going to drop to less than two workers per retiree. You cut in a third the number of taxpayers contributing to a system and you're either going cut in a third the number of benefits paid or you're going to bump up taxes quite a bit.

JACKSON: Bush's approach is to rely on gains in the stock market to fill in the gaps. But what if the gains aren't big enough or fast enough? He hasn't said.

Gore proposes to push Social Security's day of reckoning out several years by pouring in billions from general tax revenues, but he's proposed no long-term solution to Social Security solvency and has said, "If it ain't broke, don't fix it."

TANNER: I don't think either one of them is really telling the whole story. What Bush is in essence saying is that if you eat your spinach, you'll be able to have some ice cream for dessert, but he doesn't really want to talk much about the spinach. Al Gore, on the other hand, just wants to pretend that the spinach doesn't exist.

JACKSON: Bush rules out any increase in Social Security taxes. Gore does not.

Bush is open to cuts in future benefits. He'd leave that to a national commission.

Gore would increase some benefits, making the money run out faster.

(on camera): There's not much political gain in talking

about painful solutions,
however necessary they may be. So both candidates
accentuate the positive,
talking about things like tax-free stock market gains
and federal subsidies to save
your own money.

Brooks Jackson, CNN, Washington.

(END VIDEOTAPE)

SHAW: And joining us now, Ron Brownstein of "The Los Angeles Times."

Ron, is Gore's plan an attempt to checkmate Bush's?

RON BROWNSTEIN, "LOS ANGELES TIMES": It's an attempt to reformulate
the debate. Up until today, the debate has been about
whether or not the
government should help people invest in the market to
supplement their
retirement. What Gore is trying to do is move the debate
from whether to how.
Now he has a competing proposal of his own on the table.
They are both
offering alternatives for helping people invest in the
market, and you can try to
shift the debate toward which approach is better.

It's similar in some ways to what Bill Clinton did in
1995 when he battled with
the Republicans over the budget when he accepted the
principle of the balanced
budget, and the debate moved from whether to balance the
budget to how. That
was when he got leverage, and I think that's what the
Gore people are hoping
will happen this time as well.

SHAW: In your view of these two plans, the risks and the benefits?

BROWNSTEIN: Well, they both have -- they have very different risks in terms
of the allocation of risk between individual and
government. The Bush plan does
begin a process of shifting some of the risk for
retirement from this sort of
collective safety net of Social Security to individuals.
Because for it to work, you
would in the long run have to reduce the guaranteed
benefit in the hope that
people would make up at least that much in what they

earn on their own private
account.

But the Gore plan basically adds on, as Brooks said, a
new government
entitlement to the existing Social Security payment, in
which you would say: OK,
for people earning \$100,000 a year or less, we're going
to help you -- we're
going to subsidize your retirement.

The risk there is a fiscal risk because what you're
doing is, you know -- we
shouldn't be too, you know, confused here. We're
creating another entitlement at
a time when Social Security and Medicare are facing
enormous financial
pressures in the future. Gore is creating another
retirement entitlement at this
point. Or would be.

SHAW: Fundamentally -- or would be. Fundamentally, what
has changed about
this argument and is anyone winning it?

BROWNSTEIN: Well, what's changed about the argument is
that over the last
generation, many, many more Americans have become
invested in the stock
market, whether in 401(k)s or through their own
accounts. About half the people
in the country now have some investment in the stock
market. Now, much of
that is 401(k). The idea of an investor nation probably
isn't as far advanced as
some Republicans think.

But nonetheless, people are more comfortable with the
idea of investing in the
market. And I think that what you're seeing is both
sides responding to a -- sort
of an attractive notion for many Americans at this
point, which is that the market
seems to be a reasonable place to build wealth for your
retirement. In some
ways, they may have more faith in Wall Street than they
do in Washington to
provide for their future retirement.

SHAW: Now, the American voters are confronted with these
two plans. But
what happens -- what happens if the much-touted surplus
is less?

BROWNSTEIN: Well, they are both -- you know, both of these have long-term fiscal risks. The Gore proposal -- the Gore-Clinton approach for saving Social Security, in essence, is -- there is some complicated steps -- but in essence, is to put a lot of general revenue money into it beginning in 2011.

What he's done now is create a new competitor for that general revenue money with this new entitlement for subsidized savings. Conversely, the Bush plan is relying on large Social Security surpluses to fund these individual accounts. That's how he's going to pay for them, although they haven't said this publicly. Clearly the alternative to pay for them is out of the Social Security surplus.

But when that goes away, Bernie, when the baby boom retires, he's going to have to reach into general revenue, too, to fund these accounts. And they're both creating large future obligations. So there are substantial financial risks for the government in both of these proposals, especially if the surpluses aren't as large as we anticipate now.

SHAW: Thank you.

BROWNSTEIN: OK.

SHAW: Ron Brownstein of the "Los Angeles Times." Boy, it's a lot, isn't it?

BROWNSTEIN: Yes, it's a lot of money they're talking about.

SHAW: Big dollars.

Well, there is much more ahead on this edition of INSIDE POLITICS.

WOODRUFF: Still to come:

(BEGIN VIDEO CLIP)

CANDY CROWLEY, CNN CORRESPONDENT: In California to talk education and raise money, almost 7 million this trip, Bush was greeted at a Monday night fund-raiser by people with a different agenda.

(END VIDEO CLIP)

WOODRUFF: Candy Crowley on the GOP hopeful and an issue that keeps cropping up.

Plus:

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: We need to learn the lessons of last night also so that we will have an outstanding and safe Democratic National Convention in August.

(END VIDEO CLIP)

SHAW: Laker mayhem in Los Angeles. Will things be different when the Democrats come to town?

And later...

WOODRUFF: The presidential race and Ralph Nader. We'll ask the Green Party candidate about his campaign, the debates and the latest polls.

(COMMERCIAL BREAK)

WOODRUFF: We'll have more of the day's political news coming up. But now a look at some other top stories.

A federal judge sides with the Justice Department and sends the Microsoft anti-trust case directly to the Supreme Court. Today's ruling is seen as a major victory for the Justice Department, which wants the case heard quickly.

Microsoft is appealing the order that would split the company and would impose new business restrictions on it.

SHAW: Investigators say they don't know how long those secret computer disks were missing from a Los Alamos Laboratory vault. The last audit shows they were there just after New Year's. The hard drives containing nuclear secrets reappeared last week after they were discovered missing May 7th. Energy Secretary Bill Richardson will appear before a Senate

Arms Services Committee
hearing tomorrow.

WOODRUFF: A hearing began today in Connecticut for
Kennedy relative

Michael Skakel. It will determine whether Skakel, the
nephew of Bobby

Kennedy's wife, Ethel, will be charged as an adult in a
25- year-old murder case.

CNN's Deborah Feyerick reports.

(BEGIN VIDEOTAPE)

DEBORAH FEYERICK, CNN CORRESPONDENT (on camera): Michael
Skakel

began to cry during the testimony of his former
schoolmate. That man, John

Higgins, testified that Skakel and he were on patrol
late one night at which time

Skakel told him about the events of the night Martha
Moxley was murdered.

According to the classmate, Skakel said that he
remembers running through the
woods with a golf club, reaching the pine trees and then
blacking out. The

schoolmate then said Skakel admitted saying he did it.
But on crossexamination

Skakel's attorney accused the man of lying to collect a
reward.

MICKEY SHERMAN, SKAKEL'S ATTORNEY: Higgins lied about
whether or

not he heard Michael Skakel confess, and he admitted a
few moments ago that
he lied. He said very specifically, yes, I lied.

QUESTION: About hearing it?

SHERMAN: Yes. But he said, now I'm not lying. So, you
know, the question is
how do you tell when this guy's not lying. I don't know.

FEYERICK: Two other witnesses also took the stand: one a
friend of Martha's

who found the girl's body; the second person, a former
captain, Tom Kegan

(ph). He spoke about the golf club used as the murder
weapon. That golf club

today was introduced as evidence. And he said that a
missing piece, which

contained the Skakel name, made it very suspicious,
pointing to the Skakel

family.

Now on crossexamination, that captain actually admitted that on the golf club there were no fingerprints and that there was nothing to indicate that Michael Skakel killed Martha Moxley.

Reporting from Stamford, Connecticut, Deborah Feyerick, CNN.

(END VIDEOTAPE)

WOODRUFF: A woman who taught Bible at the Branch Davidian complex in Waco, Texas testified today in the wrongful death suit against the government. The suit was brought by survivors and relatives of the deadly siege. Rita Riddle (ph) says she saw ATF agents knock over fuel tanks weeks before fire destroyed the compound, and killed more than 80 people in 1993.

SHAW: Late word from the Hill on the hate crimes legislation by a Senate vote of 57-42. Passage has been given to the Kennedy measure within the Hate Crimes Bill. Vice President Gore had flown back to Washington to stand by in his role as President in the Senate to cast a tie-breaking vote. But the 57-42 vote made it unnecessary for him to do so.

When INSIDE POLITICS returns, as George W. Bush stops in California again, is he making any headway there? We'll have a snapshot of the race, and Bush's swing through "the Golden State."

(COMMERCIAL BREAK)

WOODRUFF: In California, Al Gore has widened his lead over George W. Bush to 11 points in a new Field poll of likely voters there. Green Party candidate Ralph Nader gets 7 percent and Reform Party candidate Pat Buchanan 2 percent. Gore's strength in California comes from Hispanics and other minorities, which favor him about 2 to 1 over Bush, and from the state's two biggest metro areas, Los Angeles County and the San Francisco Bay area.

Bush is in California today, his ninth swing through the state since the clinching of the GOP presidential nomination back in March. While Bush tried to keep the focus on education, he also faced fallout from an execution scheduled in his home state this Thursday.

Our Candy Crowley is with Bush in California.

(BEGIN VIDEOTAPE)

CANDY CROWLEY, CNN CORRESPONDENT (voice-over): In Silicon Valley, home of high-tech, George Bush pushed \$2.3-billion-worth of initiatives aimed at improving math and science education.

BUSH: This is America. There's no reason for us to be next to last in the world in math. There's no reason for us to be last in physics.

CROWLEY: In California to talk education and raise money, almost 7 million this trip, Bush was greeted at a Monday night fund-raiser by people with a different agenda.

(SCREAMING)

There is new life in the anti-death penalty movement, triggered by stories of condemned prisoners found to be innocent and a study showing a high rate of reversal on appeal in death penalty cases.

Aboard the flight West, Bush told reporters, "Fine people can disagree; it's not an easy issue." On the fact of it, the death penalty does not look like much of a vote-changer. Most Americans support the death penalty, including George Bush and Al Gore, but Bush is governor of a state with a comparatively brisk rate of executions and he's been resolute in his faith that no innocent person has been put to death in Texas.

The combination tends to stoke the death penalty issue, focusing national headlines on each Texas case and protests along the Bush campaign trail.

REV. JESSE JACKSON, CIVIL RIGHTS ACTIVIST: And there

will be a chair

for him, because if he really that Gary Graham is guilty, if he believes that the state will be safer on Thursday night at 6:15, he should witness the killing, or the murder, of Mr. Graham.

CROWLEY: Texas inmate Gary Graham is scheduled for execution Thursday for a murder committed in 1981. Graham says he didn't do it and a spate of national stories suggests the case against him had significant holes unexplored by a lax court-appointed lawyer. Graham's life can be spared with a majority vote of a Bush-appointed pardons board and Bush's approval.

The governor's only singular power in these cases is to grant a temporary 30-day stay. Bush won't say whether he will, and there is some legal question whether he can grant a stay in the Graham case. He avoided questions about it Tuesday.

BUSH: Not right now.

CROWLEY: En route to the West Coast Monday, Bush said he has spent a lot of time looking at the Graham record. On whether the death penalty issue hurts his campaign, Bush said: "This is what happens when you are a decision-maker. Sometimes it is going to be controversial. I hope voters see somebody who upholds the law."

Bush has only granted one temporary stay in his 5 1/2 years as governor. That was 19 days ago, delaying an execution pending some DNA testing. It was a move criticized in Texas as political.

(END VIDEOTAPE)

CROWLEY: So far, there is no evidence in the polls that this issue is hurting the Bush campaign. Still, for every day the focus is on the death penalty, the focus is not on the Bush agenda -- Bernie.

SHAW: Thank you, Candy. Also in the state where you are today, Los Angeles Mayor Richard Riordan condemned the violence that erupted after the Los

Angeles Lakers championship win last night as the work
of -- quote -- "a few
hundred hoodlums." And he assured city residents that
the streets of Los Angeles
will be safe during the Democratic national convention
in August.

Our Bruce Morton has more on the unrest, and what may or
may not happen
when the Democrats come to town.

(BEGIN VIDEOTAPE) BRUCE MORTON, CNN CORRESPONDENT
(voice-over): Lakers win: Nothing wrong with that,
unless you happen to be a
Pacers fan. Lakers, Laker fans celebrate: Nothing wrong
with that. But some
turn ugly, set fires, clash with police -- 11 arrests,
two police cars, two TV vans
trashed. Why do you burn and break things when your team
won?

MAYOR RICHARD RIORDAN (R), LOS ANGELES: These are not
fans. They
are losers who only know how to trash our city. They're
vandals.

MORTON: As sports violence goes, this is small. English
soccer fans are
famous for riots: 39 fans dies when Liverpool played
Italy's Uventis (ph) in
1985. England was banned from European matches for five
years, but they're
back and making trouble again.

Political violence is sometimes understandable. Many
African- Americans
probably thought the acquittal of the white Los Angeles
police who beat Rodney
King was wrong. Some after the 1992 verdict took to the
streets.

Anti-Vietnam War demonstrators clashed with police at,
or really outside, the
Democratic convention in Chicago in 1968. A later
investigation described what
happened as a police riot.

Well, of course, Los Angeles will host the Democratic
convention this summer.
What about that?

RIORDAN: I am highly confident that we will do the best
job of security in any
convention in history.

MORTON: Maybe. We do know that demonstrators came to Seattle and then to Washington, D.C. to protest the World Trade Organization, the International Monetary Fund, and various trade policies of which they disapproved. They've promised to be in Philadelphia for the Republicans and Los Angeles for the Democrats, though most say they're committed to nonviolence.

The chance of other crowds passionately for or against Al Gore or George W.

Bush: So far, polls suggest, most Americans would rather watch "hoops," non-violently, of course.

Bruce Morton, CNN, Washington.

(END VIDEOTAPE)

WOODRUFF: And coming up, we will ask Ralph Nader about his net worth, about an upcoming meeting with Teamsters leaders, and more.

(COMMERCIAL BREAK)

WOODRUFF: New numbers from the Federal Election Commission show

George W. Bush ahead in fund raising, though Al Gore has more funds currently

available. In the month of May, Bush raised just over six million dollars, bringing

his total fund raising to more than \$90 million. But the GOP hopeful has just

seven million dollars in cash on hand. Al Gore raised almost four million dollars

in May, bringing his campaign total to \$49 million. Gore has more than nine

million dollars on hand, including one million due in matching funds.

Well, joining us now, the Green Party presidential candidate, Ralph Nader.

The FEC says they don't have your numbers, yet, but can you tell us how much do you have on hand and how much have you raised?

RALPH NADER, PRESIDENTIAL CANDIDATE, GREEN PARTY: We've raised about \$800,000 and we've filed our first matching funds with the FEC.

WOODRUFF: Putting you way behind these other gentlemen.

NADER: Well, we make up in energy, time and volunteers.

WOODRUFF: Ralph Nader, it was reported just a day ago that your net worth close to four million dollars. After all these years you've spent as a consumer advocate, railing against big corporations, much of your net worth apparently in stocks, in the very corporations, some of which you've been railing against. Some people say this is hypocrisy.

NADER: Well, it isn't, because most of the money -- and it's not much compared to what these executives often pick up in a couple weeks at their job -- it's not much when you consider what we're up against, trillion dollar industries. And it's not much when you consider that I donate over 80 percent of my earnings to civic projects and charitable activities, which is embarrassingly comparative to Gore and Bush.

WOODRUFF: One of main companies you're invested in, Cisco systems, is deeply into trade with China. They're going to make something like half a billion dollars this year, next year. Now, this is something you are personally very much against. Is there a contradiction here?

NADER: No, because I don't mind trade with China in non-weapons and non-toxic materials. Basically, producers of routers and other...

WOODRUFF: Computers parts...

NADER: ... computers for the Internet, so it really doesn't accord with my oppositions, basically. And not monitoring the Chinese regime, and multi-national U.S. corporations, who are taking factories and setting factories up over there.

WOODRUFF: I'm going to skip around a lot because there's a lot of ground I want to cover today. You're having a joint news conference, we're told, this Thursday, with some leaders of the Teamsters Union. Are

they going to endorse
you for president?

NADER: I mean, you have to ask them. I don't know how
they do their
decisions, but I know they're very upset with the
Clinton-Gore administration,
not only on issues dealing with NAFTA and the situation
on the border in
Mexico, but generally the anti-labor positions. I mean,
Gore has just appointed
William Daley of the Department of Commerce, the point
man for GATT and
NAFTA as his campaign director. It's just rubbing it in
again and again. It's
NAFTA, it's WTO, it's China, and now it's William Daley.

WOODRUFF: But you're having a news conference with them.
You must have
discussed with them what's going to be said.

NADER: No, actually, I haven't. I hope they say some
nice things. I mean, we
are appealing to labor all over the country.

WOODRUFF: For their support.

NADER: Yes.

WOODRUFF: But you don't know at this point whether they
plan to...

NADER: No.

WOODRUFF: You've asked them for their endorsement.

NADER: No, I haven't asked them.

WOODRUFF: You have not asked them.

NADER: No.

WOODRUFF: So you literally, you don't know at this
point.

NADER: It's very rare that I ask anybody for
endorsements. I mean, if they
want to come support, fine.

WOODRUFF: You are suing the federal government over the
corporate
sponsorship of the presidential debates, sponsored by
the Debate Commission
this fall. Does it really matter if there's corporate

money in these debates?

NADER: Well, it highlights the exclusive nature. I mean, this corporate money -- and in the past, it's been tobacco, auto, liquor money -- to a Debate Commission that's a private entity created by Republican and Democratic parties. And one of its purposes is to exclude competition. They let Ross Perot in 1992, and they're never going to make that same mistake again.

Well, I don't think the federal laws allows corporations to fund what is in effect a two-hour campaign commercial for Bush and Gore, and to do it in a way that supports exclusion. I think the American people are going to fall asleep watching the drab debate the dreary.

WOODRUFF: The Reform Party: some division in the ranks of the Buchanan candidacy. He lost his co-chair yesterday, Lenora Fulani. Are you interested in pursuing the Reform Party?

NADER: No, I think that that's going to be Pat Buchanan's victory. He's worked very hard for it, and it is going to be a raucous convention, I know. But I'm focusing on votenader.com, which is our burgeoning Web site, full of good information and opportunities for people to be part of a progressive political movement.

Our lead story today: higher gas prices, much higher in some parts of the country, particularly the Midwest.

Why are they so high, do you think?

NADER: Well, not because there's any shortage of petroleum in the world, or produced petroleum. It's the ability of the oil industry, if there's a refinery shut down or some, you know, squeegee in the pipeline to suddenly jack the prices up. And, you know, years ago this would have led to a congressional investigation, to an investigation by the Department of Energy. And other than a few probes by the EPA, I think President Clinton is not taking this seriously.

There's an uproar in the Midwest on this. It's going well over two dollars an hour -- two dollars a gallon.

WOODRUFF: All right, Ralph Nader, thank you very much. We appreciate it.

And when we return, could Ralph Nader be a threat to Al Gore in California?

We'll ask Mark Shields and Kate O'Beirne.

(COMMERCIAL BREAK)

SHAW: At CNN's allpolitics.com, you can enter the "Veepstakes 2000" and pick whom you think George W. Bush will choose as his vice presidential running mate. Soon, you'll also be able to weigh in on the Democratic contest. Just go to CNN's allpolitics.com and click on "veepstakes."

Joining us now, these two, CNN's "CAPITOL GANG" -- Mark Shields, and Kate O'Beirne.

A short while ago here on INSIDE POLITICS, Judy Woodruff reporting a field poll result showing Al Gore with an 11-point lead over Governor Bush in California; third, Ralph Nader with 7 points. Nader just here a few minutes agent.

Is Ralph Nader bad news for Al Gore in California?

KATE O'BEIRNE, "NATIONAL REVIEW": I think Ralph Nader is potentially bad news for Al Gore in California, which is key to Al Gore. Al Gore has visited California on average once every six weeks for the past eight years, nobody knows better than Al Gore how key California is. And Ralph Nader I think is potential problem out there for him.

MARK SHIELDS, SYNDICATED COLUMNIST: I just got back from California, Bernie, and Republicans there predicate their hopes; which are not profound hopes, of carrying California for George Bush in the fall on Ralph Nader is doing very well.

The fact he's getting 7 points this early, you can be sure of one thing, and that is that those points are not coming from George Bush.

They're either coming from
people who aren't going to vote, don't see that much of
a difference between
Gore and Bush, or aren't excited by either candidacy, or
Democrats who are for
one reason or another disaffected with Bush -- with
Gore, excuse me.

SHAW: But Nader has made it very clear, he's not going
away.

SHIELDS: No, no, he's not going away and in some
respects he may be the best
thing that happened to Al Gore if in fact he forces Al
Gore to sharpen and define
himself more precisely as a Democrat, I would say, in
California.

Remember this about California, California is one of
only three states in the
Union -- only three -- that has a Democratic governor,
two Democratic senators,
a Democratic legislature in both Houses, and a majority
in the congressional
delegation. So, I mean, it's a Democratic state. Bill
Clinton carried it twice by 13
percent. Gray Davis, the Democratic governor, won in
1998 by a bigger margin
than Ronald Reagan ever won the governorship.

O'BEIRNE: The Republicans, though, are optimistic that
they have a candidate in
Governor Bush who is going to have more appeal in
California certainly than Bob
Dole did in 1996.

SHIELDS: They...

O'BEIRNE: Bob Dole identified, it seems to me, the
minimum Republican vote in
California in 1996, he got 36 percent.

They're optimistic that Governor Bush is a more
attractive candidate, he certainly
has a record of appealing to Latino voters to a far
greater extent than your typical
Republican candidate. So, they are cautiously
optimistic, but they are hoping
Ralph Nader plays a spoiler role here.

SHIELDS: Big difference in California, though, in the
last decade. There are a
million more Latinos in California than there were a
decade ago, a million more,

there are a hundred thousand pure Anglos. I point that out because in 1998 Gray Davis won 78 percent of the Hispanic vote.

Pete Wilson, only Republican to win statewide office in California at the senatorial, gubernatorial election in the last 10 years. His Proposition 187 left the Latinos angry at the Republicans. So it's an uphill battle for George Bush in California.

SHAW: A Bush problem, home state, Texas, Thursday is the deadline for granting a reprieve in the execution of Gary Graham, the scheduled execution. Is Bush in a tough spot politically?

O'BEIRNE: I don't think so on this one. I mean, clearly there are all sorts of voices. The anti-death penalty movement it seems to me has shifted from arguing on behalf of the poor misunderstood criminal on death row to raising questions about whether or not people are truly guilty, which I think is far more effective for those who have misgivings about the death penalty. But Al Gore certainly has not talked about the death penalty. I think he fears reviving the image of the Democratic Party as being soft on crime, which they worked mightily to do away with. So, I don't think he is going to be criticized by Al Gore.

I do think there are going to be voices trying to paint Texas as outside the mainstream. It is important to remember that despite the number of executions in Texas, less than 3 percent of murder cases even in Texas wind up in executions.

SHIELDS: It's a tricky issue for George Bush. He's used it to establish he's bona fide, he's a tough on crime guy, and he's boasted time and again, I've -- completely confident about every execution.

What we are seeing in study after study is evidence that -- of mistakes that are made, of inadequate representation, half being overturned on appeal, and I just think that that's the risk that George Bush has. He's

not going to win anybody
over from the anti- death penalty side by changing his
tune at this point.

It's a little bit -- not to be analogous, or overly
analogous -- to Al Gore on Elian
Gonzalez for George Bush to change now -- politically.
I'm not talking about the
ethics or the morality of it, I'm talking about the
politics of it. He picks up
nothing now by becoming more doubting about the death
penalty.

SHAW: And succinctly, because we are going to visit this
subject with you many
more times in the future, your initial judgment now that
both candidates have
plans on the table to address concerns of people when
they face retirement.

O'BEIRNE: Al Gore is now recognizing this retirement
savings plan he has as the
latest evidence of that, the political reality of the
growing class of investors. Over
50 percent of households now invest in the stock market
at relatively modest
income, so it's a tribute, I think -- this new plan --
to the popularity of George
Bush's Social Security personal accounts.

SHAW: And Mark.

SHIELDS: I think Al Gore's plan is entirely different
from George Bush's, but I
think at the same time by offering it, which is a plan
that can stand on its own
merits, it does obscure the differences between the
two parties on this issue
and I think that works to Bush's advantage.

SHAW: Mark Shields, Kate O'Beirne, thank you.

O'BEIRNE: Thanks, Bernie.

SHAW: See you.

That's all for this edition of INSIDE POLITICS, I'm
Bernard Shaw.

WOODRUFF: And I'm Judy Woodruff. "WORLDVIEW" is next.

END