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TEXT:

CNN Inside Politics

Aired November 29, 1999 - 5:00 p.m. ET

Protests, Politics Surround World Trade Talks; Bradley
Engages Q&A Approach on International Policy;
Remembering a Panda's Place in History

(BEGIN VIDEO CLIP)

CROWD (shouting): We know you!

(END VIDEO CLIP)

BERNARD SHAW, CNN ANCHOR: Protests and politics surround world trade talks dubbed "the Battle in Seattle."

(BEGIN VIDEO CLIP)

BROOKS JACKSON, CNN CORRESPONDENT (voice-over): Trade, it's fuel for the booming U.S. economy and for presidential political debate as well.

(END VIDEO CLIP)

JUDY WOODRUFF, CNN ANCHOR: Brooks Jackson on how the trade issue is registering with White House hopefuls.

SHAW: Plus, Bill Bradley's Q&A approach to international policy.

WOODRUFF: And we remember a panda's place in history.

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

WOODRUFF: Thank you for joining us.

The Clinton administration says failure is not an option at the World Trade Organization talks opening in Seattle tomorrow. But any successes may be hard to come by given the contentiousness expected inside and outside the meetings. In a moment, we'll have a live report on huge protests threatening to overshadow the negotiations. But we begin with the stakes for the Clinton White House and CNN's John King -- John.

JOHN KING, CNN WHITE HOUSE CORRESPONDENT: Judy, steep challenges for the president both on the economic front and the political front as he travels to Seattle tomorrow for the World Trade Organization meeting. Politically, the president trying to make the case that expanded global trade, one of the major reasons the U.S. economy has hummed along during his administration, Mr. Clinton will argue that nearly 1 1/2 million of the 20 million new jobs created during his administration can be directly tied to expanded trade around the world.

But outside the hall in Seattle, evidence of the political stakes for the president, many groups long associated with this administration, organized labor groups, environmental groups protesting outside. The president's press secretary, Joe Lockhart today says the president disagrees very much with their views on world trade but has no problem with the protests.

(BEGIN VIDEO CLIP)

JOE LOCKHART, WHITE HOUSE PRESS SECRETARY: I think the president believes that these are very important issues, crucial to the future of our economy and the world economy, and there are people with strong views on all sides, and they -- it is quite appropriate for them to express their view. I think he wants to have an opportunity to talk to people with a wide-ranging view on these issues.

(END VIDEO CLIP)

KING: The administration on the eve of the meeting tried to lower expectations, making clear this discussion is only about whether to launch a new round of trade talks, those talks aimed at reducing tariffs to U.S. goods. The president will make the case American farmers in particular would benefit as well as telecommunications and other high-tech companies.

Also of concern of course, the administration's deal to allow China into the WTO, that one of the major controversies and a controversy that won't end when this meeting ends in Seattle -- already reverberating on the presidential campaign trail. It will be also the subject of debate in the U.S. Congress this year, because if China is to get into the WTO, the United States has to change some of its trade laws. The president faces a tough sell there as well -- Judy.

WOODRUFF: All right. John King reporting from the White House.

Well, now we get the latest from Seattle on the various groups protesting the World Trade Organization meeting. And for that, we turn to CNN's Greg LeFevre -- Greg.

135 GREG LEFEVRE, CNN CORRESPONDENT: Judy, just as there are nations represented inside, there seem to be an equally number of disparate groups represented out on the streets of Seattle. Several thousand people marched here in the east end of downtown Seattle, some of them dressed as sea turtles perhaps to illustrate what's at stake here. These people contend that the World Trade Organization rules subvert environmental laws that many in the United States have fought to bring forth and fought to bring to other countries as well.

Now, earlier today, sometime before dawn a number of protesters scaled a several 100-foot-high construction crane. They were five members of the Rainforest Action Network. Can you imagine union workers on the ground cheering environmentalists up at the top of the crane? That's an example of the very disparate groups that you see here in Seattle here today. The Rainforest Action Network contends that WTO rules subvert a number of the anti-logging rules that have been imposed here in the United States, and they say that many of the export nations are harvesting too many trees from the old rainforests around the world.

The situation here in Seattle is such that it's a cloudy day. Rain is falling here and there. The city is, if you will, putting out its wet carpet for these protesters, but these protests will continue on. We understand that the labor organizations, the AFL-CIO, will bring forth tens of thousands of people tomorrow. Word is that they have got rain ponchos equipped for many of them.

Greg LeFevre, CNN, reporting live in Seattle.

SHAW: Now, let's talk to one of the labor union officials leading the charge against the World Trade Organization, Teamsters president James Hoffa. He joins us from Seattle.

Mr. Hoffa, first question to you is, should labor unions be written into World Trade Organization policy making?

JAMES P. HOFFA, PRES., TEAMSTERS UNION: Absolutely. We want to put a human face on what we're going to be doing into the 21st century.

And if we do not take care of the human factor of international trade, what do we have? How do we prevent child labor, which the WTO says is OK?

How do we go about making sure that everybody moves ahead without having the corporate greed get ahead of everything else?

We want to have a place at the table. Organized labor should be a delegate to the WTO. The religious groups, the environmental groups, should have a say. And I am talking about organized labor throughout the world should have some say to establish basic standards that would guide us into the 21st century.

SHAW: In "The Financial Times" today, Treasury Secretary Lawrence Summers wrote, "It is important not to use labor and environmental issues as a cloak for protectionism." Are you being protectionist?

HOFFA: Absolutely not. Lawrence Summers is wrong again by saying that because what we're talking about is, it's wrong to have kids seven and eight years old working 70 hours a week, and that's what they want to protect.

We're not talking about protectionism. We're talking about protecting human beings throughout the globe and I think we have to do that. We will speak for them. We will help make sure that we stop child labor, that we stop the rape of the environment, that we stop all the other different things that will go on if the WTO proceeds as they are. Don't forget, the

WTO really doesn't
belong -- to have the power that they have right now,
and we want to stop
it.

SHAW: James Hoffa, on global trade, when it comes to
protecting workers
and working conditions -- improving them -- is Al Gore
speaking your
language?

HOFFA: We want to talk to Al Gore. The next battle we're
going to have is
over the NTR, which is the normal trade relations. That
has to be done on
an annual basis so we can keep a trip wire on countries
like China that are
persecuting their own citizens, that are rattling sabers
with regard to Taiwan,
that are persecuting the people in Tibet. We have to
make sure we keep a
line on them where we can monitor their conduct, and
that's why we have to
have an annual review, and we're going to be talking to
the vice president
about that.

SHAW: Well, in terms of politics, tactically, in your
judgment, was it a
mistake for the AFL-CIO to endorse Al Gore so early?

HOFFA: Well, though -- the other -- we did not endorse
Al Gore.

SHAW: I know you didn't.

HOFFA: Other unions did, and that certainly is their
prerogative. We're still
looking at all the candidates. We're having a dialogue
with the candidates.
And we're basically not making a decision now. But we
want to hear where
the candidates are coming from with regard to the, you
know, the China
entry, the WTO, and the normal trade relationships. That
should be
reviewed on an annual basis and that's what we'll be
talking to Congress
about.

SHAW: Last quick question, at a minimum, what should the
candidate you
endorse have as a position on the World Trade
Organization?

HOFFA: Well, I think he should one that says, we have to put a human face on the World Trade Organization. It's not just about corporate rights; it's about human rights. And the candidates should come forth and say that what we have to do is to have an input from the people that are going to be effected, workers throughout the world that are being exploited by corporate greed, and we have to make sure that message comes through and we're going to demand that our candidates make sure to make that point.

SHAW: Teamsters president James Hoffa in Seattle, thanks for joining us.

Now, we get the Clinton administration's perspective. National Economic Council director Gene Sperling joins us from the White House.

Mr. Sperling, President Hoffa just said that labor should be a delegate to the World Trade Organization, agree or disagree?

GENE SPERLING, DIR., NATL. ECONOMIC COUNCIL: Well, what I agree on is that, as the president has said and it is the president's phrase that we should try to put a human face on the global economy. And as the president has pressed for more open markets and more open trade, one of the things he stressed for is the core labor rights be part of our considerations and the president is pressing for a working group on labor so that there will be a process to bring in more of these concerns in a more organized, institutional way. So we very much agree that labor, environmental, and child labor issues should be very much a matter of concern and integrated into our considerations of trade and the WTO.

SHAW: Gene Sperling, you know what I am asking you. Mr. Hoffa just said that organized labor should be a delegate. My question to you is should organized labor be part of the official apparatus of the

World Trade
Organization?

SPERLING: Well, at this point, our position is that what organized labor had pushed what we think is a reasonable concern is to have this working group on labor rights. I think this is a trade ministers' agreement, but we certainly would like to institutionalize more review and consideration of core labor issues, of environmental issues, as we consider ways to bring down tariffs, to open trade and do more of what has helped bring increasing global prosperity throughout the world through more open trade, bound by rules and the rule of law.

SHAW: Aren't the United States and the World Trade Organization powerless to change the workplace in a huge country like China?

SPERLING: Well, it was our view -- and it is our view -- that by bringing China into the World Trade Organization, by making them live up to a rule-based global trading system, you are going to bring in a degree of economic freedom into that country that is going to be unprecedented. And when you bring in that degree of economic freedom -- the ability to bring in your goods, transport them, the new ideas that come in, we think that this will lead to political reform. And so we believe in the long run, as in our own country, economic freedom helps spur political freedom as well.

SHAW: Last quick question, will the Seattle outcome influence President Clinton's legacy?

SPERLING: Well, I think that this president has had a unique three-part economic growth agenda of fiscal discipline, investing in people and open markets. And the president has stood by all three of those items very strongly. I think that what he has done in fighting for open markets but also seeking to bring a new consensus to trade, to fighting

for having a human
face on the global trade agenda will be very much part
of the continuing
discussion that will go on for years.

So I think launching this new trade round right after we
have brought China
into the WTO will very much be part of a Clinton
economic growth plan that
I think will be very influential in the United States
and around the world for
years to come.

SHAW: White House economic adviser Gene Sperling, thanks
so much for
your time.

SPERLING: Thank you.

SHAW: Quite welcome.

And up next here on INSIDE POLITICS, is Bill Bradley
playing the Russia
card against Al Gore? We'll have a report of his
international vision and
political strategy. And we'll discuss John McCain's
strategy and whether it's
faltering in South Carolina.

Judy will interview campaign manager Rick Davis. This is
INSIDE
POLITICS.

(COMMERCIAL BREAK)

WOODRUFF: Vice President Al Gore said today the plans of
his
presidential rivals would put the nation's economic
future at risk. In a
conference call with reporters, Gore criticized the
economic proposals of
Republican George W. Bush and fellow Democrat Bill
Bradley. Gore said
both the Bush and Bradley plans would drive up interest
rates and end
economic expansion.

SHAW: Bill Bradley was in suburban Boston speaking on
international
policy. He did not single out Al Gore by name, but he
did heap criticism on
the current administration and its global policies.

Our Bill Delaney has more on Bradley's stop at Tufts

University.

(BEGIN VIDEOTAPE)

BILL DELANEY, CNN CORRESPONDENT (voice-over):

International

affairs, the subject in the sort of town-hall forum Bill
Bradley's used all along
to tell where he stands, months before his rival, Al
Gore, started getting up
closer and more personal.

Bradley at the Fletcher School of Diplomacy at Boston's
Tufts University did
read briefly from a speech, speaking broadly of the need
for a not precisely
defined new approach in a post-Cold War world.

BILL BRADLEY (D), PRESIDENTIAL CANDIDATE: We're at a time
where I think we need to take stock, a time where we
need to see around
the next corner, a time where we need a new vision. The
post-Cold War
period doesn't even have a name yet.

DELANEY: Then taking questions from an audience of
students; Russia, if
out of the picture in Cold War terms, still very much in
the air. Bradley
criticizing the Clinton and Bush administrations for
trying too hard, he said, to
change the big picture in Russia, while specifics like
reducing strategic
nuclear weapons lagged.

BRADLEY: We became missionaries for a particular kind of
international
economics. And we're left with a situation in Russia
where in the best of
worlds we're seen as irrelevant to the average Russian.
In the worst of
worlds, we are blamed for their economic circumstance.

DELANEY: Hitting at a policy closely identified with
Vice President Al
Gore, if gently.

(on camera): It may be the tone of the academic
environment here at Tufts
or the generally non-combative tone of the Bradley
campaign itself, but the
name Al Gore never came up here. A Bradley campaign
official said they,
seemingly like the audience here, simply had no interest

in criticizing.

(voice-over): A fundamental Bradley theme, near
nostalgia for an era when
he said disagreements on international policy ended at
the water's edge.

BRADLEY: Sadly, that consensus has vanished. Foreign
policy has become
more a political football or is made through polling or
focus groups to score
domestic political points.

DELANEY: Bradley's high tone not without contradictions,
saying he'd base
military intervention overseas on how clear a case was,
like the Gulf War, he
said, though as a senator, he voted against intervention
there: a campaign
official saying Bradley would have given sanctions more
of a chance.

Bill Delaney, CNN, Boston.

(END VIDEOTAPE)

WOODRUFF: Meanwhile, Republican residential hopeful John
McCain is
counting heavily on the New Hampshire primary as well as
the South
Carolina contest in his bid for the GOP nomination.
McCain has enjoyed a
recent surge in the polls in New Hampshire, but that has
not been true in
South Carolina.

Well, joining us now to talk more about the McCain
strategy, campaign
manager Rick Davis. Rick Davis, thank you for being with
us.

RICK DAVIS, MCCAIN CAMPAIGN MANAGER: Thank you, Judy,
for having me.

WOODRUFF: And what about these polls that show Senator
McCain
doing better than ever in the state of New Hampshire but
not doing as well in
South Carolina and running only even in his home state
of Arizona?

DAVIS: Well, I think that the progress we've made in New
Hampshire is
phenomenal. Just seven weeks ago, it was a picture very

similar to what

exists in South Carolina. We were being beat by almost 30 points in August.

And we've made that up. And according to this "TIME"-CNN poll, we're

37-35. And we're ahead of Bush for the first time.

We've been ahead of George Bush in previous polls and are currently ahead

of Bush in a number in Arizona also. So we see South Carolina as an

indicator more of the national numbers. They haven't had a chance really to see the campaign in earnest.

WOODRUFF: Is the senator hurt by not competing in Iowa?

DAVIS: Well, it hasn't hurt our numbers in New Hampshire at all. And I

think time will tell on that. And we're going to go and debate twice in the

state of Iowa, make our case as well as we can to the people of Iowa. And

they'll do the best they can for us.

WOODRUFF: We've just seen report that tomorrow Governor Bush is

going to come out with supposedly a series of tax cut proposals. Is this

something that the McCain campaign is likely to feel it needs to respond to or comment on?

DAVIS: Well, we've made many policy addresses in the past and certainly

on the tax issue, numerous floor statements regarding the current budget

situation, and in the past, John McCain's views on taxes. And we're going to

stand by his views and see what Governor Bush has to offer. And we have

more plans in the near future to make some more policy addresses, including taxes.

We're making five policy addresses this month alone. So I think there's still more to come.

WOODRUFF: There is this week, as you very well know, Thursday night,

first debate where you've had Governor Bush facing off against not only

Senator McCain but the other Republicans in the race.

What are the
differences that you think are going to emerge most
prominently between
John McCain and George W. Bush?

DAVIS: Well, I think the differences have already
emerged. I mean, John
McCain has taken a campaign in the state of New
Hampshire that's unique.
We've had over 50 town hall meetings and answered
thousands of questions
from people directly there. And so the debate for us is
really just another
opportunity for us to add six more questions to our
tally.

I think it's really more incumbent upon Bush, as Dr.
Bennett says up there,
an independent New Hampshire pollster, he's got to hit a
grand slam in
order to get back into the race in New Hampshire. He
spends millions of
dollars to date and he's going down in the polls. And so
I think the onus is
on him.

WOODRUFF: The whispering campaign, alleged whispering
campaign, if
there was one, have we heard the end of it, do you
think, about Senator
McCain, his temper, quote-unquote "stability," and so
forth?

DAVIS: Well, I think, you know, it's really going to
become a non-issue in
this campaign, because there are no truth to it. And
these kinds of things, as
nasty as they are, are politics of Washington. And we'll
get over it. And I
don't think they'll take any toll. If anything, I think
the more attention that it's
given to our campaign the better we are.

WOODRUFF: At the same time, you had the senior
"Washington Post"
reporter, David Broder, reporting over the weekend in a
long piece from
Arizona that he quotes a former McCain associate as
saying he's weakest
where they know him best, in the Senate and at home. How
do you counter
these sorts of comments, repeated comments, from people
in the senator's
state?

DAVIS: Well, I think it's an easy one. Arizona is a state that's sent John McCain to federal office five times, and most recently just last year with over 70 percent of the voters supporting John. And so I don't think it's an issue of John's electability or support inside the state. I think there is a small group of people who have decided to support other candidates in the state, and they're doing a very good job of making their case for the opposition. And I think that's all this amounts to.

WOODRUFF: Well, Rick Davis, we'll be watching your campaign and your candidate.

DAVIS: Thank you very much, Judy.

WOODRUFF: Thank you very much for joining us.

DAVIS: Bye.

WOODRUFF: Bernie.

SHAW: GOP presidential front-runner George W. Bush is the target of a new ad attack by one of the nation's leading environmental groups. The Sierra Club says it will begin running TV and radio spots in New Hampshire tomorrow, designed to highlight what the group calls Governor Bush's, quote, "poor record of fighting air pollution in Texas."

(BEGIN VIDEO CLIP, SIERRA CLUB AD)

NARRATOR: Houston is the city with America's dirtiest air. Texas leads the nation in air and toxic pollution. And in the four years George W. Bush has been governor, the number of smog-alert days has increased dramatically. The health of more kids have been put at risk, and 11-year-old Billy Tinker's asthma got worse.

(END VIDEO CLIP)

SHAW: The Sierra Club says the ad buy is modest, with the spots running for at least four days.

When we return, Bradley, McCain and their rivals online:
a look at who's
winning the Internet campaign and who's losing.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

BRADLEY: Now you cannot be a self-respecting politician
without your
own Web site. By the way, mine is billbradley.com.

(END VIDEO CLIP)

SHAW: Bill Bradley, like many of the presidential
hopefuls, understands the
importance of the Internet as a campaign tool. Candidate
Web sites share
the same basic goals: reaching voters, attracting
volunteers, and, of course,
fund-raising. But which candidates are using this
high-tech tool most
effectively?

CNN's Rick Lockridge checks the reviews.

(BEGIN VIDEOTAPE)

(BEGIN VIDEO CLIP, BUSH AD) GOV. GEORGE W. BUSH (R-TX),
PRESIDENTIAL CANDIDATE: The wealth of America has never
been
proven by cities of gold but by citizens of character.

(END VIDEO CLIP)

RICK LOCKRIDGE, CNN CORRESPONDENT (voice-over): Are you
just not able to get out to all the stump speeches you'd
like to hear?

GORÉ: And we need to make it possible for families to
save for college and
job training, tax free and inflation free.

LOCKRIDGE: Well, candidate Web sites are eager to reach
out to you and
into your wallet, because campaign managers now believe
that a savvy Web
strategy can mean as much as a three to five percent
advantage come
election season.

But whose site is getting glowing reviews?

ADAM LEYLAND, "PRWEEK" MAGAZINE: He was clearly the winner.

LOCKRIDGE: And whose site has the critics saying this?

LEYLAND: This is about as dull as it gets.

LOCKRIDGE: "PRWeek"'s Adam Leyland and a panel of political marketing consultants rated six presidential Web sites, Bush, Gore, Buchanan, Bradley, McCain, Forbes, grading the sites on ease of use, design, content and several other criteria.

LEYLAND: Unquestionably, the most successful site here that we saw was Bill Bradley's. He had a great downloadable online campaign.

(BEGIN VIDEO CLIP, BRADLEY AD)

UNIDENTIFIED FEMALE: That's the type of man I want in the White House.

(END VIDEO CLIP)

LOCKRIDGE: The panel said Bradley's site did the best job of delivering the candidate's message and also said it was the easiest to use.

The hardest to use site: Forbes.

LEYLAND: It was incredibly complicated. There were 64 different buttons you could click on the homepage alone.

LOCKRIDGE: Forbes scored high on design and content, though, and finished fourth overall.

LEYLAND: Al Gore could do better, needs to fulfill some of his promises.

LOCKRIDGE: The panel gave the Gore site high marks for design and effectiveness, but said the site's interactive features didn't work as well as they should've.

LEYLAND: George W. Bush, start caring what other people think.

LOCKRIDGE: Bush league declared the panel of the Texas governor's Web site. They gave it low marks for content and effectiveness, and said it appeared to them that Bush's people hadn't put much effort into it.

This is the site about which Leyland said:

LEYLAND: Dull as it gets.

LOCKRIDGE: But the panel saved its worst scores for Pat Buchanan's Web site, rating it lowest in design, content and effectiveness, and criticizing it for its heavy-handed fund-raising approach.

LEYLAND: Pat Buchanan, stop being so crotchety at the back of the class.

LOCKRIDGE (on camera): The final rankings: Bradley first, then Gore, McCain, Forbes and Bush with Bradley last. The consultants have spoken. And some Web-staff shakeups might already be under way as a result. But voters, having no consultants to tell them what to think, will still have the chance to make up their own minds.

Rick Lockridge, CNN, Atlanta.

(END VIDEOTAPE)

WOODRUFF: In Arizona, some voters will do more than surf the campaign Web sites. The state Democratic Party plans to allow online voting in its March 11th presidential primary. Voters may choose to cast their ballots on computers at traditional polling places or vote online from home after completing a special registration process. Arizona's Internet voting venture would be a first for a presidential primary, although California and Washington are considering similar procedures.

SHAW: And there's still much more ahead on INSIDE POLITICS.

WOODRUFF: Up next, a check of the top news stories.

Also ahead:

(BEGIN VIDEO CLIP)

LEE EDWARDS, AUTHOR, "THE CONSERVATIVE REVOLUTION":

If you look back to where conservatism was 50 years ago,
when it didn't
exist, and where it is today, we can see that it's made
enormous strides. It
really pervades much of the political landscape today.

(END VIDEO CLIP)

Author Lee Edwards on the accomplishments of the
conservative movement
and its uncertain future? And later:

(BEGIN VIDEO CLIP)

BRUCE MORTON, CNN CORRESPONDENT (voice-over): The
pandas came to Washington more than a quarter of a
century ago in 1972, a
gift from the people of the China.

(END VIDEO CLIP)

WOODRUFF: Bruce Morton remembers a symbol of America's
ties to
China.

(COMMERCIAL BREAK)

SHAW: We will have more of this day's political news
coming up, but now a
look at some other top stories.

The mood is hopeful in Northern Ireland where
Protestants and Catholics
once bitter enemies have formed a new power-sharing
government. The
12-member cabinet includes Ulster Unionist leader David
Trimble in the top
post of first minister and reputed former IRA guerrilla
leader Martin
McGuinness as education minister. Today's election is
the cornerstone of the
Good Friday peace accord reached last year.

(BEGIN VIDEO CLIP)

GERRY ADAMS, SINN FEIN PRESIDENT: The difference between
what was happening here in July and today is that there
is now an
opportunity to see the full implementation of the Good

Friday agreement,
and it's now time for all of us to move forward in the
spirit of partnership and
of inclusivity and of camaraderie, and this motion
offers us the opportunity
to do that.

(END VIDEO CLIP)

SHAW: The cabinet will receive its powers Thursday from
the British
government.

WOODRUFF: Russian troops continue attacks on the Chechen
capital of
Grozny. Thousands of refugees are fleeing the city as
warplanes and
helicopters pound residential areas. A NATO military
official calls the
assaults on population centers "ominous." Skirmishes
have also broken out in
the outskirts of Grozny as Chechen fighters try to stop
the Russians from
cutting off supply lines and from encircling the
capital.

Meanwhile, Russian president Boris Yeltsin is back in
the hospital. He's
being treated for what doctors suspect is pneumonia. Mr.
Yeltsin was
meeting at home earlier today with his chief of staff
and was later admitted to
a hospital after a routine medical check. He had been
resting at home since
being diagnosed with bronchitis last Thursday. Yeltsin
has been hospitalized
several times in the past three years with a string of
health problems. SHAW:

A Cuban boy rescued last week in the waters off Florida
has a legal right to
stay in the United States, that is according to a lawyer
representing him. The
5-year-old is one of three survivors of a boat that sank
after leaving Cuba
for the U.S. He is currently staying with relatives in
Miami who want to keep
him. His father wants him back with him in Cuba.
Government officials say
the courts may have to decide the case.

WOODRUFF: Jacob Oakenberg (ph) hopes youth will rule in
Portland,
Oregon. The 19-year-old college sophomore is running for
mayor. He's a

cross-country athlete and has a detailed 10-point platform. He will challenge the current mayor, Vera Katz, who is expected to run for a third term.

And when INSIDE POLITICS returns, trade as an issue in the presidential race -- is there more common ground than clashes among the candidates?

(COMMERCIAL BREAK)

WOODRUFF: Now, we return to our lead story: The global trade talks drawing protesters to Seattle are also drawing attention to trade as a presidential campaign issue.

CNN's Brooks Jackson looks at the candidates' stands and how much they differ.

(BEGIN VIDEOTAPE)

JACKSON (voice-over): Trade -- we buy theirs, they buy ours. It's fuel for the booming U.S. economy and for presidential political debate as well. On the Democratic side, the debate was pretty much settled when Dick Gephardt, who opposed the North American Free Trade Agreement, decided not to run, leaving only free traders.

(BEGIN VIDEO CLIP, "LARRY KING LIVE," NOVEMBER 9, 1993)

ALBERT GORE (D), PRESIDENTIAL CANDIDATE: This is a picture of Mr. Smoot (ph) and Mr. Hawley (ph).

(END VIDEO CLIP)

JACKSON: Remember how Al Gore dismantled another NAFTA opponent in 1993?

(BEGIN VIDEO CLIP, "LARRY KING LIVE," NOVEMBER 9, 1993)

GORE: Now, I have framed this so you can put it on your wall if you want to.

ROSS PEROT (REF.), PRESIDENTIAL CANDIDATE: Thank you.

(END VIDEO CLIP).

JACKSON: Now Gore's emphasis has changed, at least when talking to labor unions. GORE: Trade should lift up living standards around the world, not drag them down in the United States. And as president I'll work to lift up labor standards around the world.

JACKSON: But he's still the same Al Gore for fast-track negotiating theory, for China's entry into the World Trade Organization, even if he is staying thousands of miles away from the WTO meeting in Seattle this week. And the same for Bill Bradley. Here he is at the signing of NAFTA. And he still favors free trade. But on his web site he also sympathizes with Seattle protesters, calling for measures including a ban on buying goods made with child labor.

On the Republican side, the leading candidates also are strong free traders:

BUSH: China will find in America a confident and willing trade partner.

JACKSON: Front-runner Bush makes a moral case for free trade, saying it exports American values along with goods.

BUSH: Trade freely with China, and time is on our side.

JACKSON: And John McCain says pretty much the same thing.

SEN. JOHN MCCAIN (R-AZ), PRESIDENTIAL CANDIDATE: I don't believe in walls. I believe in freedom. If I were president I would negotiate a free trade agreement with almost any country willing to negotiate fairly with us.

JACKSON: To find opposition to trade agreements you have to scroll down to candidates struggling in the polls.

GARY BAUER (R), PRESIDENTIAL CANDIDATE: My party needs to listen to Main Street, not to Wall Street on this issue.

JACKSON: Bauer opposes China's entry into the WTO, saying U.S. policy

must be linked to human rights. So does Steve Forbes.

STEVE FORBES (R), PRESIDENTIAL CANDIDATE: No more turning a blind eye to Chinese spies in our nuclear labs, no more keeping silent about Chinese slave labor camps.

JACKSON: He's supported other free-trade agreements, but not with China. And for Pat Buchanan who left the Republican Party entirely, opposition to free trade generally is a moral crusade.

PAT BUCHANAN (REF.), PRESIDENTIAL CANDIDATE: Global economy must call into existence a global government, and globalism is at war with patriotism.

JACKSON (on camera): So, unless there's a huge upset, the next president of the U.S. will be a strong free trader, just like the incumbent.

Brooks Jackson, CNN, Washington.

(END VIDEOTAPE)

SHAW: For more on the trade issue and its influence on campaign 2000, we bring in our CNN senior political analyst Bill Schneider. Bill, is trade shaping up as a big issue in this presidential campaign?

WILLIAM SCHNEIDER, CNN SENIOR POLITICAL ANALYST: You know, surprisingly it really isn't. Trade ranks very low among voters' concerns. Now, trade usually becomes an issue when the economy is bad, particularly if unemployment is high. The economy is good and unemployment is the lowest it's been in 30 years. Polls show a gradual increase since the 1970s in the number of people who say that trade helps rather than hurts the nation's economy.

SHAW: Well, between the two parties, how is the issue shaping up?

SCHNEIDER: Well, it really doesn't shape up as a partisan issue at all. It used to be back in the days of the tariff issue -- you remember -- you probably don't, it was before your time. But today, the

establishments of

both political parties strongly support free trade, and that includes, as we just

saw, all four of the major candidates, George W. Bush and John McCain on

the Republican side, Al Gore and Bill Bradley for the Democrats. The

opposition to trade comes from the anti-establishment forces in both political

parties, the left in the Democratic Party, the right in the Republican Party.

SHAW: So how is this issue likely to affect the Republicans this year?

SCHNEIDER: Well, criticism on the right is really driven by two issues:

China and national sovereignty. The conservative critics, like Gary Bauer

and Steve Forbes, oppose trade deals with China because of that country's

human rights abuses and the persecution of religion. Moreover, since the

World Trade Organization was set up about five years ago there's been

concern on the right about an international organization like the WTO that

can counteract U.S. laws and decisions.

World government, black helicopters: But so far, Bauer and Forbes have

not been doing very well in the polls. Now, that suggests that trade is not a

big enough issue to get Republicans to overthrow their party establishment.

In fact, some Christian conservatives, like the Christian Coalition's leader,

Randy Tate, are supporting the free trade talks in Seattle because they

believe that lower trade barriers will mean lower barriers to evangelism and more religious freedom.

SHAW: Well, what about the Democratic side?

SCHNEIDER: Well, on that side, you've got, of course, organized labor, a

core Democratic constituency on the streets of Seattle protesting the trade

talks right alongside the consumer groups and the environmental groups. But

the anti-trade left in the Democratic Party doesn't have a candidate. The

AFL-CIO has already endorsed Al Gore.

The impact of this issue on the Democratic side is likely to be that some unions, like the Teamsters and the textile workers, are not going to show a lot of enthusiasm for Al Gore because of the trade issue, and they may not turn out for him in very large numbers.

SHAW: Thank you, Bill Schneider. And of course, we know that trade is a big issue for Reform Party candidate Pat Buchanan.

SCHNEIDER: It absolutely is. That's the issue that defines hip. And that's where he hopes to make some inroads. We'll see how he does. That'll tell us how big the trade issue is.

SHAW: Thank you, Bill Schneider.

And still ahead, George W. Bush and his place in the conservative revolution. Author Lee Edwards talks about the movement and its goals.

(COMMERCIAL BREAK)

SHAW: Another move by Hillary Rodham Clinton to show she is indeed a Senate candidate. Her spokesman says as of today her campaign organization is dropping the word "exploratory" from its name: this as Mrs. Clinton's likely rival, Rudy Giuliani, met with George W. Bush in Texas today. The New York mayor later sang the praises of the man he has endorsed to be president.

(BEGIN VIDEO CLIP)

MAYOR RUDY GIULIANI (R), NEW YORK: I think he's running an excellent campaign, and you know, being a front-runner -- being a front-runner isn't easy. Being the No. 2 person isn't easy. Being the No. 3 person isn't easy. I think he's handled -- I think he's handled his status about as well as anybody can do it. It's almost a textbook case on how -- on how to run a presidential campaign.

(END VIDEO CLIP)

SHAW: In addition to meeting with Bush, Giuliani began two days of fund raising for his undeclared Senate campaign.

WOODRUFF: In the Republican presidential race, three candidates are fighting all out for the conservative vote. Steve Forbes, Gary Bauer, Alan Keyes: Each claims to best represent the beliefs of the conservative movement. Well, recently, I sat down with Lee Edwards, a senior fellow at the Heritage Foundation and author of the book "The Conservative Revolution: The Movement That Remade America." And I asked him about the two key events that he believes started the revolution.

(BEGIN VIDEOTAPE)

EDWARDS: You're talking about the two great ideas. One was the Cold War and the fact that conservatives said that communism was evil and had to be defeated, not just contained. And the other was looking at the welfare state and the size of government: They said it was too big and had to be rolled back, not just managed more efficiently.

WOODRUFF: The conservative revolution, is this a revolution that has been fought and won?

EDWARDS: Well, I don't think in politics we have any permanent victories, Judy, or any permanent defeats. So I think it's a continuing process. But certainly, if you look back to where conservatism was 50 years ago when it didn't exist and where it is today, we can see that it's made enormous strides. It really pervades much of the political landscape today.

WOODRUFF: Who has made the most difference in the revolution?

EDWARDS: Oh, I think Ronald Reagan certainly has. I talk about four

"misters" in my book. Mr. Republican, Bob Taft, back in the 1950s; Mr.

Goldwater, Mr. Conservative, Barry Goldwater, in the 1960s; then Mr.

President, Ronald Reagan; and then finally, Mr. Speaker, Newt Gingrich, in the 1990s.

But certainly Ronald Reagan, because he did consolidate the ideas and the principles and the establishment and made it a winning majority coalition.

WOODRUFF: What are the challenges that still lie ahead?

EDWARDS: Well, they're enormous. Oh, they're enormous -- and not just

for conservatives, but for the country. So I think that probably conservatives

will focus on two areas. They'll look at the welfare state. They'll look at

government: things like maybe, oh, privatization of Social Security, trying to

bring about a more equitable and a more privately oriented health care

system. They'll look, I think, at our national security and talk about the need

for a national missile defense and the need for a strong national defense right

across the board, not just with missiles.

WOODRUFF: There have been some articles written lately pointing to

public opinion polls in the last weeks and months that indicate that

Americans, when it comes to issues like health care, protecting Social

Security, gun control, these days Americans are looking for a moderately

active role for government. In other words, what -- what one would say is

away from the conservative line of thinking. How do you explain that when

you also talk about the victories of conservatism?

EDWARDS: Well, I think you have to ask yourself what are conservatives,

and I think conservatism is limited government, not no government, if I can

say something that's just slightly ungrammatical. So I think that what

conservatives will do is to work toward a reform, a readjustment and trying

to make the government more diversified, more devolved

between the state
and the federal level: not to do away with it.

WOODRUFF: How do you fit this most recent session of Congress into your thesis, where there were giant across-the-board tax cuts proposed that didn't make it? In the end, you had Republican leaders in Congress going along with many of the spending increases the president proposed, even exceeding his in some instances.

EDWARDS: Well, I think you have to say, again, that there are no permanent victories or defeats. It certainly was disappointing. But I think, again, if you look at the way the conservative ideas are being used by the 31 governors, Republican governors across the country, by the fact that the leading conservative candidate right now is George W. Bush and that he is proposing conservative ideas, I think you'll see the conservative ideas still pervade and dominate right across the board.

WOODRUFF: And my last question is about Governor Bush. Some look to him and say, well, he's a moderate. He's trying to paint himself as more of a moderate to make himself more acceptable to voters in the center. But at his core, you argue that he is a conservative.

EDWARDS: Yes, he's surrounded himself with conservatives. I think that he is a conservative. He's trying bring about not only a compassionate conservatism but a contemporary conservatism, which I think is going to be what is going to dominate the political debate in the next five or 10 years.

WOODRUFF: Lee Edwards, once again the book is "The Conservative Revolution: the Movement that Remade America." Thank you very much.

EDWARDS: Thank you for having me.

(END VIDEOTAPE)

WOODRUFF: And when we return, a panda and the decades of

politics he
represented.

(COMMERCIAL BREAK)

SHAW: Here in Washington, at the National Zoo, over the
weekend the
giant panda known as Hsing-Hsing was euthanized.
Twenty-seven years
after Hsing-Hsing and his mate Ling-Ling arrived in the
nation's capital, zoo
officials decided to put the surviving panda to sleep
because of illness. More
than a zoo attraction, Hsing-Hsing panda was a political
symbol, a reminder
of the United States' relationship with China.

A look back now at our Bruce Morton's thoughts on that
very subject
earlier this year.

(BEGIN VIDEOTAPE)

MORTON (voice-over): The pandas came to Washington more
than a
quarter of a century ago, in 1972, a gift from the
people of China. It was the
year President Richard Nixon visited China, ending
decades of Cold War
freeze, beginning a relationship which has never been
easy. Mao Zedong
ruled, crowds waved the little red book of his maxims,
and sang a song
called "The East Is Red."

Gerald Ford, Nixon's successor, visited in 1975, the
year before Mao died.

Ford's successor, Jimmy Carter, established formal
diplomatic recognition
and signed a trade agreement in 1979.

Ronald Reagan, staunch anti-communist, made the trip in
1984.

And with Mao dead, China was changing -- not granting
human rights, but
leaving Marxism to chase money. Deng Xiaoping said, "To
be rich is
glorious."

President George Bush visited in February 1989. And then
in June, 10 years
ago this week, the old men who led China sent the
People's Army to

Tiananmen Square to massacre the students demonstrating there. Many
were horrified, but Bush continued to deal with China.

(BEGIN VIDEO CLIP, NOVEMBER 12, 1991)

GEORGE BUSH, PRESIDENT OF THE UNITED STATES: China is vitally important. It is our policy to remain engaged.
We believe this is the
way to effect positive change in the world's most populous nation.

(END VIDEO CLIP)

MORTON: It is that -- a quarter of the planet's people.
Presidential
candidate Bill Clinton denounced Bush for giving in to China, but the
argument has continued with him in the White House.

Madeleine Albright and James Baker don't look alike, but they both make
the same point about dealing with China.

(BEGIN VIDEO CLIP, NOVEMBER 3, 1991)

JAMES BAKER, U.S. SECRETARY OF STATE: We have some real problems, and we can't expect to make headway with these
problems unless
we discuss them. Ignoring them will not make the
problems go away.

(END VIDEO CLIP)

MORTON: Clinton, of course, has had some brand-new problems.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES: Hi, Johnny. How are you?

MORTON: Chinese-American friends of Bill brought Chinese guests to the
White House, contributing money to his campaign, much of it, apparently,
illegal.

Chinese spies, a congressional report says, stole atomic secrets, and U.S.
satellite firms may have helped China build better missiles. And if that
weren't enough, U.S. bombs hit the Chinese embassy in Belgrade and
Chinese mobs hit the streets in Beijing to demand revenge.

times." An old Chinese curse goes, "May you live in interesting

Hsing-Hsing the panda has.

Bruce Morton, CNN, Washington.

(END VIDEOTAPE)

WOODRUFF: And a lot of children will miss him.

SHAW: Yes.

WOODRUFF: Well, that's all for this edition of INSIDE
POLITICS. We'll

see you again tomorrow, when our Jonathan Karl will be
on the road in

New Hampshire with Vice President Gore.

SHAW: And you can go online all the time at CNN's
allpolitics.com.

I'm Bernard Shaw.

WOODRUFF: And I'm Judy Woodruff.

"WORLDVIEW" is next.

END

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TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP@EOP [WHO])
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TO: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: gamble-bennett@dol.gov (gamble-bennett@dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Eli G. Attie (CN=Eli G. Attie/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Anthony R. Bernal (CN=Anthony R. Bernal/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

TO: Anna Richter (CN=Anna Richter/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Dorinda A. Salcido (CN=Dorinda A. Salcido/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Brian A. Reich (CN=Brian A. Reich/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

TO: Gilbert S. Gonzalez (CN=Gilbert S. Gonzalez/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maura M. Pally (CN=Maura M. Pally/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jennifer H. Smith (CN=Jennifer H. Smith/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rebecca J. Salay (CN=Rebecca J. Salay/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Kristina Wolfe (CN=Kristina Wolfe/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Nicole L. Davison (CN=Nicole L. Davison/OU=OPD/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

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

TO: Natalie S. Wozniak (CN=Natalie S. Wozniak/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: David Vandivier (CN=David Vandivier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Lindsey E. Huff (CN=Lindsey E. Huff/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Toby C. Graff (CN=Toby C. Graff/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Michael A. Hammer (CN=Michael A. Hammer/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Victoria L. Valentine (CN=Victoria L. Valentine/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Rebecca L. Walldorff (CN=Rebecca L. Walldorff/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Heather M. Riley (CN=Heather M. Riley/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jonathan M. Prince (CN=Jonathan M. Prince/OU=WHO/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

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

TO: Steven J. Naplan (CN=Steven J. Naplan/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

TO: Richard L. Siewert (CN=Richard L. Siewert/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Melissa J. Prober (CN=Melissa J. Prober/OU=WHO/O=EOP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Laura D. Schwartz (CN=Laura D. Schwartz/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Julia M. Payne (CN=Julia M. Payne/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Jennifer Ferguson (CN=Jennifer Ferguson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

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

TO: Douglas B. Sosnik (CN=Douglas B. Sosnik/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TEXT:
FOX SPECIAL REPORT WITH BRIT HUME
February 10, 2000

TONY SNOW, GUEST HOST: Welcome to Washington. I'm
Tony Snow, in for Brit Hume.

Republican presidential candidates George W. Bush
and John McCain are in South Carolina fighting for votes before the
state's February 19th primary. One weapon often used in such battles is
the ``push poll." That's when a pollster calls potential voters and says
nasty things, true or untrue, about one of the candidates, hoping to push
the voter to the other side. One McCain supporter says a Bush campaign
push-poller called her house, and she's not happy. FOX's David Shuster
describes the ensuing uproar.

(BEGIN VIDEOTAPE)

DAVID SHUSTER, FOX NEWS (voice-over): At the end of
Senator John McCain's speech on education, an angry Spartanburg resident
stood up to share her own family's lesson about politics. Donna Duren said
that on Wednesday her family was ``push polled" by the Bush organization
and that her 14-year-old son, who considers McCain a war hero, was the one
who received the call.

DONNA DUREN, MCCAIN SUPPORTER: He was so upset when
he came upstairs, and he said, ``Mom, someone told me that Senator McCain
is cheat and a liar and a fraud."

I'm so mad! I was so livid last night I couldn't
sleep.

SEN. JOHN MCCAIN (R-AZ), PRESIDENTIAL CANDIDATE: I
promise you I have never and will never have anything to do with that kind
of political tactic. If they want to win, fine. But we don't need to do
that to win an election.

SHUSTER: All week long McCain has been stewing over the push polling and what he calls Bush's negative attacks. But this episode seemed to leave the senator infuriated.

MCCAIN: I'm calling on my good friend, George Bush, to stop this now, to stop this now. He comes from a better family. He knows better than this. And he should stop it.

SHUSTER: Bush responded an hour later in Fort Lawn, South Carolina.

GOV. GEORGE W. BUSH (R-TX), PRESIDENTIAL CANDIDATE: I don't know who made this call, but I don't believe it was from my campaign. If it is from my campaign, they're not going to be on my campaign anymore.

SHUSTER: Bush went on to acknowledge, though, that his campaign is making what he referred to as "advocacy calls," where the callers have a text to go by.

BUSH: The script does talk about what Senator McCain has done, which is--which is infer that I'm like Bill Clinton. We do talk about that. But there is no authorization, and it's not going to happen in my campaign for to call him a liar. That's just not right.

SHUSTER: Still, Bush defended the practice of calling voters and suggested it would continue. Bush's staff later said McCain's anger amounted to an attack and that it was just an attempt to distract people from a lobbyist fund-raiser. McCain staffers said that was ridiculous.

(END VIDEOTAPE)

McCain's strategists pointed to the fact that all this erupted on a day when McCain delivered a major policy speech, the kind of speech he doesn't give very often. His staff, though, was happy to let the attention drift to the aggressive tactics of the Bush campaign, convinced that on this day those tactics backfired.

Tony?

SNOW: OK, David. Now, I hear at one point a state trooper pulled over one of the McCain campaign buses?

SHUSTER: Tony, that's right. Just outside Columbia, on a highway there, a state trooper was looking for--pulled over one of the buses. He was looking for the senator. He wanted an autograph, wanted a chance to meet him. It turns out that the senator wasn't even on the bus. This was one of the press buses that was headed to another location. So the driver of the bus handed the state trooper, Officer Chris O'Donnell (ph), a bumper sticker, and the trooper went on his way, regretting the fact that he didn't get a chance to meet Senator McCain. The trooper also told reporters, Tony, that he had tried to pull over the buses two days ago, but said he couldn't make the turn fast enough. But in any case, a disappointed trooper. He goes away with a bumper sticker.

Tony?

SNOW: OK, David. Thanks.

Now standing by in Columbia, South Carolina, our Carl Cameron, who's covering the Bush campaign.

Carl, first tell us more about their response to the charges of push-polling.

CARL CAMERON, FOX NEWS: Well, polling in general, and telemarketing in politics, is nothing new. All the candidates have been doing it. Iowa it happened. New Hampshire it happened. And here in South Carolina, the Bush campaign has been doing advocacy calls, testing

messages, where they suggest information to voters and see how that message plays.

But push-polling is something that really began in 1996 and is considered really kind of the lowest of the low telemarketing. One of the allegations about the Bush campaign that the McCain organization has been aggressively promoting is that in addition, Bush is trying to suppress the turn-out to keep independents and Democrats from going to the polls and voting for McCain. Bush adamantly denies that, too.

(BEGIN VIDEO CLIP)

BUSH: I will give you the scripts of what we're doing. I mean, it sounds like the man is spending a lot of time thinking out loud about how I'm running my campaign. I have--you know, Carl, there is no voter suppression calls.

(END VIDEO CLIP)

CAMERON: Now, the thinking goes that the reason Bush would want to suppress independent and Democratic voter turn-out is because it's so strongly in favor of McCain when compared to George Bush. Bush believes that he's the conservative and that Republicans will rally to him. He is worried that the independent and Democratic vote will help McCain.

Here's what he had to say on that score.

(BEGIN VIDEO CLIP)

BUSH: Do I worry about Democrats flooding into our primary to select somebody who's taking Democrat positions on key issues? Yes, I do.

(END VIDEO CLIP)

CAMERON: But Bush is also worried that his reform--his record of reform is not being focused on enough, and today again tried to undercut McCain's emphasis on reform, saying that John McCain once said he would be against what's called "rolling over" campaign funds from one's Senate or congressional coffers to a presidential campaign or any other campaign. That, he says, is exactly what John McCain is doing this time, another reference, Bush says, to McCain saying one thing and doing another.

Tony?

SNOW: Carl, David Shuster had a very nice stand-up location. Where'd they stick you, in a railroad yard?

CAMERON: No, actually, we're in a Wal-Mart parking lot. This is a great campaign story. Governor Bush wanted to do an impromptu stop here at the Wal-Mart and do some shopping, but he didn't know that Wal-Mart has a rule prohibiting political activities in the parking lot. So at the last minute, they canceled it.

The problem is all the local radio stations, even some local reporters, have been turning up here and promoting the fact that the governor was coming. So in the hour or so that we've been getting ready for this live shot, about 150 people have shown up. Bush is a mile down the road, and there's an awful lot of people who've been disappointed, not to say angry at what some consider to be a bit of a faux pas because Bush ain't where he said he would be.

SNOW: OK, Carl. Thanks so much. Go find a bargain.

Republican Steve Forbes has made it official. He's no longer running for president. In Washington Forbes refused to endorse another candidate, but said his issues are now in the political bloodstream.

(BEGIN VIDEO CLIP)

STEVE FORBES (R), FORMER PRESIDENTIAL CANDIDATE: Our message is a good one. It's the right one. And even though the messenger has been a bit mugged up and bruised, we must continue the fight. This is more important than a single individual. And so from the depths of our hearts, I want to thank you. And remember, we have cause to be optimistic. Others are beginning, however haltingly, to take up our themes.

(END VIDEO CLIP)

SNOW: Coming up next, we'll tell you how Michael Jordan is entering the presidential campaign. Stay tuned.

(COMMERCIAL BREAK)

SNOW: Michael Jordan is getting into presidential politics. His Airness has endorsed fellow NBA alumnus Bill Bradley for president in a campaign ad which will begin airing Friday. Meanwhile, Bradley spent another day campaigning for gun control in a Los Angeles neighborhood that has seen its share of gun violence. Correspondent Wendell Goler reports.

(BEGIN VIDEOTAPE)

WENDELL GOLER, FOX NEWS (voice-over): With sobering testimonials from the parents of gun victims...

MARGARET INSLEY, SHOOTING VICTIM'S MOTHER: ... that this does not have to be the legacy.

GOLER: ... Bill Bradley continues his appeal to core Democratic constituents, including African-Americans and Hispanics, most of whom, he admits, don't know him but who he needs to win the party's nomination.

BILL BRADLEY (D), PRESIDENTIAL CANDIDATE: It's sometimes important to have real life break through in a political campaign because it clarifies the issues in a very fundamental way.

GOLER: Bradley spoke at a middle school in eastern Los Angeles, where the students sold candy to raise money for a gun buy-back program because so many were acquainted with gun violence.

UNIDENTIFIED STUDENT: Stand up if you know someone who has been injured or killed by gun violence.

GOLER: Meanwhile, campaign officials revealed that Michael Jordan, who also lost a family member to gun violence, has recorded a campaign ad for Bradley, though Jordan doesn't mention his father's death in it. It's the first political endorsement Jordan has ever made, and political analysts say it's worth millions.

ERIC HAUSER, BRADLEY 2000 SPOKESMAN: Michael Jordan is looked up to by tens of millions of people partly for his athletic ability but also because of how he conducted himself on the court and what he brought to the game and to young people's hopes.

GOLER: The Jordan ad will run in California and other states where Bradley trails the vice president by 30 points or more. In his personal campaigning, Bradley continues to try and cut into Gore's lead by spotlighting the vice president's more conservative past. Here in California, Bradley pointed out Gore has not always supported gun control.

BRADLEY: The head of the NRA said that his positions in Congress and during his first term in the Senate could qualify him for being the NRA's poster man.

(END VIDEOTAPE)

GOLER: One of Bradley's old votes may come back to haunt him here in California. A 1992 law he sponsored, an environmental

law that diverted water from farms to fisheries and wetlands. Some farmers have wanted a chance to punish Bradley for that. They may get their chance in the March 7th primary.

Tony?

SNOW: Well, Wendell, it sounds like the sort of idea that Al Gore could support. He was voting at the time. How'd he vote on it?

GOLER: Tony, Al Gore actually gets a bye on this. He was out campaigning at the time and didn't vote on the issue. He certainly would have supported it. It passed the Senate 83 to 8.

Tony?

SNOW: All right, Wendell. Thanks so much.

While Michael Jordan may be stumping for Bill Bradley, but Jordan's mother, Dolores (ph), has supported Vice President Gore since November. The vice president is also campaigning in California, and our Jim Angle joins us with news on negotiations between Gore and Bradley over upcoming debates.

Jim?

JIM ANGLE, FOX NEWS: Well, the negotiations have completely broken down, Tony. The two sides have apparently agreed to two debates, but what Bill Bradley had been proposing was one debate a week until the March 7th primaries. Now, you remember that Al Gore had earlier proposed two debates a week and pulling down all television ads. Now, the two had been negotiating for some time, and both sides were saying it was going along well. Not anymore.

They both have exchanged letters, which they have released. The Bill Bradley letter says the vice president is not seriously committed to working out a series of debates. Late today, the campaign said "It is clear the vice president would rather debate about debates than actually debate."

The Gore campaign has fired back with its own letter saying perhaps it's not just a coincidence that the Bradley campaign started running TV ads again, that ad that you're talking about with Michael Jordan--started running ads again just as it stopped negotiating about the debates.

So now the two sides are both blaming each other for the breakdown. They have agreed to two. There are several more that were under discussion that are no longer under discussion, both sides pointing the finger at the other.

SNOW: Getting a little dizzy with that, Jim. When are those two scheduled, the two debates?

ANGLE: There are two, one coming up that's with the "Los Angeles Times" and one in New York that is known as the Apollo Theater debate.

SNOW: OK.

ANGLE: So they've got those two. There were several more under consideration.

SNOW: Those are both in advance of the March 7th super-Tuesday primary.

ANGLE: That is correct.

SNOW: Now, you've heard Bill Bradley talking about Al Gore on gun control. I'm sure Gore has a response. What is it?

ANGLE: Well, they do. It's a little muddled, frankly. It is true, and they do not even make any bones about it that the

vice president used to be much more skeptical of gun control. Then he changed some time in the late '80s. He did have a number of votes that were--that did weaken gun control laws, but he now says that he's changed his mind, and he's very much in favor of gun control.

SNOW: All right, Jim. Thanks so much.

Speaking of fights: Rudy versus Hillary. We'll have more on that after these headlines.

(COMMERCIAL BREAK)

SNOW: Fund raising is a hot topic now in the New York Senate race. Hillary Rodham Clinton is calling on New York Mayor Rudy Giuliani to release all his fund-raising letters from the past two years. This comes after Giuliani sent conservatives a letter mentioning the first lady's, quote, "hostility toward America's religious traditions" because of her "opposition to government funding of faith-based organizations." Mrs. Clinton says it's wrong to use religion as a political weapon, and says Giuliani's campaign is based on insults not issues. Mayor Giuliani says the letter in question is four months old and that the Clinton campaign unearthed it, quote, "to create an issue."

Since his New Hampshire victory, donations have been rolling into the John McCain campaign. In fact, McCain is expected to raise a quarter million dollars in Washington Thursday night without having to attend the event. McCain's rival, George W. Bush's, fund-raisers, meanwhile, are asking why the governor isn't faring better and whether he's putting his \$67 million to efficient use.

I'm joined now by Jeff Birnbaum, Washington bureau chief for "Fortune" magazine and a FOX NEWS contributor, to discuss the latest presidential and other fund-raising activities.

Let's begin first with this--this little drama. I'm going to back away from--the push-polling controversy. We've seen a little bit about this. Push-polling--it's not unheard of. Correct?

JEFF BIRNBAUM, "FORTUNE" MAGAZINE: Not unheard of. And became an issue four years ago in a big way in New Hampshire. Bob Dole was accused of doing a good bit of that. And it's one of those things that's very, very difficult to prove. This year George W. Bush admits that his people are doing some kind of polling, advocacy polling. Whether some of those--his supporters have gotten a little carried away, that's another issue.

SNOW: OK, actually, we're going to talk more about that also in our panel tonight, just to let people--tease them a little bit. We're going to show you some of the text of those push-poll texts later on. Let me switch now to the McCain fund-raiser. There's a lot of buzz about it here in Washington. Why don't you describe it.

BIRNBAUM: Well, on Thursday night at the very fancy Willard Hotel in downtown Washington...

SNOW: The place where the term "lobbyist" was coined.

BIRNBAUM: One of those places where it was coined. The lobbyist--the lobby of the Willard Hotel was one of those places where lobbyists hung out. There John McCain was supposed to show up personally to raise a quarter million dollars or so just at that event. But instead, he's going to be satellited in, as they say, to--from South Carolina to the Willard and several other places around the country where he will be raising money.

The issue in the Washington fund-raiser is that at least two thirds of the steering committee or the group of fund-raising solicitors who are putting this campaign--this fund-raiser together are actually lobbyists, almost all of whom lobby the Senate Commerce Committee that John McCain chairs. And that's a problem for the McCain campaign, most people agree, because McCain has made attacking lobbyists and special interests the heart of his presidential message.

SNOW: Well, and he talks about ``breaking the iron triangle of lobbyists, money and legislation."

BIRNBAUM: That's right. He's sort of taking a hiatus from that just for a little bit tonight. He's hoping that it won't become a major issue, in part by not showing up to the event on Thursday night.

SNOW: Well, as people also point out, it's perfectly legal. It's not like George W. Bush doesn't do such events, even though he's not a chairman on Capitol Hill.

BIRNBAUM: In fact, if you look at the numbers George W. Bush has raised more money from registered professional lobbyists than John McCain has. It's just that McCain, because of his position as the chairman of this important money committee in Congress, has a higher percentage of his money raised from professional lobbyists.

SNOW: Now, is there any suggestion that there's ever been a quid pro quo here? You know, these people are giving money because they think if they give money, McCain'll be nicer to them?

BIRNBAUM: I think they all would say that one of the reasons they give money is that--so--so that McCain and his people would give them a hearing. As for giving them favors, they all deny that up and down. Access, though, is influence in Washington, and being able to get the ear of the chairman of the Commerce Committee is a tremendous advantage that not everybody can get. Giving money often helps with that access.

I should say, though, that the McCain argument appears to be taking the edge off of that, which is that all of these people know where McCain stands on campaign finance. He is a reformer in that subject. And they, too, are reformers. They must be for giving money to McCain. They're as sick of the system, being part of it, as are the outsiders looking in.

SNOW: So they're looking for this as the last contributions they'll ever have to make?

(LAUGHTER)

BIRNBAUM: That might be an argument they're making.

SNOW: By the way, you wrote a book about this topic once, didn't you?

BIRNBAUM: I--yes, I wrote a book called ``The Lobbyist," yeah.

SNOW: OK, now, one of the other things that's popped up--George W. Bush--"The New York Times" has a piece saying that Bush's fund-raisers are getting a little skittish. They think he's not used his money wisely. What's your take?

BIRNBAUM: That's right. ``The Washington Post" has that story on its front page on Thursday, and it's--I think it's true up to a point. Clearly, there are--well, first we need to point out that George W. Bush has raised more money than any presidential contender ever. And a lot of those solicitors of those contributions, the so-called ``Pioneers," the ones who raised \$100,000 or more in as much as \$1,000

increments, are very upset that their man lost in a landslide in the New Hampshire primary. And they're wondering whether the \$37 million that has been spent of the about \$70 million that has been collected has been well spent.

My guess is that if George W. Bush were to win the South Carolina primary, a lot of that talk will disappear. But there are serious questions about the Bush strategy, which is a national strategy. He has ads all over the country, not just in the upcoming races in South Carolina and Arizona, for example. And I think a lot of these financiers of the Bush campaign are worried that the strategy may be faulty. And a lot of hand-holding has been going on within the Bush campaign for these important fund-raisers.

SNOW: Do you think any of these fund-raisers would ever jump ship, if they thought things looked bad enough, and called the McCain camp and say, "I want to help you now"?

BIRNBAUM: Oh, yes. Absolutely.

(LAUGHTER)

BIRNBAUM: But for one thing--for one thing, for a lot of these people, the maximum contribution of \$1,000 is not like \$1,000 to most of us. It's just a small amount of money. So giving \$1,000 to both candidates is something surely they would be willing to do if McCain, like Bush so long ago, looked like a winner.

SNOW: One of the things people also don't understand is the high cost of raising money. Out of the 70 million bucks George Bush has raised--I'll just ask you to give a guess--how much do you think they have spent raising that money?

BIRNBAUM: Well, they've actually had to spend a lot less than is usual for these kinds of races because of the momentum--you can call it a financial juggernaut, in fact, at the beginning. Money was just pouring in, and they didn't have to do the kinds of things like expensive direct mail fund-raising or hire a lot of professionals to try to get that money in. So it is expensive, however. It's getting a lot cheaper, we should point out, because of the Internet. George W. Bush and John McCain, in particular, are raising a lot of money almost free, basically, off of the Internet...

(CROSSTALK)

BIRNBAUM: John McCain has been raising tremendous sums of money. In fact, the insurgents in this campaign are raising money on this new medium.

SNOW: OK, and he doesn't want to tax the Internet. That's one of the things that I'm sure they support, as well.

OK, Jeff Birnbaum, thanks so much.

Coming up, we'll have the latest on the battle in Congress over the marriage penalty. But first we're going to take a break for the news.

(COMMERCIAL BREAK)

SNOW: Republicans have won a major tax battle on Capitol Hill. The House has passed a measure to end the so-called "marriage penalty" by a vote of 268 to 158. As FOX's Julie Kirtz reports, the measure could save couples a bundle.

(BEGIN VIDEOTAPE)

REP. DENNIS HASTER (R-IL), HOUSE SPEAKER: On this bill, the yeas are 268, the nays are 158. The bill is passed without

objection.

JULIE KIRTZ, FOX NEWS (voice-over): The Republican bill to ease the so-called "marriage penalty" in the tax code passed the House with the help of 48 Democrats. The vote was timed to take advantage of Valentine's Day publicity and appeal to couples like Jim and Judy Crawford, who pay more taxes than if they were single.

JIM CRAWFORD, MARRIED TAXPAYER: I like to call it a fine for being married!

KIRTZ: The GOP plan would cut taxes for 50 million married couples by an average of \$471 a year. It raises the standard deduction for joint filers. It also helps married couples not hit by the penalty by taxing more of their joint income at a lower 15 percent rate.

REP. JAMES TRAFICANT (D), OHIO: It's become so perverse in America, even marital sex is overtaxed!

HASTERT: We take on our spouse and honor that spouse for richer or for poorer. You know, the federal government has made sure it's been for poorer.

KIRTZ: Giving married couples a break is popular with both parties this election year, but President Clinton and most Democrats support a smaller plan that helps lower and middle-income couples the most.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES: Let's do it now. We don't have to wait. Now is the time to help families to balance the demands of home and work.

KIRTZ: The president is threatening to veto the House GOP bill if it gets to his desk. Democrats call it a risky gift for the rich.

REP. CHARLES RANGEL (D), NEW YORK: They could have gone to Hallmark if they wanted to do something for Valentine's Day. But to use the tax code without hearings, without negotiations, without discussion--that's a bit much.

KIRTZ (on camera): The tax cut passed by the House faces an uncertain future in the Senate, but it is the first strike by Republicans against the tax code this year. Coming soon is a GOP measure to give seniors on Social Security who still work a tax break. That, too, could get some bipartisan support.

In Washington, Julie Kirtz, FOX NEWS.

(END VIDEOTAPE)

SNOW: President Clinton may be facing a new legal battle, a fight to keep his law license in Arkansas. A legal group is accusing him of ethical violations, but five members of the committee with the final say on any action against the president have given money either to Democrats or the president himself. Senior correspondent Rita Cosby explains.

(BEGIN VIDEOTAPE)

RITA COSBY, FOX NEWS (voice-over): President Clinton could soon receive another dubious distinction, the first sitting U.S. president to be disbarred from practicing law in his home state. FOX NEWS has learned that the Arkansas supreme court committee on professional conduct, which licenses and disciplines all Arkansas lawyers, is serving the president with two formal legal ethics complaints, one based on allegations raised by Southeastern Legal Foundation, a conservative public interest law firm which wants the president disbarred immediately.

MATT GLAVIN, SOUTHEASTERN LEGAL FOUNDATION: And it's

important that the committee does this not so much to punish the president but to protect the 270 million other people in this nation who have an interest in a judicial system that is free from attorneys who lie under oath.

COSBY: The other ethics complaint stems from the contempt citation issued by U.S. district court Judge Susan Webber Wright against President Clinton last April in which she found the president gave intentionally false testimony during his deposition in the Paula Jones case about his relationship with Monica Lewinsky.

UNIDENTIFIED ATTORNEY (January 17, 1998): At any time, were you and Monica Lewinsky together alone in the Oval Office?

CLINTON: I don't recall.

COSBY: Southeastern Legal Foundation says the president not only lied under oath but also engaged in misrepresentation, which is another standard for disbarment, when he wagged his finger at the nation and said this:

CLINTON (January 26, 1998): I did not have sexual relations with that woman, Ms. Lewinsky.

COSBY: In their complaint against the president, Southeastern Legal Foundation says, quote, "His conduct brings great discredit and great disgrace to the Arkansas legal profession. Mr. Clinton should therefore be permanently disbarred." Other sanctions the Arkansas committee could impose include a two-year suspension of his attorney's license or a letter of reprimand. The president's defenders say these latest complaints are based in part on politics.

ELEANOR CLIFT, FOX NEWS CONTRIBUTOR: I don't think it'll be over until, you know, the Clintons are in a nursing home somewhere.

(END VIDEOTAPE)

COSBY: Repeated calls to the president's personal attorney were not returned to FOX NEWS, and the White House said it has no comment. After the president physically receives these two complaints, well, then he has 30 days to respond. Then a rebuttal will be filed, and then the committee will vote on what the sanctions will be. We understand that it will probably be on a fast track. Sources are telling us that most likely it will be decided between two to six months, since even legal experts say that a lot of the facts in this case are not disputed. Even the president himself didn't fight any of the findings determined by Judge Susan Webber Wright.

Tony, back to you.

SNOW: Rita, any sense on how that committee might finally decide the president's fate?

COSBY: Well, some parties are telling me--and this is even coming from some White House aides--are privately saying that they believe--and they stress right now it's just a belief--that it could end up in a disbarment. Or at least, that's what the vote could be. But what we're hearing is that most likely the president would not let it get to that point, that if the committee does vote for that to happen, then he would give up his license and then technically not be disbarred. They say the last thing he wants right now is another legal fight that could hurt his image and also the image of his wife and also the vice president as they campaign.

SNOW: All right, Rita Cosby, thanks for the update.

As Rita said, there's been no direct comment from

the president on his troubles with the Arkansas bar, but Mr. Clinton did go to Capitol Hill to promote the Democratic agenda. He recognized young people in attendance, then recalled his own optimism in high school and how during his college years the violence and social turmoil of the '60s led to what he called "the politics of division." Those are a kind of politics he says he hopes will not exist in this election year.

(BEGIN VIDEO CLIP)

CLINTON: I'm not running for anything. I am not on the ballot. I am telling you this as an American. I have waited for 30 long years to see my country in a position to pull together and move forward together and build the future of our dreams for our children! We dare not blow that chance! Thank you, and God bless you.

(END VIDEO CLIP)

SNOW: Meanwhile, Minnesota Governor Jesse Ventura reportedly is leaving the Reform Party. "Newsweek" magazine says on its Web site that the former wrestler turned politician will make the announcement Friday at a news conference in St. Paul. It's not clear whether Ventura would then join the state's Independence (ph) Party. He doesn't seem likely to team up with Republicans or the Democratic Farmer Labor Party.

Next up, we're going to tell you how Russia is forming some friendships that could hurt the U.S. Stay with us.

(COMMERCIAL BREAK)

SNOW: The cold war may be over, but the battle for global influence rages on. Russian political leaders have been trying to form alliances with nations hostile to the United States, nations such as Iraq, North Korea and Vietnam. So far the State Department doesn't seem too concerned, at least about North Korea. Spokesman Jamie Rubin says he'd welcome a friendship treaty with North Carolina (ph) and any country. FOX's Amy Kellogg has more.

(BEGIN VIDEOTAPE)

AMY KELLOGG, FOX NEWS (voice-over): Russian foreign minister Igor Ivanov on a friendship trip this week to North Korea, a country that doesn't have many friends and that the U.S. considers a state sponsor of terrorism. It's the first official visit there from Moscow in 10 years. Later in the month, he's off to Vietnam.

Former Russian president Boris Yeltsin's last trip before stepping down from office was to China, a country whose growing appetite for Russian weapons has some in the West worried. Then there's Iraq, where Russian deputy Duma speaker Vladimir Zhirinovsky recently cut a deal with Saddam Hussein to keep military ships in Iraq's waters. He says it's time Russia looked south and east for allies.

VLADIMIR ZHIRINOVSKY, DEPUTY DUMA SPEAKER (through translator): Western orientation hasn't done us a bit of good, and never will do any good.

KELLOGG: Zhirinovsky's deal with Saddam still needs the unlikely approval of the Russian government, but still some political analysts say there's a pattern here to watch.

EVGENI VOLK, HERITAGE FOUNDATION: It's a great concern for the Western world that Russia is seeking for its new allies among the rogue regimes. In fact, Russia is isolated now in the civilized world because of its war in Chechnya, because of its great corruption inside the country, which influences the Western financial institutes.

KELLOGG: But analyst Boris Makarenko says Russia

actually has the power to be a stabilizer in the East and help bring North Korea and Vietnam into the larger international community.

BORIS MAKARENKO, CENTER FOR POLITICAL TECHNOLOGY:

Russia may do in these two countries something which the West and the United States cannot do. There's a history of good relationship. There's a history of Soviet and Russian investment.

KELLOGG (on camera): Other analysts dismiss all of this high-profile bonding as Russia's way of telling the world, and NATO countries in particular, that thought it's no longer an empire, it still has allies and influence.

In Moscow, Amy Kellogg, FOX NEWS.

(END VIDEOTAPE)

SNOW: Our panel of pundits is up next. Stay tuned.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

BARBARA BUSH, FORMER FIRST LADY OF THE UNITED

STATES: George sent me off to that speech swearing that he knew a veterinarian who had merged with a taxidermist, and their new motto was "Either way, you get your dog back."

ALBERT GORE, VICE PRESIDENT OF THE UNITED STATES: I think of the old story about the veterinarian and the taxidermist who went into business together, and they put a sign out in front of their mutual establishment that said, "Either way, you get your dog back."

(END VIDEO CLIP)

SNOW: The vice president clearly does believe in recycling, although after it's been recycled once, it ain't just quite the same.

It's panel time now--Fred Barnes, executive editor of "The Weekly Standard," Mort Kondracke, executive editor of "Roll Call," and Juan Williams of National Public Radio. All three are FOX NEWS contributors.

Well, let's begin with the push poll issue. It's very interesting, Fred. A woman gets up and says, "I've been push polled."

FRED BARNES, "THE WEEKLY STANDARD": Yeah.

SNOW: Is that a common term in South Carolina?

(LAUGHTER)

SNOW: Is that--people all talk about push polling.

BARNES: I don't think they talk about push polls anywhere except perhaps on this show and around Washington, D.C., or in the parlors of political consultants. No. It was very suspicious. The Bush people immediately responded by releasing text of what they call an "advocacy poll," which said some negative stuff about McCain, that he's using negative ads and saying...

SNOW: OK, let's--I'm going to stop you right here because we got some of that text...

BARNES: OK.

SNOW:--so let's pop a little bit of it up because the Bush campaign did, in fact, in order to defend itself, say "We're going to show you some of it," so here it is.

"Unfortunately, the race has turned ugly. John McCain has TV ads comparing Governor Bush to Bill Clinton. Don't be misled by McCain's negative campaign tactics."

That's part of the script. I don't know if we have any more of it. But typically what happens is people get on the phone and they...

(CROSSTALK)

BARNES: That is legitimate, what the Bush people say, doing that. Now, if somebody working for them went further, as this young man alleged to his mother and that made him weep--Jeez!--and he called John McCain a liar, that's different. That is out of bounds.

MORT KONDRACKE, ``ROLL CALL": Yeah, and...

BARNES: According to Bush.

KONDRACKE: And you know, there are two categories of things here, or three maybe. I mean, there are polls, there are advocacy calls and there are push polls. And a push poll is something that--that says ``Who are you for?" and then tries to change your mind and continues asking you questions along the way. But we don't know what happened here.

SNOW: So this looks like a nudge poll?

KONDRACKE: Well, and furthermore, we don't know that--there are a lot of independent groups operating on Bush's behalf. The National Right to Life Committee, you know, and others that detest McCain because of his position on campaign finance reform presumably have been--have been calling, you know, and bad-mouthing McCain. But who? Nobody knows.

JUAN WILLIAMS, NATIONAL PUBLIC RADIO: Well, you know, the thing about this is it has a ring, a ring that reminds me of Iowa and Forbes's complaint about the Bush campaign using at that time push polls that he claimed that were funded through another group, but aimed at Forbes. And Forbes complained bitterly and filed a complaint with the Federal Communications Commission about this. And it seems to me that, you know, I mean, maybe the mother said ``push poll," which is a pretty arcane and inside-the-Beltway term, but it could be that having complained to McCain's troops, they said, ``Oh, so that's a push poll," and she repeated the term.

SNOW: But they said that they had no idea who this woman was, that she just sprung up, and they were racing out to find her name. Well, we'll find out more about this. But Fred, there's all this talk of negative campaigning. We've seen again the McCain is making it the centerpiece of their attack on Bush, that this guy's being negative. Is that the kind of attack that's going to work?

BARNES: Well, I think for McCain, it means he's off message. I think he needs to be talking about the things that he likes to talk about, which are his career, his plan to put more of the surplus into Social Security, and so on, which helped kill Bush, as the Bush people found out, in New Hampshire--talk about those things rather than process. I mean, process--Mort loves process. Voters don't care about process.

KONDRACKE: Wait a minute. This--but he is turning this--this process into a character issue. I mean, this is--he is acting righteously indignant that his honor, well established and--you know, the Hanoi Hilton is now being assailed by who? By this--he's not saying this--this Air National Guardsman? You know, and now dare they--they play dirty like this? And I think it's all part of the same--the same thing. And I think the--what--what--about this--this fight could hurt McCain is rather the way he's been attacking Bush...

SNOW: How would it hurt...

KONDRACKE: ... alleging that Bush is--is...

SNOW: How would--how would it hurt him?

KONDRACKE: ... twisting the truth. Well, it looks like he's another political. I mean, he's accusing Bush of twisting the truth like Clinton. Now, that is, I think, beneath the John McCain heroic image that...

WILLIAMS: I--I can't agree with that one. I think, in fact, it reminds me of what's going on on the Democratic side, where we've wanted--at least, you know, I say "we," I mean, most of the "Beltway Boys" and me have been saying--Bill Bradley needs to punch back. You can't let people get away with--with positioning you and somehow identifying you for the voters. You got to identify yourself. You've got to distinguish yourself. And I think that's what McCain is doing. And I think, in fact, it appeals to a number of people who say "Tell me what's wrong here, John McCain." And John McCain's doing it.

KONDRACKE: Well, as long--as long as John McCain doesn't go too far. And my--my, you know, concern for him--I mean, not that I care which one of them wins, but--you know, is that he's gone--that he may have gone too far.

BARNES: You don't care? Really?

SNOW: Well, let me--let me ask...

KONDRACKE: I honestly don't.

SNOW:--a very unfair question to all three of you.

McCain gave a speech on education. Does anybody know what he said?

BARNES: I don't.

KONDRACKE: Actually, I do.

SNOW: OK, tell us.

KONDRACKE: Yes. What he--what he said...

SNOW: Fill us in.

KONDRACKE: What he said was is that what Bush wants to do is to spend money that's already spent--being spent on the public education system for vouchers. He, on the other hand, is going to--is going to close corporate loopholes and--and use that money for--for school vouchers. That's what he said.

BARNES: Well, there's a big problem with that, and that is that these loopholes won't be closed. They're not loopholes, anyway. They're tax breaks. And those aren't going to be changed...

SNOW: Well, wait a minute. What's the difference...

BARNES: ... and I think McCain has...

SNOW:--between a tax break and...

BARNES: ... to know that. That's why...

SNOW:--a loophole?

BARNES: That's why his voucher is--well, a loophole is something that is there perhaps inadvertently.

KONDRACKE: No. No!

BARNES: And these things get in there.

KONDRACKE: They were put in there by...

BARNES: No, look...

KONDRACKE: They were put in there by those greedy tax lobbyists.

(LAUGHTER)

BARNES: ... McCain is going to visit some of with some--some that he's raising money from tonight!

SNOW: Yeah, let's talk a little bit about that. I mean, this is--is this going to be something that the national press picks

up on, Juan, and says, "Hey, McCain did this fund-raiser after decrying lobbyists," or is this just a Washington story that will vanish?

WILLIAMS: Oh, it--but the press has already picked up on it, Tony. And I think people are trying to, you know, point out the hypocrisy involved in the act. But the larger point is the one you make. It will vanish. And I think it's not going to vanish because of inattention from the press, but because I don't think the American people would say "Oh, that's so different than what's going on with any other campaign."

(CROSSTALK)

BARNES: McCain, after all, has said he's different. He's the guy who's going to throw these money changers out of the temple, and it's going to be turned over to the American people. He said he's different. That's why--I don't think it's a question of honor that has been raised with McCain by the Bush people. It's a question of hypocrisy.

WILLIAMS: Well, but the point--the point I'm making is I think most voters out there would say "That's the way the game's being played right now." You would be asking McCain to unilaterally disarm in the current environment. McCain's saying "I'm not doing that."

BARNES: No. You'd ask him to be a little less self-righteous about...

(CROSSTALK)

WILLIAMS: I don't think that's what he's going to get hammered for.

KONDRACK: Yeah, but--but look, McCain does want to shake up the fundamental system as it is right now. And if you don't--if you don't think he does, just ask Mitch McConnell and Tom DeLay, who are the big money raisers for the Republican Party. They are furious with McCain. They can't stand him for that very reason.

BARNES: There's a difference between changing the campaign finance rules and actually expelling special interests from Washington. I mean, are you going to expel the AFL-CIO?

KONDRACK: Soft money--look, even you...

BARNES: Are you going to expel all these big companies and you're going to expel...

KONDRACK: Fred--Fred...

(CROSSTALK)

BARNES: Everybody has interests in Washington. They're going to be here, no matter what campaign finance rules exist.

KONDRACK: They are. You're right. Except that they are...

BARNES: I rest my case.

KONDRACK: ... not going to be--they are not going to be walking around with million-dollar checks for parties in the form of soft money if either...

BARNES: Yeah? So what?

KONDRACK: Actually, Bush would outlaw it, too. I don't know Bush isn't making more of the fact that he's got a campaign finance reform plan, too, and--you know, and...

SNOW: Well, could it be that--getting back to Juan's point--that when it comes to campaign finance, nobody cares?

KONDRACK: Well, look, McCain has managed to use it as a--as a paradigm for his being, you know, a clean guy, you know, a hero, a courageous...

SNOW: Yeah, but let's face it, he's got two things to say. "I was in Vietnam" or "I'm for campaign finance reform." Which is the more powerful statement?

WILLIAMS: They're both very powerful, and I think because they both suggest that he's an independent person, that he is a man of character who's outside of Washington.

BARNES: He doesn't need a metaphor for that, though! Tony, I think your point is he doesn't need a metaphor. He is a courageous guy. He was a wonderful war hero. He's a man of character. He doesn't need campaign finance reform to prove that.

SNOW: OK, well, we need a break. Fred, Mort, Juan, thanks so much.

That's all the time for the panel, but stay tuned for the reason Madeleine Albright doesn't consider her job peanuts.

(COMMERCIAL BREAK)

SNOW: Finally, it seems the State Department will take a position on just about anything. In honor of the final "Peanuts" comic strip this Sunday, Secretary of State Madeleine Albright divulged that her favorite character is Lucy. Albright says the reason is, quote, "because Lucy acts the way little girls do until they are told that it's not the way little girls are supposed to act."

In honor of the secretary and Lucy, we have this tribute.

(BEGIN VIDEO CLIP, "Peanuts")

"LUCY": Yes, I would say this is one of the finest examples of a failure face that you're liable to see for a long while.

What would you think, Schroeder, if some day you and I got married and we were so poor you had to sell the piano to buy me saucepans?

"SCHROEDER": Saucepans?

"LUCY": Well, girls have to think about those things. Boys are lucky. Boys never have to think about things like saucepans.

"SCHROEDER": I can't stand it! I just can't stand it!

"LUCY": Come on, Charlie Brown. It's a big honor for you.

(END VIDEO CLIP)

SNOW: Schroeder? I want to see what she has to say to Haider.

That's SPECIAL REPORT for this time. Please join us again next time, and in the meantime, stay tuned for news, fair and balanced, as always.

END

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TEXT:

Larry King Live

Aired March 1, 2000 - 10:30 p.m. ET

Democratic Presidential Candidates Hold Debate in L.A.

LARRY KING, HOST: Good evening.

I'm dressed in this garb not because I'm envious of
Tucker Carlson and the
bow-tie look. But right after this program, I'll be
fortunate enough to get the
Will Rogers Award tonight from the Beverly Hills
Chamber. That's a very
coveted honor, and I'm very proud of it. So that's why
we're dressed this
way.

And one program note, Friday night -- we just learned
this today -- Bob
Jones, the president of Bob Jones University, will be on
this program for the
full hour.

What did you make of tonight's debate Joe Klein?

JOE KLEIN, "NEW YORKER": Well, we've seen a lot of
amazing things in
this year and a lot of political firsts, and this was,
to me, another political
first. This was the first political debate between
candidates I've ever seen
after the campaign has ended.

KING: It was a post-debate.

KLEIN: I mean, this was, you know, this was not even a
debate. You

know, Bill Bradley, in effect, was saying, it's over,
I'm not going to attack,
I'm not going to go after Gore, I'm just going to, you
know, go through my
routine for one last time, and goodbye. I mean, what may
have seen is the
beginning of Bill Bradley's vice presidential campaign.

You know, the biggest question is, can you have a vice
president that tall?

KING: Katrina, what's your read?

KATRINA VANDEN HEUVEL, EDITOR, "THE NATION": Well, it was
certainly muted. It was tame. It was respectful. It was
very different than the
debate at the Apollo, but I think Bradley was unwilling
to on concede that it
was over, though his reply about mistakes and coming to
terms with failure
certainly showed that he doesn't think he has a lifeline
left on March 7.

But there are many purposes to this presidential
campaign, and you saw it
tonight. Vice President Gore should be indebted to
Senator Bradley. You
wouldn't have heard many of these themes in the debate
we heard tonight if
Bradley had not been as ambitious and bold in pushing a
vice president and
an administration has made a light motif of, sort of,
the small policy
miniatures over the last seven years. Whether Bradley
used the strategy of,
you know, you were the poster boy of the NRA, when he
says that to Gore,
whether that was wise, or was it better to say, where
was your
administration in the last seven years on health care,
and children and
poverty, et cetera? So tonight, I would say it was a
sign of how different the
Democratic Party is than the Republican Party that will
meet tomorrow
might, but it was also a sign of purpose of the
presidential campaign and
debates can play, and we saw that.

KING: Tucker Carlson.

TUCKER CARLSON, "WEEKLY STANDARD": Well, they finally
admitted they agree on everything, you know, after
months of trying to paint

one another as wackos, they come out and tell us the awful truth.

KING: Bill's right. Yes, Al's correct. That was a good point, Bill.

CARLSON: Exactly. That's right. And it was almost actually insulting the way that Gore was so nice to Bradley after hammering him relentlessly.

KING: You think it's like victor being nice to the spoil?

CARLSON: That's right. Well, actually, it's like the Mafia kids, which is one of the reasons that I think the McCain people ought to worry. I mean, you noticed that about five times during the debate, Gore said, well, you know, I think Senator McCain has an excellent point. You know, just think shivers up their spine.

KING: Do you think Gore would rather run against Bush?

CARLSON: Well, of course he would. I mean, sure. I mean, for a lot of reasons, but the basic one is that polls -- every poll shows that McCain is going to be a rougher challenge to Gore.

KING: Were you surprised that Bradley didn't attack tonight?

CARLSON: I was. I mean, he did at the end. He had that sort of implausible line about how Al Gore is some sort of segregationist, and it was also metaphor really for the whole Bradley campaign. He attacked at the end. His attack was hard to understand, and it was ineffective.

KING: Tony Blankley, what was your read on this 90-minute encounter?

TONY BLANKLEY, FMR. GINGRICH SPOKESMAN: Well, I agree with everybody else.

I also think that -- I found it interesting to note that Gore was going after Bush and not after McCain. I assume he has made the judgment that

McCain is not going to be the man he's going to oppose.
I thought that was
significant. He complemented McCain several times and
used McCain as a
contrast point for Bush. So I guess he judged him to be
the best candidate.

I thought it was interesting, that viewing both this
debate and the ones that
led up to this, we find, I think, that the Bradley
candidacy, which obviously,
is now in its terminal stages, has moved Gore to the
left, which will pay --
and Gore will pay a certain price in November, on the
issue, for instance, of
gun control, where Bradley has had the harder position.
That's going to pay
a price for him in Georgia, in Michigan, Indiana. There
are going states that
Gore should be well positioned to do well in, where he
may not be because
of the Bradley candidacy.

I thought it was the interesting, the Al Sharpton
comments, both of Bradley,
but more significantly of Gore, because Gore is
obviously going to be the
nominee, with the minor exception. said there were a few
things he said we
didn't like, he spent most of his answer complimenting
Sharpton, which I
found a rather shocking statement. I think that will
play against him in the fall
also. So I think the Bradley candidacy has positioned
Gore to the left.

KING: And has the McCain candidacy positioned Bush to
the right, Tony?

BLANKLEY: McCain candidacy to the right? Well, no. I...

KING: No, pushed Bush to the right, pushed him to the
right in South
Carolina.

BLANKLEY: Oh sure. Bush certainly has moved off where he
wanted to
be, because McCain -- but for a different reason.
Bradley went to the left
and Gore followed him. McCain went to the center and
Bush went further to
the right. So for opposite reasons, they did get
mispositioned.

KING: We're going take a break, come back. I'll talk with Al Gore, and then more comments from our panel. We'll be with you for a full hour on late because of the debate.

This is LARRY KING LIVE. We'll talk with the vice president right this.

(COMMERCIAL BREAK)

KING: We are now going to spend some moments with one of the participants in the just-seen 90-minute debate, the vice president of the United States, Al Gore. Are you as -- our panel here, Joe Klein and Katrina vanden Heuvel, and Tony Blankley and Tucker Carlson have all said that it looks this is all over, but they're the shouting.

Do you have that feeling that you are a confident winner already?

AL GORE, VICE PRESIDENT OF THE UNITED STATES: I'm not taking a single vote for granted, Larry. The fact is there are more delegates to be selected this coming Tuesday than ever in the history of presidential nomination campaigns, and I am not taking a single vote for granted, much less a single primary or caucus. And so no, I'm not letting myself feel that way at all. KING: What has surprised you the most in this race?

GORE: Well, you know, to give you a deeply personal answer, sometimes your strength can be your weakness. What surprised me was at the end of last summer, when I really had to completely re-evaluate the way I was campaigning and change what had been, I think, a strength as vice president, namely responding to every question and challenge by instantly thinking how I can move the ball down the field for the Clinton-Gore administration and just completely get rid of that approach and respond spontaneously and directly with my own feeling. And that may sound like an obvious thing, but I had to learn that freshly after seven years of doing the best job I could

possibly do as vice president, and I had to realize,
running for president is a
lot more important than being the best vice president
you can be to the Nth
degree.

And since I made that change, since I learned the need
for that change,
everything has been a lot more fun for me. It's been a
lot more enjoyable,
and I've made a direct connection with people all over
this country, and I've
been able to learn a lot more from them.

KING: So, you're saying then, running is not running.
Running for Congress
or the Senate or the vice presidency, ain't running for
president?

GORE: Well, that's right, running for president is a
unique challenge and
also, running for president as a vice president isn't
like waiting on the
sidelines and watching where the line of scrimmage has
moved to for when
you come into the game.

It's a whole new game, and I honor my responsibilities
as vice president, but
I am focused on running for president and speaking
directly from my heart to
the American people about how we can keep this
prosperity going, how we
can make sure nobody's left behind, how we can bring the
revolutionary
improvements that we really desperately need in our
public schools, how we
can get every child health care and then move to
universal health care. How
we can protect the environment and confront global
warming and create
millions of good new jobs in the process, and keep our
economy growing.

KING: In a sense, Mr. Vice President, are you glad that
Bill Bradley ran, in
that it gave the American people a chance to see you in
battle more?

GORE: Well, I think the competition has been good for me
and, perhaps
more importantly, good for our democracy. I think it's
been good for the
Democratic Party and, perhaps more importantly, well

certainly more
importantly, for our country.

But for me personally, the competition gave me a chance
to dig deeper, and
to come to the realization that I talked about a moment
ago, and to find
better ways to communicate directly to the American
people.

The competition has been good. I wouldn't have preferred
it. As I said the
other day, I've run both ways and I prefer unopposed,
but my preference
would have been to my detriment because the competition
has been good.

KING: You mentioned Senator McCain tonight, frequently
favorably. We
can conclude from that that you expect to run against
Vice President Bush?

GORE: No, no not at all.

KING: I mean, I -- I said Vice President Bush, Governor
Bush, I'm sorry.

GORE: No, not at all. I criticized both of their
positions on choice, on the
environment, on guns, on Social Security, Medicare, the
economy. I think
both of the Republican candidates have a set of
positions and a platform that
would really be harmful to our prosperity and to our
future. And I don't think
the American people want what they're proposing.

But I give credit where credit is due. I agree with him
on campaign finance
reform, as I've said. I agree with him on big tobacco
and taking on the
special interests. And I think it's obvious that the
Republican Party is in a
massive identity crisis. There is a struggle for the
soul of the Republican
Party playing out right now across our country. But both
of them have
positions on most of the issues that are important to
the American people
that are unacceptable to a majority.

KING: Couple of other things, there are times during
this campaign Senator
Bradley has been very rough on you, and you back. What

are your feelings
about him tonight?

GORE: Well, I respect Senator Bradley. Let me say again,
I'm not taking a
single vote for granted. I'm not talking about this race
in the past tense. This
is a contest that -- it's aimed toward this Tuesday.
Now, I do think that the
elections March 7, this coming Tuesday, will likely be
decisive for the
nomination, but the people are going to decide, and
that's what I'm focused
on. But I have respect for my opponent, I've said all
along I think he's a
good man. I disagree with a lot of his proposals and
plans, but I think he's a
good person.

KING: And if you are the nominee, do you want President
Clinton out on
the road for you?

GORE: Well, sure. You know, I've got to win this on my
own, and I am
presenting my own vision for the future, and talking
about my own agenda,
which is very different from the one that was needed
seven years ago when
Bill Clinton and I took over in the current
administration.

We've made progress in the Clinton/Gore administration.
We've got the
strongest economy in history now, we've got a lower
crime rate, we've made
a lot of progress, and that makes it possible now for us
to lift our sights and
go to higher common ground. And so, you know, in the
fall election
campaign, I welcome the help of anybody who can help me
and I'm sure
that President Clinton will be out on the trail. KING:
Thank you very much,
Mr. Vice President.

GORE: Thank you, Larry.

KING: We'll be seeing you out in the road:

GORE: My best to your young, growing family.

KING: And to yours as well. Your growing, grandparent
family.

GORE: I'm going to grandson tomorrow, and I'm very excited about it.

Thank you.

KING: Vice President Al Gore.

When we come back, Senator Bill Bradley and then back to our panel.

This is LARRY KING LIVE. Don't go away.

(BEGIN VIDEO CLIP)

BRADLEY: I think that, if you look at what the two Republican candidates have done, they have gone to South Carolina, and Governor Bush has gone to Bob Jones University, the university that practices racial discrimination, and he has gone there to give a speech on the new conservatism.

Based upon going there and sending that symbolic message, I believe that the new conservatism, from his standpoint, is not a lot different than the old conservatism.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

KING: We're now joined by former senator Bill Bradley of New Jersey, the other member of that sparkling 90-minute debate.

Senator Bradley, would you say you're up against it? Are you -- To put it in the parlance of Knick basketball, are we trailing in the fourth quarter and time is running out?

BRADLEY: Well, Larry, where we are is it's 41-27 with delegates, that's all we are. There's a greater difference that separates the two Republicans than separates the two Democrats. There have only been 250,000 people who have voted, so far, in this presidential race. On next Tuesday, they'll be 8 1/2 million people. It will be about a third of the delegates that will be selected, and that's the day when we have to take off.

And I think if the people of this country want to change the political process,
they want political reform, campaign finance reform, change the way
Washington works, I'm their person. And I know that there's been some
people who have been flirting with John McCain, but with me they can have
reform, plus the right position, pro-choice on abortion, on pro-gun control,
major investments in education and health care, as well as strong on the
environment.

KING: Bill, what do you need to happen next Tuesday, frankly and
logically? What states do you need to win?

BRADLEY: Well, I have to win several. The 7th through the 14th is one big
primary, but clearly, I have to win several.

KING: All right, now have you ear-marked certain of those several and will
you travel in those several, the next week?

BRADLEY: Well, yes, we'll be leaving here tonight, going to New York.

We'll be in New York a good part of the time. We'll be in Connecticut,
Massachusetts, and probably Maryland. And we'll be working very hard in
those states and feel that with the people understanding where I am and
where I want to take the country in terms of access to quality affordable
health care, and above all in terms of offering people that clear mountain
stream that will run through Washington and get rid of the special interests
and really seek to get real political reform, that that's our ticket.

KING: What will that tell you, though, Bill if the public rejects that?

BRADLEY: Well, ask me if that happens? I'm not sure that's going to
happen.

KING: Do you think the public does want it?

BRADLEY: Yes, I think the public desperately wants a new

kind of politics

in America. I think that they feel, as I said tonight,
that democracy is like a
broken thermostat, you turn the dial and nothing
happens. I think that people
become more and more disillusioned with the process.
That means fewer
and fewer people vote, and if fewer and fewer people
vote, special interests
have a bigger and bigger role, and if special interest
have a bigger and bigger
role, it means less is done to help real people where
they're living their lives.
When less is done to help real people where they are
living their lives, fewer
and fewer people vote. And you get into a downward
spiral.

And the only thing that is going to break this is a
change, a dramatic change
in the way business is done in Washington. I offer that,
and people know
that I'm the only candidate in this race who will be for
reform and also for
the things that they really want in terms of health
care, environment and
education.

KING: In retrospect, and to this point, retrospect to
this point, should you
have been tougher sooner? I mean, everyone is saying
that, the pundits say:
Bill Bradley had a message. He didn't hit hard enough to
this point.

BRADLEY: Well, people tell me that I was too tough in
the last debate. So,
I mean, it's all in the eyes of the beholder. I felt it
was important to correct
misrepresentations. I did that in January. We came to
New Hampshire, we
were 18 back. We closed it in a matter of six days to
only four. And I think
we've gone on from there. Of course, after New
Hampshire, basically I
disappeared from the media for three weeks, and we tried
to make our
case. We made major policy statements, and we'll
continue to do that
because I people really do want reform and we still have
a week. Our
television is up for the first time. Tonight's debates
set a tone for the kind of
presidency I would like to have and I think, therefore,

it's only 41- 27.

KING: I know you hate hypotheticals, but it is a fair question. If you are defeated for this nomination, and if the vice president asks to you run with him, would you? That has been speculated by one of our guests tonight Mr. Joe Klein, a prominent observer of the political scene. Would you accept, if asked?

BRADLEY: No, I'm not -- I'm running for president of the United States, and that is position that I want because I think I can offer the leadership that the country needs at this time. I would not do vice-president.

KING: And Bill, finally, are you saying we will see Bradley victories next Tuesday?

BRADLEY: I'm saying that we are ready to take off in a couple states. If things go right, you will see Bradley victories.

KING: Thanks very much, senator. See you down the road. Always good to talking with you.

BRADLEY: Thank you so much, Larry. Good talking with you.

KING: Senator Bill Bradley, former United States of New Jersey. Back with our panelmates right after this.

(COMMERCIAL BREAK)

KING: We are back on LARRY KING LIVE. We have heard from the two candidates. We have met the earlier members of our panel. Let's introduce everybody, Tucker Carlson of "Talk" magazine, "The Weekly Standard," CNN political analyst. Joe Klein of the "New Yorker," got a novel coming, going to be a book of the month feature selection next month called "The Runningmate." Katrina vanden Heuvel, the editor of "The Nation," is with us in New York.

Now back with us in Los Angeles is Jeff Greenfield. He participated in that debate tonight, CNN's senior analyst, and he is at the office of the "L.A. Times," And in Washington is Tony Blankley, the former press secretary to Newt Gingrich, contributing editor of "George," and also a regular on CNN as well.

OK, anything either of those two said, before we bring Jeff in, Tucker -- or start with Joe, surprise you?

KLEIN: Well that wasn't a ringing no to the vice presidency by Bill Bradley, number one. The other thing that struck me was that he was talking about fewer and fewer participating in the electoral process. Well, that's been kind of true up until now, and it's certainly been true in the Democratic primaries this year. In the Republican primaries this year, however, we have had a tidal wave of people who have voted. I mean, double the number of people in the last Michigan primary, same in South Carolina, and that is attributable to the excitement that John McCain is causing, that Bill Bradley has not caused.

KING: What were your impressions, Katrina, what was said post- debate?

VANDEN HEUVEL: Well, someone once said that McCain was like a warrior and Bradley was like a priest as a reformer, and Bradley spoke of reform plus. This whole issue of reform has factored very heavily in this campaign. Everyone is a reformer. George is a "reformer with results," McCain is a reformer.

But the real reformer in this race, I think, has been Bradley. I mean, McCain has landed some body blows on the establishment, but if you think about taking on some of the systemic problems in the society, Bradley is right when he says he is for reform plus. But he hasn't caught on, and that is partly because he is like a priest. And there is something aloof. He hasn't played

the game, and he hasn't, you know, talked about his favorite novel or his religious beliefs. And I think that's been a major factor, though the turnout issue that Joe pointed to is very important. Though the question is: Will that translate in the general election into higher turnout or will we see a reduction if McCain is not in the race, which is likely.

KING: Tucker, is the fault in the messenger?

CARLSON: I think partly. I mean, you heard this clear mountain stream water line as, you know, it sounds like a beer commercial. I mean, part of it is that he is not a great messenger, but part of it is that his message is wrong. Bradley is always talking about the new politics. He's going to usher in an era of the new politics.

The fact is, if we have learned anything from all of this, and the McCain-Bush race too, it is that the old politics, savage your opponent, go negative, works. It has always worked. It still works. The new politics, at least as Bradley has attempted to define it...

KING: Is a failure.

CARLSON: It is a failure.

KING: And Tony, what did you read out of the post-debate comments by both of them with us a moment ago.

BLANKLEY: Well, I mean, obviously, Gore very confident, very respectful, more respectful of Bradley tonight than I think his tone has been in the past. Bradley sounds like a man, despite his words, who has given up. I mean, it amazes me that during the debate and then following after the debate that on the question, for instance, of American soldiers on food stamps, that he never reminded the public that it was the Clinton-Gore administration, which is overseeing that condition. I mean, that was such a wide open opportunity, he chose to not take that, both during the debate and after the debate.

KING: We will take a break and come back and get the thoughts of Jeff

Greenfield, who was there on the scene, and continue with our panel. They are with us the rest of the way. We will include some of your phone calls as well.

We are on late tonight because of the debate, and we will be on one hour late tomorrow night at 10:00 Eastern. Wolf Blitzer will be around with that one. And don't forget, Friday night on LARRY KING LIVE, Bob Jones exclusive interview for the full hour, the president of Bob Jones University.

We will be back with our panel right after this.

(BEGIN VIDEO CLIP)

BRADLEY: In his congressional career, Al voted five times to support the tax-exempt status for schools that practice racial discrimination, such as Bob Jones. Republicans are down at Bob Jones University preaching the old conservatism. And I guarantee you, we should be attacking them for that.

But when we attack them, if you attack them for that, then they're going to come right back and point to those votes and it's going to be a very difficult case to make.

GORE: Well, I'm sorry you brought that up again because I disposed of that in the last debate by pointing out to you that Bob Jones University still doesn't have its tax exemption because it lost its tax exemption under the law that I supported.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

KING: We're back with you late tonight because of the debate.

Let's bring Jeff Greenfield into the discussion. He was there.

Is it over, Jeff?

JEFF GREENFIELD, CNN SENIOR ANALYST: Yes. I hate to do this.

No, I mean, I just hate so much to make these kinds of statements before people have a chance to vote. Senator Bradley make a perfectly fair point, that there are 8.5 million people who are going to vote on Tuesday, and I suppose something could happen in six days, some kind of buyers remorse, but I don't see any even illogical explanation, and I think you saw it tonight. Compared to the Apollo Theater debate, this looked like two completely different people, making, basically, general election themes, with the rare exception I think that you just showed, rarely engaging each other.

I think Senator Bradley has decided that whatever tactic there -- whatever hope there was in challenging either the character or the consistency of the vice president's record, it wasn't cutting.

So I'd just make two other quick points about the debate. On, the name Bill Clinton, as far as I can remember, never passed either of their lips, and second, both candidates were instructed in the Bill Clinton maneuver of stepping out from behind the podium and facing the audience. So I think maybe Al Gore is rehearsing for the first general election debate.

KING: Was Harlem much better from your standpoint as a viewer and a participant?

GREENFIELD: Look, I'm one of these people who, you know, when I see headlines saying it was a raucous, nasty debate wonder what planet the critics are coming from. The British House of Commons is a place where people hoot and holler, and high-minded debate is also encouraged.

My own feeling is that we have made politics so sterile, put it inside this glass tube called television, taken people out of the idea of getting passionate

about politics. That may be one of the reasons why the turnout is so low.

And as has been pointed out by Joe, you know, this Republican race, which is fractious, and sometimes unpleasant and bare knuckle, is producing

record high turnout. So yes, I like the Apollo Theater better, even if the Five

Satins weren't singing there that tonight.

KING: Joe, would you call tonight a disappointment? Did you have expectancy that wasn't reached? Or did you not have one?

KLEIN: Yes, It was mostly platitudes. I mean, I like substance. Substance is fun.

KING: There was substance tonight?

KLEIN: But they could -- you know, they're -- I would love to see a debate where two politicians actually debated each other on substance, and disagreed and illuminated issues. This didn't happen.

Let me dispute my friend Greenfield on one thing. I was keeping track, and

Gore mentioned Clinton no fewer than three times. They were shall working

together on "Internet 2," whatever that was. He praised Clinton for sending

the fleet through the Taiwan Strait, and mend it, don't end it, and then he --

in his closing statement, he was proud of his record of accomplishment. The

reason why I was watching this is because Gore has gone through vast

periods of this campaign, where he couldn't -- where the one world leader

he probably couldn't name was the president of the United States.

(LAUGHTER)

KING: Katrina, did you have an expectancy tonight that wasn't reached, or did you have not have an expectancy?

VANDEN HEUVEL: Well, I agree with Jeff Greenfield. One wants more

spirited debate in politics, but some of the functions of the breeding out of

spirit is that we don't have as much many issues on the

table or as wide a
spectrum of political views represented in our system. I
mean, for example,
on the trade question that came up very briefly, both
Bradley and Gore are
very much aligned with the free- trade position, and
there are many people in
the Democratic Party who are not, who see that one has
to have a kind of
globalization with more civilized rules for labor and
environment.

But I think the Jesse Ventura phenomenon, the fact that
wrestling, the fact
that has taken even on such appeal, is a sign that
people are searching for
something, and until more issues and more of the
spectrum of politics that
one sees perhaps in countries with multi-party systems
is brought forward,
then it will become more exciting.

I wanted to make one point about Gore's positioning,
which I think Joe
Klein will appreciate. I think Gore is well positioned
to now take on -- if it's
Bush, because Bush has aligned himself with the most
intolerant forces. But
the question that was asked about Sharpton, I believe it
was Jeff Greenfield,
is so interesting. When you look in the audience and you
saw Jesse Jackson,
who has just endorsed an Al Gore, and you think back to
'92 -- I believe it
was '92 -- and Bill Clinton defining himself as a new
Democrat by dissing,
by insulting Sister Souljah, the rap singer, as a sign
to a community to say,
I'm not going to be pandering, as he thought, to those
who are talking about
race in ways that many Americans need to understand, and
that's a very
important moment I think, and I don't know where that's
going to go in terms
of general election and how that will be used by the
Republicans.

KLEIN: Let me respond to that. One of the most
disappointing things to me
about this Democratic race throughout has been the utter
unwillingness of
both of these candidates to ever say anything that would
even vaguely
disappoint Democratic core constituencies. In the

Republican race...

KING: Maybe they don't agree with -- they agree with the core.

KLEIN: It's a remarkable -- oh, come on. I mean, you know, Al Gore used to be a new Democrat, and there he is praising Al Sharpton, who was behind an anti-Semitic boycott as recently as two years ago, a boycott that ended in a fire bombing and death. I mean, you know, supporting Al Sharpton after that? Both Republican candidates, McCain now famously, but also George Bush, on many social policy issues have been willing to go up against the core constituency of the Republican Party.

KING: Are we saying, Tucker, there is no -- like him or not like him -- Bill Clinton here?

CARLSON: Well, I don't know, You saw Gore sigh a lot, and he empathized rather aggressively and sort of walked around in ways...

KING: Are you kidding? Or are you...

CARLSON: No, no, no, I'm actually being serious.

KING: Gore is Clinton-like.

CARLSON: Well, he was making a good stab at it, and you know, as phony as that is, it is important actually. Voters, it turns out, like that, and I think Gore has gotten a lot better at it, and he can thank Bill Bradley. But if you were going to pick a candidate who would make Gore seem lifelike sort of emotive, it would be Bill Bradley, which is why I think it was a setup in the first place; it was conspiracy. I mean, clearly, the Gore people got Bradley to run to make Gore look better.

KING: Now back to the Rush Limbaugh...

CARLSON: Tony, do you think the candidacy of Bradley has helped Gore?

BLANKLEY: Well, it's helped him in his performance skills actually, although I must say -- and I disagree with Tucker a little bit -- I don't think that Gore is remotely in Clinton's class as a performer, and in fact, I think it's going to hurt him some, because if you saw the polls I think coming out of New Hampshire that even people who voted for Gore, many of them didn't like him, and typically Americans vote for the president they like the best, particularly when they're not any big issues.

Now we did like Nixon, but Humphrey had the Vietnam War around him. So I think that Gore's personality has improved. His technical skills have improved, though, just as far as the management of his campaign.

KING: Tony, who of these four is the most liked, do you think, just liked?

BLANKLEY: Oh, I suspect that probably Bush and then McCain, or maybe McCain and then Bush, and then Bradley and Gore would be last would be my hunch.

But I'll tell you something interesting, we were talking a few minutes ago about whether we wanted to have a more vigorous debate here tonight, because all of us like politics and would like to have seen a vigorous debate, but what we saw tonight it something you see both parties do, which is at a certain point, the parties start telling the losers to cool it, to back away, to stop destroying the guys. Now we saw that, and obviously, people have been calling Bradley over the last several day. We saw that in the Republican side, when Forbes started getting messages, don't go too negative on Bush, and that what we -- I mean, sort of reporting tonight, this was evidence that the Democratic Party has gotten to Bradley and told them, stop making -- stop mussing up Gore's hair.

KING: The plot thickens.

We'll be back with more, and we'll take some calls as well.

Don't go away.

(BEGIN VIDEO CLIP)

Gore: Both of the Republican candidates have pledged to overturn Roe v.

Wade, and Governor Bush went into a private meeting with Jerry Falwell

and Pat Robertson, and when they came out, both patted him on the back,

and said, well, we heard everything that we wanted to hear. Both Governor

Bush and Senator McCain are as anti-choice as you can get.

So I think it's awfully important that we have a president who will appoint

justices to the Supreme Court to interpret the Constitution, in keeping with America's tradition.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

KING: Jeff Greenfield, in our interview with Bill Bradley, he as much as admitted that he has to win several states next Tuesday. If he doesn't, is he gone?

GREENFIELD: Yes, you know, and it's not even several states. I mean, winning Vermont and Rhode Island and Maine is not going to do it because, you know, these are serious delegate Numbers. Yeah, he is.

And I think one of the reasons, you know, to paraphrase John Kennedy after the Bay of Pigs: Victory has a thousand fathers and defeat has a thousand kibitzers. Back seat drivers, for people, you know, in other parts of the country.

But I do think that if you come back to first principles in politics, and you note that sitting vice-presidents in the modern age who want their parties nomination almost always get it. And then you look at

the track record of the Clinton administration, in terms of the economy, in terms of what William Bennett once famously called the index of leading social indicators, there are plenty of issues on which to confront Al Gore, but the performance of the economy and the general contentedness of the electorate don't happen to be on the table, in my view. And those are two pretty powerful ones.

And so for Bill Bradley to come in and say to Democrats, who more approve of the president than even the country, and say: You need to move away from the vice president and here is why, and the reason turns out to be because I have big bold plans. I think that was a longshot to begin with. Deconstructing the errors of a campaign or how Al Gore reinvented himself will happen, but basically this was a long shot, I think, from the beginning.

KING: Why, Joe, hasn't he done better in New York, which would seem made for Bill Bradley?

KLEIN: Well, part of the reason is that he spent the last six days in Washington, competing in a race where no delegates were at stake.

KING: Michael Jordan would win Illinois if he entered tomorrow.

KLEIN: To continue to premature internment, let me go back to something that Katrina said at the very beginning, and that is that Bradley did do some very valuable thing in this campaign in terms of issues. The health care issue that he raised is a very big one in this country and he raised it in a way that wasn't left-wing top-down single payer or employer mandated, as Hillary Clinton did, but in a way that was originally introduced by the Heritage -- conservative Heritage Foundation.

KING: Correct, same thing.

KLEIN: Vouchers, in fact, you know, he was proposing a

huge tax cut for
the working class. Gun control, which is going to be a
huge, maybe even the
biggest, issue in the fall, he took it and he made it
his own very early on, and
also campaign finance reform.

KING: So you agree with you Tucker, it's the messenger.

KLEIN: Yes, well, but also there was no second act.
After he did that, and
he did that very, very early in this campaign, he didn't
have anything else to
say.

KING: We will pick right up with more on this edition of
LARRY KING

LIVE. If you joined us now expecting to see sports,
you're not because we
are running late because of the debate. Tomorrow night
the program will air
one hour later, the Republican debate tomorrow night is
one hour. And Wolf
Blitzer will be along with you.

And don't forget, on Friday night, Bob Jones, the
president of Bob Jones
University, in an exclusive interview for the full hour
with your calls. We will
be right back.

(BEGIN VIDEO CLIP)

GORE: I want to be tough on crime. I want to be tough on
discrimination
too. Our future depends on a much lower crime rate and
ending
discrimination, especially in law enforcement.

BRADLEY: The real tragedy was how deeply racial
profiling had seeped
into the mind of those who were in the police department
so that a wallet in
the hands of a white man would be viewed as a wallet,
but a wallet in the
hands of a black man would look like a gun.

(END VIDEO CLIP)

KING: Tucker, what are your expectations for tomorrow
night, if any?

CARLSON: I think that there's more pressure than there
has been on the

McCain campaign to do something dramatic.

KING: He will not be there. He will be remote.

CARLSON: That is right.

KING: Disadvantage.

CARLSON: And Bush may be remote too.

KING: Is that the way it works now.

CARLSON: Well, I think the sense is neither one of them wants to be sitting alone with Alan Keyes in the studio.

(CROSSTALK)

CARLSON: Also it adds a diminishing effect on the candidate.

KLEIN: They both might be in Missouri, which would be pretty weird. You know, I'm just looking at that end of table, where McCain was in South Carolina and he was pretty remote that night. He's going to have to do a lot better I think.

KING: He was not strong that night was he?

KLEIN: No.

KING: What are you looking forward to, Katrina, tomorrow night?

VANDEN HEUVEL: Well, I think will be far more raucous than tonight.

But I think we are going to see clearly the difference between the

Democratic and Republican parties. There has been a seduction of the

press. McCain has seduced the press and there are people, even in the

liberal community, who see in McCain, this reformer, this person who is

going to take on the system, and he is on campaign finance reform, though

not to the extent of public financing, and tobacco interests, taking on

establishment interests. But this man, maybe not today, but until recently, had

almost 100 percent ratings from the Christian Coalition. And even though he

has taken on Robertson and Falwell, let's not forget by
his side are Gary
Bauer and James Dobson, very powerful members of the
Christian right in
this country.

So I think there is a seduction that is going to be
stripped away.

KING: Tony.

BLANKLEY: I think...

KING: Bauer did criticize him today.

BLANKLEY: Well, he criticized part of what he did. I
think you are going
to see Bush very much on the attack tomorrow night, and
McCain very
much on the defense. I think McCain's misplay of the
anti-Catholic charge
against Bush has made him and his team very defensive.
And I think Bush is
going to try to go in for the kill tomorrow night. I
don't know whether he will
succeed, but I expect to see a lot of blood on the
floor.

KING: Jeff, what do you expect?

GREENFIELD: Well, I would wonder if either one of these
people is going
to, at some point, turn to Alan Keyes and ask politely,
but firmly, what is he
doing there.

KING: No one has yet.

GREENFIELD: No, and there are a lot of complicated and
not so
complicated reasons for that, but the fact is, you know,
he is very eloquent,
but at this point, he has lost his federal funding. I
frankly think there is every
reason at this point to say: Mr. Keyes, you shouldn't be
in this debate.
Maybe there will be one down the road.

But I think we come back again to the fundamental first
principles of any
campaign, and this is so simplistic that I'm almost
embarrassed, but I do
work in television. You can't get the Republican
nomination without getting

Republican votes. John McCain has been trying ever since Michigan to make this argument to Republicans. I think he has to hope that the attack he launched on Pat Robertson and company in Virginia was a bank shot to echo in the more moderate Republicans of New York and California. His message has to take the fact that he's now more electable, if the polls are right, and fuse it to ideas that Republicans like, because tactical voting, I think, doesn't happen enough in Republican primaries to help McCain. He's got to make an argument that will resonate with Republicans.

KING: Bob Jones is going to be here Friday night, so most of America will get a chance to see him the first time maybe. I mean, he's not a figure you'd know walking down the street, and he's become a major part of this campaign.

KLEIN: And I think it's attributable to a great change that's happened in this country over the last four or five years, and that this is, that this is the first time that anybody going to Bob Jones University would not have been acceptable, not to mention the interracial policy, or the anti-Catholic policy.

KING: Amazing change, right? CARLSON: Yes, but also, it's amazing given Bush.

KING: America used to look at interracial couples weirdly, and now...

CARLSON: Well, that's right. But also Bush, I think, made a series of explicit and implicit promises early in his campaign to be a different sort of Republican.

KING: To bring everybody together.

CARLSON: Right. And I think it's the betrayal of those that's most striking.

VANDEN HEUVEL: There's also a nostalgia about Reagan, I must say,

because today McCain talking about how he wants to, you know, bring back the Reagan part of the remember Republican Party. I think it's worth remembering that it was the Reagan administration that returned the tax-exempt status to Bob Jones University. So there's a bit of a whitewashing of the extremism of the Reagan era in this attempt on McCain part to be this broad umbrella of the Republican man.

KING: Spoken like a true editor of "The Nation."

(LAUGHTER) KLEIN: I think the thing that I'm going to most interested in tomorrow night is just how personal this is going to be. I think that at the point of the South Carolina debate, McCain was feeling very personally angry at Bush because of the phone calls that were going out in South Carolina. I think that's kind of reversed at this point, and that Bush is very, very personally angry at McCain for the campaign that he's been running, especially on this Catholic issue, and also for pinning him, for calling him a Pat Robertson Republican. I don't think that George W. Bush, in his wildest imagination, would have ever thought that he would be accused of that.

CARLSON: And he's so mad about it, in fact, that Bush refused to call and congratulate McCain or concede after Michigan, which is really unusual in politics and ungentlemanly.

KING: We'll back with more, our remaining moments with our panel on this late edition of LARRY KING LIVE, right after this.

(COMMERCIAL BREAK)

KING: Let's get a call in.

New York City, hello.

CALLER: Hello.

KING: Hi.

CALLER: Do the CNN reporters feel a sense of

professional responsibility
to the sanctity of the electoral process by refraining
from writing off Bill
Bradley as a potential candidate when only a fraction of
the returns are in?

KING: Well, they're just giving opinions. They're here
to give opinions. They
believe that Bradley will not do well.

But, Jeff, do you want to respond? Are we making an
error in discussing it in
that vein?

GREENFIELD: If this were November, if it were December,
if it were
January, if it was even after New Hampshire, I think the
caller might have a
point but you know, first of all, journalists have
predicted things that are so
wrong that I'm not sure we have an overriding impact.

What we are doing here is not walking in and pronouncing
things out of thin
air. We are doing the best job we can looking at the lay
of the land.

And, Larry, how many times have you asked me to predict
things where I
have said, I can't do it? Everything I think I know
about politics tells me that
the Bradley campaign will be over on Tuesday.

And by the way, I think as some of these reporters will
tell you, it's not only
coming from people outside the Bradley campaign.

And so we're giving you the best shot we can. If the
voters prove us wrong,
that's a great story.

KING: Tony, you have to have an opinion, do you not? I
mean, you were
just expressing it.

BLANKLEY: Yes, well, sure. Yes, look, we are contrasting
Bradley's
performance, the vigor and energy level at Apollo and
the other debates with
the energy level tonight. Now something has to explain
why it switched. I
think most of us think we know what it is, which is that
he's pretty much
given up making a fight out of it.

And of course we all have heard, I think through various of our grapevines, that Bradley has been hearing from fellow Democrats to cool it. So I think with a combination of reporting and judgment, I think it makes sense tonight.

KING: Katrina, do you think there's a chance, as Joe mentioned earlier, that Gore would ask Bradley to run with him?

VANDEN HEUVEL: I think it's unlikely. Never say never, but I think at this stage, it seems to me that there is enough bad blood between the two that it wouldn't be in Bradley's interest and it wouldn't be in Gore's. And I think he would want to find someone, depending on the who the Republican nominee is, who would be someone who could reach out.

But it seems to me one interesting thing about the independent vote and the strength of the independent vote and what we've seen in the primaries is the glimmers of a realignment of our politics, which may be something, you know, beyond what the caller asked, but something no one predicted, and it in a way it relates to what the caller was complaining about, that there is a blight in our political life called polling, and no one predicted that the independent vote would be such an important factor.

KING: That's right. Very true.

We only have a little over a minute left -- Joe.

KLEIN: Can I make the caller happy by saying I couldn't tell you, I don't I have the vaguest idea what's going happen on the Republican side next Tuesday in all of these primaries, and I don't have a clue about what's going happen next fall, but I think that...

KING: From the Democratic side, you have an experienced opinion.

KLEIN: Like Greenfield, I never make predictions, but I think that it would be very surprising if Bradley did well.

KING: Do you agree?

CARLSON: Yes, it would be a great story, though.

KING: I mean, if Bradley were to come back.

CARLSON: Can you imagine President Bradley? It would be fantastic. Bad news conferences, though. (LAUGHTER)

CARLSON: We would eat crow and celebrate at the same time.

KING: Coming out of nowhere won't be dull. Thank you all very much.

Tucker Carlson, Joe Klein, Katrina vanden Heuvel, Jeff Greenfield, Tony Blankley, and earlier, Vice President Al Gore and Senator Bill Bradley.

A couple of notes. Tomorrow night, the Republican debate It will be one hour. Judy Woodruff will be the host and the moderator, and it will air in our regular time slot, at 9:00 Eastern. So LARRY KING LIVE, with Wolf Blitzer, will follow at 10:00. And then on Friday night, back in our regular time slot at 9:00 Eastern, with Bob Jones, the president of Bob Jones University.

I'm Larry King in Los Angeles. Thanks to all our guests. Thanks for watching. Good night.

END

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Gilbert S. Gonzalez (CN=Gilbert S. Gonzalez/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-JUN-2000 08:41:14.00

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TEXT:
THE O'REILLY FACTOR
May 31, 2000

Head: Interview With Ann Coulter>

Sect: News; Domestic>

Byline: Bill O'Reilly>

Guest: Ann Coulter>

Spec: Politics; Government; Taxes>

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BE IN ITS FINAL
FORM AND MAY BE UPDATED.

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

Well, I'm getting a lot of mail about some of my
comments in last week's "TV Guide" article, specifically about
politicians using entertainment venues to win votes, and that's the
subject of this evening's Talking Points memo.

The press in America is undergoing profound change,
and most of it is not good. Politicians have realized they can avoid
answering pointed questions and instead buy TV ads and use entertainment
venues to sell themselves.

Thus, we have David Letterman, Jay Leno, Oprah
Winfrey, and Rosie O'Donnell, among others, increasingly booking big-name
policy-makers and then allowing them to say pretty much what they want to

say unchallenged. In addition, there are some interview programs on the news channels and the networks in which the host or hostess is generally gentle with the guests, again allowing them to put forth untruths and propaganda, if they want to.

This is dangerous. Politicians are not entertainers.

They are people who want power, people who make decisions that affect all of our lives. If Bill Clinton wants to play the saxophone on the Arsenio Hall program, I have no problem with that. But if Mr. Clinton wants to talk policy with Arsenio, then Mr. Hall and everybody else in his position has a responsibility to be versed on the issues.

Larry King said on this program that he does not research his guests because he wants to ask the questions that everyday Americans would ask. Well, the problem is not with the questions but the answers. If you don't research, you can't know what's true and what is not true. Thereby, the guests can use the forum to say the most misleading things imaginable.

The American people have the right to know the truth about politicians. They also have the right to expect that propaganda will be labeled as such. If an entertainer like Rosie O'Donnell has a political agenda, which she does, that agenda should be carefully explained to the audience during any interview about public policy.

The Janet Reno-Oprah Winfrey interview is perhaps the best example of a situation that is rapidly getting out of control. Ms. Winfrey is a smart woman. She understands social problems and certainly has a right to speak about them on her program, but when a newsmaker like Janet Reno comes on to explain that extremely controversial Elian Gonzalez raid, Oprah has a responsibility to challenge Ms. Reno, especially because Reno will not go on news programs to talk about her dubious conduct. Saying that Oprah is an entertainer just doesn't cut it. If she's going to book a Janet Reno, she must prepare to do a fair and responsible interview, not let Ms. Reno spout rehearsed lines.

Talking Points doesn't understand why everybody isn't as mad as all get-out about this. The press is the only vehicle in this country responsible for holding politicians accountable for the truth. That's why we have the press. Yet politicians can now circumvent us and get just as much exposure on the soft venues. Hillary Clinton is a true expert at this.

Fluff stuff is fine when the subject is Madonna or Tom Cruise. It is not fine when federal agents are kicking in doors or partial-birth abortion is being advocated. Democracy is a fragile concept. It is being eroded right now by ruthless politicians, ambitious media people, and an undemanding audience.

And that's the memo. Now for the top story tonight. Has President Clinton and other presidents used the IRS to punish their enemies?

Plenty of heads went up when Juanita Broaddrick announced her nursing home business was being audited by the IRS for the first time. Ms. Broaddrick has charged that President Clinton sexually assaulted her, as you may know. Paula Jones and Elizabeth Ward Gracen, two other women who said that the president came on to them, also say they were audited. It is illegal for the IRS to audit anyone for political reasons. So what's going on here?

With us now is conservative constitutional attorney Ann Coulter who has written about the IRS in her book ``High Crimes and

Misdemeanors."

Now I know you don't like President Clinton. We want to get that up right front. Been very critical of him and his administration. Are you convinced that the president himself is using the IRS as a weapon?

ANN COULTER, CONSTITUTIONAL ATTORNEY/AUTHOR, "HIGH CRIMES AND MISDEMEANORS": I think the evidence is overwhelming, as I describe in my book, that in the first term, the IRS was being used as a weapon. Otherwise, it is just a mathematically improbable series of coincidences with the number of audits--and I mention it in my book, because it is a difficult charge to prove, it's also a very serious charge--but the accumulation of detail, the number of people audited, the number of conservative groups audited I just don't think can be written away as a coincidence.

O'REILLY: Did you look into liberal groups as well?
Did you...

COULTER: Well, the interesting thing about that is--this is part of the reason it's a different--difficult charge to prove--you can't find public records on who's being audited. Most organizations don't want to talk about it.

O'REILLY: And the IRS says it's--you--they can't give that information out because of privacy reasons.

COULTER: Right. Moreover, organizations, such as The Heritage Foundation, the Christian Coalition, NRA, Western Journalism Center, Oliver North's Freedom Foundation--basically every conservative group you can think of was audited in Clinton's first term. They tend to--not to want to mention those sorts of things because donors don't want to donate money. They don't want to have their records tied up in some sort of IRS audit.

Still, it was so overwhelming that information did come out. There were a number of articles written about it. The IRS never stepped forward and said, "No, we're--we just happen to be auditing a lot of non-profits right now." No other non-profits stepped forward. "New Republic" didn't come forward. Both "National Review" and "American Spectator" were audited as well in the first term.

O'REILLY: All right. So you believe, based on your research, that the Clinton administration used the IRS to target right-wing groups unfriendly to them.

But now we're into the personal realm with Juanita Broaddrick and--and Paula Jones and Elizabeth Ward Gracen. It--the evidence--the circumstantial evidence, I agree with you, is overwhelming, but I'm not sure that Clinton would leave a trail that could be traced back to him. You know what I mean?

COULTER: I'm sure that's right.

O'REILLY: So how does it work? Do you know how it works? I--is Margaret--what's her name--Richardson...

COULTER: Margaret Richardson.

O'REILLY: She--she's the IRS person who did a lot of these audits, right?

COULTER: In the first term, yes, yes, and on the personal audits. That is actually, I think, the most damaging information against Clinton. That is the personal individuals who ended up audited in the first term were two smoking guns on the audit of Billy Dale, the White...

O'REILLY: He was in the Travel Office and...

COULTER: The Travel Office with that...

O'REILLY: Right.

COULTER: You know, they investigated...

O'REILLY: And they audited Dale.

COULTER: They prosecuted...

O'REILLY: Yeah.

COULTER: When the White House counsel called in the FBI demanding an investigation of the White House Travel Office, the FBI agent said--stated in an affidavit that the White House counsel said to him, "If the FBI doesn't show up in 15 minutes, I'll call in the IRS." And, coincidentally, the IRS was called in.

O'REILLY: That was William Kennedy, right?

COULTER: Yes.

O'REILLY: The FBI agent. Now where did this memo pop up? This was said in a memo. Where...

COULTER: It--it was a memo that White House lawyers took themselves. They--they produced it in their own internal investigation. It ultimately came out in a congressional investigation, but they quoted the FBI agent. They also quoted the White House counsel William Kennedy.

O'REILLY: Right. So the congressional investigators investigating the Travel Office, quote, "scandal," unquote...

COULTER: Right.

O'REILLY: ... which, again, didn't lead to any indictments--they got this memo from Kennedy who said what he said.

All right. There have been charges that Richard Nixon, a Republican president, used the IRS to get his enemies. When we come back with Ann Coulter, we'll talk about that and some more specific allegations about Clinton and the IRS.

And then, from the IRS, we'll go to the INS. Is that immigration agency looking the other way down on the Mexican border? Our investigation continues in just a few moments.

(COMMERCIAL BREAK)

O'REILLY: Continuing now with conservative writer and attorney Ann Coulter, whose latest book is "High Crimes and Misdemeanors," talking about President Clinton's possible misuse of the IRS.

But, again, I don't think Mr. Clinton is dumb enough to have a trail that leads back to him, and I'm not exactly sure how this deal would work. And I'm going to tell the audience and you something I've never told anybody. Guess who's been audited the last three years? Me. Never audited before. I had a little--one contribution to the Big Brothers back in the '70s that was questioned. That took about 10 minutes.

The last three years, I've been audited, and that was very strange, and I--I believe that it was a political audit and told the IRS officials in New York that, you know, if they continued down this road, there might be some legal action against them. But I can't prove it, you know, and I don't--and I don't know what the chain would be. You know, Clinton's not going to say, "Audit that"...

COULTER: Right.

O'REILLY: ... "that SOB O'Reilly." He's not going to do that. So who's going to do it?

COULTER: I think the way it happens is the way all

of these things keep happening in the Clinton administration. I mean, he surrounds himself with--with protectors and scoundrels who will do all of this for him, and somehow they never get punished, they're never held...

O'REILLY: Well, who's going to investigate them?

COULTER: ... accountable.

O'REILLY: Janet Reno? She's not going to do it.

COULTER: Well, no. That's a good point. We basically have the Robocop criminal president now because the constitutional response is to impeach and remove him, and we've been down that road, and it's not going to happen. So now he can pretty much audit who...

O'REILLY: Yeah, he can do what he wants to do.

Now Richard Nixon was accused of--of using the IRS.

Truth to that?

COULTER: No. What the truth was--is he'd storm around his office fulminating and demanding that his enemies be audited just like the Democrat presidents used to audit their enemies.

O'REILLY: Right, because that's on the tapes. That's on the tape.

COULTER: Right, but, in fact, no one ever took any action. He believed he had been audited himself by President Kennedy, incidentally, and that's what he was ranting about.

O'REILLY: How do you know nobody took any action in the Nixon administration?

COULTER: Because none of his enemies were audited and, in fact, President Nixon himself was audited while president.

O'REILLY: All right.

COULTER: That's how much pull he had over the IRS.

O'REILLY: How about other presidents--Carter and Reagan and Bush? Have these accusations surfaced during their administrations?

COULTER: Not in any credible way. It's a very...

O'REILLY: Yeah, we did an--we couldn't see it.

COULTER: It's a very, very serious accusation. This is the most frightening, intimidating arm of the federal government. To be misusing it--that's why the second article of impeachment against Richard Nixon was for attempting to abuse the IRS merely for talking about it.

O'REILLY: Because of his statements on the tape.

COULTER: Yes.

O'REILLY: Merely for talking--but are you firmly convinced that Clinton's using this agency as a weapon?

COULTER: I think it is very implausible to argue otherwise. It's like being struck by lightning 17 times over and over again. In fact, I can mention more audits. You're at least in a plausible income bracket to be audited by the IRS.

O'REILLY: Well, yeah.

COULTER: Paula Jones wasn't.

O'REILLY: But not three times in three years. And it was a fishing expedition. They didn't come in and say, "Hey, O'Reilly, we--we want to take a look at"--they didn't do that.

COULTER: Right.

O'REILLY: They said, "Show up with every receipt you ever had." Now--one year, OK, but the--the odds of an--of a citizen...

COULTER: Right.

O'REILLY: ... less than 1 percent. Three years in a row?

COULTER: Right.

O'REILLY: Come on. I--look, I know from talking to guys like Mike McCurry and all of this that the White House loathes me, and I--and I understand it. I'm tough on them, but I'm fair. I don't say anything that's not true. And if the IRS were to continue to harass me, I would hire a lawyer and--and sue them in federal court.

But what I'm concerned about here is that there doesn't look to be anybody watching this at all in the United States right now. There's nobody investigating this, correct?

COULTER: No, that's right because what are they going to do? Impeach him again? That's exactly right. It's...

O'REILLY: So Juanita Broaddrick and Paula Jones...

(CROSSTALK)

COULTER: ... administration that can do anything it wants now.

O'REILLY: Right.

COULTER: Paula Jones--her husband was making \$37,000 a year. Tax lawyers say that she was more likely to be struck by lightning than audited by the IRS in that income bracket.

O'REILLY: Right. It looks bad. I mean, I can't say flat out with any certainty that--that the president is doing this, but it looks bad and I don't see anything to disprove what you're saying, Ann.

I appreciate you coming in tonight.

COULTER: Thank you.

O'REILLY: All right.

Directly ahead, ranchers in Southern Arizona are taking vigilante action against Mexican illegals. Is the INS at fault here?

And, later on, the late Commerce Secretary Ron Brown. Was he guilty of corruption?

We'll be right back.

O'REILLY: In the "Impact" segment tonight, we continue our investigation into the massive problems along the Mexican border.

Some ranchers in Southern Arizona have begun taking the law into their own hands and rounding up illegal Mexican immigrants who trespass on private property. The Mexican government in turn has hired the American law firm of Zuckerman, Spader (ph) for possible legal action against those ranchers.

Joining us now from Tucson, Arizona, is Republican Congressman Jim Kolbe who represents the border communities in Puma, Cochise, Graham, and Pinal Counties.

So, Congressman, what's going on down there?

REP. JIM KOLBE (R), ARIZONA: Well, we're getting a lot of people coming across the border who shouldn't be coming across the border. What's happened, of course, is the deliberate strategy on the part of INS, the Border Patrol, is to shut down the border effectively in some other areas, the major urban areas like San Diego and El Paso, and is funneling it all now to the Arizona border, and I think their strategy is, "Well, we're getting rid of the problem in the major urban areas. Let's let these poor yokels in--in the urban--in the rural areas deal with the

problem," and that's just not fair to the people that live down there.

O'REILLY: The INS, though--what is their responsibility in the sense that, in Southern Arizona, particularly Pima County, it's so sparsely populated that it's almost impossible, unless you build a wall, which I think maybe we should consider, to keep people from coming through, whereby in San Diego, you can mass INS agents there because the funnel is so much narrower.

KOLBE: Right.

O'REILLY: You know, just geographically in New Mexico, Texas, and Arizona, you guys have got a huge problem out there. It's desert. There's nobody there.

KOLBE: You do. It's--it's a very different kind of a problem, and they have to have a different strategy to deal with it. You're right. I don't think you can build a wall. There is no way you can build a wall 2,000 miles long that could effectively stop and keep people out unless you were to electrify it or mine it, and God knows we don't want to do that kind of thing. So...

O'REILLY: Well, you can build a wall to some extent with the high-tech stuff that we have. Now, by saying a wall, I don't mean a Berlin-type wall, but I mean...

KOLBE: Yeah, but...

O'REILLY: ... a more secure area that would tell the authorities what's really going on.

KOLBE: Well, I can tell you that the--just the cost of building the wall in those very limited areas where they've done it has been very, very high, and...

O'REILLY: Is it higher than the narcotics traffic coming in to this country and all the...

KOLBE: Well...

O'REILLY: ... illegal immigrants? Come on.

KOLBE: You're--you don't think you're going to stop the narcotics trafficking with a wall, do you?

O'REILLY: Well, no, but you could make it...

KOLBE: You're not going to...

O'REILLY: ... a little bit harder for them to...

KOLBE: You can make it harder. You can make it harder. I think the strategy that the INS has to have--the Border Patrol has to have is to get enough agents down there to do the kinds of roving patrols the--the ranch patrols that are out there on those roads during the night and in the early morning when those people are traveling there and they're loading into these vans and...

O'REILLY: Yeah, but, Congressman, even if you had 10,000 INS agents down there, what they're going to do is round them up, throw them back into Mexico. It's--it's a roulette wheel, and they'll come right back over...

KOLBE: It is a roulette...

O'REILLY: ... because we can't incarcerate these people.

KOLBE: It is a roulette wheel, and...

O'REILLY: Yeah!

KOLBE: But what you have to do is make the cost of that--each time they come across, they're usually paying somebody to help--help them get across the border and then arrange the transportation once they get in the United States. You make the cost of that high enough,

you make it much more difficult for them to get across.

O'REILLY: Well, I--all right. Now I--I get your point, but that's my point, too. You make it harder for the chaos to happen.

Now the INS in--they have dropped their arrests of illegal immigrants from 22,000 two years ago to 8,600 last year. That's a tremendous drop. Why?

KOLBE: You're talking about arrests, those that are actually being charged with criminal proceedings?

O'REILLY: Right.

KOLBE: I don't know what the reason for that is, why that number has gone down.

O'REILLY: Two-thirds. Two-thirds.

KOLBE: Yeah. Yeah. Well, I--it probably--I don't know. The--it would be a good question to ask them, is it a factor of the--of the U.S. attorneys not wanting to prosecute those people. You see, it's not illegal for them to come across the border until they've--under the immigration law until the third time they've crossed the border illegally. Only then are they--can they be prosecuted, and the fact of the matter is they're never charged because they--it just--the cost of it would be prohibitive if we incarcerated...

O'REILLY: But it's illegal to enter this country without proper documentation.

KOLBE: No. No, it's--it's--no, it's not.

O'REILLY: It's not? I didn't know that.

KOLBE: It's not...

O'REILLY: So you don't have to have a passport or anything like that?

KOLBE: Yes, you do.

O'REILLY: You can just waltz right in?

KOLBE: Yes, you do. No, you do. And it--if you don't do that, you have made--you have violated an administrative violation. It's not until the third time that you come across the border that you've actually violated the immigration law and are subject to...

O'REILLY: The federal law, all right. Now...

KOLBE: ... that you're subject to penalties--criminal penalties.

O'REILLY: In your district, the ranchers are so angry and fed up that they're banding together, and they have guns, and--and they're...

KOLBE: Yeah. And you can't blame them.

O'REILLY: Well...

KOLBE: You can't blame them for it.

O'REILLY: I--I can't blame them unless they're hurting people because they don't have a right to do that.

KOLBE: They don't have the right to hurt people, but if people are trespassing on their property, they certainly have a right to stop those people and they have a right to do something about that, and I--and I don't blame them for that. They don't have the right to take the law into their own hands. That's why the INS and the Border Patrol is so critical here. If the Border Patrol has the resources there and when the rancher calls up on the phone and says, "There's 30 in my backyard here. Come get them," and--there's a quick response, then people will know there's--that somebody's taking care of the problem. Right now, they

have...

O'REILLY: All right. Now that must be terrifying.

Can you imagine, though, living out in a rural area, Pima County or Cochise County, and having kids and all that and, all of a sudden, looking out your window at 4:00 in the morning, and there's 50...

KOLBE: I have...

O'REILLY: ... people. I mean...

KOLBE: I have relatives four--four miles from the border, and they...

O'REILLY: Because a lot of these people--yeah, and some of these aren't nice people either. I mean, they're--they're desperate people who could do some damage and have done damage. What's...

KOLBE: They can do damage, and they can--and they can be desperate, but I think, by and large, you have to understand these people are on their way trying to get jobs. They're not violent.

O'REILLY: I know. I understand that. The vast majority are not, but the--you know as well as I do there have been deaths down there and--there has been all kinds of stuff that's gone on. Now what's the core...

KOLBE: Most of the deaths occur...

O'REILLY: What's the core problem here, that the INS simply don't--they don't have enough people, they don't care? Is it politics? What's the core problem?

KOLBE: I think it's a combination of two things. They don't have enough people, and it's a--it's a very bad strategy that they've been following. The INS strategy is that the more complaints, the more apprehensions they get in a place like Cochise County and the fewer they're getting over in San Diego--they measure that as a success. It's no success. They've just pushed the problem from one place to the other, so the...

O'REILLY: Have you talked to President Clinton about this?

KOLBE: I just sent a letter to President Clinton on Monday about this in which I put the--the onus right on him. I said--the monkey on his back. I said, "If you don't do--personally in--get yourself involved in this, there's going to be a--violence along the border, and you're going to bear the responsibility for that." I think the president has to intervene with this with Attorney General Reno and Commissioner Meissner.

O'REILLY: Well, good luck, Congressman. I don't--he hasn't intervened in seven and a half years, but maybe you could push him over the edge.

KOLBE: Well, I...

O'REILLY: Keep us posted, will you?

KOLBE: ... hope I can. I hope so.

O'REILLY: OK. Appreciate your time.

KOLBE: Thanks, Bill.

O'REILLY: Plenty more to come as THE FACTOR moves along this evening.

How to keep your kids off drugs. We have a few powerful strategies for you.

How to beat a drug test. We'll talk with a man making money showing people how to do that.

And the late Commerce Secretary Ron Brown. Was he a

corrupt public official in the Clinton administration?

We hope you stay tuned for those reports.

(COMMERCIAL BREAK)

O'REILLY: In the "Unresolved Problem" segment tonight, how to keep your kids off drugs.

Every parent fears the drug scourge, because once a child gets involved, his life changes forever, and not for the better. But research has identified some very specific ways that parents can keep kids away from drugs.

And with us now with those strategies is Joseph Califano, the chairman of the National Center on Addiction and Substance Abuse at Columbia University.

All right. Now I have your suggestions here. It--and I--this isn't just subjective stuff. You guys have researched this, and you have the stats. I'm going to tell the people what the preventative measure is. You can tell me why it works.

The first one is that parents who have dinner with their children at least three times a week are more likely to have kids who will not use drugs.

JOSEPH CALIFANO JR., NATIONAL CENTER ON ADDICTION AND SUBSTANCE ABUSE: There's no question about that and, indeed, night for night, the more often a--parents have dinner with their child or children, the less likely that child is to use drugs or smoke or drink.

O'REILLY: Why? Why?

CALIFANO: I think it's a reflection of parental engagement, a--it--it's a surrogate for a parent caring and being engaged in the kid's life.

O'REILLY: Isn't it supervisory as well? If you're looking the kid in the eye, I mean, they can't get stoned after school or drunk after school.

CALIFANO: And you get to know--and you get to know your kids very well. Sure.

O'REILLY: You know, if their habits are more lethargic, you pick it right up and things like that.

CALIFANO: Absolutely. Absolutely. And those things are signals.

O'REILLY: So dinner with the--with the kids, especially when they're teenagers, vitally important.

CALIFANO: Very important. And, indeed, I can almost announce something here on the air right on THE O'REILLY FACTOR.

O'REILLY: Sure.

CALIFANO: Congressman Rangel of New York joined by Congressman McCollum of Florida and Senator Biden of...

O'REILLY: Delaware.

CALIFANO: ... Delaware joined by Senator Grassley of Iowa are--are introdu--are circulating to members a resolution to have an Eat Dinner With Your Kids Night.

O'REILLY: Eat Dinner With Your Kids Night, one a week, sponsored by your...

CALIFANO: Absolutely.

O'REILLY: ... friendly congressperson.

All right. Kids who are active in religious groups are less likely to use drugs. Well, obviously. You know, that's--there's a

moral foundation being instilled, correct?

CALIFANO: Religion is a major factor. It is--a kid who says "Religion is an important part of my life" is much less likely to use drugs.

O'REILLY: Less likely to take drugs. And what about...

CALIFANO: And, certainly, that--Bill, that's also parents because tee--you know, a 14-year-old, 15-year-old doesn't go to church alone.

O'REILLY: Sure. The parents have to take him. But what about the parents who aren't particularly religious in an organized sense, yet they believe in God? How do they instill that?

CALIFANO: Well, I think they can instill it by giving values to their kids, but there are a lot of other things you can do. There's no question that kids who go to church or a synagogue or a mosque on a regular basis are much less likely to...

O'REILLY: ... likely to take drugs. So, again, they have a moral foundation and a fear of God in some cases. I mean, look, I--you and I grew up in Catholic homes, and...

CALIFANO: Sure.

O'REILLY: You know, we're--shooting heroin--that was not good. We knew that right away.

All right. Do homework with your kids, sit with them, observe them, go over it. Attend their games and school events. But that's happening now with the trophy kids. So that's happening more and more.

CALIFANO: It's happening more and more, but it's--but there is--there's a lot of pressure, though. I mean, with two parents working in a family, they both come home exhausted.

O'REILLY: Yeah.

CALIFANO: Mom isn't always...

O'REILLY: And that's basically almost what the--what the dinner is, an observatory thing. You see your kids. You have a pattern of behavior then.

CALIFANO: And they know you're engaged in their life.

O'REILLY: They're in your life, and they're looking at you. Can you be engaged too much? Can you be spying too much on your kid if you're watching him at the dinner table and watching him at the homework time? Is that too intrusive?

CALIFANO: I don't think it's too intrusive, to be honest with you, and I--I think, you know, kids like discipline. One of the things that's--you know...

O'REILLY: Even the moody teenager rebellion kid?

CALIFANO: The rebellion teen--the teenager that says, "Every other kid can stay out 'til 3:00 a.m. Why do I have to be home at 11:00 p.m.," ultimately, when we do focus groups with them, say, you know, "My parents care about me."

O'REILLY: OK. So even though they're whining about it, deep inside, they respect it.

All right. Fathers must be involved. Single mothers who are involved with their kids' lives--the children that were less likely to do drugs. But, again, this is parental supervision, and you--and you're involved with them and things like that.

CALIFANO: But--but your point about the father--the father is very important. A single mother who's engaged with her kid--that child is less likely to use drugs than a two-parent family where the father is just disengaged from the kid.

O'REILLY: Right. Well, obviously, the single--the--the--especially boys without a father are much more likely to go into that.

One last question. We have about 45 seconds left. The--should you just say, "No drugs. No pot. None of this. Don't do it ever. It's against our rules."

CALIFANO: Clear message, "Don't do it ever. It's against our rules," and parents who want to exercise their power--parent power is the most underutilized power with kids...

O'REILLY: OK. Just flat out "No drugs in this house. We don't do that period. We don't care if Sally's doing it or Nick is doing it. We don't do it."

CALIFANO: "We don't. We don't do it."

O'REILLY: And then when it happens, punish?

CALIFANO: Well, when it happens, both talk and an appropriate punishment. But conversation.

O'REILLY: Conversation.

CALIFANO: Right.

O'REILLY: OK.

CALIFANO: And use your parent power. If people want to know to do this more, casacolumbia.com.

O'REILLY: casacolumbia.com

CALIFANO: We have parent power.

O'REILLY: OK, Mr. Califano.

We'll be right back.

(COMMERCIAL BREAK)

O'REILLY: Thanks for staying with us. I'm Bill O'Reilly.

In the "Personal Story" segment tonight, beating a drug test.

More than 50,000 drug tests are conducted every day in the USA mainly by companies wanting to have drug-free employees. But for a price, you can beat that drug test, or so says Kenneth Curtis, the president of Privacy Protection Services, who joins us now from Atlanta.

You just heard Joe Califano say to parents how they can keep their kids off drugs, yet you are kind of enabling some people to beat a drug test. Do you feel bad about that?

KENNETH E. CURTIS, PRIVACY PROTECTION SERVICES: No, Bill. I don't feel bad about that, but I want to say that I do support Mr. Califano in trying to keep children off of drugs. I am not pro-drug by any stretch of the imagination. I am pro-privacy, and...

O'REILLY: All right, but you are making it harder for society to combat drugs or at least regulate how people behave under the influence of them, and--I want to explain to the audience, for \$69, plus shipping and handling, you will send them your urine, which is clean, which they can substitute, if their wily enough, for their own drug test.

Now you know--I understand the privacy issue here, by the way, and I'm not totally unsympathetic to it, but I do feel that employers have the right to know if their employees are under the

influence of drugs or alcohol. You know that by doing this test that you may be putting people who are intoxicated in positions where they can do damage.

CURTIS: Well, no, Bill. As a matter of fact, the National Academy of Sciences comes out year after year and has for the last several and has stated that there is no coalition, no scientific evidence to state that there is any relationship between workplace drug testing and workplace safety. It's a non-statistic. There is no evidence to that regard at all.

What is happening in the workplace in America today is that so-called drug testing, which is really body fluid sampling, is being used to get around the anti-discrimination laws in this country. It enables employers to segregate and eliminate employees that they don't find that meet their standards.

O'REILLY: Oh, well, let me stop you there. Hold it now. If your drug test is clean, an employer can't do anything to you.

CURTIS: You're not--you're not talking about a drug test only, though, Bill.

O'REILLY: All right, but that's what...

CURTIS: These...

O'REILLY: ... you do. That's what you do. I don't want to get...

CURTIS: No.

O'REILLY: ... into a broad philosophical...

CURTIS: No, no. What I do is provide a urine sample, Bill, and...

O'REILLY: Right.

CURTIS: ... and there's a lot more than can be gained from a supposed drug test than whether somebody is using illegal drugs.

O'REILLY: Like what?

CURTIS: Well, you know, they can tell whether you've got diabetes. They can tell whether you've got HIV. They can...

O'REILLY: But they're only testing for...

CURTIS: No, they are not.

O'REILLY: How do you know?

CURTIS: Well, there are--have been cases of our own government doing tests where our own government has lost lawsuits of--because they have tested beyond the limits of drugs, such as...

O'REILLY: All right, but, look...

CURTIS: ... sickle cell anemia, for cancer, and things like that.

O'REILLY: Here--you are--you are supposing that they are testing for...

CURTIS: No, I'm not supposing. This is fact.

O'REILLY: ... all kinds...

CURTIS: This is fact, Bill.

O'REILLY: We have a policy here at the News Corporation where it's a--if the corporation wishes to test employees for narcotics, they have the right to do so.

CURTIS: Right.

O'REILLY: All right. Now it's just a narcotics test. That's all it is.

CURTIS: Well...

O'REILLY: If the company chooses to...

CURTIS: ... there are--there has been...

O'REILLY: ... abuse it...

CURTIS: ... unregulated--this is an unregulated industry.

O'REILLY: It's not unregulated. I can get my medical records at any time, and if they choose...

CURTIS: As a matter of fact, in most states in this country, Bill...

O'REILLY: ... to do something, I can sue them blind!

CURTIS: In most states in this country, you are not allowed to see the results of a privately given test that is paid for by your employer. You are simply not allowed to see them. They are not your property. They are the property of the employer that pays for them.

O'REILLY: If you want to go in for--say you were terminated, all right. You--they have to show cause, and that's what I'm talking about.

CURTIS: No, they don't.

O'REILLY: Yes, they do.

CURTIS: No. No, sir, they do not. All they have to do--in my state, for instance, in South Carolina, they can--it's a right-to-work state, and they can fire you for looking like they don't want you to look.

O'REILLY: And then you can sue their--you can sue them for--for all kinds...

CURTIS: No. No, you cannot.

O'REILLY: ... if they do that, and you know it. There are labor lawyers in South Carolina. Just look at the phone book. There are thousands of them...

CURTIS: Bill...

O'REILLY: ... which will represent you in a claim against your company...

CURTIS: As a matter of fact, there are not.

O'REILLY: ... if you're terminated for any biased content.

CURTIS: That's just not true, Bill. I'm sorry.

O'REILLY: Oh, yeah.

CURTIS: Your facts are wrong in this case.

O'REILLY: You're crazy. They have a bias law in the United States. You know it, I know it, and the audience knows it.

CURTIS: As a matter of fact, this is an unregulated industry that is currently databasing information gained from these tests. There is no regulation whatsoever on the dissemination that can be gained from these tests, and it's happening every day. The...

O'REILLY: Well, I--I have never heard of any company terminating anybody for a urine test that came up clean. Ever!

CURTIS: Well...

O'REILLY: And can you produce one name that that happened...

CURTIS: That...

O'REILLY: Just one.

CURTIS: That came up clean? Of--the...

O'REILLY: One! One name.

CURTIS: The company isn't going to say that they

fired you because you were clean.

O'REILLY: Give me one name that that's happened.

Somebody terminated...

CURTIS: They are not going to fire...

O'REILLY: ... after a clean urine test.

CURTIS: There are thousands, actually hundreds of thousands of people that have lost their jobs either due to phony testing procedures or because...

O'REILLY: Give me one name.

CURTIS: ... or because an employer...

O'REILLY: Give me one American citizen, and I will track the...

CURTIS: Well, I could give...

O'REILLY: ... person down.

CURTIS: I could supply you with my--my customers if my business wasn't Privacy Protection because...

O'REILLY: Yeah, I know.

CURTIS: ... I protect the privacy of my customers.

O'REILLY: Look, we did a Nexis search on...

CURTIS: I don't disclose those things, Bill.

O'REILLY: ... this. There isn't one person in the United States who's been terminated from a...

CURTIS: That's a damn lie!

O'REILLY: ... clean urine test, and you...

CURTIS: That's an outright lie.

O'REILLY: ... on this program can't supply one name.

CURTIS: Well...

O'REILLY: You can't supply one.

CURTIS: Well, why should I supply you with a...

O'REILLY: Because you're blowing smoke.

CURTIS: ... name of anyone? My business is...

O'REILLY: You're a charlatan, and you're blowing smoke, and I don't like it.

CURTIS: Well...

O'REILLY: You're a bunch of baloney...

CURTIS: No, I--as a matter of fact...

O'REILLY: ... and you're making money making people--masking people's drug tests.

CURTIS: Bill, stick to the issue. Bill, stick to the issue.

O'REILLY: You're doing damage to this society.

You're a total fraud and a charlatan. You can take your urine test and you know what.

CURTIS: No, I'm not a fraud.

O'REILLY: We'll see you later.

CURTIS: I supply exactly what I say I do.

O'REILLY: Yeah, I know you do. See you, Mr. Curtis.

You're a--you're a total charlatan, and if it was my way, you'd be doing time in Rykers (ph). Sixty-nine bucks for your urine and you're telling me you're a patriot. Baloney.

And when we come back, the real story behind the mysterious life and death of Commerce Secretary Ron Brown.

(COMMERCIAL BREAK)

O'REILLY: Just a quick note. We had to cut that last gentleman's mic because it just--and we can't allow people to just say stuff that isn't true here on THE FACTOR, and that was just way out of line.

In the "Back of the Book" segment tonight, the late Ron Brown.

On July 6th, 1995, an independent counsel was selected to investigate the commerce secretary for alleged wrongdoing in his financial dealings. That investigation ended with Brown's death in a plane crash in Yugoslavia on April 3rd, 1996. Brown's FBI folder is sealed and attempts to get it through the Freedom of Information Act have so far been rebuffed.

Joining us now is "New York Times" reporter Steven Holmes, the author of "Ron Brown: An Uncommon Life."

So I understand that you have tried to get Brown's FBI folder as well.

STEVEN HOLMES, AUTHOR, "RON BROWN: AN UNCOMMON LIFE": I did as well.

O'REILLY: What happened? You...

HOLMES: I was rebuffed just as--just as you were.

O'REILLY: Did you file a FOIA?

HOLMES: I did.

O'REILLY: OK. And--I mean, they're dancing like crazy because usually these things--after somebody is deceased, they come right out. So what's the problem here? Do you know?

HOLMES: I do not--I cannot--they just basically denied the--the FOIA request of--saying that it was a matter that was still under investigation.

O'REILLY: Right. And they told us it was national security. For what? For what?

HOLMES: No, they told me that it was still under investigation because if you remember, that--it wasn't just--the investigation wasn't just against Brown. It was also against his business partner. It's also against his business partner, and that...

O'REILLY: But that's a private investigation in the sense that Brown is now deceased and his business partner is not part of the government. So why should the government be keeping his folder sealed? It doesn't make any sense.

All right. Now let's go over the allegations. Perhaps the most damaging allegation against Ron Brown was that, as commerce secretary, he was selling seats aboard U.S. trade missions to foreign countries whereby he made the call on who went to China, Indonesia, wherever, and those people were required to kick back money to the DNC. Any truth?

HOLMES: The allegation has been floating out there for quite a while. I think what was--what my investigation pointed out--points out was that they're not quite true in that respect, but there certainly was the hint that--that people who want to get on these trade delegations--Brown, obviously, selected them, and people who wanted to get on these trade delegations tended to be people that--that were more sympathetic to the administration.

O'REILLY: Yeah, but did they kick money back to the DNC?

HOLMES: There's no--there's no evidence that they

did.

O'REILLY: So you don't think they did or you don't have the evidence that they did?

HOLMES: I don't have the evidence that they did.

O'REILLY: All right.

HOLMES: And so, therefore, I don't think they did.

O'REILLY: All right. Now he was also alleged to have taken \$700,000 from the Vietnamese to broker a deal whereby the Clinton administration loosened up trade policies with Vietnam. Any truth to that?

HOLMES: Right. I don't believe there was any truth to that. This one--this was one allegation I looked into, and I didn't find any evidence to support this. There was an FBI investigation and a grand jury that was empaneled to look into this, and they--they eventually dropped the charges. They felt that there was nothing to it.

O'REILLY: So was Ron Brown clean? Did he get a bad rap?

HOLMES: No, I don't think Ron Brown was clean. I think Ron Brown walked very close to the ethical line, and he certainly was not clean in his personal life. In his public policy life, he very much walked up to the line, but I would not...

O'REILLY: What did he do that disturbed you the most?

HOLMES: What did he do that disturbed me the most? I think what--what he did that disturbed me the most tended to have more to do with political decisions as opposed to outright corruption.

O'REILLY: Give me an example.

HOLMES: Well, for example, in 1984, he traveled to New Orleans and campaigned for Congresswoman Lindy Boggs against--who was running in a very tough race against an African-American candidate. They had--New Orleans had a chance to--it was a black district. It was an overwhelmingly black district. They had an opportunity to elect a black man to Congress. Now if--if Ron Brown wanted to campaign on behalf of Lindy Boggs, that's fine, but he had no connection to New Orleans, to Louisiana politics at that point, but it was true that, during the same time, Ron was a partner in Patton, Boggs & Blow (ph).

O'REILLY: Ah. Well, maybe he was doing his friend a favor.

HOLMES: I think he was doing his friend a favor.

O'REILLY: What's wrong with that?

HOLMES: Well, to--to then--to--for a person in his position who was very much about trying to do empowerment for African-Americans...

O'REILLY: Ah.

HOLMES: ... I think...

O'REILLY: All right.

HOLMES: ... he should have had a...

O'REILLY: I get your point.

HOLMES: OK.

O'REILLY: Now Jesse Jackson and Ron Brown were friends, and then they weren't friends, and what--what was the situation between those two?

HOLMES: It was a very complicated relationship. They were friends, they weren't friends, and they were friends. I mean, Jackson and--and Brown kind of at times saw themselves as rivals as sort of being

the No. 1 African-American in the country, if you will, and Jackson, who had a much more confrontational style than--than Brown, at times kind of resented Brown's success. He felt that Brown's success really would--was due to him, Jackson, because Brown really came to the fore, really came to the country's attention...

O'REILLY: But didn't it have--both--to do with power here, because Jackson uses his power to get money and also to get political clout, and so did Brown.

HOLMES: I'm not sure it had more to do with power as it had, you know, to do with ego and--and sort of self-aggrandizement. I mean, both of these guys, you know, wanted to be....

O'REILLY: All right. Thirty seconds left. If Ron Brown had lived, not--and you don't think it was murder or anything in that...

HOLMES: I don't. No.

O'REILLY: No, I don't either. If he had lived, do you believe he would have been convicted of any crime while commerce secretary?

HOLMES: No, I don't. Well, of any crime? If you look at the crimes that he was charged with, they were relatively minor, but that doesn't necessarily mean anything. As we've discovered with the Ken Starr investigation of Bill Clinton, an independent counsel can start out looking at--at one thing and lead into something...

O'REILLY: So they might have gotten him on something.

HOLMES: They might have. Who's to say?

O'REILLY: But you don't have any smoking gun against him.

HOLMES: No, I don't.

O'REILLY: All right. We appreciate you coming in. Thanks very much.

HOLMES: Thank you.

O'REILLY: All right.

And, next, we'll wrap things up with the ``Most Ridiculous Item of the Day" and some of your mail.

(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 group of doctors in Britain say that the media is hurting women by glorifying brutally thin fashion models. Of course, that's true, as the coverage of Kate Moss and the actress Calista Flockhart prove.

Here's the ridiculous part. The doctors say that the media should stop showing the skinny babes and try to boost the self-esteem of women by suing more realistic-looking ladies in advertisements. Ahum. That would require the media to actually have a conscience and, of course, that's ridiculous.

And, finally tonight, the mail.

Plenty of reaction to our report on the chaotic airline situation in the USA.

Al Kruger, Minneapolis: ``You're beyond spoiled,

O'Reilly. You need to go back 150 years in time and take a stage coach."

J.M. Broadbent, Gasonville, Maryland: "I'm a captain with 15 years experience, and your view from the back of the plane shows you don't understand anything. I know full well about New York aviation problems, but come on. Your rant on the subject without any facts is a shame."

I have plenty of facts, Captain. The situation is dangerous and getting worse, and I think you know it. Something has to be done at the congressional level.

W.G. Van Dyck, Torrance, California: "Believe me, Mr. O'Reilly, none of us pilots like it any better than the passengers. I don't like sitting and waiting on the runway. Unfortunately, there's nothing you can do about the weather."

Except tell the customers what the situation is, Captain.

Mark Dietrich, Tucson, Arizona: "O'Reilly, you're right on target about the airline problems. A lack of information about delays and cancellations is frightening. When a Passenger's Bill of Rights was first proposed, I thought it went too far. I was wrong."

Charles Underwood, Orangeburg, South Carolina: "Mr. O'Reilly, thanks for having the guts to report on the airlines. They have a free reign. As long as they have antitrust immunity, they have eliminated the travel agent and become travel czars."

Van Harvey, St. Peters, Missouri: "O'Reilly, if you don't like to travel thousands of miles in a couple of hours, take a bus."

Sally Burnham, Fort Collins, Colorado: "Bill, your criticisms concerning Hillary Clinton's position on the family and abortion rights are based on a common misconception that the two are incompatible. The decision to terminate should be between the woman and her doctor."

Ms. Burnham, Mrs. Clinton could allow late-term abortions for any reason, and she favors allowing minors to have abortions without consulting their parents. If that is family friendly, I'm a snowman.

Joseph Perez, Seattle, Washington: "Bill, I know the real reason you defend Dr. Laura. It's because when she comes on TV, there will be finally someone on who's even ruder than you."

Lisa Trieste, Redondo Beach, California: "O'Reilly, you were so wound up last night, I had to watch THE FACTOR hiding behind my sofa. I was afraid you were going to jump out and get me."

No need to be alarmed, Lisa. Just have a cross and some garlic handy in case I show up.

Sharon Harmon, Los Angeles: "O'Reilly, did it ever occur to you that you could be wrong? Oh, no. Now I've made myself laugh. You could never see your own faults."

Sharon, do you know Lisa?

Carol Daniels, Red Oak, Iowa: "Bill, I really enjoy your comments. You are as tart as my grandmother's gooseberry pie."

Sean Henry, Kingston, Jamaica: "Mr. O'Reilly, I was deeply offended by your reference to Jamaica as a known drug place. That is arrogance on your part."

Mr. Henry, having visited your country on a number of occasions, I know two things. It is beautiful and a transshipment point

for marijuana and cocaine.

And Jevaun Howell, Pittsburgh, Pennsylvania: "Bill, quit taking yourself so seriously."

I'll try, Mr. Howell.

And if you would like to sound off, the e-mail address is oreillyfoxnews.com. oreillyfoxnews.com.

U.S. mail: Put a stamp on it. Please send it to THE O'REILLY FACTOR, FOX News Channel, 1211 Avenue of the Americas, New York, New York 10036. And all together now all over the world: Please put your name and town on all correspondence, if you would like to opine. And if you want to get on the air, keep it pithy.

And then there's the Web site:

www.foxnews.com/oreilly. The Talking Points memo. "Most Ridiculous." My column for apbnews.com which is the crime Web site. You can access that column on our Web site. So get in there for the time of your life.

That's it for us 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)

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CREATION DATE/TIME: 1-JUN-2000 08:40:31.00

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TEXT:
FOX THE EDGE WITH PAULA ZAHN
May 31, 2000

Head: Is the Clinton Administration Using Audits to Retaliate Against Its
Political Enemies?

Sect: News; Domestic>

Byline: Paula Zahn>

Guest: Victor Kamber, Susan Carpenter McMillan, Dick Morris>

Spec: Politics; Government; Taxes; Justice>

THIS IS A RUSH TRANSCRIPT. THIS COPY MAY NOT BE IN ITS FINAL
FORM AND MAY BE UPDATED.

PAULA ZAHN, HOST: Tonight: Is the White House
getting revenge on its enemies by using the IRS to exact its justice? And
we'll go behind the scenes of the show "Survivor" and share what went on
when the cameras went off.

Keep it on THE EDGE.

(NEWS BREAK)

ZAHN: Good evening, everyone. Thank you very much
for joining us tonight on THE EDGE. I'm Paula Zahn.

Tonight CBS premiered its new game show,
"Survivor." For 39 days, 16 people were left marooned on an uninhabited
island with few supplies. As the days passed, the contestants voted on who
would be the next to be booted off. The lone survivor gets \$1 million in

cash. But is the experience of eating rats and fighting for your existence worth it, all that money? And could you have survived it? Tonight we'll take you behind the scenes and tell you what went on when the cameras were off.

But first, leading THE EDGE tonight: Is Uncle Sam doing the president's dirty work? Could be. The IRS is auditing the nursing home business of Juanita Broaddrick. Last year Miss Broaddrick accused the president of raping her in the late 1970s. The president denies the charges, but Broaddrick's attorney said the audit is the result of a pattern of political retaliation by the Clintons and their allies. Presidential accuser Paula Jones and alleged presidential paramour and former Miss America Elizabeth Ward Gracen have also complained that they are currently or have been targets of the IRS because they have spoken out against this administration. So have a number of conservative organizations. Are the audits a coincidence or an engine of political revenge?

Joining me now to debate that is Democratic strategist Victor Kamber, former Paula Jones...

VICTOR KAMBER, DEMOCRATIC STRATEGIST: Hi, Paula.

ZAHN: Hi--Paula Jones publicist and manager Susan Carpenter McMillan. She is also president of the Women's Coalition. And here in the studio with me, FOX NEWS political analyst and former Clinton adviser Dick Morris.

Welcome back. Good to see all three of you.

All right, Susan. In 1999, more than 121 million people filed tax returns. Three percent of those folks were audited, including four of the president's accusers, who I just identified earlier on in the segment. Is it a coincidence that they were audited?

SUSAN CARPENTER MCMILLAN, PAULA JONES'S FORMER PUBLICIST: I don't think so whatsoever. In fact, I can only tell you on Paula's experience--it was just about the time when she got audited that we were switching legal teams, and she didn't even have a legal team for a period of about three weeks. And it was her birthday in September, and the IRS served her on her birthday. These things are not accidents. And I know Vic will say, "Oh, yes, they are." But you know, you don't have to be a rocket scientist to figure out that two and two equal four and that the Clintons indeed use the IRS as kind of an extortion agent.

ZAHN: Victor, extortion agent or...

KAMBER: Well...

ZAHN: ... do they just happen to be part of the lucky 3 percent, that unluckily 3 percent, that get audited?

KAMBER: Yeah. The problem is that Susan isn't coming up with two and two equalling four. She's coming up with two and two equalling five. Of course it's part of the regular system. I mean, if it wasn't, why are union presidents being audited? Why are Democrat fat cats being audited? It's part of the system. If anyone's going to be audited, it should have been Susan and Dick Morris, potentially, if this administration wanted to get somebody. I mean, it's just ludicrous.

The process of auditing, first of all, is also a group of bureaucrats. They're not Republicans or Democrats. It's a system that happens. These are government employees who have stayed through Republican or Democratic administrations. To think that the president of the United States or the first lady pick up the phone, call the IRS director and say, "Get this lady" or "Get this gentleman"--that's just

crazy.

ZAHN: Isn't it a little bit odd, though, that four of the presidentials--the president's accusers were, in fact, audited, Dick?

DICK MORRIS, FORMER CLINTON ADVISER, FOX NEWS POLITICAL ANALYST: Well, first of all...

ZAHN: Is there a pattern there or not?

MORRIS: First of all, as a pollster, let me point out that if 3 percent of the American people were audited and four of Clinton's paramours were audited, that's 3 percent. That's about a valid sample.

(LAUGHTER)

MORRIS: In terms...

ZAHN: Uh-oh!

MORRIS: In terms of the--this issue, once again, they're both right. Victor's right for saying that they're not singling them out because of politics, and Susan is right for saying it's not coincidence. The IRS basically has a policy which is whenever anybody is in a scandal, whenever anyone is in a high-profile situation where there's--where money might be involved, there is always--they always go after them. They go after them...

ZAHN: At the direction of whom?

MORRIS: Well...

ZAHN: Would the president, in this case...

MORRIS: Their own...

ZAHN: ... said, ``Go after these--these four folks"?

MORRIS: No. Did the president pick up the phone and say, ``Do it"? No. Did the IRS...

ZAHN: Who picked up the phone?

MORRIS: Did the IRS director say ``She's in the news. Let's go after her"? Yes. Did they do it with a little extra relish because she was the president's accuser? Sure. Would it have happened if she weren't the president's accuser but was accusing some actor of something? Probably.

The IRS's policy basically is to go after high-profile people who are involved in anything where they might make money to serve as an example to everybody. It's part of their deterrent role. Do they take a little extra relish at sticking it to one of Clinton's political opponents? You bet they do.

KAMBER: Well, who? Who?

MORRIS: But would they have gotten audited as--the head of the IRS.

KAMBER: Wait!

MORRIS: But...

KAMBER: Who takes a little relish, the government employee who's doing the audit?

MORRIS: No, the head of the IRS, who I believe a few years ago would walk to work with Hillary. There was a long association there that I don't recall the details of, but I think there was one. I've read about that. But the point is that--that routinely, whenever anyone is involved in a high-profile situation, the IRS takes a look at them. It's one of the side benefits of fame in the United States.

ZAHN: Do you buy that explanation, Susan, or do you

think it actually comes from someone above the head of the IRS who says
"Go look at this person"?

MCMILLAN: Well, let me say Dick--Dick is right when he says that Bill doesn't pick up the phone and say "Get this one." Now, Hillary might do that. That's certainly part of her make-up, from what we understand. I don't know the woman. But let me give you...

MORRIS: I do, and you're right.

MCMILLAN: Well, let--let me give you an example. When Paula was audited, I immediately shot back and said, "Mr. Bennett," the president's attorney, "have you informed the public that your now current law partner was the ex-head of the IRS?" So I don't think that Bill Clinton has to pick up the phone. He merely has to drop this, "Gee, I wish" fantasy at the proper cocktail party or with whoever for the IRS then to say, "You know, this would make the president very happy if you audited Broaddrick."

ZAHN: Vic, I can see you...

KAMBER: What--what...

ZAHN: ... shaking your head "No."

KAMBER: This is just crazy.

ZAHN: Hold your thought because we have to take a commercial break right here, and we'll continue the debate on the other side of the break.

And a little bit later on: Tonight homes around America were glued to their television sets watching CBS's newest game show, "Survivor." Tonight we're going to go behind the scenes with the show's executive producer and find out what we missed when those cameras went off. You don't want to miss that!

Keep it right here on THE EDGE.

(COMMERCIAL BREAK)

ZAHN: And we continue now with Victor Kamber, Susan Carpenter McMillan and Dick Morris.

OK, fire away. I know you've been waiting to say this. Go ahead, Vic.

KAMBER: Well, no, I think what Susan says is ridiculous. The fact that Bennett's partner was a former IRS chief--what does that have to do with anything? I mean, you know, Dick said it earlier, and maybe it's correct, that people who are in--who are appointed officials of one party or the other relish or smile or are happy when someone's name comes up, however it comes up, that they think is an antagonist to something they believe in. I don't doubt that. We're human beings. We all have our prejudices and our feelings. And if a name comes up, if tomorrow somebody was able to audit O.J. Simpson who didn't like O.J. Simpson or somebody was able to audit Howard Stern who didn't like Howard Stern, they'd probably smile at those kinds of things.

ZAHN: But Victor, does it go further than that, when you have the former Miss America basically saying she was told if she didn't stay quiet, she was going to have some problems on her hand, and bingo, weeks later, her attorney alleges that's when they said they were going to audit her?

KAMBER: You notice she never said who told her that. It's always this unnamed source. I'd like to know who told her. I mean, I could tell you that tomorrow, you know, if you go against somebody, they're going to get you some way. What does--I know nothing, and I can't

control anything. Let's get to the bottom of these accusations and charges. Who's--let's have some names. Let's go after them, and then let's prosecute them!

MCMILLAN: Well--well, Vic, I don't...

MORRIS: I think that...

MCMILLAN: I don't think the last time I can remember Kathleen Willey said that somebody came up to her when she was jogging one morning. I really don't think they leave their calling card and describe who they are. That's not the situation that these women find themselves in. These are subtle hints that say "Back off. And if you don't, this is what we're going to do."

MORRIS: Look, I think that it--clearly, these people have been threatened. Clearly, they were threatened by people who probably--not clearly, but probably they were threatened by people who had something to do with the president. I've often spoken of what I've called his "secret police," the detectives that he has on his payroll, and those guys play for keeps.

ZAHN: You also mentioned...

MORRIS: But on the other hand...

ZAHN: ... earlier on in this segment that you wouldn't put it past Mrs. Clinton to pick up the phone and...

KAMBER: Susan said that.

MORRIS: She--she...

ZAHN: No, actually, Dick...

MORRIS: No, I...

ZAHN: Dick agreed with her.

MORRIS: I said it in terms of her personality. I don't think she'd be dumb enough to do that. But I think the point is that the--that you have to look at this from the IRS's point of view. Their view of this is whenever anyone's in high profile, that makes an attractive scalp they can put on the wall. And they can say, "See? We caught this person. We caught this person." When they go after "Crazy Eddie" or when they go after Stew Leonard (ph) or somebody for tax evasion...

ZAHN: Sure.

MORRIS: ... they love it because it's a high-profile person. And with 3 percent of the country being audited, deterrence is the name of the game. So I think there was a legitimate public policy rationale for the audits. Did they love doing it? You bet. Did they put a little zest in it? Sure. Is it coincidental that they would serve Paula Jones on her birthday? No. Did Clinton order it? No, he didn't have to. He didn't even have to drop a hint. The head of the IRS reads the newspaper. So you have to cut this. It's neither all of what Victor's saying nor all of what Susan's saying, but they're both partially right.

ZAHN: Susan, was there a legitimate rationale to audit these groups? Take a look at these conservative groups who have complained that they were audited simply because they went up against the administration: Americans for Tax Reform, Christian Coalition, Citizens Against Government Waste, and the list goes on and on and on.

(BEGIN ON SCREEN)

Americans for Tax Reform, Christian Coalition,
Citizens Against Government Waste, GOPAC, The Heritage Foundation,
National Rifle Association

(END ON SCREEN)

ZAHN: A congressional committee and the GAO have looked into those allegations and said they could not find any intervention by the Clinton administration. So what do you make of their complaints?

MCMILLAN: Well, you know, Victor and I were talking during the break, and he said, you know--and I don't know if this is true, but I'm going to take him at his word--that during Republican administrations, you know, union bosses and unions were audited. And that may very well be true. I think what upsets all of us and that all of us can agree is that the IRS should not be used as a political tool for either party in power. And it seems that this has been happening, and we have got to stop it!

MORRIS: I...

MCMILLAN: There's--it's not blatant. We can't prove it. But somehow, we have got to stop this misuse of the IRS...

MORRIS: Yeah, but wait a minute. I don't--I don't think...

(CROSSTALK)

ZAHN: ... the last word. Go quickly, Dick.

MORRIS: I don't think going after those conservative groups is a misuse. Going after them and going after unions is a proper use. Not going after unions or not going after them because they're your allies, that's a misuse.

KAMBER: But one second. You just said...

ZAHN: All right, Victor--Victor, you get about 5 seconds. Give me your closing thought right now.

KAMBER: You just said that the congressional committees investigated, found nothing. Those are Republican committees who like these conservative groups, and they found no intervention.

ZAHN: All right, Dick, Vic and Susan, good to have all three of you with us tonight.

MCMILLAN: Thanks.

ZAHN: Appreciate your all dropping by.

KAMBER: Thank you.

ZAHN: Senator Al D'Amato is up next to handicap Rick Lazio's chances of winning in New York and how he would handle a race against the first lady.

And a little bit later on: CBS aired its hot new game show "Survivor" tonight. We'll take you behind the scenes.

(COMMERCIAL BREAK)

END

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CONGRESSIONAL RECORD
HOUSE
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ELIMINATING THE ESTATE TAX

The SPEAKER pro tempore (Mr. GARY MILLER of California). Under the Speaker's announced policy of January 6, 1999, the gentleman from

Illinois (Mr. CRANE) is recognized for 60 minutes as the designee of the majority leader.

Mr. CRANE. Mr. Speaker, I rise today to address the tax that is one of the most obscene, unfair, and immoral of all taxes. The estate tax, or what is commonly referred to as the death tax, since it is generally triggered only by one's removal from productive life, has outlived its usefulness. Later this week, this body will be voting on legislation to eliminate the death tax, and I think it is past time to bury the death tax once and for all.

Mr. Speaker, I am submitting for the RECORD an article by William Beach from the Heritage Foundation entitled "Time to Eliminate the Costly Death Tax."

TIME TO ELIMINATE THE COSTLY DEATH TAX

(Published by William W. Beach, the Heritage Foundation)

The U.S. House of Representatives is once again poised to vote on repealing the federal death tax. In view of the strong support that death tax repeal receives from the general public, the House debate should be firmly grounded in what an increasingly large percentage of voters already know: Death taxes adversely affect many times the number of people who pay the tax collector. The Death Tax Elimination Act (H.R. 8), sponsored by Representatives Jennifer Dunn (R-WA) and John Tanner (D-TN), is a response to this growing understanding and offers the House its second opportunity in an many years to eliminate this onerous tax.

Death taxes most often burden the very people that tax policy is intended to help. For example:

Women and minorities are very often owners of small and medium-sized businesses. After sacrificing daily to build their businesses by reinvesting their profits, they soon realize that the financial legacy of their hard work, which they hoped to pass on to their children, instead will fall victim to confiscatory taxation and liquidation.

Farmers often face losing their farms, but this is not so much because of competition from wealthy agribusinesses or capitalist "robber barons." More often, it is because the federal government heavily taxes the estates of people who invested most of their earnings back into their farms and had only meager liquid savings.

Workers suffer when they lose their jobs because many small and medium-sized businesses are liquidated to pay death taxes and because high capital costs depress the number of new businesses that could offer them a job.

Low-income people are harmed-not only because the general economy is weakened by the death tax's rapacious appetite for family-owned businesses, but also because the death tax discourages savings by encouraging consumption.

Specifically:

Death taxes hurt small businesses. Investing in a business is one of the many ways to save for the future. For most small firms, every available dollar goes into the business-the dry cleaning firm, the restaurant, the trucking company-to ensure that it sustains an income for the owners's family and is an asset to pass on to children. Women with children often find self-employment to be the only entry-level work available. Minorities, many of whom wish to raise their families in ethnic communities, understand well the virtues and promises of self-employment. Yet the financial security that family-owned and small businesses provide these Americans is put at risk if the owner dies with a taxable estate.

In an important 1995 study of how minority business owners perceive the estate tax, Joseph Astrachan and Craig Aronoff, economists of Kennesaw State University in Georgia, found that:

Some 90 percent of the surveyed minority businesses know they might be subject to the federal estate tax;

Although 67 percent of these businesses have taken steps (gifts of stock, restructuring ownership, purchasing life insurance, and buy-sell agreements) to shelter their assets from estate taxes, over 50 percent of them indicate that they would not have taken these steps had there been no estate tax; and

Some 58 percent of all respondents in the survey anticipate business failure or great difficulty maintaining the business after their death.

Death taxes are more "affordable" as income rises. Taxpayers who cannot pay tax-planning fees frequently lose more of their estates to death taxes. Thus, what appears to be a progressive tax contains a regressive dimension. Experts on the death tax continually are struck by the number of taxpayers who are insufficiently prepared to pay the death tax and by the high correlation of these types of people with those who have not had the benefit of high-priced legal and accounting advice. Indeed, legal avoidance of high death tax liabilities is closely related to the amount of fees taxpayers are able to pay for expensive tax-planning advice.

Death taxes undermine savings and investment. Not only do death taxes reduce potential employment opportunities and undermine the promise that hard, honest labor will be rewarded, but they also encourage consumption and undermine savings. What can be said generally about income taxes can be stated emphatically about death taxes: Accumulation of more wealth will lead to more taxes, while consumption of income will result in relatively lighter taxation. In other words, it makes more tax-planning sense to buy vacations in Colorado or a painting by Rubens than to invest in new production equipment or expand a business.

Death taxes are costly to collect. The economic effects of the disincentive to save and invest are striking, especially in light of the

relatively small amount of federal revenue raised by death taxes. A 1996 Heritage Foundation analysis of death taxes using the WEFA Group U.S. Macroeconomic Model and the Washington University Macro Model, for example, found that, if the estate tax had been repealed in 1996, then over the next nine years: The U.S. economy would average as much as \$11 billion per year in extra output; an average of 145,000 additional new jobs could be created; personal income could rise by an average of \$8 billion per year above current projections; and the extra tax revenue generated by extra growth would more than compensate for the meager revenue losses stemming from the repeal.

The death tax is not even a good value for the government. Federal death taxes probably are the most expensive taxes to pay and collect. Death taxes raise just slightly more than 1 percent of total federal revenues, but according to one 1994 analysis, total compliance costs (including economic disincentives) amount to about 65 cents for every dollar collected. Other studies, which subtract disincentives and examine only direct outlays by taxpayers to comply with estate tax law, put the compliance cost at about 31 cents per dollar. This additional cost means that the \$27.8 billion collected in federal death taxes last year actually cost taxpayers \$36.4 billion.

Mr. CRANE. Mr. Speaker, I would now yield to our distinguished colleague, the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague, the gentleman from Illinois (Mr. CRANE), the distinguished chairman of the Subcommittee on Trade of the Committee on Ways and Means here in the House of Representatives.

Mr. Speaker, later this week we will come to this floor to vote on putting at long last the death tax to death, and we will be offered a clear choice. Some in this chamber will embrace the politics of envy, but, Mr. Speaker, I believe a bipartisan majority will embrace the principles of fairness, hope and opportunity, for that is what we seek.

As my good friend from Illinois just pointed out, there is no tax more unfair than this death tax. Stop and think about it. Think back to the very foundations of our Nation, to one of our founders, Benjamin Franklin, who had a gifted and diverse career, who indeed won much public acclaim and a fair amount of his fortune as a social commentator in Poor Richard's Almanac when he observed, "There are only two certainties in life, death and taxes." But even Dr. Franklin, with all his wisdom, with his ability to seemingly see into the future, not even a person as impressive as Dr. Franklin do I believe would realize that one day the constitutional republic that he helped to found would literally tax its citizens upon the day of their death.

The rallying cry is simple, my colleagues. The American people instinctively understand it. No taxation without representation. And here is why. This vast Federal Government, accumulating revenue in much the same way as I, before I went on my diet, would go to a buffet line kind of piling it up, searching for it in every nook and cranny, this ravenous

Washington bureaucracy seeking revenue, when all is said and done, picks up precisely 1 percent of its revenue through the death tax, and yet three-quarters of that 1 percent is spent badgering widows and children and survivors of those who embraced the American Dream, who built up small businesses, who fed and clothed Americans on farms and ranches.

[Page H4026]

Indeed, my colleagues, perhaps nowhere is it more dramatic a dilemma than on the family farm or on the family ranch across the width and breadth of our great Nation. This is a classic dilemma. Those who have the family farm could be accurately called cash poor and land rich. When there is a death, it is quite simple, Uncle Sam comes to the survivors and says, here is an expensive tax bill, pay it. How then is it paid? Well, the family farm is sold.

And one of my friends who chooses to embrace the politics of envy, who preceded me in this well, claimed there were no statistics to offer on this. Well, I know that there are those who long for the soul of the accountant in all of these transactions, but I do not want to besmirch the profession of accountancy. I simply want to point out that especially my colleagues from suburban and urban districts might be compelled to realize that there is life outside the major metropolises; that power does not come from a light switch; that milk does not come from the corner market; that America's farmers provide these things, and the death tax absolutely pummels rural communities and family farms and ranches.

We feel that acutely in the Sixth Congressional District of Arizona, a district in square mileage almost the size of the Commonwealth of Pennsylvania, from the small hamlet of Franklin in Southern Greenlee County, north to Four Corners, west to Flagstaff, and south again to Florence, really all the way south to San Manuel, site of the largest underground mine in North America. Hard working people who play by the rules and a multitude of small towns are ravaged by this death tax. Because those who have spent their time building businesses, who helped provide for the farmers and ranchers, are forced to sell those businesses.

Perhaps my colleagues have seen it in their communities. Perhaps those in larger cities would see it if they could take off their blinders and resist for a time the politics of envy. Perhaps they too could realize that, yes, more often than not, when a family loses control of a business, there is a reassessment and, yes, long-time valued employees are let go. Under new management often means faithful employees are out the door.

And even as we champion new economic opportunities, why add to uncertainty? What crime have these families committed that would prompt the Federal Government to say to them, "Sell your business; pay Uncle Sam." They have committed to crime. But under our curiously misguided Tax Code, as it stands today, they have committed an offense in the eyes of those who always embrace the radical redistribution of wealth. Mr. Speaker, those folks worked hard and succeeded and they are being punished for succeeding. And it is wrong and it has cost America too many family farms, too many family ranches, and too many small businesses.

No matter the platitudes of the left and those who preach the politics of envy, it is common sense, Mr. Speaker. Across the width and breadth of the Sixth Congressional District I have held many town meetings. My colleagues who join me tonight will attest to the fact that there is no greater thrill than meeting with constituents and listening to what is on their minds. And how many times have I heard the story of a family ranch being sold to satisfy the tax man.

Indeed, Mr. Speaker, we hear these stories even as we return to this capitol, oftentimes referred to as the crossroads of America because we meet so many people from so many other places. A gentleman stopped me just last night, told me the story of his 83-year-old mother who, some years ago, upon the death of his father, was told by the Washington bureaucrats, "You have a tax bill of over \$800,000. We don't care how you pay it, you just pay it." And, just like that, the family business was gone, Mr. Speaker.

Now, some of my friends in accounting might say, oh, that lady had the assets to sit down with a tax attorney or an accountant. Certainly she could have provided some sort of means to hold on to the family business. She is to blame for not doing so. No, Mr. Speaker. No, the blame is not on that lady in her 80s, now forced to subsist on Social Security. The fault lies in a Tax Code that punishes people for succeeding, that deprives other Americans of jobs, that inhibits the very free market principles and the notion of rewarding ambition and success and prosperity upon which this country was built and upon which this country can prosper. But we can change that this Friday when we put this death tax to death.

I mentioned a second ago, Mr. Speaker, town hall meetings. Another thrill we have, those of us who are honored to serve in the Congress of the United States, comes on those occasions when we are able to appoint young men and women to our military academies. I was in Winslow, Arizona, where two young men who aspired to attend one of those military academies received permission from their high school principal to leave during the lunch hour and join us at city hall for a town hall meeting. And there in Winslow, Arizona, the farmers, the ranchers, and the small business people were lamenting this death tax. And one of those young men, just really the epitome of all that is good in young people wanting to serve their country, one of those young men stood ramrod straight and said, "Congressman, sir, do you mean to tell me the Federal Government taxes you when you die?"

Now, initially, there was laughter among the older members of that audience in that town hall meeting. But then, upon further reflection, my constituents decided that really was not funny; that it epitomized just what was so unfair, just what was so unjust, just what was so unproductive about continuing to punish people for succeeding and trying to pass on their businesses, their dreams, to their heirs.

Now, again, my colleagues, we have a choice. There will be those who continue to propagate the fiction that we should rely on the politics of envy, but a bipartisan majority will emerge this Friday saying we embrace the policies of hope. And the first step we take to do that is to

put this unfair, unjust death tax to death.

Mr. Speaker, I yield back to my colleague from Illinois.

Mr. CRANE. Mr. Chairman, I congratulate our colleague for his insightful observations on this immoral Tax Code that we are speaking about tonight. And I now would like to yield to our distinguished colleague, the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Chairman, I thank the gentleman for yielding to me tonight to join with him and others to talk about the repeal and the elimination of the death tax.

As the gentleman knows, the strength of our Nation's economy rests in its small businesses, small farms, and small ranches. That is where new jobs are created. That is where the economic vitality of this country is. I am proud of the fact that I represent, I think, the largest constituency of small businesses, over 25,000 small businesses in my district, over 40,000 farms and ranches.

One of the characteristics of every one of these businesses is that the owners plow almost all the cash flow that they generate, almost all the dollars they earn back into those enterprises and those businesses. Early on, it is usually to pay off the debt that it takes in order to get started in that business. Then, later on, they will use that money to add to inventory or to add new equipment or machinery to expand the business and to make it grow or to put new people to work.

Now, these family farmers and these family ranchers and these small business owners usually make very little. In the case of the farmers and ranchers, they will accumulate a thousand acres or so, perhaps, and 100 critters or so, but they have relatively little cash flow to show for it. They often have little to show for it. Almost always they have no savings account, no retirement account. Sometimes they will have an old pickup truck or an old car or an old farm vehicle.

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As my colleague the gentleman from Arizona (Mr. HAYWORTH) said, these people become asset rich and cash poor. But eventually for all of us retirement comes, and it is at this point that these folks have a really big problem. Because they have little in savings and little in retirement, the only thing they can rely upon is the asset, the farm or the ranch or the small business that they accumulated. So, in order to retire, they usually have to sell this business or part of this business to their kids or to other people.

Now, until the Republican Congress reduced the capital gains tax, if we added the Federal tax and the State tax together, that owner of that business had to give a third of whatever they got for that business in taxes. But that was not the whole story. If they sold that business to

their kids, their kids would have to pay 40 percent income tax on those payments, as well.

So, in order to transfer that family farmer business, if they sold it to their kids, they would have to pay 70 to 80 percent taxes on that transaction. Very few businesses could generate that kind of income.

We reduced the capital gains tax, and now it is down perhaps with State and local tax to 25 percent. But if they sell part of this business to retire to have some cash flow and leave the rest of it to their kids, they are going to pay 60 percent tax on what they sell to them and 56 percent tax on what they give to them.

Now, if they can possibly generate the money that is necessary to pay those kinds of taxes, what it means is there are no dollars to modernize that business to cause that business to grow and to expand; and the result of that is that the lion %s share of those businesses fail because of the huge debt that they have to take on because of estate tax.

Virtually every farm group in this country, virtually every advocate for small business in this country will tell us that the greatest threat to these family enterprises, farms and ranches and small businesses, is the death tax. It is not low commodity prices. It is not competition. It is this unfair tax. Farmers and ranchers just simply cannot generate the cash flow they need to create a living for the people that work and operate that farm or ranch or business and to pay this tax.

So what ends up happening as an alternative? Well, what ends up happening as an alternative is they will sell out to celebrities, for example, in my State. Ranch after ranch are being bought by Hollywood types or people who have earned their income from somewhere else who buy their ranches or farms for recreation. The result of that is that they are no longer productive farms and ranches, they no longer add to the vitality of these small rural communities, and it is destroying the economy of these rural communities.

Worse yet, many times the farmer or the rancher will subdivide the land, divide it into 20- or 30- or 40-acre parcels, and sell one parcel or two parcels a year to generate enough money to retire on. In the end, they replace a ranch with a bunch of ranchettes. What happens then is we lose all the wildlife habitat, we lose the open spaces and the greenbelts that so many people advocate for in this Congress.

Now, the sad thing about all this is that the very wealthy do not pay this tax. They use trusts, family trusts and charitable trusts, and all kinds of mechanisms to avoid paying these taxes for generation after generation. They avoid this tax.

But, my colleagues, 40 percent of the death taxes that are collected by this Government are collected on estates of less than a million. These are estates where there are family enterprises. They are the ones that pay this tax.

It is not a fair tax. It is not good for our economy. It is not

good for our environment. It is eliminating green spaces and greenbelts. It is destroying the economy of rural America. It is eliminating the visual relief that so many of our city dwellers want to see when they pass into the farm country. But passing this bill to repeal the death tax, the Death Tax Elimination Act is essential for keeping agriculture and families, for maintaining these family farms and these family ranches, and to continue these family businesses.

I am proud to be a cosponsor of H.R. 8. On Friday I know we are going to have a strong bipartisan vote. I am confident the Senate will pass it and the President will sign it. I urge my colleagues to support the bill.

Mr. CRANE. Mr. Speaker, I yield to our distinguished colleague, the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Speaker, I rise in support of the efforts that we are going to do for American families this week and eliminate the unfair death tax.

Some of us like to talk about this issue in terms of numbers and percentages and policy. And really what this does is it protects our families. This is a family bill, but let us talk about it in the sense of overall policy. And that is that, in my generation, we have done well in either running the family business or even starting our own; and our fathers, the greatest generation, have done well, as well.

So we have to figure out, in continuing prosperity and trying to widen and deepen prosperity so it touches even more, if we are going to continue policies of the Government usurping and taking money out of the private sector and, therefore, stalling or risking future prosperity for our children, then that is one policy we can take as this next generation transfers their assets to the next generation.

Or we can do the right thing and allow that money to transfer to the next generation, where it will be put back into the economy, where it will be spent to expand, to recapitalize the family businesses. Or, God forbid, they spend it on other things and continue to stimulate our economy and ensure prosperity for our children when they graduate from school that they will have opportunities for good jobs.

But we can talk about it in the policy sense and how it is the right thing to do. But what I want to do is just talk about the impact on the families in Nebraska, because I am here to fight for those families. Because what this does, when we eliminate the death tax, what we are, in essence, doing is protecting the culture, the history and the heritage of families.

Yesterday in our office we had the Farm Wives Association. What was their number one issue? It was elimination of the death tax. They want to try to pass their family farm, many of which their grandfathers staked out, they want to pass it to their sons and their daughters. But they cannot.

The average farm size in Nebraska is about 840 acres. That is well over the limit before we even get to the machinery and the value that the IRS would place on that business. But it is a cash poor business. They have no choice but to sell that farm instead of passing it to the next generation. They have to sell it to pay their IRS tax bills. They have to. They have no other choice.

So, as we are talking about protecting the history and the culture of our small family farmer, it is our IRS policy that is forcing the consolidation. It is these families that are selling out to the Ted Turners who own tens of thousands of acres in Nebraska.

But let us talk about in Omaha, Nebraska, where I was born and raised. Let us talk about the Omaha Printing Company, a third-generation company. It is a small business. They employ about 30 or 40 folks. Yet, they have several really impressive machines when I took the tour of it, and each of those machines run well over \$500,000 to \$600,000. They have three of them right there that is putting them to the limit before we get to all the other assets of that business and the valuation.

The father that is currently operating that business is going to have a choice to make. Sure, they have paid the lawyers and the accountants to try to comply with this tax code and trying to pass it to the next generation, but they are realizing that they are probably going to have to spend about 40 percent to 50 percent of the assets of that business to try and keep it in the family.

What about in south Omaha, the great and colorful cultural area of our town, with the Jacobo %s grocery store and tortilla plant. They have got a couple of taco shell and tortilla shell machines in the back, just a couple of them. But the value of their inventory and the value of the machines itself puts them over before we get to the valuation. And Carlos, who is in his early 40s and has a young family that he would like to pass the grocery store on to, he may not have that opportunity.

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Mr. Jacobo emigrated from Mexico several years ago, 40 years ago, and established a small south Omaha business. It is really the center and the hub of this colorful Hispanic community that is so vibrant in south Omaha. I just hope that we do the right thing, Mr. Speaker, for that Hispanic owned grocery store and small business in a colorful part of my district. We have an historic opportunity to protect, to work, and fight for families and their history and their culture. Let us not miss this opportunity.

Mr. CRANE. I now yield, Mr. Speaker, to our distinguished colleague from California (Mr. BILBRAY). I was going to say Australia.

Mr. BILBRAY. Mr. Speaker, I thank the gentleman very much for yielding.

For the Record, my mother is from Australia, but she is an

American who is from Australia.

Mr. Speaker, I just wanted to sort of echo the issue that when we talk about the death tax, I think too often we talk about the families that have to give up their businesses and give up their homes and their farms and the way that it breaks up the hard work and the sweat of parents, their ability to pass it on to their children, but I think that we do not talk about the bigger picture.

I want to articulate something. The fight against the death tax should not be a fight for the taxpayer. It should not even be for the small farmer or the small business owner. The fight against the death tax should be a fight for a civilized, decent society, and that is it.

Now, my colleagues may say how can I tie the death tax to the concept of decency? Well, Mr. Speaker, I always try to think about what will history say about us as a society.

There is this movie out "The Gladiator" about this great civilization called Rome. But how can they be a great civilization when they had the kind of blood letting they had? And history has damned the Romans for that. What I worry about is what will history say of the greatest nation in the history of the world, the United States of America? What will they say about us a thousand years from now? And will they say about us, oh, they were a great nation, but they taxed their dead? How are we going to justify ourselves to history?

Now, there is a bigger picture here that I think we have got to address, and that is the fact that this tax does not just impact individuals and businesses but it is impacting us as a society.

I think those of us on the Republican and the Democratic side will say one of the biggest concerns we have is watching multinational corporations come into the United States and absorb and digest and consume small entrepreneurial family businesses such as farms and businesses. And we will hear those on both sides of the aisle talk about how multinational corporations are getting so big and they are basically getting the monopoly because the little guy is being gobbled up. And it is right.

The true defender of the consumer is not government. The true enemy of big business is not big government. It is little business that competes and gives the consumer an alternative than the big business corporations and the multinational corporations that we hear our liberal friends always yelling about. But our tax laws, my colleagues, are subsidizing and encouraging and at many times mandating the selling out of small entrepreneurial businesses to the multinational corporations.

I will give my colleagues one example. Roll Construction in San Diego is a family-built construction business and they have come to the conclusion that when mom dies, the only way for them to be able to pay the death tax is to sell out to a major multinational corporation.

This is what it really comes down to. Are we for the little guy? Are we truly for the taxpayer? Are we truly for the American? Or are we so hell-bent to get our pound of flesh that we are willing to not only tax the dead, sell the farm, sell the business, but also subsidize the big corporate interests? That is something that we do not hear a lot of talk about here. I think that we need to talk about it. Because I think that we have got to understand that this will not only impact and help the corporate but when the consumer is looking for competition, when the consumer needs the break, the consumer will not have the little entrepreneurial business to be able to beat the big guy because he is not going to be around because the United States government has taxed them into nonexistence. And so I think that when we talk about the death tax, I want to ask our colleagues on both sides of the aisle, think about what you really care about. And if you are so hell-bent to try to get the rich guy, remember what happened in 1898 when this government said we are going to get the rich guy by taxing the rich guy %s phones because everyone knows that the little guy and the working class does not have phones. History has proved this year, we realized what a huge mistake that politics of envy and of hate generate in the tax code. The working class got nailed the worst of anybody proportionately.

Remember in the early 1990s when they said we are going to tax the rich and get their boats because that is a luxury by the rich. Who got hurt? Who got hurt was the working class that were building those boats. They were out of work. The business left the country. I think we all remember the concept of the income tax was to really tax those who made about \$800,000 in today %s dollars. It was only going to be 1 percent. Who would care? We are only taxing the rich. I think every working-class family today now realizes what goes around comes around.

Mr. Speaker, I just think that we have got to say if we believe in capitalism, if we believe in a free economy, if we believe in government not subsidizing major world corporations, if we believe in the fact that the family unit has the right to serve a community as a family unit, as a business and a farm, then the death tax has to go.

I will close with one last example. There is a Latino family in my district whose father immigrated here back in the 1950s, who has raised a family and the sisters and the brothers and the mother and the father and the uncles work in that print shop. They have grown their business in printing. The fact is, though, they came to me and said, "If anything happens to mom and dad, we have to sell out." Who will they sell out to? To the people who have the money to buy them out, the big corporate interests that do not want to see those small entrepreneurial immigrants competing with them. I would just ask us to consider that and let us not talk about and cry about the fact that big companies are getting bigger unless you are willing to stand up and say, okay, there are some things we cannot control in the private sector but this is one we can. Government, for God sakes, quit subsidizing the major national corporations and start it here first by not forcing small family businesses to sell out to them. We hear a lot of talk about that, about not subsidizing corporate business, on both sides of the aisle. That should be right. But the death tax is the major force of making them sell out. You can see every study in the world what breaks the back of the

family business.

So I ask my colleagues a thousand years from now, what will historians say about this Congress and this society and this Nation? Will they say that we taxed the dead and taxed their citizens to death or will they say they recognized the wrong, they recognized the injustice, they recognized the immorality of their tax code and they did the right thing and killed the death tax.

Mr. CRANE. I commend my distinguished colleague from California.

Mr. Speaker, I yield to the distinguished gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. I want to first of all to say that I rise in very strong support of this legislation to eliminate the death taxes in this country. This is something that I have cosponsored for several years. I want to thank the gentleman from Illinois for yielding. First of all I want to commend him for putting together this very important special order and for leading the charge in this battle as he has on so many other things over the years in this Congress.

I first got to know the gentleman from Illinois (Mr. CRANE) when he came to speak to a very small group of conservative students at the University of Tennessee in 1966. Then I think it was about 1972, I had him come speak to the George Washington University Law School to a packed audience. I think he put those students into shock because with the lack of true academic freedom that we have on the college campuses in this country, many of those students at George Washington Law School had never really heard a truly conservative speaker such as the gentleman from Illinois. I am proud to call him a friend. I think he is one of the finest men that I have ever known in my life.

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Mr. Speaker, let me just say that today, and many people do not realize this, the average person pays almost 40 percent of his or her income in taxes of all types, State, Federal and local, sales, property, income, gas, excise, Social Security, all of the other types of taxes, and the estate or death taxes. Then it is estimated that consumers pay another 10 percent in regulatory costs that are passed on to the consumer in the form of higher prices. A Member of the other body our good friend Senator THOMPSON from Tennessee, I remember a couple of years ago he had ads on television which said today one spouse works to support the family while the other spouse has to work to support the government. There are some of us in this Congress, in fact many of us in this Congress and I think an even greater majority across the country that think that basically half of the average family %s income going to support government is not only enough, it is far, far too much. This legislation to eliminate the death tax I am told will put over \$20 billion back into the pockets of average Americans. It probably, as the gentleman from California (Mr. BILBRAY) has just pointed out, is the most important single thing that we can do to help small business and to help small family farmers in this country.

It has been a regular thing since World War II to have White House conferences on small business. In almost every one of those conferences, the number one or number two issue for these small businesses has been the effort to try to eliminate the estate or death taxes. It has been I think one of the very top issues for the American Farm Federation and other farm organizations. It is something that is long, long overdue. The gentleman from Pennsylvania (Mr. PETERSON) told me that it takes \$12 billion just to collect this tax. And so the government really does not make that much but it takes a lot of money away from families and small businesses in this country. As the gentleman from California did such a great job just a few minutes ago pointing out, this is probably the best thing that we could do to help small business, if we all decry the fact and worry and show concern about the fact that every industry seems to be going to the big giants, the big keep getting bigger and the small keep going by the wayside because they cannot survive, they have to merge and they have to keep growing and get bigger and bigger to survive or merge or sell out. And so if somebody wants to really help the big giants in almost every industry and if you want to help, as the gentleman from California said, the big multinational corporations, probably one of the best things you could do is support keeping these death taxes in effect. But if you want to see family farms survive and if you want to see small businesses survive, then you will support this legislation to eliminate these death taxes that I think we will have on the floor on Friday.

I remember several years ago, quite a few years ago I went with a friend to see the University of Tennessee play Georgia in a football game. We were in Atlanta and had breakfast with these two accountants who specialized in buying businesses. They told us that most of the businesses they bought, they bought from second-generation owners because they said it was hard to buy from a first-generation owner because the business was usually that person's dream. But they said that if they ever found a business that was in a third-generation ownership, they thought they had hit the jackpot. But they told us, do you realize how rare it is, how extremely unusual it is that a business makes it into the third generation of ownership? And I think one of the main reasons that so few businesses make it into the third generation of ownership is because of these death or estate taxes that have forced so many families to sell out to bigger businesses or bigger corporations.

We started several years ago when control of this Congress changed trying to bring Federal spending and the Federal Government under a little bit of control. The first 6 years I was in this Congress, we were just routinely voting 12, 15, 18 percent increases for every department and agency out there. Mr. Speaker, to show how bad it had gotten, Alice Rivlin who was the President's head of the OMB and is now in the Federal Reserve put out a memo that said if we did not make some changes, this was a few months after President Clinton came in, we were going to have yearly deficits or yearly losses of over \$1 trillion a year by the year 2010 and between 4 and \$5 trillion a year by the year 2030. If we had sat around and allowed that to happen, I think everybody knew the whole economy would crash. Since the control of the Congress changed, we at least have brought Federal spending under some type of control so it is basically just rising

at the rate of inflation. But we have not cut nearly as much, and we really have not cut at all like some people think. About 3 months ago, Robert Samuelson in Newsweek wrote a column, and he is not considered to be a conservative columnist at all, he wrote a column and he said, "Government is slowly getting bigger because paradoxically we think it is getting smaller." That is what Robert Samuelson wrote in Newsweek about 3 months ago. "Government is slowly getting bigger because paradoxically we think it is getting smaller." Government keeps getting bigger and taking more and more from the people of this country and there are many of us who think that the average person in this country knows better how to spend his or her own money than Federal bureaucrats in Washington know how to spend it for them. That is the philosophy behind this legislation to eliminate the death taxes. There is very little legislation that can do more to help the economy and to help small business and small family farms and to give a little money back to the people of this country so that they can use it on their own families rather than have the Federal Government just continue to waste it and waste it and waste it. I rise in strong support of this legislation.

Mr. CRANE. I thank the gentleman for his kind remarks. I would remind colleagues I had the distinct privilege of serving with his father who was also our chairman of the Committee on Ways and Means. We are all honored that the gentleman has had the opportunity to succeed his father and represent the good folks down in Tennessee.

Mr. Speaker, I yield to the distinguished gentleman from Tennessee (Mr. WAMP).

Mr. WAMP. I thank the gentleman for yielding very much. I did not intend to come to the floor and speak tonight but I was watching this discussion on television and decided to come and share just a couple of points I think that are important. About 3 years ago, we passed the Balanced Budget Act of 1997. It had a lot of good things in it and a few bad things in it. As we oftentimes have to do, you have to weigh the good versus the bad and make a judgment call. I think a lot of good came out of that. But very few people out there realize that at the very last minute of the negotiations of the Balanced Budget Act of 1997, which really have set in place the framework of the balanced budget and the spending caps that have kept the budget balanced and I think stimulated the markets and given investors confidence and helped this economy thrive over these last 3 years, but at the very last minute, one of the biggest disappointments that I have had in the last 6 years that I have been here was that they changed their plans with respect to the elimination of the death tax or the lifting of the exemption of the death tax, because the negotiations centered around doubling the exemption back in 1997 for the estate tax, the death tax so that when people die, a certain percentage of what they have is not taxable.

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And it was a great disappointment at the 11th hour back in 1997 when, instead of doubling the exemption for the death tax, they came back and put just an annual index on it. So it gradually goes up.

That was a big disappointment, because back home in Tennessee, where I live and spend time with my family and the people that I represent, there are a lot of stories about regular people, hard-working small business people that are affected by this unfair tax at death, where the taxman comes, when a family member dies, and asks for the money very soon after death, within 6 months, and you have to pay up. You have to find the money to pay up.

In Washington, we went through an appropriation %s markup today. There is a lot of rhetoric from the other side of the aisle about this whole tax proposal to eliminate the death tax over time and to raise the exemptions and to give death tax relief to small business people and individuals out there.

There is a lot of talk that this is a tax plan for the top 1/10 of 1 percent of the wealthiest Americans. Let me tell you what my experience is: This is all about doing what is fair for people in this country. Some of them, yeah, they were in business. Some of them are family farmers, but a lot of them are just grassroots small business people that find themselves in a position that they have to pay the taxman when maybe their parent passes away.

I just want to tell a story, without naming names, about a young man, a young family in my Sunday School class at Red Bank Baptist in Chattanooga, Tennessee. This young man is in business with his father. He lost his mother just a few years ago. When his mother passed away, he analyzed the situation being in business with his father, because it really hit him like a ton of bricks that he needed to have some tax professionals look at his situation. He found that if something were to happen to his father, he would owe the taxman large sums of money and, effectively, be forced to sell his business.

Now, this is not some kind of big business. Let me tell you. This is small business. I am talking about old buildings. I am talking about a lot of maintenance. I am talking about very few employees, less than 10. I am talking about a very small family business, yet, over time, they built up enough momentum and enough assets that at death this individual, if his father passed on, would have an enormous and immediate tax bite.

Frankly, all that money that has been generated for this family business over this generation has already been taxed, yet, the government in this country at a time where we have a budget surplus, where we do have a good economy and consumer confidence, this is the time where WE say what are the most unfair taxes and let us eliminate them; what are the taxes that will give the most economic stimulus, and let us cut them. This is a time where you can return some of the money to the people that pull the wagon in this country, and that is what I found. My friend needs this tax relief. He is not wealthy. He needs this tax relief so if something happens to his father, he is not forced to sell that business.

We have to have some generational equity in this country again,

where families work and invest and hand down and pass down the fruits of their labor. We cannot have let us take it all out, we have to have, you know, a culture that says let us invest and save and pass down. That is the American dream. This legislation will shore up that American dream.

In closing, let me say this, our free enterprise system is what people in Eastern Europe and the Soviet Union were willing to risk their lives to have. We run all over it. We take it for granted. We mistreat it. We overtax it. We overregulate it. We overlitigate it. It is the goose that lays the golden egg of American opportunity, and that is our free enterprise system.

It is precious. This piece of legislation is the next great example of the difference between the two approaches of whether we hold up profit as a good word and the free enterprise system as really the anchor of our society. The free enterprise system; yes, you can go into business in this country; yes, you can make a profit. Greed is a bad word. Profit is a good word.

Let us quit treating profit like it is a bad word. The free enterprise system is what the other folks want to have. Let us treat it fairly. Let us give it what it needs. Let us treat these small business people with dignity, and let us lift this estate tax exemption as much as we can. I would say over time, let us just wipe it out, but let us take this next first step on Friday, and let us not let the demagogues win.

This is not about tax breaks for the wealthy. This is about working people that pay the taxes that pull the wagon, and we have to give them some help and get the government off their backs.

Mr. Speaker, I thank the gentleman from Illinois (Mr. CRANE) for everything he has done over the years in this institution in the Committee on Ways and Means. I appreciate what he has done for the free enterprise system in this country. I wish him all the best. I am proud of him for what he has done in his personal life. It is outstanding. I appreciate the opportunity.

Mr. CRANE. Mr. Speaker, I thank the gentleman from Tennessee (Mr. WAMP). I deeply appreciate his comments.

Mr. Speaker, I yield to our distinguished colleague, the gentleman from Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentleman from Illinois (Mr. CRANE), the chairman, for putting this together tonight and for bringing this issue to this Congress.

I guess a year or two ago, we heard the demagogues say that the capital gains tax did not need to be cut; that it was going to cost necessary revenues for this country to run off. It was going to cause all kinds of economic chaos.

What happened when we cut the capital gains tax from 28 percent to 20 percent? It released capital. People began to sell properties and

sell stocks and sell things that they paid capital gains on, because that 28 percent tax had been reduced to 20 percent. They were willing to pay 20 percent where they were not willing to pay 28 percent.

What happened the first year? \$38 billion of additional revenue came into the Federal Government. It did not cost to cut that tax. I think if we would have cut it to 15 percent last year as we talked, we probably would have increased revenues again. We certainly would have helped the growth of business.

Today and this week we are going to be dealing with the death tax, the estate tax. We are going to hear the same arguments, we heard it tonight, that it is about billionaires. It is not about billionaires. It is about small business, small farmers, small sawmills, small manufacturers, supermarket operators, locally-owned ones, locally-owned hardware stores, the people that are in our communities that serve on our borough councils, that serve on our local advisory boards, that serve in the recreations commission that give back to their community.

It is not corporate America. It is the local business people. We heard that it was about billionaires. Well, here are the numbers. 53 percent are 1 million or less, 39 percent are 1 million to 2« million, 7 percent from 2« million to 5 million, and 3.7 percent of the cases are over 5 million.

You do not have to have a very big business today to have a couple million dollar business. You can have 4 machines in a building, a couple of trucks and some other office equipment, and you have a several million dollar business. Let us say it is a family business and the children are involved. Oftentimes, the children helped grow the business.

It was a partnership between fathers and sons and mothers and daughters, and as they made this business grow and the parents passed on, the only way they could protect themselves was to spend a lot of capital and buy insurance to pay the taxes, and some do that. It takes money that they might need to buy another machine to expand to grow the business.

This tax is not about large corporations. The public-held corporations do not pay this tax. And where is the future of America? The future of America is small business. The strength and growth of our economy has been new businesses. The record of new businesses is not always real good. Indirectly small business owners, the major producers of most new jobs are forced to hire fewer workers than they desire because of the high capital costs associated with death taxes.

Likewise, with death of a small business owner, many employees lose their jobs when relatives of the deceased owners are forced to liquidate the business to pay the death taxes. This occurrence is not rare; 70 percent of all businesses never make it past the first generation, 87 percent do not make it to the third generation, and only 1 percent make it to the fourth generation. One of the major reasons for this phenomenon appears to be the death tax.

A recent survey conducted by Prince & Associates demonstrated that 90 percent of successors to family-owned businesses that were forced to liquidate within 3 years of the original owner's death claiming that paying death taxes was one of the major culprits of the company's demise.

Now, when you stop and look at our individual communities, the backbone of our communities are not the national corporations, though we are fortunate if we have a plant there, or if they have businesses there, but the real strength of our communities are the local entrepreneurs, the local businesses, the local sawmill, the local hardware store, people who have lived their life there, who are vitally a part of that community.

Yes, one third of small business owners today will have to sell or liquidate part of their business to pay estate taxes. Half of those who liquidate to pay death taxes will have to eliminate 30 or more jobs. So if we want job growth, this is a tax that prohibits businesses from continuing the growth cycle they are on. Mr. Speaker, maybe they were a business that had two restaurants and were ready to go to number three, and one of the parents die, and suddenly they have to sell one of the restaurants to pay the death taxes.

They stop the growth cycle whenever they were going to go to restaurant number 4 or restaurant number 5, or they were going to add machine number 5 or machine number 6 that would have employed three more people, one more for each shift, and more people for the office and more people to truck the goods in and out. It is a tax that makes no economic sense. It is also one that is not easy to collect. It costs considerable. It is 65 percent of the tax, 65 percent of the tax that is collected is costs of collection. That is not a very efficient tax. And when you want less of something, tax it heavily.

When you tax something 37 percent to 55 percent, you are going to have a whole lot less of it, and that is what we are doing to successful businesses in this country. We are taxing them 37 percent to 55 percent when they want to transfer that business from the parents at their death to the children. There is nothing right about that. A study by George Mason University Professor Richard Wagner showed that eliminating the death tax would have a substantial impact on lowering the costs of capital and thus increase the health of the economy. Wagner found that within 8 years of eliminating the death tax, the gross domestic product would be \$80 billion larger than expected, resulting in the creation of 250,000 additional jobs and \$640 billion larger capital stock. Ladies and gentlemen, cutting this tax will not lose revenue for this country. In the long run, it will be a stimulus to our country. It will help the small businesses who are competing with the large corporate entities of this world. The future lies with the Bill Gates % of the future who may start in their garage, who may start in a little warehouse someplace in the corner of it and start to grow a new business, providing new service, with a new concept, a new idea, and when suddenly that generation passes on, the next generation can continue.

Yes, even liberals support this. A University of Southern California Law Professor Edward McCaffrey, a self-described liberal, stated in testimony before the Senate Committee on Finance recently, the death tax discourages behavior that a liberal democratic society ought to like. It discourages work. It discourages savings. It discourages bequests, and it encourages behavior that such a society ought to suspect, the large scale consumption, leisure, giving of the very rich. It is a tax on working and savings without consumption. It is a tax on thrift, on long-term savings.

There is no reason, even a liberal populace supports it. The current gift and estate tax does not work. It is a deep tension with liberal ideals and lacks strong popular or political support; that is from a liberal.

Ladies and gentlemen, it is time for us to do away with the death tax. It will have a positive economic impact on the future growth of America. It will grow new jobs. It will inspire our economy to grow, and it is time we eliminate it.

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Mr. CRANE. Mr. Speaker, I thank my distinguished colleague for his remarks. In conclusion, I would simply like to pay tribute to our colleagues, the gentlewoman from Washington (Ms. DUNN) and the gentleman from Tennessee (Mr. TANNER) who are cosponsors of H.R. 8. It has had bipartisan cosponsorship from the outset, and I look forward to good, strong bipartisan support on Friday when we finally eliminate this obscene component of our Tax Code.

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FOX SPECIAL REPORT WITH BRIT HUME
June 13, 2000

HUME: The rising cost and number of prescription drugs makes Medicare a hot-button issue for the 2000 elections. Created in 1965, Medicare, of course, is a health care program that serves about 40 million elderly and disabled people, financed by a 2.9 percent tax--payroll tax. The government currently has no outpatient prescription drug coverage, and the president, Congress and presidential candidates are trying to include drug benefits to recipients.

To sort out the details of competing Medicare plans, I'm joined by Robert Moffit, director for domestic policy at the think tank the Heritage Foundation and a former deputy assistant secretary of Health and Human Services under, I believe, President Reagan, correct?

ROBERT MOFFIT, HERITAGE FOUNDATION: President Reagan, that's right. Yeah.

HUME: Now, first of all, why do we see prescription drug costs going up so sharply? Is it that Americans are getting sicker or what?

MOFFIT: Major reason is, is that the prescription drugs that are coming on line today are top-of-the-line prescription drugs for chronic illnesses, things like depression, diabetes, various other kinds of illnesses. And what we're seeing is a new generation of very high-quality drugs that are able to reduce people's need for other types of medical intervention, such as surgery. So it's a very high quality of technology in this area, and the demand for it is increasing as the population gets older.

HUME: Right. And of course, people getting older and living longer...

MOFFIT: Absolutely. Yeah.

HUME: All right. Now, Dick Gephardt was saying last week--and I don't think any Republican would disagree with him--that this

is the issue that all his House members out there running for election say is the one, that this is an issue that's...

MOFFIT: No question about it.

HUME: ... got to be dealt with. So would I be correct in thinking that, in political terms, this is not an issue where anybody can successfully resist, that Congress is going to have to--is going to do something?

MOFFIT: That's right. I mean, the--the clear problem is, is that there is a direct need here for Americans to have--over 65 to have access to prescription drugs. The sad part of this whole debate is that we had a tremendous consensus that had built up around the national bipartisan commission on the future of Medicare. If you recall, the great majority of that commission, 10 members of that commission, had agreed on creating a new system for the next generation of retirees that was going to be modeled on the federal employee health benefits program.

Now, Brit, in that program, every person, whether a congressman or a mailman or any one of the nine million federal employees and their dependents, have access to prescription drugs. That one plan exists.

HUME: Now, how much--how much of the--of the drugs' cost is paid for?

MOFFIT: Well, right now, in those plans, most of those plans pay between 80 and 90 percent of the cost of prescription drugs. And nobody in any one of--in any one of the federal employee plans has to go out and buy supplemental insurance to buy prescription drugs.

HUME: So is...

MOFFIT: That was the model.

HUME: Is there a whopping premium being for that?

MOFFIT: No, it's a normal, competitive premium. What happens in that system is that every member of Congress, every congressional staffer, every federal worker buys a plan. The plans are competing with each other directly for consumers' dollars. And as a result, costs are held down on a pretty reasonable basis.

HUME: Now, why isn't--and--and--but what's being proposed neither by Bush nor the Clinton administration is that, right?

MOFFIT: Well, the--Governor Bush has indicated he supports that kind of Medicare reform. The Breaux-Thomas proposals, which were the--which were the basis of the Medicare commission, would, of course, have provided universal prescription drug coverage, and lower-income people would have been subsidized through a voucher system, basically, for them to purchase drugs. So we would have had universal coverage. The drugs would have been delivered through the private market, and insurance plans would have been competing with each other, and people would have had access to high-quality prescription drugs.

HUME: So...

MOFFIT: So Vice President Gore, and apparently members of Congress, are blowing it because hardly--there--there's no debate that we've had a real consensus here on this.

HUME: Well, what's wrong with what they want to do?

MOFFIT: Well, what they're going to try to do is they're going to try to set up a stand-alone drug benefit. Both the president wants to do that, and also the Republicans in Congress. I don't think there's anything wrong with trying to do this...

HUME: Paid for how?

MOFFIT: Well, it's going to be paid for with tax dollars money. In the case of the Clinton administration, he's talking about an up-front payment for first-dollar coverage for drugs. In the case...

HUME: Out of general revenue funds or...

MOFFIT: Well, it's going to be...

HUME: ... more...

MOFFIT: It's going to be--in the case of the Clinton plan, he's talking about a premium system.

HUME: Right.

MOFFIT: And you will be paying a premium of \$26 a month. And then, as a result of that, what will happen is, is you will have 50 percent of your drug costs covered up to \$5,000.

HUME: Now, why won't that work?

MOFFIT: Well, the problem with that is, is that if you're going to offer up-front first-dollar coverage for prescription drugs, about two thirds of seniors already have private prescription drug coverage now. The largest category of that is employer-provided health insurance, where they provide drugs. What employer is going to keep a prescription drug benefit if, in fact, the taxpayer is going to pick up the tab? So the real concern that we have at the Heritage Foundation is that many seniors will be dumped out of their private drug coverage as a result of the incentives that are created...

HUME: And the costs will then skyrocket?

MOFFIT: Well, that's right, because you're looking at an artificially cheap drug benefit.

HUME: Now, is there a deeper danger here that has to do with the availability of drugs...

MOFFIT: Yes.

HUME: ... that--that an insurance plan could...

MOFFIT: Absolutely. The real danger here is, is that if the government ends up offering a prescription drug benefit which is artificially cheap--in other words, for political reasons, they hold down the cost...

HUME: Now--now, do they do this by negotiation, or they do this...

MOFFIT: No, they would...

HUME: ... by legislation?

MOFFIT: ... do this by legislation. The danger would be is that you would have an extreme demand for prescription drugs. In other words, doctors will be writing prescription drug, you know, prescriptions faster than you can--you can count. And as a result, the cost of the program will explode.

HUME: Right.

MOFFIT: When the costs explode, Congress and the administration have limited choices. What they could do is they can raise the premiums for seniors, which is politically almost impossible.

HUME: Right.

MOFFIT: Or they can resort to some kind of price regulation on the drugs, which means, basically, that the government will come in and start to ratchet down the price of the drugs.

HUME: Well, a lot of people would say that's a good thing. Why is that not a good thing?

MOFFIT: That's a terrible idea because the

prescription drug benefit is a product of a research-and-development system.

HUME: You mean the drug itself?

MOFFIT: Well, the drugs themselves. I mean, I think it right now costs between \$250 million to \$300 million for every prescription drug that comes on the market.

HUME: To develop it, you mean.

MOFFIT: To develop it. Well, you know, you have a research-intensive industry here. You got about 1,000 drugs under--under development. The annual costs are--exceed \$20 billion. And if you start to cut back on the revenues that go into that industry, you're going to cut back on research and development for prescription drugs at the very time that you're going to see 77 million Baby Boomers start to retire...

HUME: So--so...

MOFFIT: ... within the next 10 years.

HUME: ... people are saying not incorrectly that these drug companies are making enormous profits. What you're saying is that if they weren't going to make enormous profits, they wouldn't make the up-front investment to create the drugs.

MOFFIT: What I'm saying is if they cannot make a profit, they will not have the revenues available for research and development. And we are going to need...

HUME: Or the incentive.

MOFFIT: Or the incentive. But we're not--we're going to need that within the next 10 years because we're going to have demands for prescription drugs that are going to exceed anything we've ever seen before.

HUME: Now, I--we only got about 30 seconds...

MOFFIT: Sure.

HUME: ... but what about this problem that these drugs cost less everywhere but America, and yet they're developed here and--and American citizens pay more?

MOFFIT: There's a reason for that. The reason for that is in all of these countries, basically, those countries put price controls on drugs.

HUME: Right.

MOFFIT: And what's happened, in effect, is because they put price controls on drugs, we end up subsidizing their drugs.

HUME: That's...

MOFFIT: That's actually what's happened. And if this administration wanted to get things under control, they would make that a major issue in trade negotiations between ourselves and Canada and Mexico and a number of other countries.

HUME: All right. Very interesting.

MOFFIT: Thank you very much.

HUME: Hope to have you back, Mr. Moffit.

We have to take a quick break for the news headlines. When we return, find out what snack food is becoming a campaign issue in a Senate race. Really.

(COMMERCIAL BREAK)

HUME: And now the latest pickin's from the political grapevine.

Stockport College in England has officially banned

such words as "lady," "gentleman," "Mrs.," "postman," "man-made" and "crazy" from being spoken on campus. College authorities say this is part of a, quote, "equal opportunities policy," end quote, to protect the feelings of women, minorities, and people with mental health problems. The "Washington Times" reports that the use of such words could result in denial of admission or employment at the college, which offers among its studies, quote, "complimentary therapies," hairdressing and floristry.

The CIA has ordered two former employees not to appear in a History Channel documentary unless they clear all the questions and answers in advance. The two former agents were part of the U.S. mission in Somalia and have already been quoted critically on the CIA's role in Somalia in an article in "The Washington Post" magazine. All CIA employees sign a lifetime secrecy agreement which allows the agency to censor what they say about it.

Jake Tapper, the political reporter for Salon.com, says he was refused credentials for two upcoming Pat Buchanan events because a Buchanan adviser told him he'd checked out Salon's Web site and found it to be, quote, "liberal media crap." The campaign says that adviser was a fund-raiser, not a campaign aide, and the events were fund-raisers, too, not generally open to the media.

Michigan GOP Senator Spencer Abraham's campaign has put up a Web site on his Democratic opponent, Debbie Stabenow, called Liberaldebbie.com. If it looks familiar, it's because the name and the emblem are a take-off on the popular Little Debbie line of snack cakes, and the Little Debbie people are not a bit happy about it. They're saying their trademark has been ripped off, and they want it stopped.

When Rudy Giuliani became mayor of New York City, he promised to cut crime in the Big Apple, and he has. The streets are safer. Times Square's been cleaned up. And overall crime rates are down. But a dramatic crime wave in Central Park over the weekend has some wondering whether Giuliani's crackdown has lost its edge. FOX NEWS's Eric Shawn has the story.

(BEGIN VIDEOTAPE)

ERIC SHAWN, FOX NEWS (voice-over): Broad daylight, Central Park. You're watching a home video of what police say was a frenzied attack on unsuspecting women, and it has shocked the city, at least 10 stripped and groped by a roving gang in the aftermath of New York's Puerto Rican Day parade, the scenario especially troubling because some of the victims say police at first stood by and did nothing as the men attacked.

ANNE PEYTON BRYANT, VICTIM: They tried to pull my shorts off of me, and I was kicking people with my skates and...

SHAWN: Anne Peyton Bryant was rollerblading through the park when she says she was set upon by the raging mob of men, and the cops refused to help.

BRYANT: They told me that I could file a report. I said "The crowd is out of control. You need to do something. Please check this. Send someone in. Someone else is going to get hurt there." They still did nothing. I stopped again a few yards away. Four or five cops were sitting on the ground. Again, I was, like, soaking wet, dirt all over me. "You have a problem. It's at the end of the park. Crowd is out of control." They were sitting on the ground...

UNIDENTIFIED REPORTER: Nobody's listening to you.

BRYANT: No one listened.

MAYOR RUDOLPH GIULIANI (R), NEW YORK: If that's true, that's very, very troubling, and that should lead to significant discipline of the police officers.

SHAWN: New York City Mayor Rudolph Giuliani reacted, promising a full investigation not only of the attacks, but of any cops who failed to act. The rampage comes after the much publicized scrutiny of the NYPD following the shootings of Amadou Diallo and Patrick Dorismond, two unarmed men, prompting some to ask of police tactics have softened.

Steve Davis, a retired police captain, says that's not so.

STEVE DAVIS, FORMER POLICE CAPTAIN: You've got a lot of cops who are not traditionally involved in everyday enforcement because of the need for surplus officers. And some of them are not quite fresh on their patrol and street tactics.

SHAWN (on camera): So far, only two suspects have been arrested. The rampage not only has New Yorkers questioning why parade-goers would commit such acts, but why, when told, some of New York's finest would apparently not intervene.

In New York, Eric Shawn, FOX NEWS.

(END VIDEOTAPE)

HUME: The circus has do come to Capitol Hill. A hearing was held on legislation that would ban the use of elephants in performances, and representatives from the big top testified against it, saying elephants kept in captivity are well treated. But supporters say captive elephants are dangerous to the public. FOX NEWS correspondent Steve Centanni explains.

(BEGIN VIDEOTAPE)

STEVE CENTANNI, FOX NEWS (voice-over): Circus elephants have appeared on Capitol Hill before, but it was all spectacle and symbolism. This time it was more of a horror show. This tape of an elephant trampling people at a traveling circus was shown during a congressional hearing. In this rampage in Hawaii, one elephant handler was killed, and the animal was eventually shot by police.

Since 1983, 30 people have been killed by elephants, mostly in circuses, where the animals are trained to perform.

REP. SAM FARR (D), CALIFORNIA: To get a five-ton, ten-foot-tall animal to perform these stressful, often painful stunts at two or three shows per day, the animals' trainers must use fear and torture.

CENTANNI: Farr introduced a bill to outlaw elephant rides and elephants in traveling circuses. Game show host Bob Barker was among those who testified in favor of the bill.

BOB BARKER, ANIMAL ACTIVIST: Robbed of every shred of dignity, is it any wonder that these magnificent, highly intelligent creatures finally rebel? And when they do, they pose an alarming threat to human life.

CENTANNI: But those who train elephants for a living say there's always a danger around wild animals, especially when they're as powerful as elephants. They say performing animals are not tortured, and the proposed law goes overboard.

KARI JOHNSON, "HAVE TRUNK, WILL TRAVEL": This bill will not ultimately help elephants. In fact, it will hurt them. Our business will cease to exist, and along with it our breeding and research

programs.

CENTANNI: The committee is split along party lines. Republican Bob Barr questioned the need for regulating elephants and wonders where you draw the line.

REP. BOB BARR (R), GEORGIA: You could take shock videos and bring one in here and show us a tragedy that has happened in any activity whatsoever. And I guess you all's answer to that would be we need to outlaw automobile racing, we need to outlaw air shows.

CENTANNI (on camera): And Barr says regulations of this kind ought to be left up to the states.

The bill has little chance of passing a judiciary subcommittee, but its supporters say this hearing served its purpose anyway by putting an important issue before the American people.

In Washington, Steve Centanni, FOX NEWS.

(END VIDEOTAPE)

HUME: And coming up next: Fifty years after the Korean war, we'll tell you how the leaders of North and South Korea are trying to end the hostility.

(COMMERCIAL BREAK)

HUME: The owner of Russia's main independent TV station has been arrested in what some suspect might be political retaliation for criticizing the Kremlin. President Clinton appeared on a radio station owned by Vladimir Gusinsky during his trip to Russia earlier this month. The White House says Mr. Clinton raised concerns about freedom of the press during his summit with Russian President Vladimir Putin. For his part, Putin says Gusinsky's detainment was a surprise to him and that he would look into the matter.

For the first time in 50 years, the leaders of North and South Korea have held face-to-face talks. The discussions began with a cordial start. North Korean leader Kim Jong Il greeted his Southern counterpart, Kim Dae Jung, at the airport by shaking hands. The countries are still technically at war, but the summit is aimed at ending the hostility. Both leaders say they hope the discussions are the beginning of an eventual reunification of the Korean peninsula.

Syrians have spent the day collectively mourning their late president, Hafez al-Assad. He died Saturday at the age of 69, and leaders from around the globe traveled to Syria to pay their respects during a day of funeral ceremonies. FOX NEWS correspondent Greg Palkot reports from Damascus.

(BEGIN VIDEOTAPE)

GREG PALKOT, FOX NEWS (voice-over): Mourning which at times seemed out of control and at other times very much in control marked the funeral today of the late Syrian president Hafez al-Assad. Tens of thousands of people packed the streets of the capital, Damascus despite the searing heat to honor the longest-serving ruler the country has ever known.

UNIDENTIFIED FEMALE: All the people loved him.

UNIDENTIFIED MALE: Very sad. I am very sad.

PALKOT: International dignitaries also paid their respects. Leaders from most Mideast countries attended, including Palestinian President Yasser Arafat. Greeting the visitors, the man nominated to succeed his father as president in the basically one-party state, 34-year-old Bashar al-Assad. Secretary of State Madeleine Albright represented the United States, along with Reverend Jesse Jackson.

MADELEINE ALBRIGHT, SECRETARY OF STATE: He is someone who to me seems very poised and somebody who is ready to assume his duties.

PALKOT: Albright also said Bashar al-Assad pledged to continue his father's efforts regarding Mideast peace. In the view of some, however, the anti-Israeli late Syrian president hindered more often than helped that very process. Most, in fact, are watching to see if the young Assad can simply survive politically. While he has support, just this week Bashar's exiled uncle, the younger brother of the late president, Rifaat al-Assad, announced he might return to Syria and make his own play for power.

(on camera): Late in the day, the body of Hafez al-Assad was laid to rest in his ancestral home in northwestern Syria. His legacy, for better or for worse, almost certainly will live on.

In Damascus, Syria, Greg Palkot, FOX NEWS.

(END VIDEOTAPE)

HUME: Don't touch your remote, folks. Our panel of analysts is coming up next.

(COMMERCIAL BREAK)

HUME: On what, as we suggested earlier, has not been the best day for Energy Secretary Bill Richardson, I'm joined by Bill Kristol, editor and publisher of "The Weekly Standard," Mort Kondracke, executive editor of "Roll Call," and from her perch at the White House, Mara Liasson, White House correspondent of National Public Radio.

What about this Los Alamos incident? Obviously, we don't know all of what happened. We have the secretary of energy saying that, well, he's not at all--it's not at all clear to him there's any espionage involved here. But what, if any, political consequences here, Mort?

MORT KONDRACKE, "ROLL CALL": Well, it bespeaks great incompetence on the part of the Energy Department and the labs to--I mean, following on the security crisis of last year, where there was espionage expected, even if they just lost these--this information, it's...

HUME: (UNINTELLIGIBLE)

KONDRACKE: ... hard drive--you know, where were the security people? This is some of the most secret stuff that they've got. There's a fire. What do you protect, and how do you protect it? And shouldn't somebody keep track of it? And so on and so forth. I mean, it's a horrible black eye for the whole department.

MARA LIASSON, NATIONAL PUBLIC RADIO: Yeah, I think it's just a little bit more like Keystone Kops. I mean, all of a sudden--first of all, they say they don't know if it's espionage. It might not really be stolen. It might just be lost. It just looks incompetent. And I think, as the administration winds down, there's more and more of this kind of stuff. It's just not good. And I think Secretary Richardson is once again on the hot seat here. And there are going to be hearings, and he's going to have to account for this.

WILLIAM KRISTOL, "THE WEEKLY STANDARD": Well, the one obvious political consequence of this, Brit, is that Bill Richardson, the secretary of energy, is no longer on Al Gore's vice presidential short list. He was one of four or five leading candidates to be the vice presidential nominee. It's now inconceivable to me that he could be

nominated by Vice President Gore to be his vice presidential candidate not just because this has been a major screw-up, as we've been saying, but because there security problems several months ago at Los Alamos. Bill Richardson fought bitterly with Congress not to have all kinds of restrictions put on him. He said, "I will take care of this. Hold me accountable."

HUME: Well, didn't...

KRISTOL: Now you have this major mess-up.

HUME: But didn't Congress, in effect, go ahead in the face of his objections and impose a kind of security system with a security czar, a security official there within the department that he did not want?

KRISTOL: And which he resisted, and I believe has not really implemented in the way Congress had hoped. And again, he made a big deal of the fact that he was going to be held accountable, which I admire. Cabinet officials should be held accountable. I don't think he'll be forced to resign, but he will not be Gore's vice presidential nominee.

HUME: Well, what--what happened--I mean, the one thing that's striking about this is here is what appears to be a sort of ready-made issue for a critic of this administration, and this is--we're now 24 hours or more into our knowledge of this. And the silence which is emanating this week from Kennebunkport, Maine, is quite loud. For this to have any political consequences, does George W. Bush have to pipe up about it, or will it have consequences anyway?

KRISTOL: I think--well, there's a debate on this within the Bush camp. They've done very well by having him not be particularly critical of Gore, of the administration, laying out his own program. There have been times over the last several weeks on a bunch of issues--Microsoft, defense and foreign policy issues--Bush has pulled his punches. He hasn't wanted to get into tit for tat with Gore or with the Clinton administration.

Maybe it's working. You know, Bush has a high favorability rating. He seems like a nice guy. He's laying out his own agenda. The cost of it is you don't frame these issues. You can't count on the media to do it if you're the opposition candidate. You can't raise it suddenly in September or October.

And I do think we may be at a point here where if Governor Bush wants to make an issue of the general conduct of the administration, of its failure to responsibly carry out national security policy and to attend to security concerns, he's going to have to start talking about this.

KONDRACK: Yeah, I would suspect that there will be some line in some speech somewhere where this will be a new low in reinventing government. You know, you lose the most precious secrets of the United States government, something like that. I mean, it's so juicy and so ripe for just mismanagement--charges of mismanagement, which Bush has actually been making lately. You know, he's going to--he's going to make the government work better. He's going to make it more collegial, less partisan, more efficient, et cetera, et cetera. This will play into this before it's over.

LIASSON: Yeah, and I don't think he's lost a valuable opportunity that won't come again. As long as there's a template that this fits into, as long as there's a general sense that this administration has been slightly incompetent, it hasn't guarded the

nuclear labs properly, I think he'll probably have another chance to make this argument in the future.

HUME: Well, let's take a look at the race. Now, the latest poll, one brought to us by "The Washington Post" and ABC News, shows Bush up by what, 4 points now?

KONDRACKE: Four points. Well, six points when you count in the third--the third and fourth-party candidates, Pat Buchanan and Ralph Nader, who...

HUME: Who appear--they're going to be...

KONDRACKE: Yeah.

HUME: They're going to be there.

KONDRACKE: Yeah, they'll be there, and they're each polling about 4. But the 4 seems to come more at the expense of--the 8 seems to come more at the expense of Gore than it does of Bush. So you know, there--there--it looks like disgruntled workers, disgruntled environmentalists and left-wingers are going to peel off from Gore.

HUME: Now, this was day one, Mara, of the Gore...

LIASSON: Right.

HUME: ... Clinton prosperity...

LIASSON: Yeah.

HUME: ... record tour. He's got Bob Rubin in tow.

There's even been some murmurings to the effect that he might try to get Bob Rubin to be his running mate. Of course, Rubin, the former treasury secretary...

LIASSON: Right.

HUME: ... very well-regarded in Wall Street and elsewhere.

LIASSON: Yeah.

HUME: What about that?

LIASSON: Well, I tend to think that if Al Gore is not getting credit for the economy now and he doesn't get any after this prosperity tour and many other efforts like it, I can't imagine that putting Bob Rubin on the ticket is going to fix this problem.

I mean, this is one of the enduring mysteries of this race, why, in an environment that looks tailor-made for an incumbent vice president, with the economy booming and other--and other indicators going his way, why isn't Al Gore doing better? Now, it's--there's a lot of theories that are floating around out there. Maybe the prosperity has been going on for so long that people take it for granted. Maybe there's also been a disconnect between people giving the president credit for good times.

Now, I think Clinton did get credit in '96 for turning the economy around, but Gore isn't getting any now. Maybe people just--because of the focus on Wall Street and the private sector, people just think that it's not the government, it's not the president who's--who's controlling the economy.

HUME: Bill, is it possible we've arrived at a moment in America where people believe that prosperity emanates not from government policy but from...

LIASSON: Sure.

HUME: ... private-sector action?

LIASSON: I think--I think...

KRISTOL: Sure.

LIASSON: ... we are.

KRISTOL: But I would say this. I was talking with a senior Democrat today who said, "Look, Bush has had a terrific three months. Gore has had a really clutzy three months. Bush is 4 points ahead of Gore. We'll take that." It's not going to get any better for Bush. And the down side out there for Bush over the next several months is substantial. Gore will come out of Clinton's shadow, presumably, at the Democratic convention, and there's a lot of history that vice president--vice presidential candidates running for president do better once they get to step forth at their own convention, make the presidential acceptance speech, pick their own vice presidential nominee. And suddenly people say, "Yeah, he could be president."

So I think this race is really, in effect, dead even.

HUME: Well, I...

LIASSON: Yeah. You know, the problem with talking to those Democrats--and I've talked to them, too--is they apply the lessons of the past to this race, and I think some of it could be wishful thinking. Every race makes its own history, and we really don't know how--whether this is going to follow the pattern of '88, as Democrats fervently hope, or 1960, which Republicans trot out as the model to follow.

KRISTOL: But even in '60, Nixon, the incumbent vice president, was behind at this point in polls to Kennedy. In '68, Humphrey...

LIASSON: That's right, but he didn't win.

KRISTOL: ... the incumbent vice president--but he came within half a percentage...

LIASSON: Yeah.

KRISTOL: ... point. Humphrey was way down at this point, came within a percentage point. Bush was 10 points down, won by 10 points.

HUME: But Bush is...

KRISTOL: So there is a fair amount of history that vice presidents come on strong at the end.

KONDRACK: You know, I mean, I--Bush--Gore would like to make the case that Bush's tax cut is too humongous to be fit in even into the huge surplus we're going to get, but as "The New York Times" pointed out today, and people have been talking about for a while, the surplus is about to grow by another trillion dollars over--the estimates of the surplus, which will make room for Bush's tax cuts and will make it look less irresponsible. So that's an issue that Gore may lose.

LIASSON: And that's the final irony of a great economy. The better the economy is, the more tax revenue the federal government is taking in, and the harder it is for Gore to raise these dire warnings about Bush's plans.

KRISTOL: The interesting thing is Gore--Bush put out the Social Security reform plan about three or four weeks ago. Remember I was on this show, Brit. We talked about it. I said, "Gee, if Gore hasn't really wounded Bush in the next two or three weeks, that's a sign that Bush is going to get away with it." But the interesting thing is that Gore didn't really go after Bush on Social Security.

(CROSSTALK)

KRISTOL: No, he did a little. No paid money. His

first paid ad is what, a prescription drug ad. And we do not--we still do not know--I regard it as an untested proposition whether Governor Bush can sell his Social Security plan or not.

HUME: All right, Bill Kristòl, Mort Kondracke, Mara Liasson.

That's all the time we have for the panel, but stay tuned for a look at a senior citizen who ran out on the president. Don't miss this.

(COMMERCIAL BREAK)

HUME: Finally, there's nothing like having a real person, an ordinary citizen, speak at one of those events that politicians are continually staging to promote their ideas. Sometimes, though, the sheer humanness of such people shows through in unexpected ways. Watch this moment from a White House event on Medicare and prescription drugs for the elderly.

(BEGIN VIDEO CLIP)

UNIDENTIFIED SENIOR CITIZEN: I know that Medigap plans offer prescription drug coverage, but I couldn't afford to purchase that type of coverage. It's just too expensive. Thank you.

(APPLAUSE)

CLINTON: You're not done, are you?

UNIDENTIFIED SENIOR CITIZEN: (UNINTELLIGIBLE)

CLINTON: You're not done. She's got more!

UNIDENTIFIED SENIOR CITIZEN: Doggone it, there's another page I'm supposed to...

(LAUGHTER)

(END VIDEO CLIP)

HUME: And that's SPECIAL REPORT for this time.

Please join us again next time, and in the meantime, stay tuned for news, fair and balanced, as always.

END

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TEXT:
PBS Newshour
August 21, 2000

Gore Environment Record

In a continuing look at the major candidate's stands on key issues, Tom Bearden examines Al Gore's environmental record.

SPEAKER: I am pleased to introduce to you, the Vice President of the United States, Al Gore.

TOM BEARDEN: Al Gore has been talking and writing about the environment for more than 20 years.

AL GORE: My commitment to the environment has always run deeper than politics. We have to do what's right for our earth because it is the moral thing to do.

TOM BEARDEN: Gore's well-established environmental record makes it easy for people to grade his performance.

RICK LAMONT, Audubon Society: A-plus.

CARL POPE, Sierra Club: Al Gore, I'd give a B+.

BRENT BLACKWELDER, Friends of the Earth: I would say probably a C.

SHANNON McDANIEL: I'm going to give him a D.

AMY McHUGH: Probably a D-.

ANGELA ANTONELLI, Heritage Foundation: An F.

TOM BEARDEN: Any discussion of Gore's record usually produces the sharply drawn divisions. On the one hand, he's a hero to most environmental organizations. Carl Pope is the executive director of the Sierra Club.

CARL POPE: The Vice President is clearly the strongest environmentalist ever to be nominated by a major party for the post of president. He, over the years, has demonstrated a really exceptional understanding of and commitment to environmental issues.

TOM BEARDEN: But to others, the Vice President's record is anathema. Angela Antonelli is with the Heritage Foundation, a conservative think tank.

ANGELA ANTONELLI: I think his environmental record is rather unimpressive, and I think it's unimpressive because of his political style. It is a style that is, in

many ways, very strident; it is very aggressive; it is very unwilling to build consensus and to build coalitions and do that in a bipartisan way to achieve positive changes that will lead to environmental improvements.

Land Conservation

TOM BEARDEN: The vice president has been particularly active in land conservation, air and water quality, global warming and toxic waste issues.

His most recent land conservation initiative took place in eastern Washington State, when he declared a 51-mile stretch of the Columbia River and 195,000 acres of surrounding land as a national monument. Two other national monuments were declared on the same day. All told, the Clinton-Gore administration has declared more national monuments than any administration since Teddy Roosevelt.

AL GORE: This may be a local debate, but the Hanford Reach is a national treasure. It deserves national leadership, and that's what I want to provide, with your help.

TOM BEARDEN: The area is called the Hanford Reach. On the west side of the river, the Department of Energy's Hanford site. This used to be farmland, but during World War II, the government took the property to build reactors that produced fissionable material for nuclear weapons. On the east side, thousands of acres of cropland irrigated by a massive water project based on the Grand Coulee Dam.

AL GORE: And let me tell you I am committed to making sure that we continue to clean up the Cold War legacy of contamination on this land.

(Applause) That's part of our commitment here today, too.

But because of the twists and turns of history, today this 51-mile expanse known as

Hanford Reach is indeed, as others have noted, the last free-flowing stretch of the Columbia River. Starting here, starting now, we will preserve it; we will protect it -- forever.

TOM BEARDEN: Various local factions have been fighting over the Hanford Reach for decades. Environmentalists tried to get it declared a "wild and

scenic

river," which, by act of Congress, would have imposed restrictions on development. Many local leaders opposed it. Rick Lamont, with the local Audubon Society, says the vice president stepped in to end the impasse. Monuments can be designated by presidential order, without the consent of Congress.

RICK LAMONT: Vice President Gore did a wise and courageous thing by protecting the Hanford Reach. We were in the process of losing it to development, and he has protected it for future generations.

TOM BEARDEN: But some local residents were outraged by the notion of federal control of the river.

They

say the vice president's rhetoric was overblown, that the river is hardly pristine, bordered as it is by highly radioactive waste sites and abandoned nuclear reactors; that the reach is not free-flowing, with dams both upstream and down, and that protecting it would forever foreclose their economic future.

AMY McHUGH: Do you think we can still pick them?

TOM BEARDEN: Farmer Amy McHugh says the designation overruled a public process in which she had invested considerable amounts of time and energy.

AMY McHUGH: When the government comes in to do something, there's always now -- even state -- they come in and say, "we're going to be a meeting for local input." But the outcome has been pre-designed and it's going to be whatever

they said. And when they start talking about local input from people or concerned voices, don't feel that you're going to be heard, because you won't.

TOM BEARDEN: Grant County Commissioner Deborah

Moore saw the declaration as high-handed, a top-down, "we know best" approach she believes characterizes Gore's approach to environmental issues.

DEBORAH MOORE: This national monument designation left us out of the decision-making process, and I think the local people are unhappy. We feel that we need to be included in the decision-making process. This administration seems to think that they know better than the local people what we need.

RICK LAMONT: This is not a top-down decision. We have advocated an administrative solution if... if legislation could not be passed. Local people here on the ground had been advocating protecting this area for 15... well, actually for 35 years. Throughout the Northwest people are in favor of protecting this. So it wasn't a top-down solution, it was a plea for protection from the grassroots up.

TOM BEARDEN: But Shannon McDaniel, who manages the South Columbia irrigation district adjacent to the reach, saw the move as pure election-year politics designed to get votes from easterners:

SHANNON McDANIEL: I think that the Vice President had an agenda and he came to do it and he did it and left. I don't think that it had anything to do with how complex our irrigation project is, or how it impacts people around our county. It's my opinion that he came in to put on a show. He did his show and left.

Logging policy

AL GORE: Conservation is about a lot more than national landmarks. It's about protecting the air that we breathe and the water that we drink and the land that we love.

TOM BEARDEN: There is a general consensus that Gore has always been the administration's most ardent advocate of conservation; that over the years he persuaded President Clinton to pay more attention to environmental matters. One of the administration's first environmental controversies took place in 1993 when it brokered the Northwest Forest Plan.

It allowed logging to resume after a federal judge had blocked most timber sales on national forest land because the habitat of the northern spotted owl was jeopardized. Loggers and mill operators say the administration pledged at the time that there would be a predictable supply of timber from public lands, but the industry says that pledge has been broken and that they've been allowed to harvest only about a quarter of what they were promised. Chris West is with the Northwest Forestry Association.

CHRIS WEST: They promised us as part of the compromise of their Northwest forest plan, a certain level of timber harvest. It was an 80 percent reduction from what we'd had in the past, but they haven't even lived up to that level. We've actually seen over a 90 percent reduction in the timber supply here from our federal lands.

TOM BEARDEN: West says, as a result, sawmills have closed and jobs have been lost. Beyond the local impact, West says there have also been consequences for the entire country.

CHRIS WEST: In the last seven years, we've seen a major shift in where consumers are getting their wood products here in the United States. When Clinton and Gore took office, 20 percent of our lumber products came from foreign countries. Today it's well over 40 percent.

CARL POPE: They didn't promise, they made a projection. And then when they went out on the ground and they examined the ground, they found that the forests had been hammered much worse than they thought. It was not a promise. It was a statement that they would do their best if they could legally -- consistent with environmental laws -- to reach that goal. It turned out not to be

possible

because Reagan and Bush had done a much worse job of over-cutting the national forests than the administration's biologists understood.

TOBY MURRAY: There's ten old growth here, and five of them look like they might be decent, and the other five are just pulp logs anyway, so, you know...

TOM BEARDEN: While Toby Murray gives Gore an "A" for trying to work with industry, he gives him an "F" for failing to provide centralized oversight over environmental laws. Murray runs a 55,000-acre logging operation 50 miles outside of Tacoma. He says the enforcement of

environmental laws is in shambles, especially the Endangered Species Act. Murray says he found a spotted owl on his privately-owned tree farm. He began negotiating with the government, and Gore himself, on how he could comply with the law and still harvest his timber. Four years of negotiations and more than a million dollars in expenses led to an agreement called a "habitat conservation plan." But now 20 percent of his farm is off-limits to logging-- rather more than he anticipated.

TOBY MURRAY: I think environmental issues have sort of taken on a life of their own and that there's been substantially increased funding into the U.S. Fish and Wildlife Service, the National Marine Fishery

Service, and EPA with clean water issues have combined, if you will, to set up these three separate agencies that

are

all requiring or requesting different programs that aren't necessarily the same. And, so, it's kind of an endless bureaucratic maze of nobody in control of the process, which keeps raising the bar higher and higher. And I think we've seen that in the last couple of years a number of companies have tried to negotiate habitat conservation plans and have given up.

TOM BEARDEN: Katie McGinty says Gore has done a lot to reduce that kind red tape. She served seven years on the White House Council on Environmental Quality.

KATIE MCGINTY: It is also Al Gore who has led the effort to develop a new generation of environmental protection that works hand-in-hand with economic growth, so that even as we are taking important new steps to clean the air, to clean the water, Al Gore has literally thrown out 16,000 pages of unnecessary rules and regulations that were costing us money, but not cleaning up our environment.

Global warming and clean air policies

TOM BEARDEN: On the global warming issue, the Vice President has long claimed leadership, going back to his tenure in the US Senate. He led the US delegation to the 1992 Earth Summit in Brazil, and supporters say he rescued the 1997 Global Warming Conference in Kyoto, Japan. That conference produced the Kyoto protocols, wherein 150 nations agreed to targets for reducing their emissions of greenhouse gases.

KATIE MCGINTY: It is without doubt that his trip to Kyoto at the most critical time in those

discussions was the decisive
element in forging the final
compromise which led to the
Kyoto protocol itself, and which
led -- for the first time in history -- to a
legally-binding
regime that would have all of the nations of the world
joining hands in a joint effort to turn down the dial, if
you
will, on the buildup of these climate disrupting
pollutants.

TOM BEARDEN: But the administration has yet to submit
the protocol to the Senate for ratification because
senators
have made it clear they will not do so without substantial
guarantees of action by other nations. The Heritage
Foundation's Antonelli finds a consistent pattern in all
this.

ANGELA ANTONELLI:
They've not succeeded
legislatively, but that then has
pushed them to do things
administratively; that is, acting on
their own authority within the
White House to try and move
their agenda forward.

The Clinton-Gore administration has basically gone around
Congress because they haven't been able to get their
legislative agenda through and moved independently to
take actions -- whether it be the federal government
locking off hundreds of millions of acres of land or other
kinds of actions, implementation of the Kyoto protocol
and global warming even though the Senate must ratify
that. That hasn't been done.

PROTESTERS: Al Gore, corporate whore!

TOM BEARDEN: Even some environmentalists are
disappointed with Gore's clean air record. Brent
Blackwelder is executive director of Friends of the Earth,
a national environmental organization which endorsed Bill
Bradley instead of Gore in the presidential primaries.

BRENT BLACKWELDER:
One of the reasons the Friends
of the Earth Political Action
Committee endorsed Bradley
was we thought Bradley got far
more legislative results than
Gore did when he was in office.
And one of our major critiques of Gore was that he knew

the issues, but he did not legislate and get results.

TOM BEARDEN: But Blackwelder does applaud Gore for going to Kyoto.

BRENT BLACKWELDER: I think Gore gets credit for having been there and gotten that started. And so I think that is a high point for what they did. I think the low

point

on climate is the failing to actually practice what you preach by not keeping US greenhouse gas emissions down to 1990 levels, instead letting them grow to be 13 percent more by the time we ended the decade.

TOM BEARDEN: The Sierra Club's Carl Pope has a much higher opinion of the administration's clean air record.

CARL POPE: Al Gore's been a real hero on cleaning up air pollution during the last eight years. We have seen phenomenal progress from the Environmental Protection Agency in cleaning up what comes out of our cars, in cleaning up power plants in the Midwest that had gone for 30 years without being regulated, in setting down some standards that will complete the job of cleaning up air quality in the Northeast.

Toxic waste and Superfund sites

TOM BEARDEN: Of all the aspects of the environment that Gore has dealt with, toxic waste may have stirred the most controversy. The Superfund Law, which deals with the cleanup of toxic waste sites, is one of the pivotal and contested pieces of US environmental legislation.

most

AL GORE: The subcommittee will come to order.

TOM BEARDEN: The Gore campaign says he played a leading role in creating that law when he called for congressional hearings in 1978 that revealed the illegal dumping of billions of pounds of toxic chemicals. McGinty says he's followed through in the years since.

KATIE MCGINTY: We have completed with the vice

president's leadership more than three times the number of Superfund cleanups than any of the previous administrations, so the record is very strong.

However, the administration has also put on the table time and time again over the last seven years, important new legislation that would update the Superfund program, that would improve it. And at every turn, the majority in the Congress has failed to pass that legislation.

TOM BEARDEN: Angela Antonelli sees the record differently.

ANGELA ANTONELLI: We're doing a terrible job. We need to do better. Most Americans want that. They understand the program is broken. But unfortunately, as has been the case with many other programs, the administration has been unwilling to effectively work with Congress, to craft a bipartisan solution on how to improve the superfund program.

TOM BEARDEN: In his 1992 book *Earth in the Balance: Ecology and the Human Spirit*, then-Senator Gore said, "we must make the rescue of the environment the central organizing principle for civilization," and

said,

mankind should undertake "wrenching transformation" to save the planet. Such proposals are logical to some, radical to others. The Vice President's environmental rhetoric and his long record will be pivotal for some

voters

when they consider his candidacy.

GWEN IFILL: We'll have a similar extended look at Governor Bush's record on the environment tomorrow.

THE KURSK

Norwegian divers said all 118 members of the Russian submarine

Kursk are dead on the Barents Sea floor. A panel discusses the

Kursk and what the sinking suggests about the Russian military.

TERENCE SMITH: For more on the Russian submarine and what it says about Russia's military, we get three perspectives from: Norman Polmar, a naval analyst and

author of more than 30 books, including Guide to the Soviet Navy; Sherry Sontag, a journalist and co-author of the book Blind Man's Bluff about submarine espionage during the Cold War; and from Lieutenant General William Odom, a senior fellow at the Hudson Institute, adjunct professor at Yale University, and author of The Collapse of the Soviet Military.

Welcome to all three of you.

Doomed from the beginning?

Sherry Sontag, from what you know now, do you think that the crew members were doomed from the beginning, or would it have made a difference if the Russians had accepted help sooner?

SHERRY SONTAG: I think if the Russians has accepted help sooner, the crew members' families would have got on the see an international effort and would have gone away with a sense that everything that could have been done was done. But honestly, I don't think any of us could have gotten there on time. The world's rescue capabilities are not that good.

TERENCE SMITH: Norman Polmar, what do you think?

NORMAN POLMAR: I think that the United States, our submarine community should have immediately dispatched our deep submergence rescue vehicle, which is sitting right now, I believe packaged, as San

Diego at the air field where we always keep one ready to be flown away in a couple hours. We should have flown it to northern Norway. We should have at the same time dispatched one of the submarines that can carry it from the Atlantic fleet up to Norway. The Norwegians, a NATO ally. We've exercised the system with them and announced to the Russians, it's sitting there, it's ready to go, it

can be
to

on-scene within a matter of hours. It's yours if you want use it. We should have gone out and tried to rescue.

It wouldn't have worked, by the way. We now know that the damage to the submarine was so catastrophic that the submersibles could not have made it with the rescue hatch.

TERENCE SMITH: Sherry Sontag, you tried to say something.

SHERRY SONTAG: I mean, even the guys who were waiting

in San Diego next to that DSRV,
they were figuring that at best
they could get there within three
days, and even if there was a
tiny air pocket, at best, the
Russian could have lived for
three days, so it would have been a great gesture, and,

like

I said, it would have been wonderful for the families, but

in

the end, we couldn't have made any difference. We have it
set up now that we can perform a great rescue in our own
waters, especially if we know there's a sub going for a

test

dive, but ask the guys, they don't expect that if they're

at

an op and they're far from home that we can reach even
them. So it wasn't even a matter of getting permission. I
don't think we could have saved our own guys in the
Barents.

TERENCE SMITH: General Odom, what do you think of
the U.S. role, what was appropriate and what was done?

LT. GEN. WILLIAM ODOM:

Well, I think the Russians would
have within better off politically,
Putin would have been better off
politically at home had he invited
the Americans in. He didn't. I
think that's hurting him politically.

I think there are arguments technically about whether they
could have rescued anybody are probably very
compelling. I find them compelling. But the political

fallout

from this I think will be very negative. It's showed that
Putin at a very serious time made a series of ineffective,
wrong decisions.

NORMAN POLMAR: I think at a minimum we're going
to see a couple of people from the government, a couple
senior civilians leaving and several admirals will also be
leaving their jobs within the next couple weeks.

SHERRY SONTAG: There was already...

The causes of the disaster

TERENCE SMITH: Sherry Sontag, let me ask you this.
As somebody who's studied this sort of thing, how could a
torpedo explode?

SHERRY SONTAG: Very
easily. This particular torpedo
had rocket fuel because it was

meant... the one that we think
exploded (because it was
meant to leave the water, fly
through the air, and come back
in. From everything that we've

heard, it was the rocket fuel that exploded first, and then
the warhead detonated. Our Scorpion may have gone
down because there were problems with our torpedo
batteries. We think they that may have caught fire.
Torpedoes are weapons. If there were problems with
training, if there was a hydraulic line that broke in the
carriage that moved the torpedo from one part of the sub
to another, anything could have gone wrong.

TERENCE SMITH: Well, Norman Polmar, the Russians
continued to allude to the possibility of a collision - of

it

that?

striking another ship or a mine. Is there anything to

NORMAN POLMAR: Just obfuscating the obvious. If
another submarine had created that much damage on their
submarine, the other sub would be lying next to her on the
boom. No surface ship was in the area that reported any
damage. It might have been World War II mine, but that
probably would not have sunk the ship, because you are
unlikely to get the type of sympathetic detonation of the
warhead going off. As Sherry said, the first detonation was
heard was probably a rocket or
a torpedo - a rocket or torpedo
fuel up here in the bow of the
submarine, the forward area --
and two minutes and a few
seconds later, a tremendous secondary explosion. I think it
was only one warhead, but it ripped out the whole forward
area of the submarine here. So immediately you probably
had a fireball racing back. The hatches, the doors and
hatches were open in here, because the crewmen were
probably coming forward to help fight the fire from the
original incident, the original explosion of fuel. This

meant

that the doors were open and you have a catastrophic
effect here of the second explosion, just going down the
pressure hull until it might be stopped in here by

machinery,

by water-tight doors. By the way, this is not the Kursk.
This is a much earlier Soviet nuclear submarine. That
meant some of the people back here may well have
survived for a couple of days.

TERENCE SMITH: And this could have explained the
tapping or knocking sound that was heard.

NORMAN POLMAR: It may.

TERENCE SMITH: That may have been heard.

NORMAN POLMAR: May have been.

SHERRY SONTAG: Were we ever able to confirm that that tapping existed, or was that wishful thinking on the part of the rescuers?

TERENCE SMITH: Well, I think it goes with the category of the unconfirmed reports, of which there are many.

NORMAN POLMAR: Unconfirmed at this time. But there were several ships that reported hearing it on their hydrophones.

The state of the Russian military

TERENCE SMITH: General Odom, what does this say to you, this whole incident say to you about this state of the Russian military, the Russian armed forces, particularly

the

Russian navy?

LT. GEN. WILLIAM ODOM:

Clearly the Russian military is in a great state disrepair and deterioration. It was already in a fairly serious state of deterioration by the end of Gorbachev's time. And the

intervening ten, twelve years, ten years, it has gotten worse. And the senior ranks of the military have refused to reform, and they've played games with the leadership. Yeltsin played games with them. When they wouldn't reform, he just cut their resources. That left too many generals and admirals not enough troops. And so the admirals skimmed off the money. Things have gotten very, very bad.

Putin has made a rather significant change in the military policy. He's really emphasizing the role of the military in Russia's international standing -- not only the ground forces, but... well, the ground forces got the least of it

until

the Chechen War, but the land-based missile forces were coming into the fore under the new military doctrine. They were supposed to be the core of Russia's defense system. The Navy is now, over a number of months, in the fight, because Putin has talked openly since last fall about coming once again a world class naval power. And the Navy's essentially saying, look, we can do the strategic missile deterrence role from sea.

TERENCE SMITH: And so...

LT. GEN. WILLIAM ODOM: So you've got an inner service rivalry inside the defense ministry of the worst

sort,

and this large exercise (one has to ask, why a Navy with this much repair would put 30 ships out in this kind of terribly complex combat exercise.

TERENCE SMITH: You think the answer might be competition for resources?

LT. GEN. WILLIAM ODOM: I think it has to be much related to the decisions Putin is making about who's going to get more of the defense pie.

NORMAN POLMAR: And part of the reason for this exercise was to ready the Kursk and the carrier group to go into the Mediterranean, which Putin would have liked, and which would have demonstrated that,

hey, our Navy is a political instrument for you.

TERENCE SMITH: Sherry Sontag, I'm sorry. Go ahead.

SHERRY SONTAG: I was just going to say, there are a lot of people saying it's so easy to say Russia's Navy is

run

down, this is why this happened. This is the same argument that says the Kursk was anything but run down. This was the jewel in their crown. So that makes it scarier. It

makes

it one of those things that may have been able to happen to any of us.

LT. GEN. WILLIAM ODOM: But I think that's true, but that doesn't change the political context. No matter what sank the Kursk, if it was a first-rate ship and went down,

it

has this impact, given the run down, general state of the Navy. It has the political fallout. I'm not arguing about

the

detail. But political impact is very adverse for Putin. The Navy has really made him look silly. And his own decisions have made him look silly.

SHERRY SONTAG: Well, I agree with you. I was thinking more cause than effect. I think you're absolutely right about the effect.

The potential environmental impact

TERENCE SMITH: Sherry Sontag, let me ask you, is there a risk here of radioactive leak, and if so, is that something the United States should be worried about?

SHERRY SONTAG: You know, right now all reports are that the two reactors are not leaking, but, you know, this should actually point to something else, which is there are radioactive leaks all throughout the Barents. The Soviets - the old Soviet Union dumped reactor cores in the Barents Sea. Green Peace has been tracking this. There are rotting submarine hulls. It's one of the worst pollution problems that we face, and it really is going to need an

international

solution. So unless... I'm less worried about Kursk and worried more about the other reactors that are leaking.

TERENCE SMITH: Norman Polmar.

NORMAN POLMAR: Yes. Basically, I don't think we're going to have problems with the Kursk in the context that the submarine was operating at the time the reactors would have automatically "scrammed" or closed down. We've got on the ocean floor right now three Russian nuclear submarines, each with two reactors. We've got two American...

TERENCE SMITH: Disabled on the floor.

NORMAN POLMAR: Disabled, yes, sunk. Two American submarine, each with one reactor, the Scorpion and the Thresher, and continuous monitoring of them have revealed no adverse radioactivity. The reactors are designed with -- I hate this term -- fail-safe features, so that if electricity is cut off, if there is any violent

action, they

automatically, the safety rods go in. They automatically shut down.

TERENCE SMITH: I can see why you hate to use that term after this incident. General Odom?

LT. GEN. WILLIAM ODOM:

I think Sherry is right about this practice of dumping of fuel, spent fuel. I think that's much more serious than the problem that the Kursk will have. And if you are looking for a silver linings in this terrible tragedy, I think the Russian

press has

regained its courage. It is really standing up and putting

a

lot of information out. The Committee of Russian Soldiers' Mothers deserves great praise. They gathered this information, put it out. They've mobilized people. It now may be that people like Captain Makitin, the Russian naval officer who has been helping the ecologists prove that the Russian Navy is doing these sorts of things, will now have a standing that he hasn't been able to have thus far in Russia.

The impact on the submariner community

SHERRY SONTAG: I think there is one other little bit of fallout that's on the positive end, and that's that the Russians got to see just how much people here care. I've been... the Internet is burning up with submariners just... U.S. submariners just writing notes of condolences and farewell to the men of "Kursk" and everything else -- and it's clearly all over our media that this was of great

concern

over here.

TERENCE SMITH: And it's a huge tragedy. Do these American submariners feel a similar risk?

SHERRY SONTAG: They look at other submariners, any other submariners as brothers. These guys share more with them than they could with anyone else because they can't tell their wives and kids and parents what they do. So now these other guys have gone down. It doesn't matter what their nationality is. They're just brokenhearted about it.

TERENCE SMITH: On a human level.

SHERRY SONTAG: On a purely human level. Other submariners have gotten hurt. And that's a bad day.

NORMAN POLMAR: Historically, our submariners have felt our submarines were safer, our people better trained.

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think those of those are established facts. And despite the fact that the first two nuclear subs that went down were American. But I think especially in this day and age, as we look at the condition and the maintenance and training of the Russian Navy, there's no question, our people are a lot safer.

TERENCE SMITH: All right. Thank you all three very much.

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