

POTUS - Press Conference 10-14-1999

PHOTOCOPY
PRESERVATION

Campaign Finance Reform
Q&A
October 13, 1999

Q: Will you press for passage of the McCain-Feingold campaign finance reform bill even though it contains only a ban on "soft money"?

A: I have for three years challenged Congress to pass comprehensive, bipartisan campaign finance reform. This year I will fight again for such reform.

I support a soft money ban, and I want to praise Senators McCain and Feingold for bringing their bill before the Senate. But I also call on the Senate to adopt amendments that will bring this bill in line with the reform legislation enacted by an overwhelming majority in the House of Representatives.

Q: If the Congress were to only send you a ban on "soft money" would you sign the bill?

A: I support banning soft money and since 1992 I have called for an end to the soft money system. A soft money ban, combined with provisions to address backdoor spending by outside organizations and to strengthen public disclosure, still represents the best path to meaningful and comprehensive reform. I believe the Congress has an historic opportunity to pass real reform now — and I hope the Senate will take this opportunity to act.

Briefing
Q & A

~~Ed S. Feingold~~
~~Ed S.~~
~~(K - amendments)~~

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(K)
PRIV. 102
LEAVELU

HATE CRIMES LEGISLATION

Q. What is the current status of your hate crimes legislation and what are the prospects that you can get Congress to move on it this year?

A. It has now been a year since the murder of Mathew Shepard. In addition to this terrible incident, hundreds of others have been injured or killed over the past two years, simply because of who they are. In response to this epidemic of violence, many people around the country, both Democrats and Republicans, have called on Congress to strengthen the federal hate crimes laws.

Earlier this year, the Senate passed legislation which if enacted would strengthen current law by making it easier to prosecute crimes based on race, color, religion and national origin and by expanding coverage to include crimes based on sexual orientation, gender and disability.

Congress now has the opportunity to complete work on that legislation and to send it to me for signature. I call on them to do so as quickly as possible. The nation cannot afford to wait.

Q. What is your reaction to the news that Senate Republicans will remove the Hate Crimes legislation from the pending appropriations bill?

A. I think that would be a very wrong and bad decision. In just the last year we've had a series of tragedies that have reminded us of the need to send a strong message to those who sow hate and try and divide us. This isn't a Democratic or Republican problem, it's a problem that America needs to solve together. There is broad support for this measure nationally, and we will not give up on this effort.

Correia/Socarides

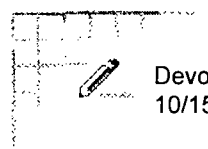


Anna Richter
10/15/99 03:39:27 PM

Record Type: Record

To: Eric P. Liu/OPD/EOP@EOP
cc:
Subject: FYI: q&a on administrative clarification for Medicare DSH

----- Forwarded by Anna Richter/OPD/EOP on 10/15/99 03:39 PM -----



Devorah R. Adler
10/15/99 03:33:28 PM

Record Type: Record

To: Erica S. Lepping/WHO/EOP@EOP
cc: See the distribution list at the bottom of this message
Subject: q&a on administrative clarification for Medicare DSH

Hello --

Attached is our latest guidance on this issue.

Please call with questions.

Thanks.

Devorah

Q: Recently, New York hospitals received notices from HCFA that they are allegedly over-billing for Medicare disproportionate share hospital (DSH) payments. Last night, the Administration announced that it no longer intends to recoup those funds. Why?

A: Medicare disproportionate share funds are paid to hospitals based on a complicated statutory formula. A survey of the states has made clear that current guidance on how to claim Medicare DSH is insufficiently clear and has led to justifiable confusion on the part of the states. In fact, up to 20 states may have misunderstood the guidance and claimed payment for services that did not meet the criteria of the DSH formula.

In order to address this issue and to fairly resolve this situation for the hospitals that provide care to the most vulnerable Americans, HCFA will not recoup funds from

hospitals that have been receiving these payments. In addition, HCFA will send formal guidance to hospitals and fiscal intermediaries to clarify its Medicare DSH policy. The policy will become effective as of January 1, 2000.

Q: That sounds like a total reversal of your position. Isn't that policy change politically motivated? Aren't you doing this just to help the First Lady in her Senate bid?

A: Absolutely not. When a problem was first identified in Pennsylvania, HHS believed that the fiscal intermediary and the hospitals in that state had misinterpreted the guidance. However, once a problem was identified in another state, HHS initiated a national review which indicated that in fact, up to 20 states have similar problems. We believe that this indicates that the guidance was unclear – and so the fairest thing to do is to forgive the liability hospitals have accumulated.

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ERIC 62878 - West Nile

Health - West Nile

TALKING POINTS

This is an ongoing outbreak investigation and state, local, and federal health officials are systematically collecting the information needed to answer the tough questions: **What organism is causing this outbreak of encephalitis? How is it transmitted? How can we stop the spread of this illness?** Along the way, any seasoned scientific investigator expects curious twists and turns that may lead us to dead ends or answer the tough questions.

On August 23rd an alert physician in NYC contact NCY Health Department about two cases on encephalitis. On Sept. 3, CDC reported that serum samples were positive for SLE and on Sept. 3 spraying began. Just 11 days after the primary physician alerted the NY health department, CDC had answered the **important questions**: the organism was a virus that is carried by mosquitoes and mosquito control would stop the spread of illness.

Examples of timelines from other outbreaks:

- The first reported case of avian influenza Type A(H5N1) in a human occurred in May 1997 in Hong Kong, and was laboratory confirmed in August. No additional cases were reported until November 1997.
- The first AIDS cases were reported in June 1981; the first report of a retrovirus etiology was in September 1983.
- First cases Legionnaires' disease in July-Aug 1976 and the cause was reported in MMWR in January, 1977.

The bird issue came up after the control measures to stop the spread were instituted. During Sept. 7-9, the Bronx Zoo observed an increase of birds dying. Samples from the birds were first sent to the USDA National Veterinary Services Laboratories on Sept. 10 to be tested and were negative for common avian pathogens. The specimens were forwarded to CDC on Sept. 20 for identification and characterization. On Sept. 23, PCR and DNA sequencing of this isolates indicated they were closely related to WNV. Without the isolates from the dead birds, CDC could not determine the organism was WNLV. Blood samples detect antibody and are cross reactive for WNV and SLE. This information was shared with NYC. This information did not change the ongoing control measures and treatments.

Presidential Briefing Book For October Press Conference

October 14, 1999

FOR INTERNAL USE ONLY

**October Press Conference
October 14, 1999**

Subject

Tab

Economic

Budget/Appropriations
Tax Cuts
Medicare/Social Security
Minimum Wage
Financial Modernization
Steel Wire Rod
Trade

Domestic

PBOR
Guns
Tobacco
Campaign Finance
Judges
Hate Crimes
West Nile Virus
Y2K

Politics

TBD

Counsel

TBD

Foreign

To be submitted separately by NSC.

APPROPRIATIONS SUMMARY
OCTOBER 13, 1999

Progress of Bills

The Senate has passed all 13 bills.

The House has passed 12 out of the 13 bills (Labor/HHS/Education bill not yet passed).

Congress has completed action on seven bills.

Five have been signed into law:

Military Construction
Legislative Branch
Treasury/Postal
Energy and Water
Transportation

You have vetoed one, with no further action yet by Congress:

District of Columbia

One additional conference report has been adopted by Congress and sent to the White House, awaiting your action:

Foreign Operations (veto threat)

One bill has been agreed to in conference, but it has been agreed to in only one house:

Agriculture (Senate could act today; House has acted.)

Conferees have agreed on two (2) bills:

DoD
VA/HUD

Two bills have been adopted in their initial form by the House and Senate but have not been agreed upon yet in conference.

Commerce/Justice/State (Conference not yet begun as of 2pm on Wednesday)
Interior (Conference underway as of 2pm on Wednesday)

Of the six bills that have not yet been sent to you (including Labor-H), you have threatened to veto three:

Commerce/Justice/State

Interior

Labor/HHS/Education

DC Appropriations Bill

1. You vetoed the DC Appropriations bill the Republicans sent you because it contained measures to prohibit medical marijuana and needle exchange. It seems the Republicans in Congress will be sending you a new DC bill that still includes these measures. Will you veto over these issues?

- First I was very clear when I vetoed the funding bill for the District that I did so because it kept the District of Columbia from making local decisions about local matters just as any states or cities are allowed to throughout the country.
- This is not my judgement about the local issues at hand, it's about the right of the people of the District to make their own judgement about their own local issues. The real issue is home rule, and I believe the District of Columbia should be able to run its own business in a way that's consistent with home rule. That's why I vetoed the DC bill.
- Congress has (had) the chance and the time to produce a new funding bill for the District that makes improvements in areas of home rule, maintains the funding levels that Congress has already agreed upon on a bi-partisan basis, funding that the District needs and deserves.
- (If appropriate): The new bill that Congress is moving ahead on makes little improvement over the bill I vetoed. It has nearly all the provisions in the earlier version, and fails to make any substantial improvement. There is time and there is opportunity for the Congress to produce a better bill that I can sign. I hope they will.

[Background: Congress may push a DC bill to Rules Committee tonight with only small changes— possibly including lifting the riders that put caps on City Council members salaries and allowing the building of cell towers in Rock Creek Park.]

CBO Surplus Report

1. Yesterday, the CBO announced that the budget was balanced in FY99 without tapping funds from the Social Security Surplus. Republicans said it was evidence of their fiscal discipline. How do you see it?

- First, if the budget were balanced last year without Social Security funds, it is obviously good news. At this point, the fiscal year has just ended and my own budget office is working to determine its official Administration analysis.
- When I took office at the start of 1993, the government had run a string of deficits for more than a decade. And at that point, the budget deficit had hit nearly \$300 billion dollars.
- From the very start of my Administration I proposed a plan to reduce the budget deficit and restore our economic growth. Fiscal discipline was a central element of this plan, which passed Congress with Democratic support, but without a single Republican vote. Over the years the benefits of fiscal discipline and our economic strategy became clear, as the budget deficit continued to shrink and the health of our economy continued to grow.
- In 1997, working with Congress, we took additional measures designed to balance the budget --- which we did last year, for the first time in a generation.
- Today, our budget is in surplus, our economy is growing, and if we stick to the path of fiscal discipline, we can count on more of the same.
- However, this past summer, the Republicans passed a \$1 trillion tax cut that would have departed from the path of fiscal discipline and posed risks to our future. I vetoed this bill because it was a risky, irresponsible scheme.
- If, in fact the budget were balanced last year without the use of resources from Social Security, then that is good news. However, the Congressional Budget Office has already told Congress that based on the spending decisions they have made for next year, Congress is on a path to spending at least \$18 billion dollars of the Social Security Surplus in the Fiscal Year 2000.
- Congress has said they won't do this, but their own CBO says they are already doing it. I have offered a budget that meets our national priorities and does so in a way that is paid for by, for example, asking polluters pay to clean up toxic waste sites and by imposing a tobacco tax that would help reduce teen smoking. There is a way out of the fix that Congress has put itself in, and it's not too late to make some choices that help them out of their problem with the Social Security Surplus.

Continuing Resolution (and Across-the board cuts)

1. You signed a Continuing Resolution at the end of last month. It expires on Oct. 21. Will you sign another CR or will you veto it?

When I signed this current Continuing Resolution into law on September 30, I made it very clear that I thought a two-week CR was the right amount of time, but that if Congress insisted on a three week CR, then they should get their work done in three weeks.

Their three-week extension is up exactly one week from today (next Thursday) and there's still a lot of work for them to do.

Congress hasn't even brought the bill for education funding to the House for a vote. They need to take their work seriously and move efficiently. And they still have questions they need to figure out to meet their deadline.

For example, their plan to impose across-the-board cuts. First, it's a bad idea. It combines the worst of both worlds because it would impose cuts indiscriminately to almost all areas of government, including education, the environment and law enforcement. At the same time, this plan for across-the-board cuts would still leave them spending the Social Security Surplus.

But they have a week to go and they still haven't figured out what exactly they plan to do, and how they will make it happen. Here are some of the basic questions they don't even have answers to: If they impose across the board cuts, do they also cut the Defense Department where they've just reached agreements on funding levels? Or do they keep the Defense programs safe from their cuts and, for example, make cuts in education or other important programs that are much larger? Either way, the American people lose.

They need to do the work it takes to meet their deadline. I don't believe that the right way to do the people's business is to ask for an indefinite series of extensions. Certainly, a student in the classroom wouldn't expect to keep putting off the deadline for a homework assignment, and Congress should be expected to meet its deadlines too.

Farm Spending

1. Congress has just passed an agriculture bill that includes \$8.7 billion in emergency spending. Do you support and will you sign this bill?

- First, there are some fundamental problems with this bill. It does not address the underlying issues that exist in the wake of Freedom to Farm legislation.
- For example, the bulk of the assistance is not targeted to farmers who need it most, but is available to farmers both large and small, whether they have suffered particular difficulty this year or not.
- In a fundamental flaw, under the system established by Freedom to Farm, aid is not targeted to the farmers who need it most. Congress needs to address this problem comprehensively in the future.
- In addition, this Agriculture bill needs to provide relief specifically for farmers who are the victims of Hurricane Floyd, and whose crops have been damaged and destroyed by this terrible hurricane. The bill, in its current form, does not contain the \$500 million in funding that farmers who are victims of this natural disaster need right away. Again, Congress needs to fix this problem before they leave to go home.
- While there are real problems with this bill, farmers are facing tremendous immediate needs.

Defense Appropriations

Q: Will you sign the defense appropriations bill?

A: The White House has not yet received the defense bill [**as of 6:00 p.m. Wednesday**], so we have not had a chance to review it. But my understanding is that Congress has put into this bill a substantial amount of wasteful, unnecessary spending projects. Unfortunately, they've also employed a lot of gimmicks that make it even harder for us not to spend the Social Security surplus and that could undermine our military readiness. There is much in this bill that I support, but given these concerns about the bill, I will be studying it very carefully after I receive it before I decide whether to sign it.

New Protections for Forest “Roadless” Areas

Q Yesterday you announced a new plan to protect millions of acres in the national forests – a move that could ensure you a spot alongside Teddy Roosevelt on the roster of history’s great conservationists. Yet your critics say you are side-stepping Congress, locking up public forests by fiat, and sacrificing good jobs in rural communities that can’t afford to lose them. How do you justify inflicting such economic harm just to burnish your conservation legacy?

A First, let’s be clear about the action we took yesterday. We launched a process – a very public process – to determine the level of protection that should be granted to these remote, pristine areas. Members of the public will have plenty of opportunity to review and comment on our draft proposal well before any final decisions are made. And any step we take will be fully consistent with our authority under existing statutes.

We are doing this as part of our long-term strategy to restore balance to our national forests. For too long, the officials who were supposed to be good stewards of these lands instead allowed excessive timber cutting and other harmful activities. Over the past seven years, beginning with a comprehensive, science-based plan that broke the timber gridlock in the Pacific Northwest, we have worked toward sustainable management of these public forests. Our goal has been to strengthen protections for water quality, wildlife, and other important environmental values, while ensuring a steady, sustainable supply of timber and other commodities to support stable rural economies. I believe strongly that a healthy environment and a strong economy can – and must – go hand in hand.

These roadless areas are some of the last, best, unprotected wildlands in America. We owe it to future generations to ensure that they are preserved. And let me be quite clear: I am not proposing that we build a fence around these lands and lock them up. Quite the contrary: These lands belong to every American, and my intent is to ensure that they remain available to every American well into the future.

The detailed analysis we launched yesterday will identify the potential economic consequences of protecting these lands. But there are two things we know right now: First, only a small portion of these roadless areas is now counted as part of the timber base, so protecting them should not have a major impact on timber harvests. Second, preservation is itself an economic benefit. Recreation – hiking, camping, skiing, hunting, fishing -- generates far more economic activity on the national forests than logging. And more and more rural communities are recognizing that their economic future is in resource protection, not resource extraction.

The legacy we’re protecting here is natural legacy that we’ve inherited, and that we must pass on intact, if we are to fulfill our obligation to future generations.

Appropriations Bills Status

as of 10/13/99 12:30 pm

Bill	Status in House	Status in Senate	Status in Conference	Signing Status	Details/Administration Views
Agriculture	Passed 6/8/99 (246-183)	Passed 8/4/99 (Voice Vote)	Conference Report agreed to in House 10/1. Senate vote scheduled for today.		
Commerce/Justice/ State	Passed 8/5/99 (217-210)	Passed 7/22/99 (Voice Vote)	Conference activity possible on Thursday.		Senior Advisor Veto Threat - Conferees (Reason: does not include resources necessary to support high-priority programs at an acceptable level.)
Defense	Passed 7/22/99 (379-45)	Passed 6/8/99 (93-4)	Conference action completed. Possible House action expected today.		
District of Columbia	Passed 7/29/99 (333-92)	Passed 7/1/99 (voice vote)	Conference Report agreed to in House on 9/9. Agreed to in Senate on 9/16. Possible House action on	VETOED by POTUS on 9/28	Senior Advisor Veto Threat - Conferees (Reason: objectionable provisions)

			Thursday 10/14.		
Energy & Water	Passed 7/27/99 (420-8)	Passed 6/16/99 (97-2)	Conference Report agreed to in House on 9/27. Agreed to in Senate 9/28.	Signed by POTUS 9/29/99	Public Law 106-60
Foreign Ops	Passed 8/3/99 (385-35)	Passed 6/30/99 (97-2)	Conference Report agreed to in House on 10/5. (vote 214- 211) Agreed to in Senate on 10/6. (vote 51-49)	Received at WH on 10/6. (Last day for action 10/18).	POTUS Veto Threat - letter sent 9/30/99. Senior Advisor Veto Threat - Conferees (Reason: inadequate funding levels and objectionable restrictions on the President's flexibility to conduct an effective foreign policy)
Interior	Passed 7/15/99 (377-47)	Passed on 9/23 (89-10)	Conferees have met will continue today.		Senior Advisor Veto Threat - Senate (Reason: inadequate funding levels for President's initiatives and objectionable riders)
Labor/HHS/Education	Passed Full Committee on 9/30.	Passed on 10/7 (73-25)			POTUS Veto Threat - House Presidential Statement 9/23. Senate Statement 9/28
Leg. Branch	Passed 6/10/99 (214-197)	Passed 6/16/99 (95-4)	Passed House 8/5/99 Passed Senate 8/5/99	Signed by POTUS 9/29/99	Public Law 106-57
Military Construction	Passed 7/13/99	Passed 6/16/99	Passed House 7/29/99	Signed by POTUS	Public Law 106 - 52

	(418-4)	(97-2)	Passed Senate 8/3/99	8/17/99	
Transportation	Passed 6/23/99 (429-3)	Passed 9/16/99 (95-0)	Conference Report agreed to in House 10/1. Agreed to in Senate 10/4.	Signed by POTUS 10/9/99	
Treasury/Postal	Passed 7/15/99 (210-209)	Passed 7/19/99 (Unanimous Consent)	Conference Report agreed to in House 9/9. Agreed to in Senate on 9/16.	Signed by POTUS 9/29/99	Public Law 106-58
VA/HUD	Passed by House on 9/9.	Passed by Senate 9/24.	Conferees agreed to conference report. to be filed on Possible House action on Thursday. Senate floor action expected late this week.		Senior Advisor Veto Threat - Conferees, House and Senate (Reason: House - objectionable language provisions and the elimination of the Corporation for National and Community Service) (Reason: Senate -under funding of important programs for our nation's cities, the environment, disaster relief and National Service) [NOTE: Conferees have agreed on housing vouchers, National Service, NASA, EPA, EC/EZs, APIC, CDFI, and FEMA funding.]

David Vandivier - OMB Press (202) 395-7254

TAX EXTENDERS

October 13, 1999

Q: Time is running out to pass extensions of expiring tax provisions this year. Will you sign the measures being contemplated by the House and Senate?

- As I have stated before, I will only sign tax measures that are fiscally responsible and meet our priorities. For that reason, I believe the House extenders bill is the wrong approach.
- I would like to work together in a bipartisan manner to come up with a way to extend the expired and expiring tax breaks that are so important to working Americans and American businesses. We need to extend the provision allowing working Americans to take full advantage of their personal credits – child credits, Hope scholarship credits, etc. – without restriction by the alternative minimum tax. Also, important tax credits, including the Research and Experimentation Tax Credit, welfare-to-work tax credit, and work opportunity tax credit, should be extended.

Background

- The House Ways and Means committee passed an extenders bill that would cost \$23 billion over 5 years. The bill included extensions of alternative minimum tax relief, the research and experimentation tax credit, the work opportunity tax credit, and the welfare-to-work tax credit.
- Originally Chairman Roth circulated a package that would have cost over \$75 billion, not paid for, over 10 years. The mark-up on this was postponed and the committee began work on a smaller, more bipartisan measure. Over the weekend there were rumors that Majority and Minority Senate Finance staff had agreed on an \$8 billion paid-for package of extenders to last through the end of 2000. The latest rumors are that Senator Lott stopped this agreement. Senate Finance has scheduled a markup for next week.

MEDICARE PROVIDER GIVE-BACKS

Q: What is the Administration's current position on provider give-backs?

A: The Vice President, the First Lady, and I have consistently stated our strong belief that some of the Medicare provider payment policies in the 1997 Balanced Budget Act (BBA) were flawed and resulted in excessive payment reductions. My Medicare reform proposal explicitly acknowledges this by including a package of administrative and legislative policies to smooth out the impacts of the BBA.

I have repeatedly urged Congress to consider these changes in the context of broader reforms to assure that even more severe reductions to accommodate the financing challenge associated with the retirement of the baby boom generation. However, I have stated my belief that we need to take prompt action -- whether it be in a broader or more narrow set of structural reforms -- to moderate the excessive provider payment reductions.

Q: What is your position on the other, specific proposals in the Finance and Ways and Means Committee draft document?

A: We just received the list of proposals. We do not have any scoring for the provisions. Nor do we know how the committee intends to pay for these provisions. As I have indicated, although he is committed to addressing the excesses of the BBA, such legislative policies should be offset and should not undermine the financial integrity of the Medicare Trust Fund.

Q: Will you veto a BBA package that is funded only from the on-budget surplus?

A: I'm not talking about vetoes here. I want to work with the Congress on a package that responsibly addresses the flaws in the BBA policies. I also think that Congress has an opportunity to not only address these problems but to modernize the traditional Medicare program and provides needed relief for providers. These policies serve as a down-payment on reform and will help offset the costs of the package. I hope that the Congressional committees will consider including them in their legislation.

Q: When are you going to release your administrative package and what will be in it?

A: As I indicated to Senators Roth and Moynihan, we have committed to producing a formal response on the administrative actions that we can take prior to committee mark-ups which are scheduled for next week. As we prepare the formal response, we are consulting with the committees of jurisdiction about both administrative and legislative actions in this area. We well recognize that we were partners in passing the BBA and we must be partners in addressing its policy shortcomings.

Q: What specifically can you do to address the flaw in the hospital outpatient department policy administratively, rather than legislatively?

A: We will provide guidance on this issue at the same time that we complete our review of all administrative options and convey them to Congress. As we indicated, our review of all administrative options will occur prior to committee mark-ups, which we anticipate will be next week.

Q: New York hospitals, based on guidance from the states and HFCA, are receiving notices that they are allegedly over-billing for Medicare disproportionate share hospital (DSH) payments. At a time when you say that the BBA cuts go too far – and the uninsured and uncompensated are rising – how do you sanction this action and what are you going to do about it?

A: We are concerned about this situation and are actively exploring the scope of the problem and our options to address it. It is important to note that this is not a one-state only issue; there are a number of other states that may be facing the same issue and, as such, any intervention would be broader in scope.

Q: Regardless, do you support Senator Moynihan's proposal to delay administrative actions in this area?

A: My staff is aggressively reviewing all administrative and legislative options in this area in an attempt to determine the best course of action to address this problem. We would anticipate that we will have more to say on this issue before the committee's mark-up.

Q: Senator Daschle just introduced a significant provider give-back bill which has already attracted over 30 cosponsors. What is your reaction to it, as well as the need to moderate the impact of the BBA on these providers?

A: I have been on record, since the unveiling of my Medicare reform package earlier this year, in support of moderating the impact of health care provider payment reductions included in BBA 1997. I have repeatedly raised concerns about hospitals, nursing homes, and other health care providers' ability to deliver quality health care services to Medicare beneficiaries in the wake of BBA. Indeed, my own Medicare reform package includes billions of dollars in administrative and legislative changes to assist such providers.

Our openness to additional policy initiatives is dependent on the policy justifications for such investments and the degree to which resources are available. There is no question, however, that it would be easier and more prudent to do a more comprehensive response in the context of broader Medicare reform.

Q: But does the Administration support the Daschle bill?

A: My staff is reviewing it to determine its cost and policy implications and the availability of realistic offsets. While we well recognize the desire to move in this area, we want to

make certain that any such proposal does not undermine the solvency of the Medicare trust fund.

Q: Must these provider give-backs be done in the context of broader reform?

A: That certainly is my preference. I believe that more resources would be available in that context. I would like to point out that broader reforms will explicitly dedicate a portion of the surplus to Medicare, which would not only protect providers in the short-term, but will prevent excessive future Medicare cuts that would be required in the absence of additional resources as the retirement of the baby boom doubles today's Medicare population.

Having said this, since Congress has apparently concluded that it cannot pass these broad reforms this year, I believe they should make a down-payment on reform and address the problematic provisions in BBA that are harming health care providers.

The other day, I suggested to Senator Roth and Moynihan that they include new competitive reforms for the traditional fee-for-service program in their plan to address provider reimbursement rates under BBA 1997. This would provide Medicare with the ability to use the best practices of the private sector to purchase high quality care and provide additional savings to the program that can be dedicated to help moderate the impact of Medicare payment reductions to health care providers. I am encouraged that Senate Finance Committee members Chafee, Graham, Breaux, and Kerrey and others appear to be interested advocating a similar approach.

SOCIAL SECURITY REFORM

Q: Have you given up on your promise to Save Social Security first?

- We have an historic opportunity to have serious Social Security and Medicare reform. I remain committed to working my hardest to get serious work done in these areas.
- This year we should at least do a down payment on reform by passing a Social Security Lockbox that extends Social Security solvency to 2050 and pays down the debt by 2015.
- The "Lockboxes" being considered by the majority in Congress do not add a single day to the life of the Social Security or Medicare.

MINIMUM WAGE

Q: Are you amenable to a minimum wage proposal by Rep. Lazio and others that would spread an increase over 3 years and provide \$35 billion in tax breaks?

- A minimum wage increase is about making sure that all Americans share in our economic prosperity. People who work should get paid a decent wage. For more than 11 million American workers, increasing the minimum wage from \$5.15 an hour to \$6.15 an hour will help pay the rent, buy groceries, and afford a quality education.
- I have proposed a measure to increase the minimum wage in two steps over the next two years. This will simply restore the inflation-adjusted value of the minimum wage to what it was in 1981.
- We should pass a clean minimum wage increase that gives working Americans the raise they not only deserve but overwhelmingly support. I do not want to comment on hypothetical combinations of measures that might be attached to a minimum wage increase.

Background

- The House minimum wage bill would increase the minimum wage by \$1 over three years, starting on April 1, 2000.
- The House bill also includes \$35 billion in tax cuts and other measures, most of them taken from the tax bill you vetoed last month. These include estate tax relief, retirement savings tax cuts, extension of the work opportunity tax credit, increasing business meal deductions, and other measures, including several targeted at small businesses.

FINANCIAL MODERNIZATION

Talking Points – In General

- I am deeply disappointed by the “mark” released by Chairmen Gramm, Leach, and Bliley earlier this week. A flawed partisan process has produced a flawed product that cannot win broad bipartisan support.
- I remain a strong proponent of the “right” financial modernization bill, because it would be good for consumers, businesses, and our communities. But as I have made clear in the past, I stand ready to veto the “wrong” financial modernization legislation. The Chairmen’s mark – in its current form – is the “wrong” bill.
- This Chairmen’s mark fails to meet the four principles that I have said are essential:
 - **Preserving the relevance of CRA** in a changing financial landscape;
 - **Protecting consumers** through privacy and investor protections;
 - **Providing choice** in how banks structure their organizations; and
 - **Limiting affiliations between banking and commerce** when international experience suggests caution is needed.

Talking Points on Specific Issues

- On **CRA**, the mark would make CRA performance irrelevant to a bank’s ability to continue new financial activities and would exclude from regular CRA review over 83% of banks.
- On **consumer privacy**, I thought that the House bill’s provisions should be expanded to provide notice and choice before sharing consumer financial information with bank affiliates. Instead, the mark added huge new loopholes to the House bill that would allow broad sharing of personal financial information with third parties without giving consumers the choice of how their information will be used.
- The mark also fails to **protect investors** from inappropriate securities sales practices.
- The **choice on bank organizational structure** in the mark is illusory – no major institution would ever meet the conditions in the bill necessary to use the operating subsidiary structure.
- And, on **banking and commerce**, the mark postpones a decision on an essential issue about limiting non-financial firms’ ownership of depository institutions.

Background

Procedure: Chairman Gramm succeeded in convincing the Republican leadership to use a process that effectively freezes out the Democrats. Chairmen Gramm, Leach, and Bliley unveiled their "mark" on Tuesday. The Conference Committee will meet on Thursday to debate and vote on amendments to the Chairmen's mark. Gramm says he hopes to complete work this week and bring the Conference Report to the two chambers by October 20th.

Prior Administration Statements:

- In March, you sent a letter to Senator Gramm describing objections to the Senate bill, noting CRA, business choice in operating structure, consumer protection, and "banking and commerce" as core concerns.
- Last week (October 7th), Chief of Staff Podesta sent the Conference a letter reiterating that you would veto a bill that "would compromise any of [those same] principles."
- Upon release of the Chairmen's mark, Secretary Summers released a statement saying that: "If the bill were presented to the President in its current form, the President would veto the bill."

Background on Individual Issues

CRA:

Chairmen's Mark: Does not require that financial institutions maintain a satisfactory CRA rating in order to continue engaging in new financial activities authorized under the bill. Also limits CRA compliance examinations of small banks and rural banks (over 83% of banks) to once every 5 years. Requires "sunshine" – disclosure of CRA agreements between banks and community groups.

Administration: Banks must be required to "maintain" a satisfactory CRA rating to do new activities in order to preserve the relevance of CRA in the new world of financial conglomerates created by this bill. Small banks already have streamlined CRA paperwork requirements, but should not be excluded from effective CRA scrutiny. Sunshine is fine, but the mark's provisions are burdensome and poorly targeted to perceived abuses.

Consumer Protections – Financial Privacy

Chairmen's Mark: While they did remove harmful medical privacy language that we insisted be removed, they also dramatically weakened the House bill's financial privacy protections. Specifically, the House bill had included notice and opt-out before personal financial information could be shared with third parties. The Administration had wanted that expanded to cover information sharing with affiliated firms. Instead, the mark adds huge loopholes that would allow small banks to share with anybody (without consumer choice) and large banks to share with any financial firm. Thus, Citibank could share personal financial information with Travelers Insurance without a merger and without giving consumers the choice of whether they wanted their private financial information so shared.

Administration: These loopholes are outrageous and gut the provision. Congress should restore the House language on choice before information sharing with third parties and add to it consumer choice before sharing with affiliates.

Consumer Protections – Investor Protection

Chairmen's Mark: Allows banks to engage in certain limited types of securities sales activities under the supervision of bank regulators – not SEC.

Administration: SEC Chairman Levitt believes strongly that these provisions provide inadequate investor protections. Administration is supportive of his view. Levitt continues to try to work out an agreement with Gramm so has not yet blasted the mark.

Choice in Operating Structure

Chairmen's Mark: Allows merchant banking only in affiliates, not in “operating subsidiaries.” Moreover, so limits use of operating subsidiaries for securities underwriting that no bank would qualify to have a subsidiary engaging in new financial activities.

Administration: Open to reasonable limitations on operating subsidiaries but must preserve meaningful choice of structure to engage in securities underwriting and merchant banking.

Banking and Commerce (unitary thrift company issue)

Chairmen's Mark: Leaves to the Conference Committee the most controversial issue – whether to allow resale of existing “unitary thrift companies” (thrifts owned by non-banks today) to non-financial firms.

Administration: Wants limitations on resale of unitary thrift companies.

Steel Wire Rod Section 201

Q: Have you made a decision on the steel wire rod Section 201? Why not?

A: I have not yet made a decision. This is a very complex case, and I am working hard to make the best decision possible.

Background

On July 12, ITC Commissioners sent you a split decision on a Section 201 case on steel wire rod. Steel wire rod makers make wire rod, which is used as an input for manufacturers of wire for products such as tire cord, fences, screws, airplane fasteners, auto valve and guitar strings. Two Commissioners found serious injury; one Commissioner found threat of injury, and three found no injury. Where there is a split ITC recommendation, U.S. law prescribes that you must decide whether the affirmative or negative determination is the determination of the ITC. If you decide the ITC determination is negative, the case ends. If you decide it is the affirmative, you must decide whether to grant a remedy and if so, what kind of remedy. The wire rod industry, which wants a 30% tariff, employs 4,000, while the wire industry (the folks who draw wire rod to specification to make hangers, fences, airplane fasteners, etc), employing 20,000, wants no relief. Major trading partners such as Europe, Trinidad and Tobago, Turkey, Japan and newer suppliers such as South Africa have urged you to take no trade action. India, Moldova, Ukraine and Indonesia are also newer suppliers whose imports rose sharply last year. The United Steelworkers Union supports the wire rod industry and has urged you to provide trade relief. Over 120 members of congress have written to the President, and are divided on whether you should provide relief.

China WTO

Are prospects for a China WTO deal slipping away? Are you running out of time?

- No. President Jiang and I agree that China's entry into the WTO on commercially meaningful terms would be good for the United States, good for China, and good for the global trading system.
- Talks continue. Ambassador Barshefsky met with her Chinese counterpart at the end of September, continuing discussions begun in New Zealand at the APEC meetings. I expect they will meet again, and the two sides are discussing timing and logistics.
- As to timing, our focus has been on achieving a commercially meaningful agreement – which has been our goal all along.

Is the White House desperate for a deal? Did you blow it in April?

- Progress has been made, but issues remain unresolved. Clearly, the bombing was a setback, but we are still committed to coming to an agreement.

Are the Chinese pulling back from the April agreement?

- We are not going to get into any details of the substantive negotiations. Again, if we are to reach agreement, it must be on commercially viable terms.

Senator Lott, and more recently, Congressman Armey stated that there is no time for a vote on permanent NTR. Does this worry you?

- I have said that if and when we conclude a deal with China, we will work with Congress to obtain permanent NTR. China's entry into the WTO on commercially meaningful terms is good for the United States, good for China, and good for the global trading system.

Will the United States block China's entry?

- Not going to go into hypotheticals. Our focus is on getting a commercially viable agreement. The United States and China agree that entering the WTO on commercially viable terms is in both countries interest. That is our focus.

What happens if the United States does not reach agreement with China before the Seattle Ministerial? Aren't you running out of time?

- Again, our focus is on substance, not timing. Timing issues are secondary to getting a commercially viable agreement.

Can you get Congressional approval next year?

- I have said that if and when we conclude a deal with China, I will work with Congress to obtain permanent NTR. As we have said repeatedly, China's entry into the WTO on commercially meaningful terms is good for the United States, good for China, and good for the global trading system.

Could you conclude a deal with China in an election year?

- We will conclude an agreement with China when we have a commercially viable agreement.

Is Secretary Summers going to China on October 25 to negotiate a WTO deal with China?

- Secretary Summers is going to China to conduct the annual economic dialogue between our Secretary of the Treasury and China's Minister of Finance on bilateral, regional and global economic issues of mutual interest and importance.

China WTO will likely be discussed, as will other issues such as China's efforts to undertake market-based reforms, but he is not going to China to negotiate a WTO deal.

Background: USTR points out that China's negotiators will be in Europe at that time.

PATIENTS' BILL OF RIGHTS

Q: Would you veto the Norwood-Dingell Patients' Bill of Rights if it includes the "access" provisions passed by the House two days ago?

A: As I believe my record makes clear, no one is more committed to expanding health care coverage than I am. I will look at all of the provisions in the House and Senate bills carefully. However, I will not sign legislation that is not paid for, significantly undermines the health insurance market, or threatens bipartisan support for the Patients' Bill of Rights.

Q: What specific provisions in the "access" initiative do you find most objectionable?

A: I am not going to get into a provision by provision analysis. I should say, however, that I certainly don't oppose such provisions as accelerating the self-employed tax deduction. Having said this, my Administration has consistently raised concerns about proposals such as multiple employer welfare associations (MEWAs) and medical savings accounts (MSAs) that can segment the healthy from the unhealthy and further destabilize the insurance market. Moreover, I cannot and will not support any such legislation that is not explicitly paid for. In the coming weeks, we will be working closely with the Republican and Democratic leadership and the Conferees to work through these and other issues.

Q: Which of the Norwood-Dingell provisions would you be willing to compromise on? Is it all or nothing?

A: No, I'm not saying that. I would note, however, that the Norwood-Dingell bill is the only legislation coming into conference that has received significant bipartisan support. Sixty-eight Republicans joined with virtually every Democrat to pass this legislation by an overwhelming margin. In contrast, because the Senate-passed plan leaves over 100 million Americans unprotected, covers less than 10 percent of HMOs, does not provide access to specialists, and among other things, does not hold plans accountable for actions that harm patients, it did not receive one Democratic vote. Therefore, since the bipartisan legislation passed by the House more clearly represents the will of the public, it is my hope that the Conferees will be deferential to that fact as they move to reconcile the differences between the two bills.

Q: Opponents of this legislation say that the Norwood-Dingell bill, particularly the right to sue provisions, would increase costs and decrease coverage. What is your response?

A: This is nothing but a red herring argument made by special interests who oppose a meaningful Patients Bill of Rights. As the Washington Post reported recently, those states (such as Texas) that have enacted provisions that allow patients to hold health plans accountable have experienced extremely few lawsuits. These provisions are clearly being

used as more of a disincentive for plans to make the wrong decision in the first place rather than providing incentive for numerous frivolous lawsuits.

It is worth noting that, even before the Norwood-Dingell compromise dropped punitive damage awards from all but the most egregious cases, analysis based on figures produced by the Congressional Budget Office concluded that costs will not increase more than two dollars a month.

The Norwood-Dingell compromise limits even the possibility of access to punitive awards. In fact, it would only be available to those individuals whose managed care organizations ignore the ruling of an independent external appeals board. This ensures that there would be no unjustified and expensive awards.

In addition, there are over 300 health and consumer groups who have been consistent and dedicated advocates of providing affordable health care to all Americans that have endorsed the Norwood-Dingell legislation. They would never support this legislation if it were to increase costs and decrease coverage.

Q: Although there are other differences, the one provision that seems to receive the most attention is the right to sue provision. Even the Washington Post argues that this legislation should not proceed with this provision. Are you saying that you would not sign legislation that does not include the Norwood-Dingell enforcement provisions?

A: We need to assure that the rights promised by this legislation are real. When health plans take action that harms patients, they should be held accountable for their actions – as is every other health care provider in the nation. We have yet to see an acceptable, workable alternative in any serious piece of legislation other than Norwood-Dingell that achieves that end. Having said this, I have always been open to alternative, workable enforcement provisions, but have consistently stressed that the enforcement mechanism must be meaningful. That has been, that is, and that will continue to be my position on this issue as we work on this legislation.

Gun/Juvenile Crime Legislation

Q: What do you think the prospects are for passing gun legislation before the Congress adjourns for the year?

A: It would be a grave mistake for the Congress to fail to act on such important life-saving legislation. In this year alone, we have watched as innocent people were gunned down while attending school, walking home from a church or synagogue, working in their offices, delivering the mail, and worshiping in their church. And just this week, three law enforcement officers were killed by gunfire in Pleasanton, Texas. Now is the time to pass common sense gun legislation.

Every day the Congress fails to finish its work on gun legislation, another 13 children are killed by gun violence. I am committed to doing my part, by giving communities tools to keep their communities safe – by putting more police on the street, cracking down on illegal gun traffickers, and providing new school safety resources. But there is simply no reason why criminals should be able to buy guns without a background check at gun shows; why violent juveniles should be able to purchase a handgun on their 21st birthday; and why child safety locks cannot be provided with every handgun sold. That is why I will join the American people in continuing to urge the Congress to pass these common sense measures without further delay.

Q: It has been reported that Chairmen Hyde and Hatch have reached an agreement on gun legislation that would include many of the Senate-passed provisions you have called for -- including some form of gun shows. Are you prepared to support such a compromise in order to enact gun control measures this year?

A: Well, we haven't seen any legislative language yet, so I would have to reserve judgment until we've had a chance to review it. While some provisions may sound like the Senate-passed gun measures, the devil will certainly be in the details. We know that in the past, "compromises" have been offered that would only compromise public safety and compromise law enforcement's ability to catch criminals trying to buy guns. In some instances, we've even seen "compromises" ghostwritten by the gun lobby that would roll back current gun laws. So, we will be looking at whatever gun provisions are proposed very carefully to ensure that they strengthen current gun laws -- instead of weakening or creating dangerous new loopholes in our gun laws.

Q: Will you veto a juvenile crime bill that contains something less than the Senate-passed gun provisions just to give the Democrats an issue for next year's election?

A: I refuse to sign a bill that opens new loopholes and weakens our current gun laws. I believe that the Senate gun provisions – which had bipartisan and law enforcement support -- are entirely reasonable and necessary to improve public safety. And I can see no good reason why they can't be passed quickly by the full Congress. During the House gun debate, attempts were made to re-open the pawnshop loophole, and weaken

background checks at gun shows. So, as I have said before, I will veto any bill that weakens our gun laws instead of strengthening them.

Tobacco

Q: What do you think of Philip Morris' new admission that smoking causes cancer and heart disease?

A: After years of denial and deception, Philip Morris has admitted that cigarette smoking causes lung cancer and other diseases. This news makes clear what I've been saying for years: It is time for the tobacco companies to answer for their actions in court. Again, I urge the tobacco companies to stop marketing their products to children and to do more to reduce youth smoking. I also call on Congress to side with taxpayers and not the tobacco companies, and to provide the additional \$20 million to pay the Justice Department's litigation expenses.

Philip Morris' acknowledgment, after years of deceit, also underscores the urgency of enacting the 55 cent increase in tobacco taxes I've proposed. We know that raising the price of cigarettes is one of the most effective ways to protect kids from starting to smoke. More than 400,000 Americans die every year from smoking-related diseases; almost 90 percent of our people start smoking as teenagers. We can maintain our fiscal discipline and save children's lives by raising the price of cigarettes.

Campaign Finance Reform

Q: Will you press for passage of the McCain-Feingold campaign finance reform bill even though it contains only a ban on "soft money"?

A: I have for three years challenged Congress to pass comprehensive, bipartisan campaign finance reform. This year I will fight again for such reform.

I support a soft money ban, and I want to praise Senators McCain and Feingold for bringing their bill before the Senate. But I also want to reiterate that a soft money ban alone does not constitute comprehensive reform. That is why I am asking the Senate to adopt amendments that will bring this bill in line with the reform legislation enacted by an overwhelming majority in the House of Representatives.

Q: If the Congress were to only send you a ban on "soft money" would you sign the bill?

A: I support banning soft money and since 1992 I have called for an end to the soft money system. But while such a ban is necessary, it is not sufficient. A soft money ban, combined with provisions to address backdoor spending by outside organizations and to strengthen public disclosure, still represents the best path to meaningful and comprehensive reform. I believe the Congress has an historic opportunity to pass real reform now, not just a ban on soft money — and I hope the Senate will take this opportunity to act.

Judges

Background

- On Tuesday, October 5, 1999, Judge Ronnie White, your nominee to the district court in Missouri, was defeated on a straight party-line vote, after the Republicans grossly distorted Judge White's death penalty record.
- You issued a statement that afternoon describing the vote as a disgraceful act of partisan politics by the Republican majority that casts real doubt on the ability of the Senate to fairly perform its constitutional duty to advise and consent.
- You have noted that the Senate's treatment of Judge White -- as well as its failure to even allow a floor vote for Judge Richard Paez and Marsha Berzon, who have been nominated to serve on the Ninth Circuit -- adds credence to the perception that the Senate treats minority and women judicial nominees unfairly and unequally. Judge Paez, the first Mexican American to serve as a district judge in Los Angeles, and Marsha Berzon, a nationally-renowned appellate advocate, have been waiting for more than five years combined to receive an up-or-down vote on the Senate floor.
- By a variety of objective criteria, women and minorities have experienced disproportionate difficulties in the Senate confirmation process. A recent non-partisan blue ribbon commission affiliated with Georgetown Law School found that women and minorities nominees took significantly longer to be considered by the Senate than did white male nominees. This year, six of the ten judicial candidates who have waited the longest to be confirmed are women or minorities. The independent study also concluded that minority nominations failed at a higher rate (35%) than the nominations of whites (14%).
- This year, you have nominated exceptional women and minority candidates to fill vacancies on the Third, Fourth, Fifth, Sixth, Seventh, Ninth, Eleventh, and D.C. Circuits. The nominations to the Third, Fourth, and Seventh Circuits are historic: New Jersey Judge Julio Fuentes would be the first Hispanic ever to serve on the Third Circuit; North Carolina Court of Appeals Judge James Wynn would be the first African American ever to serve on the Fourth Circuit; and District Judge Ann Williams would be the first African American to serve on the Seventh Circuit. Other highly-talented appellate nominees who are people of color are Enrique Moreno, a Hispanic litigator in El Paso, who has been nominated to the Fifth Circuit, and Kathleen McCree Lewis, an African American appellate litigator and daughter of the late Wade McCree, who has been nominated for the Sixth Circuit.

Question: You have spoken three times in the past week about the Senate's failure to confirm your judicial nominees sufficiently quickly, or, in the case of Ronnie White, the Senate's failure to confirm him at all. Are you concerned that the judicial confirmation process is falling apart?

Answer: I am deeply concerned that the Senate is playing politics with the judicial confirmation process. The defeat of Judge Ronnie White – a distinguished Missouri jurist – on a straight party-line vote is a shameful example of the Senate Republicans playing partisan politics with their constitutional duty to advise and consent on judicial appointments. The Republican's refusal to give judicial nominees a vote – Ninth Circuit candidates Judge Richard Paez and Marsha Berzon have been waiting for more-than five years combined – is equally disappointing. I know that the Senate can do better, and I hope that we will be able to work together in a bi-partisan spirit on this vital issue.

Question: Republican Senators have reacted with outrage that you have accused them of being racist in voting down Judge Ronnie White. They state they voted down Judge White because of his death penalty record, not his race. How do you respond?

A: I do not know what is in the hearts of those in the Senate who voted against Judge White, or who have blocked votes on our other nominees, many of whom are women and people of color. What I do know is that their actions lend weight to the arguments of those who say that women and minorities have been treated differently by the Republican Senate. And that is an indisputable fact. Women and minority judicial nominees go to the back of the line for consideration. They have waited longer for confirmation. That is not my claim – it is the finding of a blue ribbon panel.

And who suffers? The fair administration of justice and the American people suffer. We have done a superb job at putting tens of thousands of police out on the streets to fight crime, but we also need excellent men and women in the courthouse to keep the wheels of justice moving, and that's where Republicans in the Senate have stood, in the doorway of the courthouses, blocking votes on highly qualified nominees.

The Republican majority grossly and unfairly distorted Judge White's record, even going so far as to label him "pro-criminal." There can be no reasonable doubt that White is a mainstream jurist who is committed to faithfully applying the law. In death penalty cases, Judge White voted along with the majority of the Missouri Supreme Court, a court dominated by Ashcroft appointees, 90% of the time. Judge White has upheld the death penalty around 70% of the time. Both the country and Judge White, the first African American to serve on the Missouri Supreme Court, deserved far better than distortions and unfair treatment from the Senate Republicans. Judge White's treatment adds credence to the perception that women and minority judicial candidates are treated unfairly by the Senate. Independent studies appear to bear this out. A recent non-partisan study found that women and minorities nominees took significantly longer to be considered than did white male nominees and that their nominations were more likely to end unsuccessfully. Likewise, two of the candidates who are being treated the most unfairly by the Senate – Judge Paez and Marsha Berzon – are excellent women and minority candidates.

Speaking of judges, let me say again how disgusted I was at the Senate's treatment of Ronnie White, who would have been the first African American federal judge in Missouri. He already was the first African American on Missouri's state supreme court, and for some Senators to claim that they didn't know his race when they voted against him is either downright false, or an outrageous admission that they didn't know anything at all about his record. Either way, what

they did was terribly wrong. It was one of the most dishonorable acts committed by this Senate, and they ought to be ashamed of themselves for turning down such an excellent nominee for the federal bench.

Question: As you approach the last year of your Presidency, are you satisfied with your role in placing judges on the federal bench?

Answer: I am very proud of the judges that I have appointed to the federal bench. The judges I've appointed are the most diverse group in our history. Nearly half are women or minorities. More than half my current judicial nominees are women or minorities. And these judges prove that diversity and quality go hand in hand: my appointees have garnered the highest ratings from the American Bar Association of any President in 40 years. There are currently 45 pending judicial nominees, including some exceptional women and minority appellate candidates. I will work very hard to confirm Judge Paez and Marsha Berzon to the Ninth Circuit. I will also work hard on other historic nominations, including that of Julio Fuentes to serve as the first Hispanic to serve on the Third Circuit; James Wynn to serve as the first African American on the Fourth Circuit; and Ann Williams to serve as the first African American ever on the Seventh Circuit.

JUDGE RONNIE WHITE

Summary

Judge Ronnie White, the first African American to serve on the Missouri Supreme Court, was defeated on Tuesday, October 5, 1999, when the Republican majority distorted Ronnie White's death penalty record, going so far as to call Judge White "pro-criminal." In fact, Judge White is very much a mainstream jurist with respect to the death penalty. According to statistics compiled by the Department of Justice, Judge White, while serving on the Missouri Supreme Court, affirmed the imposition of the death penalty in 40 out of the 58 cases in which he participated. In other words, Judge White voted to uphold the death penalty almost 70% of the time. Moreover, in 52 of the 58 cases (90%), Judge White voted along with the majority of the Missouri Supreme Court. In addition, in 2/3 of the instances in which Judge White voted not to impose the death penalty, he did so with a majority of the court; in half of the instances in which Judge White voted not to impose the death penalty, the decision was unanimous.

Statistical Analyses

Department of Justice

The Department of Justice has analyzed all death penalty decisions available on the Westlaw database issued by the Missouri Supreme Court since Judge White joined the court in October 1995. All death penalty cases are heard by the Missouri Supreme Court en banc. Since October 1995, there have been 63 such cases. Judge White has sat on 58 death penalty cases. He voted along with the majority 90% of the time (52 times); on only six occasions was he in the minority against the imposition of the death penalty. His voting record indicates that he is well within the mainstream of other judges on the court. Judge White voted to uphold the death penalty almost 70% of the time. One judge, appointed by Governor Carnahan in August 1998, has upheld the death penalty at a lower rate (approximately 63%); Judge White's rate is within 10-15% of the remaining five judges.¹

Missouri Democratic Party

The Missouri Democratic Party states that it has gone back further historically, comparing Judge White's death penalty record with those of all Ashcroft appointees. According to these statistics, Ashcroft appointee Judge Ellwood Thomas had a much higher percentage of votes to reverse the death penalty than did White: Thomas voted to reverse the death penalty almost half the time (47%), while, according to these figures, White has voted to reverse 29% of the time. Moreover, four Ashcroft appointees voted against the death penalty at a similar rate as Judge White. These judges voted against the death penalty from 22% to 25% of the time, as

¹ As compiled by DOJ, since Judge White ascended to the court, the judges sitting on the court today voted to uphold the death penalty as follows: Judge Wolff (appointed by Governor Carnahan) 62.5%; Judge White 69.0%; Judge Holstein (appointed by Governor Ashcroft) 78.3%; Judge Covington (appointed by Governor Ashcroft) 78.7%; Judge Price 80.7% (appointed by Governor Ashcroft); and Judge Limbaugh (appointed by Governor Ashcroft) 83.6%.

opposed to the 29% for Judge White. The notion that Judge White's death penalty jurisprudence is outside the mainstream in Missouri is refuted by the facts.

"Horror Stories"

Ashcroft's Criticisms of a Specific White Decision is Unreasonable and Unfair

Senator Ashcroft focused on the facts of one case in particular, State v. Johnson, to support his charge that White is "pro-criminal." The facts of Johnson are abhorrent and therefore easy to sensationalize. The defendant was convicted of multiple murders, including murdering a state sheriff. Judge White did dissent in the case, because he was persuaded that the defendant's constitutional right to counsel had been violated. But the case far from demonstrates that Judge White is, as Senator Ashcroft put it, "pro-criminal." In fact, Judge White did not question that the defendant committed the murders, nor did White argue that the defendant should be set free; rather, White concluded that the Constitution dictated that the defendant be granted a new trial with a new lawyer. Judge White did not make this decision lightly. In his dissent, White expressed his revulsion for the crimes that had been committed stating: "This is a very hard case.... This is an excellent example of why hard cases make bad law. While I share the majority's horror at this carnage, I cannot uphold this as an acceptable standard of representation for a defendant accused of capital murder."

Ashcroft's Appointees are Vulnerable to the Same Type of Criticism

Senator Ashcroft's method of focusing on the egregious facts of (rather than the legal analysis underlying) a death penalty case is a disingenuous and inappropriate way of evaluating the qualifications of sitting judges.

Judge White authored two opinions -- State v. Taylor, 929 S.W. 2d 209 (1996) and State v. Nunley, 923 S.W. 2d 911 (1996) -- upholding the death penalty against defendants who had pled guilty to first-degree murder, armed criminal action, kidnapping, and the forcible rape of a fifteen-year-old girl. An Ashcroft appointee, Judge John C. Holstein, dissented in both of these cases. Likewise, in State v. Skillicorn, 944 S.W.2d 877 (1997), Judge White joined the majority in affirming the death penalty against Skillicorn, who was convicted of murdering a good samaritan who had pulled over and offered a drive to Skillicorn. An Ashcroft appointee, Judge Ann Covington, dissented, stating that she would have reversed the defendant's conviction.

Under Ashcroft's logic, his own appointees to the state bench are unfit to serve in the federal judiciary. Under Ashcroft's logic, his own appointee, Judge Holstein is "soft" on criminals who had kidnapped, raped, and murdered a fifteen-year-old girl; likewise, his own appointee, Judge Ann Covington, is "soft" on a person who had murdered a good samaritan. These examples are not intended to impugn Judges Holstein and Covington, who issued reasonably-argued dissents in these cases, but rather to demonstrate the grossly unfair way Senator Ashcroft attacked Judge White's integrity and judgment. Senator Ashcroft's baseless attacks on Ronnie White were demeaning to the Senate. As the President has stated, the Senate's treatment of Judge White casts "real doubt about the Senate's ability to fairly perform its constitutional duties to advise and consent."

HATE CRIMES LEGISLATION

Q. What is the current status of your hate crimes legislation and what are the prospects that you can get Congress to move on it this year?

A. It has now been a year since the murder of Mathew Shepard. In addition to this terrible incident, hundreds of others have been injured or killed over the past two years, simply because of who they are. In response to this epidemic of violence, many people around the country, both Democrats and Republicans, have called on Congress to strengthen the federal hate crimes laws.

Earlier this year, the Senate passed legislation which if enacted would strengthen current law by making it easier to prosecute crimes based on race, color, religion and national origin and by expanding coverage to include crimes based on sexual orientation, gender and disability.

Congress now has the opportunity to complete work on that legislation and to send it to me for signature. I call on them to do so as quickly as possible. The nation cannot afford to wait.

Correia/Socarides

WEST-NILE LIKE VIRUS

Q: What is the Administration doing about the outbreak of West Nile virus New York?

A: I believe that it is tragic that any individual was struck by this disease, and continue to be concerned about the outbreak of West Nile-like virus in New York. Local, state, and federal health officials continue to investigate the scope of the West Nile outbreak. The CDC, together with other Federal agencies, has dedicated a significant level of staff resources and provided technical assistance to state and local public health officials since the beginning of the outbreak at the end of August.

In order to ensure the rapid diagnosis of the disease if it surfaces in other states, the CDC is working with state and local public health officials to increase their disease surveillance efforts, implement rapid response plans, and provide scientific and laboratory support.

The response to this outbreak has been remarkably rapid and successful. I would especially like to thank the public health professionals who have dedicated themselves to containing this crisis. Their training, expertise and commitment has saved many lives and prevented the spread of the epidemic by their quick and professional response. CDC had a team on the ground almost immediately, and New York, New Jersey, and Connecticut wisely began aggressive mosquito control campaigns.

Q: Is the virus expected to spread?

A: Our experts do not expect the virus to spread in the New York area. First, New York has taken aggressive measures to control the mosquito population. The coming cooler weather will naturally take care of the mosquito population. While the end of the mosquito season will significantly diminish the chances of the disease spreading, we are concerned that infected birds may carry the virus with them as they migrate south. We are working vigorously to determine whether this is the case, but so far no infected birds have been discovered outside the New York Metropolitan area. However, as birds migrate, it is possible that the virus will migrate with them. Therefore, we will be on the alert for new cases in other regions.

Q: If public health officials had known that it was West Nile-like virus and not St. Louis encephalitis, they would have realized the scope of this problem much earlier and possibly saved additional lives. Didn't CDC waste a lot of time by misdiagnosing this virus to begin with?

A: No, it did not. West Nile-like virus and St. Louis encephalitis are both mosquito borne diseases that cause encephalitis, and the most effective way to prevent their spread is to implement a strong and effective mosquito control campaign. This campaign and the public health measures that the city, state, and CDC initiated at the beginning of the

epidemic were critical to slowing the spread of the virus and saving lives, and I am proud of the coordinated public health response.

Q: Is the outbreak of West Nile-like virus in the New York area the result of a bioterrorist attack?

A: There is no evidence that this virus was intentionally introduced. This outbreak is completely consistent with the disease having been inadvertently brought into the country by an infected person or bird.

The training, expertise and commitment of Federal, state, and local public health officials has saved many lives, and through quick and professional response has prevented the spread of the epidemic.

This is an example of why a strong disease surveillance system is essential for early detection of disease outbreaks, and why I have requested major increases for public health surveillance activities over the past two years.

Y2K

Q. Will the Federal Government be ready for the Year 2000 transition?

- A. The Federal Government will be ready for the Year 2000. My Administration has been working on the Y2K problem for several years, and as of last month, 98 percent of the Government's mission-critical systems were compliant. These systems have been tested and will be able to accurately process data into the Year 2000 and beyond. We've also been working to make sure that every Federal agency has contingency plans in place for any Y2K glitches that do occur and we will be closely monitoring system operations during the actual date rollover.

Q. Will the country be ready for the Year 2000 transition?

- A. We are increasingly confident that, on a national level, basic infrastructures like electric power, transportation, banking, and telecommunications will be ready for Y2K. These industries have all constructed well-organized and comprehensive responses to the Y2K challenge and report that virtually all of their critical systems are ready or will be before the end of the year. The banks and credit unions, for example, undergo regular Y2K examinations each quarter and, as of the most recent exam, 99.7 percent were ready.

That doesn't mean that every system in every industry is going to work or that there won't be Y2K glitches – particularly in cases where local businesses or governments have not taken any steps to prepare. There clearly will be system failures and that will cause some inconveniences. But we are confident that, nationally, the United States will be in good shape for the date change.

Q. What are the areas of greatest risk?

- A. The greatest risk lies in organizations that are not paying attention to the problem. We are most concerned about those organizations where the leadership is convinced that the Y2K problem doesn't apply to them or that they can simply fix systems when they break after January 1. They are rolling the dice with their future.

We are concerned about small organizations that may be taking this approach – particularly some small businesses, local governments, health care facilities, and educational institutions. My Council on Year 2000 Conversion has worked hard to get these organizations to take action on the problem.

The bottom line is that this problem has to be a top priority for leaders of organizations around the world. The Y2K problem is a top priority for me and it needs to be a top priority for every head of state, governor, mayor, CEO, and small business owner.

Q. It is widely acknowledged that the rest of the world is not as far ahead as the United States in dealing with this problem. Are you concerned Y2K failures abroad could have an effect on the U.S. economy and the health and safety of Americans abroad?

We've been working hard to make sure that our partners around the world are focused on the problem and doing everything they can to be ready. We've worked through the United Nations, where my Council on Year 2000 Conversion helped to organize two unprecedented conferences of the world's senior Year 2000 officials; APEC; the G-8 and other organizations to increase international attention to Y2K.

In terms of our economy, most of the developed nations that are our trading partners appear to be in good shape for the Year 2000. We just held our fourth tri-lateral meeting on Y2K with two of our largest trading partners, Canada and Mexico. They are virtually done with their Y2K work. Most economists believe Y2K will have a relatively minor -- perhaps two-tenths or three-tenths of a percentage point -- effect on our economy in the first quarter of next year.

That said, there are a number of countries -- particularly developing nations -- that got a late start on the problem and are at some risk of experiencing serious failures. The State Department has been gathering information about country Y2K readiness and will continue to keep Americans advised throughout the fall about Y2K-related risks abroad.

Q. What is the United States doing to ensure that the Y2K problem will not cause a nuclear launch?

A. Nuclear weapons systems require human action to launch, so a Y2K glitch is not going to cause nuclear weapon to accidentally fire. Nonetheless, we are making sure that our weapons systems are ready and we are working closely with the Russians and others to share information about nuclear weapons Y2K efforts as well as work being done on Early Warning Systems.

Q. Are you worried about public overreaction to the Y2K problem?

A. Public overreaction to perceived threats associated with Y2K could be a greater challenge than actual Y2K failures, so it is a concern. There is no question that Y2K is a very real challenge, but there are literally thousands of people that have been working for years to make sure that systems can successfully move into the Year 2000. It is not going to be the end of the world.

Nonetheless, my Council on Year 2000 Conversion, along with FEMA and others, is advising people take appropriate steps to prepare. People should always be prepared for temporary disruptions in key services that can happen at any time. It is also important for people to be paying close attention to what their local power and phone companies, banks, and other service providers are saying about their Y2K readiness.

Politics

Q. With many of your proposals mired in partisan gridlock on Capitol Hill -- and with the 2000 elections in full cry -- do you think your Presidency may finally be entering a lame duck phase?

A. No, in fact, there is ample evidence to the contrary. Our overwhelming victory on the Patient's Bill of Rights just last week speaks volumes in this regard. Much of my agenda continues to move forward in the Congress, although sometimes more slowly than I would prefer. We are actively engaged with Senators on the Finance Committee to take the first important steps toward strengthening and modernizing the Medicare program. I am also confident that we will succeed in raising the minimum wage, and that Congress will eventually send me common-sense gun legislation that I can sign.

Moreover, many of the appropriations bills that I have signed mark significant gains for a number of my Administration's initiatives. In the coming days, I have reason to expect we will prevail in our efforts to put more cops on the beat, and that we will renew last year's commitment to hiring 100,000 qualified teachers.

There is no reason that Congress need adjourn this year without sending me these bills for my signature. However, sometimes a coming election makes it easier, not harder, to pass legislation. So if Congress fails to complete this work this year, I expect next year will look a lot like 1996, when we enacted Welfare Reform, Kennedy-Kassebaum health insurance reform, and raised the minimum wage.

Q. How do you plan on helping the First Lady in her race for the New York Senate seat?

A. I intend to help the First Lady in any way I am able, and in any capacity she feels is appropriate. She would make a great United States Senator.

Q. What do you make of Senator Bradley's challenge to Vice President Gore?

A. I think the power of the Vice President's ideas, the strength of his record, and the quality of his character will result in his nomination for the Presidency by our party. As we move into the serious phase of next year's campaign, I am confident the Vice President will prevail in this contest by a commanding margin.

Counsel

Mortgage

Q: Are you still looking into refinancing your mortgage and eliminating Terry McAuliffe's role as a guarantor?

A: I don't have anything new for you on that.

FBI

Q: FBI Director Louis Freeh reportedly will not leave his post during your term because he doesn't want you appointing a successor. Given your recent remarks about the FBI to Investor's Business Daily, can you tell us that you have confidence in Director Freeh? Or do you believe he is among those who is out to get you?

A: My remarks related to questions about the FBI's role in Waco, and inasmuch as that whole matter is under review by the Attorney General's special counsel, Senator Danforth, I don't have anything to add here today.

Q: But what about the question of trust and confidence? Do you trust Louis Freeh?

A: I've said all I have to say about that. (or) The FBI Director, like the Attorney General and all those in charge of government agencies, has important responsibilities, and has a duty to meet those responsibilities in a professional manner. The public deserves nothing less, and I'm sure Director Freeh would agree.

Clemency/Vieques

Q: A note in your handwriting indicates your support for those who want the Navy to stop bombing in Vieques. What do you say to those who claim that this means you've made up your mind on the issue, and the review panel you appointed is nothing more than show?

A: I have not made a decision on this issue. This matter is being reviewed by a panel of experts, and I await their recommendations. My goal here is for a solution to be found that would be satisfactory to the needs of the Navy as well the people of Vieques.

Q: How can you avoid the appearance of being in conflict with the First Lady's campaign, no matter what you decide? This issue is important to many Puerto Rican voters in New York. Whichever way you go, there will be some fallout for your wife. How do you deal with that?

A: Whatever decision I reach will be on the merits. People who want to find a way to be critical will do so no matter what the result. The only thing to do is to make the right decision for our national interest, and let it speak for itself.

Q: Given the fallout from your decision to grant clemency to the Puerto Rican nationalists, do you now admit that it ended up hurting Mrs. Clinton's campaign? And what might you have done differently had you known of this reaction in advance?

A: I made what I believed to be the right decision, after reviewing all the relevant facts, and I stand by that decision. As I've said, people who want to find a way to be critical of me will do so regardless of what I do, so the best thing I can do is to make decisions on the merits, which was the case here.

Tripp

Q: Linda Tripp is now scheduled to go on trial January 19th, almost exactly two years after she spilled the beans to Paula Jones' lawyers the night before your deposition. Do you find any irony or satisfaction in this turn of events? And what would you say to her, now that she is under the threat of criminal prosecution?

A: Because that is an ongoing legal matter, it would not be appropriate for me to comment on it in any way.

Travel

Q: Mr. President, members of Congress have criticized the cost and extent of your travel, and we know you have several trips planned for next month, including one to Europe. How do you defend the cost to taxpayers, and since we're getting closer to the end of your term, is it necessary for you to travel as frequently?

A: One of the trips they looked at was Africa. Their criticism is completely unjustified. No American president had ever undertaken such an extended visit to Africa before. It was long overdue. Many nations in Africa are hard at work building democracies and free markets, and that needs to be recognized and supported. Our ties to Africa are strong, and important to our future security and prosperity.

All my travel is directly linked to significant American goals – whether they be military, economic, or political. In every case, the benefits, tangible and intangible, outweigh the cost. Presidential visits strengthen our alliances and promote American business. To work for peace, security and prosperity, nothing quite matches direct, face-to-face contact with the people and places around the world that are so closely linked to those priorities.

We live and work in a post Cold-War world and an increasingly global economy. Direct American engagement in that world is essential if we want to encourage democratization and respect for human rights and the kind of trade that benefits us here at home.

Art Exhibit

Q: Do you support Mrs. Clinton's position on the art exhibit at the Brooklyn Museum?

A: I do. She, Peter Vallone and others have made it clear that, despite their own objections to the nature of some of the art on exhibit, they believe it's wrong to try to close down the whole museum as a consequence. That's like shutting down an entire library because a librarian bought one book that offends some readers. There should be some way to resolve the competing points of view here without doing damage to an institution that has served many thousands of people over the years.

Additional Counsel

Q: Jesse Ventura recently said religion is a crutch for weak-minded people. Assuming you disagree with that view, do you believe it's appropriate for a governor to speak in that manner, knowing it will be offensive to many people?

A: Candor shouldn't be confused with wisdom. The Governor's comments were offensive. He's entitled to his opinion, but his opinion is wrong. This country was created by people of faith, and many of our greatest accomplishments as a nation were inspired and shaped by faith. The battle against slavery in the 1800's was led by organized religions and believers who knew that it was morally wrong. The battle for civil rights in this century was also led by many religious people, such as Martin Luther King, who found strength in their faith. The Governor can say what he said because many people of faith died for the freedoms he and we all enjoy.

Q: Pat Buchanan wrote that the United States need not have declared war against Hitler's Germany in 1941. What is your view of what he said, and of our nation's role in the war?

A: Well, any suggestion that we should not have entered the war against Germany when we did is just wrong. President Roosevelt and the Congress did the right thing in 1941, and millions of Americans did the right thing in fighting Nazism. Anyone who doesn't believe that needs to spend a little more time reading their history, and maybe a little more time across the river in Arlington to contemplate the great sacrifices made by those who gave their lives in this great moral cause.

Q: Everyone from Warren Beatty to Donald Trump to Cybil Shepherd is contemplating a run for the White House. Do you think this trivializes the importance of the office, and do you feel in any way responsible for that trend?

A: I think it may say something about the way the media covers politics these days, but I have the utmost confidence in the American people to sort out the wheat from the chaff. Regardless of who runs for President or how they're covered, the public eventually sees through all the smoke and mirrors. And they, after all, have the ultimate power at the ballot box.

Q: There has been a lot of criticism of Edmund Morris' book on Ronald Reagan. First, have you read it? And what do you think of his biographical technique? And second, have you given any thought to cooperating with anyone on a biography of your life or presidency?

A: I have not read the book, so I would not want to comment on it in advance. I have not given anyone special access to the White House for the purpose of a biography. I do hope to do some writing myself after leaving here, but have not spent much time talking about the mechanics of that with anyone as of yet.

Q: It has been suggested by some pundits that you would do Mrs. Clinton a greater favor if you kept away from her campaign, and did not appear with her in New York, and did not provide advice behind the scenes. Do you take any stock in such commentary?

A: I'm happy to help in whatever way Hillary wishes.

Q: Are you and the First Lady both rooting for the Yankees this year?

A: Yes we are. In fact, I hope we have a Subway Series.

Q: George Bush has been critical of his own party recently, and some observers say he has taken a page from your campaign book, or perhaps Dick Morris, and is trying to triangulate himself into the middle of the American electorate. Do you see this kind of imitation as a form of flattery, and do you think it will work?

A: Sounds like Mr. Bush is trying to go to the prom, but wants to ditch his date.

But did Mr. Bush distance himself from the Republicans who said that the nuclear test ban treaty ought to be killed, so that other nations have a green light to set off nuclear explosions again? Did he distance himself from those Republicans who voted against Judge White, who would have been the first African American to serve on the federal bench in Missouri? Was that compassionate conservatism at work? Has he criticized those Republicans who have blocked consideration of judicial nominees who are women and people of color? Has he criticized Republicans who have blocked enactment of sensible legislation to keep guns out of the hands of children and criminals?

He can run, but he can't hide from the fact that his party has not stood for much of anything in recent years, except engaging in kind of politics of personal destruction that Mr. Bush himself claims is wrong. For better or worse, the Republican track record is an albatross that just won't come off George Bush's neck.

Q: What do you think of the series West Wing and do you agree with those who say it could stimulate interest in public service?

A: I haven't seen it, but think it would be great if it does portray public service in a positive light and encourages people to get involved.

would veto any other cuts there (teach, after school, tobacco - don't have to do S&S, can negotiate ed tech)

Myis of the late union - sex accident

budget + trade

→ - how many years / person in prison (200 M)
- how much \$? \$15 M

**Briefing Book for Presidential
Press Conference
(For Internal Use Only)**

June 25, 1999

Press Conference
June 25, 1999

Subject

Tab

Likely Questions

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Steel

Tobacco

Y2K liability

Youth Violence

Counsel

NSC

To be submitted separately.

PRESS CONFERENCE
LIKELY QUESTIONS
June 25, 1999

1. At your last press conference, you stated that nobody had informed you of any suspicions of Chinese espionage at the DOE labs during your Administration. Since then, additional information has emerged that suggests that in fact your Administration was aware of serious concerns about possible espionage, and senior members of Congress are accusing you of having misled the American people. Do you continue to believe that your statement at that time was accurate? Can you tell us what you knew and when you knew it?
2. Given the enormous impact of the intelligence error that led to the bombing of the Chinese embassy, and that it has been compounded by the fact that at least one individual warned that the target might be incorrect, are you concerned about the capabilities of our intelligence community?
3. After the conflict in Kosovo, is there a new precedent for the use of American force overseas? Are there principles that should guide our decision about whether to use force for a moral or humanitarian purpose? And would you call these principles, as some of your aides have, the Clinton Doctrine?
4. Many of your critics were proven wrong in Kosovo. Now that the Yugoslavian troops are out of Kosovo and the refugees are returning, do you think that there are some lessons that should be drawn from America's experience in that conflict? And can you give the American people any sort of time frame for how long our forces will be involved in Kosovo?
5. You have had a modicum of success in resolving conflicts in Northern Ireland, in the Balkans, and in the Mideast. Why have you been so disengaged from a conflict between the world's largest democracy, India, and Pakistan -- a conflict that threatens to engulf almost a billion people in war?
6. As a consequence of our absorption in Kosovo, other key spots around the world have suffered. Relations with China are badly strained and WTO seems to have been stopped dead in its tracks. The situation in Korea has worsened dramatically, the Mideast peace process has stalled, and we are closer to a trade conflict with two of our most important allies in Asia and the Pacific, New Zealand and Australia. Hasn't our inability to deal with more than one conflict at a time hurt American prestige and credibility around the world?
7. We seem to have restored some balance to our relations with Russia's current leadership. But Boris Yeltsin is in poor health, and outside some offices in the Kremlin, virtually everyone in Russia seems to have lost respect for the U.S. due to our actions in the Balkans. As we look ahead to the post-Yeltsin era, won't we pay a very heavy price for the anti-American sentiment we have stirred up at virtually every level of Russian society?

8. Are you concerned that the amount of attention being devoted to the 2000 election already, particularly the campaigns of George Bush, the Vice President, and Mrs. Clinton, will undermine your ability to accomplish any of your agenda over the next 18 months?
9. You have implied that Republicans are standing in the way of progress. But is it not Democrats who have the most to gain if this Congress does nothing? And are some Democrats making it clear to you that they would prefer that the most important issues you are working on not be resolved in this Congress?
10. It's being reported that the First Lady will announce the formation of her exploratory committee in New York while you are traveling elsewhere around the country, and the Vice President announced his candidacy for President while you were in Europe. In addition, the Vice President has recently criticized your behavior in the Lewinsky matter. Do you think the Vice President and the First Lady are both trying to distance themselves from you politically, and if so, why would they want to do that? And has either the Vice President or the First Lady asked you to campaign with them?
11. It seems that a number of Presidential candidates are going to make an issue of your personal behavior in the Lewinsky matter. How do you feel about that?
12. Where do you and the First Lady intend to vacation? Is it true, as has been reported, that you are reconsidering vacationing in New York State because voters would think you were doing it only for political reasons?
13. If you are serious about getting Social Security reform enacted, why will you not make specific proposals that provide the additional revenues or reduced outlays that will be needed to provide long-term solvency for the Social Security trust fund?
14. Will you veto any juvenile justice legislation that does not contain the gun control measures passed by the Senate? Why won't you accept a proposal that contains at least some of the measures you support?
15. There are reports that your Administration will soon increase its estimate of next year's budget surplus. Are there any circumstances under which you will be willing to use those additional resources to accept some Republican ideas for tax cuts?
16. Will your plan for a Medicare prescription drug benefit be financed in part by the budget surplus? Will you support means testing of Medicare premiums? And if so, do you think Democrats will abandon your proposal?
17. Are you concerned that the apparent plans of Alan Greenspan and the Federal Reserve to raise interest rates will jeopardize the strength of the nation's economy?

Budget

1. **There is a great deal of speculation that your Administration soon will be announcing a larger surplus than you predicted in your February budget. Republicans are likely to argue that this will provide the resources for the tax cut they want. Your response?**

My Administration is working on our Mid-Session Review, which updates the surplus and other budgetary numbers. I'll discuss the numbers in it when it is released.

But regardless of the size of the surplus, my position on tax cuts remains the same. As I have said before, my own budget contains targeted tax cuts. The tax cut created by the USA Accounts helps middle-class Americans increase their savings and prepare for retirement. USA Accounts are an essential part of the framework I presented in my State of the Union address.

The centerpiece of my framework is Social Security. My framework devotes much of the hard-earned resources which are the result of our fiscal discipline and deficit reduction programs to extending the life of the Social Security Trust Fund. It strengthens Medicare, puts resources into the USA account tax cut, and reserves a portion of the surplus for critical domestic needs like education and defense spending.

But our very highest priorities must be using our resources to help meet the existing commitments of the Social Security and Medicare program. It's our obligation to plan wisely for future generations. We owe it to our children and their children to make our first task meeting the needs of the future.

- Q: Both Republicans and Democrats have argued that the spending caps that limit spending for the next budget year are ridiculously and artificially tight. Won't the larger surplus give you the opportunity to raise the spending caps for this year?**

First, as I said, my Administration has not yet produced its Mid-Year Review. When we do, I will discuss the numbers that are in it.

More importantly, it's important to do first things first. As I have said before, I am committed to making sure that we address the long-term needs of Social Security and Medicare before we spend the surplus for other purposes. Changing the spending limits is another way of saying spend the surplus. I have always said that we shouldn't spend the surplus before we address the long-term needs of Social Security and Medicare.

Campaign Politics

Q. It seems the Vice President is moving to distance himself from your Administration as he campaigns for the Presidency. How will that affect your efforts to enact your own agenda and move legislation through the Congress?

A. There is no person in this country better prepared to serve as our next President than Al Gore. He has been a full partner in our Administration's successful program to build a prosperous America.

He's now begun a dialogue with American families to talk about how he can continue moving the country forward in the new century. I know he wants to keep working on the issues that American families care most about, like keeping our economy growing, bringing change to improve our schools, protecting our kids from guns and violence, and keeping our budget balanced while making investments in education and the environment.

My Administration also has a great deal of unfinished business in these and other areas, and I absolutely disagree with anyone who believes we can't get things done. I am confident we will be successful on our budget priorities, including the hiring of 100,000 qualified teachers and continuing to put more COPS on the beat. I am encouraged that the Republican majority continues to move in our direction on the issue of locking away the Social Security surplus. I think we can enact real "Lockbox" legislation on Social Security, and likewise secure 15% of the surplus for Medicare. I think we can enact targeted tax relief for working families through USA accounts, and credits for child care and long term care.

Q. Aren't the 2000 elections already creating an environment of partisan "point scoring" that prevents you from making progress on your domestic initiatives?

A. On the contrary, I believe an election year can make passage of important legislation **more likely** rather than less. For example, in 1996, we were able to raise the minimum wage, reform the welfare system, pass laws to make the food we eat and the water we drink safer and enact health care legislation that benefited as many as 25 million people **because** Congress realized that rejecting those measures would be unpopular with the voters.

Similarly, as the 2000 elections draw near, I cannot imagine Congress failing to pass bipartisan legislation on the Patients' Bill of Rights, the minimum wage, or on common sense gun safety legislation.

Class Size

Q: Earlier, you referred to some in Congress who want to back away from last year's bipartisan commitment to your class size initiative. Republican legislation would let school districts decide whether to use funding for reducing class size or improving teacher quality. What's wrong with that, particularly given studies showing that teacher quality matters and that rapid class size reductions can lead districts to hire unqualified teachers?

A: Last year, I proposed an initiative to help states and local school districts recruit, train, and hire 100,000 well-prepared teachers over seven years to reduce the average class size to 18 in the early grades. With bipartisan support, Congress enacted a down payment on this proposal to help states and districts hire an estimated 30,000 teachers this fall.

This was a very important, bipartisan victory for the American people. The research confirms what parents and teachers have long believed: students in smaller classes make greater educational gains right away and continue to do better in school even after they return to larger classes. Moreover, the benefits of smaller classes are often greatest for poor, minority, and inner-city children, the children who often face the greatest challenges in meeting high educational standards. A landmark 4-year study of class size reduction in kindergarten through third grade in Tennessee found that students in smaller classes earned significantly higher scores on basic skills tests in all four years and in all types of schools, and a recent update of that study showed that those students were still doing better in school than their peers by the time they graduated from high school.

Now, just as school districts are preparing to hire teachers to reduce class size this fall, there are some in Congress who want to back away from this commitment, rather than fulfill it. Legislation currently being considered by the Congress fails to provide dedicated funding for reducing class size in the early grades, seriously undermining the Federal commitment to reduce class sizes. This legislation would end the flow of funds specifically dedicated to fulfilling our commitment to making smaller classes in the early grades a reality for America's children.

Congress must do better. I will work across party lines to build on our commitment to hire 100,000 well-prepared teachers, reduce class size, and improve teacher quality. Together, we can help all of our students learn to read independently and well by the third grade, get a solid foundation in basic skills, and reach high educational standards.

Computers in Schools

Q. Is your Administration going to reach your goal of connecting every classroom to the Internet by the year 2000?

A Imagine how exciting learning can be for students and how educational opportunities can grow if, by the click of the mousepad, the world can be brought into the classroom. That is why it is so important that we continue working towards the goal of connecting classrooms and libraries to the Internet. We are well on track to meeting our goal -- in 1994, only 4 percent of *classrooms* were connected. Now, the vast majority of *schools* -- 89 percent, are connected. Furthermore, schools are now receiving \$2.25 billion in discounts under the "e-rate" program. My budget also includes \$800 million to help local communities with computers, educational software, and teacher training so kids safely travel the web -- which are the other elements of our technological initiative.

Q. But how can you reach 100 percent if you are only at 51 percent now?

A From 1997 to 1998, the percentage of classrooms connected to the Internet increased from 27 percent to 51 percent. I think we'll be able to maintain this rate of improvement -- especially given the availability of the e-rate.

ECONOMY

Q: What is your assessment of inflation ? Do you think the economy is growing too strongly ?

A: In the last 6 years and half years, this nation has created nearly 19 million new jobs, core inflation remains at 30 year lows and the overall economy continues to expand remarkably fast especially this far into the expansion. Productivity continues to rise at a robust pace-- again especially this far into our expansion.

During the last six years, I have worked hard to put in place the core fundamentals necessary for sustainable long-term economic growth.

- Fiscal discipline has helped lower interest rates providing businesses with the ability to finance their expansion.
- Targeted investments in our people have provided many more Americans with the tools they need to join the workforce both contribute to and benefit from the new prosperity.
- And our efforts at expanding markets abroad have created new business opportunities.

We continue to see the benefits of these policies to the overall economy. And we must continue these efforts with renewed commitment in order to maintain a climate conducive to economic growth.

Q: Does the Fed need to raise interest rates?

I don't generally comment on Fed actions.

Education

Q: You say that education is a top priority. Where does your education agenda stand?

A: As we enter the 21st Century, it is more important than ever that all of our children receive the high-quality education that will enable them to succeed in this new economy. For six years now, improving education has been one of our highest priorities, and in that time we have nearly doubled our investment in major education and training programs. Despite our past successes, much more remains to be done.

A cornerstone of my efforts to improve American education has been to encourage states and school districts to set high standards and to provide intensive support to help schools, teachers, and students to reach these standards. My proposal to reauthorize the Elementary and Secondary Education Act (ESEA) includes measures to ensure that schools end social promotion the right way, by investing more money to help students with summer school and after-school programs rather than simply retaining them in grade; teachers are qualified to teach the subjects they are assigned; states turn around their lowest-performing schools; parents get annual report cards on school performance; and schools institute fair and effective discipline policies.

In order to help schools and students reach these high standards, I also propose essential targeted investments, including funding to help communities across the nation finish the job of hiring 100,000 well-prepared teachers to reduce class size to a national average of 18 in the early grades; tax credits to help build and modernize more than 6,000 public schools; and funding for teacher professional development, after-school and summer school programs and other support to help all of our students succeed.

Strengthening education needs to be a national priority. So I urge Congress to keep their commitment to reducing class size, to help build and modernize our school buildings, to improve teacher quality, to invest in our children, and to make accountability for results -- ending social promotion, informing parents, turning around failing schools -- the law of the land.

Foster Care Legislation

Q: Do you support the foster care legislation scheduled for House floor vote today (Friday)?

A: Yes. I am very pleased that the House is acting in a bipartisan way to help our nation's foster youth in their struggle to become successful, independent adults. Each year, approximately 20,000 young people leave our nation's foster care system at age eighteen without an adoptive family or other permanent family relationship, but federal financial support ends just as they are making the critical transition to independence. Without the emotional, social, and financial support that families provide, many of these young people are not adequately prepared for life on their own. The bill being considered today -- the Foster Care Independence Act of 1999, sponsored by Representatives Nancy Johnson and Ben Cardin -- builds on the proposals in my FY 2000 budget request to provide those leaving foster care with access to health care and to expand and improve educational opportunities, training, housing assistance, counseling, and other support and services. I look forward to working with the members of Congress on both sides of the aisle in the months ahead.

G-8 SUMMIT

Q: Did you achieve what you wanted at the G8 Summit last weekend in Germany? What were the most notable accomplishments on economic matters?

A: I think that it was a very successful Summit. A number of important agreements were reached during the summit, including maintaining peace in Kosovo; strengthening trade between the U.S. and European Union; assisting poor countries that are heavily in debt and fostering political and economic stability in the Balkans.

Background On Economic Agreements:

HIPC Debt Initiative

- I was particularly pleased with our agreement on the Cologne Debt Initiative. As you know, we agreed to a very substantial increase in our support for the IMF's HIPC program ("Highly Indebted Poor Country program"). We will roughly triple the amount of debt relief under the HIPC program, from about \$13 billion under the current program to as much as \$50 billion. Up to 33 poor countries will be helped, if they are committed to reforms. The NGO community has taken a careful look at our proposal and they view it as a serious effort.

International Financial Architecture

- We also announced agreement on a wide sweeping set of measures to reform the international financial system. These should go a long way toward reducing the swings of boom and bust in the financial markets and in the fortunes of many emerging market countries. The measures should greatly reduce the chances of "contagion" spreading from one country to another.

World Economy

- In addition, it is always useful to have a frank discussion of the economic conditions in the world economy. I was heartened to get reports from my colleagues that economic growth is picking up in Europe and in Japan. These countries need to continue to pursue pro-growth policies to make sure that they continue to enjoy domestic-demand led growth. I told our allies that the world cannot continue to fly on the single American economic engine.

Russia and IMF Package and Debt Relief

- Finally, I think we made progress with our Russia on economic matters. We encouraged Prime Minister Stepashin and President Yeltsin to stay the course with reforms and to implement the prior actions that the IMF is requiring before it will approve a program. We told them that if they do approve these reforms, then we, the other G8 countries, will press for a rapid rescheduling of the country's Soviet-era debts.

Gambling

Q: Does the Administration support the findings -- including a moratorium on gambling expansion, a prohibition on Internet gambling, and more regulation of Indian gaming -- of the National Gambling Impact Study Commission?

A: The Administration just received the study last week and we are going to be looking at it very carefully. As you know, it is an issue I care about very deeply -- I signed the National Gambling Impact Study Commission Act into law on August 3, 1996 -- and have been looking forward to the report. There is a lot to look at. The Commission has many recommendations and a broad sweep for us to review. It covers gambling everywhere -- in casinos, on the Internet, on Indian reservations -- and many types of gambling including gambling sponsored by governmental, commercial, philanthropic, and charitable bodies. We are setting up an interagency working group to review the report and see what steps we should take in the near future.

Guns/Juvenile Crime

Gun Legislation

Q: Mr. President, you've criticized the Congress for failing to pass a real gun law last week – even though it was primarily Democrats who voted against the bill. Exactly what must be in a gun bill for you to sign it?

A: As I have said time and again, we cannot allow the gun lobby to rewrite our laws and undermine our values. The Congress must meet its obligation to the American people and pass real legislation that will strengthen our gun laws, not weaken them. Real legislation must apply to all gun shows – not one that lets criminals turn flea markets and parking lots into gun bazaars. Send me legislation that gives law enforcement enough time to run real background checks – not one that lets more criminals slip through the cracks. Unfortunately, the House bill that was voted down last week failed to meet these simple, common sense standards.

But the Congress has another opportunity to meet its obligation to the American people. I urge the House and Senate leadership to act quickly and appoint conferees to the juvenile crime bill – and pass a final bill with the strong gun provisions that passed in the Senate to close the deadly gun show loophole once and for all.

Q: Isn't a modest gun bill better than no bill at all?

A: Not if it weakens current law, as the House bill did. Any real effort to close the gun show loophole or pass other common sense gun legislation must ultimately strengthen, not weaken, our gun laws. The bill that was defeated didn't meet this simple standard. Instead, it chipped away at the gun laws already on the books. Let me give you a few examples:

- The bill would have weakened Brady background checks. It would have shortened from 3 business day to 24 hours the amount of time law enforcement has to complete a background check – not just for new checks completed by unlicensed sellers at gun shows – but for all of the checks that federal gun dealers already perform at gun shows. According to the FBI, if this new 24-hour limit were applied to current gun sales conducted by our Instant-Check System, an estimated 17,000 criminals would have been able to purchase guns over the past 6 months alone.

Juvenile Crime Legislation

Q: Although the House rejected gun legislation, it passed some tough measures to crack down on juvenile crime, including a McCollum amendment to make it easier to prosecute juveniles as adults, and increase penalties for kids who bring guns to school. Do you support this House bill?

A: I have always supported taking a comprehensive approach to combat the problem of youth crime and violence. Which is why I've worked to address youth violence on all fronts – from the media, to the gun industry, to parental responsibility.

There are some good bipartisan measures in the juvenile crime bill that will promote graduated sanctions for young offenders and give needed resources to combat juvenile crime at the local level. And I'm pleased that the House overwhelmingly passed strong prevention initiatives to help keep our kids out trouble in the first place. However, I do have some concerns with particular provisions in the bill that would treat certain younger juveniles prosecuted in the federal system too harshly. We will work with the Congress to address on these concerns as the bill proceeds to conference.

But what is obviously missing from the House bill are the strong gun measures passed in the Senate to keep kids and criminals from getting guns. Common sense gun reforms must be a part of any final package that addresses the critical youth violence issue.

Federal Prosecution of Gun Crimes

Q: If the Brady Law has helped to detect and block over 400,000 illegal gun sales, how many of these persons who tried to buy guns illegally have you prosecuted? The gun lobby and its supporters say that if you really wanted to strengthen the Brady Law, you would focus on putting all of these criminals behind bars. What is your response?

A: We do focus on putting gun criminals behind bars. Since the NICS was implemented 6 months ago, the FBI has been actively referring cases to ATF and state and local law enforcement for further investigation and potential prosecution. Ultimately, we won't take every case, but we have asked Congress for more funds to hire ATF agents and federal prosecutors to do the best follow-up possible. I would also note that, prior to the NICS' implementation, Brady denials were the responsibility of designated state and local law enforcement officials. With the NICS now up and running, we expect to take more Brady-related cases.

Unfortunately, some have been taking the gun lobby at its word, and have not gotten the full story on this issue. Let's review the facts:

The Brady Law has stopped over 400,000 illegal gun sales. Prior to Brady background checks, guns were bought and sold on the honor system.

Two-thirds of the illegal gun sales we stop involve persons who have been previously convicted or are currently indicted for a felony crime.

Gun crimes are down by virtually every measure. FBI crime statistics confirm that, since 1993, gun-related crime is down by more than 25 percent. The overall number of violent crimes is down, and so too is the percentage of violent crimes committed with guns.

The number of gun criminals doing time in state and federal prisons is up by 25 percent since 1992 (from 20,681 to 25,186), and the number of serious gun criminals (those serving sentences of 5 or more years) in federal prison is up by nearly 30 percent. This is because we work more closely with state and local law enforcement – who investigate and prosecute most gun crimes – to vigorously enforce gun laws.

This Administration has increased funding for state and local law enforcement by more than 500 percent, helped local law enforcement trace a record number of crime guns, proposed increased funds for new ATF agents and federal prosecutors, and more. We need these resources to investigate and prosecute more gun cases. Unfortunately, the gun lobby and critics of our enforcement record have not backed up their tough talk with resources.

- The bill would have re-established the pawnshop loophole. It would have exempted certain pawnshop redemptions from background checks. Not only is that a reversal of current law, it's a big mistake. We already know that pawnshop redemptions are more than 4 times as likely to involve an illegal gun sale than gun store sales.
- The bill would have overturned the District of Columbia's ban on handguns, undermining the gun laws adopted by its residents.

In the end, not only did the House bill not close the gun show loophole; it was riddled with all sorts of new loopholes as well. That is why most Democrats voted to oppose these amendments, and that is why most Democrats voted to oppose the House leadership's phony gun bill.

MEDICARE REFORM

PRESCRIPTION DRUGS

Q: Will your Medicare proposal include a prescription drug benefit. More specifically, now that you can get to 2020 solvency without using all of the 15 percent of the surplus, are you now going to use some of the surplus for prescription drugs?

A: I have proposed to dedicate 15 percent of the surplus to strengthen the Medicare program. I believe a new prescription drug benefit should be included as part of, not independent from, a broader set of reforms for the Medicare program. I will announce the details of the financing when I unveil my proposal in the next couple of weeks. Stay tuned.

FOLLOW-UP

Q: Can you confirm that your prescription drug benefit will be between \$10 and \$25, as reported in the *New York Times*?

A: I am not going to discuss details on this or any other aspect of my Medicare reform proposal other than to say that this story is wrong. It would be impossible to provide for a meaningful benefit for a \$10 premium without a fiscally imprudent expenditure of Federal dollars. As has been indicated by members of my staff previously, we are designing the Medicare prescription drug benefit to be significantly less costly than what is available in the Medigap market – about \$90 per month.

Q: What will the design of the drug benefit be? How will it be financed and administered?

A: We are not releasing any information on the design of the drug benefit or any other aspect of our Medicare reform proposal. There are still final policy decisions that need to be made, and no one in the Administration will release this or any aspect of the reform proposal until I make my announcement, which will be the end of this month.

Q: The Breaux-Thomas proposal did not provide a prescription drug benefit to all beneficiaries because over 60 percent of beneficiaries already have some form of coverage. Won't your proposal replace private sector dollars with a large government subsidy?

A: No. We know that today, over 15 million Medicare beneficiaries do not have prescription drug coverage at all, and we know that millions more will lose their coverage as private insurance becomes more expensive and less accessible. This comes at a time when prescription drugs have never been more important to basic health care. For this reason, my drug proposal will be available and affordable to all Medicare beneficiaries.

Q: How do you reconcile a brand new entitlement with the need to constrain the growth of the Medicare program?

A: It's widely acknowledged that you cannot modernize the Medicare program without including a Medicare prescription drug benefit. Prescription drugs today are as important as hospital care was when Medicare was created. This can be done in a way so that both the government and beneficiaries share the cost. It also would take advantage of private sector management approaches that can constrain the cost of purchasing these needed medication without the use of price controls. This benefit will be fully financed in my overall Medicare reform plan.

PLAN CONTENT

Q: You've indicated that you want to modernize the program and make it more competitive. Does that mean that your proposal will include a premium support mechanism (or a similar provision)?

A: We need to inject more competition into the Medicare program, for both the traditional fee-for-service program as well as the managed care plans serve beneficiaries. As we have mentioned, we believe that the premium support proposal advocated by Senator Breaux and Congressman Thomas suffers from serious flaws, including consequence of higher premiums for the traditional program. I support competition based on choice, not based on the financial coercion that results from these higher traditional program premiums. We do need to inject more market-oriented approaches into the Medicare program, and we are reviewing the best options to achieve that goal while still protecting beneficiaries from excessive increases in out-of-pocket costs.

Q: Doesn't the Trustees Report eliminate the pressure to reform Medicare?

A: Absolutely not. Medicare reform is both about solvency and about making Medicare more efficient, equitable, and adequate in terms of benefits. Our successful stewardship of Medicare does not diminish the future challenges facing the program. Under any scenario, enrollment in Medicare will climb from 39 million to 47 million in 2010, and to 80 million by 2035. We must modernize and strengthen the Medicare program by making it more competitive and instituting the best market-oriented practices of the private sector, and as we have previously indicated, my plan will do just that.

PROVIDER CUTS IN REIMBURSEMENT

Q: Providers have been stating that the cuts in provider reimbursement in the Balanced Budget Act went too far and undermine their ability to provide quality care. Are you going to address this issue in your Medicare reform package?

A: We have consistently said if there is evidence that the Balanced Budget Act Medicare provider payment reductions threaten quality, access, and the ability of providers to deliver needed services, we would be open to considering changes to smooth out this

legislation. We are currently evaluating all available evidence on this matter. If we determine there are problems, we will seriously consider administrative and/or legislative options to address these problems.

Patients Bill of Rights

Q: Do you support the tactics that the Democrats are using to bring the Patients Bill of Rights (PBOR) legislation to the floor?

A: Americans have waited too long for Congress to pass a strong, enforceable, and comprehensive Patients Bill of Rights. I believe the time has come for an open debate for this legislation to be enacted. The Republican leadership's bill is unacceptably weak and is a Patients Bill of Rights in name only. Virtually every organization representing consumers, physicians, nurses and other health care professionals has called on the Congress to strengthen the Republican bill and make it a true Patients Bill of Rights and not an empty promise. I support their efforts and hope they will lead to passage of a bipartisan and strong Patients Bill of Rights that I can sign this year.

Q: Isn't the only outstanding issue between you and the Republicans passing a PBOR your insistence on providing for a right to sue?

A: First of all, there are a number of Republicans who do support a strong, comprehensive, Patients Bill of Rights (For example, Congressman Norwood and Congressman Ganske.) Second, there are numerous shortcomings in the Senate Republican leadership bill beyond just the enforcement provision. To name a few, it does not include access to specialists, has a wholly inadequate continuity of care provision, and would only apply to the self-insured, leaving out over 100 million Americans in the individual and group markets from needed protections. These are serious shortcomings that need to be addressed, but I am confident that they can and will be if there is an open debate over these provisions.

Race Book

Q: When are you going to finish the race book?

A: You know that this issue of how people of different races, religions, and ethnicities can come together is one that is of profound interest to me--I care deeply about this, even more as I've learned how these tensions can lead to war, bloodshed, destruction. This needs to be done right and I am going to take whatever time I think is necessary to do it right. As you all realize, there have been urgent demands on my time in the last few months but as I turn the bulk of my attention to the domestic agenda--this is one of my priorities.

Q: There are some stories circulating that your key advisor on race has quit in frustration--what do you have to say about that?

A: I have a lot of respect for the people who have worked to provide me with a draft of the book and now with the ending of the Kosovo war I will be able to devote the kind of attention that this subject requires. This will be my book and I will release it when I believe it's ready and not a moment sooner.

Q What will be in it?

A I want to present social science research on where the nation is regarding demographics, disparities and discrimination. And I also want to communicate a vision of how we as a nation can recognize our diversity in positive ways while remaining united. The book will also offer a workplan for the nation on how to achieve this vision--federal, state, local, private and personal efforts that can make a difference.

Q What will be used for? Who will receive it?

A The broad public -- there are countless people around the country who want to help on this agenda, but are hungry for ideas and information. I hope the book will help fill those needs.

Q Given that America continues to have its own problems related to dealing with diversity, what is your vision for our society in the future?

A: **Vision** (from book). "What will the America we want look like? What vision should guide our work? To begin with, let me say that we must be bold enough to imagine and then journey towards a society dramatically different from both our past and present. Our ideals demand nothing less. To get to the promised land, we must battle the cynicism that says history and color must always shackle our aspirations.

So instead, let us envision a new America where **opportunity** will be shared so deeply and broadly that an observer, a stranger in our land, will see no evidence of a past with

slavery or conquest or nativist discrimination. Whatever forms of misery remain, they will not be the special burden of any racial or ethnic group. Let us envision a nation where each person takes **responsibility**, not only for making the most of their own life, but also for ensuring that every other American has an equal chance to do the same. Let us build a sense of **community** so powerful that our social and economic interactions will pull us out of ethnic enclaves. Rather than merely tolerating our differences, we will celebrate and draw strength from them. Finally, let us work to heal our **hearts** of the crippling influences of misunderstanding, prejudice and fear, free to experience the common humanity we share as the gift of our Creator.”

Q **How do you think the nation can achieve your vision?**

A: **Getting there: Opportunity.** Of course there are a number of things we have to do, from enforcing antidiscrimination laws to bringing the mainstream economy to neighborhoods that are left out; from creating safe communities to building on our welfare reform successes. But I believe we must start by emphasizing *education*. Closing the racial gaps in educational achievement, so that the promise of a world class education is a reality for every child.

Getting there: Community and heart. But beyond public policy, we also have to do the work in our local communities, in our companies and institutions, that build bridges and create understanding and a commitment to build something better for everyone. That’s why my Advisory Board put an emphasis on collecting examples of “promising practices” from around the country, and we published a collection of those in a book that is also available on the White House website. Policy is important, but ultimately the policy ideas don’t mean much if we don’t have the moral and political consensus that comes from understanding and caring about each other.

Getting there: Leadership. Finally, I hope the American people will understand that a problem this difficult can’t be left to so-called leaders – in government, in corporations, in the pulpit. Everyone has a responsibility to work on this in his or her own way. So while there are things that politicians, faith leaders, corporate leaders, and college presidents can and must do, there are also things for every family and individual to try to do. And I believe millions of Americans are already working at it, and millions more are prepared to get engaged, given the inspiration and opportunity.

Social Security

Q: There have been reports that the Administration is considering accelerating its release of the mid-session budget review and using that to jump-start Social Security. Is that true?

A. I will discuss the Mid-Session Review when we actually have that report -- not before then.

No matter what size the surplus is, it has been my position that before we do anything else with the surplus, we need to save Social Security first. A re-estimate of the budget does not change that one bit.

I am committed to addressing our long-term challenges this year and acting to strengthen and protect Social Security. Unfortunately, many in the Republican leadership have said they do not want to face up to this responsibility. We will do everything we can to build momentum for action this year, because we have an obligation to act and make sure that Social Security is secure for future generations.

Q: Do you think the Social Security issue is dead?

A: Absolutely not—I believe Social Security reform is very much alive. I remain committed to Social Security and want to move forward on this issue. While some believe that Social Security is dead for political reasons, I, and I believe many others in Congress, feel that we can still make progress this year. I commend the numerous Members of Congress who join with me in continuing to discuss this important issue and in working to enact legislation this year.

Q: Are you planning on introducing Social Security legislation of your own?

A: I believe that we have framed the national debate in favor of saving the surplus for Social Security. I put out a framework for reform. The independent Social Security Actuaries have certified that my plan extends the solvency of the Social Security trust funds beyond the mid-2050s. In addition, I have said and I maintain that I want to work together with Congress to extend the life of trust funds to 2075. I am willing to work together on a bi-partisan basis to make the hard choices to save Social Security for the 21st Century.

Steel Guidance

Q: Steel imports went up in May. Last week, Sec. Daley said the crisis is over. How can you say the steel crisis is over when yesterday's steel numbers show a 30% increase in imports, the highest monthly level since November?

A: Clearly, the surge in steel imports has created significant hardship for many steelworkers and communities. Despite this uptick, steel imports remain at pre-crisis levels for the first five months of this year (6% below 1998 levels and approximately even with 1997 levels over the same 5 months). This is a direct result of my Administration's aggressive strategy of vigorous enforcement of our trade laws. This strategy will remain in place. I will continue to work with workers, industry, and members of Congress to eliminate unfair trade practices and subsidies around the world.

Q: Does this sudden rise in imports mean that the steel quota bill was really the answer?

The Senate made the right decision. The vote on Tuesday was a reaffirmation of America's commitment to open markets, to a strong US economy and to vigorous enforcement of our trade laws. Quota legislation was the wrong approach and would have weakened our economy and undermined our ability to tear down unfair trade barriers in foreign countries that hurt our workers, farmers and companies.

Q: What caused the increase?

- ¾ of the May increase is caused by increased imports of semi-finished steel – which U.S. steel companies themselves import to manufacture finished steel products.
- Another significant part of the increase occurred in cold-rolled steel – on which Commerce just initiated (June 21) 16 anti-dumping and countervailing duty cases against 12 different countries.

Q: What is Admin. position on the Roth steel legislation approved by Finance Committee last week that would ease the injury standard for Section 201 and limit your discretion to enter into suspension agreements like the one the Commerce Dept. has initialed with Russia?

A: I am not going to comment on the specifics of the legislation, but I believe the bill offers a generally constructive approach. Strong enforcement of trade laws, and strong WTO consistent trade laws is best way to address steel import surge.

Q: What is the Administration position on the Byrd/Domenici legislation which provides loan guarantees to steel and oil and gas companies?

A: We haven't taken a position at this time on the Byrd/Domenici legislation that would provide loan guarantees to steel and oil and gas companies. I understand they've changed some parts of the bill. I'd like to take a look at the details and at what other programs would be cut to pay for these loan guarantees before taking a position.

BACKGROUND: The Byrd/Domenici bill passed by 63-34. It was paid for by cuts in other federal programs. The Byrd proposal establishes a program of up to \$1 billion in loan guarantee for "qualified steel companies" – those companies engaged in the production of steel products which have experienced layoffs, production losses, or financial losses since January 1, 1998. It also establishes a program of up to \$500 million of loan guarantees for qualified oil and gas companies.

Tobacco

- Q: In January you announced with great fanfare that the Department of Justice was preparing a plan to take the tobacco industry to court. Six months later, we've seen no action from the Justice Department. When is the Justice Department going to file suit and why has it taken so long?**
- A:** Over the last several years, we have learned that the tobacco industry has known for decades that the product it was selling was harmful and addictive ... that it was mounting a lavish and sophisticated marketing campaign to target children, called in one secret memo, "replacement smokers." In my State of the Union, I announced that the Justice Department was preparing litigation to recover from the tobacco industry the costs borne for decades by taxpayers for Medicare and other federal programs. A team of top attorneys at the Justice Department is preparing our case to take the tobacco companies to court later this year. We are acting quickly to hold the industry accountable for decades of misconduct.
- Q: I understand there's language in the Commerce-State-Justice appropriations bill that might prohibit the Justice Department from suing the tobacco industry. What is your response?**
- A:** I am determined to recover from the tobacco industry the costs borne for decades by taxpayers for Medicare and other federal programs, and I'm not going to let Congress stand in the way. In recent days the industry's allies on Capitol Hill have quietly marshaled to try to block this effort to repay the taxpayers for the damage the tobacco industry has done. To the delight of the tobacco lobby, some lawmakers may use the spending bill for the Justice Department to try to stop this lawsuit from ever being brought. This would be a multi-billion dollar loophole. It's bad enough that Congress won't act to protect the public health. It's worse if they are seeking to hurt the taxpayers and help the tobacco companies instead. I am determined to press forward with this effort, and I'm not going to let Congress stand in the way.
- Q: Is the Justice Department suit a backdoor effort to take funds from the states, which settled with the tobacco industry last year?**
- A:** Absolutely not. The Justice Department litigation will not involve Medicaid claims, which were settled as part of last year's state settlement, but instead will focus on federal claims for Medicare, Defense, Veterans, and FEHBP (federal employees) tobacco-related health costs.

Q: Will the Justice Department pursue its litigation if it does not receive the additional \$20 million appropriation it seeks for FY 2000?

A: We're already preparing our suit with FY99 funds, but we're going to insist on those funds in this year's budget. It is critically important that the tobacco industry -- which has engaged in a course of deliberate misconduct over the last five decades to hide the addictive nature of tobacco and to suppress information about the health risks of tobacco use -- is held responsible for its actions.

It is clear that the tobacco companies will spend far more than \$20 million defending this matter -- in a case with one state (Minnesota), a single defendant (R.J.Reynolds) stated in court that it spent more than \$90 million simply to create and operate its litigation database (not counting its other legal expenses). In light of the billions of dollars the federal government spends on tobacco-related diseases, we believe the taxpayers will recoup their investment in this litigation many times over.

Y2K LIABILITY REFORM

Q: The Conferees on the Y2K liability bill invited your staff to the Conference to see if agreement could be reached with the Administration on this crucial legislation. Yet, your Chief of Staff sent a letter to Congressional Leadership again threatening to veto the Y2K legislation. Some of your critics are saying that you have chosen to side with the trial lawyers, exposing the high tech industry to frivolous litigation, and hurting Vice President Gore with a constituency that he has long courted – high tech. Do you have any reaction?

A: I want to sign a balanced effective Y2K bill quickly -- one that addresses the risk posed by the potential for frivolous Y2K litigation. But I cannot sign the current bills. We can promote remediation and alternatives to litigation, and deter frivolous suits, while protecting consumers and small businesses and the environment.

The Chief of Staff's letter indicated my desire to work together with Conference Chairman McCain and others to find a bipartisan solution. This issue is too important to key growth sectors of our economy to allow partisan considerations to dictate the outcome. The Y2K problem is unique and unprecedented. The mere potential for an explosion of frivolous litigation creates economic risk.

I welcome direct constructive dialogue to resolve our major concerns and reach bipartisan agreement on legislation that could quickly be signed into law.

Background

- On Wednesday, the Year 2000 Industry Coalition (high tech and others) sent Congressional leadership a letter pleading for a serious dialogue with the Administration to avert a veto.
- In response, John Podesta sent a letter making the points above.
- On Thursday, the House-Senate Conference met with a plan to adopt a minor amendment and complete the conference work in an hour. The House Republicans did not want to compromise further than the Senate bill and clearly wished to provoke the veto.
- However, at least some Senate Republicans would prefer to avoid a veto. They invited your staff to the Conference, but then criticized the Administration for not having provided sufficient specificity about our concerns and desired changes. They tried to create a record so that they can say that it was the Administration's fault if no agreement is reached.
- Nonetheless, the Conference was continued until next Tuesday and your staff will be negotiating Friday and over the weekend in hopes of reaching agreement.

THE WHITE HOUSE

WASHINGTON

June 24, 1999

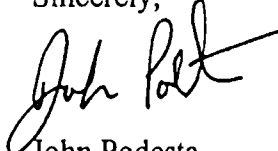
The Honorable Trent Lott
Majority Leader
United States Senate
Washington, DC 20515

Re: Y2K Liability Reform

Dear Majority Leader:

It has been reported that the House will shortly consider the Senate-passed version of H.R. 775 – the Year 2000 Readiness and Responsibility Act. As stated in letters by Gene Sperling and Bruce Lindsey, our serious differences with this bill would require the President to veto it. Rather than going down this destructive path, we should work together to find a bipartisan solution that promotes remediation and alternatives to litigation, deters frivolous litigation, while at the same time protecting consumers, small businesses, and the environment. This issue is too important to key growth sectors of our economy to allow partisan considerations to dictate the outcome. The Y2K problem is unique and unprecedented. The mere potential for an explosion of frivolous litigation creates economic risk. The President wants to sign a balanced, effective bill into law quickly. We would welcome a conference at which direct, constructive dialogue could resolve our major concerns and reach bipartisan agreement.

Sincerely,



John Podesta

Cc: The Honorable Thomas Daschle
The Honorable Richard Gephardt

Identical letter sent to the Honorable J. Dennis Hastert

Youth Violence: Ten Commandments

Q Do you support the amendment passed by the House to allow the Ten Commandments to be posted in schools?

Talking Points:

- First of all, my administration has a strong record on protecting religious expression in schools. Over 3 years ago, I directed the Secretary of Education to issue guidelines that help schools preserve the religious freedom of students.
- It is so important that our families and our society develop new and strong approaches to teaching students the basic elements of character education – and this is something that I support. However, this particular vote raises constitutional questions.
- As I said last week, when I return to the U.S. I plan to build on work that Secretary Riley and I have done for several years, by having the Secretary meet with the members of Congress, show them what we're trying to do in this area that is plainly constitutional, and work to get their support of that, so we can intensify our efforts.

And the idea that the schools ought to build the character of children is a very good idea. But it ought to be done in a way that respects the wide diversity of our student body, and that doesn't lead to a long, drawn-out legal challenge.

My administration has worked hard to expand religious liberty and make religious expression easier in the workplace and in the schools, consistent with the First Amendment. But the Supreme Court struck down a law just like this one in Kentucky. If Congress is serious about reducing youth violence, they'd pass common-sense measures to keep guns out of the wrong hands instead of feel-good measures that will be struck down instantly in court.

Background

My Administration has a strong record on protecting religious expression in schools and workplaces and promoting character education. In 1995, I directed the Secretary of Education and the Attorney General to issue guidelines that help schools preserve the religious freedom of students. Secretary Riley sent these guidelines to every school district in the nation in 1995 and again last year, to ensure that parents, teachers, students, and school officials understand that schools need not be religion-free zones. These guidelines made clear that schools may not forbid students from expressing their personal religious views or beliefs solely because of their religious nature.

I also issued an executive order on religious expression in the federal workplace. I place value on religious expression in public places consistent with the First Amendment.

Finally, this Administration has been a strong supporter of character education in schools, supporting character education programs in 28 states and proposing in his Elementary and Secondary Education Act to authorize additional funding so that more states can implement character education programs that help instill common sense values in our children.

Youth Violence

Q: What action has your Administration taken to protect our young people from media violence?

A: I have emphasized that all of us must work together and accept responsibility for the safety of our children – in our schools and our communities. And that means there is more for each of us to do at home and at school, in Hollywood and in the heartland and here in Washington. First and most fundamentally, I have urged that we do more to help parents fulfill their most important responsibilities -- those to their children. Challenging parents to turn off the television or use the V-Chip to block inappropriate programming; to use the new tools to keep an eye on the computer screen; and to refuse to buy products that glorify violence.

I also have called on the media and entertainment industries for their participation as well. Studies indicate that there is an adverse impact on our culture and our children if there is too much violence coming out of what they see and experience. So I have challenged the people who produce these things to consider the consequences of them – whether it's a violent movie, a CD, a video game. First, I challenged the whole industry to stop showing guns in any ads or previews children might see. Second, I challenged theatre and video store owners to enforce more strictly the rating systems on the movies they show, rent, and sell – a challenge that the theatre owners accepted recently by agreeing to ask for identification from young persons seeking to see “R” rated films. Thirdly, I have challenged the movie industry to reevaluate its entire ratings systems, especially the PG-13 rating, to determine whether it is allowing too much gratuitous violence in movies approved for viewing by children. Finally, I called on the FTC and the Justice Department to study the marketing of violence to children.

Counsel

Starr

Q Do you have any reaction to Starr calling your wife as a witness in the Hubbell trial?

A It is not appropriate for me to comment on an ongoing trial.

Q It is reported that Starr may release a report critical of you and the First Lady. What is your reaction?

A I have no comment on Mr. Starr's plans.

Federalism: Supreme Court decision

Q What is your reaction to the recent Supreme Court decision on state rights?

A The recent series of Supreme Court decisions raise some important questions about federal and state rights and the federal role. These are issues that are very important to me. As such, I have asked the White House Counsel, Chuck Ruff, to see what implications these decisions may have on various policies. I look forward to receiving their report.

Supreme Court Decisions Regarding States' Rights

The Supreme Court decided a number of cases that make it difficult for individuals to sue states, even when Congress has specifically authorized them to do so. Our nation was founded on respect for the rights of the states in the federal system, and this Administration is committed to preserving that principle. However, we have always found a way to balance carefully the rights of the states and the rights of individuals protected by federal statutes and the Constitutions. Yesterday's decisions require us once again to re-examine how that balance is struck.

The practical effect of yesterday's decisions is that individuals who are theoretically protected by federal laws, such as the Fair Labor Standards Act, will find it hard to enforce their rights. While federal administrative enforcement will continue, experience has shown that enforcement of rights by private individuals is often essential to make protections truly effective.

[POTUS MAY WANT TO CONSIDER SOMETHING LIKE THIS: I am committed to finding ways to ensure that federal law protects people in fact, not just in theory. Consequently, I have asked the [Counsel to the President/Attorney General] to create a working group of executive branch agencies that enforce laws that may be affected by these rulings. This working group will explore ways, such as strengthened enforcement at the federal level and possible legislative solutions, that will make federal protections real.]