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THE WHITE HOUSE

Office of the Press Secretary

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PRESS CONFERENCE BY THE PRESIDENT

The East Room

2:10 P.M. EST

THE PRESIDENT: Good afternoon. Please be seated. I would like to begin by saying that yesterday's announcement that OPEC members will increase oil production is good news for our economy and for the American consumer. These increases should bring lower prices, which will help to sustain economic growth here in America and also, and very importantly, throughout the world.

It will also, I hope, bring relief to hard-pressed truckers in this country who have been especially hard-hit, and others who have high fuel costs, by providing a greater balance between oil production and consumption.

While home heating costs and the price at the pump are both expected to fall in the next few weeks, I urge the oil companies to do everything they can to bring the savings to consumers as quickly as possible. Meanwhile, we will continue to monitor developments in world markets closely.

Since January, our administration has taken significant action to address high oil prices, from helping more low-income and elderly citizens to pay their heating bills, to calling for the creation of a regional market reserve in the Northeast, to asking Congress to immediately reauthorize the Strategic Petroleum Reserve.

It is also very, very important for Congress now to act on my proposal to strengthen our long-term energy security,

including new tax incentives and investments to support domestic oil producers and to promote the development and use of alternative fuels and more efficient energy technologies. We can become much more energy efficient and support economic development if we do.

Congress also has an opportunity and a responsibility to make progress on a number of other important issues for the American people this year. First, we must work together to reduce the staggering toll of gun violence in America by passing my proposal for more prosecutors and stronger gun enforcement, and by finally passing a strong juvenile justice bill that closes the gun show loophole, requires child safety locks for all handguns, and bans the importation of large-capacity ammunition clips.

For nine months now, key congressional Republicans, egged on by the NRA, have stood on a bill and stopped it from being considered by keeping it from coming out of conference onto the floor of both houses for a vote. Fourteen days ago, a House resolution passed with bipartisan support, sponsored by Representative Zoe Lofgren of California. It simply said that House and Senate conferees should meet to settle their differences on the bill that has been languishing in Congress for too long. But after 14 days, the response to Representative Lofgren's resolution has been deafening silence, and still no action. It appears the opponents of reform have run out of arguments, so now they're just trying to run out the clock.

This makes no sense. With crime at a 25-year low, and the Brady Law keeping guns out of the hands of a half-million felons, fugitives and stalkers, the argument is over. Gun safety measures do work, and do not interfere with the interests of ordinary hunters and sportspeople. So it's time to build on our proven success and pass this common-sense legislation.

Three weeks ago, I asked Congress to finish the gun bill and send it to me by the anniversary of the Columbine tragedy, April 20th. That deadline can still be met. So again, for the sake of our children, I ask Congress to stop the delay. This should not be a partisan issue, and it should lead to action, not argument.

There are some other issues I'd like to mention briefly. First, to make sure the benefits of Medicare keep pace with the benefits of modern medicine, we must reform Medicare and add a voluntary prescription drug benefit. Three out of five older Americans lack dependable, affordable drug coverage. Since I first raised the issue last year, virtually every member of Congress has voiced support for some kind of new prescription drug benefit. I call on Congress to pass a bill that ensures all Medicare beneficiaries the option to choose an affordable, accessible drug benefit. If they do, of course, I will sign it.

Second, to protect the interests of 190 million Americans in health plans, we should pass a strong, enforceable, bipartisan patients' bill of rights. This isn't a partisan issue in America. The House has already passed a strong bill, but the insurance lobby continues to oppose it. All we need is for the conference of senators and representatives to let every member in both houses vote his or her conscience on a real patients' bill of rights. If it passes -- and it will -- I will certainly sign it.

Third, we should raise the minimum wage by a dollar over two years. A bipartisan majority in the House voted to do so earlier this month, but Republican leaders held the pay raise hostage for tax increases for the wealthiest Americans -- tax decreases, excuse me -- tax breaks that could make it impossible to pay down the debt or strengthen Social Security and Medicare. I ask again to the Congress: Do the right thing. Everyone knows we need to raise the minimum wage. Send me a clean bill that raises the minimum wage by a dollar over two years and I will sign it.

Fourth, we must keep the economy growing, first by opening new markets here at home, in our hardest-pressed communities, rural and urban. And, second, by opening new markets for American products and services around the world. Especially, we need to give our businesses, farmers and workers access to the world's largest consumer market in China. There is no more important long-term international economic or national security issue facing us today.

Congress should pass permanent normal trade relations with China this spring. I will say again: This requires us to take no further action on our part to lower tariffs or open markets. All the concessions are being made by China in return for entering an open trading system. If we do not do this, then the full benefits of all we negotiated will flow to all the other countries in the WTO, but not to the United States. The economic consequences will be bad. The national security consequences will be worse.

Fifth, we must invest more in our public schools and demand more from them. I ask again Congress to endorse the principles in the reauthorization of the elementary and secondary education act, which call for ending social promotion and funding only those things which work to raise student achievement. And we know that our students can't learn in schools that are falling apart.

Yesterday, a bipartisan school construction bill was introduced in the House that would provide \$24.8 billion in tax credit bonds to modernize up to 6,000 of our schools. If the Republican leadership doesn't prevent it, Congress could vote on this proposal tomorrow. I ask the Congress to pass this bipartisan legislation, and I will sign it.

Sixth, to save the lives of thousands of young people who every year get hooked on cigarettes, we must now pass legislation allowing the Food and Drug Administration to require tobacco, like the dangerous substance it is, to be regulated by the FDA. There is strong bipartisan support for this idea, and I hope the Congress will pass it. If they do, I will certainly sign it.

Finally, I would like to say a few words about the importance of passing the supplemental budget requests without delay. This is urgent funding for pressing needs at home and abroad -- to help the families that were victims of Hurricane Floyd; to provide needed energy assistance for families struggling to cope with rising oil prices; to help keep illegal drugs out of our nation by supporting the Colombian government's courageous fight against drug traffickers; to keep the peace, provide for our troops, and build stability in Kosovo; and to provide needed debt relief to the world's poorest nations.

When Congress adjourns this summer, we ought to be able to look back and say we took real steps to make America better. The issues have been decided; they are clearly there. They have also been debated. The American people want action, and they deserve it. The only thing left is for the congressional leadership to reach across party lines and to work with us to break the grip of special interests and do the people's business.

Thank you very much. Helen?

Q Mr. President, you said that Assad's -- that the ball is in Assad's court. Is that because you think that his insistence on the return of all Syrian land under occupation in exchange for peace lacks logic, or possibility?

THE PRESIDENT: It's because he now knows in great detail what the Israeli proposals were. And I believe, since they have made an effort to be specific and comprehensive, if we're going to make progress, they should now be able to know what his specific and comprehensive response is on all the issues.

There is more than one issue here. And if we're going to have a negotiation, I don't think it's enough to say, I don't like your position, come back and see me when I like your position. And I understand how strongly he feels about it but if he disagrees with their territorial proposal, which is quite significant, then there should be some other proposal, I think, coming from the Syrians about how their concerns could be handled. And that's what I meant by that. I did my best to try to just present what I thought the options were and if we're going to have a negotiation, it takes two people coming up with ideas -- or three sides, in this case, if we are being asked to mediate it.

He, obviously, has the perfect right to take whatever position he believes is in Syria's interests and whatever he thinks is right. But if there is a genuine desire for peace here on both sides, and I believe there is, and if both sides face certain significant political constraints within their countries, and I believe they do, then they both need to come up with some ideas and start talking.

I mean, the one thing there should be no doubt about is that there is a real effort being made here to resolve this. And I think it is clear that Prime Minister Barak would like to resolve it, and I think President Assad would like to resolve it. So once you know what the other side wants and you don't think you can do it, then you ought to come up with some alternative way of trying to respond to the underlying concerns that are behind the position. That's what I've suggested, and I hope that will happen. And meanwhile, the rest of us will keep working. I had a good talk with President Mubarak yesterday about that and I hope we can continue to move forward.

Yes?

Q Mr. President, three unarmed black men have been shot and killed by police in New York City in the past 13 months. Do you believe that the New York Police Department has a racial problem, and does that department require Justice Department oversight?

THE PRESIDENT: I believe there is a Justice Department review of the practices in the department, which I think has been a matter of public record for some time. And in the Diallo case, there was a specific reference to a review of the action there for possible civil rights violations. I think the important thing I'd like to say is, first of all, there's a lot of evidence that in city after city where the crime rate has dropped -- and the crime rate's gone down a lot in New York, it's gone down a lot in every major city in America -- there is now ample evidence that the crime rate can go down and the tenor of community police relations can go up. And it's largely a matter of the right sort of training, the right sort of policies, and consistent effort there.

On the specific cases, I think I should say no more, particularly in view of the latest incident, which was tragic. There is a good U.S. Attorney in New York and I have confidence that whatever decision is appropriate will be made as all the facts come out, and that's what's being done here.

But I think that the focus ought to be everywhere on having the right kind of training and the right kind of policy direction to say that we're going to bring the crime rate down and we're going to bring the quality of police community relations up. The two things are not inconsistent. In fact, I

think, generally, they reinforce one another, and I think that that's what we all ought to be working for in New York and everywhere else in the country.

Q Mr. President, when you spoke with Russia's President-elect Putin the other day, what did he tell you to indicate how he might run the country, particularly in the areas of the economy and foreign policy? And do you think it would be a good idea for you or your successor to try to build the same sort of personal relationship with Putin that you had with Boris Yeltsin, in view of criticisms that U.S. policy was too focused on one individual?

THE PRESIDENT: Well, first, he has expressed a genuine commitment to economic reform -- and the Russian economy is growing again -- and a desire to put together a first-rate team. And that was encouraging.

In foreign policy, he expressed an interest in working with us to pursue matters of mutual concern, particularly in the area of arms control and in some other areas. And I'm looking forward to working with him on that.

With regard to the personal relations, I think that -- President Yeltsin, keep in mind, was the first democratically elected President of Russia. And he had the sort of personality that is difficult not to -- it is difficult to remain neutral in dealing with him. And I did like him very much, but I also thought he was committed to democracy, and I think the fact that he stepped down and that we had a genuine democratic transition in Russia is some evidence of that.

So I think that regardless of personal chemistry -- and I hope that mine with President Putin will be good, and I hope that my successor's will be good with him -- the United States and Russia have vast national interests that require them to work together on the things with which we agree, and to manage the difficulties between us, where we have honest disagreements. So it is the relationship that is important. And the personal chemistry will come and go, depending on the personalities. But the point is, the fact that I liked Boris Yeltsin didn't stop me from differing with him when we were differing, and it certainly never stopped him from differing with me in his classic style. And I don't expect that to change with President Putin.

But I think the relationship is very important to the United States and to Russia and it must be worked on constantly. We just have too much in common and we have to work on it.

Q The Internet Commission is meeting on electronic commerce and they are giving some proposals. What are your thoughts about what proposals you think they should come out with? And also what about the states, as electronic commerce becomes more and more available on the net and may take revenue

from the states?

THE PRESIDENT: Well, I think, first of all, I supported the moratorium on taxes and I saw where Mr. Gephardt did as well a couple of days ago and I think that's good. I think that we should.

I think that the process that has been set up is the right one. I don't know what the solution is, but I think the states are going to have to get together with these companies and figure out -- first of all, I don't think there should be any access taxes or new transactional taxes or anything that will overly burden Internet commerce, because it is making a real contribution to our economy.

The real issue is, as a higher and higher percentage of sales are conducted over the Internet, what happens to the sales tax base of the states? Are they going to have to go to a different kind of taxation? Because they don't want to prejudice ordinary retailers. On the other hand, some of the people in the Internet business think that any sales tax will put them at a disadvantage because they have to charge shipping charges.

So I think that is a matter that the states will have to work out. Since they are basically state taxes, I think we ought to leave it to them. But the governors are highly attuned to economic development. They will not lightly hurt their economies. But they also have responsibilities to fund their schools and other public services. And I just think they are going to have to work through it.

I think over the next year or so, you will begin to see some kind of consensus emerge.

Yes, go ahead.

Q Mr. President, are you prepared to deploy American advisors, monitors or troops on the Golan Heights to secure an Israeli/Syrian peace accord? Did you discuss that at all with President Assad and, if so, what was his response?

THE PRESIDENT: We did not discuss it. So far, all the options being discussed by Syria and Israel do not entail that. The only time I ever even discussed it is as a theoretical possibility was many years ago with the late Prime Minister Rabin. And it was clear to me, even then, that both sides were looking for a way to resolve this that would not require an international force including American troops there and I think they are still trying to get that done.

Q A possible confrontation is looming between the relatives of Elian Gonzalez and federal authorities. As a last resort, would you permit federal authorities or some kind of federal agents to go in there to forcibly take the boy so that he

could be sent back to Cuba?

THE PRESIDENT: Well, I think, surely, we are some distance from that because they have to -- they will, doubtless -- if they do not prevail in court, they will clearly appeal. And I would just hope that the law would be followed by everyone, including them. I think that there is a legal process here. I have done my best to avoid politicizing it. And I think that the appropriate authorities, in this case the judges, will make a decision. And when that is done, I think that the people on all sides should accept the rule of the court. And I --

Q So the relatives realize that is an option --

THE PRESIDENT: What do you mean?

Q That marshals might have to come in there and say, release the boy?

THE PRESIDENT: Well, that's -- it's no more an option there than it is for anyone else who doesn't -- who says, I don't like the way the courts decide. I don't think they should be singled out. I don't think there should be any extra pressure put on them. But on the other hand, I think that they should observe the rule of law; just like if they prevail in court, the others should accept it. I have done my best not to overly politicize this, and I don't think we should. There is a legal process here; we ought to let it play out.

Q The Senate so far has not acted on two of your nominees to the Federal Reserve Board, and shows no inclination to do so. A third slot is open as well. Do you have any realistic expectation of seeing action on that front this year, or will those slots be filled by your successor, whomever he may be?

THE PRESIDENT: Well, I don't know. I hope that the Senate will continue to move forward on appointments. We had some success with judicial appointments recently. They are approving a smaller percentage of nominees than is customary when the President is of one party and the Senate Majority is of another, and I think that is regrettable. But I have worked with the Senate and I have consistently sent the appointments up there, for example, recommended by Republicans for Republican slots on various boards and commissions. And I hope we will have some progress there.

They are also holding up a couple of ambassadors for reasons that are totally unrelated to the nominees or any objection that they have to their qualifications and that's not good for America's foreign policy interests. So I hope we will continue to see -- we will have some breaking of log jams the way we did on the judges just a few weeks ago.

Q Mr. President, the Mayor of Miami -- back on the Elian Gonzalez case -- the Mayor of Miami said today that he would withhold any assistance from the city, including police, if federal authorities decide to return Elian Gonzalez to Cuba. And if there were any violence in the streets, he would hold you and Attorney General Reno personally responsible for that.

That seems to sound like an invitation for the community to block federal authorities and an assurance to them that the Miami police will stand aside.

THE PRESIDENT: Well, I like the Mayor very much, but I still believe in the rule of law here. We all have to -- whatever the law is, whatever the decision is ultimately made, the rest of us ought to obey it.

Q Mr. President, Charlton Heston is on the college speaking circuit. And he said last night, "It amazes me that the President is so stubborn when it comes to guns." And he notes that there are already 22,000 gun laws on the books by his count, which he says that the administration does not enforce.

Could you do more to enforce existing gun laws and how do you feel about the attack that the NRA has mounted on you and your administration?

THE PRESIDENT: Well, let me answer the question on the merits. Gun prosecutions are up under our administration. And I have asked in this budget for a significant increase to enforce the laws, including more prosecutors, more ATF agents.

But again, I would make the main point: the NRA's position is that if somebody does something wrong, throw the book at them. But do not have any preventive measures when it comes to guns. They believe that unlike every other area of our life, there should be no prevention. So they say -- they didn't want us to have the Brady Bill. They said it was too burdensome on people. But it hasn't been burdensome. They don't want us to close the gun show loophole; they say it's too burdensome.

They're not even for the research into smart-gun technology, or for banning large ammunition clips. There's a case where we have a law on the books that can't be effectively enforced. These assault weapons are illegal, but the ammunition clips, the big ammunition clips, can be imported because of a loophole in the law, so the law we have can't be effectively enforced.

And I think that it's just wrong to say that because of the Second Amendment, or because there are a lot of people that like to hunt or sport shoot, that prevention plays no role in this.

How would you feel if I said, for example, the

following: You know, all these people that go through airport metal detectors, 99.999 percent of them are law-abiding, good people. And it is really a pain to go through those metal detectors if you've got a money clip in your pocket or a rodeo belt buckle on or something else and you have to go through two or three times or take your belt off or whatever -- it's just too burdensome, and I'm just sick and tired of it and I'm going to take these metal detectors down in the airports, and the next time a plane blows up, we're going to throw the book at them.

Now, you're laughing. But what if I said, you know, most people who drive are good, honest, responsible people and we should just -- we ought to repeal the laws, the drivers license laws, and repeal the speed limits and the next time somebody does something wrong and has a 25-car pile-up, we'll just throw the book at them.

I mean, a sensible society has a balance between prevention and punishment. And when we put these 100,000 police out, a lot of people said that wouldn't work. But the truth is, the community policing program, I believe, has contributed more to lowering the crime rate by preventing people from committing crimes in the first place than even by catching them more quickly.

So all I can tell you is, I just disagree with that. And in terms of their attacks on me, you know, that's what I get hired to do. That's part of the President's job description, being attacked by people who disagree with him. That doesn't matter. I still think Charlton Heston's a great actor, and I love his movies -- (laughter) -- and I still watch him every time I get a chance. And I loved having him here at the White House not very long ago, when he got one of the Kennedy Center Awards.

But that's irrelevant to me. The only question is, what is best for the safety of the American people? And guns are no different than any other area of our life. We need a balance between prevention and punishment.

Q Mr. President, a federal judge with whom you have disagreed in the past today said it was his opinion that you had committed a criminal violation of the Privacy Act by releasing those Kathleen Willey letters during the Independent Counsel investigation. What do you think of that ruling? And do you agree with the take of one of your legal advisors earlier today, who called this judge "a loose cannon"?

THE PRESIDENT: Did one of my legal advisors do that? (Laughter.) Well, he does seem to have somehow acquired a significant percentage of the cases involving the White House. That's an interesting story.

But anyway, you know, obviously, we don't agree with the ruling. And I can say that when the decision was made to

release those letters, I didn't even have any conversation with anybody about the Privacy Act. I never thought about it, never thought about whether it applied or not, and decided to do it reluctantly only because it was the only way I knew to refute allegations that were made against me that were untrue. And I think they plainly did that and I would not have done it otherwise.

But I think in terms of the law, there are other reasons that I disagree with the law, with the idea that the Privacy Act, which was generally designed to protect people who had business with the federal government or were complaining about something that the government was doing or had reasons for confidentiality and having to give the government records, there were all kinds of reasons for the Privacy Act. And so I just don't believe that it -- I think that the opinion of our counsel's office and many other judges who ruled on this is that that act does not apply to this kind of correspondence in the White House. And so we disagree and we will proceed accordingly.

Q Mr. President, in light of the fact that OPEC has decided to increase production, do you see it as a mistake for the Senate to proceed with a bill that would suspend the gas tax? And if it reached your desk, would you veto it?

THE PRESIDENT: I don't expect it to reach my desk because there seems to be bipartisan opposition to it in the House, including among the leadership. But the problem I have with it, apart from what it might do to the Highway Trust Fund and the spending obligations that have already been incurred by the acts of Congress -- the budgets -- is that I'm not sure that the savings would be passed along to the consumers, in addition to that.

So I think there are a lot of questions about it, but I don't expect it to pass. I do think, however, we shouldn't minimize the real bind that some Americans have already faced by these high fuel costs. For most of us who -- of course I don't drive myself anymore -- but for most people who don't have to drive a long way to work, it may seem an irritant, but not a burden. But there are a lot of Americans who do have to drive a long way to work, who work for not very much money. And there are a lot of Americans who are in the trucking business who have been really, really hurt by this.

So I think we have to just keep our powder dry, keep our options open. But right now I think the prudent thing is to see how quickly these prices can come down with the increase in production, and for the House to reauthorize the Strategic Petroleum Reserve. We've got to have that reauthorization of the Strategic Petroleum Reserve. My authority even to use that, even as a possible option, expires on Friday. And it's very, very important for that to pass.

Q Mr. President, I wonder if you've got any thoughts or advice for your friend, British Prime Minister Tony Blair, and the dilemma that he faces -- (laughter) -- on whether he should take parental leave, as his wife has suggested, when their next child is born? And if you don't want to share your advice with us, what would you do in that situation? (Laughter.)

THE PRESIDENT: I would like to have been a fly on the wall when they first talked about that after it appeared in public. But you know, I feel very close to both Tony and Cherie. I don't want to get in the middle of that. (Laughter.) But I think Mrs. Blair said that there must be a third way to handle this challenge. That's what she said, although I thought it was a good line.

First of all, I envy him very much. I think it's a great thing for them, and it'll keep them young. And it's a wonderful thing. You know, for me, even though presidents have a very hard schedule, you know, we keep very long hours, you have some more flexibility with your time because we live above the store, so to speak. So I wouldn't have the same burdens, if we were having a baby. I could spend a lot of time with the baby and still work, and work it out.

But I think that that's something they ought to work with. I do think that the Prime Minister's government did a good thing to try to provide fathers as well as mothers family leave, though. (Laughter.) I think it's a good policy.

Q Mr. President, you are lobbying Congress to pass permanent trade relations for China. You're having a difficult time getting your own Democrats to vote for it. Vice President Gore has said even though he is for this agreement, if he was President he wouldn't negotiate trade deals like this, he would only negotiate trade deals that included labor and environmental standards. How is that stand of his complicating your efforts to convince Democrats to vote for this?

THE PRESIDENT: It isn't, because if we were having a trade agreement with China, instead of an agreement on their accession to the WTO, we could do that. But keep in mind, I favor -- I believe I was the first person in a national campaign ever to advocate the inclusion of labor and environmental provisions in trade agreements. And we put some in NAFTA. And we've gotten some good environmental improvements as a result of it. Even though there are still environmental problems along the Rio Grande River, a lot has been done. And there have been some labor standards improvements as a result of it in some places. So I know a lot of the people who wanted it aren't satisfied that we've done as much. But it was really a groundbreaking effort.

I went to the International Labor Organization in Switzerland, and to the WTO, and to Davos, Switzerland, to argue

for different approach to trade. I don't think you can take economics in a global economy that is becoming increasingly globalized and act as if it's totally separate from child labor or other abusive labor practices, or what the impact of economic activity on the environment is.

That is not what this agreement is. I still believe if we can just get everybody to read what this agreement does, it will pass handily, because this agreement will create jobs for America, it will create jobs for labor union members, it will grow the economy. I will say again: in this -- I mean, this is an agreement about the conditions under which China enters the WTO.

The United States doesn't lower any tariffs. We don't change any trade laws. We do nothing. They have to lower tariffs. They open up telecommunications for investment. They allow us to sell cars made in America in China at much lower tariffs. They allow us to put our own distributorships over there. They allow us to put our own parts over there. We don't have to transfer technology or do joint manufacturing in China anymore. This is a hundred-to-nothing deal for America when it comes to the economic consequences.

And most of what we have negotiated, we will absolutely lose the benefit of. If they go into the WTO and we don't approve normal permanent trade relations with them, what will happen is, all the work that Charlene Barshefsky and Gene Sperling did to get those concessions will go to Europe and Japan, and all the people who didn't negotiate it. They'll get all the benefits and we won't.

So the consequences, the economic consequences are quite clear and unambiguous for the United States. And so I think, to -- and under the rules of the WTO, we couldn't impose different standards on their membership than were imposed on us or anyone else. See, that's the difference in this.

I agree with the Vice President. When he gets to be President -- I believe he will be -- he should continue to work harder on integrating a whole vision of the global economy that includes labor and environmental standards and the whole idea of what it will mean to be part of a global society in the 21st century. I think that is important.

But if people understand what this is, this is a vote on whether we will support their membership. And the only way we can do it -- and that we will benefit from their membership. And the only way we can do it is if they get permanent normal trade relations. It is not like we had a bilateral trade agreement with China; that is not what this is about.

So if we were in bilateral negotiations, we could argue more strongly for certain agreements on, for example, climate

change, because we would be giving them something while they were giving us something. We're not giving up anything here. These are the terms of their membership and it's a hundred-to-nothing deal for us. All we lose here is if we reject it, we will lose economic opportunities we will regret for 20 years and will hurt our national security interest.

Yes, go ahead.

Q Sir, could you comment on the Vice President's plan for a \$7-billion democracy endowment to pay for congressional and perhaps presidential campaigns?

THE PRESIDENT: Yes, I thought it was a good idea. I kind of wish I thought of it myself. And I think -- I'll tell you why I think it's a good idea, very briefly. I think you can't ever really solve the problem in campaign finance reform unless you have -- because what is the problem? The problem is that it costs so much money to communicate with people over the mass media.

So if you want to solve the problem, you either have to have a different source of funding or there have to be requirements for free or drastically reduced media time. That's the problem. Otherwise, you're just sort of rearranging where the money comes from or how you do it. I don't think -- I mean, I think McCain-Feingold is important. And let me reiterate what the Vice President said. His proposal should not be interpreted in any way as a reduction of the administration's support for McCain-Feingold. The Shays-Meehan bill, which is the partner bill, has already passed the House. Again, if we could bring it up to a vote in the Senate, it would pass the Senate. A minority is blocking it in the Senate. We can pass it in the Senate. And we ought to pass it because it will do some real good.

But the thing I like about it is, the American people have reservations about public financing of campaigns. We even have some trouble with the dollar check-off for the presidential campaigns. This proposes to give incentives to people to try to raise the money in a more voluntary fashion from non-tax sources. So if it could be done and if the trust fund could be filled up, I think it is actually quite a good idea.

Q Mr. President, when you finished your trip to China two years ago, you gave a news conference in Hong Kong in which you praised Chinese President Jiang Zemin as a visionary, a man of good will, and someone who was the right leadership at the right time for China. Since then, China's record on abusing human rights and threatening Taiwan has, of course, continued to be quite checkered.

I wonder if today you still think Jiang's leadership still deserves that praise you gave it or if your judgment today would have to be more severe?

THE PRESIDENT: Well, I still think, given the alternatives of who could have been the President of China that I'm aware of, and who could have been the Premier, I think that President Jiang Zemin and Zhu Rongji are the best team that could have been in their positions at that time.

As you know, I generally strongly disagree with the Chinese view that to preserve stability in their society, they have to repress political and sometimes religious activists to the extent that they do. I think that's wrong. And there have been several cases in the last couple of years that have deeply disappointed me.

I know that China has an historic -- almost a phobia of internal disintegration because of the problems that they faced in the last -- if you just take the last 100 years, problems that our society has never faced. I know that they say that to some extent their cultural views are not as oriented toward individual rights and liberties as ours are. But I believe that the U.N. Declaration of Human Rights is a universal document and I believe it should be observed and that's why we voice our disagreements with China every year, and so I don't like that. And I hope that -- I will say again, I hope that we will see a lessening of tensions across the Taiwan Straits.

I support the One China policy. But part of our One China policy is that the differences between China and Taiwan must be resolved by dialogue, and I feel very strongly about it.

But having said all that, I still believe that, given the available alternatives of which I am aware, these two men have been the best team that was available for China. And I think this decision they've made to join the WTO is a decision basically to modernize China in ways that will go far beyond the economy. I think it will lead -- you get all this telecommunications revolution permanently manifest in China, they will not be able to control the Internet, they will not be able to control access to information, they will not be able to control freedom of expression. It will become a more free country, and a more open country. And that is a very, very good thing. That's another big reason we ought to sign onto this, because we ought to be a part of their opening.

There will be more openness in the next five years, if China enters the WTO and all the telecommunications revolution hits it full force, than there has been in the last 20 years, since Deng Xiaoping started this.

Q Mr. President, I'd like to return to campaign finance reform if I could. Vice President Gore, in announcing his proposal, called himself an "imperfect messenger" on that subject. Isn't that an acknowledgement, sir, of something you and he have long denied, that there was an attempt to bend, if

not break, the spirit, if not the letter, of campaign finance laws during your re-election campaign?

THE PRESIDENT: No, I disagree with that. He said -- he has never said that he knew that any of the money that he raised was not lawfully raised. And I don't believe he did. And I can certainly tell -- you look at the difference in the way we reacted in 1996, and the way the other party reacted to allegations of illegal foreign money, for example.

What did we do? We spent \$4 million, that we had to go out and raise, to put all these records on computer disks, to give it all to the Justice Department, to make sure that everything was there. There was no slow-walking, no stonewalling, no nothing. I was outraged when I found out that the system for checking the backgrounds of contributors and things like that had been dismantled without my knowledge or approval.

And I did not do all that work. And keep in mind, you mentioned '96 -- we didn't have -- we raised the funds we needed for my presidential re-election in seven months. And I believe -- you can go check this -- but I have been told that ever since the campaign finance laws came in, in the '70s, that we had the smallest number of violations and fines of any presidential campaign, the Clinton-Gore '96 campaign did.

So -- I know those funds were raised through the party, but I was as appalled as the next person when I found out that we had taken funds, that people had given us money that wasn't legal. We didn't need it to win, it was wrong, and we did everything we could to try to correct it and set it right. And we spent a lot of money doing it.

And so I think what he meant is that he had been involved in one incident which he felt was unfortunate, and we raised soft money. And we've done it aggressively because we don't believe in unilateral disarmament.

But I would just point out that 100 percent of our caucus, the Democratic Caucus, in the Senate and the House, 100 percent of us -- and the White House -- the whole Democratic Party in Washington, D.C., support the McCain-Feingold bill. So if it had been up to us, it would have been law years ago. And I think that's worth something.

So I think he's a good messenger. You know, I think he was showing a little humility, and I think that's always a good thing. We're all flawed in some way or another. But I think that -- you know, he passionately believes this. And he worked very hard to come up with not only our support for McCain-Feingold, and his, but some way to build on it to solve the real problem.

The thing that I worry about, for example, in addition to -- you know, most of you are concerned about the large contributions and the soft money. But something else, I think, that should concern you -- not so much for me, because I have, it's easy for me to get around, and I have great living conditions here, and the Vice President does -- but it bothers me that Republicans and Democrats in the House and the Senate have to spend the time they have to spend raising the funds for their campaign. And the wear and tear on them -- getting on those airplanes, you know, once or twice a week, all the time, when frankly, I think, if they were home resting, you know, reading good books, spending time with their families -- you're laughing. This is a serious deal.

You think about it. This is a significant cost to our political system, that these people have to spend the time they have to spend to raise the funds required to wage their campaigns. It wears them out, and I worry about them. You know, this is a hard enough job. And I really believe that Congress would function better if they didn't have to spend this much time. So that's another reason that I support not only McCain-Feingold, but I think that this idea of the Vice President's, or something like this, that would alleviate the burden of spending so much time, I think the American people would get a lot better government, and the members of Congress would get a lot more sleep.

Q Mr. President, back on China for a second. This morning, the Chinese told Sandy Berger that U.S.-Chinese relations were at a critical juncture. Do you agree that things are critical right now? And also, you mentioned your continued support for a One China policy. Do you envision any circumstances in which you could support Taiwanese independence?

THE PRESIDENT: Well, first, I think they're at a critical stage primarily because of this -- of the China-WTO decision before the Congress. And secondly, I think that they would be at a critical stage if we were to abandon our One China policy.

But you know, we made an agreement with the Chinese a long time ago, when we normalized relations under President Carter after a period of years of developing them, starting with President Nixon's historic trip there, it has been the unanimous bipartisan position of every President and every administration that that was the right decision. It has also been to this point the position of all elected leaders in Taiwan.

I remember, I was there as a governor in 1986 at their Tientien (phonetic) Day celebration, and they had a map of China which showed Taiwan being a part of China, too -- even though they had the political tilt the other way.

And I think that they have so much to gain from each

other. I mean, the investment of Taiwanese in China, for example, as you know, is enormous. And if they just keep talking, they'll work this out. They'll find a way to work this out. The Chinese have been quite clear that they were willing to be patient, and to negotiate an arrangement which might even be different from that in Hong Kong. And I think that Taiwan's got a lot going for it. And I don't think either one of them needs this crisis right now.

So I just think they need to -- and I've been very impressed by the President-elect in Taiwan and the way he's handled this since his election, what he's had to say. And he seems to be quite well aware of the weighty responsibility he now has, and the great opportunity he has. And so I just think they need -- this is a big issue. They need to get together, start the dialogue again, and figure out where to go from here.

But if you look at the future that awaits the Chinese, and that is already embracing the Taiwanese -- you know, they have huge market percentage globally in a lot of the various components of the computer industry, for example. Huge. And I just don't think they want a political problem to take all that away from their people. And they'll find a way to do it. They need to stick with this framework and find a way to get their dialogue going again.

Q Mr. President, although not unprecedented in history, it's unusual for a President's child to have such an important limelight as Chelsea had during your state visit to the Asian subcontinent. With the First Lady fully engaged in New York, will we be seeing more of Chelsea? Did she express an interest to make more state visits with you, sir? How do you think she did?

THE PRESIDENT: Well, I think -- she's like Hillary and me. All three of us, I think, we want to savor the weeks and months we have ahead in this, our last year. And I told her that if she could take time off from school, I'd like for her to go with me on some of these trips.

I was -- I think she was kind of taken aback by the attention she got in India, in particular. And I think it was because she had been there with her mother before and they had both made a very favorable impression in Bangladesh and India and Pakistan. So -- -- but I think she was quite surprised by it, and I don't think she sought it out in any way. But, you know, when your child grows up, I think any parent with a grown child can identify with this. You're always sort of pleasantly surprised when they still want to hang around with you a little. And it's a wonderful thing. So, for me, it is just a personal thing. And any time I can be with her, I want to be with her.

Q Mr. President, it was reported today that the White House had a computer disk with Monica Lewinsky's e-mails.

Sir, what do you think about the notion that it wasn't turned over sooner, and how would you assess your administration's overall handling of e-mail problems at the White House?

THE PRESIDENT: I don't know that, but I believe that was known years ago. I believe that. I don't -- I don't -- I don't handle the e-mail things. I can tell you this: my counsel, Beth Nolan, is going up to the Hill, I think tomorrow, to talk about this. I believe that it is accurate to say that we had turned over everything that had been found and, from what I understand, some things were not found because they were in a different system. So now we're working out how to cooperate with the Congress.

But my counsel will talk about it tomorrow and I'm confident that whatever is the right thing to do, we will do.

Q It's coming up on the year anniversary of Columbine and, around this time last year, you had a summit at the White House where you talked not only about the gun aspect of violence, but also the cultural aspect in our society of it. And considering that we just had a movie sweep the Academy Awards that had a pretty violent ending, I wondered whether you felt the entertainment industry has made much progress in this area?

THE PRESIDENT: Well, first of all, I certainly don't believe that movie glorified violence. I have never suggested that we should have movies that -- as long as there is a good ratings system -- movies that didn't have violence, which is part of a normal theme.

I thought it was an astonishing movie, actually. And I certainly don't think anyone who watched it and understood it would think of it as glorifying violence. I think it would be -- I think a lot of the tragedy and fear that is behind people who misuse guns would be apparent there. And so I think, if anything, it was an anti-violence movie.

I think that some progress is being made. I think that there are still problems with whether the ratings systems make sense and make sense in relations to one another, between the movies, the TV programs and the ones that are being developed for the Internet -- I mean, the video games and I just -- I think there are still some improvements that need to be made.

I know that Hillary said that she thought there ought to be a uniform system and I think that that would -- if it could be made more uniform, more simple, more understandable, I think that would make a difference. And I still think there is too much gratuitous violence produced in entertainment. But I don't think that applies -- that that is a fair criticism of American Beauty.

Let me say this. Since the year, though, since you

mention that, the National Campaign Against Youth Violence, with our executive director, Jeff Bleich, has done a lot of work and they're doing a lot of work on city-by-city efforts and efforts by specific sectors of the community and dealing with all these aspects. So there's quite a lot of vigorous involvement. We've even got a Youth Advisory Council now and they're working.

So I've been pleased by what they're doing and I hope we can get a lot more people involved in it in my last year here. And then, when I leave, I hope that the new administration will take this up and keep it going, obviously with whatever personnel they choose. But I hope this will become a permanent fixture of the national government's efforts as well as the council we have within the federal government to work on this until the youth violence rate goes way down. There's just tons of work to do.

Yes, go ahead.

Q A question, please, about Kosovo. A short while ago, a senior Pentagon official was quoted as saying, we're at ground zero in terms of building a better and more secure society over there. And there have been some instances that suggest U.S. troops are coming in to more danger. How does it appear that this situation will be in the future, more dangerous, less dangerous? What are the stakes for us now?

THE PRESIDENT: Well, first, I think that there clearly are still deep-seated aversions in the Serbian and Kosovar-Albanian communities for each other. There is a lot of fear, a lot of mistrust, a lot of hatred. There is continuing activity of which we do not approve by some radical elements in the Kosovar-Albanian community. There is some evidence that the Serbs may be trying to work a little mischief in the northern part of Kosovo.

But the main problem is, those people were oppressed for a decade and then they were all run out of their country. And there is still a lot of bad blood and it's not going to go away in a year or two. But I think that the international community did a very good job of sending the soldiers in. But we have to do more. And I've been on the phone quite a lot about this, by the way, in the last, oh, month or so, trying to make sure that all of us get our money there on time and that we get more police there. We've offered more police and many of the European countries have as well.

We need more civilian police there and then we need to make sure that the money flowing to Mr. Kuchna* at the U.N. Mission flows in a timely fashion so that people can be paid and that the civil institutions can get up and going. But, you know, this takes time. I remember, when we started in Bosnia, people thought it would never get any better, and it's better. And there's still problems, but it's better. This is not going to be done shortly.

But I would say this: I would urge the Congress to pass both the military and the non-military components of the Kosovo Supplemental Request, because if we want the Europeans to do their part, and they are -- I must say, in the last month or so, they have really geared up the speed with which they are moving their investments in Kosovo -- then we're going to have to do our part.

But, you know, we have to find ways to get people, first of all, to accept living normal lives, to provide basic protections, and then to get used to, in halting steps, living and working together. And this is not easy. But it can be done. And, when I think of the other peace processes in which I have been involved, most of them really take hold after people have lived with the insanity of their previous position so long that they are tired of it, they are bored with it and they are willing to lay down their hatred and hurt.

And we're still at a point where, in Kosovo, a lot of people are carrying their hatred and hurt around and a lot of others seek political advantage over it. All I can tell you is, I think we did the right thing to go in there and let those people go back home. I think it's better than it would have been if we hadn't gone in there, and I think we are just going to have to work like crazy to make it work. I never thought it would be easy, but I do think it's possible.

Q Mr. President, tomorrow on the Hill, Republicans will accuse you of a failed energy policy when we look at America's continued dependence on foreign oil. Even a member of the Democratic Senate says that not enough has been done, that we have grown complacent.

And when you look at the popularity of sport utility vehicles in this country, sir, have you done enough, both practically and psychologically, to promote the idea of weaning this country off of fossil fuels?

THE PRESIDENT: Well, maybe not. But I've done a lot more than the Congress has. And I think it is ironic that they would say that since, for years now, I have been pleading with them to give us some more tools to promote the development of alternative fuels and to promote both the manufacture and the purchase of energy-saving technologies.

You know, I have talked until I was blue in the face about this for years and a lot of times it's like you're alone in the forest and no one hears you; I felt like the tree falling in the forest; if no one hears it, did it fall and make a sound? You know, I -- maybe we should do more, but maybe now people will be listening more.

Of course, different members have different takes on

it. Some members think we ought to have more oil production at home and for some members, that means we ought to have oil production offshore in places we don't have it now. But if you look at all of our proven reserves, I don't think anyone really believes that we can become more energy independent unless we become more energy efficient and develop more alternative fuels. That is the long-term answer here. And, believe me, if the Congress -- if any member of Congress of either party wants to do more on that and is ready to do more than I have done in the past and ready to advocate something beyond what I've advocated in the past, I will be the first person to applaud that person and I will work with them in any way, shape or form I can.

I hope very much that this is a little bit of a wake-up call for all of us and that we can put this on the front burner and get some action. And I think, I am like everyone else -- after you say something several times and you look like you're not going to make any progress on it, you tend to go on to something where you can make progress. And it was hard to get people interested in it, especially when oil prices dropped to \$12 a barrel. And I think -- I hope this has been a sobering experience for the American people and for all of us, and that we can now do more. And I'm certainly prepared to do more and prepared to give others the credit for taking the lead. I don't care about that. And what we should -- we can do a lot, a lot.

Again, let me just review one or two of the things that I said in the State of the Union, just very briefly. We are reasonably close, I believe -- most of the scientists I've talked to think that we're reasonably close to cracking what I would call the fuel-to-biofuel conversion problem. For example, if you want to produce ethanol today, it takes about seven gallons of gas problem. If you, for example, if you want to produce ethanol today, it takes about seven gallons of gasoline to make about eight gallons of ethanol. You wind up a little ahead, but not much.

Scientists believe that if we can unlock the chemical problem that is analogous to cracking the crude oil molecule that made gasoline possible, we can get down to a conversion ratio of one gallon of gasoline for eight gallons of ethanol. If you do that, and then we get eighty-mile-a-gallon cars, you're looking at 500 miles to the gallon, in effect. So that's important.

I have done everything I can, and the Vice President has taken the lead on this partnership for new generation vehicles, where we've worked quietly, now, for over seven years to work with the auto companies to develop high-mileage vehicles -- vehicles that run on electricity that have self-regenerating batteries, so you don't have to pull in every 80 or 90 or 100 miles to recharge them; or dual-fuel-use vehicles that are beginning to come on the market.

Now, on the sports utility vehicles, I think, you know,

the American people, they want to drive those vehicles. They like those big vehicles. But if they're going to drive them, we're either going to have to find a way for them to get better mileage or run on alternative fuels over the long run. And I think we will be able to do that.

In the -- and let me just give you one other example. I don't want to beat a dead horse, but one of my proposals was to give tax incentives for the manufacturers and to purchasers -- for consumers -- to buy certain energy-efficient materials. The National Homebuilders has worked with HUD and the Energy Department to build lower-cost housing for working people on modest incomes in various places that cut the fuel bills by 40 to 60 percent, just by using better insulation, new solar panels that look just like ordinary shingles on roofs, and glass that lets in more light and keeps out more heat and cold.

These things are out there now, and we just need to increase the percentage of people that are using them. If you can afford the right kind of light bulb, which may cost you two and a half times as much, it'll burn four or five times longer, and can save a ton of greenhouse gas emissions just over the life of a big light bulb.

So there are lots of things we can do, but we need to create some markets for doing this. And there hasn't been a lot of interest in it, I think probably since the high prices of the '70s. But even at modest oil prices, the profits are there, if we can just highlight this. So I hope -- I will say this: I think I should do more. I hope I can do more. But I'd like their help to do more as well.

Thank you.

END

3:14 P.M. EST

Message Sent To: _____

Andrea Kane

Record Type: Record

To: Eric P. Liu/OPD/EOP@EOP, Anna Richter/OPD/EOP@EOP

CC:

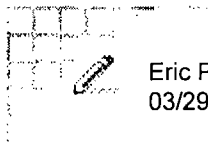
Subject: PLS CALL ME RE: CS/gambling talking points

Brod says Berkeley is in danger of getting off message and really thinks getting something to her in writing would be helpful. I've pared down our points to the following and think we could probably share something like this. Anna, my computer is crashing so I needed to cut and paste this. Could you put back into a document, and if Eric agrees, send to Broderick.

Child Support - Gambling Proposal

March 29, 2000

- The Administration's budget included a legislative proposal about the collection of outstanding child support payments at gaming establishments, both Indian and non-Indian. In light of important tribal sovereignty issues and the Administration's commitment to working with tribes on a government-to-government basis, the Department of Justice has recommended that HHS needs to consult with tribes before proceeding with this legislative proposal.
- In order to treat Indian and non-Indian gaming facilities equitably, the Administration has determined it is best to delay the entire proposal.
- Instead, the Administration will consult with gaming establishments – tribal and non-tribal – to explore a voluntary pilot effort and to work through important implementation issues. *We're hopeful that gambling establishments from both sectors will work with us to help* towards the important goal of ensuring that children and families get more of the child support they deserve.
- The Administration remains committed to the goals of collecting more child support from "deadbeat" parents who can afford to pay, ensuring that more child support goes directly to families, and helping low-income "deadbroke" fathers who owe child support go to work. We look forward to working with Congress, states, tribes, and others to enact our comprehensive package of responsible fatherhood initiatives.



Eric P. Liu
03/29/2000 10:55:55 AM

Record Type: Record

To: eric liu

cc:

Subject: notes

— *SW*
Smith and Wesson
Smith and Wesson ↓ *Smith and Wesson*

Guns

Congress -- keep pushing them, and move on other fronts, SW and point out states enforcement -- red herring, we're doing a lot, they want to shift focus
Smith and Wesson -- they made a brave move. not concerned. good deal, precedent procurement -- exploring whether we can do anything, but law enforcement above all

Tobacco

CT. 2000

FDA rule -- Ct has put the ball in Congress' court, bipartisan legisl, fight all fronts
DoJ lawsuit -- billions in costs to taxpayer, day in court

Education

Bush plan -- pleased he feels need to ape our model of standards and acctabil
Congressional action -- gimmicks, no real address class size or needs

Wash

CFR

VP -- very good idea, proud of him, 2 steps and need GOP leaders
Hollings -- sympathetic but 2 steps and achievable

Bush M-F-Sun



FOR RELEASE:
March 29, 2000

CONTACT: Erica Lepping
(202)401-3383

STATEMENT BY U.S. SECRETARY OF EDUCATION RICHARD W. RILEY

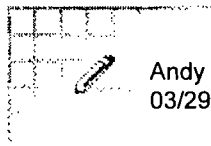
I was disappointed to see Governor Bush's manipulation yesterday of my words for political purposes. The Governor, in his eagerness to claim credit for educational reforms like helping children learn to read, abandons the spirit of bipartisanship that was at the core of my remarks. In reaching for political gain he ignored the facts: it was this administration that fought and won landmark national legislation and federal funds to support state and local efforts to improve reading, and it was this administration that, in 1996, announced the America Reads Challenge, a national campaign to read by the end of the third grade.

I was happy to see Governor Bush follow in the footsteps of his predecessors in Texas and continue to focus on reading. Governor Mark White, in 1986, captured succinctly the importance of this priority when he said, "How shall we compete if we cannot read?" Governors on both sides of the aisle in states across the country joined in the campaign to help children read. It is misleading for Governor Bush, twice in two weeks, to claim credit for ideas like reading and accountability that have been on the national stage and at the core of this administration's agenda for a number of years.

Reading scores, on this administration's watch, are up. As a result of the hard work of many educators across the country, and federal support, the most recent national assessment on reading showed increases at all three grades over the last reading assessment – that has never happened before.

Helping students learn to read should be an American issue, not a partisan one.

###



Andy Rotherham
03/29/2000 01:22:14 PM

Record Type: Record

To: Eric P. Liu/OPD/EOP@EOP, Bruce N. Reed/OPD/EOP@EOP
cc: Cathy R. Mays/OPD/EOP@EOP, Anna Richter/OPD/EOP@EOP, Bethany Little/OPD/EOP@EOP
Subject: Riley statement

FYI

----- Forwarded by Andy Rotherham/OPD/EOP on 03/29/2000 01:20 PM -----



"Lepping, Erica" <Erica_Lepping@ed.gov>
03/29/2000 12:01:37 PM

Record Type: Record

To: Andy Rotherham/OPD/EOP, Dorinda A. Salcido/WHO/EOP
cc:
Subject: Riley statement

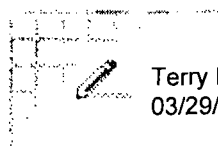
FYI - we just put this out...in response to the release below...

> -----Original Message-----
> <<readingresponse.dot>>
>
>
> > A Reformer with Results
> >
> > FOR IMMEDIATE RELEASE CONTACT: Ari Fleischer,
> > Tuesday, March 28, 2000 Mindy Tucker, Scott McClellan 512/637-7777
> >
> > Who is Copying Whom?
> > CLINTON-GORE EDUCATION SECRETARY PRAISED GOVERNOR BUSH'S READING
> > INITIATIVE IN TEXAS
> > Secretary Riley Said Bush Reading Approach Is 'Just Right'
> >
> > AUSTIN-Responding to Texas Governor George W. Bush's bold new
> > proposal to
> > ensure that all disadvantaged students learn to read, the Gore
> > campaign
> > today claimed that Governor Bush's proposals were based on reading
> > programs begun by the Clinton-Gore administration. Yet in 1996,
> > Clinton-Gore Secretary of Education Richard Riley praised the Bush
> > reforms

> > in Texas as a model for the nation:
> >
> > "Every child should be well-established as a reader and be able to
> read
> > independently by the end of the third grade. We should accept nothing
> > less. Dr. Rudy Crew, the new Chancellor of Education in New York
> City, has
> > it right with his new emphasis on reading - and so does George Bush,
> Jr.,
> > the Governor of Texas."
> > --Richard Riley, U.S. Secretary of Education, in Third Annual State
> of
> > American Education, February 28, 1996.
> >
> > ###
> >
>
>

> Do You Yahoo!?
> Talk to your friends online with Yahoo! Messenger.
> <http://im.yahoo.com>

 - readingresponse.dot



Terry Edmonds
03/29/2000 10:44:18 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: DRAFT--Press Conf Topper. Comments to Edmonds by 11am.

Draft 3/29/00 10:40am

Edmonds

**PRESIDENT WILLIAM J. CLINTON
REMARKS FOR WHITE HOUSE PRESS CONFERENCE
THE EAST ROOM
March 29, 2000**

Good afternoon. I want to begin by saying that yesterday's announcement that OPEC members will increase oil production is good news for our economy and good news for the American consumer. These increases will help sustain economic growth here in America and around the world, and provide a greater balance between oil supply and demand. While home heating costs and the price at the pump are expected to fall this year, we will continue to monitor developments in world markets in the coming months.

Since January, our Administration has taken significant action to address the issue of high oil prices – from helping more low-income and elderly citizens pay their heating bills...to the creation of a regional product reserve in the Northeast...to calling for the immediate reauthorization of the Strategic Petroleum Reserve. In addition, Congress should act on my proposal to strengthen America's long-term energy security, including new tax incentives and investments to support domestic oil producers and to promote the use of alternative and more efficient energy technologies.

This is one bit of good news, but the Congress has an opportunity and a responsibility to make progress on a number of other important issues for the American people this year.

First, we must work together to reduce the staggering toll of gun violence in America. We can this by passing my proposal for more prosecutors and stronger gun enforcement. And we can do it by finally passing a strong juvenile justice bill that closes the gun show loophole, requires child safety locks on all new handguns and bans the importation of large-capacity ammunition clips. But for nine months, the leadership in Congress, egged on by the gun lobby, has stood in the way of progress.

Exactly 14 days ago, the House passed a resolution put forth by Rep. Zoe Lofgren of California, that simply said, the House and Senate conferees should meet to settle their differences on a juvenile justice bill that has been languishing in Congress.

For 14 days, the clock has been ticking, but we have heard nothing but deafening silence from the leadership. Today time runs out -- and still no action. Another missed deadline... another missed opportunity. It appears that the opponents of reform have run out of sensible arguments -- so now they want to run out the clock. This makes no sense. With crime at a twenty-five year low, and the Brady law keeping guns out of the hands of half a million felons, fugitives and stalkers, the argument is over. Gun safety measures work. It's time to build on that success, and pass common sense gun legislation.

Three weeks ago, I asked the Congress to finish the gun bill and send it to me by the anniversary of the Columbine tragedy, April 20. They still have time to meet that deadline. Again, I call on them, for the sake of our children, stop the delay. Protecting our children from gun violence should not be a partisan issue.

There are a lot of other things we can accomplish for the American people this year. We can expand health care and protect people in managed care. We can give working families a higher minimum wage. We can ensure that our kids get a world class education in first class schools. We can use the surplus to strengthen Social Security and Medicare, provide a prescription drug benefit and pay down the debt entirely for the first time since 1835. And we can keep the economy growing by opening new markets here at home in our hardest-pressed communities -- and by opening new markets for American products and services around the world. We especially need to give America's businesses, farmers and workers access to the world's largest consumer market in China.

There are bills in Congress that I could sign today to do all of these things. Many of them are supported by bipartisan majorities in either the House or the Senate.

First, to make sure the benefits of Medicare keep pace with the benefits of modern medicine, we must reform Medicare and add a voluntary prescription drug benefit. Three out of five older Americans lack dependable, affordable prescription drug coverage. Since I first raised this issue last year, virtually every member of Congress now says they support a new prescription drug benefit. I call on Congress to pass a bill that assures that all Medicare beneficiaries have an option to choose an affordable, accessible drug benefit. If they do, I will sign it.

Second, to protect the interest of 190 million Americans in health plans, we should pass a strong, enforceable and bipartisan patients' bill of rights. This is not a partisan issue anywhere in America. The House already passed a strong patients' bill of rights, but the insurance lobby continues to oppose it. I say, let everybody vote his or her conscience on a real patients' bill of rights. If it passes--and it will--I will sign it.

Third, to honor work and strengthen our families, we should raise the minimum wage by one dollar over two years. A bipartisan majority in the House voted to do so earlier this month.

But Republican leaders held that pay raise for working families hostage to tax breaks for the wealthiest Americans—tax breaks that could make it impossible to pay down the debt or strengthen Social Security and Medicare. I will veto that bill if it comes to my desk. And I say to Congress: send me a clean straightforward bill that raises the minimum wage by a dollar over two year, and I will sign it.

Fourth, we must invest more in our public schools and demand more from them. But we know that our children can't learn in schools that are literally falling apart. Yesterday, a bipartisan school construction bill was introduced in the House that would provide \$24.8 billion in tax credit bonds to modernize up to 6,000 schools. If the Republican leadership does not prevent it, the Congress could vote on this proposal tomorrow. I call on the Congress to seize this opportunity. Pass this bipartisan legislation, and I will sign it.

Fifth, to save the lives of thousands of young people who every year get hooked on cigarettes, we must pass legislation allowing the Food and Drug Administration to regulate tobacco like the dangerous substance that it is. There is strong, bipartisan support for the idea that the FDA should regulate tobacco. Pass it and I will sign it.

The Justice Department also has sued the tobacco manufacturers to recover the cost to taxpayers of tobacco-related illnesses and to make sure they are held accountable for actions they take. Some in Congress want to undermine this effort. That would be wrong. We need to give American taxpayers their day in court.

Finally, I urge the Congress to pass my supplemental budget request without delay. This is urgent funding for pressing needs at home and abroad: to provide further assistance to the victims of Hurricane Floyd; to support the Colombian government's fight against drug traffickers; to provide needed heating and cooling assistance for families struggling to cope with rising oil prices; and to keep the peace and build stability in Kosovo.

When Congress adjourns this summer, we ought to be able to look back and say that we took real steps towards making America better. The issues have been decided. The American people want and deserve action. The only thing left is for the Congressional leadership to break the grip of special interests and do the people's business.

Thank you.

Message Sent To: _____

**Guns
Q&A
March 28, 2000**

Settlement

Q: Several gun manufacturers that had been expected to sign onto the Smith & Wesson agreement have recently announced their opposition to the agreement. Does this discourage the Administration's efforts to work with other manufacturers in any way? If other manufacturers do not sign onto the agreement soon, does HUD plan on filing their lawsuit?

A: Despite the concerns a handful of other manufacturers have expressed with the agreement, we cannot dismiss its historic significance. The Smith & Wesson agreement proves that the gun industry – namely, the nation's largest handgun manufacturer – has the willingness and the ability to work with us toward reducing gun violence by improving the way their product is designed, distributed and marketed. The precedent has been set – and that is precisely why some of the industry are so worried now. The possibility of litigation by public housing authorities is still open, of course. But we are far from discouraged with our progress at this point. We plan to continue moving forward by engaging other responsible members of the industry, and by bringing more cities and states into our effort to push for reforms.

Procurement

Q: Last week, HUD Secretary Andrew Cuomo joined several cities to announce their plans to restrict government contracts for law enforcement guns to only those manufacturers who sign onto the Smith & Wesson agreement. Do you support these efforts? And, is this something that your Administration plans to implement government-wide?

A: As you know, my Administration plans to use every tool possible to reduce gun violence in America, and I believe that it is certainly worthwhile to look into ways that we can reward responsible firearms manufacturers that work with us to achieve this goal. As the largest procurer of firearms in America, the federal government should look into ways that we can encourage reforms within the firearms industry – reforms that would help law enforcement do its job. So we are starting to explore what is possible. But I want to emphasize that our foremost priority in procurement policy is to ensure the safety and effectiveness of law enforcement. We would do nothing to jeopardize their mission or their access to the best weapons for their needs. I believe the cities and public housing authorities share that sense of priorities.

PATIENTS' BILL OF RIGHTS

Q&A

March 28, 2000

Q: Isn't your proposal to limit provider liability medical errors inconsistent with your strong belief that health plans must be accountable under the Patients Bill of Rights?

A: Absolutely not. Physicians and hospitals are already held accountable when their actions harm patients – health plans are not. The enforcement provisions in the Patients' Bill of Rights simply level the playing field and ensure that both providers and health plans are equally accountable to patients.

Q: Would you oppose your medical error legislation being attached to the Patients' Bill of Rights?

A: Absolutely not. It would strengthen the bill. The only reason our policy recommendations should not be included is if they slow down or in any way threaten to stop the passage of a strong, enforceable, Patients' Bill of Rights.

Q: The Republicans are considering adding the right to sue in Federal Court to their version of the Patients Bill of Rights rather than allowing individuals to access the state court system. Would that be a legitimate compromise?

A: We need to assure that the rights promised by this legislation are real and not just a suggestion. 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 consistently said that we are open to alternative enforcement mechanisms, but only if they ensure that patient protections are real and that individuals who have been harmed by health plan actions have access to meaningful remedies. We have yet to see an acceptable, workable alternative in any serious piece of legislation other than Norwood-Dingell that achieves that end. We will work with Congressman Dingell, Congressman Norwood, and others, to ensure that any such mechanisms are workable and meaningful.

**Medicare
Q&A
March 28, 2000**

Q: The House Republicans have circulated a draft proposal for a Medicare prescription drug benefit that provides a drug-only private insurance option that would be available to all Medicare beneficiaries. Isn't this an encouraging development? Could you support it?

A: First, it's difficult to comment on any proposal with such few details. While they have apparently eliminated one ill advised approach – a block grant approach that could not assure a meaningful benefit to even those with low incomes in every state – it appears that they may have substituted it with another flawed option.

The Republican proposal will be unaffordable for millions of middle-class seniors. Unlike every other Medicare benefit, the Republican plan would provide absolutely no premium assistance for an individual Medicare beneficiary with an income over \$16,700. As a consequence, the 40 percent of beneficiaries with incomes over this amount who have no prescription drug coverage today would not receive any assistance in purchasing a prescription drug benefit. This means a widow with an annual income of \$20,000 would not receive any premium assistance and be forced to pay an excessively high premium. In some cases, she would not even have access to a drug option.

The proposal does not assure access to any Medicare beneficiary because private plans may not participate. This proposal builds on an already problematic Medigap market by relying on the development of a market for a drug-only plan that the insurance industry itself says that it would not offer or could not do so affordably. This would mean that even low-income beneficiaries might not have access to any options because it might not be offered nationwide. Moreover, millions of middle income seniors will either not have access, or not have access to a plan with an affordable premium.

Although they are advocating flawed approaches, it is encouraging that Republicans are acknowledging that the prescription drug issue must be addressed and are finally developing proposals to address this challenge. The next step must be, however, that we work collaboratively – in a bipartisan fashion – to ensure an affordable, accessible, prescription drug option can be made available to all Medicare beneficiaries and that we work to pass legislation this year in the context of an initiative to modernize and strengthen the Medicare program.

Q: Where is the drug report you instructed HHS to develop? Why is it taking so long?

A: It is very difficult to obtain the type of data necessary to produce a comprehensive analysis of prescription drug costs and coverage issues. HHS is moving to complete its work, and we anticipate that it will be finalized soon. Under any scenario, our work on this issue will continue unabated.

Q: But when will it be out?

A: It will be out in weeks, not months.

Q: Would you veto a prescription drug plan that was limited to low income beneficiaries?

A: I'm not going to entertain hypothetical questions. I will say this: Since over half of the elderly without drug coverage have incomes above 150 percent of the poverty level and millions more have inadequate, expensive, and undependable coverage, it is hard to imagine why anyone in Congress would advocate a low-income only approach.

I just don't think it's right to deny access to a Medicare prescription drug benefit to a widow who earns \$25,000 a year in income. I don't think that income is or should be viewed as wealthy and therefore somehow not deserving of an affordable prescription drug option.

Q: Would you support an income-related premium for a drug benefit or for the program as a whole?

A: I have not ruled out any such approach. In fact, in previous years I have supported this concept. However, last year, it became clear that many Republicans and Democrats had major concerns with such approaches, and that we would not be able to achieve bipartisan consensus for it.

We all know that a necessary precondition for any successful health reform initiative is achieving bipartisan support. If it becomes clear that members in both parties are willing to entertain an income related approach, we certainly will work with them to see if a consensus position can be developed.

Q: What is your position on the Graham-Conrad proposal for a Medicare prescription drugs benefit that includes an income related premium?

A: While the details of this policy are still being finalized, I believe it appears to be a constructive contribution to the debate. I am encouraged that it appears to meet the principles that I and the Senate Democratic leadership recently laid out, including being voluntary, affordable, accessible, meaningful, competitively managed, and consistent with overall structural reform. We look forward to working with these members as well as the entire Finance Committee to flesh out details and to work towards the provision of a long overdue and voluntary drug benefit in the context of a broader reform initiative to make the program more competitive and extend its solvency.

Q: Does this mean that you support the income related provisions that would have higher income beneficiaries pay more for a prescription drug option?

A: Since the beginning of the Administration, I have indicated my openness to an income related approach for the Medicare program. This approach is completely different from a means tested benefit that would allow only low-income beneficiaries to access any voluntary benefit at all. However, it needs to be workable, administratable, and designed to attract bipartisan support. In the context of a prescription drug benefit, we also need to determine whether it would create an adverse selection problem, in which only the less healthy populations might opt for this benefit if it became too expensive. Having said this, I remain open to this type of approach, and will fully evaluate it when the details of the proposal become available.

Tobacco/ FDA Supreme Court Case
Q&A
March 21, 2000

Q: What is the Administration's reaction to the Supreme Court ruling against the FDA regulation and will you support a legislative change instead?

A: We are disappointed that the Supreme Court ruled that the Food and Drug Administration cannot proceed to protect our children from tobacco. This administration has done everything possible to protect our children from the dangers of tobacco. Five years ago, the FDA put forward an important proposal to protect children from tobacco by eliminating advertising aimed at children and curbing minors' access to tobacco products. Today's Supreme Court ruling, while holding that Congress has not given FDA the authority to regulate tobacco products, does affirm our view that tobacco use by young people "poses perhaps the single most significant threat to public health in the United States." If we are to protect our children from the harms of tobacco, Congress must now enact the provisions of the FDA rule. Fortunately, there is strong bipartisan support in the Congress for enacting those protections: in 1998, 57 Senators supported a bill negotiated by Senators Bill Frist and John McCain containing provisions comparable to those included in the FDA regulation.

So the President has called upon the leadership of Congress to take up the bipartisan Frist legislation and act now to protect our children from tobacco. Nearly 4 million children under the age of 18 smoke cigarettes – every day more than 6,000 try their first cigarette, 3,000 become regular smokers, and 1,000 will have their lives cut short as a result. Every year, more than 400,000 Americans die of tobacco-related diseases; nearly 80 percent of them started smoking as children. Some in the tobacco industry – after fighting the FDA rule in court – now say they support regulation of tobacco. We challenge them to demonstrate that support by endorsing the Frist-McCain legislation. We believe that by working together across party lines, we can protect our children and save lives.

Q: What does this mean and what's the immediate effect?

A: We are still reviewing the opinion so that we clearly understand the Court's ruling. However, one immediate effect of this decision is that the FDA youth access enforcement program cannot continue. This program, operated through FDA contracts with states, was designed to keep young people from purchasing cigarettes. Nevertheless, we believe it is encouraging that the court shares our view that tobacco use by young people "poses perhaps the single most significant threat to public health in the United States".

Q: Where does FDA currently have contracts and what are these contracts for?

A: When the tobacco companies filed suit after the final rule was published in August 1996, the federal district court ordered the FDA not to put in place the rule's restrictions on

tobacco advertising and other marketing aimed at children, but did allow the FDA to go forward with certain important rules restricting youth access to tobacco products. These access restrictions set 18 as the minimum age for purchasing tobacco products and require retailers to check photo ID of anyone younger than age 27. FDA, through an appropriation with Congress, enforced these restrictions through inspections, conducted primarily through contracts with the states and territories. FDA had arranged for enforcement of the rule in all 50 states plus D.C., the Virgin Islands and American Samoa.

Q: Does this decision have any effect on the Synar amendment requirements on states?

A: No. Under the Synar amendment, states must have laws forbidding tobacco sales to children under age 18, must enforce these laws, and must meet increasing performance standards regarding the percentage of retailers that sell to underage youth, or lose a portion of their federal Substance Abuse Block Grant. These rules, in statute before the 1996 FDA rule was promulgated, will continue. However, these rules do not hold retailers who sell to underage youth accountable through fines and other action, as the FDA rule does, nor does it ensure retailers seek photo ID from young people up to age 27 to ensure underage youth who appear older do not purchase tobacco products. Instead, the Synar amendment holds states accountable for monitoring enforcement of their laws.

While this decision does not effect Synar requirements on states, it will disrupt the major vehicle by which states test and enforce compliance with those requirements. Currently, states and SAMHSA rely on the FDA's youth access enforcement contracts to implement Synar. The Court's ruling will force FDA to discontinue those contracts. SAMHSA will be working with states to ensure that there is no disruption in the enforcement of Synar requirements.

Q: How exactly would the FDA rule have regulated tobacco?

A: These provisions would have helped stop young people from smoking before they start by eliminating advertising aimed at children and curbing minors' access to tobacco products. Provisions include:

- Restricting Advertising Aimed at Children – including banning outdoor advertising within a 1000 feet of schools and public playgrounds and limiting advertising on publications with significant youth readership to black-and-white text.
- Discouraging Tobacco Sales to Minors – including requiring age verification by photo ID for anyone appearing age 26 or younger and banning vending machines except in adult-only facilities.

Another critical component of the effective tobacco regulation was ensuring that the FDA has sufficient authority to impose additional restrictions as future circumstances warrant.

Q: Are the FDA advertising restrictions really needed, now that the tobacco companies agreed to certain restrictions – such as eliminating billboards – as part of last year's settlement with the states?

A: Yes, the FDA's restrictions were needed to halt tobacco advertising and marketing aimed at children. The FDA's rules were far more comprehensive than those the tobacco companies agreed to in the settlement and will do much more to prevent youth smoking. For example the FDA rule would have limited tobacco ads in newspapers and magazines with significant youth readership to black and white text, while last year's settlement did not limit print advertising at all. Moreover, the FDA rule would have banned all tobacco advertising within 1,000 feet of a school, and limited all outdoor advertising to black and white text, while the state settlement allows retailer and other non-billboard ads near schools and with color images that appeal to children.

Q: What is the Administration planning to do next on tobacco?

A: The President will continue to fight to protect this nation's children from the death and diseases caused by tobacco. We should not let the tobacco industry recruit 3,000 young people a day as "replacement" smokers and sentence 1,000 of those to early deaths from lung cancer and other diseases.

The President and Vice President call upon the leadership of Congress to take up the bipartisan Frist-McCain legislation and act now to protect our children from tobacco. In 1998, 57 Senators supported a bill containing provisions, negotiated by Senators Bill Frist and John McCain, like those included in the FDA regulation, and these measures were in the bill agreed to by the Senate Commerce Committee by a 19-1 vote. It's our hope that we can work together across party lines to protect our children and save lives.

The Administration will continue to fight to reduce youth smoking with proposals that hold the tobacco industry accountable by charging the tobacco industry an assessment for every underage smoker, increasing the price of cigarettes by 25 cents a pack, protecting tobacco farmers and their communities and putting in place an important initiative to ensure Medicaid beneficiaries have access to drug treatments to help them quit smoking. The Justice Department is also working to recover from the tobacco companies the billions of dollars in direct health costs incurred by the federal government as a result of smoking.

Q: How does the Supreme Court case relate to the case brought by the Justice Department against the tobacco industry?

A: These cases are completely separate and different. The Justice Department should comment on the specifics of either case but the suit filed against the tobacco industry by the Justice Department last September is about recovering the federal costs of smoking-related illnesses. Smoking has cost taxpayers billions of dollars through Medicare, veterans' health and other federal health care programs. Today's Supreme Court ruling

was on a challenge by the tobacco industry to the Food and Drug Administration's regulation protecting children from tobacco.

Q: What else is the Administration doing in the meantime to reduce youth tobacco use?

A: We will not stand still and let new generations of our citizens become victims of nicotine addiction. Eighty percent of those who use tobacco begin before age 18. We will continue to:

- Fight to reduce youth smoking with budget proposals that hold the tobacco industry accountable by charging the tobacco industry an assessment for every underage smoker and increasing the price of cigarettes by 25 cents a pack.
- Advocate that states use the money from the master tobacco settlement for tobacco prevention and control. Sustained and comprehensive programs, including community and school interventions, are needed to reduce tobacco use and address this serious public health problem. Efforts in states such as Oregon, Massachusetts, and Florida show that these programs work.
- Enforce the Synar regulation, which requires states, as a condition of receiving certain SAMHSA block grant funds, to enforce state laws that reduce the availability of tobacco products to minors.
- Work with public health officials, health policymakers, community leaders, and others nationwide to reach the Healthy People 2010 objective of reducing the percentage of minors buying tobacco products to five percent or less by 2010. Fund basic state tobacco control and prevention programs through CDC and provide technical assistance to all the states and territories with state-funded programs.
- Pursue a vigorous research agenda at the NIH to improve our ability to detect and treat lung cancer and other smoking-related diseases, and to develop effective community-based tobacco control and prevention strategies.
- Pursue the suit filed against the tobacco industry by the Justice Department to recover the federal costs of smoking-related illnesses.

COSTS OF SMOKING TO MEDICARE AND OTHER FEDERAL HEALTH CARE PROGRAMS

Question: What are the Administration's estimates of the costs of smoking to the Medicare, Medicaid, and other federal health care programs?

Answer: The federal government has incurred hundreds of billions of dollars tobacco-related health costs. For one year (FY 2000) alone, the Administration estimates the federal government has incurred \$8 billion dollars in tobacco-related health costs in Defense, Veterans Affairs, FEHBP, and Indian Health Service. However, we have not yet conducted a formal analysis of the past costs in these four programs, nor of the past or present costs in the Medicare program. We will be carefully analyzing these questions as part of the Justice Department's upcoming suit against the tobacco industry.

Background: Exclusive of Medicare, we have calculated the tobacco-related health care costs in FY 2000 for four major Federal programs listed below:

		\$ in Billions
Veterans Affairs	--	4.0
FEHB	--	2.2
Defense	--	1.6
Indian Health Service	--	<u>0.3</u>
		8.0

We have not yet conducted a formal analysis of the past costs in these four programs, nor of the past or present costs in the Medicare program and we believe it is critical that we not make statements specifying the magnitude of potential liability in advance of the filing of the Department of Justice lawsuit.

The President said in the State of the Union that "Smoking has cost taxpayers hundreds of billions of dollars in Medicare and other programs." This remark was intended to include present and past costs in Medicare, Defense, Veterans, FEHBP, and Indian Health Services (past costs for Medicare could date back to its creation in 1965). At this time, no decision has been made on whether to estimate Medicaid tobacco costs.

TOBACCO LITIGATION

Question: Funding requested in FY 2000 for the Department of Justice for tobacco litigation was not provided. How is the Department funding this litigation? How does the Administration propose to fund it in FY 2001?

Answer: *FY 2000 Funding* – DOJ is covering the litigation costs through existing resources and reimbursements from VA, DOD, and HHS, which are client agencies in the litigation.

FY 2001 Funding – As in FY 2000, DOJ is covering the costs of the litigation through existing resources and reimbursements from VA, DOD, and HHS.

Background: In 2000, the Administration requested \$20 million for the tobacco litigation, \$15 million for the Civil Division and \$5 million for the costs of expert witnesses (a separate account). While Congress appropriated sufficient funds for the Fees and Expenses of Witnesses account to cover the costs of expert witnesses, it did not appropriate the \$15 million requested for the Civil Division. However, it also did not prohibit the Department from using existing resources for tobacco litigation. DOJ is therefore using \$8 million in base resources to fund the 2000 costs of the litigation, and HHS, VA, and DOD, under existing authorities, will reimburse DOJ \$2.65M each.

In 2001, \$22.5 million is provided for the conduct of the litigation -- \$10.5 million in the DOJ base and \$12 million from HHS, VA, and DOD. DOJ is not requesting a program increase for tobacco litigation. The Civil Division already receives reimbursements from various Federal agencies for litigation expenses.

Prepared by: John Thompson (x 53730)

Campaign Finance Reform
Q&A
March 29, 2000

Q: Do you support the Hollings Amendment, which would give Congress the power to regulate campaign spending?

A: While I am broadly sympathetic with the spirit of the Hollings Amendment, I believe that we need to focus on what is immediately achievable in the near term, which is passage of the McCain-Feingold-Shays-Meehan legislation.

Q: Do you support the Vice President's proposal to create a Democracy Endowment to finance House and Senate elections? Will you submit legislation to establish such an endowment this year?

A: I believe that the Vice President's proposal to create a Democracy Endowment is an excellent contribution to reforming our campaign finance system and I am proud that the Vice President has decided to make political reform a key component of his campaign agenda. I also agree with the Vice President that there are two key steps to reforming our campaign finance system: First, passage of the McCain-Feingold-Shays-Meehan legislation, which bans soft money. Second, there are broader approaches, including the Endowment, which the Vice President has put forward. I am committed to fighting for the passage of the McCain-Feingold-Shays-Meehan legislation, which I have supported for several years, and believe is a vital initial reform.

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AL GORE'S PLAN TO RESTORE FAITH IN AMERICA'S DEMOCRACY

Many Americans know that our campaign finance system is broken and needs to be fixed. The laws that govern campaigns, created over a generation ago, have been overtaken by rising costs and new technologies. In the 1970s, as a Congressman, Al Gore was an early sponsor of legislation to limit spending for Congressional campaigns and provide public financing of elections. He sponsored or cosponsored numerous campaign finance reform proposals during his service in Congress. In 1988, then-Senator Gore drafted and introduced legislation requiring that broadcasters give candidates free television time as a condition of their licenses.

As President, Al Gore would fight to provide real and comprehensive campaign finance reform, create fairer and more open elections, break the link between special interests and political influence, and give democracy back to the American people. His first legislative proposal to Congress would be the McCain-Feingold campaign finance reform bill. He would follow that crucial first step with additional measures to completely reform the way in which campaigns are financed.

Step One: Initial Reforms

Ban Soft Money. Al Gore believes the first step to reduce the influence of money in our elections is to ban "soft money" contributions. He will fight to pass the bipartisan campaign finance reform legislation championed by Senators John McCain (R-AZ) and Russ Feingold (D-WI) and Representatives Christopher Shays (R-CT) and Marty Meehan (D-MA). If elected President, he will make this legislation the first bill he submits to Congress.

Enact New Lobbying Reform. To break the link between money and political influence, Gore would propose two important reforms of the laws governing lobbyists' activities. First, he would propose legislation requiring Washington lobbyists to publicly disclose information on all of their activities – such as the names of officials to whom lobbyists have contributed and the specific meetings they have attended to discuss legislation. Second, he would challenge the Congress to post this information every month on the Internet, so that all Americans could see information on those trying to influence their representatives.

Strengthen the Federal Elections Commission (FEC). Al Gore would strengthen the FEC by devoting more resources to this body, strengthening its powers of investigation and nominating reform activists to the FEC. Al Gore joins Senator John McCain in strongly opposing Trent Lott's nomination

of reform nemesis Brad Smith to the FEC.

Require "527" Committees to File Statements of Organization or Lose their Tax-Exempt Status. 527 committees are the equivalent of Swiss bank accounts for campaigns. Section 527 of the Internal Revenue Service code was originally designed for national party organizations that already comply with FEC rules. 527 committees have been relying upon a federal court ruling to hide their donors from the public and use the money raised to fund attack ads. Al Gore would require that 527 committees file initial statements of organization in order to maintain their tax-exempt status.

Improve Disclosure of Issue Advocacy Advertisements. Al Gore supports measures to require that all issue advertisements by special interest groups broadcast within 60 days of an election disclose their sources of funding.

Provide Candidates Targeted in Issue Advertisements with Equal Air Time. Al Gore will request the Federal Communications Commission (FCC) to require broadcasters to provide candidates in campaigns targeted by issue advocacy advertisements with an equal amount of free broadcast time.

Support Television Time for Democracy. Al Gore strongly endorses the proposal championed by reform advocate Paul Taylor to encourage broadcasters to agree to a voluntary standard of free broadcast time. That standard calls on broadcasters to offer five minutes a night of candidate-centered discourse in the thirty nights preceding an election.

Step Two: The Democracy Endowment

Al Gore believes that getting soft money out of politics and increasing the transparency of the system will help restore Americans' faith in democracy. In addition, making lobbyists more accountable and their activities more transparent will allow more Americans to see when special interests are operating in conflict with the public interest.

But these are only initial steps. To restore the faith of the American people in democracy and break the link between special interests and political influence, candidates must be freed from the dependence on private dollars to finance the escalating cost of campaigns.

Al Gore is proposing the creation of the Democracy Endowment. Similar in concept to a university or college endowment, the Democracy Endowment would raise \$7.1 billion within a seven-year period, after which the interest from investments would be used to finance the campaigns of general election candidates who agree not to accept any other sources of funding.

The Endowment would be created as a public-private partnership run by trustees that would manage its investments. Campaign limits would be based on a combination of factors, including the average cost of previous House and Senate elections, and for Senate races, population and media markets in each state. In order to encourage all Americans to participate, Al Gore would propose a 100 percent tax deduction for any individual or corporation that makes contributions to the Democracy Endowment. The tax deduction would expire after seven years or at the time the Endowment reaches its funding goal, whichever comes first. The total cost of this proposal to the Treasury, during the time taken to fully fund the Endowment, would be \$2.13 billion. If the full seven years were required to meet the Endowment's funding goal, the

average annual cost to the Treasury would be \$304 million.

In order to fund Congressional campaigns at a reasonable rate, this fund would have to contain \$7.1 billion at the end of the seven-year period. If fundraising for the Endowment fell short at the end of the period for which the tax deduction is in place, broadcasters -- under the terms of the authorizing legislation -- would be required to provide an amount of free television and radio time (measured in rating points) to candidates in order to make up for the shortfall.

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Bush, Quick to Criticize Democrats on Gun Issues, Draws Heat for the Way Texas Enforces Its Laws

By JACKIE CALMES

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—One danger in debating guns, as in firing them, is that sometimes your shots can ricochet.

Republican presidential candidate George W. Bush, in attacks that echo those of the National Rifle Association, repeatedly has accused the Clinton administration of failing to enforce federal gun-control laws on the books.

"I'm in favor of keeping guns out of the hands of people who shouldn't have them, like felons and juveniles," Mr. Bush said in one of the presidential debates. "But I'm for enforcing the laws on the books."

Back home in Texas, however, state officials rarely pursue violations resulting from two gun laws that Gov. Bush signed into law. One permits the carrying of concealed weapons, the other targets adults who leave firearms accessible to children. The state now refers its files on felons who apply to carry concealed guns to the same federal enforcers that Mr. Bush criticizes, and Texas officials predict stepped up prosecutions under a new state program that the governor helped start.

The debate grows out of two sides of the gun issue. President Clinton and Vice President Al Gore boast that "500,000 felons, fugitives and stalkers" have been prevented from buying firearms after Brady Law-mandated background checks. But the NRA and others note that few of these rejected buyers are referred to authorities for possible prosecution; presumably, these critics say, the rejected buyers lied on the purchase application about their record, a federal offense.

Bringing Guns to School

This month, the Bush campaign raised a second issue: It criticized Mr. Gore because the administration has prosecuted few of the thousands of students who brought guns to schools in violation of a federal gun-free schools law.

"We put a priority on the most serious gun crimes," says White House adviser Bruce Reed. He called on the NRA and Republicans to support the president's request for more funds for federal agents.

Meanwhile, the federal enforcement record has parallels in Texas. Under one 1995 Texas law that was a campaign promise by Gov. Bush, more than 200,000 Texans have received approval for permits to carry concealed weapons outside their homes after background checks. Several thousand have been denied permits, hundreds for having a felony record. But none of those cases has been prosecuted, though at least some of the applicants presumably broke state and federal laws against felons possessing firearms, or against perjury.

Under the concealed-weapons law, applicants must fill out a detailed application to determine their eligibility; those with felonies or such infractions as nonpayment of taxes, child support or government loans are ineligible. Applicants must provide fingerprints, pay \$140 for a four-year permit and take a gun course from state-certified instructors.

Late last year, the gun-control lobby Texans Against Gun Violence researched program data from the state's Department of Public Safety. It found that of 2,658 applicants denied in the program's first 3½ years, 590 were denied as "convicted felons" and another 181 for what appeared to be felony-related reasons. Yet to that time, none of those were referred to prosecutors, despite the potential that felons illegally had firearms—they needed guns for the training course—or had perjured themselves on the application.

the Bush campaign put out a statement citing a Senate report's finding that 3,930 students were expelled in 1997 and 1998 for having firearms at schools. But, the announcement went on, the Clinton-Gore administration "has prosecuted only 13 students under federal law for possessing a firearm in a school zone."

In the statement, Bush spokesman Ari Fleischer says, "I hope Vice President Gore will explain to the students he meets with today why his administration has failed to get tough on those who bring guns to school."

However, the federal gun-free schools law specifies that the federal government defers to local and state authorities. "It is a state and local issue primarily, and that's where it should be handled, in state and local courts," says Tracy Hite, program manager at the federal Bureau of Alcohol, Tobacco and Firearms.

If authorities at any level do get tough on gun-bearing students, a lot of them will be Texans. Texas leads the states in expulsions of students for firearm violations.

"If the Bush administration truly were serious about enforcing laws on the books, they would go after these people. These people essentially turned themselves in—they're fingerprinted even," says Nina Butts, chief lobbyist for Texans Against Gun Violence. "It wouldn't be a stretch to simply turn over their names to the authorities. That was never done."

It is done now, in the wake of Ms. Butts's research. Mr. Bush's office was unaware of the question of what to do about felon-applicants, says policy adviser Dan Bartlett, until the Texas DPS notified it of the backlog last fall and said the law gave the agency no guidance.

The governor's office directed that files be sent to the state attorney general's office. State officials transfer the names to prosecutors in the four U.S. attorneys' offices for Texas. "They are under consideration" there, says Michael McCaul of the Texas attorney general's office.

Lack of Follow-Up

"The bottom line is, there should be follow-up, and follow-up is being done," Mr. Bartlett says.

Gun-control advocates, who oppose the concealed-weapons laws, aren't satisfied with the enforcement regarding felon applicants. "Not only are they convicted felons, now they're well-trained convicted felons in possession of a firearm," says Joe Sudbay, political director at Handgun Control Inc. in Washington.

The second Texas law, to prevent children's access to guns recklessly left out by adults, also is "woefully under-enforced," Ms. Butts says. No one compiles data on prosecutions of the adults from overlapping city and county jurisdictions, but Ms. Butts's own records search of major Texas cities turned up a handful of arrests.

"I only know of one conviction," she says. A grandfather received probation and a fine for leaving out the loaded gun that a 13-year-old grandson used to kill a seven-year-old grandson, she says. The dead child's mother pressed the case on balky local prosecutors.

Mr. Bartlett of the Bush staff says, "It's very hard to track the cases" given the state's decentralized enforcement of the law. But he says the statute itself acts as a deterrent for adult gun-owners.

Meantime, the Bush presidential campaign is stepping up its criticism of federal gun-law enforcement. Earlier this month, for the occasion of his Democratic rival's visit to a school to discuss school violence,

fed
procure ↑ 167% , 285% 93

overall ↑ 25%

rets
25
overall 30 yr
lifetime 31 yr.

gun crime ↓ 30-50
mini '93

Common Touch

Other little touches also added an air of authenticity. On occasion, Mr. Reed, posing as the colonel, would alert companies, usually by fax, that there would be a "blackout" on communications about the project for weeks or months while he attended to pressing military duties in the Persian Gulf, Bosnia and Kosovo.

Keith Oliver, London-based lawyer for Envisage, says Mr. Reed once returned a shipment of electronic equipment with apparent "battle scars" to leave the impression that the equipment was damaged during field-testing in the Kosovo conflict.

Mr. Oliver says Envisage executives also met, at Mr. Reed's behest, with other people "who were attired in proper military uniform" to discuss the project. They all seemed legitimate. Mr. Oliver says "there was no question we were dealing with the real thing."

Although many millions of dollars worth of high-tech equipment was allegedly moving through his hands, Mr. Reed's lifestyle appeared to change little. What his neighbors in Rekem most remember was the sheer volume of packages he received daily. "I was often unable to park in my garage for all the boxes in the driveway," one neighbor says.

Neighbors say Mr. Reed lived modestly in the apartment in Rekem and in one in nearby Maasmechelen, and traveled frequently to Paris and the Netherlands. His one visible indulgence, they say, was a Mercedes-Benz minivan outfitted with multiple cellular phones, satellite-navigation equipment and digital screens. "He always wanted me to come out and look in his van," says a furniture saleswoman in Rekem.

Mr. Reed might still be collecting equipment if it weren't for Sony. Weary of the repeated delays in formalizing paying contracts and worried about industrial espionage, Sony early in 1999 paid a visit to Envisage's Reading, England, offices. There, investigators and Sony officials say, they were met at the gate by a black limousine flying NATO flags on its fenders. Emerging from the limousine, they say, was a man now believed to be Mr. Reed, his ponytail hidden by a military cap.

A House Call

The meeting temporarily placated Sony U.K. officials, but not some skeptics at the home office in Japan. Last September, Sony dispatched a private investigator to Rekem to visit AMS Laboratories, one of the places it and other companies had been sending gear. The detective reported that the company's address was a low-rent, two-bedroom apartment—the very one that Mr. Reed and his wife called home. Applied Technologies' address, it was soon learned, was the home of Mr. Reed's in-laws in Maasmechelen.

Sony swiftly filed suit against Mr. Reed's two companies in Belgium and against a French subsidiary called iKom. It also got permission to raid the Rekem apartment.

On Dec. 13, even as baton-wielding police were battering the door of his modest apartment, Mr. Reed again opted for a simple plan. Belgian authorities now believe he climbed out his bedroom window to the terra-cotta roof, where he waited in the chill air while police plowed through the apartment. He hasn't been seen since.

In the apartment, police found a staggering collection of electronic gear, much of it in original cartons. The Rekem raid and subsequent searches of storage bins and houses around Rekem and in Clichy, France, turned up five sea containers and eight truckloads of electronic equipment. Paperwork retrieved in raids showed that the advanced equipment all had been sent to the attention of Lt. Col. West, and that companies had even picked up all shipping

fees.

In mid-December, Sony authorized its investigator to send a fax to several companies, providing the first inkling for many that they had been conned.

Belgian bankruptcy-court records show losses totaling \$25 million so far, but some estimates are twice as high. Several companies aren't even sure what they sent to Mr. Reed over the years, and many firms say they are still tallying up the costs in staff time, custom engineering work and reputation. In a document sent to Belgian court officials, for example, Pioneer estimates it spent 2,000 hours developing support systems to satisfy Mr. Reed.

With Sony demanding its equipment back and both Mr. Reed and Patricia Reed missing, Mr. Reed's Belgian wife, Ms. Peters, was the last corporate officer still around. In December, she moved to put AMS Laboratories and Applied Technologies into bankruptcy court in Tongeren, Belgium, where liquidation proceedings are pending.

Family Portrait

In a statement to bankruptcy lawyers, Ms. Peters says a Sony private detective approached her about two weeks before Christmas and showed her a picture of the man investigators say is the real Lamar Reed. That Mr. Reed, a staff sergeant, is a 29-year veteran of the U.S. Army. "It was not my husband," Ms. Peters says in the statement.

The detective had another piece of unpleasant news: Authorities believe Patricia Reed is the alleged swindler's other wife. She is also, they believe, the sister of Army sergeant Reed. Investigators believe the phony NATO officer used the sergeant's identity to forge various military documents and identification papers. The real Lamar Reed says the FBI first contacted him in 1997 about the misuse of his identity in Europe. "He's messed up my career. If it wasn't for me being in the military," he would be in jail.

Staff Sgt. Reed says the man using his identity had been involved in a computer scam in California. "He used my Social Security number to get out of the country." Investigators say the sergeant wasn't involved in the NATO scam.

Shortly after the raid on the apartment in Rekem, Envisage filed a complaint with Britain's Ministry of Defence, says Mr. Oliver, Envisage's lawyer. About six weeks after the raid, on Jan. 26, company executives met with NATO officials, but got little sympathy. In fact, Mr. Oliver says, "there's been no response at all. We are deeply frustrated."

Meanwhile, EDS didn't tell suppliers about the scam until Jan. 10. In mid-January, it contacted the FBI, the Customs Service and other agencies; they soon began their investigations.

For the moment, the man who called himself Lt. Col. Reed and Lt. Col. West faces only one theft charge in Belgium, that one pressed by the bankruptcy trustee because the man allegedly emptied a warehouse after his companies filed for bankruptcy. In addition to seeking the man and Patricia Reed, authorities are searching for at least two other alleged accomplices.

Authorities don't believe Ms. Peters was involved in the operation. Ms. Peters declined to comment for this article.

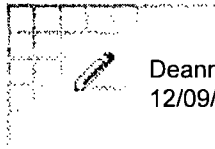
Even now, Mr. Reed's motivation remains a mystery. Bankruptcy lawyers say that they haven't found any evidence that Mr. Reed sold a single piece of equipment. Court-appointed bankruptcy trustee Ivo Bude says investigators serving a warrant on a home owned by Mr. Reed's in-laws in Belgium were surprised to find three high-tech flat-screen monitors and several digital video cameras stacked in a backyard pigeon coop. "We're talking about screens that cost maybe \$25,000 each," Mr. Bude says, shaking his head.

In fact, keeping the equipment may be exactly why Mr. Reed was able to carry on for so long. Executives from several companies say the very appearance of such sophisticated and expensive equipment on the market would have set tongues wagging.

And for Mr. Reed, keeping the scam going may have been precisely the point. As one company executive notes, "Most of what he had couldn't be sold. It was like he just enjoyed the sport of it."

—Edward Taylor
contributed to this article.

9/2



Deanne E. Benos
12/09/99 12:37:26 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP, Eric P. Liu/OPD/EOP@EOP
cc: Leanne A. Shimabukuro/OPD/EOP@EOP
Subject: FYI -- Interesting News on Gun Prosecutions in Texas.

With all of the guns they have in Texas, apparently Governor Bush believes that it is a worse crime to be a "bad shot" than to lie on a background check form. . . .

Dec. 8, 1999, 10:55PM

State laws on firearms miss mark

DPS knew of felons applying for permits

By CLAY ROBISON

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AUSTIN -- Despite Gov. George W. Bush's vow to crack down on gun-law violators, state officials sat on information that several hundred convicted felons in Texas may have broken state and federal gun laws.

The Texas Department of Public Safety obtained the information over the past four years while screening applicants for concealed handguns.

Although felons were denied handgun permits, they could have broken the law merely by getting gun-safety training at a firing range. Federal law prohibits felons, even those who have completed prison sentences or parole, from possessing firearms.

The DPS didn't refer their cases to federal officials for possible prosecution. Many, perhaps most, applicants train with their own guns, a spot check of firing ranges indicates.

And the agency didn't refer any cases to state prosecutors, either. A less strict state law also restricts gun possession by felons.

In considering handgun permits, the DPS conducts a criminal background check only after an applicant has taken the firearms training and submitted a complete application, including criminal history and fingerprints.

Nina Butts, a gun-control lobbyist who uncovered the felons' applications through an open-records request to the DPS, said she was surprised that the records weren't referred to prosecutors.

"I am shocked at the hypocrisy of claiming to support enforcement of existing

gun laws as a solution to gun violence, while ignoring hundreds of felons in Texas, presumably in possession of guns illegally, who have essentially turned themselves in to the state," Butts said.

From Jan. 1, 1996, when the state started issuing handgun licenses, through this past Aug. 31, the DPS denied 2,658 applications and approved 196,624 others. Felony convictions were given as the reason for denying more than 600 of the unsuccessful applications, according to records released by the agency.

In more than 100 other cases, felony charges were cited without clarifying whether there had been a conviction. But the DPS may have concluded that those were convictions because the concealed handgun law doesn't disqualify people who are charged with a crime but acquitted.

Many of the cited offenses were drug and other nonviolent convictions that were more than 20 or 30 years old. Those would likely be of little interest to prosecutors. But many others were for murder, aggravated assault and other violent offenses, some of them fairly recent.

An undetermined number also involved people who had successfully completed a special form of probation called deferred adjudication. Those could legally possess firearms under state or federal law but still couldn't obtain a state handgun license, the DPS said.

Spokeswoman Tela Mange said the DPS didn't turn the information over to prosecutors because "there were other things that were more of a priority." She said that policy is being changed, since Bush and Texas Attorney General John Cornyn have created a special program to clamp down on gun violations.

Under that program, dubbed Texas Exile, Cornyn is hiring eight assistants to help state and federal authorities seek tougher sentences for criminals who use guns.

It is being funded with a \$1.6 million grant from the governor's office and was initially announced by Bush and Cornyn on Sept. 21, a few days after a gunman killed seven people in a Fort Worth church.

Bush, who signed Texas' concealed handgun law in 1995 and drew criticism from gun control advocates during this year's legislative session, has repeatedly called for tougher enforcement of existing gun laws.

He vowed to "vigorously enforce our current gun laws" when he announced the Texas Exile grant.

Bush spokeswoman Linda Edwards said Wednesday that the governor learned earlier this fall that the DPS, whose governing board he appoints, was not sharing its information about felons with prosecutors.

"As soon as he became aware of it, Governor Bush provided leadership to get DPS officials to start forwarding every one of those cases to Texas Exile officials," Edwards said.

Mange said the DPS will send all records on handgun applicants with criminal records to the Texas Exile program.

"We've pulled all the records that we've had at this point that the Texas Exile prosecutors may want to look at," she said. "We're sending everything over to them."

Mange said the agency decided to change the policy within the past several weeks, after learning of the new program. The attorney general has been promoting it in news conferences around the state this week.

However, it was unclear what influence the inquiries from Butts, the gun control lobbyist, may have had on the DPS' decision.

Butts said that as recently as Oct. 5 -- two weeks after Bush and Cornyn first announced Texas Exile -- the DPS' top lawyer told her that information from felons' handgun applications wasn't being forwarded to any other agency.

"It wasn't clear to us at that point that these were the types of cases they might be interested in," Mange said.

Mange said the applicants did not try to hide their criminal records from the DPS. However, they apparently thought that since their offenses were many years old or they had received deferred adjudication, they could get a license.

U.S. Attorney Bill Blagg of San Antonio said he was unaware DPS had been withholding information about felons and guns.

Federal prosecutors, he said, may not be interested in many of the cases, particularly older ones involving nonviolent crimes. However, he said he was glad to learn that the agency would now be sharing its records with the Texas Exile program because "that's something worth looking into."

"There may be a lot of people that you scoop up in that net (the new crackdown)," he added. "There's going to be some worthy targets for prosecution."

Bush Unveils A Reading Skills Plan

By TERRY M. NEAL
Washington Post Staff Writer



Texas Gov. George W. Bush yesterday proposed a five-year, \$5 billion plan designed to improve the reading skills of low-income children, arguing there is a "national emergency" in education.

Bush's "Reading First" proposal, intended as one of the major initiatives of his campaign, would seek to ensure that all children read by the third grade by providing reading instruction for about 900,000 kindergarten and first-grade students in low-performing schools as well as mandating testing and additional teacher training.

"Too many of our children cannot read. Reading is the building block, and it must be the foundation for education reform," Bush said. "Others have proposed throwing money at the problem. I'll spend more on schools, and I'll expect more from our schools."

The Texas governor has repeatedly promised to make education the centerpiece of his presidential campaign. In a speech yesterday at the Reston headquarters of Sallie Mae, the student lending giant, he rejected what he called the traditional liberal approach of spending money without demanding accountability and the call of many conservatives to minimize or eliminate the federal government's role in education.

Bush's speech renewed a debate that is likely to continue until the November election, as he and Vice President Gore set out competing visions of how to improve the nation's schools.

Advisers to Gore immediately dismissed Bush's reading proposal as an echo of a program already enacted during the Clinton administration, while the vice president, in an interview with the Associated Press, charged that Bush's tax cut plan would leave no new money to invest in education. Gore said the Bush tax proposal "puts a huge cloud over everything that he says about education."

Gore has proposed an education plan that would use \$115 billion of the federal budget surplus over 10 years to fund universal preschool, hiring and testing of new teachers, reducing class sizes, building schools and repairing crumbling ones. He also wants to triple the number of charter schools, make preschool available to every 4-year-old and expand Head Start.

Bush said the pillars of his plan include local control, higher standards and greater accountability. "This plan is different. It's different from my opponent. It's different from the administration. And it's different from those who would say there is no federal role for education," he said.

The major element of Bush's education platform, outlined in three speeches last year, is a proposal that would allow the parents of children in persistently failing schools to remove their children and use federal Title I money to send them to private or charter schools. Bush also proposed establishing a \$500 million fund that would reward high-achieving schools districts, while low-performing schools would face losing a portion of their federal funding.

In his speech yesterday to Asian American business leaders and Sallie Mae employees, Bush expanded on those ideas with a new proposal that would require states to adopt a diagnostics program to test the reading skills of children in schools that receive Title I money. Teachers in those schools would have to attend special classes instructing them in how to

teach reading. School systems would have to adopt intervention programs, such as tutoring, after-school programs and summer school programs.

The proposal is based on a similar program Bush created in Texas.

Bush education adviser Margaret LaMontagne said that nationally, about 68 percent of fourth-graders in the highest-poverty schools could not pass the National Assessment of Education Progress basic skills test. Bush's Reading First plan is aimed at the students in those schools, she said. Of the nation's 8.2 million children in kindergarten, about 1.6 million are living in poverty, LaMontagne said. Of those, about 58 percent fall short of basic reading skills and would be eligible for the Reading First program.

Bush said yesterday that although America had created "wealth beyond all our expectations," Americans could not be proud until all children received an excellent education. "Our economy is the envy of the world," he said. "Unfortunately, our education system is not."

Gore aides struck back quickly, arguing that Bush had blatantly appropriated the Democrats' message on education reform. Gore spokesman Chris Lehane said Bush's proposal looked suspiciously similar to a measure Gore and President Clinton pushed in 1996 called the Reading Excellence Act. Last year, Congress appropriated for the first time \$260 million in annual grants to help schools achieve the goal of every student reading at grade level by third grade.

National surveys rank education as a top voter concern, and a Pew

Center poll last week showed that Bush and Gore were viewed equally on who do the best job of improving education. That could be a problem for Gore, who needs to maintain an advantage on the issue to appeal to the female voters who traditionally give the party its edge in presidential elections.

Since wrapping up the GOP nomination a couple of weeks ago, Bush has aggressively sought to recapture the original moderate spirit of his campaign. Last week, he campaigned at Central High School in Little Rock, noting that he was the first Republican presidential candidate to stump at the famous symbol of the civil rights movement.

And yesterday, Bush aides pointedly asked reporters when a GOP presidential candidate last proposed spending money specifically to improve the education of economically disadvantaged students.

Just before giving his speech yesterday, Bush telephoned Sen. John McCain (R-Ariz.) from his car after arriving in Virginia. Bush told reporters it was a friendly conversation, lasting just a few minutes. They did not talk about a McCain endorsement or lingering differences, but did agree to meet in the near future. "I think John and I both understand that the past is the past and it's time to move forward," Bush said.

Last night Bush attended a fundraiser in New Jersey, where former GOP rival Steve Forbes, who is a resident of that state, endorsed the Texas governor, calling him "a good man."

Gore Calls McCain On Campaign Finance

George W. Bush was not the only presidential candidate calling John McCain. The Arizona senator said yesterday that he also received a call from Vice President Gore on Monday before Gore gave his campaign finance speech. McCain said he congratulated Gore on his primary victories but then told him he intended to continue pressing for a full investigation of Gore's involvement in 1996 campaign funding abuses.

Meantime, it was learned that McCain will return to New Hampshire, scene of his landslide victory over Bush in the leadoff primary, on May 13 to deliver the commencement address at Daniel Webster College in Nashua.

Number and Rate Of U.S. Births Rise

By DAVID BROWN
Washington Post Staff Writer

AI

The United States headed into the 21st century behind an army of baby strollers, with a 2 percent increase in total births, a rise in fertility rates for most ethnic groups, and upward blips of second and third children, federal researchers reported yesterday.

Both the total number of births and the birthrate were up for the first time since 1990. This was true for all women between ages 15 and 44, but the overall trend appeared to be driven by an increase in births among women in their twenties.

The report appears to be the first clear signal that the daughters of baby boom women are having children at younger ages than their mothers did, returning to a pattern more akin to that of women of earlier generations.

The number of women aged 20 to 24 is rising for the first time since early in the 1990s, which "is an important shift in itself," said Stephanie J. Ventura of the National Center for Health Statistics, who is the report's lead author. That age group also is experiencing a higher fertility rate. Together, the two changes are pushing births upward.

The trend is likely to continue "because the teenage population is also growing," Ventura said, and large numbers of women will continue to move into the peak childbearing years, which are the twenties.

The report covers 1998, the latest year for which complete birth data

are available.

The overall fertility rate in 1998 was 66 births per 1,000 women, up 1 percent from the year before. It had been declining from 1990 to 1997. The birthrates for second, third and fourth children also increased, even for women in their late thirties. For example, in 1995, there were eight third children born for every 1,000 women aged 35 to 39. In 1998, there were nine per 1,000.

Although the report did not examine why the birthrate was rising, one demographer said the country's booming economy could be playing a role.

"Certainly it follows that as the economy does well and family income rises, most families are in a better economic position to have children," said David Landry of the Alan Guttmacher Institute, which researches reproductive issues.

The portion of all births occurring to unmarried women also rose slightly, to 33 percent. This differed significantly by ethnic group, however. The portion of births to unmarried women was 22 percent for whites, 70 percent for blacks and 42 percent for Hispanics.

While the rising number of births was shared by most ethnic groups and regions, there also were notable differences among them.

For example, between 1997 and 1998, the number of births to women aged 15 to 44—which is called the fertility rate—rose 5 percent for Puerto Rican women and 1 percent for whites and blacks. It declined about 4 percent, however, for Asian and Mexican women.

Nevertheless, Mexican women in their twenties were the most reproductive of any group: Those 20 to 24 years old had 198 babies per 1,000 women—triple the rate of Asian women of the same age and double that of Cuban women.

Nationally, women reproducing at 1998 rates will give birth on average to 2.06 children over their lifetimes, a rate below the "replacement" level of 2.1. Mexican, black and Puerto Rican women, however, are having babies at rates above replacement levels, while whites, Asians, American Indians and Cubans are giving birth at sub-replacement rates.

The total number of births rose in 43 states and fell in seven states and the District. Fertility rates varied widely, with Vermont reporting 49 births per 1,000 women in 1998 and Utah 91 per 1,000.

The report also recorded various measures of health and behavior associated with childbirth.

In 1998, 13 percent of women smoked during pregnancy, down 2 percent from the previous year. Maternal smoking declined or was unchanged in most ethnic groups. Among teenage mothers, however, it rose about 1 percent. It was especially high in white teenage mothers, 30 percent of whom smoked during pregnancy—a rate about five times that of black teenage mothers.

The overall teenage birthrate was down, continuing a trend in which that rate has dropped nearly 20 percent since 1991. This reflects fewer pregnancies, not more abortions. The District's teenage birthrate has fallen 24 percent since 1991, a decline that ranks behind only Vermont's, California's and Michigan's. Nationally, the birthrate to girls aged 10 to 14 was the lowest since that statistic was first gathered in 1970.

The portion of women who began prenatal care in the first trimester of pregnancy rose for the ninth consecutive year, to 83 percent in 1998. The Caesarean delivery rate increased 2 percent from 1997 to 1998, to 21 per 100 live births.

July, August and September continued to be the most likely months for births, as they have been since at least 1930. Tuesday is the most likely day and Sunday the least likely, which probably reflects the increasing ability of women to choose the time of delivery through induction of labor or "elective" Caesarean section.

Citing a Crisis, Bush Proposes Literacy Effort

A \$5 Billion Program for Children Is Sought

A By CLIFFORD J. LEVY

MANVILLE, N.J., March 28 — Once again mooring a traditionally Democratic issue to the agenda of his Republican presidential campaign, Gov. George W. Bush of Texas today proposed a five-year, \$5 billion program to address what he termed a national literacy crisis among children.

Mr. Bush said the program would provide grants to states to test reading in kindergarten and first grade, to make tutoring available to poor readers and to train teachers. He soberly contrasted the nation's economic success with its educational failings, and declared that he would bring the same improvements in reading on the national level that he said he had achieved in Texas.

He said every child should know how to read by third grade, and vowed that states that failed to improve student performance would lose federal aid.

"There is nothing more fundamental than teaching our children how to read," Mr. Bush said in a speech this afternoon in Reston, Va., the first in a series of events this week intended to spotlight his commitment to improving education.

"America must confront a national emergency," he said. "Too many of our children cannot read. In the highest-poverty schools — I want you to hear this statistic — in the highest-poverty schools in America, 68 percent of fourth graders could not read at a basic level in 1998."

Aides to Mr. Bush said his plan would help roughly 900,000 children with poor reading skills, at a cost of \$1,000 per child per year for tutoring and other assistance. Besides that \$900 million, an additional \$100 million a year would go to testing and teacher training.

The Bush plan was quickly dismissed by aides to the apparent Democratic presidential nominee, Vice President Al Gore. They sought to shift attention to Mr. Bush's tax-cut proposal, saying it would leave no

money for new education initiatives. Since the fall, Mr. Bush has introduced a variety of education proposals, but none of the others would

entail spending anywhere close to the \$5 billion he spoke of today. That sum in turn is dwarfed by the \$115 billion that Mr. Gore would spend for new education initiatives over 10 years, and the disparity in the size of the two candidates' approaches high-

lights the challenge facing Mr. Bush: convincing voters that he can lead the nation to new educational excellence without spending huge new sums, which would clash with his broader fiscal policies.

Mr. Bush introduced his plan as his party continued to close ranks around him. Tonight Steve Forbes, who had attacked the governor as insufficiently conservative before withdrawing from his own race for the Republican nomination, endorsed the governor here at a meeting of the Somerset County Republican Party.

"As the American people are learning, and will learn," Mr. Forbes said at the meeting, in his home state, "he is a good man. He has been tested — I tried to test him — and he emerged the stronger for it."

Mr. Bush's chief rival during the primary season, Senator John McCain of Arizona, has resisted endorsing him, but Mr. Bush called Mr. McCain today in an apparent effort to salve some of the lingering wounds. Mr. Bush said he hoped that the two would meet soon, and described the conversation as amiable.

"John and I both understand that the past is the past and it's time to move forward," Mr. Bush told reporters aboard his campaign plane.

Mr. Bush's speech in Virginia offered striking evidence of a return to his original campaign strategy — positioning himself as a soft-edged, centrist Republican — after he veered to the right in the primaries to fend off Mr. McCain.

In that talk today, to a coalition of Asian-American groups at the headquarters of the Student Loan Marketing Association, the federally sponsored provider of student loans, he proclaimed that the federal government had to redouble its efforts to confront the educational plight of poor people.

"We will not tolerate illiteracy amongst the disadvantaged students in the great country called America," he said. "I know this is something a little new. Others have proposed throwing money at the problem. But they have proposed resources without reform. That approach has no history of results, and really no prospect of success. Under my plan, new resources will be an instrument of reform, not another investment in failure."

In echo of language once used by the Kerner Commission to describe the country's racial chasm, Mr. Bush said: "More and more we are divided into two nations: one that reads and one that can't, and therefore one that dreams and one that doesn't. Reading is the basis for all learning, and it must be the foundation for all

other education reform."

Still, Mr. Bush is not abandoning his belief that the federal government should not meddle in what, he says, is rightly a state and local issue. This evening, at a fund-raiser in Parsippany, N.J., with Gov. Christine Todd Whitman, he declared, as he often did during the primaries, that he did not want to be the "federal superintendent of schools."

"You are looking at the wrong man if you want me to be the national principal," he said. "I believe in local control of schools. The best education policy is that which bubbles up from the bottom."

Indeed, Mr. Bush has shaped his education proposals as a whole around the notion that the states should have more leeway in spending federal dollars, as well as the idea

that schools must be held more accountable for their performance. He would encourage the creation of charter schools and has also proposed a voucher program for students of poorly performing public schools. He has urged too that Head Start, the early-childhood development program, be primarily a literacy program.

In his speech in Virginia, Mr. Bush's tone was largely conciliatory; he barely mentioned Mr. Gore.

But the Gore campaign showed no such reticence. Douglas Hattaway, a campaign spokesman, said that the governor's plan would be ineffective and that given his tax cut, "he won't have the money to pay for a new initiative like this without dipping into the Social Security surplus or going back to deficit spending."

THE NEW YORK TIMES,

• WEDNESDAY, MARCH 29, 2000

POOR MANAGEMENT BY NASA IS BLAMED FOR MARS FAILURE

FINDINGS BY TWO PANELS

Agency Responds by Shaking Up Its Staff and Calling Off a Mission Set for 2001

A

By WARREN E. LEARY

WASHINGTON, March 28 — The Mars Polar Lander spacecraft probably failed last year because its descent engine shut down prematurely, but the mission's loss can ultimately be attributed to inadequate management, testing and financing, independent experts told NASA today.

In light of the findings, NASA officials announced a shakeup in the management of its Mars programs. They also said they had canceled plans to launch a new Mars lander next year and would probably revise or delay other missions to the planet.

In candid reports assessing recent problems with the National Aeronautics and Space Administration's programs to explore Mars, two panels concluded that pressures to conform to the agency's recent credo of "faster, cheaper, better" ended up compromising ambitious projects.

To meet the new constraints, the reports said, project managers sacrificed needed testing and realistic assessments of the risks of failure.

Thomas Young, a former NASA official who was chairman of the team reviewing the agency's Mars program, said the lander and two small probes it carried that also failed were the victims of several management mistakes, including inadequate testing before launching.

"People were trying to do too much with too little, and not adequately conveying their concerns to others, particularly upper management," Mr. Young, who is also a retired executive vice president of the Lockheed Martin Corporation — the primary contractor on the lander project — said after a news conference here at NASA headquarters.

"No one had a sense of how much trouble they were actually in," he added.

Mr. Young's panel, and another team looking into the lander failure led by John Casani, a former head of flight operations at NASA's Jet Propulsion Laboratory in Pasadena, Calif., which manages the Mars missions, both concluded that no one would ever know exactly why the spacecraft failed on Dec. 3. The spacecraft vanished without a trace after beginning its landing sequence during a period of radio silence.

But tests conducted on an engineering model of the \$165 million lander suggest that switches on its landing legs that were supposed to signal touchdown on the planet probably generated false signals when the legs extended.

These signals probably caused an onboard computer to cut off the lander's engines too soon, leading it to crash onto the Martian surface, the review groups said. Instead of being near the ground for engine cutoff, they said, the craft actually was actually 132 feet in the air and slammed to the surface at 50 miles an hour.

Mr. Young said that four tests deploying the lander's three legs were conducted this year on the engineering model and the false shut-off signal occurred each time. This problem could have been easily corrected with a software change in the spacecraft's computer, he said.

The actual lander was tested this way only once before launching, he said, but the problem did not show up because of a separate wiring problem. After the wiring trouble was discovered and corrected, though, the test was not repeated, he said.

The Mars projects were underfinanced "by at least 30 percent," Mr. Young said, forcing engineers with NASA and Lockheed Martin to cut corners and take unnecessary risks to save money and meet deadlines.

The assessments joined several other recent reviews assessing the effect of NASA's "faster, cheaper, better" approach to space missions.

For more than seven years, as the agency faced shrinking annual budgets, NASA Administrator Daniel S. Goldin has called for doing more with less. Instead of planning a few billion-dollar missions that take a decade or more to execute, the agen-

cy's new approach calls for doing many smaller projects that take only two or three years to complete for a few hundred million dollars each.

Several recent panels have suggested the new approach may have gone too far by emphasizing cost-cutting and tight schedules at the price of quality. Mr. Goldin has acknowledged the problems as "growing pains" and recently asked Congress for money to add more engineers and safety experts to ease pressure on existing staff members and to train new project managers.

Dr. Edward Weiler, NASA's associate administrator for space science, said that the faster, cheaper, better philosophy has been successful, but that recent problems have helped define its limits.

He noted that since 1992, NASA has launched 146 payloads valued at \$18 billion and that only 10 have failed. Those failures, though, include both the Mars lander and its companion craft, the \$125 million Mars Climate Orbiter, which was lost on Sept. 23 because of navigation errors caused by the failure to convert English measurements to metric.

"We've found the boundary of what we can do with faster, cheaper, better and now we're stepping back from the boundary," Dr. Weiler said.

The reports issued today found failures in communication between project officials and managers at the Jet Propulsion Laboratory, which oversees interplanetary missions, as well as between these managers and Lockheed Martin.

And NASA headquarters in Washington had little idea of the problems being encountered with the projects in California, panelists said.

To address these problems, Dr. Weiler said, the agency has named a

new Mars program director in Washington to oversee all related programs. Scott Hubbard, a NASA executive at the Ames Research Center in Mountain View, Calif., will assume the new post. In addition, Dr. Weiler said, a Mars program director will be appointed at the Jet Propulsion Laboratory.

Dr. Weiler also said the entire Mars exploration plan was being reviewed and revised, an effort that would probably change some planned missions and extend the time needed to complete them. The program had called for launches to Mars every two years, culminating in a 2006 attempt to use robot craft to bring samples of Mars back to Earth.

"That's not going to be a five- or six-year program, that's going to be a decade-long program," he said.

Dr. Weiler said that instruments for the canceled 2001 lander mission would be completed and used on later missions. An orbital mission around Mars scheduled for 2001 will go ahead as planned, he said.

Dr. Howard E. McCurdy of American University, a space historian who is an expert on NASA management, said that the assessments of recent failures are telling NASA what it should already know.

"You either have tight program management with headquarters involved or you have extensive testing of everything before you launch a mission to make sure everything works," Dr. McCurdy said. "For successful programs, there is no substitute for experienced program management, independent reviews to see that you're going in the right direction and testing, testing, testing."

A report by outside experts on future directions of the Mars pro-

gram is due later this spring, Dr. Weiler said. And this summer, he said, NASA would respond to the recent flurry of assessments — which have looked at subjects from space shuttle operations to training — with a report on how it is changing its operations based on the numerous recommendations.

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