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THE WHITE HOUSE ***BULLETIN***

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MEMORANDUM FOR BRUCE REED
THE WHITE HOUSE

SUBJECT: TODAY'S BRIEFING

DATE: WEDNESDAY, SEPTEMBER 15, 1999

OFF THE WIRES:

- o **Consumer Prices Up 0.3 Percent In August.** The Labor Department reported today that consumer prices rose 0.3 percent in August as gasoline and other energy products went up for a second straight month. However, inflation remained low elsewhere with clothing prices down for a fourth straight month and airline fares retreating after a big jump in July. Outside of the volatile energy and food categories, prices were up just 0.1 percent in August.

IN THE WHITE HOUSE AND AROUND TOWN:

- o **Clinton Urges Indonesia To End East Timor Violence.** President Clinton urged Indonesia today to stop "egregious" acts of violence going on in East Timor, saying many may die before a UN force can arrive in the next few days. Speaking at a joint news conference with New Zealand Prime Minister Jenny Shipley after wrapping up a five-day visit to New Zealand, Clinton said he continued to receive reports of violence and intimidation in East Timor, which he said Indonesia had a responsibility to prevent. Clinton said, "What I would like them to do, now that they have asked the United Nations to come in, is simply to stop the most egregious forms of violence and let the organizations in to provide humanitarian relief right now." Clinton also defended the speed at which the international community has responded to the crisis, saying, "Let me say I think we're moving as fast as possible. We would like to see the first contingent of troops there in a matter of a couple of days." Clinton continued, "We know the Australians are ready to go. We can be ready to go, and we have airlifts. We can bring in others who have made their commitment. So I don't think you have to worry about it." Clinton said there still may be more people killed in East Timor before the force can be deployed, but he did not think the situation could be compared to the 1994 massacre in Rwanda. He said, "First, there won't be another 100 days, and not everybody has a machete," adding, "There may be some terrible things happen, but we are moving as fast as we can." Clinton continued, "We know this international peacekeeping force will face some stiff challenges, but we have affirmed together that we will meet those challenges. With our support, the people of East Timor can have the independence and the democracy they have voted for."
- o **Clinton Comments On WTO Talks With China.** When asked at a press conference in New Zealand today if "the US-China trade talks proving more difficult that you had hoped," President Clinton responded, "Well, first of all I think on balance this has been quite a good week for the United States and the Asia-Pacific region. I did have a good meeting with President Jiang. We talked about things other than trade. One of our common interests -- North Korea and avoiding the missile launch -- appears to be headed in the right direction. ... Now on the Chinese WTO talks, we have re-engaged, and each side will now do whatever it thinks is right. I don't have a -- you know I don't totally control the time-table here. But I'm not -- I'm neither optimistic nor pessimistic about it. I am satisfied that we have re-engaged and we will do the best we can to just deal with this on the merits. We only had one or two

issues before us when we couldn't quite get there in Washington. I still think it'd be a better thing for China, and a better thing for the world, if they were in the WTO, but that is, of course, ultimately a decision that they have to make, not me. But we're talking, we're walking, and I feel good about it."

- o **GOP Budget Strategy Shifts Onto Offsets.** As Republicans prepare to send President Clinton their tax cut bill today, they are already planning their post-veto budget strategy. Key to that strategy, according to GOP sources, is finding offsets in both the tax and spending areas that will allow Republicans to maintain a balanced budget in the face of Clinton spending requests that threaten the balanced budget and Social Security.

The GOP budget strategy following President Clinton's expected veto of tax cuts is "simple and direct," according to one GOP source: hold the line on spending and avoid raiding the Social Security surplus. Not eager to get into tradeoffs with President Clinton, congressional Republicans will drop plans for a tax cut next year. However, they face the prospect of extending expiring tax provisions that are widely supported, e.g., the research and experimentation tax credit. A House GOP leadership source said this morning that Republican leaders, looking at about a two or three billion dollar extenders bill, will make it clear that anyone hoping to amend such a bill with other tax cuts will be responsible for finding the offsets to pay for it.

Likewise on spending, the search is under way right now by GOP leaders to find "pay-fors" that will allow additional spending in some areas to ease passage of difficult spending bills. Republicans are determined not to break the spending caps and to position themselves as defenders of Social Security against domestic discretionary spending increases sought by President Clinton, which can only be accommodated by raiding the Social Security surplus. A House GOP leadership source said this morning that this strategy means congressional Republicans will pass all their appropriations bills at least once. There had been talk earlier in the week that Republicans might seek to negotiate with the Administration some particularly contentious spending bills in advance of congressional passage. However, that does not appear to be an option now, though GOP leaders acknowledge they may well end up in negotiations with the Administration on funding the government. The important difference, according to GOP sources, is that those negotiations would likely follow a Clinton veto of a bill or bills written to hold the line on the balanced budget.

Democrats And Republicans To Hold Tax Cut Rallies Today. The congressional GOP leadership is scheduled to hold a press event this afternoon where they will officially sign the GOP tax cut bill and send it on its way to President Clinton. Democrats, including Vice President Gore, are expected to hold a later counter-rally explaining why they don't support the GOP tax cuts.

- o **House Republicans Consider New Health Care Strategies.** Following a meeting with Reps. Coburn and Shadegg yesterday, House GOP leaders are considering two possible strategies for proceeding on health care reform. One would bring either Coburn-Shadegg or Norwood-Dingell to the House floor and open it up for amendments favored by a majority of Republicans. A second option would be to adopt a similar strategy to the one used on gun control, potentially splitting the bill into two sections and conducting two or more days of debate on separate items. Republican leaders appear to want separate debates on access issues and liability. House GOP sources acknowledged this morning that some sort of expanded liability is going to pass the House, though they will try and condition it as much as possible. Those sources also stress that liability is an issue that can be fixed in conference, though it is unclear if a conference report with no expanded liability provision could pass the House. One House GOP source said Speaker Denny Hastert is committed to getting a conference report and bringing it to the House floor.

Meanwhile, House Education and Workforce subcommittee chairman John Boehner is expected to hold a rally this afternoon with small business owners who will contend that the patients' rights bills on the table in the House would jeopardize the employer-provided health care system in the United States.

- o **Speaker Adds GOP Conferees To Financial Modernization Conference.** Last night, Speaker Hastert added four Republican conferees to the financial services modernization conference in order to

move the conference forward. Senate Banking Committee Chairman Phil Gramm had protested that the House conference delegation included more Democrats than Republicans, putting a final conference report in jeopardy. In a technical maneuver, the Speaker added Congressmen Peter King, Ed Royce, Heather Wilson and Vito Fossella to the Section 101 negotiations. Removed from those sections were Congressmen Spencer Bachus, Michael Castle, Steve Largent and Brian Bilbray. All four of those Republican members remain on other sections of the bill so the overall total number of Republicans has been increased by four.

Meanwhile, the conference committee's staff continue to meet on a daily basis. The meetings were described by one House GOP source as "fruitful discussions. They are very frank and they will continue today. They are moving through the bill point by point with explanations of why things are there." Another source said they "are on item 24" of the side-by-side.

Jackson Blasts Gramm, ABA. In a related matter, today the Reverend Jesse Jackson blasted the financial modernization bill, calling it "financial retardation." Jackson also criticized Senator Phil Gramm and the American Bankers Association (ABA) for their stances on CRA. At the National Community and Economic Development Conference sponsored by the ABA's Center for Community Development and the Federal Housing Finance Board, Rev. Jackson described Senator Gramm as "the biggest [American] dream buster of them all...who has made the evisceration of the CRA central to his efforts to pass a financial modernization bill. In the process, he has smeared the community groups that have worked so hard, often hand-in-glove with bankers like yourselves, to reclaim and rebuild their neighborhoods. The insiders will tell you: he knows how to play hardball. He knows how to play the DC game. And he's got a lot of people scared." Jackson continued by chiding the ABA, saying, "Yes, the ABA is backing Senator Gramm's efforts to roll back the CRA. In a memorandum sent to every member of the United States Senate last spring, the President of the ABA expressed support for Gramm's efforts to block the public comment on the CRA performance of banks engaged in mergers and acquisitions. In addition, the ABA has bought into his proposal to exempt from the CRA altogether rural banks with assets of less than \$100 million. Jackson added, "At a minimum, it's got to be a little dysfunctional sponsoring a conference on community development while calling for a roll back in the very piece of legislation that has breathed new life into community banking efforts."

- o **Bliley Refuses To Narrow FCC Document Request.** House Commerce Chairman Tom Bliley has refused FCC Chairman William Kennard's request that he narrow the scope of documents he has requested relating to the FCC's consideration of the proposed SBC-Ameritech merger. Kennard had expressed concern that if he supplied everything Bliley asked for, the disclosed information could jeopardize the FCC's rulemaking on the matter, which is ongoing. But Bliley dismissed the objections, though he said his staff would examine some documents at the FCC's headquarters in response to another Kennard concern, that producing these documents would strain the FCC's resources. "I must again stress to you the Committee's need for all of the requested information, not just information contained within the public record," Bliley replied in a letter to Kennard. "I cannot, therefore, accede to your request that the Committee narrow its inquiry and information requests. However, with respect to the documents in the public record, I am willing to accept your suggestion that Committee staff review those materials at the Commission's offices, and thus the FCC need not produce copies of them to the Committee at this time." Kennard said in his letter a few days ago that he would fully comply with Bliley's request if he continued to insist on it after reviewing Kennard's concerns.
- o **Bipartisan Group Calls For Reform Of Dairy Program.** In a press conference this morning, Reps. John Boehner and David Obey were joined by a bipartisan group of House members in opposing H.R. 1402 and calling for reform of the Federal government's milk marketing system. Boehner said in a release, "I support reform of the milk marketing orders system because it has failed our nation's dairy farmers. It has accelerated the demise of the small, traditional dairy farm in many parts of our country, particularly the Midwest. It unfairly discriminates against dairy producers on the basis of their distance from Eau Claire, Wisconsin, and denies our nation's best dairy farmers their natural competitive advantage in the marketplace." Boehner continued, "Consensus figures developed by our nation's

leading dairy economists and accepted by virtually the entire agricultural community indicate that 60 percent of our nation's dairy producers will fare better under USDA's final rule than they do under the current system," adding, "Reform of the federal milk-marketing orders system is essential. We cannot continue to sacrifice the prosperity of American dairy farmers for the sake of a 62-year old program that helps more dairy producers than it hurts."

Obey said in a release that H.R. 1402, the reform bill scheduled for debate by the House tomorrow, is "the ultimate reneging on the original dairy policy position taken by the House leadership." Obey noted that under the limited authority granted him by the 1996 Farm Bill, Agriculture Secretary Dan Glickman revised his proposed rule on the dairy pricing formula and issued "an even more modest reform plan as a Final Rule. The Final Rule was voted on by dairy farmers throughout the nation in a referendum last month and it was approved by an overwhelming margin." Obey said the GOP leadership is now "bringing to the floor H.R. 1402, a bill that legislatively overturns the administrative reforms that we were told we should settle for in the first place." He added, "There is no reason for anyone, Democrat or Republican, to vote for a Federal policy which requires that farmers in one region of the country are paid more than farmers in another region."

- o **Senators Call For Emergency Farm Relief.** At a Capitol rally this morning, Sen. Byron Dorgan was joined by Sen. Tom Harkin and Senate Minority Leader Tom Daschle in calling for Congress to strengthen and approve a stalled emergency farm aid package. Dorgan said in a statement that the Freedom to Farm Act has been a disaster and has "put the nation at a cross roads where it must now decide whether family farmers will continue to be a part of its future." Dorgan said, "Family farmers are the canary in the mine shaft of the entire rural economy," adding, "When we talk about saving family farms, we're also talking about saving small businesses, Main Street businesses and the whole rural economy."

- o **Buchanan Position On Reform Party Abortion Platform Unclear.** As Pat Buchanan flirts with a Reform Party presidential run, the Bulletin sought to find out if Buchanan is as committed to insisting that an uncompromising pro-life plank be included in the Reform Party's platform as he was to the Republican platform. In 1992 and 1996, Buchanan led the charge for an uncompromising pro-life plank in the GOP platform, opposing efforts to accommodate the pro-choice views of other Republicans or to leave the issue out of the national platform. As recently as July 27, appearing on NBC's Meet the Press, Buchanan stated, "If the Republican Party walks away from life, it walks away from me. ... If the Republican Party at Philadelphia really basically abandoned the life position, I think there would be a stampede for the metroliner." The Reform Party has taken a studied non-position on the issue.

After several phone calls, it is not clear whether Buchanan will hold the Reform Party to the same standard as he did the GOP. Bay Buchanan, through an aide, conveyed that Buchanan had made his position abundantly clear, and referred the Bulletin to "previous press reports." However, it does not appear that Buchanan has addressed whether he would demand an anti-abortion platform plank in the Reform Party, only that he would continue to oppose abortion.

Buchanan's campaign communication director, Bob Adams, would only say, "He's committed to right to life," and no matter in which party he runs he will remain "a stalwart defender of the right to life." Further pressed on the party platform issue, Adams repeated that Buchanan himself would stay pro-life.

Asked about the likelihood of the Reform Party becoming pro-life, Chairman Russ Verney told the Bulletin that abortion "is not a fundamental position of our party." Verney added, "If Mr. Buchanan decided to leave the Republican Party and pursue the Reform Party nomination the first step we would want out of him is to endorse the Reform Party platform...which centers on economic reform and government reform issues." Verney also said, "The Reform Party does not take a position on social issues...so a person's position on social issues is neither a qualifier nor a disqualifier." Verney continued by saying party members have in the past tried to amend the platform, albeit unsuccessfully, "to make it pro-life or pro-choice," adding, "That's why we can take a Jesse Ventura, who is libertarian on social issues, and a Pat Buchanan, who is conservative."

Asked about Pat Buchanan's possible switch to the Reform Party, National Right to Life political director Carol Tobias said, "I find that confusing. I know Pat has expressed concern about the Republican Party" not being strong enough in its anti-abortion stance, "yet he's considering running in a party that doesn't have a position at all. I'm not sure what the thinking is there." Questioned about the impact of a Buchanan's third-party run on the pro-life vote, Tobias responded, "There will be very little, if pro-lifers realize" a vote for Buchanan "could help elect Al Gore or Bill Bradley, who are pro-abortion."

- o **Teamsters Speak Out Against WTO Expansion.** Today at a "Global Day of Action" rally sponsored by Ralph Nader's Public Citizen group, the Teamsters and other groups came out against the expansion of the WTO. The event coincided with many others "taking place today in 75 different countries demanding that the WTO focus on fixing the WTO, rather than expanding the WTO," said Bret Caldwell, communications coordinator for the International Brotherhood of the Teamsters. Caldwell explained, "Our participation today is one of 1,200 signatories on to a petition urging that the WTO not be expanded, but rather be turned around and fixed because we don't believe it is currently functioning very well."

Caldwell said Teamster Leader James Hoffa's comments today "addressed some of the challenges the WTO still faces after the promises made five years ago as to what the WTO would mean to the United States, and said he believed those have not come to fruition." Hoffa said there has been no trade surpluses or increases in wages for workers as promised. Caldwell concluded, "That is why we are speaking out today and we think that the Administration should focus on fixing our trade problems rather than continually expanding without looking back and resolving what issues still remain to be fixed." With regard to the delicate situation Vice President Gore finds himself in – proposing to expand WTO membership to China while seeking union support for his presidential candidacy – Caldwell said only, "We would hope that the Administration would reconsider their position and oppose expansion of WTO."

- o **Bradley To Begin Defining Domestic Agenda.** Former Sen. Bill Bradley, whose campaign has endured criticism for its dearth of policy initiatives, will begin unveiling chunks of his agenda in three speeches over the next two months. On September 28 in Los Angeles, Bradley is set to unveil a proposal for comprehensive health care which, according to the campaign, will emphasize "coverage, quality and choice." The following week, Bradley is scheduled to give a speech in New Hampshire in which he unveils a plan to "assist working families." On October 21 in New York City, Bradley describes his child poverty initiative. In what could be construed as a knock on the Gore agenda, Bradley's campaign promises that each proposal will include budget figures. Gore has not yet said how he will pay for his own health care plan.

POLL WATCH:

Bradley Running Even With Gore In NY; Handily Beats Bush. A Quinnipiac College poll of 911 registered NY state voters conducted Sept. 7-13 (+/-3.3%) showed:

Democratic Primary (Democratic voters)

- 42% said they would vote for Gore; 40% would vote for Bradley.

General Election Matchups.

- 46% said they would vote for Vice President Al Gore; 43% would vote for Texas Gov. George W. Bush.
- 47% said they would vote for Bill Bradley; 37% would vote for Bush.

NY Demographics.

- In the Bush-Gore matchup: 50% of upstate voters said they would vote for Bush; 40% would vote for Gore.
- 58% of New York City voters said they would vote for Gore; 29% would vote for Bush.
- 50% of suburban voters said they would vote for Bush; 40% would vote for Gore.
- In the Bush-Bradley matchup: 47% of upstate voters said they would vote for Bush; 36% would vote for Bradley.

- 59% of New York City voters said they would vote for Bradley; 25% would vote for Bush.
- 48% of suburban voters said they would vote for Bradley; 36% would vote for Bush.

Favorability Ratings.

- 29% have a "favorable opinion" of Bush; 23% said "unfavorable"; 29% said "mixed"; 19% "haven't heard enough."
- 30% have a "favorable opinion" of Gore; 25% said "unfavorable"; 33% said "mixed"; 11% "haven't heard enough."
- 37% have a "favorable opinion" of Bradley; 4% said "unfavorable"; 14% said "mixed"; 43% "haven't heard enough."

Bush Lead Grows In New Hampshire Poll. A CNN/WMUR poll of 377 New Hampshire voters who intend to vote in the Republican primary, conducted over September 5-11 (+/- 5%), shows:

- 45% would vote for George W. Bush; 15% would vote for Elizabeth Dole; 12% would vote for John McCain; 10% would vote for Steve Forbes; 5% would vote for Pat Buchanan; 4% would vote for Alan Keyes; 3% would vote for Dan Quayle; 1% would vote for Gary Bauer; 1% would vote for Orrin Hatch. (In CNN/WMUR's May survey, 37% would vote for Bush; 16% would vote for Dole; 14% would vote for McCain; 6% would vote for Forbes).
- 24% said Bush would be their "second choice"; 22% said Dole; 12% said McCain; 10% said Forbes; 7% said Quayle; 6% said Buchanan; 3% said Keyes; 1% said Hatch; 6% said "other"; 9% were undecided.
- 51% of men and 39% of women would vote for Bush; in the May survey, 33% of men and 41% of women would vote for Bush.
- 45% of parents and 46% of those with no children would vote for Bush; in the May survey, 28% of parents and 42% of those with no children would have voted for Bush.
- 41% of moderates would vote for Bush; 22% would vote for Dole; 20% would vote for McCain; 8% would vote for Forbes; 0% would vote for Buchanan.
- 46% of conservatives would vote for Bush; 12% would vote for Forbes; 10% would vote for Buchanan; 8% would vote for Dole; 7% would vote for McCain.
- 56% were "certain to support" the candidate they indicated they would vote for; 44% said they may "change their mind and support someone else."

Favorability Ratings (702 NH voters)

- 30% had a "very favorable" opinion of Bush; 33% said "somewhat favorable"; 13% said "somewhat unfavorable"; 15% said "very unfavorable"; 7% had "no opinion"; 2% had "never heard of him."
- 16% had a "very favorable" opinion of Gore; 28% said "somewhat favorable"; 19% said "somewhat unfavorable"; 28% said "very unfavorable"; 8% had "no opinion"; 1% had "never heard of him."
- 25% had a "very favorable" opinion of Dole; 43% said "somewhat favorable"; 10% said "somewhat unfavorable"; 10% said "very unfavorable"; 8% had "no opinion"; 4% had "never heard of her."
- 22% had a "very favorable" opinion of Bradley; 29% said "somewhat favorable"; 9% said "somewhat unfavorable"; 7% said "very unfavorable"; 11% had "no opinion"; 22% had "never heard of him."
- 17% had a "very favorable" opinion of Forbes; 31% said "somewhat favorable"; 18% said "somewhat unfavorable"; 18% said "very unfavorable"; 10% had "no opinion"; 6% had "never heard of him."
- 18% had a "very favorable" opinion of Sen. John McCain; 28% said "somewhat favorable"; 8% said "somewhat unfavorable"; 4% said "very unfavorable"; 11% had "no opinion"; 31% had "never heard of him."
- 11% had a "very favorable" opinion of Pat Buchanan; 23% said "somewhat favorable"; 22% said "somewhat unfavorable"; 32% said "very unfavorable"; 8% had "no opinion"; 4% had "never heard of him."
- 4% had a "very favorable" opinion of Gary Bauer; 10% said "somewhat favorable"; 6% said "somewhat unfavorable"; 10% said "very unfavorable"; 14% had "no opinion"; 56% had "never heard of him."

- 6% had a "very favorable" opinion of Sen. Orrin Hatch; 20% said "somewhat favorable"; 15% said "somewhat unfavorable"; 13% said "very unfavorable"; 16% had "no opinion"; 29% had "never heard of him."
- 9% had a "very favorable" opinion of Dan Quayle; 24% said "somewhat favorable"; 25% said "somewhat unfavorable"; 35% said "very unfavorable"; 6% had "no opinion"; 1% had "never heard of him."

LAST LAUGHS:

Late Night Political Humor.

Jay Leno: "In fact, the winds from Hurricane Floyd are so strong today Elizabeth Dole's hair actually moved, I understand."

Jay Leno: "I guess the big hot rumor is this talk – that Hillary Clinton cosmetic surgery thing. Did you hear about this? Allegedly, she wants to get rid of the wrinkles and lose the carpet bags under her eyes."

Jay Leno: "You know, she wants to look younger. Why doesn't she do what her husband does – date teenagers?"

Jay Leno: "Do you think Hillary needs plastic surgery? No. She looks good. She's a fine-looking woman. You know, if it's up to me, I'd spend some of that money on Clinton's other women."

Jay Leno: "Although Hillary stayed home, did you know she sent her mother with President Clinton on his trip to New Zealand this past weekend? Let me tell you – that's when you know you screwed up bad. When you're under 24-hour watch by your mother-in-law."

Jay Leno: "Clinton almost lost her in a crowd in New Zealand over the weekend. This is true. I guess local security guards didn't know who she was. They mistook her for an onlooker, and they pushed her away. And White House officials had to come rescue her out of the crowd. They almost lost her. Yeah. I'm sure that was an accident."

Jay Leno: "I guess now people calling – for Janet Reno to resign. Although Clinton today gave her a vote of confidence. Said if she does leave as Attorney General, he will keep her on as White House bouncer."

Jay Leno: "It's now being reported that to help his Presidential campaign, Texas Governor George Bush is working on a book about his life. Only trouble, it starts in 1974. Before that, he can't remember anything that happened to him."

Jay Leno: "Pat Buchanan, close to leaving the Republican Party. I guess all this talk about compassion is just scaring him away, pretty much."

Conan O'Brien: "It was reported today that the Secret Service has installed a \$1 million security system to the President and Hillary's new home in suburban New York. A million-dollar system. That's right, I'll tell you about it. The security system includes bulletproof windows, floodlights and an alarm that goes off whenever Hillary is on her way home."

David Letterman: "Hillary Clinton, your next senator from the great state of New York... is getting a face lift. ... And to pay for it, she's already accepting illegal contributions."

David Letterman: "Hillary was talking to one of the plastic surgeons, and he said, 'Well, what... What look...kind of look?' and she said, 'Well, half Jewish and half Puerto Rican.'"

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