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SUBJECT: 5/22 Press Guidance

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TEXT:

----- Forwarded by Jenni R. Engebretsen/WHO/EOP on
06/01/2000 12:39 PM -----

Jenni R. Engebretsen
05/22/2000 02:19:55 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject:5/22 Press Guidance

Press Guidance
May 22, 2000

Domestic/Economic

1. Air Pollution
2. Bankruptcy
3. Budget
4. Cable TV/SCOTUS Decision
5. China
6. Digital Millennium Copyright Act
7. Electronic Signatures
8. Gas Prices
9. Internet Privacy/FTC
10. Lee Case/DOJ Report
11. New Mexico
12. Sequoia Forest Industries - Mill Closure
13. Tar Creek/EPA
14. Trade Deficit

- court.wpd

Foreign

1. AIDS/National Security Threat (new)
2. Alleged Intelligence Weakness
3. China/PNTR Talking Points (new)
4. China/"Sunburn" Missiles (new)
5. Ethiopia/Eritrea
6. Haiti/Elections (updated)
7. Kosovo (updated)
8. Lebanon
9. Lee
10. Mbeki and AIDS/South Africa (new)
11. Peruvian Elections
12. Russia/Clinton Moscow Trip (new)
13. Sierra Leone (updated)

- 14. Taiwan/Chen Inauguration (new)
- 15. TOPOFF and NCR2000 Exercises
- 16. Turkey (new)
- 17. U.S.-China Joint Statement on Environment and Development (new)

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===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert NTNFS203:[ATTACH.D91]ARMS220016SV5.001 to ASCII,
The following is a HEX DUMP:

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**THE US COURT OF APPEALS FOR THE D.C. CIRCUIT
DECISION ON EPA'S PUBLIC HEALTH AIR STANDARDS
FOR SMOG AND SOOT**

The Solicitor General, acting on EPA's behalf, has asked the Supreme Court to review the following decision:

The Court of Appeals Decision:

- On May 14, 1999, in a split decision (2 to 1), a panel of the U.S. Court of Appeals for the D.C. Circuit ignored over a half century of Supreme Court law. It held that the Clean Air Act -- as applied in setting the new public health air quality standards for ozone (smog) and particulate matter (soot) -- is unconstitutional as an improper delegation of legislative authority to the Environmental Protection Agency (EPA).
- In constructing the programs that provide many of this nation's most important public health and safety standards, Congress, EPA and other federal agencies have relied on a 64-year history of Supreme Court and Court of Appeals jurisprudence sustaining similar Congressional delegations of authority.
- The panel's split decision -- a radical departure from that well-established case law -- carries with it dangerous implications for not only the new public health air quality standards, but also for many other federal laws or rules enacted to protect the health of the American people.
- In a vigorous dissent, Judge Tatel declared that "the court ignores the last half-century of Supreme Court nondelegation jurisprudence, apparently viewing these permissive precedents as mere exceptions to the rule laid down 64 years ago [in a 1935 case]."

Upholding EPA's Science and Process:

- Despite the constitutional ruling, the Court rejected the central arguments of industry's claims. The Court did not question the science on which EPA relied to develop the health standards or criticize EPA's decision making process. The Court stated that:
 - "the growing empirical evidence demonstrating a relationship between fine particle pollution and adverse health effects amply justifies establishment of new fine particle standards."
 - there was "ample support" for EPA's decision to regulate coarse particulate pollution below the 1987 levels.
 - EPA complied with the Regulatory Flexibility Act as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) and Unfunded Mandates Reform Act (UMRA).

BANKRUPTCY
Talking Points
May 22, 2000

Talking Points on General Bankruptcy Provisions

- We understand that the Republican House and Senate leaders with the Republicans late last week and “decided” amongst themselves – without any Democrats at the table -- a number of very important open issues.
- We have not seen language on these issues, so it is premature for us to express any views, but, based on what we are hearing **we – and a number of Democratic Senators – may have serious concerns about how the Republicans “decided” to resolve these essential issues.**
- As we noted in the Lew letter to Conferees, the President’s senior advisors would recommend that he veto the House bill if it were presented to him. The Senate bill generally was closer to meeting the President’s principles, but we continued to have serious concerns even about that.
- The President ultimately will evaluate the final bill and whether he gives it his signature depends on whether it meets a test of balance -- fairness to creditors and debtors alike. As the members continue to compromise between the House and Senate provisions, the balance continues to slip.

If asked: Are you saying the President is going to veto the bill?

- That remains a “viable option.” We’ll have to see where the balance lies in the end.

Background

- The open issues that reportedly the Republicans “decided” are:
 - **Homestead Exemption:** No cap on state homestead exemptions (except for within 3 years of purchase). We may question if it is fair to allow wealthy debtors to shield assets from creditors in unlimited homesteads while forcing moderate income debtors to pay more and more to their creditors.
 - **Bounced Check Collection Exemption from the Fair Debt Collection Practices Act:** Deny people whose rights under the Fair Debt Collection Practices Act are abused by those collecting bounced checks (e.g., threatening phone calls, harassment, notifying an employer of debts) effective protection of the FDCPA by precluding award of attorneys fees

in judgements for bounced checks. The FTC has said there is no policy basis for distinguishing between bounced checks and collection of other debts. Moreover, this provision was in neither House nor Senate bill. We may argue that the addition of an anti-consumer provision in the “dark of night” without sunlight or scrutiny is inappropriate.

- **“Small Bank” Exemption for Credit Card Disclosures:** Senator Torrecelli fought for new disclosures for consumers of the impact of making minimum payments on credit cards. In addition to an example, consumers can call a toll free number to find out more about how long it will take them to repay their individual debt if only making minimum payments. Senator Gramm apparently sought an exemption for “small banks” -- over 80% of institutions, leaving their customers without access to this essential information. The Administration strongly opposed “small bank” carve outs from CRA and this may raise similar concerns.
- **Means Test Safe Harbor:** Republicans apparently decided against including an exemption Rep. Hyde won in the House that would mean that trustees and judges are not required to subject below-median-income debtors to scrutiny under the means test. The absence of Representative Hyde’s safe harbor means that the trustees and court must go through needless paperwork and procedures which will yield no additional repayment and impose unnecessary burdens on low income debtors with no where else to turn.
- **Clinic Violence:** The Republican final offer (as described) would make nondischargeable those debts that result from all intentional acts of violence (i.e., the amendment is not limited to violations of the FACE Act). Senator Schumer, the sponsor of the amendment, and abortion rights advocates strongly oppose this formulation because most clinic violence awards would not qualify. As a result, the bill would continue to allow those who commit violence outside family planning clinics to use the bankruptcy courts to shield them from liability for their violent acts.
- **Pension Protection Cap:** Apparently, the Republicans have agreed to put a cap on the amount of pension benefits a person can protect in an IRA during bankruptcy. While the administration agrees that a debtor should not be able to shield abundant resources from creditors, we are still scrutinizing to consider whether this provision strikes the right balance. Concerns are raised about whether the cap is consistent with efforts to encourage greater voluntary retirement savings, would impact those whose pensions provide for only a modest standard of living, and whether it treats different kinds of pensions fairly.

Appropriations Bills Status

as of 05/18/00 9:27 am

Bill	Status in House	Status in Senate	Status in Conference	Signing Status	Details/Administration Views
Agriculture	Passed Full Committee on May 10. Possible Floor Action May 23rd	Passed Full Committee on May 9. Possible Floor Action May 24th			Letter sent (5/10) citing concerns (House bill).
Commerce/Justice/State	Subcommittee action scheduled for May 23. Full Committee action scheduled for June 6	Full Committee action scheduled for June 15.			
Defense	Full Committee action scheduled for May 25.	Possible Floor Action May 23rd			
District of Columbia	Subcommittee action scheduled for June 22. Full Committee action scheduled for June 29.	Full Committee action scheduled for June 22.			

Energy & Water	Subcommittee action scheduled for June 12. Full Committee action scheduled for June 20.	Full Committee scheduled for June 8.			
Foreign Ops	Full Committee action scheduled for June 20.	Full Committee approved on May 9 th			Senior advisers veto threat on FY 2001 bill and FY 2000 Supp. component of bill.
Interior	Full Committee action scheduled May 25.	Full Committee action scheduled June 22.			
Labor/HHS/Education	Full Committee action scheduled for May 24.	Passed Full Committee on May 11.			POTUS Veto Statement on May 11 (House and Senate) Senate (Committee) Letter sent citing concerns (May 11)
Legislative Branch	Passed Full Committee on May 9 th Possible Floor	Full Committee action scheduled for today.			

	Action May 24th				
Military Construction	Passed House(386-22)(Tuesday, May 16th)	Full Committee action scheduled for May 19th.			House (Committee) letter sent (May 8). House Rules SAP sent May 15. House Floor SAP sent May 16. Senate SAP sent on May 16 - Sr. Advisor Veto Threat
Transportation	Passed Full Committee on May 16 th . Passed H.R. 4475 May 19th	Full Committee action scheduled for June 8.			House (Committee) letter sent citing concerns (May 16). House SAP sent May 19th
Treasury/Postal	Subcommittee action scheduled for June 7. Full Committee action scheduled for June 15.	Full Committee action scheduled for June 8.			
VA/HUD	Subcommittee action scheduled for May 23.	Full Committee action scheduled for June 15.			

	Full Committee action scheduled for June 6.				
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Daniel Wilson - OMB Press

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Supreme Court Cable TV Decision
Q&A
May 22, 2000

Q: What is the Administration's reaction to the Supreme Court's Playboy decision?

A: The Administration is disappointed that the Supreme Court struck down an important provision of the Telecommunications Act of 1996 that was written to protect children from unwanted exposure to inappropriate material through cable Television signal bleeding from adult programming.

The administration has a long history of efforts to empower parents with the tools they need to protect children from inappropriate material -- regardless of the medium. Despite this ruling today, parents are still able to use tools to protect their children from inappropriate material. For instance, beginning in January of this year, all new televisions with screens 13" or larger are now equipped with a V-Chip that works with the television ratings system. Parents can also call their cable company and ask them to block undesired channels.

Regardless of what tools parents have, parents need to pay attention to what their children have on the screen. Parent's who don't subscribe to adult entertainment should have some level of confidence that their children will not be exposed to inappropriate material through signal bleeding. The Supreme Court in their ruling indicated that scrambling technology was not yet perfected. Cable companies must continue to work to find solutions to the technical problems that lead to signal bleed.

**CHINA TRADE WORKING GROUP
TALKING POINTS
MONDAY MAY 22, 2000**

On the EU-China Deal:

- We are pleased that the EU and China have reached an agreement.
- We haven't seen the actual agreement, but from what we've seen in the EU fact sheets we believe the two sides have made some positive additions to the landmark agreement we negotiated last year. We look forward to learning more about their agreement.
- The WTO accession process takes the best deals negotiated from each country and combines them to make the final agreement. In other words, no one can weaken any market-opening provision we negotiated, but if they get something better, we will also benefit.
- The EU-China agreement underscores to Members of Congress what we have said all along:
- China will enter the WTO this year and if Congress fails to grant PNTR, it will be our workers, businesses and farmers who are left behind while our competitors take full advantage of the benefits the agreement provides.
- The bottom line is this: If we want to enjoy the full benefits of this agreement, Congress must grant PNTR.

On Chen's inauguration in Taiwan?

- We congratulate Mr. Chen Shui-bian on his inauguration in Taiwan. His election and the smooth transition demonstrated clearly the strength and vitality of Taiwan's democracy.
- Mr. Chen's election and inauguration provide a fresh opportunity for Taiwan and the PRC to reach out and resolve their differences peacefully through dialogue. The United States strongly supports such dialogue and is committed to promoting peace, stability and prosperity in the region.

Was the United States represented at the inauguration?

- We continue to conduct close unofficial ties with the people on Taiwan through the American Institute in Taiwan (AIT) in accordance with the Taiwan Relations Act and our "one China" policy as embodied in our three communiqués with the People's Republic of China.
- AIT has organized a delegation representing the American people to attend the inauguration. Laura D'Andrea Tyson is leading the delegation. She is joined by Richard Solomon, the President of the U.S Institute of Peace, Dr. Chang-lin Tien, NEC Distinguished Professor of Engineering at the University of California, Berkeley, and Richard Bush, AIT Chairman and Managing Director. Mr. Raymond Burghardt, AIT Taipei Director will also be a member of the delegation.

How do you evaluate Chen's speech?

- Not our place to comment on the specifics of Mr. Chen's inaugural address, but we are encouraged that the new leadership in Taiwan is generally taking a pragmatic and constructive approach to resuming cross-Strait dialogue.
- We urged the two sides to develop direct communication and to determine the basis for resumed dialogue. For our part, we are hopeful that Mr. Chen's inauguration will serve as a basis for direct communication between the two sides.
- We urge Beijing to take advantage of every opportunity to resume dialogue with Taiwan to resolve peacefully the problems between the two sides.
- We hope that Beijing will adopt an approach that embodies caution, patience, and creativity in order to move the cross-Strait relationship forward.

Was Chen's speech sufficient to begin a cross-Strait dialogue?

- It is up to Beijing and Taipei to determine what is sufficient.
- We encourage both sides to seek to develop a cross-Strait dialogue.

Will the US mediate as the two sides seek a basis for discussions?

- It is up to the two sides to develop their relationship.
- While we encourage both sides to engage in dialogue, we do not seek a role as mediator.

What effect will this inauguration have on the Administration's effort to secure permanent Normal Trade Relations status for China in connection with its accession to the WTO?

- China's accession to the WTO and PNTR will increase China's participation in a predictable, transparent, and rules-based international system -- increasing its stake in regional peace and stability.
- The combination of Taiwan and PRC accessions to the WTO will strengthen cross-Strait economic ties and contribute to regional stability.

On our trade deficit with China:**Background**

- The Department of Commerce released its monthly trade numbers today. They showed the monthly trade deficit in March rose to a record \$30.2 billion. Exports increased \$1.3 billion, but imports increased by \$3.7 billion.
- Bilateral deficits with Western Europe, Canada and Japan widened in March, while deficits with China and Mexico fell.

Are you concerned about the record trade deficit and what are you doing about it?

- The fundamentals of the economy are sound: the unemployment rate is at 3.9 percent -- the lowest in three decades -- growth is strong, and underlying core inflation remains low.
- The trade deficit is a reflection of the fact that the United States economy continues to grow much more strongly than our trading partners. This increases our imports and reduces our exports. (For instance, in the last year the U.S. economy has grown 5.0 percent while German economy grew 2.3 percent and the Japanese economy has grown 0 percent.)
- If Congress enacts PNTR, the agreement is expected to provide a substantial boost for U.S. exports. For agriculture alone, USDA estimates that China's WTO accession would result in at least \$2 billion annually in additional U.S. exports by 2005.

What is your view of the bilateral deficit with China?

- The latest data show the bilateral deficit with China narrowing somewhat.
- We expect trade to increase in both directions as China becomes more open and efficient and a better trading partner. Experts agree that any increase in U.S. imports from China would likely come at the expense of other nations in Asia.
- The elimination of Chinese barriers to imports will present new opportunities for U.S. exporters. If Congress enacts PNTR, the agreement is expected to provide a substantial boost for U.S. exports. For agriculture alone, USDA estimates that China's WTO accession would result in at least \$2 billion annually in additional U.S. exports by 2005.
- Overall open trade, in a rules-based multilateral system, dampens inflation, spurs innovation, and promotes economic growth.

From Joe Lockhart's briefing, May 17

Level of confidence right now on the vote count:

I'm not going to get into a listing of number or members at this point, only to say that we've got more work to do.

One-on-one sessions with the President:

The President has met with close to 100 members since the beginning of the effort.

I think what's clear is that the President will have met -- by the time the vote takes place -- with anyone who didn't early on come out and say that they were definitely against it and there was no way of changing their mind.

On counting votes:

- As the President said, **"We don't have the votes yet."**
- Secretary Daley acknowledged that it would be **a very close vote** saying: "No question it will come down to the wire. We don't have the 218 votes yet to win it, and the opposition doesn't have them to defeat it."

- But we have always expected this to be a tough fight and we still have a lot of work to do.
- We remain confident nonetheless that our case will prevail.

On Levin / Bereuter Joint Proposal:

- The Administration believes that the proposal developed by Congressmen Levin and Bereuter with others is constructive and addresses issues of major importance.
- We agree that it is a priority for the United States to press for improvement of China's human rights, religious freedoms, labor rights and the rule of law. Finding alternatives to the annual NTR renewal process, such as a Commission, to keep a spotlight on these issues makes sense.
- We agree as well that it is important to have a vigorous program, both within the USG and within the WTO, to monitor China's implementation of its WTO commitments and to ensure China lives up to them. And we must have adequate resources to accomplish this.
- Finally, we agree that we must make clear the rules and procedures this and future Administrations will employ to implement the strong import safeguard protections we negotiated.
- We are committed to working with Congress to address these concerns. We believe that the Levin-Bereuter proposals address these concerns, make good substantive sense and can garner broad bipartisan support.
- We could not, of course, accept anything that would in any way condition PNTR.

Recent quotes:

- German Economy Minister Werner Mueller welcomed the deal, saying in a statement: "A far-reaching opening of this market is not only in the interest of the German and European economy, but will also lead to more economic growth in China and in the long term to a rise in the population's standard of living."
- "The EU-China agreement underscores to members of Congress what we have said all along -- China will enter the WTO this year and if Congress fails to grant PNTR it will be our workers, businesses and farmers who are left behind while our competitors take full advantage of the benefits," U.S. Trade Representative Charlene Barshefsky said in a statement.
- "China's trade now accounts for three percent of world trade, and should expand further in response to WTO participation. Our markets are already generally open to China, and that will not be altered by PNTR. Passage of PNTR, however, will facilitate a further opening of China's markets to U.S. producers. Accordingly, I believe extending PNTR to China, and full participation by China in the WTO, is in the interests of the United States." Chairman Greenspan, May 18.

Digital Millennium Copyright Act
Q&A
May 22, 2000

Background

- People (especially kids) are using software like Napster to swap digitized music, much to the dismay of many artists and all record companies.
- Today, the Progressive Policy Institute is releasing a report calling for amendments to the Digital Millennium Copyright Act which would increase the liability of companies that produce software like Napster for copyright violations that occur using their software.
- This is a very complicated area of public policy -- and the Administration hasn't had an opportunity to review this proposal.

Q. Today, the Progressive Policy Institute is releasing a report calling for a change in the Digital Millennium Copyright Act to crack down on software like "Napster" that allows individuals to swap files -- including digitized music. Is this something the Administration supports?

A.

- Administration is a strong proponent of enforcing our laws on intellectual property laws both in the U.S. and abroad. We've increased our law enforcement resources devoted to violations of U.S. intellectual property rights, and have urged foreign countries to ratify international treaties that would strengthen protection of intellectual property rights.
- The Progressive Policy Institute report raises important issues -- but we have not had time to study them in-depth, so we are not in a position to comment on their recommendations.

ELECTRONIC SIGNATURE LEGISLATION

Q&A

May 22, 2000

Q: What is the status of the Digital Signatures Conference? Does the Administration believe that an agreement can be reached to address your concerns?

A:

- We were pleased that, at the end of the introductory meeting of the conferees last week, Chairman Bliley instructed the staff to work together to address the concerns that had been raised with the Conference Draft.
- While there have been negotiations and some limited progress has been made, we continue to have **serious concerns** about the impact of some versions on **consumer protection and effective law enforcement**.
- The Administration supports legislation to remove barriers to electronic commerce. An electronic contract or signature should be no less valid than its pen and ink counterpart.
- However, such legislation also should:
 - ensure that consumers have the capacity to read and retain the notices they are to receive electronically -- [We've all gotten emails with attachments that we cannot read.]; and
 - ensure that law enforcement, Inspector Generals, and government agencies can establish record retention rules to protect taxpayers against fraud and misuse of government funds.

Background

All 45 Senate Democrats and the Administration embraced a set of principles that we said needed to be met for a bill to win our support. We were disappointed by the Conference draft released on Monday. We believe it failed to meet those principles. We had serious concerns that the draft:

- Fails to ensure that the consumer has the capacity to actually access the electronic notices she will be sent;
- Contains provisions that are worse for consumers than either the House or Senate bills (e.g., elimination of the authority of states to regulate to protect public health or safety of consumers); and
- May create substantial risks for effective law enforcement and fraud detection (e.g., elimination of exclusions for federal record retention and filing requirements).

[HOWEVER, NOT CONSTRUCTIVE NOW TO USE SUCH HARSH LANGUAGE TO DESCRIBE CONCERNS IN PUBLIC.]

The Democrats released a long critique of the Conference Draft. In response, Chairman Bliley began discussions with the Democrats that reached an acceptable agreement. However, over the weekend, Bliley shared his ideas with Senator Gramm and the Senate Republicans issued a new draft that raises many of the same SERIOUS PROBLEMS.

The Administration last year supported federal legislation in the Senate (S.761) that would ensure the legal enforceability of contracts and signatures in electronic form. Specifically, the Administration supports revising laws requiring paper documents so that they do not prevent transactions from moving online; but we also feel strongly that equivalent protection of the public interest must be provided in the online environment. For this reason, the Administration opposed a broader measure in the House (H.R. 1714) because it would not provide equivalent consumer protection requirements in the digital world as are now provided in the paper world. Notwithstanding our opposition, the House measure passed overwhelmingly.

The Administration has reached out to industry and bill proponents to reassure them that we strongly support efforts to facilitate electronic commerce and that the changes necessary to address our consumer protection concerns important, but few, and would not impede electronic business models.

It is important that we appear generally supportive of the legislation's goals, be clear we have some important changes we need, but imply that these are consistent with the proponents' objectives. If we do not seem reasonable, Republicans will paint this as extreme anti-high tech sentiment, and they will jam through Conference draft with no changes, peel off a few Democrats, and we're dead. However, at the moment, the Senate Democrats (and House Democrats on the Conference – Dingell and Markey) appear united.

**Gas Prices
Talking Points
May 22, 2000**

- DOE's weekly survey of gas prices will be published this evening.
- We recognize that gas prices are higher in recent weeks and that they may also have risen last week.
- This is not an unexpected trend. Prices traditionally rise as we move into the summer driving season.
- We should note that refiners appear to be doing what they can to help the situation, producing at very high levels.
- We note that wholesale prices have flattened out in the past few days.
- As Secretary Richardson has noted, we also hope that OPEC will keep open mind about production moving into its June meeting.
- Continuing to monitor the gas situation closely.

General Energy Message

- We also want to note that the President put forward a framework:
 - to increase the production of energy, including budget investments and tax incentives;
 - to moderate our demand for energy, also including budget investments and tax incentives;
 - to increase the efficiency of our energy infrastructure, including electricity restructuring; and
 - to address emergencies, including reauthorization of the Strategic Petroleum Reserve, creation of a regional heating oil reserve, and replenishment of LIHEAP in the event of summer heat waves.
- Congress, however, has failed to address each of these issues, and simply responded that we should drill for more oil in the pristine wilderness of Alaska, on our Federal lands, and off-shore. It is time to pass the President's balanced initiatives so that we can increase our energy security in a responsible manner.

**Internet Privacy
Q&A
May 22, 2000**

Q. The Federal Trade Commission is calling for legislation that would require Internet companies to have privacy policies, and would give the FTC the ability to crack down on companies that violate these policies. What does the Administration think? Do you support the FTC's call for legislation?

- As a practical matter, Congress needs to act in areas that are most pressing in the few legislative days that are left. The areas that need swift Congressional action are: medical records privacy, financial records privacy and genetic discrimination.
- Our understanding is that the FTC survey will show:
 - There has been a significant increase in companies that have adopted a privacy policy
 - Many companies have not yet adopted all of the elements of a strong privacy policy
 - We still have a "free rider" problem. That is, some companies have demonstrated leadership on this issue and are engaging in effective self-regulation -- others have no privacy policy or are not enforcing the policies that they have.
- The Administration remains committed to policies that will:
 - Encourage companies to engage in effective self-regulation that will allow individuals to control their personal information and increase consumer confidence in the Internet
 - Minimize the "free rider" problem -- which is that some companies have not adopted a privacy policy
 - Protect privacy while allowing the Internet and innovation to flourish
- The Administration will continue its dialogue with the private sector and with consumer groups. To the extent the private sector can show how it will address the "free rider" problem and improve the quality of privacy policies, legislation will not be necessary. As we have long stated, if we don't see such progress, then we may eventually need to consider whether legislation would provide companies with the right incentives to have good policies and participate in an effective self-regulatory program.

Q. Do you agree with the FTC report?

We have not yet received the FTC report. It is our understanding that the report shows many positive results from the approach of encouraging the development of strong self regulatory models for on line privacy. The report also recognizes that more needs to be done.

Specifically, the report notes that any effective approach must include some self-regulatory approaches.

Given the other vital privacy bills pending in the Congress, including medical records protection and financial records privacy, it is not feasible to legislate on line privacy at this point in the legislative session.

Q. Do you agree with Congressional Democrats who have introduced on line privacy legislation?

We will have to look at the specifics of each individual bill. We understand the concerns of members who want to secure improved privacy protection for Americans. We want to work with members of both parties to secure a result that protects privacy and avoids stifling the growth of e commerce. Securing that result will require additional work that can take place between now and the beginning of the next Congress.

If legislation proves to be necessary it should be minimal, predictable, cost effective and possible to implement without overly burdensome regulation. Moreover, it should continue to rely on the effective self-regulatory programs already in place.

**Lee Case/DOJ Report
Q&A
May 22, 2000**

Q: What is the WH reaction to the DOJ report about the FBI's alleged mishandling of the Wen Ho Lee case?

A: That involves an ongoing criminal matter, and so it would not be appropriate for us to be commenting on it. I would refer you to Justice.

Los Alamos Fire UPDATE
May 22, 2000

The Los Alamos fire seems to have subsided. Below is the report as of this morning. In addition, we will continue to hold conference calls at 5:00p.m. with OMB and the relevant agencies to discuss Phase II of the response to this wildfire. People may join the call by dialing 757-2104, code 2186.

New Mexico:

CERRO GRANDE FIRE: This 47,650 acre fire is burning on several jurisdictions near the Bandelier National Monument in New Mexico. **90% of the work necessary to contain this fire is complete. No fire spread was observed yesterday. Full containment is expected on May 24, 2000.** 671 people are working on this fire.

Sequoia Forest Industries -- Mill Closure
CEQ Talking Points
May 22, 2000

Background:

AP moved a story today about a California timber company's plan to close a mill as a result, it claims, of the President's designation of the new Sequoia monument. The company, Sequoia Forest Industries, says it will close its mill in Dinuba in July, laying off 105 workers. Its press release explicitly blames the President and Vice President.

We provided AP with numbers from the Forest Service demonstrating that there is sufficient timber available from the Sequoia National Forest to sustain present harvest levels for at least two to three years. (The company has harvested 51.7 million board-feet over the past five years. It has 26.9 million bf already under contract. The Forest Service plans to offer for sale another 18.1 million bf this year and next, and the company is the only likely bidder.)

Talking Points:

- There's no question that the monument's creation will have some impact on the local timber supply in the long run. But we were very careful to ensure that there would be a guaranteed supply of timber to sustain the company's mills over the next two to three years. There appears to be plenty of timber in the pipeline to sustain the same level of harvest over the next few years that the company has had over the last few years. So it's not at all clear to us why they would shut the mill now.
- It's unfortunate any time a business puts people out of work. But you have to wonder whether the monument is being blamed here for a business decision driven by other considerations. What those might be, I don't know. This may simply be part of the shakeout the entire industry is going through in the region.

**Tar Creek Superfund
Talking Points
May 22, 2000**

Background:

Tar Creek Superfund site is a former lead and zinc mining area of 40 square miles in Ottawa County, Oklahoma (Northeast corner of the State).

The watershed is impacted by acid mine discharges from flooded underground mines causing high levels of zinc, lead and cadmium in water and on soils.

- EPA is committed to comprehensively cleaning up this site in order to fully protect public health and the environment.
- EPA is replacing lead-contaminated soil and about 1,150 residential yards have been completed with about 700 remaining.
- Morrison-Knudsen (MK) is the contractor under the U.S. Army Corps of Engineers.
- Morrison-Knudsen is being investigated by Federal Bureau of Investigation, Defense Criminal Investigative Service, and EPA Office of Inspector General.
- No findings have been made public from the investigations. As the investigation is currently underway, we cannot comment on its status at this time.

**TRADE DEFICIT
Q&A
May 19, 2000**

Background

The Department of Commerce released its monthly trade numbers today. They showed the monthly trade deficit in March rose to a record \$30.2 billion. Exports increased \$1.3 billion, but imports increased by \$3.7 billion.

Bilateral deficits with Western Europe, Canada and Japan widened in March, while deficits with China and Mexico fell.

Q: Are you concerned about the record trade deficit and what are you doing about it?

- The fundamentals of the economy are sound: the unemployment rate is 3.9 percent, the lowest in three decades; growth is strong; and underlying core inflation remains low.
- The trade deficit is a reflection of the fact that the United States economy continues to grow much more strongly than that the economies of our trading partners. This increases our imports and reduces our exports. (For instance, in the last year, the U.S. economy has grown 5.0 percent while the German economy grew 2.3 percent and the Japanese economy grew 0.0 percent.)
- If Congress enacts PNTR, the agreement is expected to provide a substantial boost for U.S. exports. For agriculture alone, USDA estimates that China's WTO accession would result in at least \$2 billion annually in additional U.S. exports by 2005.

Q: What is your view of the bilateral deficit with China?

- The latest data show the bilateral deficit with China narrowing somewhat.
- We expect trade to increase in both directions, as China becomes more open and efficient and a better trading partner. Experts agree that any increase in U.S. imports from China would likely come at the expense of other nations in Asia -- resulting in a relatively flat level of imports as a percentage from that part of the world.
- The elimination of Chinese barriers to imports will present new opportunities for U.S. exporters. If Congress enacts PNTR, the agreement is expected to provide a substantial boost for U.S. exports. For agriculture alone, USDA estimates that China's WTO accession would result in at least \$2 billion annually in additional U.S. exports by 2005.
- Overall open trade, in a rules-based multilateral system, dampens inflation, spurs innovation, and promotes economic growth.

NATIONAL SECURITY AFFAIRS GUIDANCE

May 22, 2000

EUROPE/SEE

Kosovo (updated)

Turkey (new)

RUSSIA/NIS

Russia/Clinton Moscow Trip (new)

AFRICA

Sierra Leone (updated)

Ethiopia/Eritrea

South Africa/Mbeki and AIDS (new)

AIDS/National Security Threat (new)

NEAR EAST/SOUTH ASIA

Lebanon

ASIA

China/PNTR Talking Points (new)

Taiwan/Chen Inauguration (new)

**U.S.-China Joint Statement on
Environment and Development (new)**

China/"Sunburn" Missiles (new)

Wen Ho Lee

INTER-AMERICAN

Haiti/Elections (updated)

Peruvian Elections

TRANSNATIONAL

TOPOFF and NCR2000 Exercises

DEFENSE/INTELLIGENCE

Alleged Intelligence Weakness

BACKGROUND: *On May 25, full Senate rejected by a vote of 53-47 the Byrd/Warner amendment that would have set a de facto deadline for US troop withdrawal from Kosovo. The Senate then passed the FY01 MilCon Appropriations bill which includes full supplemental funding for military operations in Kosovo. That bill now goes to conference. On May 24, the House approved an amendment to the FY01 Defense Authorization sponsored by Kasich that will require the President to certify by next April that Europe has delivered the vast majority of its pledged assistance to Kosovo, or else US troops must withdraw. .*

While it appears our military funding requirements are met, the Senate's version of the FY01 Foreign Operations Appropriations bill provides no FY00 Supp money in function 150 for Southeast Europe. Instead, the SAC boosted our FY01 Support for East European Democracies account above our requested \$610m to \$635m, and earmarked specific amounts for Croatia and Montenegro (two of our Supp items). But this is \$170m less than requested and none of the money would be available until FY01 begins.. The Committee also took no action to fund any of our requests on accounts normally included in the CJS bill -- most importantly our UN peacekeeping assessment and our embassy construction needs.

POINTS

- Pleased that the Senate rejected reversing Byrd-Warner and has maintained a responsible course of action regarding Kosovo.
- Sends the right message, that the United States will remain engaged with our allies in helping build a stable, peaceful and undivided Europe. It properly supports our troops who continue their important work in Kosovo. We will continue to support the goal of burden-sharing and will remain engaged with our European allies.

(If asked) What about Kasich?

- Just as with the similar provisions proposed by Senator Warner in the Senate, the Kasich Amendment is not the right answer for getting our European allies to do more in Kosovo. Our European partners are stepping up and delivering on their commitments, and we will continue to urge improved performance. But enacting the Kasich amendment would be counterproductive, and only serve to discourage further pledges of aid. It also continues to send the wrong message to Milosevic and other extremists in the Balkans about our commitment to succeed in building peace in that troubled region. We will continue to work this on the Hill.

Foreign Operations Appropriations

- While funding for military operations now seems secure, we remain concerned that adequate funding for assistance programs in Southeast Europe including remains in doubt. The Senate Appropriations Committee's action is some \$170m below our requests. It is worse than even the unsatisfactory action the House took on these programs.
- The Committee only funds our needs in Croatia and Montenegro, and even for these doesn't make any money available until October, when we need the money now - particularly to help the Montenegrin government meet its immediate budget shortfalls.
- We get none of the money we need for supporting efforts to bring democracy to Serbia, and our programs in Kosovo -- to get more police on the ground, strengthen the course, boost independent media, and promote small business to get the economy moving -- are all starved, both this year and in FY01.
- Failure to provide our share of funding for UN and international civil programs undercuts the efforts of NATO and our men and women in uniform who are working to provide stability and security in Kosovo. **Funding for these programs is essential to our exit strategy** -- which requires the establishment of civil structures of self-rule, justice, and law and order in Kosovo.

TURKEY
May 22, 2000

What interaction has President Clinton had with the Turkish President?

- President Clinton sent President Sezer a congratulatory letter.
- The letter basically says congratulations; looking forward to working with you. We have a great relationship, and we are impressed with Turkey's strides on economy, democracy, human rights, and relations with EU and Greece.

RUSSIA: CLINTON MOSCOW TRIP
May 22, 2000

BACKGROUND: President Clinton will travel at the invitation of Russian President Putin to Moscow on June 3-5. President Clinton's trip to Moscow will provide first opportunity for presidential-level meetings since Putin's inauguration May 7 and election of new Parliament. It will be the first of several potential high-level encounters this year and will build on achievements in U.S.-Russia relations over past seven and a half years.

- President's visit to Russia will help advance our core national interest in success of Russia's transition toward democracy, free market, and productive engagement with world community.
- Should point out that President will also visit Ukraine to reinforce our support President Kuchma's and Prime Minister Yushchenko's reform agenda. Visit to Ukraine will also underscore our commitment to supporting reform efforts in other NIS and strengthening their independence and international integration.
- Overall objective is to establish productive relationship with new Russian leadership, to develop common set of priorities for coming year, to reinforce core messages on economic reform, democracy, and human rights, and to address tough issues where we have important differences (e.g., Chechnya).
- President will seek greater common understanding in four main areas: reducing the nuclear threat, promoting economic reform, trade and investment, enhancing U.S.-Russian cooperation on regional and global issues, and promoting closer ties between societies.

BACKGROUND: Beginning May 1, the rebels in Sierra Leone, known as the Revolutionary United Front (RUF), have attacked UN peacekeepers in Sierra Leone, killing at least four (Kenyans) and held up to 500 others. RUF forces attacked UNAMSIL units in several areas, but both Freetown and the area around Lungi airport are still under GoSL and UNAMSIL control. In response, government forces and forces allied with the government are moving to engage RUF rebels outside Freetown. The UK troops on the ground have helped to stabilize the situation -- especially in the Freetown and Lungi areas. Rebel leader, Foday Sankoh, was captured by GoSL elements on May 17th, and he is now being held by the GoSL with probable British oversight. More than 220 UN troops have now been freed (as of May 22), but roughly 280 remain held.

Core Points

- We welcome the report that 54 additional UN peacekeepers have been released and have arrived in Monrovia. We appreciate the efforts of those obtaining this release and urge their continued efforts to seek the release of those UN personnel who remain held by the RUF.
- The international community is acting to reinforce the mission in Sierra Leone. The UN, West African nations and others are moving additional forces to stabilize the situation.
- **The United States will provide \$20 million in defense goods and services to support efforts by the United Nations and other international forces to stabilize the situation in Sierra Leone.**
- The United States previously flew a C-17 with supplies and equipment for a Jordanian special forces contingent to Freetown.
- We are prepared to help support the movement of other troops as well.
- A U.S. logistics team is in Abuja helping the Nigerians determine its needs, including logistics and equipment, in preparation for a possible deployment of West African soldiers.
- Jesse Jackson **is in the region** as part of our strong support for regional efforts to stabilize the situation, and consult with leaders on how best to move Sierra Leone back towards the peace process.

Can you confirm reports of the arrest of Foday Sankoh?

- Foday Sankoh was arrested last week and is in the custody of the Government of Sierra Leone in Freetown.

What will be done with him? What should be done with him? Do you support a war crimes tribunal for him?

- Sankoh is in clear violation of the Lome agreement -- in particular, through his continued failure to order release of all remaining UN detainees.
- As we have said in the past, we support the principle of accountability, though the critical decisions on these matters must be taken by the government and people of Sierra Leone.

Does that mean a war crimes trial?

- It is premature to prescribe what form that should take; again, this is fundamentally a decision for the people of Sierra Leone.

Is the Security Council considering a change in the mission's mandate? What is the U.S. position on whether the Nigerians should deploy as part of UNAMSIL or not?

- While progress is being made to stabilize the situation on the ground, it is certainly clear that the international troops in Sierra Leone need to be reinforced.
- The UN is working through the flow of additional troops (Bangladeshi, Indian and Jordanian) into Sierra Leone. We have logistics advisors in New York helping with that effort. We are coordinating with troop-contributing countries, such as Nigeria, about what is required to increase the force's size and to make it more capable.
- The Security Council and concerned governments from within and outside the region are now discussing how best to accomplish this objective; no decision has been made regarding a change in mandate. Our overriding concern is to ensure that forces on the ground will be effective.

Is the U.S. planning to assist in additional deployments?

- We supported the Jordanian movement several days ago, **and have now made available an additional \$20 million to support UN and international forces in Sierra Leone.**
- We are discussing with the UN **and others how this support can be best used.** We want to help. At the same time, when there are cheaper, commercial options available to move forces, the UN should and has taken advantage of them.

Why is the U.S. charging so much for transport assistance?

- For the U.S. and all other governments, in-kind support for UN operations is ultimately reimbursed by the UN.
- This is a long-established practice in accordance not only with UN procedures, but congressional requirements.
- The price involved is the actual incremental costs, and nothing more.

Will that support include U.S. troops?

- There is no discussion of deploying U.S. combat forces. We have alerted Congress, however, that from time to time, small numbers of personnel may be on the ground as we provide airlift support. We also have a small number of exchange officers serving with British forces in the region.

How do you respond to criticisms of the UNAMSIL force?

- To be sure, the force has suffered from lack of adequate supplies, and slow deployments, which we are trying to address.
- But let's be clear. The UN force was confronted by an all-out assault by Africa's most brutal rebel movement, in circumstances where the UN force was neither designed nor equipped for full-scale combat.
- In recent days, there has been excellent coordination among UNAMSIL, government forces and British troops on the ground. Freetown and some of the outlying areas are more stable and secure.

Why did Reverend Jackson travel to West Africa?

- Jesse Jackson, the President's Special Envoy for Democracy in Africa, went to the region to work with leaders there for a peaceful resolution of this crisis. Reverend Jackson has been actively involved in our diplomatic effort to help the people of Sierra Leone realize their peaceful aspirations.

What about his comments comparing the RUF and the ANC? Do you agree with what he said. That appeared to have caused considerable alarm in Sierra Leone. Will that undercut his mission?

- Reverend Jackson has publicly clarified what he said about the RUF and the ANC. Clearly, they are not in any way directly comparable. He was not trying to make any statement of moral equivalency. He was clearly saying that the RUF has to this point squandered the

opportunity given them by the people of Sierra Leone to be a constructive force within the framework of the Lome Agreement. They have violated their commitments made last year under the Lome Agreement. Nevertheless, they still have the ability to change course, accept the principles of Lome – return to a cease-fire, disarm and demobilize, accept the UN presence and support a free, fair and open electoral process – and be a positive influence to help the people of Sierra Leone realize their peaceful aspirations.

Can you give us an update on Rev. Jackson trip to West Africa?

- Rev. Jackson has met with Nigerian President Obasanjo. They discussed a wide range of domestic and regional issues related to the situation in Sierra Leone.
- Rev. Jackson met with President Taylor in Liberia on Saturday, following which an additional 54 UN detainees were released.
- Jackson held additional discussions on Sierra Leone with President Konare of Mali, the current ECOWAS Chairman, on Saturday, then returned home yesterday.

But why didn't Jackson go to Sierra Leone?

- Rev. Jackson spoke with President Kabbah over the weekend. Together, they determined that conditions were not right for Jackson to visit Sierra Leone at this time.

Did Jackson meet with Foday Sankoh?

- No.

THE WHITE HOUSE

Office of the Press Secretary
(Aboard Air Force One)

For Immediate Release

May 19, 2000

STATEMENT BY THE PRESIDENT

I have authorized the Department of Defense to provide up to \$20 million in defense goods and services to support efforts by the United Nations and other international forces to stabilize the situation in Sierra Leone. This assistance, which we will provide on a non-reimbursable basis, will include military transport, supplies, equipment and services, so the international community has the capabilities it urgently needs.

Our African and other partners have taken a stand to restore peace and hope to Sierra Leone; we will stand with them. Sierra Leone's people have suffered far too much for far too long, and they need immediate assistance to prevent a return to full-scale civil war. We have a genuine opportunity to make a difference, to give them a chance for a better future, and to aid the cause of stability and democracy in Africa. We will do what is necessary for Sierra Leone so the international community can get the job done.

#

BACKGROUND: *Heavy fighting continues north of the Mereb River and former Eritrean lines at the Badme front. Ethiopian forces are still engaged in fighting near Barentu and will probably take the city soon. There have been skirmishes west of Mendefera. No significant fighting is reported for other fronts along the Ethiopia/Eritrea border. Fighting at this time is limited to area near the border and involves only well-disciplined formed combat units.*

The international community has been working persistently and vigorously in support of the OAU peace process since hostilities along the Ethiopia-Eritrea border resumed last year. Both sides have now accepted the OAU Framework Agreement and an OAU proposal for modalities to implement the Framework Agreement. There is consensus on some of the provisions of Technical Arrangements to implement the peace plan, while others still await agreement to secure the mutual acceptance of the full document by both parties.

On May 12 the UNSC adopted a resolution (UNSC 1297) condemning renewed hostilities and calling for renewed peace talks. The USG, OAU and UNSC are holding urgent consultations and the international community is working together to determine most effective next steps, including a stronger UNSC resolution, if hostilities continue. We, the United Nations Security Council, the European Union, and the rest of the international community will work with and in support of the OAU to help end this tragic and unnecessary conflict and reach a durable peaceful settlement of the border dispute.

There have been no further anti-American demonstrations in Addis Ababa, and Prime Minister Meles has assured our Ambassador that further demonstrations of this kind will not be permitted. Both Embassies Addis Ababa and Asmara are closely following security issues and military developments. Embassy Addis Ababa is operating normally, but Embassy Asmara has been placed on Authorized Departure status owing to the proximity of heavy fighting. No Asmara employees have yet opted to leave since departure was authorized. Our embassies will assure that Americans are fully informed of evolving circumstances and new security considerations that may follow. Both capitals are calm and international airline service has not yet been affected in either Asmara or Addis Ababa. Consular travel warnings recommend that travelers consider deferring travel to Ethiopia and avoid travel to Eritrea.

What is the situation along the Ethiopia-Eritrea border?

- Heavy fighting continues along the western front north of Badme, and the Ethiopian advance continues. We understand Ethiopian forces are approaching the town of Barentu, thirty kilometers northwest of the former Eritrean front lines at the Mereb River, and are skirmishing west of Mendefera, 40 km south of Asmara.
- Both Ethiopia and Eritrea report that an Ethiopian helicopter was downed May 15. There are no reliable reports of casualties or other aircraft and equipment losses.

Have there been any more anti-American disturbances in Addis Ababa?

- There have been no anti-American demonstrations in Addis Ababa since May 15, and Government of Ethiopia has assured our Ambassador that violence against U.S. citizens or facilities will not be tolerated.

What are we doing to stop the fighting?

- We deplore the unjustified and unnecessary resumption of hostilities. The United States urgently calls on both Ethiopia and Eritrea to end the fighting now and immediately resume talks without preconditions under the auspices of the Organization of African Unity (OAU).
- We enthusiastically supported last Friday's UNSC Resolution 1297 condemning the renewed fighting between Ethiopia and Eritrea, and are pressing for more vigorous steps by the Security Council in view of ongoing hostilities. We are consulting with our UNSC partners on the best and most effective Council action at this time.
- We and the international community believe that the OAU peace plan offers a fair, just and durable solution to the conflict, and remaining differences regarding implementing arrangements can be resolved through continued OAU mediation. The United States has actively worked for a peaceful resolution of this dispute since it began nearly two years ago.
- We, the United Nations Security Council, the European Union and the rest of the international community will work with and in support of the OAU to help end this tragic and unnecessary conflict and reach a durable peaceful settlement.

Will the UNSC meet today on this? What's our position on UN sanctions on the two countries?

- Security Council member delegations will meet today for further consultations on a new UNSC resolution to press for an immediate end to hostilities and a speedy return to peace talks. We believe a strong resolution is necessary in view of military operations now underway.

What is the status of the OAU peace plan?

- Both parties have accepted the OAU Framework Agreement and modalities for implementation.
- Ethiopia has said it is unable to accept Technical Arrangements to implement the OAU peace accord as originally drafted.

- Eritrea has accepted the Technical Arrangements.
- Ethiopia indicates it is willing to consider new peace talks, despite military operations now underway.
- We and the rest of the international community continue to believe in the fairness of the OAU peace process and are convinced that this process is the only way to a principled and durable resolution of the conflict.

What is the U.S. Government doing to protect U.S. citizens?

- Americans have been warned against travel to Eritrea and to consider deferring travel to Ethiopia.
- Normal operations continue at our embassy in Addis Ababa.
- Our Embassy in Asmara has been placed on authorized departure status, which allows American citizen staff of the embassy and their families to leave on a voluntary basis.
- There are about 20 U.S. citizen staff and family members at our embassy in Asmara, and about 160 staff and family in Addis Ababa.
- There are roughly 2,000 private Americans citizens known to the embassy resident in Ethiopia and about 200 in Eritrea.
- We are carefully monitoring the situation and taking full precautions to assure the safety of all Americans in Ethiopia and Eritrea.
- Our embassies are in touch with the American community through Embassy warden systems and informal town meeting gatherings.
- Both capitals are calm, and international airlines continue service to both cities.

IF ASKED:

How many American staff or family members have left Eritrea since authorized departure was approved May 12?

- No members of the American embassy staff have yet volunteered to depart Asmara.

PRESIDENT MBEKI AND THE SOUTH AFRICAN AIDS CRISIS

May 22, 2000

BACKGROUND: The human toll of AIDS is staggering. Fifty million people worldwide have been infected with the HIV virus; 33.6 million are now living with HIV/AIDS, and annual AIDS-related fatalities hit a record 2.6 million last year. Ninety-five percent of all cases are in the developing world. AIDS is now the leading cause of death in Africa and fourth in the world. In at least five African countries, over 20 percent of adults are HIV-positive. And the highest rates of new infections are often among young women who will soon be mothers.

AIDS Statistics for South Africa:

- ***South Africa has more people living with HIV/AIDS than any other country in Africa – 4.2 million (1 in 10 of the total population, and 1 in 5 adults.)***
- ***1600 new infections each day***
- ***1 in 4 pregnant women positive for HIV***
- ***by 2003, more than 1 million South African children will be orphaned by AIDS.***

President Mbeki has some controversial views surrounding AIDS. He has embraced some scientific dissidents who even question whether AIDS is even caused by a virus. Will you discuss this with him?

- Yes, the issue of AIDS in Africa will be on the agenda for discussions with the President.
- There is no question that President Mbeki understands the depth of the health crisis facing much of Africa, including his own country. South Africa is doing a great deal, including appointing a senior government task force, an AIDS council between the public and private sector, and a country-wide education campaign.
- We intend to discuss ways to deal with AIDS in South Africa in the context of poverty – to assist in finding an African solution – but a solution based on the best science.

But what about his controversial statements that seem to question whether AIDS is caused by the HIV virus?

- You will have to ask him.
- But, President Mbeki has clearly engaged in the struggle to control AIDS in his country. He is questioning everything in an attempt to come to terms with a disease devastating his country. As part of his quest he is talking to a wide variety of people, including some with unorthodox views that don't reflect the broad international consensus about the science of the disease.

- Do we agree with the views of every expert he's consulted? No, we don't and we have communicated that to the South African government. But we do agree with his premise that more has to be done globally, and more needs to be done in Africa.

Is AIDS is different in Africa, as some claim?

- The virus that causes AIDS, HIV, has several strains. The strain mostly found in the U.S. is different from the one in Africa. However, the strain differences to not affect the severity of disease, how it is transmitted, or whether or not anti-AIDS drugs are effective.
- We recognize that the AIDS epidemic in Africa, including South Africa, is manifesting itself in different ways than it has in the United States – but not because the science of the disease is different. They don't have the same health care infrastructure that we do, for example, which means that in addition to what the South African government is already doing for prevention, education and care, they also need to look at additional approaches relevant to specific conditions in Africa.
- But there are also evolving similarities in the two epidemics - - In the U.S. the disease is now spreading most rapidly among heterosexuals, people of color, and the poor, just as in Africa.

How much are we assisting South Africa?

- In FY 2000, the USG has obligated about \$11 million, up from about 2 million in 1999. CDC and USAID are actively involved in a wide ranging set of prevention and care activities.

The Washington Post announced that the Administration has formally designated the disease for the first time as a “National Security Threat.” Why now?

- This has been an evolving process. We have recognized for a long time that the spread of AIDS is undermining the health, development, economics and potentially even the political stability of the hardest hit nations. And we have invested in combating the international AIDS epidemic since the early 1980s. Nearly two years ago, the NSC established an office of International Health Affairs, to expand the security community involvement with issues such as AIDS. The expansion of the epidemic has focused the broad national security community on the significant negative impact on growing economies and democracies.
- AIDS threatens to undermine progress towards democracy and reform, it weakens societies by decimating all classes of society, drags down economies, fuels corruption, and has a greater humanitarian impact than major regional wars.
- A recent National Intelligence Estimate (which is unclassified) laid out some of the security concerns for the U.S. and others, including demographic upheaval, (reduction in life-span by

up to 20 years , doubling infant mortality , loss of workforce, increase in orphans), and possible political instability as state resources are drained and economic productivity vanishes. Not to mention the humanitarian tragedy of losing millions and millions of lives each year.

What are we doing for controlling AIDS, especially in Africa?

- Since 1986, USAID has dedicated over \$1.2 billion to mitigate the epidemic. For FY 2000, Congress appropriated funding for our global AIDS prevention and care program of \$225 million – four times as much as the next largest donor. And nearly two thirds will go to Africa. The FY2001 budget request includes an additional \$100 million increase in our global AIDS effort (for a total of \$325 million, excluding research) which will be targeted to: prevention; basic care and treatment; support for orphans; and health infrastructure development, and implemented by USAID, HHS (CDC), DOL and DOD. In addition, NIH is spending over \$1.8 billion annually on AIDS research, with over \$200 million each year in the search for a vaccine.

Should we be doing more?

- Yes, we – and all concerned countries – should be doing more. Our response is focused on two key components: leadership and resources. The USG is now engaged in an interagency process to identify and refine a series of new initiatives and partnerships to deal with the critical issues of prevention, treatment and care.
- The President's joint statement with India on HIV/AIDS, and India's recent IDA loan to fund AIDS activities are good examples of the leadership needed.
- But the resources required – more than \$3 billion/year for prevention and care in Sub-Saharan Africa alone, will be a formidable obstacle. The average sub-Saharan African country has only \$5-20 million from all sources to spend on AIDS prevention and care – a ludicrously insufficient amount. No matter how much we spend as a nation, we cannot do it alone. To help solve that problem we are working on a four-point strategy: Increased bilateral assistance; multilateral coordination; debt forgiveness; and engaging the private sector.
- We must leverage an enhanced response from other bilateral donors and multilateral institutions through a U.S.-lead international cooperative effort.
- At the US-EU Summit next month, we will be joining the EU in drafting new initiatives to increase activities to combat the epidemic, especially in Africa. The Japanese have indicated that HIV/AIDS will be a major agenda item on the G-8 meeting in Okinawa in July. The U.S. will be joining our G-8 partners in pushing for increased international funding of AIDS efforts and leader-to-leader dialogue to raise awareness and priority.

- Ongoing discussions with James Wolfensohn at the World Bank indicate that the multi-lateral development banks are willing to make substantial funds available to eligible countries to meet the prevention, treatment and care requirements of eligible countries. This will complement the Cologne debt initiative agreement last year in which, for the first time, we agreed with our G-7 partners to fund debt relief for the HIPC countries with the thus-freed up resources to be used for social and health programs such as AIDS control.

AIDS AS A NATIONAL SECURITY THREAT

May 22, 2000

Why has the White House decided that AIDS is a threat to national security?

- In addition to the classic threats to security, there are a number of trends which constitute a global threat – terrorism, drug-trafficking, disease, international crime - these move freely across borders and without prejudice. AIDS is one of these, and the scale and scope are such that the epidemic poses a threat to global security.
- We're seeing frightening statistics in Africa now, but anticipate similar trends in Asia and the former Soviet Union – indeed throughout the world.
- Ninety-five percent of all cases are in the developing world. In the case of Africa, for example, AIDS is the leading cause of death, and in some countries 20% of the population is infected. This level of prevalence directly affects military forces, and could lead to instability necessitating the involvement of the U.S. , either in terms of humanitarian response or for security reasons.
- Also threatens economic progress that is needed to counter instability. Two of the world's fastest-growing economies are in Africa – Botswana and Mozambique – but the gains these and other countries will be reversed if producers and policymakers are killed by the epidemic.
- Poverty also fuels the spread of AIDS. Where there is inadequate communication and health infrastructure, it is extremely difficult to counter the spread of this disease.

Why now?

- The U.S. has been supporting AIDS programs around the world for years – since 1986, US Agency for International Development has dedicated over \$1.2 billion to fighting this disease.
- But the numbers show that treating AIDS as a health issue alone is inadequate, that AIDS and poverty are a lethal combination, and that more resources and more leadership are needed to reverse a dangerous trend.
- AIDS is increasingly on the agenda of the President's meetings with other leaders, and in meetings between members of the cabinet and their counterparts – as an issue requiring a more concerted effort on the ground and the increased involvement of the international community.

What are you doing about it?

- We believe that defeating AIDS requires several things:
- First is the leadership in the international arena. This is why we put AIDS on the agenda of the UN Security Council in January, why it will be a key topic during the upcoming U.S.-EU Summit, and why we're pleased that Japan has identified AIDS as a priority issue for the G-8 meeting in Okinawa in July.
- Leadership at the national level is equally important. Uganda, for example, has reversed an upward trend in the spread of AIDS, and did so because from the President on down, the entire government engaged in educating the public, and community groups were supported to take the message out to the villages. The U.S. is one of the leading donors to Uganda's AIDS program.
- Second is resources. For FY 2000, Congress appropriated funding for our global AIDS prevention and care programs of \$225 million – four times as much as the next largest donor. The FY2001 budget request includes an additional \$100 million increase. We intend to use our position as the world's leading donor to leverage similar commitments from other governments.
- Third is prevention – both through education at the ground level, but also through a more rigorous effort to find a cure for this and other devastating diseases like malaria. That's why the President has proposed a tax credit as an incentive to the pharmaceutical industry to do more, and quickly, to develop vaccines.

Senator Lott has said that AIDS is not a threat to national security, and that the White House is simply aiming to please some of the groups here in Washington over the weekend.

- We believe the evidence is in that AIDS is a global threat, and that it affects all people, without prejudice.
- Certainly, when we are seeing evidence that diseases like West Nile Fever that are carried by migratory birds, or other diseases that move freely as people travel throughout the world, it is clear that we must look at the spread of disease as a threat that affects all Americans.

Is the Administration concerned about the recent statements made by South African President Mbeki?

- President Mbeki is well aware of the threat posed to South Africa's future by AIDS, and the government and private organizations in South Africa are engaged in a vigorous campaign to educate the public, prevent and treat the disease.
- We believe that the scientific evidence of the link between HIV-AIDS is irrefutable.

- We also believe that President Mbeki is making another critically important point – not yet addressed by the media – that the combination of AIDS and poverty is indeed lethal, and that we've got to fight both if we want to win the war against AIDS.

LEBANON: SHEBAA FARMS
May 17, 2000

Syria has now publicly endorsed Lebanon's position on the dispute over the Shebaa Farms and Israel's withdrawal from Lebanon? What's your position on this issue? Is Lebanon's claim valid, or do you see this as a pretext for Lebanon and Syria to attack Israel after a withdrawal?

- We've seen these reports.
- UNSCR 425 calls for the withdrawal of Israeli forces from Lebanese territory and requests the Secretary General to report on its implementation.
- The line of withdrawal will be determined by the UN for the purpose of verifying the withdrawal of Israeli forces.
- We expect the UN will address this issue in its report.

CHINA PNTR TALKING POINTS

May 22, 2000

On the EU-China Deal:

- We are pleased that the EU and China have reached an agreement.
- We haven't seen all the details of the agreement, but from what we've seen in the EU fact sheets we believe the two sides have made some positive additions to the landmark agreement we negotiated last year. We look forward to learning more about their agreement.
- The WTO accession process takes the best deals negotiated from each country and combines them to make the final agreement. In other words, no one can weaken any market-opening provision we negotiated, but if others get something better, we will also benefit.
- The EU-China agreement underscores to Members of Congress what we have said all along: China will enter the WTO this year and if Congress fails to grant PNTR, it will be our workers, businesses and farmers who are left behind while our competitors take full advantage of the benefits the agreement provides.
- The bottom line is this: If we want to enjoy the full benefits of this agreement, Congress must enact PNTR.

On our trade deficit with China:

Background

- The Department of Commerce released its monthly trade numbers today. They showed the monthly trade deficit in March rose to a record \$30.2 billion. Exports increased \$1.3 billion, but imports increased by \$3.7 billion.
- Bilateral deficits with Western Europe, Canada and Japan widened in March, while deficits with China and Mexico fell.

Are you concerned about the record trade deficit and what are you doing about it?

- ☐ The fundamentals of the economy are sound: the unemployment rate is at 3.9 percent -- the lowest in three decades -- growth is strong, and underlying core inflation remains low.
- ☐ The trade deficit is a reflection of the fact that the United States economy continues to grow much more strongly than our trading partners. This increases our imports and reduces our exports. (For instance, in the last year the U.S. economy has grown 5.0 percent while German economy grew 2.3 percent and the Japanese economy has grown 0 percent.)

- If Congress enacts PNTR, the agreement is expected to provide a substantial boost for U.S. exports. For agriculture alone, USDA estimates that China's WTO accession would result in at least \$2 billion annually in additional U.S. exports by 2005.

What is your view of the bilateral deficit with China?

- The latest data show the bilateral deficit with China narrowing somewhat.
- We expect trade to increase in both directions as China becomes more open and efficient and a better trading partner. Experts agree that any increase in U.S. imports from China would likely come at the expense of other nations in Asia.
- The elimination of Chinese barriers to imports will present new opportunities for U.S. exporters. If Congress enacts PNTR, the agreement is expected to provide a substantial boost for U.S. exports. For agriculture alone, USDA estimates that China's WTO accession would result in at least \$2 billion annually in additional U.S. exports by 2005.
- Overall open trade, in a rules-based multilateral system, dampens inflation, spurs innovation, and promotes economic growth.

From Joe Lockhart's briefing, May 17

Level of confidence right now on the vote count:

I'm not going to get into a listing of number or members at this point, only to say that we've got more work to do.

One-on-one sessions with the President:

The President has met with close to 100 members since the beginning of the effort.

I think what's clear is that the President will have met -- by the time the vote takes place -- with anyone who didn't early on come out and say that they were definitely against it and there was no way of changing their mind.

On counting votes:

- As the President said, **"We don't have the votes yet."**
- Secretary Daley acknowledged that it would be **a very close vote** saying: "No question it will come down to the wire. We don't have the 218 votes yet to win it, and the opposition doesn't have them to defeat it."
- But we have always expected this to be a tough fight and we still have a lot of work to do.
- We remain confident nonetheless that our case will prevail.

On Levin / Bereuter Joint Proposal:

- The Administration believes that the proposal developed by Congressmen Levin and Bereuter with others is constructive and addresses issues of major importance.

- We agree that it is a priority for the United States to press for improvement of China's human rights, religious freedoms, labor rights and the rule of law. Finding alternatives to the annual NTR renewal process, such as a Commission, to keep a spotlight on these issues makes sense.
- We agree as well that it is important to have a vigorous program, both within the USG and within the WTO, to monitor China's implementation of its WTO commitments and to ensure China lives up to them. And we must have adequate resources to accomplish this.
- Finally, we agree that we must make clear the rules and procedures this and future Administrations will employ to implement the strong import safeguard protections we negotiated.
- We are committed to working with Congress to address these concerns. We believe that the Levin-Bereuter proposals address these concerns, make good substantive sense and can garner broad bipartisan support.
- We could not, of course, accept anything that would in any way condition PNTR.

Recent quotes:

- German Economy Minister Werner Mueller welcomed the deal, saying in a statement: "A far-reaching opening of this market is not only in the interest of the German and European economy, but will also lead to more economic growth in China and in the long term to a rise in the population's standard of living."
- "The EU-China agreement underscores to members of Congress what we have said all along -- China will enter the WTO this year and if Congress fails to grant PNTR it will be our workers, businesses and farmers who are left behind while our competitors take full advantage of the benefits," U.S. Trade Representative Charlene Barshefsky said in a statement.
- "China's trade now accounts for three percent of world trade, and should expand further in response to WTO participation. Our markets are already generally open to China, and that will not be altered by PNTR. Passage of PNTR, however, will facilitate a further opening of China's markets to U.S. producers. Accordingly, I believe extending PNTR to China, and full participation by China in the WTO, is in the interests of the United States." Chairman Greenspan, May 18.

TAIWAN INAUGURATION

May 22, 2000

Any comment on the inauguration in Taiwan?

- We congratulate Mr. Chen Shui-bian on his inauguration in Taiwan. His election and the smooth transition demonstrated clearly the strength and vitality of Taiwan's democracy.
- Mr. Chen's election and inauguration provide a fresh opportunity for Taiwan and the PRC to reach out and resolve their differences peacefully through dialogue. The United States strongly supports such dialogue and is committed to promoting peace, stability and prosperity in the region.

Was the United States represented at the inauguration?

- We continue to conduct close unofficial ties with the people on Taiwan through the American Institute in Taiwan (AIT) in accordance with the Taiwan Relations Act and our "one China" policy as embodied in our three communiqués with the People's Republic of China.
- AIT has organized a delegation representing the American people to attend the inauguration. Laura D'Andrea Tyson is leading the delegation. She is joined by Richard Solomon, the President of the U.S Institute of Peace, Dr. Chang-lin Tien, NEC Distinguished Professor of Engineering at the University of California, Berkeley, and Richard Bush, AIT Chairman and Managing Director. Mr. Raymond Burghardt, AIT Taipei Director will also be a member of the delegation.

Why didn't Congressman Rangel attend the inauguration Taipei?

- Congressman Rangel was scheduled to arrive in Taipei on May 20 to join the delegation for the inauguration ceremony. However, due to flight delays in Washington he was unable to make his connecting flight on the west coast and therefore will not be able to join the delegation in Taipei.
- Mr. Rangel expressed his deep regret that he would not be able to attend the inauguration.

How do you evaluate Chen's speech?

- Not our place to comment on the specifics of Mr. Chen's inaugural address, but we are encouraged that the new leadership in Taiwan is generally taking a pragmatic and constructive approach to resuming cross-Straits dialogue.

- We urged the two sides to develop direct communication and to determine the basis for resumed dialogue. For our part, we are hopeful that Mr. Chen's inauguration will serve as a basis for direct communication between the two sides.
- We urge Beijing to take advantage of every opportunity to resume dialogue with Taiwan to resolve peacefully the problems between the two sides.
- We hope that Beijing will adopt an approach that embodies caution, patience, and creativity in order to move the cross-Strait relationship forward.

Was Chen's speech sufficient to begin a cross-Strait dialogue?

- It is up to Beijing and Taipei to determine what is sufficient.
- We encourage both sides to seek to develop a cross-Strait dialogue.

Will the US mediate as the two sides seek a basis for discussions?

- It is up to the two sides to develop their relationship.
- While we encourage both sides to engage in dialogue, we do not seek a role as mediator.

What effect will this inauguration have on the Administration's effort to secure permanent Normal Trade Relations status for China in connection with its accession to the WTO?

- China's accession to the WTO and PNTR will increase China's participation in a predictable, transparent, and rules-based international system -- increasing its stake in regional peace and stability.
- The combination of Taiwan and PRC accessions to the WTO will strengthen cross-Strait economic ties and contribute to regional stability.

Does the Chen's inauguration make it more difficult for U.S. and/or PRC since he is from the opposition party?

- We respect the decision of the people of Taiwan and strongly support Taiwan's democracy.
- We look forward to developing constructive unofficial relations with the new leadership in the interests of preserving peace, stability, and prosperity in the region.

U.S.-CHINA JOINT STATEMENT ON ENVIRONMENT AND DEVELOPMENT May 22, 2000

BACKGROUND: *Today (5/19) in Beijing, the U.S. Ambassador to China and China's Minister of Science and Technology signed a joint U.S.-China statement on environmental cooperation. The statement is a result of the U.S.-China Forum on Environment and Development, co-chaired by Vice President Al Gore and Chinese Premier Zhu Rongji. The Vice President and China's Premier established the Forum in 1997 to expand bilateral cooperation and dialogue on sustainable development and environmental protection. In April 1999, Gore and Zhu Rongji co-chaired the Forum's second session in Washington, DC. Its third session, a minister-level meeting, held in Honolulu in January 2000. Plans are underway for a fourth session in China next year. Negotiations on the joint statement were concluded following a letter from the Vice President to the Premier urging his support.*

In the joint statement, China and the U.S. commit to further their ongoing cooperation to address global environmental challenges. The statement marks an important step in China's evolution toward greater cooperation with the U.S. in combating climate change, and commits both countries to cooperation on the further development of the Kyoto Protocol. Specifically, China has long opposed international dialogue regarding further action by developing countries to address climate change. The statement reflects a new openness to engagement. Furthermore, the statement expresses the view that sustained economic growth can be achieved while still taking action to address climate change. The two countries also commit to assure that increased trade does not harm natural resources and endangered species, while still recognizing the potential of Chinese accession to the WTO to advance clean energy and environmental protection goals.

Why is the US-Chinese joint statement significant?

- This is the most positive statement on international cooperation on climate change that China has made. It highlights domestic actions taken by China, indicates support for further development of the Kyoto Protocol and its innovative provisions, such as the Clean Development Mechanism, as well as a willingness to consider new ideas and approaches to developing country actions to address climate change. Coming on the heels of a call for such a new dialogue from the U.S. and India during the President's March trip to South Asia, this new openness is quite significant.

[If asked] Is the joint statement timed to correspond to the PNTR vote?

- No. We have had a vigorous dialogue with China on environment, energy and climate change for many years through the Vice President's forum as well as through a high level dialogue on climate change and other channels. The joint statement is the result of ongoing efforts to deepen our cooperation to address these global challenges.

[If asked] Isn't this a last ditch attempt to generate support from environmentalists in advance of the PNTR vote?

- No. We have consistently said that engagement with China on global environment issues is a critical part of our foreign policy. The statement reflects the importance we place on these issues. We believe that PNTR will enhance our dialogue with China on the environment.

[If asked] Did you pressure the Chinese into agreeing to this statement?

- We have had a long and productive dialogue with the Chinese on the environment. The statement reflects our mutual interest in deepening our cooperation on these issues.

[If asked] How does it compare to the joint statement with India? Isn't the China statement weaker?

- The India and China statements are similar in many ways. Both governments joined us in acknowledging that climate change is a real problem, that action to address climate change is consistent with sustained economic growth, that new international cooperation is needed, and that both countries are moving to address the imperative of clean energy development.

[If pressed: Why does the India statement have quantifiable targets for clean energy and not the China statement?]

- The Chinese are in the middle of their economic planning process and, therefore, do not have the data necessary to make the kind of statements made by India. The Chinese are expected to complete the five-year plan for 2001-2005 sometime around the end of this year and submit it to the National People's Congress in March 2001.

[If pressed: Is the India statement weaker on the call for new dialogue on the role of developing countries in addressing climate change?]

- The two statements are complementary. India joined us in highlighting the urgent need for a dialogue about how developed and developing countries can work together to fight climate change. We joined China in expressing a willingness to consider new and creative approaches and ideas to strengthening this cooperation between developed and developing countries. These statements support each other. We believe that a new dialogue is necessary and we are pleased that these important countries are willing to consider new approaches and ideas in that context.

“SUNBURN” MISSILES TO CHINA
May 19, 2000

CONTEXT: The Washington Times carried a piece today about the sale of Russian "Sunburn" SSN-22 anti-ship missiles to China. These are very large, powerful anti-ship missiles that can be fired from the Sovremenny ships Russia has sold China (one delivered, the other will come).

What about the reported sale of Russian "Sunburn" anti-ship missiles to China. Will this leave Taiwan defenseless?

- We do not, as a matter of USG policy, discuss intelligence matters.
- We have noted sales of Russian military equipment to China for several years.
- Are aware of developments, closely monitor Russian sales and developments in the Strait, and follow closely modernization of the Chinese military.

Refer all follow-up questions to DoD.

WEN HO LEE
May 22, 2000

Can you comment on handling of Wen Ho Lee spy case?

- The Wen Ho Lee case is an ongoing criminal investigation.
- We cannot comment on his case.
- I would refer you to the Department of Justice.

HAITI: ELECTIONS
May 22, 2000

CONTEXT: The first round of Haiti's long awaited legislative and local elections took place on Sunday, May 21, 2000. Over 29,000 candidates are contesting nearly 8,000 positions. The results are expected to trickle in over the next week. Turnout was good, orderly and generally peaceful. Observers estimate a nearly 50 percent a far cry from the less than 10 percent turnout in 1997.

Marred by confusion and logistical problems, the elections were relatively free of violence. Delays in distributing ballots and failure of many sites to open or opening late contributed to the confusion. About 3,500 HNP were deployed around the country. Their presence described as not menacing, but reassuring. There were a few, minor demonstrations outside the polling places protesting site specific problems.

Elections were postponed in Grand'Anse Department, one of Haiti's nine Departments, because of technical problems. Elections will be rescheduled within the next two weeks. Grand'Anse population of 200,000 represents about 3-4% of Haiti's 7.5 million population.

The Embassy reports that the shootout between a member of the Haitian National Police (HNP) and a citizen was not elections related.

The U.S. contributed \$20 million in electoral assistance, with support going to voter registrations, enhanced security capabilities for the Haitian National Police, support for campaigns for all parties, and technical assistance for the CEP.

Over 300 foreign observers monitored the elections under the banner of the Organization of American States (OAS), including a U.S. CODEL led by Representative John Conyers, a CARICOM delegation and an OAS mission. They were decidedly upbeat about the electoral process.

Any comments on Haiti's elections?

- We applaud the Haitian people and their support for democracy. The large turnout demonstrates that the vast majority of Haitian's desire good governance and support change through the electoral process.
- We understand there were some logistical problems and delays but overall the elections appear to be some of the best in Haiti's recent history.
- The day went by with relatively few incidents of violence. There were a few demonstrations protesting the late openings of polling station and other site specific logistical shortfalls.
- According to our Embassy in Port-au-Prince, the shootout between a Haitian National Police officer and a citizen was not elections related.

PERUVIAN ELECTION

May 19, 2000

What is your response to opposition candidate Toledo's threat to withdraw from the run-off election unless it is postponed from May 28 to June 18? What about the OAS statement indicating that it cannot validate the second-round election as free, fair, and transparent if it is held on May 28?

- We take note of these latest developments.
- We will continue to listen carefully to the views of the OAS mission headed by Eduardo Stein, as well as those of the NDI/Carter Center mission, the Peruvian Government ombudsman Jorge Santistevan, and the Peruvian NGO Transparencia.
- We hope that the parties will be able to resolve the current crisis in a manner that preserves the right of the Peruvian people to choose their next president in a free and fair contest and that addresses the concerns flagged by the OAS.
- Beyond that, I have no further comment for now.

TOPOFF AND NCR2000 EXERCISES

May 16, 2000

BACKGROUND: Last year, Congress directed Justice and FEMA to develop and conduct a no-notice, weapon of mass destruction counterterrorism exercise, focusing on participation by Top Officials (hence the name “TOPOFF”). The exercise consists of several different WMD incidents around the country and will be conducted as a no-notice drill sometime in May. A second separate but concurrent exercise codenamed NCR 2000 (national Capital Region 2000) will be conducted in the Washington DC area.

- TOPOFF Exercise is a no-notice drill that will evaluate the federal, state, and local response to an act of weapons of mass destruction (WMD). The venue sites will be Denver and Portsmouth, New Hampshire.
- A congressionally-mandated exercise, TOPOFF was planned by Department of Justice and the Federal Emergency Management Agency, with support from other federal agencies as well as our state and local partners.
- To be held over a period of 10 days in May, TOPOFF’s actual dates are closely held so that participants will respond as if TOPOFF were a real-life situation.
- Given that the focus of TOPOFF is WMD terrorism, the National Security Council will be a participant in the actual drill when it is conducted.
- Separate from TOPOFF, another exercise, “NCR2000” will be conducted during the same time. Federal participants include FBI, FEMA, and the Department of Energy. NCR2000 will be held in the Washington DC area.
- Further information regarding either exercise should be directed to Department of Justice or Federal Emergency Management Agency.

ALLEGED U.S. INTELLIGENCE WEAKNESSES

May 19, 2000

BACKGROUND: Porter Goss (R-FL), Chairman of the House Permanent Select Committee on Intelligence (HPSCI), has been quoted as stating that “[t]here is a leadership problem at the highest levels of the Clinton-Gore administration about focusing on the need for intelligence, making the commitment and the hard choices to put the dollars there.” The HPSCI’s report from its mark-up of the FY 2001 Intelligence Authorization Bill says that inadequate funding and other problems are undermining the ability of the U.S. intelligence to warn of potential crises, putting the armed forces and national security at risk.

How do you respond to allegations that the White House has not made an adequate commitment in support of our intelligence capability?

- This Administration is firmly committed to a strong and reliable intelligence capability and has increased funding for the intelligence budget. Ensuring that the Intelligence Community has the resources it needs to address the serious threats and challenges to our national security has been and will continue to be a top priority.
- In May 1998, Director of Central Intelligence (DCI) George Tenet launched a Strategic Direction plan for CIA, and a year later, a Strategic Direction plan for the entire Intelligence Community. These efforts have received the support of the President and the oversight committees on Capitol Hill. If these initiatives continue to receive bipartisan, sustained support, the Intelligence Community will be well-positioned to perform its vital mission, now and in the future.
- The strategic programs include:
 - Strengthening the Community’s clandestine and analytical services to achieve greater operational reach and greater analytical depth. In short, the Community is putting more collectors in the field and more all-source analysts on key issues.
 - Working more effectively across disciplines and across agencies, because most of the challenges we are facing are so complex that not one part of our Intelligence Community -- not just human intelligence, not just signals intelligence, and not just imagery intelligence -- can tackle them alone.
 - Significantly recapitalizing our signals and imagery systems.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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SUBJECT: CNN, Late Edition, July 9, 2000

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

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP@EOP [WHO])
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CNN'S ``LATE EDITION''
JULY 9, 2000

SPEAKERS: WOLF BLITZER, HOST, CNN LATE EDITION

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TUCKER CARLSON, CNN COMMENTATOR
BRUCE MORTON, CNN CORRESPONDENT
SUSAN PAGE, CNN COMMENTATOR
DENNIS ROSS, U.S. SPECIAL MIDDLE EAST COORDINATOR
DR. EPHRAIM SNEH, ISRAELI DEPUTY DEFENSE MINISTER
SAEB EREKAT, CHIEF PALESTINIAN NEGOTIATOR TO CAMP
DAVID SUMMIT
RALPH NADER, GREEN PARTY PRESIDENTIAL NOMINEE
U.S. REPRESENTATIVE CHARLES RANGEL (D-NY)
U.S. REPRESENTATIVE DAVID DREIER (R-CA)

BLITZER: It's noon in Washington, 9 a.m. here in Los Angeles, 5 p.m. in London and 7 p.m. in Jerusalem. Wherever you're watching from around the world, thanks for joining us for this 90-minute LATE EDITION. We'll get to guests shortly, but first our top story.

We begin in Washington, where top U.S. officials are making final preparations for the start of this week's Israeli-Palestinian peace summit at the presidential retreat in Camp David, Maryland. President Clinton has invited Israeli Prime Minister Ehud Barak and Palestinian Authority President Yasser Arafat to try to negotiate a final peace agreement.

CNN White House correspondent Kelley Wallace (ph) is at the White House, she's joins us now live with the latest.

Kelley, what's going on in these preparations?

KELLEY WALLACE (ph), CNN WHITE HOUSE CORRESPONDENT: Well, Wolf, for a sign of just how tough it will be to hammer out a peace agreement, all you need do is look at what is happening back in Israel. Israeli Prime Minister Ehud Barak's coalition government appears to be collapsing. His interior minister resigned Sunday, two other parties threatened to bolt from the coalition government because of concerns Mr. Barak may make concessions to the Palestinians.

Now the White House will not comment on Israel's domestic politics, but the president's senior advisers say that Mr. Barak is determined to pursue a peace agreement, that he was elected with a mandate for peace, and that he will take any decisions to the Israeli people. However, these advisers do concede a big challenge lies ahead.

(BEGIN VIDEO CLIP)

SANDY BERGER, NATIONAL SECURITY ADVISE: This is not easy. There's no guarantee of success. But one thing I'm certain of, that if we don't make this effort to reach an agreement, there will be a slide to turmoil.

(END VIDEO CLIP)

WALLACE: And President Clinton echoed that point in an op-ed in Newsweek magazine where he talked about what he believes is at stake at this Camp David summit. He wrote, quote: ``If the parties do not seize this moment to make more progress, there will be more hostility and more bitterness, perhaps, even more violence.''

A big concern driving this summit is Palestinian Leader Yasser Arafat's claim that he will unilaterally declare a Palestinian state, with or without a peace deal, by the September 13th deadline. U.S. officials fear if that happens, the prospects for peace could fade away.

What's happening now is Israeli and Palestinian negotiators will meet with U.S. officials today, Sunday. The three leaders will get down to business on Tuesday.

Wolf.

BLITZER: Kelley Wallace (ph) at the White House, thanks.

And joining us now are two guests who've played key roles in these Israeli-Palestinian negotiations: In Jerusalem is Israel's Deputy Defense Minister Ephraim Sneh, and in Washington is the chief Palestinian negotiator, Saeb Erekat.

Gentlemen, thank you for joining us on LATE EDITION.

And let me begin with you, General Sneh. Can Ehud Barak realistically come to Camp David this week and negotiate some sort of settlement if this coalition of his majority coalition government in Jerusalem seems to be on the verge of collapse?

SNEH: Yes, he can. Barak only a few months ago won the elections by a majority, an unprecedented majority of 56 percent of the vote. His main goal was to put an end to the conflict with the Palestinians. So he enjoys a very broad public support.

Though in the Knesset, in our parliament, we have today a very, very slim majority to the cause of Israeli-Palestinian peace. But if we bring from Camp David a package of comprehensive peace and put it in front of the Israeli people in a referendum, as we are committed to, then we have--we will have a very broad majority in the referendum for this package. No doubt about that.

BLITZER: Mr. Erekat, a lot of people believe that Prime Minister Barak is about as forthcoming an Israeli leader as the Palestinians are going to get in terms of making the toughest kinds of concessions needed for a settlement. Is the Palestinian side ready to make those extra concessions that would strengthen Barak's position as he faces this domestic political uproar within Israel?

EREKAT: Well, Wolf, I think President Arafat is coming here and bringing him people I never thought they will join the process actually, people from Democratic Front, from the people's party, independents who have been opposed to the peace process.

I think President Arafat is coming to make peace in full readiness, and we are ready to make peace.

And we really appreciate very much the courageous decision of President Clinton to invite for this summit, knowing exactly the gulf between the two sides.

After, as a matter of fact, what's been going on in Israel, what's been going on the past few days in Israel, the question is: Are they ready for peace? Because the question is not whether somebody will make more concessions or less concessions, you know. The terms of reference are very well defined, and they are agreed upon that peace process is supposed to lead to the implementation of Security Council Resolutions 242 and 338, and here we are as Palestinians, coming at this historic moment to Washington, saying we have recognized Israel's right to exist.

Israel is within secured boundaries of 78 percent of mandatory (ph) Palestine and having accepted Palestinian state on 22 percent of (inaudible) Palestine--that is the West Bank and Gaza, including East Jerusalem.

I think it is the moment's truth. I think we must exert every possible effort in order to ensure the success of the summit.

BLITZER: General Sneh, there is a report in the new Newsweek magazine that is coming out today that says both sides, the Israelis and the Palestinians, are preparing for not only violence and intifada, terrorism, perhaps even another war if this Camp David summit fails.

Is the Israeli military--you are the deputy defense minister--preparing for that contingency if the summit collapses?

SNEH: We very strongly hope that such a scenario will never happen. I know that the failure of Camp David would lead to despair, and despair may lead to violence to a new eruption of hostilities. We do all our efforts that this will never happen. If we are prepared for the worst, every army in the world is prepared to worst case scenarios, but all our efforts now are directed to reach an agreement in Camp David.

This scenario is unthinkable. Because everything would collapse and there is no winners in this confrontation. And we urge the

Palestinians to come with us to an agreement which will be in the favor of both communities in order to prevent a (inaudible) and horrible situation.

BLITZER: Mr. Erekat, let me ask you the same question. If there is a collapse, A, will that automatically mean that by the September 13th, the Palestinian side will unilaterally declare its independent state? And, B, is the Palestinian side getting ready for that kind of worst-case scenario, if there is no deal in coming days at Camp David?

EREKAT: Well, I tend to agree with Ephraim, and I don't think we--at of this moment, we are trying to exert maximum effort in order to save lives. I think we must give this some of the chance it deserves. We must give the peace process the chance it deserves.

Look, this morning, a 38-year-old Palestinian mother and her four-month son, Mohammad Mommar (ph), were killed by Israeli soldiers in Gaza, in Guskoteev (ph), and her husband was critically wounded.

We don't want an escalation of violence. Nobody can benefit from violence. We have paid highly as Palestinians from violence.

So at this moment, we are determined, from now until September 13th, to exert every possible effort in order to ensure the success of our joint endeavor: Israelis and Palestinians trying to reach a win-win situation on this peace process on the basis of the terms of reference agreed in Madrid.

Now as far as...

BLITZER: Let me ask you a question about that September 13th deadline. Maybe you were going to get to that. But if there is no real progress between now and then, will Yasser Arafat declare his independent Palestinian state?

EREKAT: Wolf, you have to keep in mind that we can have an open-ended negotiations. The interim permitted in the permanent status negotiations were supposed to be over on May 4, 1999. Then the world community, including President Clinton, asked President Arafat to delay it for 16 months. He did.

Now September 13 is not a date that President Arafat came with; it is a date that him and Barak agreed upon.

Now we have eight precious weeks. And I believe, through the good offices of President Clinton, we must do whatever it takes in order to bring about an agreement on the basis of the limitation of Security Council resolutions and above all, 242 and 338.

But let me assure you, Ephraim, and let me assure everyone here: We have no intention whatsoever, we don't plan violence, we don't want violence, we don't need violence. We need to seek a win-win situation between Palestinians and Israelis.

And irrespective of how fragile this peace process is, this is the only vehicle, and we are here to make an agreement.

And I really hope in the aftermath of the resignations of the coalition in Israel, that Israel is ready to make peace.

And I agree with Ephraim, that the Israelis voted for Mr. Barak last year with a mandate to make peace, and I hope they are ready to make peace.

BLITZER: General Sneh, what does it mean though if the Palestinians were to declare a Palestinian state on September 13--practically speaking for the Israeli government, for the Israeli military?

SNEH: Well, I don't think that unilateral measures is the way to bring about historic reconciliation. You know, and Saeb knows, unilateral measures brings about unilateral measures from the other party. And it leads to nowhere, for sure not for peace and reconciliation.

And our efforts should be carried out in a coordinated, orchestrated way. Together we have to bring this bridge between our two different opening positions. That is what is important. Not to found deadlines and not to threat, and to try to find the real common

denominator. That is what is the most arduous thing to do now in the Camp David. And unilateral measures leads to nowhere.

BLITZER: As part of a comprehensive settlement, if it were possible to achieve it at Camp David, an entire agreement, including all of the issues, would Israel be prepared to see the Palestinians have their own independent state?

SNEH: No doubt, no doubt. It can be, naturally, one of the outcomes of the agreement.

We recognize all the national rights of the Palestinians and not from today. But it is just a part of it. They want sovereignty. We want security. We can--when--I strongly believe in the synergy of two diligent, highly educated nations, that if we work together economically, the sky is the limit.

So we know that the Palestinians aspire for sovereignty, for independence, for their place in the international community. We do not negate it, on the contrary.

BLITZER: All right.

Mr. Erekat, are the Israelis clearly ready to accept, at least this Israeli government, ready to accept a Palestinian state? The reports are that they're also ready to withdraw from 87 percent of the West Bank. That would, of course, be the basis of that Palestinian state. Is that good enough?

EREKAT: Wolf, let me say at the beginning that as far as the declaration of the Palestinian state, I think President Arafat would love nothing more than declaring the state with Mr. Barak to his side and President Clinton to his side and other leaders in the region, like President Mubarak and King Abdullah to his side.

But as I said, you know, it's not that we wish to have declaration of the state without reaching agreement, but we cannot have an open-ended negotiation.

Now, let's not open the (inaudible). We enter this peace process as Palestinians in order to implement the resolutions of the United Nations Security Council 242 and 338. As a matter of fact, the Americans and Europeans insisted for 14 years that as Palestinians we accept this resolutions, and we're talking about, as I said Wolf, a Palestinian state on 22 percent of mandatory Palestine next to the state of Israel.

This is a moment of truth. I hope that the Israeli people and Israeli policy-makers are ready for it.

And by the way, we are not out there to make peace with this government of Mr. Barak or the other government, we are out there as Palestinians to make peace with Israel, with all Israelis, because we are destined for the future, we're destined to live side by side, and we hope that we can accommodate ourselves in a Palestinian state on the 4th of June '69 boundaries next to Israel.

BLITZER: General Sneh, is this the last chance, realistically speaking, for a peace settlement anytime soon between the Israelis and Palestinians?

SNEH: Unfortunately, I'm afraid this is the last chance, because a collapse of this summit may lead to, as I said before, to despair in both sides, and despair leads to violence, and violence leads to terrible crisis that would put an end to the dialogue. That's why I think it's so important. The alternative is so horrible that failure of Camp David is inconceivable.

BLITZER: Mr. Erekat, do you agree with that assessment?

EREKAT: No, I think that--I know what Ephraim is trying to say, and that efforts must be exerted to ensure the success, but I don't want Israelis and Palestinians who are waiting, for every breath out there, to realize that the question of Camp David, it will be yes or no, black and

white, success or failure. This is a process.

We may reach an agreement, and we need to reach an agreement, we work to reach an agreement, but if we don't reach an agreement, it means we have to try again and again and again. As I said, the peace process must be given the chance it deserves.

We don't want people to reach a desperate situation because, you know, Ephraim, that once Israelis and Palestinians feel desperate, that would lead to desperation, and desperation leads to desperate acts, and we want to avoid this.

So let's not, you know, shape this summit in terms of a one-shot shop, either failure or success. I think this is a process, this can go on, and we have, as I said, nine weeks between now and September. If progress is made, we can continue, and I hope that the peace process will be given the chance it deserves.

BLITZER: Saeb Erekat and Ephraim Sneh, it was kind of both of you to join us on the eve of these historic negotiations at Camp David. Thank you so much for joining us on LATE EDITION.

EREKAT: Thank you.

BLITZER: And just ahead, what role will the United States have in crafting a, finally, Middle East peace deal? We'll ask the Clinton administration's special envoy to the Middle East, Dennis Ross, when LATE EDITION continues.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

CLINTON: I will be there with them, and I intend to do all I can to help them in this endeavor. But to delay this gathering, to remain stalled, is simply no longer an option.

(END VIDEO CLIP)

BLITZER: President Clinton, speaking earlier this week on the Mideast peace summit. Welcome back to LATE EDITION. Joining us now from Washington to discuss the U.S. role in this week's talks is Dennis Ross. He's President Clinton's special Israeli-Palestinian peace negotiator.

Ambassador Ross, welcome to LATE EDITION. You just heard the Israeli and the Palestinian perspective but, as we are talking right now, Prime Minister Barak's government appears to be on the verge of collapse. Can he realistically come forward--make the kinds of concessions that presumably would be needed for an agreement with so many coalition partners abandoning him?

ROSS: Well, he is undoubtedly determined to press ahead. I think what you heard was Ephraim Sneh talk about a prime minister who had been elected by a very large mandate, a prime minister who is committed to acting on that mandate, a prime minister who has made it clear to the Israeli public that he will take any agreement he reaches to them.

And he trusts his ability to negotiate a fair deal, he trusts his ability to be able to take that to Israeli public, and when the Israeli public sees the deal that they will support that.

BLITZER: You have been involved in these negotiations for so many years, going back to the Bush administration; you know Israeli politics. The fact that the foreign minister of Israel, David Levy, is now saying he is not going to come to Camp David because he doesn't trust the prime minister's positions, explain to our audience around the world how serious of a political headache this is for Prime Minister Barak.

ROSS: Well, it's obviously not the circumstance in which he might want to be coming here, but the fact of the matter remains, you have a prime minister who is determined to pursue peace. He has believed that there are in fact opportunities to achieve peace--number one. He has felt there is a certain inertia that has prevented decisions in the past. You see what he did in Lebanon. Others weren't prepared to do it. He took the lead. He made the decision that this was the right thing to do, and he

proceeded.

He also now feels that the Israeli public is in fact ripe for peace. And he believes there is an opportunity, there is a moment, it shouldn't be lost, and he is going to act on it. So whatever the circumstances, he is going to trust the Israeli public with any deal that he is able to negotiate.

BLITZER: You think realistically there can be a deal after several days, or perhaps weeks, of negotiations at Camp David? So many people are pessimistic right now that the chances seem so gloomy.

ROSS: It's an enormously difficult thing to do, but we always knew that was going to be the case. When you deal with the core issues of permanent status, by definition you are going to have a very difficult task. Having said that, we have had very long conversations with both sides. They have had long conversations with each other.

ROSS: If we didn't see the potential for reaching an agreement, we wouldn't be doing this. The president is doing this both because there's a potential that shouldn't be lost, and also because he sees the alternative of not trying. Not to try when there's a potential would not have been responsible.

BLITZER: The president is scheduled on July 19 to leave for Okinawa in Japan for the G-8 economic summit. Is that, in effect, the end of this process? Once he leaves, do the Israelis and the Palestinians leave Camp David as well?

ROSS: Well, I think we're certainly looking at this as the logical window in which we try to work with them to produce an agreement that deals with all the core issues of permanent status.

BLITZER: So that means you're hoping within one week to be able to wrap up all of these permanent status issues?

ROSS: We are certainly looking at that as the window in which we're going to try to produce an agreement with the parties that deals with all of the permanent status issues.

BLITZER: Well, you know, given the fact that there are such sensitive issues--the future of Jerusalem, the return of Palestinian refugees, the borders of a Palestinian state--that would suggest--what you're saying is that you're pretty close to resolving those issues if you think you can wrap it up within a week.

ROSS: No, I wouldn't say that we feel we are so close, but I would say, we, A, we see a potential; B, we recognize something else. The choices that are there are not going to change; the decisions that have to be made are not going to become easier over time. So what we are trying to do is, working on the basis of what has been distilled over time, see if, in fact, we can reach such an agreement.

I can't tell you if we're going to be able to reach the agreement or not, but I do know for sure, as the president said, this is not going to become easier over time. And if we don't act now, there is a very definite risk that you'll see a slide towards deterioration.

BLITZER: And you heard General Sneh say, the deputy Israelis' defense minister, that, like all defense ministries, they're working on a worst-case potential contingency. If there is a collapse, a failure, there could be a deterioration, perhaps even war.

Is the Clinton administration seriously concerned about that kind of deterioration? And if it is, are you looking ahead to make contingencies yourself?

ROSS: Well, I think what we're looking at is, first, the opportunity, recognizing there is an opportunity, a historic opportunity to try to bring this conflict to an end. So we start with the premise of the opportunity. We're very much aware that on the landscape there is a potential for deterioration, especially if frustration rises.

What we are trying to do is get both sides to focus on what is

to be gained, not what is to be lost. So our focus is much more on how you move ahead and reach an agreement and much less on what are the consequences if you don't reach an agreement.

I think there is a reality--you heard Saeb Erekat say in the last segment, that what's important is that Israelis and Palestinians find a way to work things out. Ephraim Sneh was basically saying the same thing.

History and geography have destined the two sides to be neighbors. Now they can either live in peace as neighbors or they can live in perpetual struggle. There has to be a way to find an outcome that allows them to live in peace together.

BLITZER: Ambassador Ross, you've been involved in these negotiations for so many years. Give us some historic perspective, but we don't have a whole lot of time. How much closer on these core issues--like Jerusalem, like a final Palestinian state and its borders, return of refugees--how much closer are they today than they were, let's say, five or 10 years ago?

ROSS: You can't even compare the two, and the reason you can't even compare the two is that the permanent status issues themselves have only seriously been discussed for the last few months. Prior to that time, each side was very reluctant to get into those kinds of discussions because of the sensitivity of the issues.

One of the things that's happened the last few months is the issues themselves have become somewhat demystified so they can be discussed. That's the good news. The bad news is there still are significant gaps that separate the two sides.

But we made a judgment, the president made a judgment, the secretary of state made a judgment, that in light of everything we had heard, we have taken this as far as we could at the negotiator level. The negotiators have done a good job of trying to distill the issues and distill differences. In some places they've made headway, but the differences were quite clear. What was also clear is that they had taken it as far as they could.

ROSS: And as a result, you needed to bring the leaders together with the negotiators if you are going to be able to overcome the differences or have a shot to do so.

But if you try compare where we are, from the historical perspective, we actually have a chance to reach an agreement on these kinds of issues when, in fact, there never was such a chance in the past.

BLITZER: All right, Dennis Ross, the chief U.S.-Middle East negotiator, thanks for joining us again on the eve of these historic negotiations at Camp David.

As someone who covered Camp David number one in 1978, my recommendation is you bring some bug spray; there could be mosquitoes up there as well.

ROSS: That and other things, Wolf. Thank you.

BLITZER: Thank you so much for joining us.

And up next, we will shift gears to talk about U.S. presidential politics.

He says he wants to change the debate in campaign 2000, but is he playing the role of spoiler for Al Gore? We will talk with Green Party presidential nominee Ralph Nader when LATE EDITION continues.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

NADER: Feelings of powerlessness and the withdrawal of massive numbers of Americans from both civic and political arenas are deeply troubling to all of us. This situation has to be addressed by a fresh political movement.

(END VIDEO CLIP)

BLITZER: Long-time consumer advocate Ralph Nader last month accepting the Green Party presidential nomination.

Welcome back to LATE EDITION. Joining us now from Washington is Ralph Nader.

Good to have you on LATE EDITION. Thanks for joining us.

And I want to begin with the Middle East. You just heard a lengthy discussion on the prospects at Camp David this week. Was this a good idea for President Clinton to convene the Israeli and Palestinian leaders and try to roll the dice and get a peace agreement?

NADER: Oh yes, a very good idea.

BLITZER: If you were the president, you would have done the same?

NADER: Yes.

BLITZER: And what about the possibility that a collapse could so dash hopes that there would be intifada, there could be violence, there could be a war, another war in the Middle East?

NADER: Well, let's not prejudice the outcome of this latest negotiating process. It seems that there is a marker here. President Clinton has said this is really his last opportunity to provide a mediating role, and let's have an optimistic viewpoint on it.

BLITZER: All right, let's have an optimistic viewpoint, but let's talk a little bit about presidential politics and the role that you have carved out for yourself. And I want to begin with some new poll numbers in the state of Michigan, a key battleground state, a state that certainly is up for grabs at this point.

Look at these numbers, Mr. Nader. In a three-way contest, when George W. Bush, Al Gore and Pat Buchanan faced each other, it is not that far apart, four-point sampling error: Bush, 45; Gore, 40; Pat Buchanan, 4 percent.

But once you are added to the mix in Michigan, look at this. All of a sudden Bush is considerably ahead of Al Gore, 46 to 34 percent, with Ralph Nader getting 8 percent; Pat Buchanan, 3 percent. What those numbers say to a lot of people obviously is that you are taking a lot of votes away from Al Gore.

NADER: It is interesting. There are other polls that show that Gore gets closer to Bush when there is a four-way poll, in part because a lot of Perot voters who might be leaning to Bush would vote for me, or for Buchanan.

And also, I'm appealing to the non-voter. Seventy-five million people didn't vote in 1996. We've got to find a way to find out why they didn't vote, and they all have different reasons, and then appeal to each of these reasons.

So they have a sense that if they do vote, it is for a candidate that is going to try to remove the corruption of money in elections, a candidate that will try to establish universal health care, a candidate that will strengthen the labor laws to allow workers to get a livable wage by organizing trade unions, and a candidate who wants to deal with these horrible income inequities and put the abolition of poverty at the top of the political agenda. Twenty percent of children in this country live in poverty, 25 percent in California. That is, by far, the highest in the western world.

BLITZER: Is the Green Party--is your presidential nomination definitely going to be on the ballot in Michigan? There was some question, I was told, that that was still up in the air.

NADER: No, it looks very definite now. We've just got the latest petition figures and they're piling up generously.

BLITZER: You know, a lot of labor union workers support you, United Auto Workers in Michigan, clearly Teamsters, others. But the point that some of them are now beginning to make is, given Al Gore's position

on issues close to workers--to union workers in the United States, as opposed to George W. Bush, they're wondering whether that spoiler role that a lot of people say you have could result in George W. Bush's election, which would be in the end, they say, worse for union workers than if Al Gore were president.

NADER: Well, Wolf, you can't spoil a system that is spoiled to its core. And politics in this country is broken. Mr. Bradley said that, others have said that. Within the two-party framework--John Anderson says that all the time. I think what we are looking at here is a new progressive political movement that will go beyond November in realigning political constituencies in this country.

The two major parties are increasingly look-alike. You can quibble about how many major differences there are. But in area after area, whether it is the military budget, whether it is corporate welfare, whether it is not enforcing the law on behalf of consumers, particularly low-income consumers, whether it is turning their back on labor, if you set aside the rhetoric of Bush and Gore and look at the record, or how much they are willing to fight the thousands of corporate lobbyists and political action committees in Washington, the differences are very slim, so we don't look at this as a spoiler role.

BLITZER: I was going say that there are very serious differences on a woman's right to have abortion, and the Supreme Court nominees, presumably, that they would name if they were president.

NADER: There are some differences, but you see there are nowhere near as broadly optioned for the public's choice as they were 20, 40, 60 years ago. Sixty years ago the Democratic party was viewed as the party of the working families, and the Republican party, the party of the wealthy.

Well, I mean, look at it. Ever since 1980, the Democrats have been trying to beat out the Republicans in getting more and more money from all kinds of business interests, whose monies now comprise 80 percent of money in federal elections.

BLITZER: Senator Harry Reid, a Democrat of Nevada, reflects a lot of views among Al Gore supporters, other Democrats. They're looking at you and they're deeply concerned about the votes you might take away from Al Gore and the Democratic party. I want you to hear what Harry Reid said in The New York Times this week. He said: Ralph Nader is a very selfish person and he's on an ego trip; he has no respect for the process.

That's coming from a Democrat.

NADER: It is hard to even think that is a bad joke, Wolf. The process is so corrupted.

Look at the presidential debates. They're excluding significant third-party candidates, ``they'' being the Democrat-Republicans who created the debate commission allowed it to be funded by beer, tobacco, auto money, and are determined never to repeat their mistake in 1992 when they let Ross Perot on the debates.

All over the country, we are seeing Republican-Democrats pass laws to create huge hurdles, signature hurdles, all kinds of technical shenanigans to keep third-party candidates off the ballot.

You know, nature can't regenerate itself without giving seeds a chance to flower. And business can't regenerate itself without giving entrepreneurs and innovators a chance to have their efforts recognized.

But in politics, apparently, you can play the politics of exclusion, a two-party duopoly increasingly becoming one corporate party with two heads. And that is why so many thousands of people are logging into our web site: votenader.org or votenader.com, saying they want more choice, not necessarily that they are going to vote, that they want more choice on the debates and elsewhere.

BLITZER: All right. We have to take a quick break. We'll talk

about those debates a lot more including your phone calls for Green Party presidential nominee Ralph Nader when LATE EDITION continues.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

WINONA LADUKE, VICE PRESIDENTIAL RUNNING MATE: It is time to reconcile with people in this country. The disparity of wealth between the rich and poor is disgraceful in a country which is an industrialized country, which is such a wealthy country.

(END VIDEO CLIP)

BLITZER: Ralph Nader's vice presidential running mate, Winona LaDuke, speaking recently on the campaign trail.

Welcome back to LATE EDITION. We're talking with Ralph Nader who is running for president under the Green Party banner.

Mr. Nader, we have a caller from New York.

New York, please go ahead with your question.

QUESTION: Mr. Nader, first I want to applaud you because you're one of the few politicians of today who sticks to his convictions and his guns) But my question is: How do you expect to attract a larger majority of the United States populace when you really spend little time on your platform talking about military concerns?

NADER: Wolf, I didn't hear all but the last four words. Do you want to rephrase it?

BLITZER: Well, the question is: The caller was praising you as a man of convictions but in your platform you spend very little time talking about military concerns, and he was concerned about that.

NADER: Oh no, the platform does address the military budget. Historically we've always demobilized after our enemies have been vanquished or went away, and the Soviet Union now has been no more for 10 years, and yet we're heading for a record military budget in dollar terms next year with both the Republicans and Democrats supporting it.

It's clear, talking to Pentagon analysts, that there are a lot of weapons systems that are just being pushed by corporate profit-seeking. So much of our national defense policy's not pushed by national defense considerations, but by what Lockheed Martin and General Dynamic and others want, and I speak of the F-22, the Joint Strike Fighter, the B-2 bomber and others which are being pushed onto the Pentagon by a PAC-greased, supine Congress that is not looking afresh at what our national security concerns should be.

The same is true for our troops in western Europe and East Asia. That costs about \$70 billion in up-front and backup costs. What are we doing, 50 years after World War II, defending prosperous allies who are quite able to defend themselves against non-existent enemies?

BLITZER: All right...

NADER: So that diverts a lot of money from repair of public works, from national health insurance, from child poverty. It's not just a bloated military budget, it's not just wasteful defense is a weak defense. It's what it costs the civilian part of our society.

BLITZER: All right, let's take another caller from Churchville, Virginia. Please go ahead with your question.

QUESTION: Hi, Mr. Nader. Thanks for talking to me. I was wondering if you thought opening up markets to places like Cuba and China would improve human rights.

NADER: Well, that's hard to say. I think there should be trade all over the world. I think, however, we can't allow U.S. companies to go to dictatorships and allow dictatorship-repressed labor costs and abuses to be an asset for these U.S. companies in building products that they then send back to this country against workers and companies here that are playing by the rules.

That isn't free trade. That is utilizing dictatorially

repressed labor costs in bad environmental conditions, basically, do anything you can or anything you want in this dictatorship, as long as you grease the wheels.

BLITZER: Let's take another caller, from Germany. Please go ahead with your question for Ralph Nader.

QUESTION: Yes, Mr. Nader. Mr. Butcher (ph) has referred to you as a spoiler and accused of you taking votes away from Mr. Gore. Don't you think the question better be posed as Gore taking votes from you?

NADER: Yes, I think no political candidate is entitled to votes; they have to earn it. I have to earn it, based on 40 years of advocacy for the people in this country, and consumer-environmental worker area, corporate accountability, and Gore and Bush have to earn it.

There's a tendency in this country among some political observers is to give the benefit of the doubt of being in place to the established two parties. That's just not healthy for our political system.

They can't get half of the voters even out to vote. Doesn't that tell you something about how closed-door, how smug, how look-alike these two Republican-Democratic parties are? It really is time for a change.

BLITZER: And just to nail this, very quickly, Ralph Nader, if in fact you do help, in effect, George W. Bush become the next president of the United States, as opposed to Al Gore, would you be able to sleep easily at night?

NADER: Well, of course. I wouldn't be doing this if I was worried about either Al Gore or George Bush. I'm worried about the American people being shut out of the process, and not being able to shape their future the way these politicians and their corporate allies are shaping the future.

BLITZER: All right. Ralph Nader, the Green Party presidential nominee, thanks for joining us on LATE EDITION. Good luck on the campaign trail.

NADER: Thank you, Wolf.

BLITZER: Thank you.

And just ahead: Gore versus Bush. With the political conventions now a few weeks away, which candidate has the momentum? New York congressman and Gore-supporter, Charlie Rangel, and California congressman and Bush supporter, David Dreier, debate that and much more, when LATE EDITION continues.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

VICE PRESIDENT AL GORE, DEMOCRATIC PARTY PRESIDENTIAL

CANDIDATE: The difference will be made in whether or not you have people who are fighting for you, people, rather than fighting for the powerful.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP)

GOVERNOR GEORGE W. BUSH (R-TX), REPUBLICAN PARTY PRESIDENTIAL

CANDIDATE: I like to be seen in neighborhoods sometimes where Republicans aren't seen. I like to fight that stereotype that somehow we don't have the corazon necessary to hear the voices of people from all political parties and all walks of life.

(END VIDEO CLIP)

BLITZER: Vice President Al Gore and Texas Governor George W. Bush speaking on the campaign trail earlier this week. Welcome back to LATE EDITION.

Joining us now to talk about the presidential race and campaign 2000 are two veteran members of the House of Representatives.

In New York, Congressman Charlie Rangel. He's the ranking Democrat of the House Ways and Means Committee and is in line to become chairman of that powerful panel if the Democrats win the House in

November.

RANGEL: No, no,, no.

BLITZER: Here in Los Angeles with me, Congressman David Dreier. He is chairman of the House Rules Committee and also the California co-chairman of the Bush campaign.

Congressmen, always great to have both of you on LATE EDITION.

DREIER: Always great to be here, and welcome to Los Angeles. I'm usually sitting over there talking to you by remote, so it's nice to have you here.

BLITZER: Thank you. Nice to be in almost your home district.

I'll begin with Charlie Rangel because we just heard Ralph Nader say he is very comfortable with the role he has. He wants to be president of the United States and will sleep easily at night, even if George W. Bush is the next president, and he in effect winds up helping him get that job.

RANGEL: I think the country is big enough to absorb Ralph Nader as well as Patrick Buchanan. It bothers me that they only show this leadership once every four years and believe, without any public service, that they should start at the top.

But I think this is the year that will show the major differences between Republicans and Democrats, and I can't wait to whup them.

BLITZER: Well, let me ask you this, before we get to David Dreier: How much of a problem for Al Gore is Ralph Nader?

RANGEL: I don't think--this is much too early to see what's going to happen in November. I have to admit that I am really surprised that George Bush, Junior, has done as well as he has after the primary with the thumping that he took from Senator McCain. But I think the momentum is with Vice President Gore.

The entire climate of where the country is with the Clinton-Gore administration, and the fact that Gore refuses to allow the governor to sucker him into resolving problems without having real legislative solutions to them--if you notice--if you notice that the governor has refused to associate himself with the Republican-run Congress.

DREIER: Oh, come on, Charlie.

BLITZER: Let's ask David Dreier about that.

You support George W. Bush.

DREIER: He's refused to associate himself with me, but I'm his co-chairman here in California and am working hard.

He's associated himself with our goals, Charlie, of trying to make sure that we continue to balance the budget, reform welfare, reduce the tax burden on working families.

And I think it's the first time I have actually heard you on this program, Charlie, speak out in support of Al Gore. And the fact is, it's got to be very frustrating for you, because if you look at the attack that Gore launched initially on the program that Bush came forward with for reducing the tax burden, what happened? Well, the figures came out from the administration of a dramatically improved load of revenues to the federal treasury, and we saw Gore then embraced some kind of tax reduction.

So you have got to be very careful, Charlie, because--and it's got to be uncomfortable for you, because what's going to continue to happen is you're going to see Gore embrace these Bush views, and you are going to be stuck defending him, and in a wrong position.

RANGEL: No, it doesn't surprise me that Bush would embrace you with all of your charm. But the truth of the matter is that when it gets to the basic programs that Democrats and the vice president supports--let's take reforming Social Security. The governor hasn't a clue what he is going to do except to try to privatize it. And when ask you him

how he is going to do it, he says he'll tell you later.

DREIER: Charlie...

RANGEL: We're talking about a patient bill--please, let me finish.

We are talking about education, and here again, the Republicans control a House that Gore hasn't argued with the fact that the governor refuses to associate himself with any educational programs that you're supporting.

BLITZER: OK, Charlie, let's just take ...

(CROSSTALK)

RANGEL: No, but if you take health, Social Security, the patient bill of rights...

DRIER: Charlie...

RANGEL: ... all of these things. People know that ...

DRIER: OK, Charlie, let's take...

RANGEL: ... people know that--let me finish--people know the difference between a Democratic solution and a Republican solution.

(CROSSTALK)

BLITZER: All right, OK, Let's let Congressman Dreier respond.

(CROSSTALK)

RANGEL: And Bush has not associated himself with the Republican solutions.

(CROSSTALK)

DREIER: Charlie, my friend, let's look at the solutions. If you start out with education, we are very proud to have passed the Education Flexibility Act...

RANGEL: Vouchers.

DREIER: ... and the Teacher Empowerment Act. George Bush--the Education Flexibility Act and the Teacher Empowerment Act are bills that President Clinton said he was going to veto, but he ended up signing. Why? Because they empower local governments, local school boards, when it comes to the issues of decision-making in education.

If you look at the issue of Social Security, we are very proud of the fact that for the second year in the row--in a year--in a row, we have not gone into the Social Security surplus for expending it.

And what George Bush has said--he knows full well, Charlie, that by 2013, if we take no action on Social Security, we're going to be in very serious trouble. And so, what is it he's said? He said ...

RANGEL: I am so surprised ...

DREIER: Charlie, he said those that are younger should have an opportunity to put some aside themselves. And we've got a good patients' bill of rights, too.

BLITZER: All right. Charlie Rangel...

RANGEL: I am so surprised that Republicans are so proud of doing nothing. You haven't done a thing on Medicare, a thing on Social Security...

DREIER: Charlie...

RANGEL: ... and you're proud of it.

DREIER: Charlie, we are proud of what we have done.

BLITZER: All right, hold on. Let's move on and talk a little bit about vice presidential running mates, potential vice presidential running mates.

BLITZER: We had two of them earlier today on TV: Tom Ridge of Pennsylvania, who supports the right of a woman to have an abortion, and he says that he is convinced that it is not out of the realm of possibility that Governor Bush would call on someone who has that position to be his running mate.

I want you to listen to what Governor Ridge and Governor Gray Davis of California said earlier today.

(BEGIN VIDEO CLIP)

GOVERNOR TOM RIDGE (R-PA): He said there'd be no litmus test for his selection of vice president, and I trust George Bush. He is a man of his word.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP)

GOVERNOR GRAY DAVIS (D-CA): But I do believe, particularly here in California, that your stand on a woman's right to choose, the environment, and gun control are important to voters, and I think that and other issues will be taken into account by the vice president and those who make this decision.

(END VIDEO CLIP)

BLITZER: Congressman Dreier, do you think that Tom Ridge should be the next--should be the running mate?

DREIER: I think Tom Ridge would be an excellent choice as a running mate.

BLITZER: Even though he supports a woman's right to have an abortion?

DREIER: Right. There are other choices out there too, Wolf, as you know.

BLITZER: But you would feel comfortable with him?

DREIER: I'd feel very comfortable with Tom Ridge as running mate, but it's George Bush's decision. Dick Cheney has been working very, very hard on this, and I know he's interviewed a number of people. I have talked to Dick Cheney about this issue of the vice presidential running mate, and I believe that they've got a few good people. We are going to be hearing about it, and I think that if you look at the choices, we've got an excellent group. I think that Governor Keating is also another good option.

BLITZER: Frank Keating of Oklahoma.

Charlie Rangel, what about Dick Gephardt, the House minority leader as the vice presidential running mate for Al Gore?

RANGEL: Dick Gephardt is just a terrific guy. He would make a wonderful vice president and president. But don't take him away from us. He is our engine to get back the House. We need him.

I'm taking a strong look at Secretary of Defense Cohen. I think he would make an excellent vice president, and by bringing his Republican credentials and his background to our great Democratic party, I think that it could--it will show the American people that when you take a look at Democrats and Republicans--they've got one African-American in the House of Representatives, one Jewish member in the Republican Party, and their convention looks like any European meeting, where the Democratic convention looks like America.

DREIER: Charlie, you should run for Gephardt's job as House minority leader. Cohen's going to stay a Republican.

BLITZER: We have to leave it there. We have a lot more to talk about. Unfortunately, Congressmen, we have to take a quick break.

For our international viewers, World News is next. For our North American audience, stay tuned for another 30 minutes of LATE EDITION.

We'll check the hour's top headlines with Gene Randall and take your phone calls for Congressmen David Dreier and Charlie Rangel. Plus our LATE EDITION roundtable and Bruce Morton's last word. It's all ahead when LATE EDITION continues.

(COMMERCIAL BREAK)

BLITZER: Welcome back. We'll get to your phone calls for Congressmen Charlie Rangel and David Dreier in just a moment, but first let's go to Gene Randall in Washington, for a check of the hour's top stories.

(NEWSBREAK)

BLITZER: Now back to our conversation with New York Democratic Congressman Charlie Rangel and California Republican Congressman David Dreier.

Let's take a caller from Atlanta, Georgia. Please go ahead with your question.

QUESTION: Congressman, hi, how are you? Congressman Rangel?

RANGEL: That's real, Congressman.

QUESTION: Yes, Congressman, as a Cuban-American, you really--you paint the Cuban-American community in Miami as extremist a lot of times. And one of the extreme views we have is calling for free and open elections in Cuba. I want to know if you are willing to call for free and open elections in Cuba.

RANGEL: You bet your life. I'm for free, open elections in Cuba, in China, in North Vietnam and North Korea. And I don't think that Cuba should be treated any differently because they're communists and don't have free elections.

BLITZER: All right, let's take a look at these numbers talking about the House of Representatives, the next House of Representatives. The National Journal, a respected publication in Washington took a look at the various House seats. Right now, we have a chart we want to show our audience. Right now, the U.S. House of Representatives' current number of seats: The Republicans have 222, the Democrats 213.

As far as open seats, where there's a contest, not an incumbent: 18 on the GOP side, nine on the Democratic.

As far as most vulnerable: They say six on the GOP, four on the Democratic.

But if you look at the open seats and the most vulnerable: 24 on the GOP, on the Republican side, only 13 on the Democratic side.

Does that bode well for the Republicans maintaining the majority in the House of Representatives, David Dreier?

DREIER: Actually, Wolf, we're doing very well. If you look at our candidates, the campaigns that have been going on around the country, I'm convinced that we're going to keep the majority.

We've got the strength of George Bush at the top of the ticket, and for the first time in nearly half a century, we're going to be able to have a Republican president and a Republican Congress. So if you look race-by-race--and I've spent this past week on a number of congressional districts here in California--I'm convinced that we are going to see a very, very strong win.

BLITZER: Charlie Rangel, I want to get back to this point: If the vice president picked Dick Gephardt to be his running mate, he could not run for re-election from Missouri.

DREIER: Charlie Rangel for minority leader.

BLITZER: Would that undermine the ability of the Democrats to have a majority in the House of Representatives?

RANGEL: No, unlike the Republicans, we're not running on personalities, we're running on the issues. And you have to admit that under the Clinton administration, the Clinton-Gore administration, we have had just a phenomenal boost in our economy, and this is the time for us to start talking about paying down the national debt, taking care of affordable drugs, having a decent educational program, gun safety, securing Social Security. These are issues that the Republicans in the House, they--every time they get a good Democratic issue they load it with tax cuts that they know the president's going to veto.

DREIER: Charlie, you are absolutely right when you talk about the success that we've enjoyed under the Clinton administration, and it's been when the president has embraced the Republican themes of balanced budgets, reducing the tax burden on working families, and reforming welfare and so...

(CROSSTALK)

DREIER: I think the credit can go around, and we appreciate the support that you provided us ...

RANGEL: Now, let me tell you, if you...

DREIER: ... in getting the president to those positions.

RANGEL: If you can accept the rest of the Democratic themes, then we don't need a new Republican Party at all.

(CROSSTALK)

DREIER: ... me to say. We're providing the leadership, and your success, Charlie, is based on your embrace of our themes, you know that.

BLITZER: I want to leave--I want to leave our audience with this information. Charlie Rangel and David Dreier are about to embark on a new career.

BLITZER: They are about to be in a major motion picture, ``The Last Debate.'' The Jim Lehrer novel is coming to the screen. I take it the two of you were seen on this program, and they decided that maybe you should have a future in the movies.

RANGEL: Exactly.

DREIER: The big question, Charlie, is: Why wasn't Wolf asked to be on with us? I think we ought to ask that one.

RANGEL: After the next election we are going to give you, David, a new career.

DREIER: Ah, we'll see.

BLITZER: Charlie Rangel and David Dreier: movie stars. We will talk to you about that at another point.

I thank both of you for joining us. Of course, always great to have you.

DREIER: See you tomorrow, Charlie.

RANGEL: Thank you, buddy.

BLITZER: And just ahead: Is the White House expecting too much from this week's Middle East peace summit?

We will go around the table with Roberts, Page, and Carlson when LATE EDITION continues.

(COMMERCIAL BREAK)

BLITZER: Time now for our LATE EDITION roundtable. Joining me from Washington: Susan Page, White House bureau chief for U.S.A. Today; Steve Roberts, contributing editor for U.S. News and World Report; and Tucker Carlson, political writer for The Weekly Standard.

Steve, the president's rolling the dice in the Middle East, bringing the leaders to Camp David at a time when the Israeli coalition government seems to be collapsing.

Is this smart international policy?

ROBERTS: Well, I think he doesn't have much of a choice, as you said earlier in the show. It really is his last chance, but it's the last chance for all three of them. All three of those leaders are rolling the dice.

Barak, obviously a very weak cabinet situation as you pointed out earlier. His own foreign minister isn't even coming, but Yasser Arafat also needs these other two. He knows that the time is very short when he has Bill Clinton who's determined to try to get a peace deal. He's got Barak who's trying to--determined to get a peace deal. He knows his time is short, too. So all three need each other, all three are rolling the dice, all three know that this is a brief window that might not come again anytime soon.

BLITZER: Tucker Carlson, a lot of Republicans think this is simply a ploy by Bill Clinton to improve his legacy. Is that what you think?

CARLSON: Well, I mean, I think Steve's right in that it could

be, you know, a fortuitous time, that all of them are feeling pressure. Reportedly Arafat's not in good health, but I think it is true that you get the sense that this is being propelled by Clinton's desire to leave some sort of legacy.

I mean, that's sort of like the night before the test in the course you haven't attended, desperately trying to, you know, come up with something for an impressive showing at the end. You do get that sense watching Clinton kind of running around in his last months in office trying to come up with a legacy, kind of touching.

BLITZER: Susan, is Bill Clinton going to score this kind of an agreement? And if he does, will Barak be able to deliver the goods back in Israel?

PAGE: Well, you know, I think you heard Dennis Ross be pretty cautious about the possibility for success, and the White House has made it clear that this is not--there's no guarantee of success here, but the fact is when we've had these big breakthroughs on the Middle East, they've been the result of negotiations that had every prospect of failing. This one could fail.

But it could also succeed, and I think that's why President Clinton's pursuing it. It also is one of the few areas in which he really has--continues to have a fair amount of leverage. You know, we're at a point where it's very hard for him to get other things done in Washington. He's still an young and active guy, and this is one area in which can show some of that energy.

BLITZER: Steve Roberts, there's one area, speaking about failure, where the Defense Department this past weekend suffered a big failure, that inability to shoot down that missile, part of the defense missile shield that the Clinton administration has been testing, has been considering. It was \$100 million test and it was clearly a failure.

ROBERTS: Well, yes, it was a failure, but in some ways I think the administration is almost relieved that it was a failure. Bill Clinton has never been committed to this anti-missile shield. He's done it, I think, largely for political reasons, largely to ward off the criticisms of conservatives who wanted a much more extensive--this is classic Clintonism.

You know, you sort of try to usurp the argument of the other side with a half-measure. I don't think he's ever really been committed to it. I think he's been uneasy about the whole idea. In some ways, the fact that the missile test has failed means that gives him an excuse to say, I'm not going to deploy this, or I'm not going to make the decision and leave it over to the next administration, because I don't think he's ever been really for it anyway.

BLITZER: You know what the argument, Tucker, is on the other side of this: that \$100 million for this one test, think of all the school children who could have had meals, think of all the computers that could have been bought. If this project goes forward, \$60 billion they're estimating it might cost.

Is it worth it--is it worth it to spend that kind of money given what some are arguing is the feasibility--the lack of a feasibility and the fact that the potential threat from North Korea or Iran may not be as great as some people suspect?

CARLSON: Yes, I think there's a bumper sticker about that, about the Pentagon having to hold bake sales for its budget.

Look, I mean it's expensive to defend a country, and I don't think anybody on other side would begrudge the military spending a lot of money to come up with weapons that work.

On the other hand, I think even conservatives--some are beginning to question whether the threats that the country will face in the next 20 years, say, will be from the sort of missiles that SDI or SDI-type systems would defend against.

I mean, really, the scenario of, you know, the briefcase bomb on the subway or the other sort of unconventional weapons, you know, aren't addressed by some sort of missile shield. So I think on a non-ideological level there are real questions about whether the country needs a missile defense.

BLITZER: Susan, you covered Bill Clinton from DAY ONE of his presidency. Knowing what you know about him, knowing this issue as well as you do, is he going to make this decision or is he going to leave it to his successor?

PAGE: I don't think, effectively, he has any option on this. I think it's not going to be his decision, what to do over the long haul on this case. This is interim stuff we have for the next six months, and the next president will face the harder choices about how aggressively to go forward, what do about Russia's objections and the other issues around this.

BLITZER: Steve, don't you feel this whole issue, this whole debate we've heard this debate once or twice before over these past few years?

ROBERTS: Oh, many times. We've heard it many times, and as I say, I don't think that--Tucker makes an interesting point that even some conservatives don't really, in the end, believe this is worth it.

You know, the whole idea of a Star Wars system started in the Reagan administration when there was a legitimate threat from a Soviet Union which was imperialistic and was armed with a major nuclear weapons. That is not true today.

And technologically, ideologically, everybody thinks they have to, sort of, bow to this idea of a missile-defense system. But in fact, technologically it's very imprecise, and it's very arguable whether the threat is real.

And I think the cost is way out--way outside the bounds in terms of what you get for it. I think money can be used a lot better for other things, and I think in the end, if people are allowed to be sensible about this, and not ideological, I think that's the conclusion they'll come to.

BLITZER: All right, we'll turn to presidential politics and New York states senate politics right after our break. The roundtable will continue in just a moment.

(COMMERCIAL BREAK)

BLITZER: Welcome back to our roundtable. Tucker Carlson, the New York Senate campaign seems to be heating up. This past week, Rick Lazio, the Republican candidate, got into some sort of trouble in a mass mailing fund-raising letter.

He wrote this about the president and the first lady. He said: ``Hillary Clinton and her husband have embarrassed our country and disgraced their powerful posts. She covets power and control and thinks she should be dictating how other people run their lives.''

He later said that that was written by some professionals and it is not necessarily his words. What do you think about all of this?

CARLSON: Well, I think it is objectively true. Unlike a lot of--you know, unlike a lot of mass mailings, direct mail, you know, I think it would be hard to quibble with any one of the points Lazio's guys make there.

But, sure, Lazio has been, you know--he has the mainstream express. And his boss--the whole point, the whole message of the Lazio campaign is: I'm not a scary, you know, foaming right-winger. You can vote for me. I'm not going to do anything frightening.

So sure, Lazio wants to be seen as moderate and, I think, doing a pretty good job. But direct mail is never moderate, by definition.

BLITZER: And Susan, Mrs. Clinton is coming out pretty tough on

Lazio. She's having some strong words, sort of a moving away from her traditionally more reserved approach.

PAGE: Well, she has, you know--she has a double problem. She needs to look more likable to New Yorkers. I think that's one of the problems she's had. She hasn't made the kind of connection with voters she needs to, but she also needs to do some tearing-down of her opponent who doesn't have all of the negatives built up that Rudy Giuliani did. And those two goals are at cross purposes with each other. Because the more she tears down Rick Lazio, the less likable she seems to voters. You know, in a way it's the same task Al Gore has, and it is a very difficult needle to thread.

BLITZER: Does he have the so-called ``stature gap'' to represent New York State, a state where they have had, obviously, senators like Bobby Kennedy, like Patrick Moynihan?

Steve Roberts, does Rick Lazio have a problem there in that whole issue of stature?

ROBERTS: Oh, I think in one sense. He--it is easy to deride Rick Lazio, as you know, ``Ricky-boy'' and this sort of fresh-faced guy. To some people, this is very appealing; to others, it is a mark of immaturity. But I don't think he has some inherent stature gap. I think he is coming across as a pretty likable guy.

And Tucker makes a good point. He's trying to have it both ways. He want to appear to be moderate and reasonable to the voters, but when he's talking about his base, when he's talking about money, of course, you're going to throw red meat to your base, and say--there is nothing that is going to raise more money for Rick Lazio than calling Hillary Clinton names. Because she is the best thing not only in New York, but around the country, the Democrats have--the Republicans have going for them in terms of a demon to raise money for. So he wants to have it both ways, too.

BLITZER: There was a rare interview, Tucker, this past week with President George Bush in The New York Times. And he was assessing his son's prospects for being the next president. I want to read to you an excerpt from that interview.

He said: ``I think I was a victim of people wanting change, eight years of Reagan, four years of Bush, we want a change. I think the same thing is true now. I think people kind of like change, like the idea of change from time to time.''

He thinks all of that is going to help get his son elected the next president of the United States. Do you think it will? .

CARLSON: Yes, I think it will. Yes, absolutely. I mean, that is one of the basic rationales for a Bush presidency is that it would be a departure from, you know, the Clinton years.

I do think that parents of candidates ought to be really careful about giving interviews to the press. However, I remember, I think it was four years ago when Al Gore's parents gave an interview to Peter Boyer (ph) of The New Yorker and released all of these hideously embarrassing letters that Gore had written in college. I mean, it's very, very tough to talk about your kids without making them seem like children, really.

BLITZER: And I certainly don't want my parents giving interviews about me, but that is another story.

CARLSON: I've already talked to them actually, Wolf.

BLITZER: Thank you. Thank our roundtable. In Washington, always good to have you, even if I'm out on the West Coast.

Then, just ahead, we'll reveal what's on the cover of this week's major news magazines, plus Bruce Morton's last word.

(BEGIN VIDEO CLIP)

MORTON: In 1990, it affected about .75 percent of the adults in South Africa. Now, 10 years later, it affects 19.9 percent: one in five.

(END VIDEO CLIP)

BLITZER: AIDS in Africa: Can anything be done to reverse a human catastrophe?

(COMMERCIAL BREAK)

BLITZER: Time now for Bruce Morton's last word on the AIDS epidemic that's ravaging a continent.

(BEGIN VIDEOTAPE)

MORTON: An international AIDS conference opens this weekend in Durban, South Africa. They have come to the right continent. In many parts of sub-Saharan Africa, AIDS is pandemic and getting worse.

Some numbers: AIDS affects about six-tenths of 1 percent of the adults in the U.S., about seven-tenths of 1 percent of those in India. In 1990, it affected about .75 percent of the adults in South Africa. Now, 10 years later, it affects 19.9 percent: one in five.

And it will probably get worse. The number of mothers receiving prenatal care who test positive is growing, which means their babies will probably have it, too.

It isn't just South Africa. It is the region. Botswana: 35.8 percent of adults infected; Swaziland: 25.3; Zimbabwe: 25.1; Zambia: 20, and so on.

Why? AIDS prevention is expensive--most Africans can't afford. Their governments can't afford the complicated drug cocktails which retard the disease in the West. And AIDS prevention, AIDS education, is hard when many people can't read, hard when many have never seen a condom, and some who have, make fun of them. One Washington Post report says a joke in Soweto when men see a youngster with a condom is: Oh, you wear your raincoat in the shower, too?

Some in Africa don't believe the HIV virus causes AIDS. South African President Thabo Mbeki has questioned that, has questioned whether some of the anti-AIDS drugs for women are toxic, questioned whether western remedies work in sub-Saharan Africa.

South Africa spent a lot of money on a locally-developed alleged vaccine which flopped. The president of Namibia, Sam Nujoma, went further, charging that AIDS is a man-made disease. It is not natural. He linked it to chemical warfare and said the countries which developed it should cure it.

And does anyone know how to cure it? Prevention involves education, changing old established habits. Should truck drivers not stop at places where they can have casual sex? Involves a lot more than it does in the West.

It is not hopeless. Uganda's infection rate is now 8 percent of adults, down from 14 percent 10 years ago. But it is complicated, and nobody knows how much it would cost, and whose money.

The Washington Post quotes one World Health Organization official: ``If tomorrow there was a disease out of the blue that you could cure with \$100 million a person, would we focus on it at all?''

Good question. I'm Bruce Morton.

(END VIDEOTAPE)

BLITZER: Thanks, Bruce.

Now a look at what's on the cover of this week's major news magazines.

Time magazine dissects the new science of Alzheimer's: the drugs, the genetics and the latest theories on the cover.

Newsweek says: ``Here is Harry: Behind the Fastest Selling Book in History,' ' with character Harry Potter on the cover.

And on the cover of U.S. News & World Report: ``America's Best Hospitals: Where to Find the Best Care Near You.''

And that is your LATE EDITION for Sunday, July 9th. Be sure to catch us again next Sunday and every Sunday, at noon Eastern for the last

word in Sunday talk.

And please join us tomorrow night on The World Today at 8 p.m. Eastern.

Coming up next on cnn.com, find out how the world of high-tech has made heroes out of geeks.

And a reminder that you can now see Earth Matters later today and every Sunday at 4:30 p.m. Eastern.

For now, thanks very much for watching, and enjoy the rest of your weekend.

I'm Wolf Blitzer in Los Angeles.

END

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Inside Politics

Aired July 10, 2000 - 5:00 p.m. ET

Bush Reaches Out to NAACP; Gore Takes Aim at a
Do-Nothing Congress; Have Once-Pivotal Political
Conventions Lost Their Luster?

(BEGIN VIDEO CLIP)

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

There is no

escaping the reality that the party of Lincoln has not
always carried the mantle of
Lincoln.

(END VIDEO CLIP)

but can he
them?

JUDY WOODRUFF, CNN ANCHOR: George W. Bush reaches out,
convince NAACP members that the GOP is the party for

Plus:

(BEGIN VIDEO CLIP)

Governor Bush
ask them to pass

AL GORE, VICE PRESIDENT OF THE UNITED STATES: Let
pick up the phone, call the leaders of his own party and
legislation instead of blocking legislation.

(END VIDEO CLIP)

the specter of

BERNARD SHAW, CNN ANCHOR: Al Gore takes aim and raises
a do-nothing Congress.

Also...

(BEGIN VIDEO CLIP)

and George
year. But what if many

HOWARD KURTZ, CNN MEDIA ANALYST (voice-over): Al Gore
W. Bush are both hoping for some convention magic this
Americans never see the conventions?

(END VIDEO CLIP)

turn to cable if they

WOODRUFF: Howard Kurtz on why Americans will have to
tune in at all.

with Bernard

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

SHAW: Thank you for joining us.

outside the Republican
coalition. After recent speeches to two Hispanic
organizations, Bush appeared
today before the National Association for the
Advancement of Colored People.

Four years ago, the group got the cold shoulder
treatment from Republican Bob
Dole. Bush is trying to show he's different.

Baltimore.
CNN's Chris Black followed the Bush campaign to

(BEGIN VIDEOTAPE)

CHRIS BLACK, CNN CORRESPONDENT (voice-over): George W. Bush wasted no time in pointing out how unusual it was for a Republican candidate to be at the NAACP convention.

BUSH: While some in my party have avoided the NAACP and while some in the NAACP have avoided my party...

(APPLAUSE)

... I'm proud to be here.

BLACK: The last Republican presidential nominee skipped the NAACP, complaining it was a setup for a Republican candidate because of the Democratic party's strong ties to the black community. But Bush sought out the opportunity to say 140 years after the Civil War racism still exists in America.

BUSH: For our nation there is no denying the truth that slavery is a blight on our history and that racism despite all the progress still exists today. For my party there is no escaping the reality that the party of Lincoln has not always carried the mantle of Lincoln.

BLACK: But Governor Bush could not dodge his recent history. Four demonstrators, protesting the execution of Gary Graham, a black inmate in Texas, disrupted his entry to the hall.

UNIDENTIFIED MALE: Remember Gary Graham!

BLACK: And a Democratic National Committee press conference featured Texans attacking his record as governor.

REP. EDDIE BERNICE JOHNSON (D), TEXAS: Governor Bush is proving that his talk of compassion is simply that: talk.

BLACK: The NAACP convention is the final stop of two weeks of appearances before prominent organizations of African-Americans and Hispanics, all traditional Democratic stops and all aimed at presenting Bush as more receptive to the needs and aspirations of minority groups than the typical Republican.

BUSH: And for those of you who support me -- I see a couple here...

(APPLAUSE)

Maybe more than a couple. BLACK: But the president of the NAACP said Bush has to offer black voters more than rhetoric to win their votes.

KWEISI MFUME, PRESIDENT, NAACP: His task is to say who he is. His task is to lay out a plan. His task is to go on the record in a well-defined way in terms of what he will do and not what he believes in so much.

(END VIDEOTAPE)

BLACK: Bush recycled his proposals for widening the path to the middle class for African-Americans but offered little else to this crowd beyond a commitment that President Bush will enforce existing civil rights laws -- Bernie.

SHAW: Chris, in terms of votes November 7th on election day, by appearing before this group today, in an optimum sense, what is it Bush hopes to accomplish?

BLACK: Well, at the optimum sense, Bernie, he -- in an ideal world he would hope to get a lot of black votes on election day. But frankly, the strategy of the Bush campaign is not only for black Americans but also women, a big Democratic constituency, is to minimize the losses, is to basically hold his own, to cut in a little bit so in a close race it could be the winning difference.

SHAW: OK, thank you, Chris Black in Baltimore -- Judy.

WOODRUFF: Now onto the Gore campaign and its growing reliance on populist themes. Last week, the vice president promised to stand with the people against the drug-makers and the oil industry. Today, he launched an attack against the Republican Congress, which he accused of siding with powerful special interests. Gore's intended audience: working families.

CNN's Bill Delaney was with Gore in New Britain, Connecticut.

(BEGIN VIDEOTAPE)

BILL DELANEY, CNN CORRESPONDENT (voice-over): With a new tact, Vice President Al Gore set sail on a several-state campaign swing. At Central Connecticut State University, coloring in the latest

shading of his campaign, with
its latest populist motto, "the people, not the
powerful."

GORE: Here is the reality: The Republican leadership in
this Congress, instead of
taking bipartisan action for prosperity -- for
prosperity and progress, which is
possible, instead, they have chosen a different course.
Their course: Do nothing
for people, pass nothing that offends the special
interests, serve the powerful,
not the people.

I say to you today that must change, and it must change
before the election.

(APPLAUSE) DELANEY: The vice president said the
Republican Congress either
blocked or stalled a patients' bill of rights, a
prescription drug benefit, raising the
minimum wage, closing the gun show loophole, among other
legislation.

GORE: Let's face it: Never has so little been done in so
much time to benefit so
few. This is the do-nothing Congress of the 21st
century.

DELANEY: And Gore said the governor of Texas could
change that.

GORE: Let Governor Bush speak up on prescription drugs,
on a patients' bill of
rights, on raising the minimum wage, on 100,000 new
teachers for our schools.
Let Governor Bush pick up the phone, call the leaders of
his own party, and ask
them to pass legislation instead of blocking
legislation.

DELANEY: The alleged cloud of a call from Governor Bush
derided by the
Texas governor's camp, which said the vice president was
just acknowledging
his own lack of clout around Washington.

(on camera): What links Gore's last theme, progress and
prosperity, with his
latest, the people not the powerful, isn't immediately
clear, beside that seeming
tendency to alliterate the letter "p." This continues to
be a restless campaign, not
so much of mixed messages as many messages.

(voice-over): Gore continues to shift his emphasis. The
danger: that it can all get
hard to follow. And the vice president remains a
candidate lagging in polls and in
need of followers.

Bill Delaney, CNN, New Britain, Connecticut.

(END VIDEOTAPE)

SHAW: The presidential race is dominating talk among the nation's governors.

The National Governors Association is meeting this week with some of its members high on the lists of potential running mates.

CNN's Gary Tuchman has the story from the town of State College in Pennsylvania.

(BEGIN VIDEOTAPE)

GARY TUCHMAN, CNN CORRESPONDENT (voice-over): The governor of the state that offers the richest electoral prize has been mentioned as a possible presidential running mate for Al Gore. But Gray Davis is now saying...

GOV. GRAY DAVIS (D), CALIFORNIA: I intend to keep my commitment to the people of California and serve for four years.

However, the popular Democrat, whose term as California governor is up in 2003, says he doesn't want to use the words "I rule it out," because he hasn't been offered the position. Nevertheless... DAVIS: Please interpret that as a negative response: I'm not leaving any weasel room.

TUCHMAN: So Gray Davis is all but out. But here at the National Governors Association summer conference in State College, Pennsylvania, others who are being considered say they'd be happy to be in, like the governor Gray Davis is talking to here, Iowa's Tom Vilsack.

(on camera): So if he asked you to be his vice presidential nominee, would you accept?

GOV. TOM VILSACK (D), IOWA: Well -- yes, I would. Of course I would. But the reality is that they're an awful lot of really qualified people in this -- in this party.

TUCHMAN (voice-over): The leader of that party, who's attended quite a few of these meetings in his day as a governor, spoke at the gathering Monday afternoon, praising governors of both parties.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES:

Across all of our partisan differences, you have never stopped supporting as a body bringing back common-sense notions of fiscal discipline to Washington. By cutting the deficit, expanding trade and investing in our people, we've got the longest economic expansion in history.

TUCHMAN: For their part, the Republican governors have also been dealing with the vice presidential question. The event's host, Pennsylvania's governor, Tom Ridge, is one of the most prominently mentioned names. The first-term GOP governor says the job would be an attractive and very appealing opportunity. But...

GOV. TOM RIDGE (R), PENNSYLVANIA: I just think that any public comment as to any discussions with any prospective nominee should come from Governor Bush rather than any wannabe, hope-to-be, might-have-been, would-have-been, that crowd.

TUCHMAN (on camera): Some of the governors being considered for the No. 2 slots are having fun with it. Others prefer to say little if nothing at all. All of them are trying to be appropriately modest about the honor of even being considered.

Gary Tuchman, CNN, State College, Pennsylvania.

(END VIDEOTAPE)

WOODRUFF: Still ahead on INSIDE POLITICS, running mates aside, could Al Gore be upstaged by another member of his party?

And is George W. Bush's appeal to minorities working? We will talk about both issues with Beth Fouhy and John Harris.

(COMMERCIAL BREAK)

WOODRUFF: Joining us now, John Harris of "The Washington Post." He joins us from the "Post"'s newsroom, and Beth Fouhy, executive producer of CNN's political unit.

Thank you, both for being here.

Beth, let me start with you. Today we know Al Gore is out on the campaign trail, appealing, in his words, to working families in clearly

a populist approach. Why
is he doing this?

BETH FOUHY, EXECUTIVE PRODUCER, CNN POLITICAL UNIT:

Well, he's
been doing it now for a couple weeks, Judy, and they
obviously feel like they're
getting some traction on it. What I think is funny is
he's doing the Harry Truman
do-nothing Congress line this week. Last week, it was
drug companies, the week
before it was oil companies.

He's finding things to hook on to and do an
us-against-them, sort of David and
Goliath move, which he thinks is really working for him
evidently. They were
planning to do welfare reform this week. It was going to
be a big sort of new
Democrat week, sort of to reclaim the center, the Bill
Clinton constituency. And
they realize, I think, now that what they really need to
do is reclaim their base.
And reclaiming the base is happening, or at least their
internal polling is starting
to show that, by him really getting fired up and talking
about the different things
he would help and protect people from. So they're going
to stay with it for a
while.

WOODRUFF: John Harris, is this working for Al Gore?

JOHN HARRIS, "THE WASHINGTON POST": I would guess that
it probably
will. It seems possible what Beth said, that the
internal polling is improving. I
think it's noteworthy the situation they were in,
though. If you look a month or
so ago, George W. Bush had roughly 95 percent of
self-identified Republicans
saying yes, they supported him. The figure for Al Gore
was considerably lower,
something like 70 percent.

There were two problems. He wasn't claiming all of the
traditional Democratic
base, and a lot of Democratically leaning swing voters
also weren't enthusiastic.
So clearly it's an effort to energize that base before
you go for the nonaligned
voters.

WOODRUFF: Is there...

FOUHY: Yes...

WOODRUFF: Go ahead, Beth.

FOUHY: Well, I was going to say, I mean, a big problem

that I think Gore is realizing he has and I'm not sure this new approach is going to help is the issue of leadership. The Republicans and the Bush campaign especially are having a field day by saying this is a guy who's vice president of the United States, and he couldn't make any of these things happen. He's got to call George Bush to get on with his colleagues in the Congress, his Republican colleagues, and make things happen.

They can really jump on this issue of leadership, which is definitely a big deficit for him tonight now. And it's probably the worst deficit he faces. He does not look like a leader to many people in the American public, many voters. I don't know if him suddenly looking like the little guys, the populist, you know, David versus Goliath is necessarily the right thing for him right now.

WOODRUFF: John, you've been talking, obviously, over time to people in the Gore campaign. Is this something that they recognize?

HARRIS: I'm sorry, recognize their weakness among...

WOODRUFF: In terms of looking -- coming across like a leader.

HARRIS: Oh, well they recognize that as the sort of clear challenge of the campaign. That's the one area that Gore has been short on consistently. A lot of that they've attributed to the fact that he's vice president, and all vice presidents to some degree have trouble emerging as plausible leaders, since they've been so -- they're so fixed in the public mind as the No. 2 man.

I think, you know, in addition to that sort of historical fact which burdens Gore, he does have some traits of personality which people don't -- a lot of people don't see him as that of a leader.

WOODRUFF: John, in connection with that, at the Democratic convention -- you wrote about this over the weekend -- some tension in the Gore camp with the perception, anyway, that Hillary Clinton's campaign and she herself wants her to have a main role, a prominent speaking role, Tuesday night. They may not want that. Where does all that stand?

HARRIS: Well, it exaggerates to describe it as a big

rift. I don't think it is that
because I think fundamentally the Clintons, both
President Clinton and Hillary
Clinton, are at the end of the day willing to defer to
what the Gore campaign
wants. They want this to be a good convention for him.

Nonetheless, it is kind of a ticklish thing. Hillary
Clinton also sees herself as a
leader among national Democrats. Many of her people feel
that she's due a
prime-time spot on her own, on a separate night from
President Clinton. He'll be
on Monday. A lot of her people feel she should be on
Tuesday. The problem
with that is if you do that plan, then it becomes a 50
percent Clinton convention
and only the final two days for Gore.

The Gore people really feel to address this problem that
we're discussing, this
image of him as a leader, this convention has to be a
defining event, in other
words three solid days of Gore's speakers and Gore's
message dominating. So
it's a little bit of a juggling act.

WOODRUFF: Beth, let's switch over here real quickly to
George W. Bush.

Today he speaks before -- spoke before the NAACP. Can
this make a difference
for him in winning the election, to reach out to
minority groups like this?

FOUHY: Well he's been very lucky because he's been so
far ahead in the polls
for the last couple of months that he's had the latitude
to be able to go out and
continue this outreach he's been doing right from the
beginning to non-traditional
constituencies. He's going to be doing that for the next
week, week and a half.
He's going to be going to welfare centers, he's going to
be going to talk to single
parents. He's definitely moving into this -- this very
comfortable mode of talking
to people and reaching out.

Now one could say very easily in a cynical sense that
it's a photo-op. There are
those who are very happy to say that about him, that
he's just doing it to position
himself as a centrist and to reach out to suburban
voters, women, who have not
liked the way that the Republican Party has gone in the
past and thought it was
too conservative. But I think it's also a very -- it's a
real sign of how strong he is,
that he doesn't have the shore up the base, as John was
saying that Gore has to

do. He's got his base, so he can move out. He can at least try to wedge his way into some of these non- traditional constituencies. If he makes any ground there, that can only help him.

WOODRUFF: And, John, to you just quickly. Over the weekend, "The New York Times," a story, an interview with former President Bush and Barbara Bush about their son. An interesting -- in fact, a number of interesting quotes from the two of them. One, the former president saying perhaps his son's success this year having more to do with voters' fickle interest than with any particular accomplishment or achievement on his own part?

HARRIS: Well, I think what he was saying is the Clinton fatigue is a very genuine factor, and that is going to sort of work to his son's benefit.

The point that he seemed to be making is that in some ways historical trends are more important than anything individual candidates say. And that's also obviously one way he's come to terms with own defeat in 1992, that there was something larger going on that he was powerless to overcome.

WOODRUFF: Beth, any thoughts on that very interesting interview?

FOUHY: Yes, I had the same reaction as you did, Judy, that he was really saying, hey, if my son wins it's going to be these forces of history, the fact that people like change. After a term or two of one party, they tend to want the other party.

As John was saying, yes, it's a way for George Bush the president to explain to himself and to others why he lost when he did. But he really is attributing the potential that his son may be president outside of his control, which I thought was fascinating.

WOODRUFF: All right, we'll leave it there. Beth Fouhy, John Harris, thank you both for joining us -- Bernie.

SHAW: There's much more here on this edition of INSIDE POLITICS.

Still to come:

(BEGIN VIDEOTAPE) BRUCE MORTON, CNN CORRESPONDENT

(voice-over): The Middle East worries American presidents. But how they do with the Middle East doesn't have much to do with how they do with voters here in the U.S.

(END VIDEO CLIP)

SHAW: Our Bruce Morton looking back on the peace process as another Middle East summit begins.

Plus:

(BEGIN VIDEO CLIP, 1992)

I still GOV. WILLIAM J. CLINTON (D-AR), PRESIDENTIAL CANDIDATE: believe in a place called Hope.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP, 1988)

lips: no GEORGE BUSH, PRESIDENT OF THE UNITED STATES: Read my new taxes.

(END VIDEO CLIP)

lost their luster? A view SHAW: Have the once-pivotal political conventions now from Howard Kurtz.

And later:

(BEGIN VIDEO CLIP)

lady Hillary FRANK BUCKLEY, CNN CORRESPONDENT (voice-over): First Clinton, the unanimous choice among delegates to be the party's nominee for the U.S. Senate. Then came Mark McMahon.

(END VIDEO CLIP)

competition. SHAW: Frank Buckley on the first lady's primary

(COMMERCIAL BREAK)

coming up, but now a WOODRUFF: We'll have more of the day's political news look at some other top stories:

wanted fugitives. Mexican authorities are holding one of the FBI's 10 most

1994 death of a DEA Ajustin Vasquez-Mendoza is accused of masterminding the agent in Arizona. Justice officials say Vasquez- Mendoza

operated a methamphetamine trafficking organization in the U.S. at the time of the agent's murder. The U.S. plans to extradite Vasquez-Mendoza to this country for trial.

SHAW: Scientists say AIDS will cause the life expectancy in South African countries to drop to age 30 within 10 years. Such predictions emerged at the international AIDS conference now under way in Durban, South Africa. Experts say South Africa is now the epicenter of the AIDS epidemic. South African President Thabo Mbeki told delegates poverty is helping spread the disease in Africa. Several drug companies have agreed to lower the costs of AIDS medications in poor countries.

An Alzheimer's epidemic is predicted in the next 25 years. Experts attending the World Alzheimer's Congress in Washington are warning 22 million people worldwide could have the disease by 2025. Currently there are 4 million Americans with Alzheimer's, a number that could balloon to 14 million by 2050 unless a prevention or cure is discovered. In addition, scientists say people who develop a mild form of memory impairment as they age stand an excellent chance of progressing toward Alzheimer's.

WOODRUFF: Closing arguments today in the penalty phase of the landmark class-action suit against big tobacco. An attorney for the Florida smokers in the case is calling for a weighty judgment. Attorney Stanley Rosenblatt says the bottom dollar jurors should consider when deciding what the tobacco industry should pay in penalties is \$118 billion. But Rosenblatt says punitive damages of \$196 billion would be even better. Jurors are expected to begin deliberations by Friday.

President Clinton moves to help people in the Northeast stay warm this winter. He wants to make home heating oil available from the strategic petroleum reserve. However, Mr. Clinton needs congressional approval and is seeking support for his overall energy proposal.

(BEGIN VIDEO CLIP)

CLINTON: Take up my energy budget initiatives and the tax incentives, pass

comprehensive electricity restructuring, reauthorize the strategic petroleum reserve. These are things Congress can do right now to build a better, safer, more secure and more affordable energy future.

(END VIDEO CLIP)

WOODRUFF: The strategic reserve was tapped once before, by President Bush during the Persian Gulf War.

SHAW: The name Williams is making a definite impact on tennis at Wimbledon this year. Today, Venus and her sister, Serena Williams, teamed up to take the women's doubles' crown. This is the first time sisters have ever won the title. Saturday Venus won the women's single's championship.

And next here on INSIDE POLITICS. the Middle East summit: a last-minute view from the White House.

(COMMERCIAL BREAK)

SHAW: The road to peace in the Middle East will again lead tomorrow to the presidential retreat at Camp David, Maryland in the Catoctin Mountains. Depending on the outcome, it could be a path to the history books or again no progress. President Clinton will try his noted skills of persuasion on Palestinian leader Yasser Arafat and Israeli Prime Minister Ehud Barak.

CNN's John King reports.

(BEGIN VIDEOTAPE)

JOHN KING, CNN CORRESPONDENT (voice-over): The president voiced hope for a summit of progress despite the domestic political storm in Israel.

CLINTON: Both Prime Minister Barak and Chairman Arafat have the vision, the knowledge, the experience, and the ability, and the sheer guts to do what it takes, I think, to reach an agreement, and then to take it back to their people and see if they can sell it.

KING: The Israeli leader left for Washington after narrowly surviving a vote of no confidence in the Knesset, the Israeli parliament. His coalition is in shambles, but Barak vowed to press on and he dismissed critics who say he is too eager to

compromise.

EHUD BARAK, PRIME MINISTER OF ISRAEL (through translator): If there is an agreement, it will require a compromise not only by ourselves, but also a painful compromise by the Palestinians. Otherwise, there will be no agreement.

KING: The bulk of the Palestinian delegation arrived in Washington Monday morning, with Arafat due in later and facing domestic political pressures of his own.

SHIBLEY TELHAMI, UNIVERSITY OF MARYLAND: Although most Palestinians have continued to support the peace process, his credibility ratings have gone down. His -- the confidence in him has gone down over time. Less than 50 percent of the Palestinian population expressed confidence in his leadership.

KING: Mr. Clinton will convene the summit Tuesday morning at the secluded Camp David presidential retreat, looking to bridge the issues that have divided the Israelis and Palestinians for more than 50 years.

CLINTON: This is difficult. It is perhaps the most difficult of all the peace problems in the world, certainly dealing with the most difficult issues of the whole Middle East peace process, on which I have worked for nearly eight years now.

KING: The president has a week blocked out for the talks and promises to spend as much time as he believes is necessary trying to broker a breakthrough.

(END VIDEOTAPE)

KING: Now U.S. officials are well aware this could be President Clinton's last opportunity to negotiate that breakthrough, get a Middle East agreement and add that to his legacy. And they say that while Prime Minister Barak's problems back home are certainly an unwanted distraction, they're voicing confidence that they will not undermine his ability or his willingness to negotiate in good faith -- Bernie.

SHAW: John, given everything that you've just reported to us, is President Clinton's mindset, attitude on the eve of this summit,

nothing ventured, nothing
gained?

KING: That's absolutely right. He has said that to not try would be to guarantee failure, that while there's no guarantee of success, if you don't try, nothing will be achieved. One of the things he will say, Bernie, we're told, when he gets together with the leaders tomorrow is that all of them have domestic political constraints. For Mr. Clinton, obviously, he has just six months left in his term.

The point the president wants to make, we're told, is that these three leaders have become very familiar with each other, they know the issues, they know the differences, but they also know what needs to be done to resolve them.

The president will make the case that if Mr. Barak wants to boost his standing back home, he should negotiate a peace agreement; if Mr. Arafat wants to secure his legacy, he should negotiate a peace agreement; and that this president, him, Mr. Clinton, is best prepared to deal with this now, because if this waits until after the U.S. election, it could wait a year or more before the next president has time to focus on these very difficult problems -- Bernie.

SHAW: John King on summit eve at the White House --
Judy.

WOODRUFF: For more on how Americans view the Middle East summit, we are joined from Los Angeles by our senior political analyst, Bill Schneider.

Bill, have we seen any shift in the American public's sympathies in the Middle East?

WILLIAM SCHNEIDER, CNN SENIOR POLITICAL ANALYST: Not really.

Ever since Israel won the Six Day War back in 1967, Americans have been broadly sympathetic toward Israel. Now the latest Gallup poll reports that just over 40 percent of Americans sympathize with Israel and just 14 percent with the Palestinian Arabs. That hasn't changed much in recent years.

But almost half of Americans really don't favor either side in this conflict.

WOODRUFF: Bill, does that mean that the public is likely to support then Israel's position in these negotiations?

SCHNEIDER: Not necessarily, Judy. The biggest issue is an independent Palestinian state. And the American public favors the idea of a Palestinian state 40 to 24 percent.

Americans support Palestinian aspirations as long as they do not endanger Israel's security or provide a base for Arab terrorism. Look at the public's view of the two principal negotiators. Americans have a negative opinion of Palestinian leader Yasser Arafat. The public's view of Israeli Prime Minister Ehud Barak is positive by comparison, but almost 60 percent of Americans have no opinion at all of Israel's leader, who was just elected a year ago.

WOODRUFF: So, Bill, what role does the public want the United States to play?

SCHNEIDER: Honest broker. Nearly three-quarters of Americans say the U.S. should not favor either side in these negotiations. These negotiations are very important for President Clinton. It's his last chance to establish his image as a peacemaker. But they have far less urgency for the American public. Only a third of Americans say it's very important to the United States to get a peace deal between Israel and the Palestinians.

Since the end of the Cold War, the Middle East has lost urgency for Americans.

Even the spike in gasoline prices hasn't made much difference. President

Clinton's may be thinking about his legacy, but you know, most Americans are fat and happy.

WOODRUFF: So based on what we know, Bill, could a peace deal become politically controversial?

SCHNEIDER: Who's going to pay for it? The principal leverage that the United States has over these negotiations is money: economic aid to Israel and to the Palestinians. You remember that handshake on the White House lawn back in 1993? Even after that dramatic ceremony, the public still opposed giving economic aid to the Palestinians by two to one.

Now usually, if a president makes a peace deal, you can

expect Congress to

grumble a little and then cough up the money. But this Congress is controlled by the other party, and we're in the middle of an election campaign. So Congress might balk and make aid a campaign issue -- Judy.

WOODRUFF: OK, Bill Schneider from Los Angeles, thanks -- Bernie.

SHAW: Well, come this fall, the political parties can make what they will of the Middle East. But as CNN's Bruce Morton reports in his journal, it is not the type of issue that decides presidential elections.

(BEGIN VIDEOTAPE)

BRUCE MORTON, CNN CORRESPONDENT (voice-over): The Middle East worries American presidents, takes up a lot of their time, a war always waiting to happen. But how they do with the Middle East doesn't have much to do with how they do with the voters here in the U.S.

Take Jimmy Carter. Historic meeting at Camp David in 1978. Anwar Sadat and Menachem Begin signed the Camp David accords making peace between Israel and Egypt. Historic, no question about it. ZBIGNIEW BRZEZINSKI, FORMER NATIONAL SECURITY ADVISER: And I remember vividly the dark clouds that had gathered, and it started pouring and thundering, and there was a moment of awe that something historic had been achieved.

MORTON: But the voters didn't care. Carter suffered from gas lines, inflation, high interest rates, American hostages Iran wouldn't free. The voters turned to Ronald Reagan. He, in turn, didn't have a very successful Middle East. A truck bomb blasted the U.S. Embassy in Beirut. Just months later, another truck bomb killed U.S. Marines at their encampment near the Beirut Airport.

And then, Iran-Contra, the U.S. selling weapons to Iran -- Reagan had said he wouldn't -- in exchange for the release of U.S. hostages in Lebanon. The voters didn't care. Reagan carried 49 states against Walter Mondale in 1984 and left office a very popular president.

George Bush, his successor, had a triumph in the Middle East. When Iran's Saddam Hussein invaded Kuwait, Bush promised to get it

back.

(BEGIN VIDEO CLIP)

will not GEORGE H. BUSH, PRESIDENT OF THE UNITED STATES: This
stand, this aggression against Kuwait.

(END VIDEO CLIP)

which launched MORTON: And he organized and kept together the coalition
Operation Desert Storm and drove Saddam out of Kuwait.
Bush soared in the polls, for a moment, and then the economy got in the
way. Like Carter, he was a one-term president; an overseas triumph didn't guarantee
re-election.

And then Bill Clinton. In 1993, the Palestinians and
Israelis signed a draft accord.
The PLO's Yasser Arafat and Israel's Yitzhak Rabin
exchanged a famous handshake.

(BEGIN VIDEO CLIP, SEPTEMBER 18, 1993)

CLINTON: Above all, let us today pay tribute to the
leaders who had the courage
to lead their people toward peace.

(END VIDEO CLIP)

MORTON: But Clinton's easy re-election in 1996 owed more
to the economy than to the Middle East.

As his term winds down, he is still seeking a legacy,
still seeking peace. For a
series of American presidents, it hasn't been easy.

Bruce Morton, CNN, Washington.

(END VIDEOTAPE)

SHAW: And in 20 minutes, Judy and I will have more on
the summit at the top
of the hour on "WORLDVIEW."

WOODRUFF: And just ahead, party conventions past and
present: Howard Kurtz
on why today's political gatherings lack the content and
controversy of years
past.

(COMMERCIAL BREAK)

HOPKINS: With the GOP convention less than a month away,
cable television
news organizations, as well as a legion of Internet

sites, are already gearing up
for wall-to-wall coverage. At the same time, the
broadcast news division, where
most Americans still get their news, are scaling back
coverage plans.

In today's "Inside View," Howard Kurtz of CNN's
"RELIABLE SOURCES" looks
at why the networks are turning off the politics.

(BEGIN VIDEOTAPE)

HOWARD KURTZ, CNN CORRESPONDENT (voice-over): Political
conventions can often be defining moments for
presidential candidates.

Remember these?

(BEGIN VIDEO CLIP, 1992)

GOV. WILLIAM J. CLINTON (D-AR), PRESIDENTIAL CANDIDATE:
I still
believe in a place called hope.

GEORGE BUSH, VICE PRESIDENT OF THE UNITED STATES: Read
my lips,
no new taxes.

(END VIDEO CLIP)

KURTZ: Al Gore and George W. Bush are both hoping for
some convention
magic this year. But what if many Americans never see
the conventions? NBC,
CBS, and ABC are now so dismissive of the quadrennial
ritual, they plan to cover
only a couple of nights during each four-day affair, and
then only for an hour at
a time. ABC is blowing off two evenings for "Monday
Night Football,"
pre-season "Monday Night Football" at that with new
anchor, Dennis Miller.

The conventions are increasingly becoming a cable-only
affair, with CNN, Fox
News Channel, MSNBC, and CSPAN carrying the action,
along with PBS. The
political parties once used their conventions to
actually choose their nominees.

Now, with voters picking the candidates during the
primaries, the broadcast
networks complained the conventions have become
scripted, pre-packaged

infomercials. And they have a point: the use of such
non-political celebrities as

Christopher Reeve in 1996; the release of balloons timed
to the second. All this

has turned the conventions into a show, a show with less
scintillating ratings, a

show so dull that Ted Koppel walked out of the '96
Republican convention.

So why bother? Why are 15,000 journalists converging on Philadelphia and L.A. at all?

E.J. DIONNE, "WASHINGTON POST": The networks owe the people a certain amount of coverage, especially of the big speeches, because this is a time when people pay a lot of attention.

WILLIAM KRISTOL, "WEEKLY STANDARD": Most Americans have never seen George W. Bush give a speech. Most Americans have never seen Al Gore give a full-fledged speech. And lots of people will be watching those speeches on the Thursday nights of the conventions. So they really will matter.

KURTZ: In the old days, the pre-cable days, the big networks saw their big skyboxes as a matter of prestige. And conventions often erupted into real news: the Democratic convention in 1960, John Kennedy surprising everyone by picking arch rival Lyndon Johnson as his running mate; the GOP convention in '64 that signaled a right return of the Republican party.

(BEGIN VIDEO CLIP, 1964)

UNIDENTIFIED MALE: That is (UNINTELLIGIBLE) in the defense of liberty is no vice.

(END VIDEO CLIP)

KURTZ: The infamous '68 Democratic showdown in Chicago, which blew up during violent clashes between police and anti-war protesters; 1972, where Democrats were so torn by infighting that George McGovern didn't get to speak until 3:00 a.m.; and '92, Pat Buchanan's confrontational talk of a culture war damaged President Bush's chances of reelection.

(BEGIN VIDEO CLIP, 1992)

PAT BUCHANAN: We must take back our cities and take back our culture and take back our country.

(END VIDEO CLIP)

KURTZ (on camera): But the 2000 conventions will be carefully choreographed: no messy platform fights or interminable speeches. Gore

and Bush will make
sure the precious airtime is used to show them and their
running mates in the
best possible light. The question is whether many
Americans will follow the
broadcast networks and tune out.

This is Howard Kurtz of CNN's "Reliable Sources."

(END VIDEOTAPE)

SHAW: Well, you can be assured that CNN will cover both
those conventions in
Los Angeles and Philadelphia until the lightbulbs burn
out.

The major-party conventions won't be the only events in
town. Shadow
Conventions 2000 will also take place in Philadelphia
and Los Angeles. The
Shadow Conventions will parallel the party events, but
focus on several issues
not on the Democratic or Republican agendas. In addition
to a serious look at
issues, they will also offer a daily dose of political
satire. Among the many
speakers: Senator John McCain, comedian Bill Maher, and
actor Warren Beatty.

Joining us now from Los Angeles, a key force behind the
Shadow Conventions,
syndicated columnist Arianna Huffington.

Really, why are you doing this?

ARIANNA HUFFINGTON, SYNDICATED COLUMNIST: Because,
Bernard, as
your report indicated, the two major party conventions
have been completely
drained of politics, of meaning, of any relevance to
people's lives. And, as a
result, more and more Americans are tuning out. It's not
just the media that are
turning out. If the current trends continue, the
majority of eligible voters are not
planning to vote in November, and especially the young
ones.

So our intention is to put the spotlight on three
critical issues that both parties are
ignoring: campaign finance reform; the need to take a
new look at our drug war
policy that has led to two million Americans in jail at
the moment; and also the
need to admit that, in the middle of this unprecedented
prosperity, millions of
Americans are left out. And in Los Angeles -- where the
Democrats will be
coronating Al Gore -- one out of three children lives
below the poverty line.

So our Shadow Conventions are going to spotlight these issues. And we are really a coalition of conveners that include the key groups working in these areas, like Common Cause, Public Campaign, the Call to Renewal, the Lindesmith Center, and our hope is that we reengage the American public.

SHAW: But if fewer people will be watching the two major party political conventions, how do you expect to get people to watch yours, what you call a Shadow Convention?

HUFFINGTON: Because we are also calling ourselves the Citizens Intervention in American Politics. I think that people are going to tune in and also watch our proceedings -- which are going to be simultaneously Webcast -- because we are talking about real issues that affect people's lives. The two conventions are saying again and again through their spokespeople that they are going to spotlight all those real Americans that benefited from the growing prosperity.

We are going to spotlight children whose mothers are in jail for 20 to 40 years on first-time, non-violent drug offenses; or families living on buses in Santa Clara County because there is no affordable housing; or small businessman losing their businesses because they don't have access to big money to contribute to candidates. All these real cases are going to be left out of the main conventions.

SHAW: And you are going to have political satire, why?

HUFFINGTON: Political satire -- as Lewis Lapham, the editor of "Harpers," who is going to give the key speech at both of our conventions on the subject -- political satire is a very powerful tool, a very powerful weapon in waking people up. It has been used since Jonathan Swift and Mark Twain. And that's the way it's going to be used in the Shadow Conventions, People like Bill Maher and Al Franken and Paul Krassner and Harry Shearer going to participate again, and sound alarm bells around these three issues, but through comedy and through satire.

SHAW: Have you had any concerns that some reporters covering your

serious? convention might focus on the funny rather than the

HUFFINGTON: I am sure some will. But already, we've had a lot of coverage about the Shadow Conventions, and the result has been very positive. It has driven thousands of people to our Web site, shadowconventions.com; and hundreds of offers of volunteers from around the country. In fact, there are going to be people converging to the Annenberg Center in Philadelphia and the Patriotic Hall in Los Angeles from all around the country.

SHAW: Well, we will be watching, covering, and reporting.

Arianna Huffington, thanks very much. And, Bill, my apologies for pronouncing your name "Mayor" rather than "Maher" -- Judy.

WOODRUFF: It's all right. I've made mistakes worse than that.

Next on INSIDE POLITICS, making trouble on the trail for Mrs. Clinton. Opposition springs from an unexpected source.

(COMMERCIAL BREAK)

SHAW: First it was Rudy, then Rick. And now, Hillary Rodham Clinton faces another potential opponent in her bid for the U.S. Senate.

As CNN's Frank Buckley reports, the new competition comes from within her own party.

(BEGIN VIDEO CLIP)

BUCKLEY (voice-over): It was the picture of party unity st New York's Democratic state convention, first lady Hillary Clinton the unanimous choice among delegates to be the party's nominee for the U.S. Senate.

Then came Mark McMahon.

MARK MCMAHON (D), NEW YORK SENATE HOPEFUL: Well, like Hillary Clinton, I've never held office before.

BUCKLEY: He's an orthopedic surgeon and attending physician at respectable New York City hospitals, a native New Yorker who says he has volunteered on

political campaigns in the past and is now ready to be a candidate himself, who claims the unanimous support Mrs. Clinton received at the state convention isn't reflected among the voters at the grassroots level.

MCMAHON: There's a huge disconnect between the 100 percent support of the delegates at the Democratic convention and the people on the streets. The people on the streets do not 100 percent think that Hillary should be the nominee.

UNIDENTIFIED FEMALE: Can you take a second top fill out this petition?

We're trying to get Mark McMahon on the ballot.

BUCKLEY: And McMahon says he's got the signatures to prove it. The surgeon says he has well over the 15,000 signatures required to force a Democratic primary in the fall. If elected, he says, he would instantly become a national leader on health issues, despite his inexperience in government.

MCMAHON: This is a good thing. People expect that the candidate is going to be another career politician, another lawyer. I think it's a good thing that I'm not a career politician or another lawyer.

BUCKLEY: New York political observers say that McMahon has virtually no chance of winning a primary. By the standard measures of legitimacy in modern-day politics, money, name recognition and previous experience, he is, as one put it, a nothing from nowhere.

But in such a highly covered race, the doctor could at least be a nuisance for Mrs. Clinton, who says for now it will not affect her schedule or strategy of campaigning.

HILLARY CLINTON (D), NEW YORK SENATE CANDIDATE: We'll just have to wait and see what he says and what happens.

BUCKLEY: Mrs. Clinton says the doctor's potential candidacy was no surprise to him.

REP. RICK LAZIO (R-NY), SENATE CANDIDATE: Everyone I have gone there have been many people who describe themselves as Democrats, lifelong Democrats, who are completely disaffected by the prospect of a Hillary Clinton candidacy.

BUCKLEY (on camera): McMahon has until Thursday to turn in his petitions. If they are certified by the state board of elections, Mrs. Clinton will face a political challenge before November, in September, in a primary election coming from a political neophyte within her own party.

Frank Buckley, CNN, New York.

(END VIDEOTAPE)

SHAW: And that's all for this edition of INSIDE POLITICS. But, of course, you can go online all the time at CNN's allpolitics.com.

WOODRUFF: And this programming note, Congressmen J.C. Watts of Oklahoma and Robert Menendez of New Jersey will be discussing how minorities are responding to the presidential race. That's tonight on "CROSSFIRE." at 7:30 p.m. Eastern.

I'm Judy Woodruff.

SHAW: And I'm Bernard Shaw. "WORLDVIEW" and that Middle East summit is next.
END

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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CREATION DATE/TIME:19-JUL-2000 01:35:03.00

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TEXT:

RALPH NADER HOLDS NEWS BRIEFING AT THE NATIONAL PRESS CLUB
JULY 18, 2000

SPEAKERS: RALPH NADER

GREEN PARTY PRESIDENTIAL CANDIDATE

Elapsed Time 00:00, Eastern Time 13:09

NADER: We should all be graced with such a nice introduction.

Thank you, Mr. Cushman (ph).

Honored guests, members of the National Press Club and friends, I have been invited here, as most guests before the National Press Club, under an invitation for candor and I certainly don't want to disappoint such an invitation.

It is important, I think, to reflect that about 32 years ago I was here addressing the National Press Club when we were working on the generic air/water pollution legislation and auto safety and many of the other burgeoning movements that came out of the '60s and extended into the '70s.

That was when a young lawyer could come to town equipped with all kinds of information about how the auto companies aren't producing safe cars and how many people are dying or being injured every year; could go up to Capitol Hill and interest some committee and subcommittee chairpersons in holding hearings; can go over to the White House and the Office of Management and Budget and get a respectful hearing on what was then the fourth-leading cause of death in America and what the government could do about it in terms of forcing safer technologies, and then contact newspapers and magazines and find about seven reporters who thought this was an important enough issue at a time when news wasn't so immersed in entertainment, an important enough issue to cover it as a daily beat rather than as a sporadic feature.

I suppose those days are gone forever unless we develop a new progressive political dynamic and movement in this country.

NADER: It's very hard these days for citizen groups to have a chance to influence public policy. And that's true not just for progressive or liberal citizen groups but for conservative groups as well who are not tied into corporate influence.

And that was clearly the first reason why I decided that I have to run for president. The civil society is being closed down in this country. And historically, it was the civil society who led the struggle against slavery, for women's rights, for workers to join trade unions, for farmers to organize against the banks and the railroads and generate 25 years of political reform that we're still benefiting from. And in the 20th century, the citizens once again, in the civil rights movement, women's rights, gay-lesbian rights movement, consumer--and the social service innovations that came out of the '40s and '50s and '60s and '70s.

At the present time, it's very hard to do that when the civil society is being closed down by a two-party system that is increasingly converging with each other, Republicans and Democrats. Not only converging but also increasingly indentured to corporate interests with their 22,000 full-time lobbyists here in Washington and with their thousands of political action committees, and with their shuttles to put their own executives in high government positions.

When all that occurs, it's, I think, important to take a look at where we're heading and why we're not solving problems that are endemic to our society and that have ready solutions, either in pilot projects around the country that are not being diffused--whether it's energy efficiency here, an inner city school that's doing very well there, an excellent land preservation project here, et cetera--and why solutions that are on the shelf that could deal with so many of our nagging problems are not applied.

I was recently in Omaha, Nebraska, and I asked the audience there: Just tell me what you think the major problems of the country are, and let's see how many really are not readily responsive to our knowledge,

our technology, our new systems of organization, our civic resurgencies. And of the 30-odd proposals, there are only about two or three which would have been categorized as rather intractable. And I'd just like to go through very briefly what a strengthened democracy through a competitive political process that is not marinated in business cash or other vested interests can do for our country--a strong democracy, which is really the objective of politics, as I see it, which facilitates the civic and political energies of the American people, individually and to ban together to improve their country and their country's relations with the world--that a deep democracy would treat the following problems with the following approaches.

NADER: And I might add, there is now a democracy gap that has led to horrendous concentration of power and wealth in few hands, something Jefferson warned us about, Justice Lewis Brandeis warned us about, Abraham Lincoln. It's a recurrent theme in American politics.

And in the last 20 years, the concentration of wealth and power has become extraordinarily concentrated. The top 1 percent of the richest people in the country have financial wealth equal to the bottom 95 percent, and 120 million of the poorest Americans' combined wealth is equal to that of one man, Bill Gates.

And we see the majority of workers in this country falling behind, after years of sustained macroeconomic growth, falling behind where their inflation-adjusted wages are less now than in 1973 or 1979, during the Nixon and Carter administrations. When you see 47 million workers making a non-livable wage, \$5.5, \$6, \$7, \$8, \$9 an hour, if they're lucky, before deductions, you can see that the income in equities are extraordinary and they lead to very, very serious consequences for most people in this country: loss of life's possibilities; frantic and desperate effort to make ends meet with two, three members of the family working; longer commutes; less time for children, family, commuting; a sense of powerless and pressure that is reflecting itself in health care statistics.

NADER: So what would a deep democracy pursue? First of all, and foremost, it would end once and for all cash register politics. Public elections have no business being funded privately. Public schools are funded by public funds, so are public parks--all the more, public elections.

The cash register politics represents one obstacle after another as to why the subsequent problems are not being treated. Cash register politics impedes the sovereignty of the people reigning over the sovereignty of global business and its influence over government, over the concentration of media and fewer and fewer hands, over the workplace, over the marketplace, over our very children, with the commercialization of childhood troubling more and more people.

So let's see. A deep and strong democracy would abolish poverty in this country. A hundred years ago, reformers were predicting the abolition of poverty in 20, 30 years, or 40 years. What's our excuse now? There are some Western European countries that have essentially abolished poverty.

And yet, poverty in many ways is getting worse. In California, child poverty is at 25.2 percent. In 1980, it was 15 percent. If you take near poverty, a full 46 percent of all children in California are living in poverty or near poverty, as that is described.

Indeed, the problem of poverty is a function of a minimum wage that's not keeping up. It's a function of the lack of a national incomes policy, which even Richard Nixon proposed, called it the negative income tax.

NADER: It's a function of simply not paying attention to children at a very early age, despite the rhetoric.

A deep democracy would provide universal, accessible health insurance. What's our excuse? Every Western country provides universal health coverage for its people. We are not doing it. And to hear Mr. Gore, he pledges that he wants to do it, step by step, and it seems like it's step by step backwards. In 1993, there were 35 million Americans without health care coverage. There are now about 46 million Americans.

Not only that, but the health care system is riddle with inefficiencies, monopolistic practices and waste. The General Accounting Office estimates 10 percent of the health care dollar down the drain due to billing fraud and abuse.

Our expenses per health care dollar in this country run around \$.24 per dollar. In Canada, it's around \$.11 per dollar. So if you take the over \$100 billion that's wasted just through billing fraud and abuse, and make the savings from improved efficiencies that come from a single payer system, public payment, private delivery in a competitive mode, you can see that we can quite readily cover the remaining members of our society.

A deep democracy would have a pro-trade union policy. Instead, our government has a pro-corporate profit, corporate welfare policy. We need to repeal the Taft-Hartley law and other restrictive laws that impede tens of millions of people from having an opportunity, without all kinds of obstructions that now prevail, to form their own trade unions, in Wal-Marts, in Kmart's, in McDonald's, and many other large areas of employment that pay a non-livable wage.

NADER: We also need to explore--and that's what a good presidential campaign is all about, to explore different ideas--as to why capitalism in our country is great at producing capital but lousy at producing capitalists. Workers do not have capital share, the overwhelming majority of them are living from paycheck to paycheck, or if they're worse off, from payday loan to payday loan at horrendous interest rates.

A deep democracy would not just talk about repairing our schools, although that would be a good idea after 30 years of rhetoric and major national economic growth. It would ask what are the children learning in school. Are they learning a broad citizen curriculum, civics? Are they learning about history and geography and their own community and the past assertions of justice that brought our country to where it is today? Are they learning citizen skills? Do they know how to use the Freedom of Information Act before they graduate from high school, for example? Do they know about coalition-building, about doing voting profiles on their elected officials?

It's more and more an educational theory that treats schools as if they're trade schools, on-the-job training before they get a job in some computer company. Yes, we hear politicians say they want a computer in front of every little child. I want human interaction in front of every child.

(APPLAUSE)

NADER: And when you have a broad and deep civic curriculum, you not only help build a sense of confidence after they graduate of how to practice democracy, how to shoulder civic responsibilities, but they learn reading, writing and arithmetic as an essential byproduct from a very motivated curriculum that connects classroom to their experience and to the community outside the classroom.

We need a strong democracy to end this enormous diversion of public tax dollars and public budgets to corporate subsidies, handouts, giveaways, bailouts that are insinuating themselves all the way down to local municipalities where tax dollars are being used to build stadiums

and arenas for fat cat sports complexes while schools and clinics in these communities are crumbling for lack of repair or materiel.

Indeed, the distortions of public budgets has reached such a point that it can be said that we're in the hundreds of billions of dollars a year in terms of the indirect and indirect corporate welfare, far dwarfing the poverty welfare budgets that have been subjected to such criticism.

A deep democracy would deal with ingrained discrimination in our country that permeates a criminal justice system that is so overwhelmingly biased against the poor and minorities, as recent studies have shown.

Two teenagers, one white, one African-American, no criminal record. They commit the same crime, the black teenager has a five-fold likelihood of going to jail compared to the white teenager. And we've seen how the death penalty has been applied, as well.

We need to also to elaborate civil liberties in this country. The Clinton administration's civil liberties agenda and practice has been abysmal, as anybody who wants to read Tony Lewis' 40 columns on this in The New York Times.

But we also need a broader definition of civil liberties to protect whistle-blowers, both in government, in business and other institutions, who want to speak out because they bring their conscience to work, want to apply their ethics, as the physicians have wanted to in the Food and Drug Administration, against excessively rapid approval of drugs.

We need a deep democracy to pay attention to rural America, which is in huge crisis, and it has nothing to do right now with drought, except in certain areas. The crisis is, the small farmers and small ranchers are going out of business, even though they work from dawn to dusk, because they cannot get a fair price for their produce. Indeed, they are sandwiched in by giant suppliers like the big seed companies and by giant buyers like Cargil, IBP, ConAgra and others, who are driving the prices to the level of small-farm bankruptcy.

Sometimes we forget what rural America has given to our country, not just culturally, but as the source of the major political reforms for over a century. And it would do us--it would do us justice, for those of us who live in cities and suburbs, to pay attention.

A deep democracy would not just pay attention to the role of small farmers, but how small farmers can't preserve their land--or conserve their land and the environmental problems that come from that.

NADER: A major whole-food policy is going to be issued in Kansas City on July 22nd by a group called the Organization for Competitive Markets, led by a project that we helped established two and a half years ago. And those of you who are interested in this--and I emphasize this because the presidential campaign is not paying enough attention at all to rural America. The web site is competitivemarkets.com.

We need a deep democracy to enforce the law fairly and strenuously against corporate crime, fraud and abuse. I'm astonished how many good reporters write good articles in this area and nothing's done after they work three, four months, and it's page one in some newspaper or on 60 Minutes. Nothing is done because the enforcement priorities of our three levels of government has not been directed toward the abuses of consumers by HMOs or policyholders by insurance companies or a whole host of other ranges.

We need a deep democracy to pay attention to how people can have their own media. An authentic democracy cannot rely excessively on a commercial media. We see that now with the FCC trying to give licenses for community radio.

The broadcast industry already has the public airways, which

belong to the people, free to use as they see fit, 24 hours a day, with very little application of the 34th Communications Act. They were just given, four years ago, the digital spectrum, worth about \$70 billion, despite the opposition of then-Senator Robert Dole, who called it a historic give-away.

NADER: And now, they're lobbying on--in Congress in order to block the FCC from issuing these tiny nonprofit, no advertising community licenses to religious, community and other groups, so they can communicate with each other over a three to five or eight mile radii.

We need a deep democracy to challenge the very notion of corporate globalization installed in the autocratic systems of governance that we call WTO or NAFTA. It's not just that these systems are closed, and that reporters can't even enter the courts in Geneva and report on what's going on. It's not just that trade is defined as supreme over health, safety standards in the workplace environment and consumers. It's that it occludes the very notion of civic globalization, of the great international relations we should be sponsoring between people and between citizen groups and between governments, to tackle the problems of hunger and global infectious disease and environmental degradation, just to name a few.

And so our critique is one of corporate globalization, which is a concentrator of power and sidestep against democratic processes in democracies that are member countries.

We need also a focus on the media that challenges the commercialization and the trivialization of the mass media that is now concentrated so heavily in the hands of six giant media conglomerates. The other day, Sumner Redstone, the chief of Viacom that has just bought CBS, was quoted on CNN--actually he was interviewed.

NADER: And he said: How do you get along with the head of CBS?

And he said: Well, Mel and I get along very well. We are both driven by our stock price.

Imagine. It used to be a matter of shame to admit something like that, now it's a matter of pride.

And Gerald Levin, the head of Time Warner said earlier this year that the global media is more important than governments, nonprofit institutions and educational institutions. I wonder really what he means by that.

There is an important attempt to inject relevant issues that are now being ignored in the presidential campaign--tompaine.com is the web site for those of you who are interested. We need a deep democracy to deal with an excessively bloated military budget, whose rationale is still based on the existence of the Soviet Union, which, as far as most of us know, disappeared about 10 years ago.

Indeed, there are Pentagon analysts who have severe criticisms of major weapons systems like F-22, B-2 bomber, Osprey aircraft, Joint Strike Fighter. They don't get enough of a hearing. And it's important that people inside our government, in the civil service, be given more of a public hearing for their expertise, rather than be expected to just put their time in, leave their conscience at home, and not be upstanding trustees of the public service.

We see this again and again. Civil servants in the Forest Service, in the auto safety agency, in EPA, in the Department of Energy, they know what the problems are.

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NADER: They know how to solve these problems, or certainly bring them on the road to solution. But they are walking around with invisible chains, unable to speak, because their leaders are not opening up their insight, their genius and their public concern.

We need...

(APPLAUSE)

And that's true for problems like preservation of forests, problems such as preservation of water resources and decontamination thereof. That's true for renewable energy, energy efficiency. We're now important more oil as a percent of our domestic consumption than we ever have. What's our excuse? We were supposed to move to energy independence back under the Nixon administration. Why haven't we done it? It's not because we don't know, it's because the political will and leadership simply is not there, regardless of the rhetoric.

We need also a deep democracy to deal with the overriding issue of corporate power. Justice Louis Brandeis put it so well in 1941, he said, quote, ``We can have a democratic society or we can have the concentration of great wealth in the hands of the few. We cannot have both,'' end quote.

Looking at corporate power means not only looking at HMO domination or the energy corporations and their unexplained price increases or the pharmaceutical industry, which gets huge billions of dollars of government subsidies and is charging outrageous prices to Americans compared to the prices that are charged in Mexico or Canada for the same drugs because there are more rigorous controls in those countries. It goes to the very core.

We create these corporations through our charter and for over 100 years the corporations have been given all the rights under the Constitution as persons, as if they were human beings, and this needs to be subject to an intensive debate.

In the 19th century, attorneys general in the states would often pull the charter of criminally recidivistic corporations. They did that, actually, to the Standard Oil Company of Ohio in the late 1900s. The charter was considered a conditioning mechanism by the state government that creates these corporations, and that charter has not been used as a mechanism of accountability and needs to be readdressed, whether for periodic renewal based on good behavior, suspension or turning these

corporations that are really misbehaving repeatedly into trusteeships, removing the board of directors and the officers and putting them into trusteeships.

NADER: Do you know that labor...

(APPLAUSE)

Our labor laws do that to crooked trade unions. When unions are considered deeply corrupt, they can be thrown into trusteeship by federal authority under the labor laws. The leader is removed and a rigorous process of rehabilitation continues.

Well, I submit that corporations affect this world a lot more than trade unions. And corporations with their command of technology, with all its benefits and risks, with the command of labor, of capital, the command of too many government officials, we need to pay attention to the generic authority and legitimacy for corporations that misbehave.

And then, of course, there is the need for more political parties. A deep democracy does not allow its political scene to be controlled by increasingly look-alike political parties. And if you make a list of all the government agencies and departments and ask yourself, ``Would it really make a difference today if a Republican or Democratic president was in the White House, '' you would see that the answer is no repeatedly, not entirely, but repeatedly. Whether it's Treasury, whether it's the Department of Defense, State, whether it's the Federal Reserve, whether it's the Department of Commerce, whether it's the Department of agri-business or Agriculture, as they call it, and whether it's the regulatory agencies.

The Food and Drug Administration has never been worse in 25 years, according to Dr. Sidney Wolfe, who is the chief outside monitor. The auto safety agency is now a consulting firm to Detroit, and the FAA is as weak as its ever been.

And furthermore, you see one agency after another, contrary to the rhetoric of politics, simply caving in and not enforcing the law, not issuing standards, not demanding recalls time after time.

If we set aside the rhetoric, which I will readily admit is different between the two major parties, and look at the record, and then we look at the willpower behind positions that are taken, the differences shrink enormously.

NADER: Yes, there are certain differences that we all know and that have been widely publicized. But on the essential issue of will these parties give power to the American people as voters, consumers, workers, taxpayers and small-investor-savers, there is very, very little difference between the two parties in reality, in contrast to rhetoric.

And I hope that the swelling of public opinion to have a four-way presidential debate will increase. The latest poll shows 64 percent of the American people want me and Buchanan on the presidential debates. More newspapers...

(APPLAUSE)

More newspapers are writing editorials in that direction.

There are a lot of reasons for having these debates, not the least of which is that there are many issues that are not going to be discussed by Republican or Democrat, and I noted some of them in my prior remarks.

But it's also a matter of keeping the American people awake in the front of the television set...

(LAUGHTER)

... as they watch the drab debate the dreary.

(LAUGHTER)

It's also a matter of appealing to 90 million nonvoters. Over 50 percent of the eligible voters in this country didn't even vote in the

presidential campaign of '96. That ought to be a badge of shame for the two parties.

It also means appealing to young voters, who will always tell you they're not turned on to politics. And I always tell them, ``If you're not turned on to politics, politics will turn on you.'' We've got to get them involved. We've got to get the independent voter involved, as John Anderson did in 1980 in such a pioneer manner.

And let me just conclude on this note. When somebody says to me: Aren't you concerned you take away votes from Al Gore?

I would say: How could I be? If I was, I wouldn't be running for the presidency of the United States on the Green Party ticket, trying to encourage more candidates at the local, state and national level to run on the Green Party ticket.

But I think the greatest condemnation of this once working-families party, the Democratic Party, is that in the last 10 years they've become very good at electing very bad Republicans.

(LAUGHTER)

And if the people of this country cannot rely on the Democratic Party to save the Congress and the country from the likes of Trent Lott and Newt Gingrich and Dick Armey and Tom DeLay, then what level of expectation must we plummet to top that kind of surrender and abdication?

NADER: Let me end on this note: We are receiving tens of thousands, literally, of e-mails and inquiries as to how people can volunteer for this campaign. Our web site is votenader.com or votenader.org. But we want more than volunteers, we want more than contributions. We're not taking PAC money, we're not using soft money.

What we want is the initiative in each local area, in each precinct, to make this new progressive political movement a reality, so that never again will the two parties be able to say to a majority of American people of voting age, you have nowhere to go except for us, and other than to stay home and not be counted.

When the American people are taken for granted in that way by the two look-alike political parties, the conclusion is clear: The American people are taken.

Thank you very much.

(APPLAUSE)

Thank you.

MODERATOR: We have a lot of questions here. There's no way that I can ask them all. We have--we have more questions I believe than I've ever received at a press club luncheon. So I'm going to ask you to answer them quickly.

Let me take the privilege of asking the first one. When the labor movement in the United States examines these two candidates, they don't seem to have much difficulty aligning themselves with the Democrat as opposed to the Republicans, although the Teamsters have made noises in your direction. Do you think the unions are misguided in supporting the Democrats so heavily?

NADER: I think, like most of us over the years, they go for the least of the worst. But the union leaders I have spoken to, in addition to rank and file, are very upset about the Democrats not vigorously pushing for the minimum wage increase to reach what it was in 1970. They're very upset about NAFTA, WTO, permanent trade relations with China. And they're very upset that all the talk about labor law reform that the Democrats have expressed has come to naught, not even a major effort in Congress in these areas like repealing Taft-Hartley.

It's the least worst syndrome.

MODERATOR: It may be that the next president can appoint a number of new members to the Supreme Court. What do you think should be

the criteria for judicial nominees?

NADER: Well, several. One is a judicial temperament, that's important because that keeps the mind of the judge open. Second, a sense of injustice, by which you can never have--if you don't have a sense of injustice, you can't have a sense of justice. It's good to have a record, prior to the nomination to the judiciary, of supporting social justice causes. And it's also a good idea for nominees for the judiciary to have a sense of history. That's extremely important in days when history is being lobotomized from our consciousness.

MODERATOR: You spoke about the structure of the presidential debates this year, which look likely to exclude you. Do you blame Al Gore for this? Do you think that he could unilaterally open the debates up to you and Mr. Buchanan?

NADER: Yes, he could. I think Mr. Bush is probably more amenable for all the obvious reasons of having a four-way debate. It shields him from Al Gore.

NADER: But Al Gore is not going to budge on this unless there's overwhelming public opinion, and the debate commission opens up at least one debate to a four-way race.

We're not just restricting our efforts there. I think if major groups in areas of the country where the difference between Bush and Gore is very close offer and invite the four candidates, that Bush and Gore won't be able to say no. For example, the industrial unions in the Midwest offer an invitation to debate, or the African-American, Hispanic groups in southern California.

And I think that's going to be an effort that we're going to undertake.

MODERATOR: A member of the audience says that your platform seems weak on foreign policy. What are your views on security relations with China, the Mideast negotiations, aid to African countries, and please answer in 10 seconds or less?

(LAUGHTER)

NADER: Well, the basic principle that we espouse in our foreign policy is a rigorous effort at waging peace. That does seem general but we know how to wage peace if we had the adequate resources and priority. Just like we know how to prepare for war. And there's a huge imbalance in terms of human and economic resources.

And that means preventive diplomacy which could have prevented the Eritrean-Ethiopian slaughter, if it was done in time. Preventive defense--not racing to sell more and more munitions with taxpayer subsidies as an export item in our country.

And I think if we have a foreign policy now that we don't have the Soviet Union bugaboo around, a foreign policy that sides not with dictators and oligarchs, but with workers and peasants, then a lot of our progressive traditions can be placed before people like land reform or trade union development or agricultural credit, which is really the nub of a foreign policy worthy of a great power.

Now, it also means a major assault on global infectious diseases like TB, malaria, AIDS and other scourges that are coming towards this country in drug-resistant form.

MODERATOR: Now, you spoke in your remarks about a proposal to enable the government to put corporations into trusteeship. And as an expert in our legal system, can you conceive that such a thing would withstand constitutional scrutiny given the private property protections that are in law?

NADER: There would have to be, obviously, legislative authority passed through Congress, signed by the president and just the way labor laws were enacted. That would definitely pass constitutional muster because the charter really is an agreement between state authority and the

corporation, and throwing a company to trusteeship does not strip the shareholders of their equity, it removes the directors and the officers and puts trustees in to put the company back on an even track in terms of compliance with the law.

MODERATOR: Talk a little bit more, please, about your view of the corporate structure of our nation's news organizations. Do you find news coverage twisted or biased as a result of the ownership structure of news organizations?

NADER: Yes, most definitely.

I think there are a lot of these executives at the top who just look at their stock price, as I mentioned earlier, who basically think that good journalism is bad business. And it's really a tragedy to see how many talented journalists there are in this country, and editors, and producers and programmers, photographers, who never really get their chance--never get their chance to fulfill their talents because of the narrow mindset that now is increasingly shocking people like Walter Cronkite or Dan Rather or Peter Jennings or Tom Brokaw or many other critics like Bill Covidge (ph) and Neiman Fellows statement. It's a situation that is decaying by the year and everybody talks about it here in Washington. There's nothing new about it.

We now have a search for one non-profit, soap opera after another, Tanya Harding, the O.J. Simpson trial, Menendez, the Princess Di tragedy that just completely dominates the news and crowds out all kinds of very important issues and subject matters, all the way down to the local evening news.

We really have to have more than community radio licenses. We have to have cable channels reserved for citizen activity, labor, education, consumer, whatever. We need to have some over the air audience networks. We have all these very well worked out, and we will be discussing them in the campaign ahead.

MODERATOR: Do you support or oppose the death penalty? And please tell us why.

NADER: Since I was a law student, I've opposed the death penalty for the following reasons. Study after study shows it does not deter--I'm talking about the individual death penalty. The corporate death penalty will deter.

(LAUGHTER)

(APPLAUSE)

It also has been applied, due to the infirmities of the criminal injustice system, in a terribly biased way against the poor and minorities, who are often given the dregs of the legal profession to defend them, lawyers who have their own personal problems that effect their practice--fall asleep in trial, et cetera--we've heard all about that.

And also, it's a system that requires perfection, and it's by no means perfect; 87 people on death row in the last 25 years have had their sentences overturned and some of them by journalism student inquiry.

NADER: And when you see that kind of situation, you say, it's quite probable some innocent people have been executed.

And for those of you who are worried about the money, it's cheaper to have someone incarcerated for life without parole than to pursue a prosecution ending in capital punishment.

MODERATOR: John McCain famously said that even if the chairman died, he would put eyeshades on him and prop him up and reappoint him. Would you reappoint Alan Greenspan at the Fed? And, if not, who would you like to see in that role?

NADER: No, I would re-educate Alan Greenspan, rather than reappoint him.

(LAUGHTER)

I want him once, just once, to go up to Capitol Hill and testify by saying, Mr. Chairman, ladies and gentlemen of the Joint Economic Committee, I must report to you that our economy's not sound because it has 20 percent child poverty, 47 million workers not having a livable wage, et cetera, et cetera.

He measures the economy overwhelmingly by the indicators of the corporate structure. And that ignores distributive deficiencies of macro-economic growth. It ignores how ordinary people are not gaining--how they're slipping behind.

I suppose one good appointee would be Professor James Galbraith, Department of Economics, University of Texas.

MODERATOR: It's your first day as president and the chief economic adviser says, We've adjusted our surplus and we think we're going to have an extra trillion dollars over the next 10 years or so. What would you do? How do you see dealing with a huge surplus as president?

NADER: First, I would help rebuild America, which is crumbling, especially in the public works: the clinics, the schools, the drinking water systems, all the things that are underground and often are exploding in cities, public transit systems.

Personal public transit, sponsored for years by Professor Ed Anderson (ph), is a great topic for discussion. This is a--basically, a personal public transit elevated, it can be built in city after city. And we need to pay attention to how much more bumper-to-bumper congestion, traffic, road rage, accidents, pollution, congestion, et cetera, can we take as the price of getting to work and coming back home.

Second, we've got to move to abolish child poverty. There are distinct ways where this can be done. They've been talked about in our country for years and that's the second use.

And the third use that I would put is to upgrade preventive health. I think the debate on health care is too much focused on how to finance its payment rather than how to prevent disease and trauma.

(APPLAUSE)

MODERATOR: Some people call Al Gore's recent style populist and some people call it class warfare. But the questioner asks, Are you the one who's responsible for this shift in direction by Mr. Gore?

NADER: Well, I noticed that in the last three weeks, he has accused the oil companies of gouging, the drug companies of price gouging, and my reaction was, where's he been for seven and a half years?

NADER: He's been on the side of pharmaceutical industry, his documents show, browbeating the government of South Africa not to pass compulsory licensing laws that would drive down the price of AIDS medicines and other drugs manufactured by New Jersey drug companies.

I think what's happening is what Harry Truman and others have done. When they are challenged from a progressive position on corporate power, they start unfurling their rhetoric. But nobody that I know who knows Al Gore thinks that there's anything substantial behind that kind of rhetoric. It's just one way where he can embarrass George W. Bush, who is the first corporate welfare king running for president and a legitimate conglomerate corporation disguised as a person running for president.

(LAUGHTER)

(APPLAUSE)

MODERATOR: Is the federal gas tax too high? Too low? Just about right? Where would you peg the federal gas tax?

NADER: Well, when gasoline was 95 cents a gallon, that was the time to apply an expanded impost in order to put the money to public transit and allow people to get to work without having to buy another used car for a \$7-an-hour job at Wal-Mart.

I think the best type of energy tax is at the earliest inception--a hydrocarbon tax, a gas-guzzler tax on the auto companies--and

let them try to filter it down. They'll be more likely to improve--as President Ford--Chairman Ford, of Ford Motor Company pointed out, they will more likely improve the fuel efficiency of their SUVs if that is done--and an excess profits tax applied to excessive corporate oil company profits when they developed their usual shenanigans and excuses about, oh, the refinery is cut down, or the pipeline is restricted, and the prices go up 40, 50, 60 cents a gallon.

MODERATOR: Now I'm an editor, and when I here somebody say ``apply an expanded impost,' ' I take it that means raise the gas tax.

NADER: It meant--it meant when the gas--when it was 95 cents is when you want to do something like that because it has less of an impact. When it's \$1.50--\$1.50, you've got to do it but you've got to do it in a way that doesn't penalize working families who are trying to go to work and they don't have any public transit. And you can do that if you have a refund system, which may not be all that complex.

But also, I think the earlier you put a tax on an oil company, rather than at the pump, the more effect it has in changing the technology toward fuel efficiency.

MODERATOR: Two questioners cited people who made much the same point--Barney Frank, congressman from Massachusetts says: Nader says there's no important difference between Bush and Gore; well, we know for an absolute fact that Gore and Bush differ completely on abortion, gay rights, the poor, racial minorities. And the other quotes Anthony Lewis, in his op-ed piece in The New York Times, likewise disagreeing with your characterization of these as Tweedledum and Tweedledee.

NADER: It's really amazing, because I go all around the country citing Tony Lewis as the leading critic of Clinton's civil liberties failings.

Let me put it this way: Everybody knows Barney Frank talks fast. Sometimes he talks faster than his mind operates and his memory recalls.

(LAUGHTER)

I've been an advocate for civil liberties and civil rights when he was trying to figure out how to play soccer in elementary school, and I don't need to be lectured by him about this.

NADER: And I've written about it back in the 1950s and fought--for example, in 1957, 11 states prohibited women from being on juries, including Maryland and I took that one on and I took on the rights of native Americans and African-Americans.

So I say that because he's quoted in the Boston Globe mouthing these kinds of things. On gay/lesbian rights, I'm far superior to Al Gore. Far superior. And he should know that and he's seen it in print, but he still ignores it just because he talks too fast.

As far as Tony Lewis, I have sent a letter to The New York Times responding to a column by Tony Lewis, who I have known for many years and respect, and the column started out, ``Dear Ralph.' ' It's now been over 10 days and they haven't printed it. Can you help me with that, Jack?

(APPLAUSE)

MODERATOR: I run the Press Club, not The New York Times.

Let me ask this: What should be done about the citizens of the District of Columbia who don't have a vote for Congress, don't have full representation? This is well-known and nothing seems to be done about it. Is this ever going to change?

NADER: It won't change unless there are candidates who make it a major issue, and we're going to make it a major issue for statehood for the District of Columbia.

President Clinton and Vice President Gore filled the MCI Center recently with an extravaganza raising \$26.5 million from mostly

business-interest contributors, and I'm going to appeal shortly to President Clinton and Vice President Gore to set aside the pro-statehood rhetoric behind which they have put no political muscle and get together with other leaders from here and around the country to fill that MCI stadium--arena rather--with a pro-DC statehood demonstration. And to do it in a way that compels the Democrats, at least, to make this not just a pretense, but make it a major subject for political muscle on Capital Hill next year.

The Republicans and Mr. Bush are not for statehood. So let's try and make a difference between the two parties.

(APPLAUSE)

MODERATOR: Well, before I ask our last question, I would like just to take a moment and give you a certificate of appreciation. We are delighted to have you here.

I don't know whether you're fueled on caffeine, but if you are, the National Press Club coffee mug is very functional and within all limits of conflict of interest. And are...

NADER: Made in China.

(LAUGHTER)

MODERATOR: I mentioned that to Mr. Daley from Commerce and he didn't even blanch.

NADER: That's OK, as long as they pay their workers more.

MODERATOR: It says here that you've been accused of being too serious. What do you do just for fun, or is this is?

NADER: This is a true calumny. I have been on ``Saturday Night Live'' three times. What your excuse, George Bush and Al Gore?

Furthermore, those people who know me know that I believe in humor there is truth and we need a lot of it to loosen ourselves up and have a broader frame of reference and just enjoy ourselves. You know, those of us who work every day pursuing our notions of justice understand that there's real joy in pursuing justice and that comes with a lot of good humor.

Thank you.

END