Weekly Compilation of

Presidential Documents

Monday, July 5, 1999
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Week Ending Friday, July 2, 1999

The President's News Conference

June 25, 1999

The President. Earlier today, in a speech at Georgetown University, I discussed the opportunities now before our Nation. Before I take your questions, let me just take a moment to recap what I believe is America's agenda in the coming months.

Our trip to Europe advanced America's ideals and interests. Working with our partners, we won an agreement to ban abusive child labor everywhere in the world, took new steps to strengthen the global economy, agreed to triple the debt relief provided for many of the poorest nations, and to strengthen democracy and reform in Russia.

We also worked to put together, to put in place the building blocks of peace in Kosovo and to put the Balkans on a shared path to a prosperous, united future. I will meet with the region's leaders later this summer to give the process further momentum.

I met with Kosovar refugees in Macedonia who are planning to return home. They thanked America and our Allies for giving them a chance to reclaim their lives on their native lands. I also met with and thanked some of the American air men and women who achieved the success and with some of our and other NATO troops who are going into Kosovo now to make sure we win the peace. They know that they're doing the right thing, and I am very proud of all of them.

While America is enjoying success abroad, it is important that we keep pushing forward on our challenges here at home. This is a time of great hope for our Nation. Just today we learned that the American economy grew at a 4.3 percent in the first 3 months of this year. America plainly is on the right track.

But we will be judged by what we do with this opportunity, whether we seize it or squander it in petty bickering and partisan animosity. There will be plenty of time for politics in the months to come. This summer should be a season of progress.

We should start by acting quickly on issues where most lawmakers, Democratic and Republican, agree: legislation to let disabled Americans keep their Medicaid health insurance when they go to work; an increase in the minimum wage; campaign finance reform; a strong and enforceable Patients' Bill of Rights.

I was heartened that earlier today the House overwhelmingly passed legislation making sure that foster children are not cast out in the cold when their time in foster care ends. This is a vital issue, one that Hillary has championed for many years. And I am very pleased by the House action.

Then we must turn to broader ways and, in some ways, more difficult challenges facing our Nation. First, we have a duty to maintain the fiscal discipline that has produced our prosperity and use it to strengthen Social Security and Medicare for the 21st century and to pay down our national debt.

On Tuesday I will propose the detailed plan to modernize Medicare—cutting costs, improving service, and helping senior citizens with their greatest growing need, affordable prescription drugs.

Second, we must widen the circle of opportunity by investing in education while demanding accountability and insisting that the Congress keep our commitment of last year to finish hiring 100,000 more teachers to lower class size in the early grades.

Third, in 2 weeks I will be joined by corporate, civic, and political leaders of both parties on a 4-day tour of America's new markets—the places in our country which have not yet felt the surge of our prosperity—to mobilize the private sector to bring jobs and growth to our poorest neighborhoods, and to build support for our new markets initiative to give tax credits and loan guarantees to those who invest in America on the same

terms we give to those who invest in developing economies overseas.

And fourth, in the wake of the tragedy at Littleton, we must continue to meet the challenge of youth violence. Hillary and I are developing a national campaign on youth violence, working with parents, educators, the entertainment industry, and others. But we also must take sensible steps to take guns out of the hands of criminals and away from children. We can't expect young people to stand up to violence if Congress won't stand up to the gun lobby.

I proposed—and with a tie-breaking vote by Vice President Gore, the Senate passed—the measure to close the gun show loophole. The Senate also passed legislation to require child safety locks, to ban large ammunition clips for assault weapons, to ban violent juveniles from owning handguns as adults.

Two weeks ago the Republicans in the House blocked that measure. They would even weaken the current law by letting criminals store their guns at pawnshops. Now, there is still time for Congress to act. Republican leaders could appoint legislators as negotiators to craft a bill that includes the tough Senate provisions. I hope they will do that and send me a strong bill. Plainly, the country wants that.

Again I say, this is sort of like the Patients' Bill of Rights; it's really not a partisan issue anywhere but Washington, DC. I hope they will send me a strong bill. If they send me one that weakens current law, I will send it back to them and keep working until we get the job done right.

Now, this is, admittedly, an ambitious agenda, but it can all be done in the coming months. I will use all the powers available to me as President, working with Congress and with my executive authority. I will summon the citizens of our country to help us to solve these problems.

This is a good time for America, but we will be judged by whether we make the most of it. I look forward to making the effort.

Thank you very much.

Terry [Terence Hunt, Associated Press].

Kosovo

Q. Thank you, Mr. President. Mr. President, despite the end of the war, there is still a new wave of violence and terror in Kosovo; only this time it's Serb homes that are being burned, Serb stores that are being looted, and Serb civilians who are being killed. Are you alarmed by what's going on there? And why is NATO letting this happen? Can't NATO do more to stop it?

The President. Well, first of all, NATO is not letting it happen. We're doing what we can to stop it. And I am concerned about it. I'm not particularly surprised after what they've been through. But we signed an agreement with the KLA in which they agreed to demilitarize. The leader even asked the Serbs to come home. And we are deploying our people as quickly as we can. Obviously, if we can get all of our people in completely and then get them properly dispersed around the country, we'll be able to provide a far higher level of protection. And I think it's very important. And for those people who lose their homes, they're entitled to have them rebuilt, along with everybody else, and I intend to do that.

President's Initiative on Race

Q. Mr. President, you covered the waterfront on domestic issues you think are very important. But there is a question of racism. And I understand there's a report in the White House, already in second draft, and it's supposed to be a political hot potato and, therefore, you're hesitant to make it public.

The President. Oh, no, that's not what's going on. There is a draft of a book that I wanted to produce and asked for help on from Chris Edley and from others on our staff and not on our staff several months ago. And Chris gave me his draft; then the staff looked at it and talked about where it was and wasn't consistent with present policies we were pursuing. They gave it all to me.

I was involved for the last 3 months with the conflict in Kosovo. And what has really happened is that I want to do this right. I think all of you know how important this whole race issue is to me, and it's been amplified in its potential future importance because of the problems that we see involving race and ethnic and religious problems around the world.

So I want to make sure that when we put this document out, it is in the form of a book

which can be useful and have something to say and move the conversation and the efforts beyond where we were in the Presidential initiative on race. So you shouldn't draw any conclusions other than that I want to be personally involved in it and I simply haven't had the time to give it the effort that it deserves.

Q. Is it based on the panel's hearings and so forth?

The President. Oh, yes, to some extent. It's based on the panel's hearings; it's based on very long conversations I had with the people that worked on the draft for me—with Mr. Edley and Terry Edmonds and others. We had some long, long sessions. I went through everything I wanted in the book. I went through some things I wanted to emphasize more than were emphasized in the year that the panel was publicly meeting—we were having the race dialogs.

But I think it's very important, but it's got to be, first of all, mine. It's got to reflect what I believe and where I think we need to go. And secondly, it needs to move the ball forward a little bit.

There's still a great deal of interest in this. Those of you who covered the speech this morning at Georgetown will remember that the young woman from Alabama who introduced me talked about how the initiative on race got her involved in something in her local community. Another one of the Presidential scholars, when she walked by me this morning, said, "I want to know how I can get involved; I'm still interested in this." So I think there's still a great deal of interest in this in the country, and maybe, especially among our younger people. And I just want this book to be very good.

So you shouldn't—yes, there are some differences of opinion among the people who had input in it, but that's not what's caused us not to put it out. What's caused us not to put it out is that I have not had the time to give to it, to be very careful and relaxed and thoughtful about how I say what it is I want to say to the country about this.

Larry [Larry McQuillan, Reuters].

Legislative Agenda

Q. Mr. President, this morning and again just now, you made references to a summer of progress, and you were calling for bipartisanship to try to accomplish things in the next few months. I'm just wondering, with the 2000 campaign obviously heating up and growing in intensity, do you feel there's more of an urgency to act right away, within the coming months?

The President. Well, for one thing, I think it would be to everyone's advantage to continue to make progress. As I always tell the Republicans and Democrats, no matter how much we do, there will still be plenty of things on which there is honest disagreement, over which the next election can be fought. That is it just in the nature of things. That's healthy; that's good; that's a two-party system in America.

But we are all hired by the American people to work here day-in and day-out, week-in and week-out, and we make a grave mistake—and it's almost never good politics to do the wrong thing—that is, to take a pass on making progress when you can do it.

This is a very unusual moment where we have sustained prosperity, the longest peacetime expansion in our history. We've gone from having the biggest deficits in history to having the biggest surpluses in history. And yet, we have these looming demographic challenges of Social Security and Medicare. And we have these big issues that are right before us now, the ones I mentioned on which there is basically broad agreement.

So I think that it would be good for America and, therefore, good for everyone involved if we go ahead and do this. I think, obviously, the closer you get to the election, perhaps the more difficult it will be. But I expect—I'll make you a prediction here—I expect that we'll get some good things done in the year 2000, before the Congress recesses finally for the election then. I expect to keep working right up to the very end, and I think that we will continue to make progress.

But the most important thing is the attitude of the main players in Congress insofar as Congress has to play a role in this.

Yes, go ahead.

Response to Cox Committee Report on Chinese Nuclear Espionage

Q. Mr. President, in the wake of California Congressman Christopher Cox's study of spying in the U.S. and, specifically, Chinese attempts to spy, you asked your Foreign Intelligence Advisory Board to look into this, and it came back with a central recommendation that you separate the Nation's nuclear labs from the Energy Department.

Your Energy Secretary seems to be resisting that. Ask me, sir—tell me, sir, how you feel about it—[*laughter*]—and let me ask you once again: Do you still maintain that you were not told anything about these Chinese efforts to spy at the Nation's nuclear labs during your administration, sir?

The President. Let's go back to the first question—there are two separate questions. I read Senator Rudman's report; I thought it was quite interesting and had a lot of very helpful analyses of how this problem developed. And there were actually two separate organizational recommendations that he made in the alternative: either that the labs could be put under an independent board, or that the labs should be taken out of the present hierarchy of organization because of the culture—the committee—the Rudman group talked a lot about the culture of the labs and its resistance to oversight. He said another alternative might be to take it out from under the present organizational structure and make it directly answerable—the labs—directly answerable to the Secretary's Office. And he posed those things in the alternative.

I have asked our people to look at it. I have talked to Secretary Richardson about it. I think everyone recognizes that he has worked very hard to deal with the underlying security issues, which are the most important things. And I think we all just ought to try to get together and work out what the best organizational structure is, and I expect that we will be—I expect to have a chance to talk to him about that and to work on it.

But I think the Rudman report was a service to the country, and I think that Bill Richardson is doing a good job on trying to implement the security measures that are necessary. He's being very, very aggressive.

Now, on the second question, I went back—I've been interested in this question, and I went back and looked at exactly what I said. Let me go back to what the facts are. First of all, there's been a 20-year problem with lax security at the labs. And what I said was that I didn't suspect that any actual breaches of security had occurred during my tenure. Since then, we have learned of the offloading of the computer by Mr. Lee, from the secured computers into his personal computers. That's something we know now that I didn't know then.

But I think my choice of wording was poor. What I should have said was I did not know of any specific instance of espionage, because I think that we've been suspicious all along. And I have to acknowledge, I think, I used a poor word there. I think suspicion is—we have been suspicious all along, generally. We did not have any specific instance, as we now do, of the offloading of the computer.

But I also want to emphasize that I took no particular comfort in that, because what we have here is—what I learned in 1997 was that there was a general problem of very long standing with the security at the labs, and I issued the Executive order in early '98 to clean it up. And Secretary Richardson has been working on it since then. And I think we've made a lot of progress since then.

Yes.

Medicare

Q. Sir, I'd like to ask you about Medicare and your plans that you're going to be announcing next week. This is a program that tens of millions of Americans depend on and yet in 15 years it will be, effectively, bankrupt. And you're about to propose what could be a very costly additional benefit in the prescription benefit. Why are you going to do that, sir? Isn't that going to make the problem worse, not better?

The President. No. For one thing—let me remind you that we have taken a lot of very tough positions to reform Medicare since 1993. When I took office, Medicare was supposed to go broke this year. And now it's out to—what is it—2015 or something. So we have taken a lot of important positions

already. And as a matter of fact, as I'm sure you're all aware, a lot of the health care providers—particularly rural hospitals, nursing homes, home health providers, a disproportionate share of hospitals—for the folks listening to us, that's basically inner-city hospitals and teaching hospitals that have a whole lot of poor folks they take care of who aren't reimbursed—a lot of those people believe that our savings are too great. But we've taken some very tough actions to try to lengthen the life of the Medicare Trust Fund.

When I make my proposals on Tuesday, there will be more to lengthen the life further, to make sure that we get through the first quarter century and maybe more of the new century with Medicare alive and well.

But if you look at the long run, I think it's important that we propose a prescription drug benefit because life expectancy is going up. Drugs are being constantly developed which help to improve the quality as well as the length of life, and if they are properly taken, they can actually reduce long-term hospitalization and other medical costs.

Now, it is absolutely true that if we design this wrong, it could wind up being a lot more expensive than rosy scenario suggests. But if you look at my record here over the last 6½ years, I've tried to be quite conservative in my budget projections and quite responsible in handling the budget of the country. And you will see that, I think, reflected in the way I make this proposal—including the prescription drugs.

But I don't really think there's any alternative here. You've got 15 million Americans—seniors—out there without any kind of coverage for their medicine. You've got millions and millions of others with inadequate or highly expensive coverage. And I just—I really believe that this is the most significant health care need that senior citizens have today. And I believe that over the long run, the proper availability, properly priced, of prescription medicine will actually not only lengthen lives and improve the quality of life of our seniors and improve their security—their state of mind—but it will also, long, long-term, save medical costs because it will keep people out of hospitals and out of more expensive treatments.

Ellen [Ellen Ratner, Talk Radio News Service].

Campaign Finance Reform

Q. What is your strategy now, Mr. President, for a comprehensive campaign finance reform, to really make it pass?

The President. Well, I think the best strategy is to get a clear majority of the House of Representatives to demand that it come up, and then try to put enough pressure on to get the Senate leaders to let it come up.

Basically, the Republican leadership in the Senate has said that they're just not going to permit it to come up, because they don't want their people who would vote against it to have a recorded vote on it, and they don't want to run the risk that they've got enough for their folks that would vote with all of ours—see, all of our people are for it. We've got 100 percent of the Democrats in the Senate for it.

And so, what I think we have to do is to keep it on the front burner enough so that the discomfort level rises high enough that an actual vote is allowed. All I've really asked for here is a vote. If we'd just get a vote on the bill, I will be very well satisfied and I think it will come out just fine.

Yes, Ann [Ann Compton, ABC News].

Timing of Candidacy Announcements and Effects of President's Conduct

Q. Can I ask a political question? When Vice President Gore announced officially for President, he chose a date when you were going to be out of the country. And according to Mrs. Clinton's supporters, if she announces her exploratory committee in the next couple of weeks, it would be at a time when you've got a commitment to go out to South Dakota.

Do you think your personal behavior has made you something of a liability to those who are running? And did you take it personally when Vice President Gore made his announcement and seemed to set himself so clearly separate from you when it came to issues of family?

The President. Well, first of all, I thought, as I have said repeatedly, I thought the Vice President had a great announcement. And

what he really said in his announcement—I actually heard it, so I don't have to have it characterized for me—what he said in his announcement was that he had had more experience than anybody running—which is true; that he would put forward more specific ideas about what he would do if he were elected President than anyone has to date, by far—which is true; and that the choice before the American people was whether we would build on the progress that we've made for the last 6 years or turn around and go backwards—which is what I think the real choice will be before the American people. So I approved of that.

And as far as his doing it when I was out of the country, I thought that was a good thing. Very often, you'd be amazed how many times over the last 6½ years we have planned for certain announcements to be made by the Vice President when I was out of the country, because that way it gets—I mean, far be it for us to try to maneuver the press—[*laughter*]—but he gets better coverage and I get better coverage—I'm out of the country, so he gets better coverage. So I thought that was a good thing.

And I think on the general point, what I have noticed over now more than 30 years, since I first began to volunteer as a young man in politics, all politics, all elections are about the future; and all candidates are judged on their own merits. And I believe that is the case here.

But I think that the American people know that the country's in good shape and that not only our economic policies, our crime policies, and our welfare policies, but our family policies are good for their efforts to raise their children. And the best thing that I can do, it seems to me, is to do the right thing by my country, to just keep working at being a good President, and they'll do fine.

Q. Not be with Mrs. Clinton when she campaigns?

The President. Well, first of all, she hasn't made a decision to announce to run for the Senate. This is not what's going on here. And as a practical matter, logistically and legally—as a practical matter, she has to have an exploratory committee to continue to talk to people in New York about this. That's all this is. She has not made a final decision to run yet. So I think that's a whole different issue. And I think that you should look at it in that context.

Mark [Mark Knoller, CBS Radio].

Serbs and Ethnic Albanians in Kosovo

Q. Mr. President, considering what's going on in Kosovo now, and now that you've had a chance to meet with the refugees in Macedonia on Tuesday and you've heard the depth of the hatred that they feel for the Serbs and you've heard of the brutality to which they were subjected, is it not asking the impossible for the Serbs and the ethnic Albanians to live in peace in Kosovo?

The President. Well, I don't think they could do it without a lot of help in the short run. And I think—I was asked this question earlier in a slightly different question—I think that the first and most important thing is for us to get the whole KFOR force in there, all 50,000, as quickly as possible, properly deployed to maximize security. Then I think we've got to get people busy doing positive things—rebuilding their homes, reestablishing their property records, reestablishing their schools. We've got to give them something to think about on a daily basis that is positive. Then I strongly believe we need to give them the help they need to try to work through this emotionally, psychologically, spiritually, morally. I think a lot of these children are going to need mental health services, and I hope we can get them. I think that we need to bring people in who have been through similar things.

I had a long talk with Elie Wiesel about this after he came back. He went over and toured the camps for me and talked to the people. I think that there are people who've been through the Holocaust who can help a lot. I think there are people who have been through South Africa and the peace and reconciliation commission and 300 years of what those people went through there—who can help a lot.

I think we need to be quite imaginative about—once we get the building blocks of security and the building blocks of reconstruction in place and the building blocks of civil society in place, then I think we need to be quite imaginative about the human, spiritual dimension of this. And I will do my

best to be supportive. I've talked to Reverend Jackson about this—about the importance of bringing in religious leaders from all the—not only from the Muslim and the Orthodox faiths to come and work together and work people through this, but perhaps others as well. So there are lots of things that we need to do.

Can it be done? I believe it can be done. It's going to take a lot of courage, and it's going to take some time.

Go ahead, Sarah [Sarah McClendon, McClendon News Service].

American Families

Q. Mr. President—[*inaudible*]—it seems to me that one of our big issues is parenting—that causes divorces—[*inaudible*]—having children and breaking up the families. Isn't there any way that we can design a national program to educate people—[*inaudible*].

The President. Well, you know, it's interesting. On the—to go to your point—when Hillary and I decided that we ought to have this grassroots campaign to try to protect children against violence, and we began to talk to Pam Eakes, who started the Mothers Against Violence movement in Washington State, and others, one of the things that we learned, obviously, is that a lot of young people wind up being—especially really troubled young people—can often be almost strangers in their own homes. And we assume that people ought to just know how to do the most important jobs in life, and they're very often reluctant to ask for help.

But I think one of the things that we have to try to do is to develop the kind of supports parents need to do a better job. And it's a much harder job now than it used to be—especially since the average parent is away from his or her children for 22 hours a week more than was the case 30 years ago.

So I do think that we need to do some more. Most parents, however, want to do a good job, really, really want to do a good job. And I think when you start with that, one of the things that I hope very much will come out of this whole movement against teen violence is more efforts in that regard. Of course, that's one of the reasons that Hillary wrote her book a few years ago—she knows more about that than I do—and, of course, one of the reasons the Vice President and Mrs. Gore had those family conferences every year, starting before he joined the ticket with me back in '92.

The short answer to your question is, yes, we should do more to help parents do a good job.

Go ahead, Susan [Susan Page, USA Today], and then John [John King, Cable News Network].

Medicare

Q. Mr. President, a lot of Medicare beneficiaries are enthusiastic about the idea of a new prescription drug benefit, but perhaps less enthusiastic about paying higher premiums to pay for it. Should Medicare beneficiaries, themselves, be prepared to endure some pain to get some gain? Should they be prepared to pay higher premiums? And especially, should higher income Medicare beneficiaries pay means-tested premiums that are higher?

The President. Well, let me just—if I give you all the details of my program Tuesday, you won't cover me Tuesday, and then I'll be bereft. [*Laughter*]

What we should do is, first of all, make sure that the integrity of the basic system is strengthened, because there are a lot of seniors who depend upon it. And from my point of view, that means making sure that it's good for at least another quarter century. So that's the first thing we need to do. And to do that, we're going to have to bring in more pressures from competition and other things to modernize it.

Then we should offer a drug benefit, but we should do it—to go back to the former question I was asked, your question—we should do it in a way that we're quite clear that it won't and can't break the bank, that we'll be able to monitor its cost and see how it's going.

And as to the other—as you know, I've been publicly open to that option since 1992. But I think that I want to ask you to wait until Tuesday for the details of the program.

Go ahead, John.

Federal Budget Surplus Allocation

Q. Sir, we're told that next week, the administration will announce that the Federal budget surplus is even larger than you had previously projected. Given that, and given your words today about bipartisanship, do you think now it might be possible to tackle Medicare and Social Security reform and perhaps reach out to Republicans and open the door to a larger tax cut than you have discussed previously?

The President. First, I'm not against tax cuts. I'm not against giving the American people some of this money back from our present prosperity right now. The question is, what kind of tax cut? Who benefits from it? How should it be designed? And how should it be handled to guarantee that we're going to take care of first things first—strengthen Social Security and Medicare, paying down the debt, continuing to secure the health of the American economy?

Keep in mind, what produced the surplus was the strength of the American economy, the fact that we had the will to do the very tough things in 1993, and that we followed it up with a Balanced Budget Act in 1997.

So my plan has tax cuts. The USA accounts are worth literally hundreds and hundreds of dollars to most families every year. They could be worth a quarter of a million dollars to a family over their lifetime. It's most progressive inducement to save in the history of the country. We have tax cuts fully paid for already for long-term care, for child care, for school construction, for investing in the inner city. So I'm not against tax cuts.

We have had tax cuts in the past, big tax cuts, for tuition tax credits for college; the HOPE scholarship tax cuts; tax cuts for workers and families with modest incomes; the child care tax credit, $500 per child. We've had lots of tax cuts. I am not opposed to that.

What I want to do is to make sure that before we go off and start cutting taxes by some arbitrary large amount, we take care of first things first. We need to know that we're going to modernize and strengthen Social Security for the 21st century, that we're going to modernize and strengthen Medicare for the 21st century, and that we're going to do it in a way that will enable us to continue to pay the debt down.

There will still be money for a tax cut, and a sizable one. Will I work with the Congress on that? Of course, I will. If I want to pass it, I have to work with them; they're in the majority. Of course, I will. But first things first. We've got to get our priorities in order here. The American people plainly expect us, first of all, to keep the economy going. And the best way to do that is to send a signal to the markets that we've resolved Social Security; we've resolved Medicare; and we're paying the debt down. That is the most important thing we could do to guarantee long-term, economic growth.

Secondly—the only other point I want to make is, I do not believe that it is responsible to have a tax cut if the impact of the tax cut—plus the defense increases that we have had to adopt, plus the highway expenditures that the Congress wants to adopt—is to cut education or cut health care or cut our investments in the environment. There is enough money to do all these things and to do it really well, with great discipline. But we have to have our priorities in order.

Go ahead.

President's Political Opposition

Q. Mr. President, 2½ years ago, in your Inaugural, you said you wanted to help the Nation repair the breach. And this morning, again, you called for greater cooperation in Washington. But it seems apparent that, for many people, you, personally, remain a polarizing and divisive figure in national politics. I was wondering if you've ever reflected on why, as Mrs. Clinton, I think, has sometimes noted, throughout your career, you've always seemed to generate such antagonism from your opponents. And do you assign any responsibility to yourself for what this morning you described as the rancorous mood in Washington today?

The President. Since I have been here, I have tried to work as well as I could in an open fashion with Members of both parties. I actually have developed quite good personal relationships with some Republican Members of Congress. But as you know, from the beginning, from 1991, and especially after I was elected, particularly the right wing—I've been accused of murder and all kinds of things. And it seems almost that

the better the country did, the madder some of them got.

Now, what I think is, we have a new Speaker and I think he wants to work with me to get things done. And I've had a very cordial relationship with him. I had a nice talk with Senator Lott just last week. And all I can tell you is, I don't think much about yesterday. I keep telling everybody that works for me, we have no right to harbor anger, to keep—the people in positions of public responsibilities are not permitted to have personal feelings that interfere with their obligations to the public. And I would start tomorrow with any Member of Congress who wanted to work with me on anything, to do something that I thought was good. And that's all I can tell you. There's not a single Member of Congress that I wouldn't be willing to work with to do something that I felt was good for America.

And I think that's what the American people want us to do. And all I can tell you is—but it is true, I think generally in our country's history, that people who are progressive, people who try to change things, people who keep pushing the envelope, have generally elicited very strong, sometimes personally hostile, negative reaction. You read some of the things people said about President Roosevelt—in retrospect, because of the magnificent job he did, and because of the historic consequences of the time in which he served and what he did for America, we tend to think that everybody was for him. That's not true.

So people say these things. I think you just have to dismiss them and go on. And all I can tell you is that we in the White House, we try—and I hammer this home all the time—we don't have to like everything people say about us, but it can't affect, in any way, shape, or form, what we're prepared to do in working with people. That's the way I feel. People in positions of responsibility owe the public—owe the public—their best efforts every day. And they have no right to let their personal feelings get in the way. I try not to do it, and I would hope others would do the same.

Yes, go ahead.

President's Approval Ratings After Kosovo

Q. Mr. President, normally when the United States wins a war, that victory is accompanied by a surge of approval for the Commander in Chief. The war in Kosovo has not produced that sort of bounce for you. As a student of the polls, what do you think they're trying to tell you here?

The President. First of all, I don't know that we know that yet. I just don't know that we know that. And the important thing for you to know is that I did what I thought was right for the United States and for the children of the United States and for the future of the world. And I'm not responsible for anything but that, including the reaction of some after it was over, and we turned out to be right about what would and wouldn't work. It's totally irrelevant.

Abraham Lincoln once said, in a much graver time, that if the end brought him out all right, it wouldn't matter what everybody said against him. And if it didn't, 10,000 angels swearing he was right wouldn't make any difference.

So I have tried to do what I think is right for my country here. I believe that the young people of America are likely to live in a world where the biggest threats are not from other countries but from horrible racial, ethnic, and religious fighting, making people very vulnerable to exploitation from organized criminals, drug runners, terrorists, who themselves are more and more likely to have weapons of mass destruction no matter how hard we work against it.

So I think anything I can do to reduce terrorism, to reduce the ability of terrorists to have weapons of mass destruction, or to stand against racial and ethnic genocide and cleansing is a good thing for our future.

You know, that's all I can tell you. I did what I thought was right. I still believe it was right. And I'll keep working to make it work out. And the public and the Members of the other party and others, people can react however they like. I just have to do what I think is right, and that's what I'll do.

Yes, go ahead.

Congressional Democrats in 2000 Elections

Q. Sir, in advancing your agenda you talked about the need for bipartisanship, but don't you have a problem with congressional Democrats? They say, ''Bill Clinton doesn't have to face another election; we do.'' And they want to run against a do-nothing Congress. As an experienced political pro, don't you have some sympathy for them?

The President. I do, except—I have a lot of sympathy for them. But, first of all, not all Democrats believe that. You see a number in the House, and I think probably a majority in the Senate, do not agree with that. But I think you—you have to, first of all, say, what is our obligation here to the American people? Our obligation is to work for the welfare of the country.

Secondly, I think that nowhere near half the responsibility so far rests on them for the current atmosphere. I mean, they tried—we tried on the guns. We tried on a lot of other things—on campaign finance reform. We're trying on many other issues. I think that—I wouldn't overestimate the extent of that.

But secondly, just as a—you know, if you look at 1996, where we got a lot done for America that year—we didn't just beat the contract on America, we actually did a lot of good things for America. The Democrats made gains in the Congress in 1998, against all the odds, against all the weight of history. We got—we passed a big education budget at the end of 1998—100,000 new teachers—and had a program to run on, and the Democrats were rewarded—against all the odds.

So my view is that if you believe that Government has a role to play in our national life and you accept the fact that there will be honest and legitimate differences between the two parties on outstanding issues, no matter how much we get done, you're better off doing what you can, that you believe in, so you can go tell the people you did that. And then say, but look what still needs to be done; look what still needs to be done.

Elections are always about tomorrow. So I think that—I can only tell you that I think both in terms of what is right for the American people and what is the best politics, we should keep trying to move forward.

Yes.

Justice Department Tobacco Litigation

Q. I want to talk to you a little bit about tobacco litigation. You had said in your State of the Union Address that the Justice Department was going to bring a Federal case against the tobacco companies. But what we're hearing is that the Justice Department had serious reservations about that case. Are they close to being resolved, those reservations, and when do you expect the case to be brought?

The President. Well, I hope so. Let me say just this—I would not have announced it in the State of the Union Address if I hadn't had a clear signal from the Justice Department that they thought there was a legal basis to proceed. We knew if we needed statutory authority to sue under Medicare—a further act of Congress to sue under Medicare, on exactly the same grounds all the States have already sued to recover under Medicaid, that in this Congress, given the power of the big tobacco in this Congress, it would be hard to get.

So we worked for a year or more with the Justice Department on this, arguing back and forth about whether it could be done. We—I and my administration—we were prepared to do this way over a year before I announced what I did in 1998. Maybe as many as 2 years. I just don't remember exactly what the time frame was, but it was quite a long while that we wanted to do this.

So I did not make the announcement in the State of the Union Address until I believed, at least, that the Justice Department felt that while it would be complicated, big, and difficult, that we did, in fact, have a cause of action and we could bring it. So that's all I can tell you. I don't know any more.

Yes.

Public Support for President's Agenda

Q. Mr. President, a question about polling statistics on your domestic issues. Recently, or quite frankly, your numbers have been tracked on certain issues showing that core groups, people who have supported you in the past, have now fallen off. Do you fear, sir, that perhaps you are beginning a disconnect with the American people? And how

can you possibly lead in Congress on the legislative agenda that you've outlined if you don't have the backing of your core groups?

The President. Well, for one thing, the only polls I've seen show overwhelming public support for the Patients' Bill of Rights, for closing the gun show loophole, for the other commonsense gun initiatives—overwhelming support. There is public—strong public support for campaign finance reform. There's overwhelming public support for the gun legislation and some of these issues, like the Patients' Bill of Rights, for example, the support is almost uniform among Republicans, Democrats, and independents.

So I don't know what issues we're pushing, as it happens, that the public agrees with the Republicans and disagrees with us on. I recognize that the public was ambivalent about Kosovo, but they were ambivalent about Bosnia and Haiti and a lot of the other things that I've done in foreign policy—helping Mexico when they were in trouble. But I think the President hires on to make the tough decisions and controversial decisions, too.

You know, the Democrats stayed—when we were in much worse shape in '93 and '94, the Democrats stayed because they believed we were right. We knew that when we cut the deficit $500 billion and we were all by ourselves—we didn't have any Republican votes—it wasn't going to be popular and you could characterize it, but it was the right thing for America. And look at where our economy is today.

So I think, no matter what the polls say, you just have to get up every day and do what you think is right. And that's what we're doing, and I think we'll be borne out.

Yes, go ahead.

Public's Concern About Moral Decline

Q. I've got a follow to that. The polls are also showing that although people do acknowledge that they're doing better in the economy and that they're doing well personally, they show a deep concern for the Nation's moral fabric, and actually that concern seems to be growing. What responsibility do you, personally, take for that, and what can you in the White House do to address these moral problems that seem to be cropping up more and more in the polls?

The President. Well, I think people are worried about—I think the most important thing on that is what happened, the shattering effect that Littleton had. In terms of what happened to me in the impeachment issue, I did what I could by telling the American people what I was going to do, that I was going to go back to work being the best President I could be, and I was going to go back to work to try to repair my family life. I have worked very hard for a year to do that, and the public, at the time, had a strong response to that. That's all I can do, and that's what I have done. I've done that very faithfully.

So I don't think that's what's going on. I think people are worried when they see the fabric of life still under great strain in spite of the fact that we have quite a large amount of prosperity. And I think what we all have to do is to ask ourselves: What can we do to reinforce the ability of families to raise their children, to teach them right from wrong, to increase the chances that they'll be able to live strong, whole lives? And I believe, therefore, that there is, in that sense, a moral component to the debate we're having over guns.

I mean, basically, we know—let me just give you one example. We know from the experience of the Brady bill that if we do background checks, thousands of people—at gun shows—thousands of people who shouldn't buy guns won't get them. Now, we know that. I think that's a positive moral value.

The people on the other side essentially say, "Yeah, but we don't want to be inconvenienced." And when people see inconvenienced elevated over the life of a child in this context, I think that causes them problems.

We know that in the case of the Patients' Bill of Rights that people think it's a moral issue if they need to see a specialist or they need—if they get hurt in an accident and they can't go to the nearest emergency room. They know that. And when they see, in effect, someone else's convenience elevated over that, I think that's a problem for them.

So I think that there are lots—this is a complicated thing. But my own view of that is, what we have to do is not pretend that the Government can solve all the moral questions, not evade what people have to do personally in their own lives with their own families, but neither can we take the dodge that the Government has no responsibility.

That's why I tried so hard after that Littleton incident. That's why I'm so disappointed in what Congress did in the House on this gun issue. Because I tried so hard after that Littleton incident not to play politics, not to point the finger at anybody, not to say, ''Oh well, it's this, that, or the other thing.'' You know, I went to Hollywood, I challenged the entertainment community, even though they had done far more to try to move the ball forward than anybody in the gun community until the gun manufacturers started helping, and they've done a good job, too, a lot of them.

I still believe that people think that there is too much ''everybody for himself,'' and if people can get away with what they do because of their position, they'll do it. And I think what I tried to do was to acknowledge it to whatever extent I had done that it was dead wrong, and I was going to spend the rest of my life trying to rectify that, which is all anybody can do. And I think most people accept that. They'd rather have somebody do that than go around trying to give a lot of speeches about how good they are, and then open the door for the gun lobby to run the Congress.

So you'll just have to make up your own mind about that. But I think that—what I think is important is that we stop trying to figure out how to make points against one another by saying, ''I'm better than you are.'' You know, I was raised in a family that would have given me a whipping if I had done that as a boy. I was raised to believe that we were suppose to try to be humble in our personal search, but aggressive in trying to help our neighbors. That's the religious tradition I was raised in.

Now, I get the feeling that people say, ''Well, what we should do is be arrogant about how good we are and the heck with our neighbors.'' I don't agree with that. I think we'd be better off with the former tradition, and I think it has deeper roots in American life and is more consistent with what we should be doing.

George [George Condon, Copley News Service].

Lessons From Kosovo

Q. Mr. President, wartime Presidents, even the great ones—Lincoln, Wilson, or Roosevelt—all discovered that wars never went exactly the way they planned it. In Kosovo, what surprised you or went a way that you didn't expect, and what lessons did you learn in Kosovo?

The President. The bombing went on—I had two models in my mind on what would happen with the bombing campaign. I thought it would either be over within a couple of days, because Mr. Milosevic would see we were united; or if he decided to sustain the damage to his country, that it would take quite a long while for the damage to actually reach the point where it was unsustainable. It took only a little longer than I thought it would once we got into the second model.

But I was surprised about some of the things. I was surprised that it took—I was surprised, on the one hand, that we lost no pilots. I was surprised by that. I was surprised that we'd lost only two planes and no pilots.

I know that from your point of view, there were a lot of civilian casualties, but that's because you got to cover them as opposed to covering the civilian casualties of the Gulf war. If you talked to any military person that was involved in both conflicts, they will tell you that there were far, far more civilian casualties in Iraq. I mean, many more by several times as many.

I was a little surprised that we had no more problems than we did in maintaining our Allied unity, given the enormous pressures that were on some of our Allies. And I think that gives you some indication about the depth of conviction people had that this was right.

Let me just say this—I think one way to understand this—I almost never see this, but let me just—one way to understand this about why we all did what we did even when a lot of folks thought we were crazy, or at least thought we couldn't prevail, is I don't think I can even begin—I am very surprised—I was surprised and heartbroken that

the Chinese Embassy was hit because of the mapping accidents. That did surprise me. I had no earthly idea that our system would permit that kind of mistake. That was the biggest surprise of all.

But let me just say one other thing. I think that when you look at this conflict and you seek to understand, well, why did President Clinton do this, why did Tony Blair do this, why did Jacques Chirac go along, why did the Germans get in there with both feet so early given their history and all this—I think you have to see this through the lens of Bosnia. And keep in mind in Bosnia, we had the U.N. in there first in a peacekeeping mission. Then we tried for 4 years, 50 different diplomatic solutions, all those different maps, all that different argument. And the end of it all, from 1991 to 1995, we still had Srebrenica.

We still had—and when it was all said and done, we had a quarter of a million people dead and 2½ million refugees. And I think what you have to understand is that we saw this through the lens of Bosnia. And we said we are not going to wait a day, not a day if we can stop it.

Once we knew there was a military plan, they had all those soldiers deployed, they had all those tanks deployed, we knew what was coming, and we decided to move.

So yes, there were surprises along the way. I'm terribly sorry about the Embassy. We made our report—I've gotten a report and the Chinese got—I made sure the Chinese got essentially the same report I did. We didn't put any varnish on it. And I'm sorry about it. But our pilots on the whole did a superb job, and we did the right thing. And I hope that the American people, as time goes on, will feel more and more strongly that we did.

Yes.

Aid to Farmers

Q. There's one issue that you didn't raise in your list of domestic priorities, and that's agriculture. As you know, the agricultural economy is not doing well. Some say it's in a death spiral. Senate Democrats have tried to add a $6 billion aid package to agricultural appropriations. Now the Senate Republicans have written you a letter asking you to acknowledge the crisis and set a dollar amount for what you think might be needed to keep those farmers on the land this year.

The President. Well, we're working on that. Last year, at the end, we got about that much money—about $6 billion in emergency appropriations last year for the farmers. And it is quite bad this year, and we are going to have to give them more support. And I intend to do it.

I just want to point out—when this Congress passed the freedom to farm act, I warned them that there was no safety net in there and that it would only work as long as farm prices stay at an acceptable level. And I think what we have to face now is whether or not this is another emergency.

From the point of view of the farmers, it's a terrible emergency; it's a crisis. We have to deal with it. But from the point of view of the Congress, what they have to face is, is this a second year of an emergency, or do they have a fundamentally flawed bill? And if the answer is the latter, can we handle this with emergency legislation or do we need to change the law?

But if you're asking me, am I going to recommend more help for America's farmers? The answer is, yes. There is no other alternative. This was—there were a lot of good things in the freedom to farm bill. It gave more freedom to farmers; it gave more opportunity for conservation reserve; it had more for rural development. But it had no safety net, and it was obvious to anybody that ever fooled with agriculture for several years that sooner or later, this was going to happen—and it happened. And it was as predictable as the Sun coming up in the morning. And I think it would be terrible to let thousands of more farmers go under, under these circumstances.

Yes, go ahead.

Q. Which one?

The President. You.

First Lady's Method of Travel

Q. Thank you. As the First Lady considers a possible Senate bid in New York, she's made an unusual number of campaign-style appearances in the Empire State using Government jets at taxpayer expense. I wanted

to ask you if you thought that was an appropriate expenditure of taxpayer money and if you think the privilege should continue once—or if—she finally does announce her candidacy.

The President. Well, part of how she travels is determined by the Secret Service. She is willing to do—first of all, in the exploratory phase and if she should become a candidate, she will fully comply with all the Federal rules and regulations that govern her. But part of how she travels is determined by what the Secret Service says. And you'd be amazed how many times in the last few years we've wanted to take the train to New York, for example, and haven't been able to do it.

So these are legitimate questions that we take quite seriously, she takes seriously, and we're trying to work through them as best as possible.

Yes sir, in the back.

War in the Balkans and President's Legacy

Q. Thank you, sir. How do you want to be remembered abroad, as a leader who wanted to shape America's face among other nations? How do you want to be remembered in the Balkans, in Eastern Europe, where people have strong feelings about America, different kinds of feelings? And pardon me for asking that, do you expect if someone, somewhere, wants to put a price tag on your head, just as the State Department offered $5 million to get Mr. Milosevic, given the controversy that NATO leaders might also have committed war crimes by bombing vital infrastructure in the region? Thank you.

The President. Well, first of all, we have not put a price on Mr. Milosevic's head for someone to kill him. We have offered a reward for people who can arrest and help bring to justice war criminals, because of the absence of honoring the international extradition rules in Serbia. So let's get that clear. No one is interested in that. The United States policy is opposed to assassination, has been since Gerald Ford was President, officially, and I have rigorously maintained it. So we don't try to do that to heads of state. So that's the first thing.

Secondly, NATO did not commit war crimes. NATO stopped war crimes. NATO stopped deliberate, systematic efforts at ethnic cleansing and genocide. And we did it in a way to minimize civilian casualties. Our pilots were up there—I'm telling you, there were days when they were consistently risking their lives because the Serbs were firing at them with shoulder-fired missiles in the midst of highly populated villages, and the pilots did not fire back and take them out because they knew if they missed, they would kill civilians.

Yes, there were civilians killed. But I will say again, if you compare the civilian losses here with the losses in Desert Storm, it's not even close. They did a magnificent job. They were brave. We tried to minimize casualties. Every target we hit was relevant to the, essentially, the state machine of terrorism that Mr. Milosevic was running.

And finally, I'm not concerned right now about how I'm being remembered; I'll be remembered when I'm gone. Right now, I'm not gone, and I've got lots to do.

Yes, go ahead.

U.S. Presence in Okinawa

Q. Thank you, Mr. President. You're just back from the G–8 summit meeting in Cologne, Germany, and next year you're going to Okinawa, Japan, for another summit meeting. Okinawa is the home of a huge U.S. military presence in Japan and the Far East. And I'm wondering if you will try hard and resolve all the major issues pending between the U.S. and Japanese Governments about the U.S. bases in Okinawa, most importantly, the relocation of the Futenma Air Base, before you go there next year. Thank you.

The President. Absolutely. I don't want to go over there and have all these things hanging out. I hope they'll all be resolved. Let me say, I think it's a very exciting thing, and I congratulate Prime Minister Obuchi on wanting to host this conference in Okinawa. It's very unusual, in a way, for a leader to do that, to take the conference so far away from the capital city. And I think it's very farsighted. I hope it will be good for the people and the economy of Okinawa, and I hope to goodness we'll have all the outstanding issues resolved by the time we get there.

Jane, go ahead [Jane Fullerton, Arkansas Democrat-Gazette].

President's State of Residence After Term

Q. Both you and the First Lady have indicated that you plan to live in New York once you leave the White House. I'm just curious what you would say to the people of Arkansas, the people who have supported you and who helped you run for President. Should they feel used or abandoned in any way? [*Laughter*]

The President. No. Now, let me say this: I have made it clear what I intend to do and what I intend to do from the beginning. What I intend to do is to divide my time between, as I said in my interview with CNN from Europe, I intend to divide my time between Arkansas and New York. I intend to spend at least half my time at home, when I'm not traveling and doing other things, because I've got a library and a public policy center to build, and I want it to be great, and I want it to be a great gift to my State. I've worked quite hard on it and thought a lot about it.

And I think that—I think the people at home will be quite excited about it when they see what we're going to do and will be thrilled by it. And I won't be home so much, I'll be underfoot, you know, I'll just be—but I'll be there quite a lot.

Yes.

Northern Ireland Peace Process

Q. Mr. President, on Northern Ireland. Sir, on Wednesday the deadline looms, and I was wondering whether or not if the IRA does not sign up for disarmament in time for Wednesday's deadline, whether or not—or a timeline is established for disarmament—will Gerry Adams still be allowed to come to the United States and raise funds?

And secondly, do you have any personal words that you'd like to express to the people who are about to undergo another marching season, where it's been a very volatile and very bloody situation at times?

The President. I'd like to answer the second question first. The people of Northern Ireland, a majority of both communities, voted for the Good Friday accords. They voted for peace, for decommissioning, for universal acceptance of the principle of consent. And in American terms, that's majority rule. They voted for new partnerships with the Irish Republic, and they voted for self-government.

They were right when they voted for that agreement. It's still the right thing for the future of Northern Ireland. So I would ask those who march and those who are angry at the march to remember that.

I don't want to answer your first question for a simple reason—I have been in intense contact with Prime Minister Blair and with Prime Minister, the *Taoiseach*, Bertie Ahern. As you know, I have invested a great deal in the process of peace. And I don't think we have a great deal of time to resolve this complicated issue. It's politically and emotionally complicated.

But I just would ask all the parties—the only thing I want to say about it publicly now—if it doesn't work out, there will be plenty of time for you to ask me all the other questions, but I'm still banking that we'll get it to work out. But I think everybody needs to think about how far we've come, all the things that are in the Good Friday accords, the fact that the public—Catholic and the Protestant public—voted for them, and ask, no matter how difficult these issues are, how in goodness' name we could ever let this peace process fall apart?

This is a very serious, serious period. And I do not want to say anything that would make it worse. And in the days ahead, I intend to do whatever anybody thinks I can do to save it. But I hope and pray it will be saved, because the Good Friday accords were good when the people voted for them, they're good today, and the differences, though they are profound, are as nothing compared to the cost of losing it.

Go ahead.

Effect of Books About the Clinton Presidency

Q. Mr. President, in the wake of the books by George Stephanopoulos and Bob Woodward, I was wondering if you think that you can have anything close to a candid or a frank conversation with aides, or, for that matter, lawyers these days, and whether you believe that this makes you a more isolated President as a result of this trend?

The President. Well, I don't feel isolated. I mean, you all are having at me pretty good here today. [*Laughter*] And that's one of the reasons I'm still here—because I haven't been isolated, either from the American people at large or from a wide and large network of friends.

I haven't read either book, and I haven't read the excerpts of the book, Mr. Woodward's book in the Washington Post, so I can't comment because I don't know exactly what was said. And I think it's better for me not to comment on something that I haven't read.

Yes, sir. The gentleman in the back.

Reconstruction of the Balkans

Q. Mr. President, you've been very much involved in the last few weeks in an attempt to create a Balkan reconstruction program. Many people, including yourself, have referred to the Marshall plan after World War II as kind of a comparison to what you want to accomplish. And yet, you and your administration officials have insisted that Serbia cannot be involved in this until Milosevic is out.

Given the nature of the Balkan economy, which is a very integrated area with the electricity networks, the transportation networks, the Danube River, which is a unifying force which unites the entire region—isn't it a folly to try and conduct a program of this nature by excluding Serbia? And really economically impossible without Serbia as a part of the picture you cannot really get the whole economy moving.

And secondly, is there not a danger—I realize that you have said that the reason for excluding Serbia was to try and get the Serb people to reject Milosevic. But isn't there a danger that they may, indeed, coalesce around Milosevic, feeling themselves as victims, and support him in spite of his own personal character, simply because of the bitterness towards the West after the bombing and the sanctions and now what they feel is disappointment over the reconstruction?

The President. To answer your question, first of all, I don't think it's folly or impossible to think we can have a Balkan reconstruction plan—a southeastern Europe reconstruction plan without Serbia. But it would be terribly unfortunate and more difficult. What will happen is that new networks will be formed, and the relative importance of Serbia will be diminished if they're not a part of it. But it will be much more difficult, and it will be very unfortunate.

Now, having said that, what the Serbian people decide to do, of course, is their own affair. But they're going to have to come to grips with what Mr. Milosevic ordered in Kosovo. They're just going to have to come to grips with it. And they're going to have to get out of denial. They're going to have to come to grips with it. And then they're going to have to decide whether they support his leadership or not; whether they think it's okay that all those tens of thousands of people were killed and all those hundreds of thousands of people were run out of their homes and all those little girls were raped and all those little boys were murdered. They're going to have to decide if they think that is okay.

And if they think it's okay, they can make that decision. But I wouldn't give them one red cent for reconstruction if they think it's okay, because I don't think it's okay, and I don't think that's the world we're trying to build for our children. So I think it's simple.

And I'm—look, I met with Mr. Milosevic in Paris; I shook hands with him; I had lunch across the table from him. It was a delightful and interesting lunch. And I thought, well, maybe he had some distance between the extreme activities of the Serbs in Bosnia. And then he went right out and did it all over again, and I mean with people directly under his control. And I do not believe we should give them any money for reconstruction if they believe that is the person who should lead them into the new century. I do not, and I will not support it.

Yes, go ahead.

Taxes

Q. You said earlier that you would not be averse to cutting taxes. And yet, your budget, according to the Congressional Budget Office, actually raises taxes overall by some $50 billion over 5 years. Why is this, in an era of surpluses?

The President. Well, now, what are they counting? They're counting all the money

from the tobacco tax that we used to pay for the——

Q. All of it.

The President. I believe that you have to have a very generous interpretation to reach that conclusion. You look, we're giving 11 percent of the surplus on the USA accounts as a whole—11 percent. We have, in addition to that, you've got the long-term care tax credit, you've got the child care tax credit, you've got the continuing funding of all the education and child tax credits that we had in the previous budgets. And my guess is to get to that, they have to not count the continuing funding of the tax cuts, but count the continued extension of tax increases that have to have extenders as new revenues. I can't imagine how they got it otherwise.

We did have a large cigarette tax increase in there because we were trying to depress teen smoking, and we were trying to get funds to use to deal with the health consequences of what is a virtual epidemic among young people.

But I am for the tax cuts, and I will go back to the answer before. I've got new tax cuts in this budget, and I will work with the Republicans on it. But we should not—we should not—pass up this chance to save Social Security, to save Medicare, to give the prescription drug benefits, to pay the debt down, which will keep the economy stronger and keep people with more jobs and higher incomes. Then we can talk about the tax cuts. And if Mr. King is right and we have some more money, then we can talk about that. But let's deal with first things first. [*Laughter*]

Thank you very much.

NOTE: The President's 176th news conference began at 3:47 p.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. In his remarks, he referred to Hashim Thaci, leader, Kosovo Liberation Army (KLA); Christopher Edley, consultant, One America: the President's Advisory Board on Race; Deputy Assistant to the President and Deputy Director of Speechwriting James (Terry) Edmonds; Presidential scholar Danielle Huff, who introduced the President at Georgetown University earlier the same day; former Senator Warren B. Rudman, Chairman, President's Foreign Intelligence Advisory Board; dismissed Los Alamos National Laboratory scientist Wen Ho Lee; Holocaust survivor, author, and Nobel laureate Elie Wiesel; civil rights leader Rev. Jesse Jackson; Prime Minister Tony Blair of the United Kingdom; President Jacques Chirac of France; Prime Minister Keizo Obuchi of Japan; Prime Minister Bertie Ahern of Ireland; and President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro). The President also referred to KFOR, the Kosovo International Security Force; and the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127). This item was not received in time for publication in the appropriate issue. A portion of this news conference could not be verified because the tape was incomplete.

Radio Remarks on House Action on the "Foster Care Independence Act of 1999"

June 25, 1999

I am very pleased the House of Representatives has just approved, by an overwhelming bipartisan margin, the "Foster Care Independence Act." This legislation would expand access to health care, education, housing, and counseling for young people who leave foster care upon their 18th birthday. I am very grateful to the bill's sponsors, Nancy Johnson and Ben Cardin. I also want to thank my wife for her early, early alert about the importance of this issue. I look forward to working with Members of both parties to pass similar legislation in the Senate. Together, we must help all our foster children make the transition to independence. We can't leave them out there alone. Instead, we must support them in living up to their full, God-given potential.

NOTE: The President's remarks were recorded at approximately 6:10 p.m. on June 25 in the Oval Office at the White House for later broadcast. These remarks were also made available on the White House Press Office Radio Actuality Line. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

June 26, 1999

Good morning. This month schools across America are letting out for the summer and beginning to plan for the fall. Today I'd like to talk about what we must do to help our

schools prepare for the school year ahead and prepare our children for the future, by reducing class size in the early grades.

For 6½ years, our administration has made improving our children's education one of our highest priorities. This year, in my State of the Union Address, I outlined a plan to help our schools, our teachers, and our students meet high standards. The plan would hold States and school systems accountable for fixing failing schools. It would require teachers to be qualified in the classroom in the courses they teach. It would insist that we put an end to social promotion, but to do it in the right way, by investing in our children and in our schools, from funding after-school and summer school programs to modernizing and rebuilding 6,000 schools across our country to finishing up our commitment to hook all of our classrooms up to the Internet by next year.

Reducing class size is one of the most important investments we can make in our children's future. Recent research confirms what parents have always known: Children learn better in small classes with good teachers, and kids who start out in smaller classes do better right through their high school graduation.

But in far too many of our schools, 30 or more students are pressed desk-to-desk in a single classroom. Too many teachers have to spend more time maintaining order than maintaining high academic standards. And with the largest school enrollments in our history still to come, the problem is only going to get worse.

Now, if we're serious about preparing our Nation to succeed in the 21st century, we must do more to help all our children succeed in school. That's why last year I asked Congress to commit to reducing class size to 18 in the early grades. And with bipartisan support, Congress approved a big downpayment on my plan to put 100,000 well-prepared teachers in the classroom.

I'm pleased to announce that later this week we'll deliver on our promise with $1.2 billion in grants to help States and local school districts begin hiring the first 30,000 well-trained teachers for the new school year. That means by the time children go back to school this fall, communities in all 50 States will have more good teachers and smaller classes in the early grades, where it matters most.

Now we must finish the job. Unfortunately, there are some in Congress who are backing away from their commitment to reduce class size. Last year Congress came together across party lines to make this promise to the American people. They should come together again this year to keep it. I think a promise made in an election year should be kept in the years when there are no elections.

So today, again, I call on Congress to put politics aside and put our children's future first and finish the job of hiring 100,000 highly trained teachers. We know smaller classes will help them succeed in school. We know higher quality teaching will help them succeed. We already have the plan to make it happen if Congress keeps its word.

We've got a chance to use this time of prosperity to improve our children's education and to help them make the most of their lives. This isn't a partisan issue anywhere in America; it shouldn't be in Washington. Schoolchildren get the summer off, but we should make this summer a season of progress for our children, our schools, and our future in the new century.

Thanks for listening.

NOTE: The address was recorded at 6:07 p.m. on June 25 in the Oval Office at the White House for broadcast at 10:06 a.m. on June 26. The transcript was made available by the Office of the Press Secretary on June 25 but was embargoed for release until the broadcast.

Remarks on Departure for Westport, Connecticut, and an Exchange With Reporters

June 28, 1999

Midsession Review of the Federal Budget

The President. Good morning. Six years ago we put in place a new economic strategy for the information age. We put our fiscal house in order; we invested in our people; we expanded trade in American goods and services. By making tough decisions, America has reaped rich rewards. We built the longest peacetime expansion in our history.

Last week we learned that in the first 3 months of 1999, the economy grew at a 4.3 percent rate, with very low inflation. With record numbers of new homes being built, paychecks increasing, hundreds of thousands of young people getting new help to go to college, new businesses opening their doors, a surging market on Wall Street, we are truly widening the circle of opportunity in America.

I'm here to report to the American people on more good news about our budget. As required by law, my administration is releasing the midsession review of the budget. Here is what we have found.

When I took office, the National Government had a record deficit of $290 billion, projected to increase indefinitely. Last year, for the first time in 29 years, we balanced the budget. In January this year, we projected a surplus for this year of $79 billion. Today I am pleased to report that, in fact, the budget surplus for 1999 will be $99 billion, the largest as a share of our economy since 1951. For next year, we now project a budget surplus of $142 billion, a surplus of $5 billion not counting the receipts from Social Security. In fact, improvements in the outlook since February have added $179 billion to the projected budget surplus over 5 years, half a trillion over 10 years, and a trillion over 15 years.

Fiscal discipline does bring real results. I want to thank my economic team for all the work that they have done. Lower interest rates have led to a boom in business investment, to lower mortgage rates, to lower credit card rates, to lower student loan rates. Fiscal discipline has widened opportunity and created hope for all working people in our country. Now we have a chance to do even more, to use the fruits of our prosperity today to strengthen our prospects for tomorrow, indeed, for tomorrows well into the 21st century.

In my State of the Union Address, I set out a plan for how to use the budget surplus. Today, in light of the unexpectedly large surplus, I am proposing to build on that budget framework with a new approach that honors our values, meets our commitments, and makes it possible to reach bipartisan agreement on a budget for America.

First, we can strengthen our commitment to use the bulk of the surplus to save Social Security and Medicare and to pay down the national debt. The new budget numbers mean that we will run a surplus in the non-Social Security part of the budget, starting next year, much earlier than previously expected. I am pleased that Republicans and Democrats in Congress have agreed to use the Social Security surpluses to reduce the national debt. But we must go forward and achieve an even stronger lockbox than one proposed by Congress. Social Security taxes should be saved for Social Security, period. Let's finish the job and work to extend the solvency of Social Security. I'm encouraged that Republicans and Democrats on the House Ways and Means Committee are meeting together to try to accomplish this goal.

Second, our new large surplus will help us to strengthen and modernize Medicare while providing a prescription drug benefit. Tomorrow I will reveal the details of my plan to modernize Medicare. The steps I will propose to use the surplus will increase Medicare's solvency for at least 25 years. By taking additional measures to increase competition, combat fraud, and reduce costs, we can provide a new prescription drug benefit and still pay down our national debt.

Third, our new budget framework will use part of the surplus to provide substantial tax relief. It will maintain USA accounts, the largest and most progressive tax incentive ever offered to encourage savings. USA accounts will allow every American to begin saving from the first day in the work force, providing more help for those who need it, giving every American a stake in our shared prosperity.

In addition to the USA accounts, I have proposed tax cuts—targeted and paid for—for child care, for stay-at-home mothers, for long-term care, to encourage businesses to invest in poor communities, and to modernize 6,000 schools. But first things first.

Fourth, we can use this surplus to meet other vital national needs, such as maintaining military readiness, honoring our veterans, protecting the environment, promoting health research, farm security, and other core functions of our Government.

Beyond this, we have a chance to use the surplus not only to care for our parents through Social Security and Medicare but to give a greater chance in life to our young children. So today I am proposing a new $156 billion children's and education trust fund. This commitment can enable us to offer Head Start preschool to a million children, to hire those 100,000 teachers, to provide extra help for a million children in our poorest communities, to pay for dramatic improvements in children's health.

And finally, by investing to save Social Security and strengthen Medicare, my plan now will entirely pay off our national debt. In the 12 years before I took office, reckless fiscal policies quadrupled our debt, bringing us higher interest rates, higher unemployment, higher inflation. By balancing the budget we have begun to reduce the debt. But today our national debt still totals $13,400 for every man, woman, and child. If we maintain our fiscal discipline, using the surplus to pay down the debt and using the savings to strengthen Social Security, America will entirely pay off the national debt by 2015.

If you look at this chart, you will see that we have now cut up Washington's credit card. Now we can pay off the debt; by 2015, this country can be entirely out of debt. This is a remarkable milestone, but it is clearly within reach, if we do not squander the surplus by choosing short-term gain over long-term national goals.

The surplus is the hard-earned product of our fiscal discipline. We should use it to prepare for the great challenges facing our country: caring for our parents, caring for our children, freeing our Nation from the shackles of debt so that we can have long-term, sustained economic prosperity.

Keep in mind what this means to ordinary people. If you pay this debt off, it means interest rates will be lower. It means there will be more business investment. It means there will be more new jobs. It means there will be more money left over for higher wages. It means the cost to families of homes and cars and college educations will be lower. That's what being out of debt means.

It means the next time there is an international financial crisis, we will be relatively less vulnerable because we won't have to borrow so much money, and the poorer countries will be able to borrow more money at lower interest rates, bringing greater global prosperity and stability. This is a very significant achievement for our country and for a more stable and peaceful and prosperous world.

So I hope, very much, to work with Congress in the weeks ahead to pay off the debt, to finish the work of strengthening Social Security and Medicare, and to make a real commitment to our children and our future.

Again, let me thank the national economic team and all others who have supported these initiatives over the last 6 years. Thank you very much.

Tax Cuts

Q. Are you open to tax cuts beyond those that you mentioned, Mr. President?

The President. I think we should achieve these objectives. Within the framework of achieving these objectives, obviously, I'll be working with the Congress to achieve them. Thank you.

Arkansas Senate Seat

Q. Do you want to run for Senate from Arkansas? [*Laughter*]

The President. I think Rubin should run for the Senate from Arkansas. [*Laughter*] He's got the best timing of anybody alive.

NOTE: The President spoke at 8:59 a.m. on the South Lawn at the White House. In his remarks, he referred to Secretary of the Treasury Robert E. Rubin.

Interview With Mark Devenport of the British Broadcasting Corporation in Westport

June 28, 1999

Northern Ireland Peace Process

Mr. Devenport. Mr. President, it's 2 days to go until the deadline in Northern Ireland—obviously, a crucial week. The politicians still at loggerheads, apparently. What is it that you want them to do now in this make-or-break time?

The President. I want them to remember how strongly the people voted for peace and for the Good Friday accords and to find an

honorable resolution of the admittedly thorny problems. Because whatever the difficulties of going forward, they are very small compared to the difficulties of letting the peace process fall apart.

Mr. Devenport. Now, you say there are ''thorny problems,'' and that is the difficulty—and especially the problem of decommissioning. Would you be urging the Sinn Fein to do what Ulster Unionists are urging Sinn Fein to do, to namely sign up to a timetable for disarmament and give a categorical assurance that the IRA will have disarmed completely by May 2000?

The President. I think that all the parties should fully comply with the terms of the Good Friday accords, and that's what I would say. I think that they all have to find a way—we know what the problems, the legitimate problems the Sinn Fein have with the decommissioning issue. But it's an important part of the Good Friday accords, so there has to be a resolution of it that enables the leadership of the Unionists—Mr. Trimble, and the others who have fought for peace—to survive, to sustain their position, and to go forward and get everybody on their side to honor the Good Friday accords, too.

They can find a way to do this, if they decide that the price of failure is far higher than the price of compromise. And I think there's a good chance they'll do it, even if it's 11th hour, I do.

Mr. Devenport. Well, what about the Ulster Unionists? Their position has been that there has to be guns handed over, actual hardware, before Sinn Fein can go into government. Do you think they should be considering moving ahead on the basis of pledges rather than actually looking for the armaments?

The President. Well, I believe that on that score, Mr. Trimble is satisfied in these talks with whatever commitment is made, and I think they should give it a chance to work.

One thing I would say to the Unionists is that they can always walk away from this if the commitments aren't made at a later date. And they should keep in mind—they can bring this down at any time by simply walking out if the commitments aren't kept. So I think that if Mr. Trimble can be satisfied, and they can work it through, then I would hope the Unionists would support him and give him a chance—give this thing a chance to work.

Mr. Devenport. Now, this political deadline is also coinciding with the annual deadline that there is in Northern Ireland of the Drumcree march. As we speak, an announcement on the Drumcree march is imminent. There are extremely strong indications that the Orangemen won't be allowed to go down the Catholic section of the Garvaghy Road. How concerned are you about what the impact of a refusal to let the Orangemen go down Garvaghy Road could be, both on the streets and on the political process?

The President. Well, as an outsider, you know, to me this looks like the most difficult of decisions because it is—there's enormous emotional content on both sides. It's not just a matter of a lot of people walking on a certain road. And I think however it is resolved this year, the most important thing is that the parties themselves try to find a larger, omnibus resolution for this that reflects the spirit of the Good Friday accords.

Keep in mind, I mean, the spirit of the Good Friday accords is that both sides should have respect for and get respect from one another, and that no one should have to give up his or her heritage or traditions, but they should be pursued with some sensitivity to how others feel as well.

So I think that they're in a terrible bind now because the Drumcree deadline is coming up against the negotiation deadline. And so, however it's resolved, I think that what the leaders should be thinking about is, what is the long-run resolution of this? How can we show one another the necessary respect and sensitivity that will put this marching issue in the context of the commitment of the Good Friday accords, which is to push toward reconciliation and equality within the principle of consent?

Mr. Devenport. At the time of the Good Friday agreement, you waited up through the night in Washington, inside the White House, seeing how the negotiations were working out. You went on the phone personally and spoke to the main parties and tried to coax them forward. This week, with a new deadline, are you willing to do the same, to intervene personally?

The President. Oh, absolutely. I'll do what ever I can to help. You know, this means a lot to me. It means a lot to the American people. We have tens of millions of Irish Catholics and Irish Protestants who are deeply invested emotionally, and many of them financially, in Northern Ireland, and would like to be more involved.

And I also believe, as I have said many times, that if this can be resolved—if we can get over this next hurdle and go forward—I think it will give courage to the advocates of peace in the face of religious and ethnic problems in other parts of the world. You know, we're just getting off the ground with our efforts in Kosovo. There are many difficulties there, and the accumulated grievances there, from mass killing and mass uprooting, are deeper, if you will, just in terms of human loss than all the things that have happened in Ireland.

But people have this sense that the divisions in Ireland go back such a long time, that if they can be overcome, I think it would give great heart to the proponents of peace in the Balkans and Africa and the Middle East, because—the new Prime Minister is about to announce a government there; we have a chance again to make progress and peace in the Middle East.

And I think that from my point of view, as someone who's interested in not only the country of my roots, but the rest of the world, I think that it's hard to overstate, it's hard to overstate the impact a positive or a negative outcome could have on such actions in the rest of the world.

Mr. Devenport. Finally, Mr. President, there's only so much that you, or, indeed, the British and Irish Prime Ministers can do to coax people along. Is this the time when Northern Ireland's political leaders have to stand on their own two feet?

The President. Well, I think they can know that we can coax them and we can stand with them and we can support them and we can bring them benefits in all kinds of ways after this is resolved, but in the end, the leaders have to decide.

Their people have voted for peace. But that's a general principle; the particulars are always difficult. And again, I would say, I think the important thing is to keep this going. Somebody—if there is the necessary commitment given by all sides, and then, later, any of those commitments are not kept, this thing can always be brought down because the commitments were not kept. But I think it would be terrible to let it come apart now, before we get to see and feel how it really works.

Mr. Devenport. Mr. President, thank you very much.

The President. Thank you.

NOTE: The interview began at approximately 11:50 a.m. at a private residence. In his remarks, the President referred to David Trimble, leader, Ulster Unionist Party; Prime Minister-elect Ehud Barak of Israel; Prime Minister Tony Blair of the United Kingdom; and Prime Minister Bertie Ahern of Ireland.

Remarks at a Democratic National Committee Luncheon in Westport

June 28, 1999

Thank you very much. Diane, you can give a speech for me anytime. [*Laughter*] That was really wonderful, congratulations, thank you.

I want to thank all of you for being here. Let me also join Joe and Beth in thanking Fran and Sandra for being so wonderful to us. I thank Martha and Ronni and the others who helped to make this a success. I also want to say a special word of thanks to Fran and Sandra for being so wonderful to Hillary as well, it really means a lot to me, and I thank you for that.

You know, I always love to come back to Connecticut, and only a fool would not love to come to Westport. [*Laughter*] I'm very happy to see Barbara Kennelly; and my old classmate Dick Blumenthal, who has been so good to me; and Denise, we're very pleased for your success, congratulations. And Congressman Gejdenson, thank you for being so brave in tough election after tough election. You're always there to do the right thing any way, and I admire you so much.

And Senator Dodd, congratulations on having the good sense to marry Jackie; we're proud of you. No matter how much you may like Chris Dodd, if you have not gotten to know his wife, your estimation will go way

up when you do—[*laughter*]—and we're really happy for you. And Jessye, thank you for coming; Cicely, thank you for coming.

And I would like to say a special thank you to Connecticut for being so good to me and to Al Gore through two elections now. I don't feel that I'm on a victory lap or a final lap or—you know, I expect people to—they're beginning to talk to me as if I'm—there is a sort of ring of eulogy about all of this. [*Laughter*]

As far as I can tell, I'm reasonably healthy; I still show up. I told Fran when—you've got to watch Joe Andrew, you know, as being a party chair; he hasn't been a party chair as long as Ed Marcus, but he's learned to stretch the truth creatively. He said that I got up earlier and went to bed later than anybody else. And I told Fran, I said, ''Now the second half of that statement is true.'' [*Laughter*] ''I do work late. I don't always beat everybody to the office.''

I'd like to tell you, first of all, why I'm here and, secondly, why I hope you're here. If anybody wants me to show up at one of these events 5 years from now or 10 years from now and my party is still doing what I believe is right for America, I'll be there then, too. The fact that I was given the opportunity at a pivotal point in our country's history to serve as President is important to me, but it is incidental to my prior and enduring commitment to the ideas and values that I think are necessary to make this country all it ought to be.

You know, when you think back to the condition the country was in in 1991 and 1992 when I was running, it's almost unimaginable that we are where we are today. This morning, before I left to fly up here, I was able to make an announcement that at what is called the midsession review—which is when we recalibrate our economic assumptions—we now know that our surplus this year will be $20 billion higher than we thought; it will be $142 billion next year; it will be $500 billion more than we thought it was going to be over 10 years, and $1 trillion more over the next 15 years. That's an amazing thing.

This year—you know, we have something called a unified budget, which means that we show a surplus even if we're spending more—like income and sales taxes and things—than we're taking in because of the Social Security taxes, because we're still taking in more than we're paying out. This year we will have a surplus without the Social Security revenues.

What this means is, among other things, is that we really can save Social Security by investing a modest amount of it in something other than Government bonds. We can do something about elderly women, who are more poor than the rest of the elderly population. We can take the earnings limit off, because we need elderly people to work more, if they choose to do so—not if they're required to, but if they choose to do so—as we have relatively fewer young people and relatively more older people. And now we can actually pay the debt of the country off and be entirely debt free by 2015—in 15 years this country can be out of debt. That's unbelievable.

The debt of the country quadrupled in the 12 years before I took office—just 12 years. And there was no end in sight. The deficit was $290 billion when I took office. We'll have $142 billion surplus in the last year of my Presidency.

Why should that matter to people? To those of you who are liberals and want the Government to spend money, why should you care if we're out of debt? Because if we get out of debt in a global economy, it means lower interest rates, lower home mortgages, lower business loans, lower college loans, lower car payment loans; it means more business investment; it means more money for wage increases; it means a more stable economy; it means the next time there is a world financial crisis like we had in Asia a couple of years ago, we'll be less affected by it; and it means there will be more money out there for poor countries to borrow at lower interest rates, or be given because we won't be taking any of it.

In the global society, it is the socially responsible thing for the wealthy countries to be financially responsible. It is good for our people, but it is good for people around the world. And it is good for all income groups within our society. So I hope very much that we will be able to persuade the Republican majority in Congress to work with us to save Social Security, to reform Medicare, and to

pay this debt off. It is something that no one could have thought imaginable just a few years ago.

Tomorrow I'm going to reveal the details of our plan to strengthen Medicare and preserve it for at least another quarter century and add a prescription drug benefit which will be affordable, which can be managed. But this is a big problem—I told those of you who came to the airport to meet me that one of the most stunning facts of life, if you're over 65 today and you're on Medicare, is that the average senior citizen is now spending a higher percentage of his or her income, out of pocket, for health care than they were spending in 1965, before Medicare went in. Why? Overwhelmingly, because of prescription drugs.

So if we can do something that is financially responsible to help our seniors deal with this burden, we ought to do so. We can now and we should.

Because of the size of the surplus, we'll be able to pay the debt off over the next 15 years, and at the same time create a trust fund for children and education of over $150 billion that we can use for after-school programs, to make sure all our kids have health insurance—for a whole host of other things that need to be done.

Now, let me come back to the general point. I'm here not as a candidate, because I think it matters that the ideas and the values that we fought for be continued; because it's important to me that Sam and Chris and people like them are in the Congress. And it's important to me that—we know the Republicans will always have more money than we do. Today they'll be saying, "Well, who cares if we pay the debt off; let's have a bigger tax cut that will be skewed to most of you"—most of you would be better off in the short run being at a Republican fundraiser. [*Laughter*] You would be, and you know it. [*Laughter*]

But on the other hand, if you look at the performance of the stock market, if you look at the fact that we've got the lowest unemployment rate in 30 years, the longest peacetime expansion in history, the highest surplus as a percentage of our economy since 1951—there's something to be said for moving us all forward together. And there's something to be said for looking to the long run, as well as the short run.

Everyone has to balance doing what is most pleasing to everyone today and thinking about what is best for the country over the long run. I've tried to take this country into the 21st century with certain basic ideas—that we could balance the budget and increase our investment in children and education, health care, and the environment; that we could grow the economy and continue to improve the environment—and we have. The air is cleaner; the water is cleaner; the food is safer; we've got 90 percent of our children immunized for the first time in history; we've set aside more land in preservation than any administration in the history of America, except those of the two Roosevelts.

So because we had good ideas—not because Bill Clinton was President, but because our ideas were right—I am glad I was given the chance to serve now. If my ability to speak, communicate, work hard, and take incoming fire had anything to do with those successes, I'm grateful.

But the most important thing is that what we stand for now, as a party, is a new direction, a departure from where either party was in the seventies and eighties, and the kind of thing that we ought to embrace going into the 21st century. And we have evidence that it works. There are lots of issues up there in Washington that we're fighting for now. Sometimes we have agreement; we're going to agree on two things that I think are great—I'll give the Republicans a little pat on the back here—the Congress is going to overwhelmingly vote, apparently, to renew the disability on disabled Americans who go in the work force and lose their Medicaid coverage. And that can enable us to get hundreds of thousands of more workers to grow without inflation.

There are a lot of disabled people who want to work, but their medical bills are $20,000, $30,000 a year, sometimes more, and they're paid by the Government. If they make "X" salary—anything much above poverty—they lose that Government health insurance. And that's bad for you, because they won't take the job. And we're still going to pay for their health care, as we should. So

this way we pay for their health care just like we were; but they take a job, they earn money, they pay taxes just like you do. And it helps the economy go. It's a good thing.

The other thing that there is apparently unanimous support on—at least in the House, and I'm thrilled about it, this is something that Hillary cares very much about—is continuing support for children who come out of foster care at the age of 18 and today are cut off all support—and even though they have no place to go, they have no adopted families, they have nothing. This is a huge problem in New York, a bigger problem in New York than anyplace else because New York has the largest number. But I told someone the other day, the first person besides my wife who ever mentioned this to me was my cousin, who runs the HUD office in the little town in Arkansas where I was born, population 11,000 now. So this is a national problem.

And here are two things where we agree. I'm hoping that we can get more of them to agree with us on some other things that are important. If you look at the Patients' Bill of Rights—the Republicans, on Medicare, want me to, in effect, force more people on Medicare into managed care, but they're against guaranteeing people in managed care the guarantees of the Patients' Bill of Rights.

I'm not against managed care. I've always thought that we ought to manage the health system like every other system, as well as we possibly can. But every system should be managed to deliver its mission at the lowest possible cost, not to compromise the mission. The mission is to give people quality health care at the lowest possible cost.

And if you need to see a specialist and you can't, that's bad. If you get hit in an accident in a big city and you have to pass three hospitals to get to the hospital with the emergency room that's in the plan, that's bad. If you work for a small business and they change their health care provider, and your husband is in chemotherapy and it's a 6-month treatment and you're supposed to change providers in the middle of the treatment, that's bad. If the same thing happens, and your wife is 6 months pregnant and you're supposed to change your ob-gyn because there's a different one in your new health care plan, that's bad. All these things happen today. Why? If it takes you forever and a day to get a decision because of the layers and layers of appeals, so that, finally, you get the right decision, but it's too late to save your life, that's bad.

And that's why 200—200 organizations—the doctors, the nurses, health consumer groups, everybody, endorsed our Patients' Bill of Rights. There's one organization against it, the health insurers. And we have the votes to pass this, if the Republican leadership will give us a clean vote on it.

But it's a classic example of the difference in the two parties. We're not against managed care. If we said we're against change, and they were for change, and they didn't care what happened to people, that would be like an old-time debate, old-time—we say, okay, we're for managed care. We'd just like to have people protected.

Same thing on this gun issue. This is a huge issue. Thirteen kids a day get shot and killed—13—that's a lot of kids. You say it's a big country. Pretty small country if it's one of yours. And we had this horrible carnage at Littleton—the whole country up in arms. The Senate passes this range of modest gun restraint measures: getting rid of the big ammunition clips on assault weapons that come in from other countries; saying that if a juvenile commits a serious crime they shouldn't be able to own a handgun when they turn 18; closing the gun show loophole; putting the child trigger locks on there.

And on the gun show loophole, which was the most controversial, the Vice President broke the tie in the Senate and we roll into the House and there is this angst. So what happens? The NRA wants the vote put off, so they put off the vote until after the recess; and during the recess they wear everybody out, and they come back and deep-six stuff that is very modest. And their answer is, well, we should punish these boys because they broke the law, these dead boys.

You know, how would you feel if I gave the following speech: I've served as President for 6½ years. I've done a searching inventory of my record, and I have decided that I have been deficient in standing up for the constitutional rights of America. In particular, we all have a constitutional right to travel,

and I think it's absolutely terrible that you have to license your cars and have a drivers license—[*laughter*]—and that we regulate travel in any way, shape, or form. It is an unconscionable burden, and we're going to get rid of all of it. We have 8-year-olds out their driving cars at 100 miles an hour; that's good, it's their constitutional right to do it. [*Laughter*]

You're laughing. That's their position, isn't it? I mean, you would think—if a politician stood up and said that, you would think they had a screw loose. [*Laughter*] But this is a huge issue. Now, we're not talking about confiscating anybody's guns. We're not talking about interfering with anybody's hunting rights or sporting rights.

When we passed the Brady bill—Chris and Sam will remember this—their argument against the Brady bill was, ''This won't do you any good, because no criminal ever goes to a gun store to buy a gun.'' You remember that? That was their big argument: ''They're not dumb enough to do that.'' Okay? Five years and 400,000 rejected sales later, with a 25-year low in the crime rate and violent crime down even more than non-violent crime, they no longer can make that argument.

But now we say, okay, there are more and more people, since we're checking on them, who are buying guns at the gun shows and the flea markets. We'll give you that much, so let's go check them. They say, ''Oh, no, goodness, no, we couldn't do that.'' Or if the—''It's okay if it's over-the-counter at a gun show, but not if it's in the parking lot.''

Now, you may have this image that there's a sort of a—maybe a convention center in Hartford, where there's a gun show, and it's two blocks out to the parking lot and you don't want to make the guy take the automatic check—that's not what goes on. Most of these gun shows, they're down little country roads, and you turn right and you're in a little field. You know, you back up on both sides of the lane and you open your trunk, and you get down your pickup. So if you're out in the parking lot, it means you're walking around to the front of the car. This is—this is just—it just doesn't make any sense.

But what I want to tell you is, we have—I think the defining difference between the two parties today is no longer what they used to say about us. We proved we're more fiscally responsible than they are. We've got a more fiscally responsible program right here. We have proved that we can grow the economy. We've proved that we're for sensible defense spending. We've proved that we can do the things that we're supposed to do in foreign policy that—it's really almost, the most important thing is how we define community and what our mutual responsibilities are to one another.

That's what the Patients' Bill of Rights is about. It's true. We'll have to pay out—you know, it'll be a buck or two a month. Our estimate is that the Federal health insurance program costs less than a dollar a month more, now that we have the protections of the Patients' Bill of Rights. So that means that everybody that doesn't ever need the Patients' Bill of Rights—who's a Federal employee—is getting socked for about $10 a year. I think it's worth it. I think it's worth it as a part of our shared responsibility to protect people.

So if you close this gun show loophole, 90-plus—95 percent, maybe more, of those people are honest as the day is long, and they'll have to hang around and wait for their background checks to be done. And sometimes it'll be a little bit of a pain—to increase the chances of saving 13 kids a day? I think it's worth it.

This is really what's going on. It's no longer—it's not a question even about tax cuts. We're for tax cuts. The questions is, how big should they be; what are our other responsibilities; how should they be structured? And what I want you to understand is that these ideas matter. It matters whether we give out all this Federal money in education and tell the locals of the States, ''Just do whatever you want to with it''; or whether we say, ''We think you ought to end social promotion, but have mandatory summer schools for kids who fail.'' We shouldn't declare them fit. And we think we ought to have every school district that needs an after-school program ought to have one, and we're going to give you money to help you. It's our definition of community.

It's not us telling them how to run the schools. This is what local research shows

works. So when you leave here, I hope you will be able to tell people why you came today. And I hope you will be able to tell them why I'm doing this, even though I'm not running for reelection. I've spent my whole life believing that ideas matter. It really matters what America does collectively.

And I have tried to get my party to change. We now have the smallest Federal Government since John Kennedy was President. We are not the party of defending every big Government program that was done yesterday. We are not the party that believes Government can do everything. We are the party that believes the Government has the responsibility to give people the tools and to create the conditions so that as a community we can go forward and everybody has a fair chance. And every one of these issues embodies that.

So I thank you for being here. And I hope you'll come to more, and I hope you will stay with us. I'm grateful that I've had the chance to be President. And I'm nowhere near through. I've got a more ambitious agenda today, than I did in my first year.

But the most important thing is to keep this going. The next elections matter; the people matter; the ideas matter. This is a better country than it was in 1992. We tried it their way. This is a stronger, better country. And every time we've had a fight about whose ideas were right and whose were wrong—if you measure up to what was the impact of our economic plan, our crime bill, the insistence we made in welfare, that we not get rid of the guarantees of health care and nutrition for our children—all of these things—our approach turned out to be right for America. And I want you to go out and tell people that. When they ask you why you came, tell them I gave a pretty good talk, but the most important thing was we are right for our children and the 21st century.

Thank you, and God bless you.

NOTE: The President spoke at 1:15 p.m. at a private residence. In his remarks, he referred to luncheon hosts Francine Goldstein and Sandra Wagenfeld; event cochairs Ronni Ginott, State chair, Women's Leadership Forum, and Martha Aasen, delegate, State Democratic Central Committee; First Selectman Diane Goss Farrell of Westport; Joseph J. Andrew, national chair, and Beth Dozoretz, national finance chair, Democratic National Committee; former Representative Barbara B. Kennelly; State Attorney General Richard Blumenthal; State Treasurer Denise L. Nappier; Senator Dodd's wife, Jackie Marie Clegg; soprano Jessye Norman; actress Cicely Tyson; Edward L. Marcus, chair, Connecticut State Democratic Party; and Myra J. Irvin, section 8 rental assistance program manager, Hope, AR, Housing Authority.

Remarks at a Production of "The Iceman Cometh" in New York City

June 28, 1999

Thank you. Wow! I would like to thank Bill Haber and Kevin and all this magnificent cast for giving us too much to think about. [*Laughter*] Here we are, all reliving our entire family histories—[*laughter*]—trying to come to grips with some little common element. And now you're supposed to think about being good citizens. [*Laughter*]

I want to thank Senator Torricelli and Senator Lautenberg and Senator Schumer; Congressman Gephardt, I know is here, and I think Congressman Kennedy is. There are a lot of people here from the New York and New Jersey and Connecticut delegations. I saw Congressman Rangel, Congressman Payne, Congresswoman Lowey.

Let me just say to all of you, these people have made a great sacrifice to give us this gift and to give the DSCC and the DCCC this gift. You know, Monday is their day off, and they couldn't even wait until the normal time to start; they did it in the middle of the afternoon. We took a day out of their lives, and they have given us something immeasurably more valuable. So I think we should give them another—[*applause*].

I hope that as you leave here you know how grateful we all are for the work you have done to help us do well in the coming elections, in the Senate and the House elections. I hope that you saw this morning the announcement that—we did our annual review, our so-called midsession review, and it turns out our surplus will be $20 billion more than we thought this year. And tomorrow I'm going to announce our Medicare reform program, which our Democrats support, that will include for the first time a prescription drug

benefit for seniors, which I'm very proud of and which I think is important.

If we can prevail upon our friends on the other side in the Congress to go along with us, just generally with the budget and Social Security, we'll have another $155 billion to spend on children and we'll be out of debt as a nation for the first time in forever; in 15 years, we'll be totally out of debt. So I'm happy about that. And I feel very good about the fact that all of this is benefiting all kinds of ordinary citizens.

But I'd like to just mention one other thing. We saw in this magnificent opus of Eugene O'Neill's something about the fragility of life, the frailty, the brittleness, the tenderness, the weakness that makes life more interesting than politics sometimes—nearly always. [*Laughter*]

One of the reasons that I became and stayed a Democrat is that I always felt that our party was more interested in people, in their individual struggles, and we always thought everyone should have a chance. And I'd like to just, before you leave, ask you to remember one or two things of which I am especially proud for our party, as we have tried to deepen the meaning of freedom and responsibility and bring more people into our national family and our sense of global community.

The first is that it was 30 years ago today, not very far from here, that the Stonewall riot occurred, which sparked the gay and lesbian civil rights movement. I'm proud of the fact that the Democratic Party has been clearly and unambiguously for the elimination of all forms of discrimination, for the "Employment Non-discrimination Act," for the "Hate Crimes Prevention Act," for the proposition that every law-abiding person in this country ought to be treated with equal dignity.

Today, we are struggling in Kosovo—a very small place, a very long way away—for the proposition that people ought not to be slaughtered because of the way they worship God or their racial or ethnic heritage, as we have done in Bosnia. Today, we're working, along with our friends in Ireland and Great Britain, in the 11th hour of an Irish peace process. Today, we hold our breath with anticipation as the new government is about to take hold in Israel, and I hope and pray that we will see a culmination of the peace process there.

And I'm proud of the fact that our party has stood for the proposition that people ought to be able to get along based on their common humanity, across all the things that divide them, and that that's a—[*applause*]—of intensity we're striving for.

Let me say one other thing. We've been through a lot as a country in the last several weeks: the difficulties of the conflict in Kosovo; also the difficulties we face at home, especially after the horrible loss of those children's lives at Littleton. I am still hoping that the members of the other party will decide that they really are the candidates of law and order and will join us in our attempts not only to support community policing, which means that we stand against abuses and for building bridges in the community, but that we ought to give the police a chance and the children a chance by having sensible restrictions to keep guns out of the wrong hands.

Finally, let me just say I'm profoundly grateful to the people of New York and this wonderful city for being so good to Hillary and me and to the Vice President and Mrs. Gore; for the Broadway night we had in '92 in the campaign; for the magnificent convention; for two great electoral victories; for a 50th birthday party I had here, which I will never forget—I can still remember when that happened.

I hope you will continue to stand for these things, which deepen the meaning of the word, "America." We have a lot to think about in this play; we have a lot to be grateful to these gifted people for. You have a lot to be proud of in supporting our party and our ideas and our values. And you have done a good thing here today by giving us a chance to reflect the views of most Americans in the United States Congress.

I thank the Members of the House and the Senate who are here. Again, I thank you. Good evening.

Thank you, and God bless you.

NOTE: The President spoke at 7:42 p.m. in the Brooks Atkinson Theatre. In his remarks, he referred to producer Bill Haber and actor Kevin Spacey. The President also referred to DSCC, the

Democratic Senatorial Campaign Committee and DCCC, the Democratic Congressional Campaign Committee.

Remarks at a Majority 2000 Dinner in New York City

June 28, 1999

Hello, everyone. I really came over here just to have a chance to shake hands and say hello, because you were all in the theater, so you heard me speak and I don't think you should have to endure two speeches.

I would like to say again how much I appreciate the leadership role that you assumed in making this evening a great success. I hope you enjoyed it as much as I did. And again, I want to thank the cast and all the people who put the production on. I thought it was magnificent.

But mostly, I came here to thank you for making this a success and for helping Mr. Gephardt and the other Members of our congressional leadership here very happy and giving them a chance to have a good November next year.

Thank you, Congressman Engel, Congressman Kennedy, Congressman Rangel, Congresswoman Lowey. Thank you all very much. Congressman Payne, thank you.

God bless you. Thank you.

NOTE: The President spoke at 8:30 p.m. at the Supper Club.

Remarks Announcing a Medicare Modernization Plan

June 29, 1999

Thank you very much, and good afternoon. I would like to welcome all of you to the White House. I appreciate the presence here of Secretary Shalala, Secretary Rubin, Deputy Secretary Summers, Social Security Commissioner Apfel, OPM Director Janice Lachance. I thank all the people on the White House staff who are here who worked so hard on this proposal, including our OMB Director Jack Lew; and Gene Sperling, Bruce Reed, Chris Jennings, and of course, John Podesta.

I welcome the leaders of groups representing seniors, the disability community, and the health care industry. I would especially like to welcome the very large delegation of Members of Congress who are here today. Four of them were here at the inception of Medicare—Senator Kennedy, Congressman Dingell, Congresswoman Mink, and Congressman Conyers. This must be a particularly happy day for them.

I thank the Senators who are here—Senator Daschle, Senator Roth, Senator Kennedy, Senator Conrad, Senator Baucus, Senator Dorgan, Senator Rockefeller, and Senator Breaux.

I thank the Members of the House here. There are a large number of Democrats here, and I think virtually all the Members of the leadership—Mr. Gephardt, Mr. Bonior, Congresswoman DeLauro, Mr. Frost, Congressman Rangel, Congressman Lewis. I would like to thank the Republican House Members who have come—Mr. McCrery, Mr. Whitfield, and Mr. Thomas, especially.

When Senator Breaux and Congressman Thomas issued their commission report, I said that I would do my best to build on it; that I had some concerns about it, but that I thought that there were elements in it which deserved support and serious consideration. Their presence here today indicates that we can all raise concerns about each other's ideas without raising our voices; and that if we're really committed to putting our people first, we can reach across party lines and other lines to work together.

And I am very grateful for their presence here and for the presence of all the Members of Congress here from both parties. It augers well for this announcement today and for the welfare of our Republic. [*Applause*] Thank you.

In just a few days we will celebrate the last Fourth of July of the 20th century—223 of them. Our Government, our country was created based on the ideal that we are all created equal, that we should work together to do those things that we cannot do on our own, and that we would have a permanent mission to form a more perfect Union.

The people who got us started understood that each generation of Americans would be called upon to fortify and renew our Nation's

most fundamental commitments, to always look to the future. I believe our generation has begun to meet that sacred duty, for at the dawn of a new century, America is clearly a nation in renewal.

Our economy is the strongest in decades, perhaps in our history. Our Nation is the world's leading force for freedom and human rights, for peace and security—with our Armed Forces showing once again in Kosovo their skill, their strength, and their courage. Our social fabric, so recently strained, is on the mend, with declining rates of welfare, crime, teen pregnancy, and drug abuse, and 90 percent of our children immunized against serious childhood diseases for the first time in our history.

Our cities, once in decline, are again vibrant with economic and cultural life. Even our rutted and congested interstate highways, thanks to the commitments of this Congress, are being radically repaired and expanded all across America—I must say, probably to the exasperation of some of our summer travelers.

This renewal is basically the consequence of the hard work of tens of millions of our fellow citizens. It is also, however, clearly the result of new ideas and good decisions made here in this city—beginning with the fiscal discipline pursued since 1993, the reduction in the size of Government, and controlling spending while dramatically increasing investments in education, health care, biomedical research, the environment, and other critical areas. The vast budget deficits have been transformed into growing budget surpluses, and America is better prepared for the new century.

But we have to use this same approach of fiscal discipline plus greater investment to deal with the great challenge that we and all other advanced societies face, the aging of our Nation, and in particular, to deal with the challenge of Medicare, to strengthen and renew it.

Today I ask you here so that I could announce the details of our plan to secure and modernize Medicare for the 21st century. My plan will use competition and the best private sector practices to secure Medicare in order to control costs and improve quality. And it will devote a significant portion of the budget surplus to keep Medicare solvent.

But securing Medicare is not enough. To modernize Medicare, my plan will also create a much better match between the benefits of modern science and the benefits offered by Medicare. It will provide for more preventive care and help our seniors afford prescription drugs. The plan is credible, sensible, and fiscally responsible. It will secure the health of Medicare while improving the health of our seniors. And we can achieve it.

The stakes are high. In the 34 years since it was created, Medicare has eased the suffering and extended the lives of tens of millions of older and disabled Americans. It has given young families the peace of mind of knowing they will not have to mortgage their homes or their children's futures to pay for the health care of their parents and grandparents. It has become so much a part of America, it is almost impossible to imagine American life without it. Yet, life without Medicare is what we actually could get unless we act soon to strengthen this vital program.

With Americans living longer, the number of Medicare beneficiaries is growing faster, much faster than the number of workers paying into the system. By the year 2015, the Medicare Trust Fund will be insolvent—just as the baby boom generation begins to retire and enter the system, and eventually doubling the number of Americans who are over 65. I've often said that this is a high-class problem.

It is the result of something wonderful—the fact that we Americans are living a lot longer. All Americans are living longer, in no small measure because of better health care, much of it received through the Medicare program.

President Johnson said when he signed the Medicare bill in 1965, ''The benefits of this law are as varied and broad as the marvels of modern medicine itself.'' Yet modern medicine has changed tremendously since 1965, while Medicare has not fully kept pace.

The original Medicare law was written at a time when patients' lives were more often saved by scalpels than by pharmaceuticals. Many of the drugs we now routinely use to treat heart disease, cancer, arthritis, did not

even exist in 1965. Yet Medicare still does not cover prescription drugs.

Many of the procedures we now have to detect diseases early, or prevent them from occurring in the first place, did not exist in 1965. Yet Medicare has not fully adapted itself to these new procedures.

Many of the systems and organizations that the private sector uses to deliver services, contain costs, and improve quality, such as preferred provider organizations and pharmacy benefit managers, did not exist in 1965. Yet, under current law, Medicare cannot make the best use of these private sector innovations.

Over the last 6½ years, we have taken important steps to improve Medicare. When I took office, Medicare was scheduled to go broke this year. But we took tough actions to contain costs, first in '93, and then with a bipartisan balanced budget agreement in 1997. We have fought hard against waste, fraud, and abuse in the system, saving tens of billions of dollars.

These measures have helped to extend the life of the Trust Fund to 2015. But with the elderly population set to double in three decades, with the pace of medical science quickening, we must do more to fully secure and modernize Medicare for the 21st century.

The plan I release today secures the fiscal health of Medicare, first, by providing what every objective expert has said Medicare must have if it is to survive—more resources to shore up its solvency. As I promised in the State of the Union Address, the plan devotes 15 percent of the Federal budget, over 15 years, to Medicare—Federal budget surplus. That is the right way to use this portion of the surplus.

There are a thousand ways to spend the surplus, all of them arguably attractive, but none more important than first guaranteeing our existing obligation to secure quality health care for our seniors. First things, first. [*Applause*] Thank you.

In addition to these new resources, we must use the most modern and innovative means to keep Medicare spending in line while rigorously maintaining, indeed, improving quality. So the second part of the plan will bring to the traditional Medicare program the best practices from the private sector. For instance, doctors who do a superior job of caring for heart patients with complex medical conditions will be able to offer patients lower copayments, thus attracting more patients, improving more lives, saving their patients and the system money.

Third, the plan will use the forces of competition to keep costs in line, by empowering seniors with more and better choices. Seniors can choose to save money by choosing lower cost Medicare managed care plans under our plan, without being forced out of the traditional Medicare program by larger than normal premium increases. And we will make it easier for seniors to shop for coverage based on price and quality, because all private plans that choose to participate in Medicare will have to offer the same core benefits. Consumers shouldn't be forced to compare apples and oranges when shopping for their family's health care.

Fourth, we will take action to make sure that Medicare costs do not shoot up after 2003, when most of the cost containment measures put in place in 1997 are set to expire. And to make sure that health care quality does not suffer, my plan includes, among other things, a quality assurance fund, to be used if cost containment measures threaten to erode quality. And given the debates we're having now on the consequences of the decisions we made in 1997, I think that is a very important thing to put in this plan. [*Applause*] Thank you.

These steps will secure Medicare for a generation. But we should also modernize benefits as well. Over the years, as I said earlier, Medicare has advanced—medical care has advanced in ways that Medicare has not. We have a duty to see that Medicare offers seniors the best and the wisest health care available.

One such rapidly advancing area of treatment is preventive screening for cancer, diabetes, osteoporosis, and other conditions—screenings which, if done in time, can save lives, improve the quality of life, and cut health care costs. Therefore, my plan will eliminate the deductible in all copayments for all preventive care under Medicare.

It makes no sense for Medicare to put up roadblocks to these screenings and then turn around and pick up the hospital bills that

screenings might have avoided. No senior should ever have to hesitate—as many do today—to get the preventive care they need.

To help cover the cost of these and other crucial benefits and strengthen the Medicare part B program, we will ask beneficiaries to pay a small part of the cost of other lab tests that are prone to overuse, and we will index the part B deductible to inflation.

Nobody would devise a Medicare program today, if we were starting all over, without including a prescription drug benefit. There's a good reason for this: We all know that these prescription drugs both save lives and improve the quality of life. Yet, Medicare currently lacks a drug benefit. That is a major problem for millions and millions of seniors—and not just those with low incomes. Of the 15 million Medicare beneficiaries who lack prescription drug benefits today, nearly half are middle class Americans. And with prescription drug prices rising, fewer and fewer retirees are getting drug coverage through their former employer's health programs.

My plan will offer an affordable prescription drug benefit to all Medicare recipients, with additional help to those with lower incomes, paid for largely through the cost savings I have outlined. It will cover half of all prescription drug costs, up to $5,000 a year, when fully phased in, with no deductible—all for a modest premium that will be less than half the price of the average private Medigap policy. It's simple: If you choose to pay a modest premium, Medicare will pay half of your drug prescription costs, up to $5,000. This is a drug benefit our seniors can afford at a price America can afford.

Seniors and the disabled will save even more on their prescription drugs under my plan because Medicare's private contractors will get volume discounts that they could never get on their own. By relying on private sector managers, I believe that my plan will help Medicare beneficiaries and ensure that America continues to have the most innovative research and development-oriented pharmaceutical industry in the world.

With the steps I have outlined today, we can make a real difference in our people's lives. And I believe the good fortune we now enjoy obliges us to do so. In a nation bursting with prosperity, no senior should have to choose between buying food and buying medicine. But we know that happens. I'll never forget the first time I ever met two seniors on Medicare who looked at me and told me that they were choosing, every day, between food and medicine. That was almost 7 years ago, but it still happens today.

At a time of soaring surpluses, no senior should wind up in the hospital for skimping on their medication to save money. But that also happens today, in 1999. At a moment of such tremendous promise for America, no middle-aged couple should have to worry that Medicare will not be there when they retire, that a lifetime's worth of investment and savings could be swallowed up by medical bills. If we want a secure life for our people, we must commit ourselves, as a country, to secure and modernize Medicare, and to do it now.

In the months before the election season begins, we can put partisanship aside and make this a season of progress. With our economy strong, our people confident, our budget in surplus, I say again, we have not just the opportunity but a solemn responsibility to fortify and renew Medicare for the 21st century.

It's the right thing to do for our parents and our grandparents. It's the right thing to do for the children of this country. It is the right thing to do so that, when we need it, the burden of our health care costs does not fall on the children and hurt their ability to raise our grandchildren.

Like every generation of Americans before us, our generation has begun to fulfill our historic obligation to strengthen our fundamental commitments and keep America a nation of permanent renewal. Just a few days before our last Independence Day of this century, let us commit again to do that with Medicare.

Thank you, and God bless you.

NOTE: The President spoke at 3:23 p.m. in the East Room at the White House.

Statement on the Death of Michael Hooker

June 29, 1999

I was saddened to learn of the death of University of North Carolina Chancellor Michael Hooker. Michael Hooker devoted his life to improving higher education, not only in North Carolina but all over America. As chancellor of UNC, he was committed to building the best educational and cultural climate for students, while deepening the university's commitment to North Carolina and its economic future. His devotion led him to visit every county in North Carolina to discuss new ways of developing educational opportunity, and to encourage more people to participate in the educational system. I am especially grateful for his role in helping Education Secretary Riley implement our America Reads challenge, which enlists college students as tutors to help elementary students learn to read.

Michael Hooker represented the very best in our education system, and the very best in public service. He will be missed. Our thoughts and prayers are with his wife, Carmen, and his daughter and grandchildren.

Message to the Congress Transmitting the Report of the Corporation for Public Broadcasting With Documentation

June 29, 1999

To the Congress of the United States:

In accordance with the Public Broadcasting Act of 1967, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting (CPB) for Fiscal Year 1998 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies for that same year.

Among its many outstanding projects over the past year, CPB has put considerable time and effort into strengthening the teaching and development of America's literary tradition. Working with educators, writers, and experts from all across the country, CPB has launched a companion website filled with exceptional teaching materials and continues to make possible the broadcast of some of the Nation's finest literature over our public airwaves. In addition, CPB is also expanding the availability of teacher professional development in the social sciences, humanities, and literature.

As we move into the digital age, I am confident that the Corporation for Public Broadcasting will continue to act as a guiding force. As the projects above illustrate, CPB not only inspires us, it educates and enriches our national culture.

William J. Clinton

The White House,
June 29, 1999.

Message to the Congress Transmitting a Report on the National Emergency With Respect to Yugoslavia (Serbia and Montenegro)

June 29, 1999

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Yugoslavia (Serbia and Montenegro) as declared in Executive Order 12808 on May 30, 1992, and with respect to Kosovo as declared in Executive Order 13088 on June 9, 1998.

William J. Clinton

The White House,
June 29, 1999.

Message to the Senate Transmitting the Venezuela-United States Tax Agreement

June 29, 1999

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the Convention Between the Government of the United States

of America and the Government of the Republic of Venezuela for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, together with a Protocol, signed at Caracas on January 25, 1999. Also transmitted is the report of the Department of State concerning the Convention.

This Convention, which is similar to tax treaties between the United States and other developing nations, provides maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Convention also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Convention and that the Senate give its advice and consent to ratification.

William J. Clinton

The White House,
June 29, 1999.

Remarks on Medicare in Chicago, Illinois

June 30, 1999

Thank you very much, ladies and gentlemen, and good morning. I want to say that it's wonderful for me to be back in Chicago. Most of you know how much I love it here, and I am delighted to be here. I bring you greetings from the First Lady, who I left on my way here and who was jealous that I was coming and she wasn't, especially since I'm also going to see the Cubs play this afternoon—[*laughter*]—and I enjoy that; and from the Vice President and all the members of our administration who have worked so hard on this health care issue.

I want to thank Anna Willis for her remarks and her leadership for the aging community here in Chicago. And I know that with me on the stage, and perhaps out in the audience as well, are members of the Mayor's Advisory Council on Aging, the Cook County Board of Commissioners, the Cook County Council, the Chicago City Council—I thank them all for being here.

I'd like to thank Linda Esposito for speaking on behalf of pharmacists who have to live with the consequences of the absence of prescription drug coverage for our seniors every day and who do their best to serve them well under very adverse circumstances. And I thought she did a very fine job; I thank her for being here.

And I want to thank Hanna Bratman for having the courage to get up here and tell her story and introduce me. You know, I do this all the time. It's second nature for me. But most people, it's pretty scary to get up in front of all of you and all those cameras and talk about your life and talk about your circumstances. And I thought she did a fine job, and I thank her for doing that.

I'd also like to thank these ladies on my left, Anne Thomas and her daughters, Lee Hamilton and Laura Peterson, because they represent what I think of as the ultimate test of Medicare, which is whether it's fair and helpful and supportive of families and our intergenerational responsibilities—parents to their parents to their children. And I'll say more about that, but thank you for joining us today, as well.

Ladies and gentlemen, as is so often the case when I get up to speak, the people who spoke before me have said everything that needs to be said. One guy got up—you know the great story about the last speaker at a long dinner; eight people spoke and he got to speak at 10 o'clock, and he said, ''Well, everything that needs to be said has been said, but not everyone has said it.'' [*Laughter*] ''So relax, I'm going to talk a little bit.''

Let me say to all of you that we have an unprecedented opportunity and an unprecedented responsibility to strengthen Medicare and to improve it, to modernize it so that no one has to make the choice that you have heard talked about—between affording health care and affording other necessities of life, between remaining independent or relying on your children and undermining their ability to raise your grandchildren.

We have this opportunity because our economy is the strongest in a generation, perhaps ever, because our country is clearly moving in the right direction, a leading force for freedom and peace and human rights around the world, as our wonderful men and

women in uniform demonstrated in Kosovo recently. Our social fabric here is mending. The crime rate is down; the welfare rolls have been cut in half; teen pregnancy is down; drug abuse among our young people is down; and a record 90 percent of our young people are immunized against serious childhood diseases for the first time in the history of our country. Our cities, which were once thought of as being economically depressed, are thriving again. Chicago is exhibit A—look at this beautiful building and this beautiful vista we have here.

When I became President, we had a $290 billion budget deficit. The debt of our Nation had quadrupled in only 12 years. Today, we are going to be, in 1999, $99 billion in the black. We actually projected yesterday that for the next 15 years, the surplus will be a trillion dollars more than we thought it was just 6 months ago.

Now, this is a great tribute to the ingenuity and the hard work of the American people, and to the disciplined decisions that we have made, starting in 1993, to cut that deficit until we balanced the budget and got into surplus. If we keep going on the plan I have proposed to save Social Security and Medicare and pay down the debt, this country actually can be out of debt—out of debt—in 15 years for the first time since 1835.

Now, let me just say, since all of you know it's the strength of the economy that has put people to work and raised their incomes and brought in the revenues that enabled us to save Medicare, the reason it's a good thing for all Americans, for us to be out of debt is that if we're out of debt, it means that the Government won't be competing with you and the businesspeople to borrow money. It means interest rates will be lower for business loans, for car loans, for home loans, for credit cards, for college loans. It means, therefore, there will be more investment, more jobs, higher incomes. It means we will be less dependent on the world for money to come into this country, so if there is another financial problem, as there was in Asia a couple of years ago, it will have less impact on us. It means people all over the world that we look to to buy products that are produced in Illinois and throughout the United States will be able to borrow money more cheaply and have more money to buy our products, to help our prosperity as we help theirs, if we get this country out of debt.

So I want to emphasize to you, everything I am proposing to do with Medicare and with Social Security can be done in a way that gets the country out of debt for the first time since 1835. And in a global economy, it is very, very important to our children and our grandchildren that we give them the opportunities they deserve.

Now, how are we going to do that? We have to set aside the bulk, a little more than three-quarters of the surplus, for saving Social Security and Medicare. We need to do that, quite apart from this prescription drug benefit—let's talk about that. Why do we need to do that? Because we have a high-class problem in America: we're all living longer. Life expectancy is already over 76 in America. For young people growing up, their life expectancy will probably be over 80. Anybody who lives to be 65 in America today has a life expectancy of 85. People over 80 are the fastest growing group of Americans.

Now, when you put that life expectancy development up next to the fact that the baby boom generation, the biggest generation in American history until the present one in our schools today, is getting ready to retire—some of them, anyway. I'm the oldest of the baby boomers, and I hope I don't have to retire. But anyway, I'm going to retire from this job, but, generally, I think I should keep working. [*Laughter*]

But when you look at the fact that with the baby boomers retiring, the oldest of the baby boomers—that's me, we turn 65 in 2011, not that far away—there are going to be a lot more people retired relative to the number of people working, which means there will be a lot more people drawing Social Security and a lot more people drawing Medicare relative to the number of people working.

Now, we can make some changes in the program, but I would argue that now that we have this surplus and we project this surplus to last into the future, and if we know it's good for us anyway, for all Americans of all ages, to pay the debt down, we should save this much money now to stabilize Social Security and Medicare and pay the debt off.

Now, I know there are a thousand good uses for this surplus. If I gave each of you a piece of paper and I said name 10 things that you would like to see your country do, we might have 100 different things on that list, and they'd all be good. But I say we should take care of first things first, and we don't have any more important obligation—not only to seniors but to their children and their grandchildren—than to preserve the integrity of Social Security and Medicare and preserve the long-term economic health of this country. So I hope that all of you will support that.

We can talk more about Social Security later, but if my proposal is accepted, we'll have Social Security solid for way more than 50 years already, and with a few other changes, we could take it out to 75 years; we could do something to deal with the fact that elderly women on Social Security are far more likely to be poor, and they need some extra help; and we could lift the earning limitation for people on Social Security. I would like to see those things done.

But let's talk about Medicare. We should secure and strengthen and modernize Medicare. It's been around for 34 years now. It's made health care more accessible and more affordable. As you heard Hanna say, it's given millions of American families peace of mind by paying for medical costs that otherwise would have bankrupted families in their later years. It has also freed the children of Medicare's recipients from the painful choice of mortgaging their children's future to provide a decent health care for their parents. But you've got people living longer and the baby boomers set to retire; therefore, more people drawing Medicare and fewer people paying in. What that means is that the Trust Fund will become insolvent by the year 2015, 15 years from now. Now, we've already done a lot to try to stave that off. When I became President in 1993, the Trust Fund was supposed to become insolvent in 1999—this year. We've made a lot of changes. Some of them were difficult and somewhat unpopular, but we have saved Medicare until 2015.

But that's not enough. Keep in mind, the baby boom generation won't begin to turn 65 until 2011. Then, over the next 30 years, the number of people who are 65 or over will actually double. So we need to lengthen the life of the Medicare Trust Fund, and we need to do it now. The sooner you deal with these issues, the easier it is to deal with them. The longer we take to deal with them, the more painful and the more expensive it will be to deal with it.

The plan I announced yesterday to secure and modernize Medicare for the 21st century does the following things. First of all, it extends the solvency of the present Medicare program to the year 2027. That is very important. Changes made today can keep it alive until 2027. That will almost completely take in the baby boom generation. Not quite, but nearly. And that gives all of our successors plenty of time to take advantage of all the increases in health care options that I'm convinced will allow people to stay healthier even longer in the years ahead.

To do it, I propose that we use 15 percent of the budget surplus over the next 15 years. Again I say, there are a lot of good uses for the surplus. A lot of people would like to have more money right now. But there is nothing more important than taking care of first things first. Keeping the economy strong by paying the debt off and saving Medicare and Social Security, I think are the most important things we can do, and we should do them first.

Now, we also plan to modernize the way the program works, to introduce more innovations now used in private sector health plans, to offer seniors the chance to choose between lower cost managed care plans for Medicare and the traditional program without forcing the choice by having unreasonable increases in the premiums in the traditional program, to guarantee that our seniors have the information necessary to make informed choices, and that all the available plans have certain core medical benefits necessary to preserve the integrity of the program, to make sure that as we hold costs down, we keep quality up.

But we also, as everybody before me has said, need to modernize Medicare. One of the ways, but not the only way, is with prescription drugs. Think of it this way: Medicine has changed a lot. The whole health care system has changed a great deal since 1965. But Medicare hasn't changed with it. As a

consequence, the average senior citizen today is paying a larger percent of his or her income, out of pocket, for health care than they were paying in 1965 before Medicare came in, primarily because of the prescription drug issue.

But think of the other challenges. A revolution in medical science has brought cures to diseases once thought incurable, provided doctors the tools to prevent diseases from starting in the first place, and given millions of people the chance to live not only longer but healthier lives. Once, the cure for many illnesses was a surgeon's scalpel. Now it's just likely to be a pharmacist's prescription drug. Every day new drug therapies are being developed to treat chronic conditions such as diabetes and hypertension. We have to do more to make sure all seniors can take advantage of this medical revolution.

We also have to do more to encourage seniors to take advantage of preventive technologies—to take advantage of screenings for cancer, for diabetes, for osteoporosis, and other diseases. To do that, my plan will eliminate the deductible and all copayments for these preventive tests. Just think of it this way: Under Medicare today, very often you can't get Medicare to pay for screening and prevention, but you can get Medicare to pay for the far more expensive hospitalization that would not have occurred in the first place if the screening and prevention had been done. So this will actually save us money in the long run, as well as making people healthier.

We also do have to make prescription drugs more available and more affordable. They are essential to medical care. Just a few statistics: More than four out of five seniors use at least one prescription a year. Now, for most seniors it's much more than that. And for many seniors, the proper regimen of pills, properly taken, at home, can spell the difference between maintaining an active and independent life, or being hospital- or nursing home- or home-bound for life.

If we were creating the Medicare program today, if we were starting from scratch and it didn't exist, no one would even consider having a program without a prescription drug benefit for the elderly and disabled.

So what are we going to do? You heard Hanna talk about the cost of her drugs. This is a costly issue. A month's supply of a popular blood pressure medicine costs more than $70 a month. A cholesterol medication probably taken by some of you in this room costs about $100 a month. When you consider that some of the newest drugs costs as much as $15 a pill, that two-thirds—listen to this—two-thirds of all people over 65 suffer from two or more chronic diseases, that one in five elderly people takes at least five prescription medications a day, the pharmacy bills can be staggering.

Each year more than 2 million seniors spend more than $1,000 on medication—people such as our friend Anne Thomas, here to my left, whom I mentioned earlier with her daughters. She's from Oak Brook. Her osteoporosis prescriptions swallow up a sixth of her income, almost 17 percent. Last year she, too, was diagnosed with asthma, but she chose not to fill her prescription because the $300-a-month price tag was more than she could afford.

Finding the funds to pay for prescription drugs is a struggle for seniors at many income levels, not just the poor. Indeed, of the 15 million seniors in our country that don't have any prescription drug coverage, nearly half are middle class Americans. And that does not count the millions of seniors who have some prescription coverage, but the coverage is totally inadequate or far too expensive.

The number of plans that offer coverage is declining, and those that charge high prices and offer modest benefits are increasing. Forty percent of all older Americans without prescription drugs—let me say that again—40 percent are middle class. Nearly half the uninsured live in isolated rural areas. And as I said, as drug prices rise and more private insurers drop drug coverage altogether, about 15 million of our seniors will be uninsured within the year.

This is not the way to honor people after a lifetime of work and good citizenship. No American should have to choose between fighting infections and fighting hunger, between skipping doses and skipping meals, between staying healthy and paying the rent. We can do better than that. We are now prosperous enough to do better than that.

And I say again, there are many good uses for the surplus. I have my ideas; the Congress has their ideas. But first things first—we have to take of this problem, and do it now.

Now, we want to make sure that this plan is financially responsible, that it can be paid for, that it won't break the bank. Here's what we propose to do: My plan will make a prescription drug benefit available to all Medicare recipients but will provide extra help for those with lower incomes. For people up to 135 percent of the poverty rate, we will waive the co-pay and the monthly premium. But people with incomes a little higher than that, we will have other subsidies, not quite as generous. But for everyone, for a modest monthly premium, Medicare will pay for half of all the prescription drug costs, over the next few years, up to a ceiling of $5,000. In the first year, we have to start with a ceiling of $2,000, because it's a big program and we've got to put it in and prove we can make it work. But under my plan, I will ask the Congress to approve and fund going to a $5,000 ceiling drug benefit, half of all the costs, now, with no deductible.

This drug benefit is one that virtually all of our seniors can afford, and it is constructed in a way America can afford. It will help millions and millions of people. Older and disabled Americans will save even more on prescription drugs under our plan because Medicare's private contractors will get big volume discounts that seniors could never get on their own. So when they pay for half the price, that half will be a much smaller amount that would otherwise be the case.

Now, what I would like to say not only to those of you in this room—where I suppose I'm preaching to the saved, as we say down home—but to all Americans, including those who are not in this room, is that this is something that is important that goes way beyond health care and way beyond money. How can you put a price on being able to see the birth of a grandchild or to enjoy them as they grow up or read to them or take them fishing or be active with your friends and family? How can you put a price, if you are a child, on being able to know and spend time with and enjoy your grandparents?

There is no dollar value we can put on providing the best quality of life we can. And I want you all to understand, we can afford this. If this is not done, it is because somebody made a different decision to do something else with the money. This is not welfare. This is not some blind gift. This is something we are doing for the integrity of families through the generations.

Our country is in the best shape it's been economically, maybe ever, certainly in a long time. And what we're going to do now will define what kind of country we will be well into the 21st century. Are we going to squander this money we worked so hard for after only 6 years of effort, turned around an unbelievable record of fiscal irresponsibility, or are we going to pay off our debts in the bank and pay off our debts to our families—not only to our parents and grandparents, but to future generations? That is the question.

So I want to ask you to join me. You know, Hanna said she didn't know much about politics. I thought she made a pretty good political speech, myself. [*Laughter*] But she said something that's really important. She said, "You know, I don't understand why this should be a political issue." You know, sometimes when things get real tense in Washington, you know, and some of my friends in the other party get real excited, I say, "Hey, loosen up, you know. We're all getting older; none of us are going to be here forever. People get a chance to vote every election. Loosen up. Relax, No one escapes time and age. Republicans age just like Democrats." [*Laughter*]

People who are independents still get sick every now and then, even though they refuse to register in a political party. This is not a political issue anywhere in America, and it should not be a political issue in Washington, DC. This is something we can do together for the future of America.

I want you to reach out to your Representatives from Illinois. You are represented in this State by both Republicans and Democrats in the United States Congress, more or less fairly apportioned. I wish it were different, but there it is. [*Laughter*] You can write to them. You can call them. You can say, "Do this not only for us, but do it for our children and our future. Do it because we're all aging and it's a high-class problem, that we're living longer."

But we have to prepare for the day when the baby boomers retire. And we should not wait another day to provide the prescription drug benefit. And we have the money to do it. This is simply a matter of choice. I ask you, without regard to your party, to reach out to the members of your congressional delegation and say, ''This is the right choice for our future.''

Thank you very much.

NOTE: The President spoke at 11:15 a.m. in the Grand Army of the Republic Memorial Hall at the Chicago Cultural Center. In his remarks, he referred to Anna L. Willis, commissioner, Chicago Department on Aging; and pharmacist Linda Esposito, vice president, Illinois Pharmacists Association.

Exchange With Reporters at Wrigley Field in Chicago

June 30, 1999

First Lady

Q. Mr. President, Hillary is a Yankees fan. Are you still a Cubs fan? [*Laughter*]

The President. Yes, and so is she. You know what she said. Don't play press games here. [*Laughter*] This is about sports, not politics.

Northern Ireland Peace Process

Q. Mr. President, what did Tony Blair tell you when you had——

Q. Did Tony Blair give you an update?

The President. I got an update from Tony Blair on where things are, and we're now in touch with the various parties, and I expect to make some more phone calls sometime in the next hour or so. It's an all-nighter.

Q. Will the talks be extended tonight?

The President. Yes, I think by most standards they've already been extended. But I do expect so. I think they'll work quite late.

First Lady

Q. Do you think the First Lady will let you keep the jacket, since she's a big Cubs fan?

The President. Yes. [*Laughter*] But I will have to disclose it. I'll have to share wearing rights.

NOTE: The exchange began at 4:50 p.m. in the Chicago Cubs' locker room. In his remarks, the President referred to Prime Minister Tony Blair of the United Kingdom. A tape was not available for verification of the content of this exchange.

Proclamation 7206—To Modify Duty-Free Treatment Under the Generalized System of Preferences and for Other Purposes

June 30, 1999

By the President of the United States of America

A Proclamation

1. Pursuant to section 502 of the Trade Act of 1974, as amended (the ''1974 Act'') (19 U.S.C. 2462), the President may designate countries as beneficiary developing countries and least-developed beneficiary developing countries for purposes of the Generalized System of Preferences (GSP).

2. Pursuant to section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)), beneficiary developing countries, except those designated as least-developed beneficiary developing countries, are subject to competitive need limitations on the preferential treatment afforded under the GSP to eligible articles.

3. Pursuant to section 503(c)(2)(C) of the 1974 Act (19 U.S.C. 2463(c)(2)(C)), a country that is no longer treated as a beneficiary developing country with respect to an eligible article may be redesignated as a beneficiary developing country with respect to such article if imports of such article from such country did not exceed the competitive need limitations in section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)) during the preceding calendar year.

4. Pursuant to section 503(c)(2)(F) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)), the President may disregard the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)(i)(II)) with respect to any eligible article from any beneficiary developing country if the aggregate appraised value of the imports of such article into the United States during the preceding calendar year does not exceed the applicable amount set

forth in section 503(c)(2)(F)(ii) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(ii)).

5. Pursuant to section 503(d) of the 1974 Act (19 U.S.C. 2463(d)), the President may waive the application of the competitive need limitations in section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)) with respect to any eligible article of any beneficiary developing country if certain conditions are met.

6. Section 507(2) of the 1974 Act (19 U.S.C. 2467(2)) provides that in the case of an association of countries which is a free trade area or customs union, or which is contributing to comprehensive regional economic integration among its members through appropriate means, including, but not limited to, the reduction of duties, the President may provide that all members of such association other than members which are barred from designation under section 502(b) of the 1974 Act (19 U.S.C. 2462(b)) shall be treated as one country for purposes of title V of the 1974 Act.

7. Pursuant to section 502 of the 1974 Act, and having taken account of the eligibility criteria set forth therein, I have determined that Gabon and Mongolia should be designated as beneficiary developing countries for purposes of the GSP. Further, I have determined that the names of two previously designated beneficiary developing countries should be modified.

8. Pursuant to section 502 of the 1974 Act, and having taken account of the eligibility criteria set forth therein, I have determined that the suspension pursuant to Proclamation 6575 of June 25, 1993, of preferential treatment for Mauritania as a least-developed beneficiary developing country under the GSP should be ended.

9. Pursuant to section 503(c)(2)(A) of the 1974 Act, I have determined that certain beneficiary developing countries should not receive preferential tariff treatment under the GSP with respect to certain eligible articles imported in quantities that exceed the applicable competitive need limitation.

10. Pursuant to section 503(c)(2)(C) of the 1974 Act, I have determined that certain countries should be redesignated as beneficiary developing countries with respect to certain eligible articles that previously had been imported in quantities exceeding the competitive need limitations of section 503(c)(2)(A) of the 1974 Act.

11. Pursuant to section 503(c)(2)(F) of the 1974 Act, I have determined that the competitive need limitation provided in section 503(c)(2)(A)(i)(II) should be waived with respect to certain eligible articles from certain beneficiary developing countries.

12. Pursuant to section 503(d) of the 1974 Act, I have determined that the competitive need limitations of section 503(c)(2)(A) of the 1974 Act should be waived with respect to certain eligible articles from certain beneficiary developing countries. I have received the advice of the International Trade Commission on whether any industries in the United States are likely to be adversely affected by such waivers, and I have determined, based on that advice and on the considerations described in sections 501 and 502(c) of the 1974 Act, that such waivers are in the national economic interest of the United States.

13. Pursuant to section 507(2) of the 1974 Act, I have determined that Cambodia should be added to the list of countries identified in general note 4(a) of the Harmonized Tariff Schedule of the United States (HTS) as members of the Association of South East Asian Nations (ASEAN) that shall be treated as one country for purposes of title V of the 1974 Act.

14. Section 604 of the 1974 Act (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to title V and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide for the designation of Gabon and Mongolia as beneficiary developing countries under the GSP, and to modify the names of two previously designated beneficiary developing countries, general

note 4(a) to the HTS is modified as provided in sections A(1), A(2) and A(3) of Annex I to this proclamation and general note 4(b) to the HTS is modified as provided in section B of Annex I to this proclamation.

(2) In order to provide for the addition of Cambodia to the list of members of ASEAN that shall be treated as one country for purposes of title V of the 1974 Act, general note 4(a) to the HTS is modified as provided in section A(4) of Annex I to this proclamation.

(3) In order to provide for the restoration of preferential treatment for Mauritania as a least-developed beneficiary developing country under the GSP, general note 4(a) to the HTS is modified as provided in section C(1) of Annex I to this proclamation and general note 4(b) to the HTS is modified as provided in section C(2) of Annex I to this proclamation.

(4) In order to provide that certain countries that have not been treated as beneficiary developing countries with respect to one or more eligible articles should be designated as beneficiary developing countries with respect to such article or articles for purposes of the GSP, and that certain countries should not be treated as beneficiary developing countries with respect to one or more eligible articles for purposes of the GSP, general note 4(d) to the HTS is modified as provided in section D of Annex I to this proclamation and the Rates of Duty 1–Special subcolumn for the HTS subheadings enumerated in section E of Annex I to this proclamation is modified as provided in such section.

(5) A waiver of the application of section 503(c)(2)(A) of the 1974 Act shall apply to the eligible articles in the HTS subheadings and to the beneficiary developing countries set forth in Annex II to this proclamation.

(6) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(7)(a) The modifications to the HTS made by Annex I to this proclamation shall be effective on the dates specified in such annex.

(b) The action taken in Annex II to this proclamation shall be effective on the date of signature of this proclamation.

In Witness Whereof, I have hereunto set my hand this thirtieth day of June, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-third.

William J. Clinton

[Filed with the Office of the Federal Register, 11:30 a.m., July 1, 1999]

NOTE: This proclamation was published in the *Federal Register* on July 2.

Message to the Congress on Amendment of the Generalized System of Preferences

June 30, 1999

To the Congress of the United States:

The Generalized System of Preferences (GSP) offers duty-free treatment to specified products that are imported from designated beneficiary developing countries. The GSP is authorized by title V of the Trade Act of 1974, as amended.

I have determined, based on a consideration of the eligibility criteria in title V, that Gabon and Mongolia should be added to the list of beneficiary developing countries under the GSP.

I have also determined that the suspension of preferential treatment for Mauritania as a beneficiary developing country under the GSP, as reported in my letters to the Speaker of the House and President of the Senate of June 25, 1993, should be ended. I had determined to suspend Mauritania from the GSP because Mauritania had not taken or was not taking steps to afford internationally recognized worker rights. I have determined that circumstances in Mauritania have changed and that, based on a consideration of the eligibility criteria in title V, preferential treatment under the GSP for Mauritania as a least-developed beneficiary developing country should be restored.

This message is submitted in accordance with the requirements of title V of the Trade Act of 1974.

William J. Clinton

The White House,
June 30, 1999.

NOTE: An original was not available for verification of the content of this message.

Remarks at a Democratic National Committee Dinner in Chicago

June 30, 1999

Thank you very much. First, let me thank the leaders of the Democratic National Committee who are here, Joe Andrew and Beth Dozoretz, and say to our former chairman and my 1992 campaign manager, David Wilhelm, and Deegee, I'm glad to see you and all my other friends and many of you who were formerly associated with our administration.

I want to thank Lew and Susan and Lou Weisbach and Fred Eychaner for their work on this dinner tonight. This has been kind of an emotional day for me. I—Bruce and I and Hillary, we did drag in here one night about 7 years ago, and you know, I thought—I was totally out of gas when I got here, and I had virtually forgotten why I was even thinking of running for President; I just wanted to go to bed. And then I came in here, and I got all pumped up; I saw all this art that I didn't know anything about, and it certainly was interesting. [*Laughter*] And I sort of began to get educated, and then I went into the library and went nuts over the books. And I certainly approved of their reading tastes. And then we got to talking about health care and first one thing and then another, and before you know it, we were sort of off and going and forming a friendship that has stood the test of 7 years' time. And I'm very grateful that you had us back tonight, and I thank you.

I want to thank all of the rest of you for being here, and I want to thank Chicago for being so wonderful to Hillary and to me and to Al and Tipper Gore, for giving us—for me, I basically won the Democratic nomination on Saint Patrick's Day in 1992. And I must say, I learned a lot from my friend Al Gore, who did well on Super Tuesday and then had difficulty going after that in 1998, so I later told him when I asked him to join the ticket, I said, ''Now, don't ever forget what I learned from your campaign.'' I spent enormous amounts of time in Illinois and Michigan. Of course, it helped that roughly 30 percent of the primary voters in both States were born in Arkansas and couldn't make a living there and had to come up here. [*Laughter*] That was of some modest benefit to me at that time. But I'm very grateful for that and grateful for the way that this city and this State have stayed with us through thick and thin in the life of this administration.

I appreciate something Joe Andrew said—apart from the fact that the party's out of debt; that's good news. I'm here tonight, in a way, because I can't run for reelection. But I believe in what I've spent my life doing, what Hillary and I have spent our lives doing, what Al Gore and I have spent 7 years working to do, and I believe in what still needs to be done.

I believe that politics is a good thing for America, not a bad thing. It is what makes democracy work. And it becomes public service when it is dominated by good values, good ideas, and the ability to turn those ideas into action. I enjoy a good contest if it is a contest of ideas. And I don't mind receiving the verdict of the electorate as long as I'm absolutely sure that everyone who opposes us actually know precisely what they're doing. And I think that is something that we all ought to have in mind as we approach this election season.

I say—I think I see Senator Carol Moseley-Braun smiling, and I thank her for her loyal support and leadership for her time in the Senate, the first 6 years of my administration. I'm glad to see John Schmidt here tonight. I thank him for his service in the administration and for still caring enough to be here after having run for office, which is, by any standard, an exhausting enterprise. And I thank Neil Hartigan and the whole Hartigan family for being here and always being there for me. And Billy Singer—I see all these people who do not presently hold

elective office but have participated in this process.

I'm here for the same reason you are. And if the Democrats want me 10 years from now, I'll be there then, because I knew when I got into this that it was a temporary job. [*Laughter*] I never had any illusions that I could be President for life—although I confess that I love the job, even on the worst days. [*Laughter*] But what I want you to focus on just for a minute with me tonight is that I am grateful that time and circumstance and the wonderful help of my friends and a lot of gifts from the good Lord and my family gave me the opportunity to serve as President at this time of profound change in our country. And if I have contributed in some way to what has happened that is good for America, I am grateful for that as well.

But I have to tell you something. I think that good things happen when good people establish good teams, and they have a good vision; they have a good strategy; they have good ideas; and they're good at turning their ideas into reality. And I used to tell our people all the time in the darkest days, in the early days when we were in Washington, don't worry about what they're saying about you today; worry about what it will look like 3 or 4 years from now. We need—the test of what we're doing is whether it improves the lives of the American people, whether it makes us a more secure, more humane country with a better future for all of our people.

And that's why I hope you're here—because we had certain ideas that our party held to that basically our friends in the other party didn't agree with. And one of the reasons I believe, I will always believe, that there was so much intense effort made in Washington to try to sort of go after not just me, but many of us, personally, and try to divert the attention of the American people, was they were afraid they couldn't compete with our ideas, and they knew they were working. And the better the country did—sometimes their more partisan members—the better we did, the madder they got, and the better the American people did, the madder they got.

So let's step back from all that now, because I won't be a candidate in 2000. What were the ideas that were—that drove us, and what were the consequences? The first thing we decided is that the Democratic Party had to become the party of fiscal responsibility again. We could no longer participate in a kind of unspoken deal with the Republicans where we would both allow these intolerable deficits to go on because we wanted to spend money and they didn't want to raise any money. And they'd let us spend money and we'd let them avoid raising it, and the deficit would get bigger and bigger and bigger, and we were driving the country into the ditch. We quadrupled the debt in 12 years.

And the Democrats in Congress, by the way, to their everlasting credit, tried to stop it. They actually spent less money than the Republicans asked them to, in the White House. And we said we're going to bring the deficit down; we're going to cut spending, but we're actually going to increase our investment in education and in research, environmental protection, and things that are fundamental to our future. And most people didn't think we could do it.

Well, 6 years later, we've gone from a $290 billion deficit to, in 1999, a $99 billion surplus—$142 billion next year—and we have cut the Government to its smallest size since Kennedy was President. But we have almost doubled investment in education and training for our children.

It was an idea, and it worked. And we've got the strongest economy in a generation, maybe ever, because the idea was right. And we had a lot of Members of Congress actually lay down their seats in the '94 elections because we didn't have a vote to spare, when our party took the lead on that kind of economic policy.

Then we had an idea about crime, that the Democrats were for law and order—we wanted to save streets; we wanted to save schools. And we knew from what was already beginning to work in a lot of our cities that what we needed was more police on the street and more guns off the street and out of the hands of kids and criminals. And we knew we needed to give our children something to say yes to, not just something to say no to.

And so we fought for the Brady bill, and we fought for the assault weapons ban, and

we fought for 100,000 police on the street. And the leaders of the other party said that it would have no effect on the crime rate, that nothing good would happen, that we would never see these police on the street, that no guns would be kept out of the hands of criminals because criminals didn't buy guns in gun stores anyway. I heard all that. And one of the reasons that our friends in the other party are in the majority today in the House is that they beat somewhere between 12 and 15 of our House Members, the NRA did, in 1994, scaring the living daylights out of rural people, saying we were going to take their guns away.

Well, 6 years later, we've got the lowest crime rate in 25 years; we finished putting 100,000 police out there—under budget and ahead of schedule; 400,000 gun sales have been canceled to criminals, felons, fugitives, and stalkers. And this is a safer, better, stronger country. We were right about that. And it's an important issue going forward—just like the management of the economy is.

I'll give you just two other examples—I could give you 10—where we had different ideas. We believed we could grow the economy and not just maintain but improve the environment. And a lot of people don't believe that to this day. But compared to 6 years ago, the air is cleaner; the water is cleaner; the drinking water is safer; the food supply is purer. We have immunized 90 percent of our kids against serious childhood diseases for the first time in the history of the country and set aside more land in perpetuity than any administration, except those of Franklin and Theodore Roosevelt.

And the economy is stronger. We did not hurt the economy; we helped the American economy by doing what was right by the environment. And we had to fight the other party to do that. There was an honest disagreement. That is relevant for us going forward.

In the area of education, we fought for tax cuts that would, in effect, open the doors of college of all Americans—$1,500 tax credit for the first 2 years of college, other tax credits for other years. We fought for better student loans and more work-study positions. We fought to hook up all the classrooms in this country to the Internet.

And now we're fighting to have a national ratification of what you're doing here in Chicago, with no social promotion but not blaming the children for the failures of the system, and instead giving them all access to summer school and after-school programs. I want to this year say we are only going to give Federal aid to education, to States and districts that end social promotion but don't dub the children failures, and give them the after-school or summer school programs and the support they need to succeed.

I'll just give you one last idea. We had an idea that we could best solve our social problems in this country, generally, not by asking the Government to do it and not by leaving the Government out of it, but by forming new partnerships with the private sector and with individual citizens. So we started AmeriCorps, the national service program. We said, we'll give young people some money to go to college if they'll give a year or 2 of the lives to serving in their communities.

I believe the young people, the so-called "Generation X-ers," were not selfish people, as they were caricatured. I thought they were passionately committed to the future of this country. And in 4½ years, we have had 100,000-plus volunteers for AmeriCorps—it took the Peace Corps 20 years to get that many. And the man who started it, Eli Segal, is here with us tonight, and I thank him for that.

Then I gave Eli another job. I said, "We're going to reform welfare, and we're going to say if you're able-bodied, you've got to go to work; but we don't want to hurt children." So we're going to say, "If you go to work, we will give you child care; we will give you medical care; we will give your kids nutrition; but you've got to go to work." And then I realized that not all these people would be able to go to work, because they had no real experience. No one had ever said, "Here's how you interview for a job; here's how you show up; here's how you relate to people at work." We had some serious problems there.

So I asked Eli if he would help me go out and challenge the business community of this country to actually take personal responsibility for hiring people off welfare. We started with five companies. Then we had

100. Then we had 1,000. In 3 years, he has gone from 5 companies to 12,000 businesses, hiring half a million people off welfare. And here's a little shameless plug. We're coming to celebrate this in Chicago on August 3d, and we need more help.

So what's the point of all this? The point of all this is, this country is doing well, but we all know there are still challenges out there. It seems to me that the Democratic Party is entitled to the benefit of the doubt of the American people. When we go to them in the Congress races, when we go to them in the Presidential race, we need to make it clear that there is a connection between the values and the ideas and the actions we have taken and the consequences we see in every community in this country.

And that is why we need your contributions and why we need your voice. This is not an accident. We cannot see this coming election as just sort of a—independent of the reality of the last 6 years. But our party also has a solemn responsibility between now and then in Washington to keep trying to get things done for the American people. We shouldn't be caught playing politics, waiting for the next election. Our belief is that we get paid by the American people every week, not just in the seasons where there is no politics—every week. They pay us to show up and produce.

That's why you heard me say yesterday we've got the new surplus, all right, here's my plan for Medicare: We'll make it stable until 2027; we'll provide preventive services for free—screenings for everything from osteoporosis to cancer screenings and all kinds of other preventive services; we will employ modern means of competition, but we will have adequate funding to keep the quality up; and we will provide a prescription drug benefit for the first time in history to our seniors. I think that's a big idea.

I also think that it is a big idea to take this surplus and say to our friends in the Republican Party, ''Can you have a tax cut? Of course you can. But first things first. First, let's save Medicare and save Social Security and pay the debt of the country off by 2015 so that our children and our children's children will have a stronger economy and a stronger society. Then there will be money left over; we can argue about what to do with it, and you'll have some that you can give in a tax cut. But let us save Social Security and Medicare and deal with the baby boom generation and pay the debt of the country off.''

Now, these are ideas. These things have consequences. So when people ask you, ''Why did you come tonight?'' I hope you say, ''Well, you know, Chicago took Bill Clinton to raise a long time ago.'' Or, ''He made a pretty good talk.'' I hope you say that. But I hope you'll be able to tell people, ''Look, I am a Democrat for the 21st century. Here are my ideas. Here is why I write checks to do this. This is what I believe in. And, oh, by the way, it works. It makes a difference. My children will have a better future.''

And I could go through issue after issue after issue. But if you just look at—you just look at the issue of Social Security, Medicare, and paying off the debt. Why should a liberal Democrat be for putting America out of debt? Here's why: Because we live in a global economy; and if we have no public debt, then the Government will not be competing not only with you, but with every poor, blue-collar worker of all races in this country, for money, for a home mortgage, for a car payment, for a credit card payment, for a college loan, for a business loan.

And if we don't have any public debt, interest rates will be lower in America, which means there will be more investment, more jobs, higher wages, and less debt for ordinary people. It means, furthermore, that the next time we have a global financial crisis, like we had in Asia 2 years ago, the United States will be less vulnerable, and our friends in the developing countries will be able to get more money at a lower cost because we won't be taking any away from them. And that's good, because as they get richer, they can buy more of our stuff. So I'm making a good Republican argument for my position here.

This is a big deal. You need to go tell—this is a huge idea. Do you know when the last time the country was out of debt? 1835. [*Laughter*] This is a big idea. And we can do it in a way that saves Social Security and Medicare. But liberals, as well as conservatives, should be for it, for the reasons I said—big idea—matters. It matters.

It matters whether we close this gun show loophole. The same crowd that said nobody, no crooks, bought guns at gun stores—and now they know they were wrong, because we've got 400,000 sales were canceled in 5 years—now they say that we shouldn't do background checks where they admit the crooks do buy their guns—not just gun shows, but also urban flea markets. And we're for it, and the leaders of the other party are against it. This is an important issue; this is a big idea.

Kids' lives are at stake—not just in scenes of carnage, like what happened at Littleton, but every day of the world, 13 kids die from gun violence—nameless, faceless kids you don't know because they die one and two at a time. A lot of them are poor kids in inner cities, that don't have any votes, any influence, nobody to speak up for them if we don't do it.

It matters. This is a big idea. This is not some trivial thing, that, oh, these parties are having a little dispute. This matters. And I believe we're right. And I think all the evidence is that they're wrong. And I could go through the environment and health care and the Patients' Bill of Rights and every other issue, and make the same case.

You go home tonight, and you just think about the three things I talked about. Think about the economy; think about Social Security and Medicare; think about education policy, what I said—what a difference it's made to Chicago, that you've finally got your schools getting juiced up again because somebody believes that all kids can learn, and somebody believes that kids should be held to high standards, and there are consequences, and you don't just get patted on the back whether you know what you're supposed to know or not—but we don't point the finger at kids and call them a failure when the system is failing them.

You just think about this stuff. It matters what you do in life. Politics is no different than your family life, no different than your business life, no different than your school life. This matters. And on the great ideas of the age, we have been right in preparing America for the 21st century. It's not Bill Clinton being President. It is, we have a party that is best for all the American people, that has become a party of permanent change, of restless, constructive, positive change.

And this is a better country because of that, because people like you are thinking about tomorrow. You know, nearly everybody here would be better off—in the next 6 months, in the next year and a half—going to a Republican fundraiser. I mean, they'll give you a bigger tax cut than we will. [*Laughter*] They will. You'd be better off in the next year and a half going to a Republican fundraiser. It wouldn't be—the house wouldn't be as interesting as this. [*Laughter*]

You know, the people that were good enough to serve us dinner tonight, they're the ones that we're going to help immediately. We're trying to make sure their parents can afford to have prescription drugs so they don't have to bankrupt their kids and their ability to raise their grandkids. We think we ought to raise the minimum wage. We think their kids ought to be able to go to college.

But most of you who paid to get here tonight would be better off in the short run if you were over with the Republicans. But you aren't because you know that in the long run—and in the not-so-very-long run—people who think about what's best for all Americans, and how we reach across the lines that divide us, and how we think about our children's future—that is what is best for us.

If I told you—suppose you'd all been here with Lew and Susan, back in 1991, and I'd said, "Now here, folks, I want you to vote for me for President." Just keep in mind, 1991—we're in this big old creaking recession, and everybody is feeling bad, and there's about to be a riot out in Los Angeles in a few months. And I said, "Now, I want you to vote for me, and in 7 years you'll have nearly 19 million jobs and the longest peacetime expansion in history and a $100 billion surplus and trillions expected in the surplus over the next 15 years. And we'll be able to solve the problems the baby boomers present to Social Security and Medicare. And along

the way, we'll have a 25-year-low in crime, and we'll cut the welfare rolls in half. And we will be a leading force for peace from Bosnia to Kosovo to the Middle East to Northern Ireland. And we will have extra money to make sure we're working hard to be prepared for the security problems of the future. But we will double our investment in education, clean up the environment, and we'll be moving this country forward.''

If I'd told you all that, you'd have said, ''There's another lying politician if I ever heard one.'' [*Laughter*] Wouldn't you? You would have said, ''That kid needs to go home to Arkansas. He's, you know, he's not living in the real world.'' We did better that I thought we could. Why? Because we didn't do it alone. All we did was to unleash the incredible potential of the American people, and give everybody a chance.

So I say to you, I thank you for being here. I thank you for what you've done for me, for Hillary, for Al and Tipper. I thank you for what you will do. But don't kid yourself; part of the reason that we've done as well as we have is that people like you with good values and good common sense, with an ability to see the future, had the right ideas. And you hired us, and we turned them into action. And when you go home tonight and you go about your business tomorrow, and people ask you why you came and why you're a Democrat, you tell them, ''Because we've got good ideas, and they've changed America for the better, and here's what we want to do tomorrow and next year and in the new century.''

Thank you, and God bless you.

NOTE: The President spoke at 8:07 p.m. at a private residence. In his remarks, he referred to Joseph J. Andrew, national chair, Beth Dozoretz, national finance chair, Democratic National Committee (DNC); former DNC chair David Wilhelm and his wife, Deegee; dinner hosts Lewis and Susan Manilow; Lou Weisbach, chief executive officer, HA–LO Industries, Inc.; Fred Eychaner, president, Newsweb Corp.; former Senator Carol Moseley-Braun; John Schmidt, former U.S. Associate Attorney General; Neil Hartigan, former State attorney general; and attorney William S. Singer, member, Advisory Commission on Holocaust Assets in the U.S.

Memorandum on the Organization for Security and Cooperation in Europe

June 30, 1999

Presidential Determination No. 99–31

Memorandum for the Secretary of State

Subject: Eligibility of the Organization for Security and Cooperation in Europe to be Furnished Defense Articles and Services Under the Foreign Assistance Act and the Arms Export Control Act

Pursuant to the authority vested in me by section 503(a) of the Foreign Assistance Act of 1961, as amended, section 3(a)(1) of the Arms Export Control Act, and section 422 of the Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 (as implemented by Executive Order 13029 of December 3, 1996), I hereby find that the furnishing of defense articles and services to the Organization for Security and Cooperation in Europe will strengthen the security of the United States and promote world peace.

You are authorized and directed to report this finding to the Congress and to publish it in the *Federal Register.*

William J. Clinton

NOTE: This message was released by the Office of the Press Secretary on July 1.

The President's News Conference With President Hosni Mubarak of Egypt

July 1, 1999

President Clinton. Good afternoon. I'm delighted to welcome President Mubarak back to the White House. He is our longtime partner in building a safer and more peaceful world.

Once again, we now have a real chance to move the peace process forward in the Middle East. Egypt has been central to that process and to all the progress which has been made since the Camp David accords over 20 years ago. Egypt will continue to play a leading role to address the important tasks ahead, building on Oslo, Wye River implementation, reaching a permanent status

agreement between Palestinians and Israelis, widening the circle of peace to include agreements with Syria and Lebanon, revitalizing talks between Israel and the Arab world on a host of other important issues from the environment to water resources to refugees to economic development. There are, to be sure, major challenges ahead, but the will of the people for peace is strong.

President Mubarak and I also discussed our common determination to fight terrorism in all its forms.

With regard to the peace process, let me just say one other thing. The best way for the Israelis to have lasting security is a negotiated peace based on mutual respect. That is also the best way for Palestinians to shape their own future on their own land. A negotiated peace is the best way for all the people of the region to realize their aspirations.

Let me just say also that over the last two decades, under President Mubarak's leadership, Egypt has done much to fulfill the aspirations of its people. Economic growth has been strong and sustained; inflation has been held in check; the GDP per person has increased by a factor of five. Egypt is building a modern infrastructure in roads, powerplants, communication systems. Civil society has grown, with work ahead to strengthen it, so that all Egyptians participate in building a better future.

Among the reasons for all this progress, two stand out—both advanced by President Mubarak's wise leadership. First, Israel's—excuse me—Egypt's deepening peace with Israel; that has freed resources and energies of the people. A broader regional peace will be good for prosperity, for progress, and for freedom.

Second, Egypt's economic reform, with expansion of the private sector and free markets. The work of President Mubarak and Vice President Gore on our U.S.-Egypt partnership for growth and development, which they will advance later today, has been crucial. The President is committed to continuing the reforms, and America will continue to help.

Today we discussed a number of other issues. I'd like to mention just one, Kosovo. I am profoundly grateful to Egypt for supporting the stand taken by NATO. Already, more than half the refugees have returned to Kosovo. There is still much work to do, and I thank Egypt for its commitment to provide Egyptian police officers for the civilian police implementation force there.

But we have made a powerful statement together. The future belongs to those who reconcile human differences, not those who exploit them. The future belongs to those who respect human rights, not those who destroy people because of their religion, their race, or their ethnic background.

I hope we can carry some of the momentum from what we have achieved in Kosovo to the Middle East, as we seek there to promote tolerance and a durable peace. As we do, the leadership of President Mubarak, as always, will be critical.

Mr. President, welcome. The floor is yours.

President Mubarak. Thank you. Good afternoon, ladies and gentlemen. I was very pleased to see my friend President Clinton and exchange views with him on matters of common concern. As usual, our talks this morning reflected the similarity and the convergence of our views. We value our solid friendship with this great Nation and consider it one of the pillars of our policy.

For decades, we have been working together in order to bring about peace and reconciliation in the Middle East. President Clinton has been playing an active and very effective rule. Under his leadership, the American contribution to the cause of peace has reached a new high. His continued involvement is appreciated by those of us who are committed to peace in the region.

In the months ahead, we'll be looking forward to reviving the peace process, which has been stalled for sometime. Unfortunately, valuable time has been wasted. Today, there's an opportunity which should not be missed. We shall work closely with the U.S. and coordinate our joint efforts in order to have the parties break the stalemate and restore movement towards peace.

Recent events indicate that most of the region's inhabitants are yearning for peace. We shall be working with President Assad, Prime Minister Barak, and Chairman Arafat, respectively, with a view to creating the necessary atmosphere for resuming the peace process without delay. I'll be meeting with each of them in the near future for this purpose.

Agreements which have been signed on the Palestinian track must be implemented fully and in good faith. Provocative actions, especially settlement activities, should be stopped altogether. This will pave the way for starting final status negotiations. In parallel, negotiations should be resumed on the Syrian track. There are signs that the ground is favorable for that. It would be a mistake to assume that movement should be confined to one track at a time. Progress on each track facilitates movement on the other. The goal is to achieve just, comprehensive, and stable peace in the whole area.

In that context, we were alarmed by the recent Israeli bombing of civilian targets in Lebanon. Such actions only poison the atmosphere in the region. They create an erosion of the people's confidence in the process at the time when we are working hard to encourage the parties to take confidence-building measures. We call upon Israel to apply maximum self-restraint in the crucial months ahead.

As tangible progress is achieved towards peace, we can work for enhancing cooperation and interaction in the region. Egypt was a country that initiated the peace process, and we remain most willing and determined to do all we can to help bridge the gaps and restore confidence between the parties.

We also discussed some other regional and international problems, notably African issues, as well as matters related to cooperation between countries of north and south.

I commended President Clinton on the success of the American role in bringing about peace and security in Kosovo. We hope that the events that took place in that part of the world will convince all those concerned of the necessity to abide by the rule of law and respect the human rights of all peoples. We are aware of the fact that much has to be done to help the refugees and to prevent any recurrence of ethnic, religious, or cultural violent conflicts. On our part, we will contribute to international forces as being assigned the task of maintaining security and order in Kosovo.

As we are about to enter a new era, with the dawning of the new millennium, we must spare no effort in our quest for peace and security. For all nations, global problems that threaten the future of mankind ought to be addressed with vigor and determination. In all these endeavors, we shall cooperate with our partners and friends, among whom the U.S. figures very prominently.

Our bilateral cooperation is expanding every year, and it will continue to grow. This is a goal both of us are committed to. The Clinton administration has done much in this respect, and the President's personal involvement in this process was and continues to be most appreciated by the Egyptian people.

Before I conclude, I would like to send a message of friendship and affection to all Americans. Thank you very much.

President Clinton. Thank you, Mr. President. Now, as is our practice, we will alternate between American and Egyptian journalists.

Helen [Helen Thomas, United Press International], you go first.

Q. I'd like to ask both Presidents questions. President Clinton, do you have any new ideas for breaking the stalemate in the Middle East? And with the advent of our own Independence Day, when do you think Lebanon will be free and independent and rid of a longtime occupation?

President Mubarak, do you think the new Israeli Government will make a gesture toward halting the settlements?

President Clinton. Well, let me answer the questions you asked me first. I do think that the time is right, but I think that before I advance publicly any ideas, I should have a chance to meet with the Prime Minister-elect, Mr. Barak, when he—according to the reports in the press this morning, he has constituted a government on quite a broad base. We should give him more freedom of movement to move aggressively ahead.

Our role, traditionally, has been to try to create the conditions and provide the support necessary for the parties to make peace, and I expect that he will have ideas of his own

about that. And so I think that the appropriate thing for me at the moment is to look forward to our meeting, which I hope will occur in the near future, and then after that, after I talk with him, to make whatever statements are called for at that time.

On the question of Lebanon, I think our position on that has always been clear. We believe that a comprehensive peace in the Middle East should include not only an agreement with the Palestinians and an agreement with the Syrians but also an agreement which includes Lebanon and promotes its independence and integrity.

President Mubarak. The question about the settlements you mean? I think the time now is—at least, to improve the atmosphere in the area, to stop building the settlements now until the negotiations start. Then the Palestinians and the Israelis could sit and find out what could be done. This is, I mean, a step for improving the atmosphere between the two groups.

President Clinton. Would you like to call on one of your journalists?

President Mubarak. Yes.

Q. Thank you. The question is for President Clinton. I would like to follow up on Helen's question on the settlements. President Clinton, in 1991, when you first were running for the Presidency, you made a pledge never to criticize Israel publicly. However, your administration expressed its dissatisfaction with Israel's settlements activities by describing them as an obstacle to peace.

However, 23 new settlements have been built since the signing of the Wye River accord. Would you be willing, your administration, would be willing to tell Israel to stop building the settlements, the new Israeli government, to stop building the settlements and undo the wrong that has been done? Thank you.

President Clinton. Well, I think our position on the settlements has been clear. We don't believe that unilateral actions by any parties, including other interested parties like the United States, which compromise the capacity of the parties to the Oslo accord to reach agreement on final status issues, should be taken. And that includes provocative settlement actions. We have made that clear and unambiguous.

But I do not believe—the Israeli people just had a huge election, a big election, and they voted in very large percentages in ways that almost every commentator has concluded sent the signal that they were ready to pursue the peace process to its conclusion. They now have a Prime Minister-elect who has just completed his government. He is coming to see me in the next few days. I think the less I say until I see him, and until we see if we can embrace a common posture toward making a peace, the better. But my views on the settlement question are well-known and have not changed.

Yes, Terry [Terence Hunt, Associated Press].

2000 Election and Campaign Finance Reform

Q. Mr. President, Governor Bush has raised a record breaking $36 million, more than ten times his closest rival for the Republican nomination. Do you think he's wrapped up the nomination, or is wrapping it up? And if he decides not to accept Federal campaign money and the spending limits that go with it, as appears increasingly likely, do you think that would be a blow to campaign finance reform?

President Clinton. Well, first of all, I don't want to get into being a political handicapper, so I can't say—how do I know what the Republicans are going to do in their nominating process? I don't have a clue.

But I would make two observations. First of all, the leadership of the Republican Party, in general, are unanimously hostile to campaign finance reform. They don't believe in it. And so, if he did that, he would have that in common with the other leaders, who won't permit us to bring the McCain-Feingold bill to a vote, or to try to pursue what I believe are needed changes in the campaign finance laws. So that is one thing that—that's just where they are, and they're very forthright about it. And the American people are going to have to make up their minds whether this is an important issue to them or not.

But I would make one point, generally. I think the most valuable commodity in an election in a democracy, in which you will

cover the candidates extensively—even more valuable than money—is ideas. And I think the most important thing, therefore, that I have seen in this election so far is that Vice President Gore is, nearly as I can determine, the only candidate of either party who has yet actually told the American people what he would do if he got elected.

And I think that if you look at the 1998 elections, for example, it's a good example that in a democracy which has a vigorous media publicizing what people are doing and saying, money may be important, but ideas are even more important.

World Summit on Terrorism/Middle East Peace Process

Q. My first question is for President Mubarak. You've been suggesting for some time the preparation of a world summit on terrorism. Did you discuss your ideas on this issue with President Clinton? And, Mr. President, do you have a specific plan for dealing with this international threat?

And for you, President Clinton, to carry on with the peace process, how do you plan to work really on the peace process as you approach the next, best and maybe the happiest, 18 months in the Clinton administration? [*Laughter*]

President Clinton. Well, being at peace would be a good start. [*Laughter*]

President Mubarak. I've already discussed this issue about international terrorism with the President, as well as I have discussed it with other heads of states, but mainly here with President Clinton I did this issue. I'm saying that in the coming century the most dangerous element is not the war program of this or that; it's terrorism spreading all over the world.

Sometimes when the terrorism starts, when I start speaking about terrorism sometime, I was told, ''Oh, because of some kind of incident, you're speaking about terrorism.'' Now terrorism is spreading everywhere in the world. It's a very dangerous phenomenon. And a summit, and if it's well prepared before it—I think the whole world will suffer from terrorism. War is much more easier than terrorism. Terrorism, you never know when the attack is going to take place. But war is planned, and you know its limits.

That's why I discussed with the President, and I hope we could reach a summit, and before the summit there should be very thought-out preparation with a technical group to see what kind of agreement could be reached in the whole world under the U.N.

President Clinton. We discussed this issue quite extensively. And this has been a subject of great concern to me. It's one thing we've shared over the last 6 years. A few years ago, I gave a speech at the United Nations, at the opening session, about terrorism and asked that we focus on it.

We have asked the Congress to provide substantial resources to look into what else we can do to fight terrorism, to deal with the threats of biological and chemical weapons and the prospect that they might get into the hands of terrorists. We have to consider the prospect in the future that, as the President said, the most serious security threats to nations will not be from other nations but from terrorist groups that cross national borders, and that may well form, presently, unprecedented allegiances with other illegal groups, organized crime groups, drug traffickers, weapons profiteers.

And so I think that all the nations of the world that are interested in stability and peace for their people are going to have to have a much higher level of cooperation on these issues. So I'm for doing anything that can be done to increase that.

Now, you asked me about the Middle East peace process. Let me just say again, our role has never been to dictate to either party the terms of the peace. Even though we have many Arab-Americans and many Jewish Americans in this country, we do not live in the Middle East. The people of the Middle East live there, and they have to work out the terms of their own reconciliation.

What we have always tried to do is to keep the parties working together and then to do whatever was necessary to provide the support that the friends of peace need, and if the process seemed in danger of failing, as it did before the Wye River 9½ days and sleepless nights, to do what could be done to keep it alive. But I think that the people of Israel have sent us a loud message that

they want the process to be kept alive and they want it to be seen through.

So we're in a period of transition now. Let's let the Prime Minister, the new Prime Minister-elect, get his government in place, take office, come to see me, talk to President Mubarak, and talk to all the other parties and see where we go from there. But those of us who are friends of the peace process in the Middle East should focus on successful resolution of it. And sometimes, the less we say in public, the more likely we are to have a positive impact on the outcome of the negotiations.

Q. On Northern Ireland——

President Clinton. Larry [Larry McQuillan, Reuters]? Yes, I'll take an Irish question. Go ahead.

President's Relationship With the Vice President/Medicare

Q. President Clinton, as you're aware, there have been reports of tension between you and Vice President Gore. And I wondered if you could comment on your relationship. And are you resigned, as the campaign goes on, that, inevitably, you're going to be at odds on certain issues and disagree with the Vice President, and for that matter, assuming your wife decides to run for the Senate, perhaps on Medicare and New York issues?

President Clinton. Well, that's substantive question—I'll be glad to answer that if you want. But let me say, I have been, frankly, bewildered by those reports. Only one person ever asked me about it directly, one of your number, and that was Wolf Blitzer, in an interview I did before I left my European trip at the G-8. And I gave him a very good answer, which was that I thought that the Vice President had done a good job in his announcement; I thought the most important thing he had done is—I'll say again—is to tell the American people what he would do if he got the job and to pose the choice that I think is before them which is do you want to go beyond—build on and go beyond the successful direction of the last 6½ years, or would you like to turn around and go back and take a different course.

And so I think he's doing fine. I honestly do not know what the source of the stories are, but they are not in my heart or my mind. I want him to get out there, and if he disagrees with the decision that I make as President during the next year and a half, then, of course, he will have to say so. And I will take no offense at that. And if my wife decides to run for Senator from New York, then some of the disagreements that we've had in the past over decisions I've made as President she may be constrained to state publicly because they will be relevant to the future. And that's the way a democracy works.

You know, members of a political party, whether Democrats or Republicans, belong to the political party because they share a general set of values and a general approach, and because they agree on almost all things, not because they agree on all things. It would be a dreary world, indeed, if we all agreed on everything. And I didn't ask Al Gore to become Vice President so that he would agree with me about everything. Nobody with a fine mind and a lot of experience and looking at the world we live in would agree with anyone else with the same qualities on every issue. It just wouldn't happen.

Now, on the merits—let me say on this Medicare issue—there have been many people—not just in New York with the teaching hospitals, but there are rural hospitals; there are home therapy providers; there are others—who have felt that the budget savings, the cuts in the '97 Balanced Budget Act, were too severe and made it difficult for them to maintain quality of care. One such group are the teaching hospitals. There are a lot of them in New York who take care of a lot of poor people, but there are a lot of them in Massachusetts, a lot of them in California, and there is at least one in every State in the country.

When we put out our Medicare plan, we, therefore, did not continue all of the cost savings in the '97 Balanced Budget Act beyond the period when they run out. We actually left some of them off to try to alleviate that pressure. The second thing we did was to create a fund, a quality fund, of about $7.5 billion, which the Congress can use to debate and allocate to alleviate present problems.

So I would encourage the Senators from New York, or anyone else who's concerned about this, to bring those concerns, bring the

facts to the table, get it out in the open, then embrace the idea of Medicare reform, pass that fund, and then allocate it as it should be allocated. Because I do think that's a legitimate issue.

Iraq/Kosovo/Middle East Peace Process

Q. For President Mubarak. Have you discussed the issue of Iraq, and how close or distant American and Egyptian positions are? For President Clinton, Mr. President, I'd like to congratulate you on your success and resolve on Kosovo. And from your statement, you referred as one of the criteria for success, the return of refugees. Will you work—the return of refugees, Kosovars, to their homes—will you use the same criteria in the Middle East, that the Palestinian refugees and displaced will come back to their homes? Thank you.

President Clinton. That's really good. [*Laughter*] That's really good. [*Laughter*]

President Mubarak. Well——

President Clinton. You called on him. [*Laughter*]

President Mubarak. I didn't know what was the question. [*Laughter*]

Really, for the first part of the question, about Iraq, really, our position didn't change at all. We are looking forward, how to help the people of Iraq under any circumstances. I have discussed this with the President, and I think that the resolution in the U.N., and I think maybe some improvement in it in the near future, may lead to helping the people of Iraq for medicine, food, and other things. And I hope that something can conclude in that direction—discussed this with the President.

President Clinton. Let me say, our position on Iraq is that we favor the proposal before the United Nations advanced by the British and the Dutch. It would provide for more money to Iraq to help the people there, with their human needs. But it would maintain a vigorous arms control regime, because we do not believe that Saddam Hussein should be permitted to develop again weapons of mass destruction.

And I would remind everyone that he has actually used weapons of mass destruction. He has used chemical weapons on the Iranians. He has used them on his own people, on the Kurds that live in Iraq.

So I think that we have a balanced position. But I have never wanted the Iraqi people to suffer because of their leader. And I think we supported a relaxation of the way the funds flow there so that more can go to benefit the people. But I do not believe we should give up on an attempt—an insistence, indeed, that the United Nations, in return for this, maintain an arms control regime.

Now, on the refugee question, let me say one brief question about Kosovo because I do appreciate the interest in Kosovo in Egypt and in other countries of the region. About half the refugees have gone home. They're dying to go home. And one of the reasons that NATO was determined to act is, we knew if we acted quickly enough that the refugees could go home and most of them would wish to go home.

Even in Bosnia, where the war went on from—the conflict, from 1991 until 1995, there were many people who had established other lives in other places and did not want to go home. There are still a lot of refugees who have not gone home in Bosnia.

So I'm delighted that the Kosovars are pouring in. The truth is that we've actually tried to slow it down a little bit because we're worried about the landmines and other explosives which might be there, and we want it to be safe for them and because we're tying to get organized to help everybody rebuild their homes and the basic infrastructure of life so that once they do go home they can actually live and do well.

Now, that brings you back to the refugee question you asked in the Middle East. I think that the important thing is, if we have the right kind of a peace agreement—that's why I say—no one can accuse me of dodging Middle East questions. I've been up to my ears and eyeballs in this peace process since the day I took office. But if you just look at it as a practical matter, the agreement that is made in the end, whether refugees go home depends in part on how long they've been away and whether they wish to go home. It will also depend on what the nature of the settlement is, how much land will the Palestinians have, where will it be, how does it correspond to where people lived before.

And I would like it if the Palestinian people felt free and more free to live wherever they like, wherever they want to live. I would also like it very much if we could help those countries which have borne a heavy burden, particularly Jordan, where a majority of the population is now Palestinian, to build a better life for the people who are there, because they have a lot of very serious economic challenges. They have a fine new King who is an able person, and we're trying to help and we want others to help. But I think it will depend upon the refugees themselves, and it will depend upon the shape of the final agreement.

Ask the Irish question if you want.

Northern Ireland Peace Process

Q. Thank you, sir. Several questions on Northern Ireland. What is the latest—[*laughter*]—sorry.

The President. They're learning from you now. [*Laughter*]

Q. What is the latest update you can give us about your activities? Do you plan to make an emergency trip over there? Do you blame either side for the impasse, and what constructive suggestions can you convey to us at this juncture?

President Clinton. Well, I have been—for the last couple of days, particularly, we've been in virtually constant contact with the parties there. And I spent a lot of time on it yesterday and late, late last night, and this morning early. They are in negotiations as we speak. The mood seems to be reasonably positive, and they are exploring some new ideas. I offered my suggestions for a possible resolution of the sticking points, with the benefit of all the folks on our national security team who have been working on that.

And I'll say this, it is a very difficult problem for the parties, but it will be very hard for the world to understand if this breaks off, since everyone has agreed to the fundamental elements of the Good Friday agreement. Both sides agree that they have to comply with every bit of it. There was an election where the Irish people voted for it. Then there was an election where the Irish people voted for leaders under it.

So if you have a situation where you've had two elections ratifying a peace agreement and you have all the leaders saying that we all have to comply with every element of it and it falls apart over sequencing, I think that it would be—to call it a tragedy would be a gross understatement. But it is a very difficult thing—it would take 30 minutes to go through the whole litany of why. But they are working now. They are exploring some new ideas, and they do seem determined to work it through to a positive conclusion.

Would you like to take one more?

Middle East Peace Process/Iraq

Q. Thank you. President Clinton, you talked about the 9½ days at the Wye Plantation. We know you tried; God knows you tried, but you failed, sir. [*Laughter*] What makes you think that——

President Clinton. I got an agreement. It wasn't my job to implement it. It has not been fully implemented. The agreement, itself, was a success.

Q. That's correct, sir, but your officials—[*laughter*]——

President Clinton. That's all right. They tell me I've failed every day. It's quite all right. [*Laughter*] You just save them the trouble today. Go ahead.

Q. Your officials used to speak about CBM, confidence-building measures. The Palestinians did their part, even Netanyahu thanked Arafat at one stage. But let's say you failed in convincing the Israelis to reciprocate and do the same. What makes you feel that this time around you would be more successful, sir?

My question to President Mubarak: Sir, how does Egypt view any external interference in Iraqi internal affairs from whatever source it comes? Thank you.

President Mubarak. I've failed also this time. [*Laughter*]

President Clinton. Yes, they zinged you this time.

Let me say, I think, with regard to Wye, obviously, I think its conditions should be honored, because it's like any agreement between two parties—unless both parties agree that the agreement should be modified, then it should be honored.

I believe that historians, when they look back on this period, will conclude that the principal difficulty that Mr. Netanyahu had

was the nature of his coalition, and because it was small enough—his majority was so small and it included people who were so hostile to the peace process, that no matter what he tried to do, they could always threaten to bring him down.

Now, the reason I think it will be different now is, number one, Prime Minister-elect Barak was a much more open and heartfelt supporter of the Oslo process. He has—you remember, I think his first public event after his election was to visit the gravesite of our friend Prime Minister Rabin. But number two, he got a big vote from the people of Israel with peace being the major issue.

And number three, he has constituted a government—apparently, from the morning press—with quite a large voting majority in the Knesset, obviously geared toward the peace process, because the parties have deep differences, in his coalition, over domestic policies unrelated to the peace process.

So for those reasons, I think the chances of success are now greater. And therefore, I think that all of us should try to restrain our comments about specifics until we talk to the Prime Minister-elect and we can form a common strategy.

President Mubarak. Concerning the interference in the internal affairs of Iraq, you know our principle from the beginning; we never interfere in the internal affairs of Iraq. If there is any change in the Government of Iraq, it should come from internally, not from outside. This is our principle which has been adopted all our life with any country in the world.

Press Secretary Joe Lockhart. Thank you.

President Clinton. One more, go ahead.

Q. On Russia?

President Clinton. One more.

Q. What if I say I'm going to leave? [*Laughter*]

President Clinton. I'll give you a question. [*Laughter*]

Bill Bradley

Q. Mr. President, when you were asked about George W. Bush and the Republicans a few moments ago, you deferred, pleading ignorance. Perhaps I could ask you about the Democrats. When you said that Al Gore is the only one in the race on either side of the party who has been talking about ideas, clearly that represents a dig not merely at the Republican candidates, but also former Senator Bill Bradley as well. So let me ask you about his candidacy, sir, if I may.

Number one, do you believe that he's as qualified as is the Vice President to be President of the United States? And number two, how do you explain, in your own mind, when you heard the figures yesterday showing that the Vice President raised less money than he'd hope for and Bill Bradley appears to have raised more?

President Clinton. Well, first of all, I'm not going to talk about their fundraising because I don't think I should be a political handicapper. But anyone who understands Senator Bradley's career and life story would not be particularly surprised by this. I certainly wasn't. And I don't think it's accurate to say the Vice President has raised less money than he hoped for.

On the other question, it wasn't a dig at Senator Bradley. He has said, himself, that he has not laid out his case for being President and said that he wants to wait until the fall to do it. That's what he said. I'm not digging him. I have nothing bad to say about him. That's a fact.

But I, personally, have always believed that you should begin by saying why you want the job, because you're asking people to hire you to do things. And I think the Vice President deserves a lot of credit for doing that. That's my view. But you can't read that as a dig at Senator Bradley because he, himself, said, "In the fall, I will tell you what it is I intend to do." That's his position.

Q. And do you think he's as qualified as the Vice President, sir?

President Clinton. I think the question—the American people will have to decide who's qualified and who's not. There is nobody in the race who is running or who could run who has had as much experience in as many different ways. He's had both legislative experience and executive experience. Besides that, he's been a journalist, the Vice President; you've got to think that counts for something. [*Laughter*] So he's been a journalist; he's been in the executive branch; he's been in the legislative branch. He has vast

experience in foreign policy, in arms control issues, and vast experience in domestic policy. And maybe even more important than experience, the ideas that he's advanced have made America a better place. So if results counts and experience counts, then he has quite a good resume.

And I don't have to make comparative judgments about the other candidates to say that. No one has anything like that level of experience, with that level of positive impact on the people of our country. Those are just, I think, indisputable facts.

Q. How about one more?

President Clinton. You want to ask one more Egyptian? Equal time.

Middle East Peace Process

Q. I have a question for President Mubarak and one for President Clinton. Sir, at this moment, Prime Minister-elect Ehud Barak is forming his government in Israel. What should be, with so little time before the next American elections, which are just around the corner, what would be——

President Clinton. Seventeen months? [*Laughter*]

Q. What would be perhaps the one thing or one message you would direct towards Mr. Barak as a step that should be taken as soon as possible to revive the peace process?

And President Clinton, your comment on President Mubarak's statement?

President Mubarak. Is the question directed to me?

Q. Yes, first, Your Excellency.

President Mubarak. I think I have already mentioned that in the comments I started with there should be some steps to make that feel much far better and to start the peace process. Eighteen months is quite a lot; we could achieve in one year so many things. The peace process was already started years and years ago. The Palestinians have signed some agreements. If Mr. Barak—and I'm sure that he's going to do it—starts implementing the Wye agreement, for example, makes some steps for the settlements, I think the process will move. And we hope that we could finish or reach a final status in one year. One year and a half is quite a lot of time for negotiations.

President Clinton. I agree with that. It doesn't have anything to do with the time left I have on my term. My advice would be—let me go back to 1993 when I became President. Our biggest problem was the domestic economy was not doing well and we had a $290 billion deficit, and there was no easy way to close it. And we presented an economic plan to the Congress that passed by only one vote in both Houses. It was very controversial; it was very difficult, I think in that sense, politically, internally, was perhaps more controversial than making—than in Israel going forward with the peace process maybe now, given the vote in the last election.

I think it's better, if you know you've got to do something without which you cannot succeed in serving your people in the long run, it's better to do it sooner rather than later—generally. That is generally true. And if it is going to be difficult and there are tough consequences, it's better to take them early rather than later. That is just a general rule. Because, otherwise, if you don't do it, you may never get around to doing it, but it won't get any better. It will just get worse and worse and worse.

So it's better to just take a deep breath and go on and do what you think has to be done. That's what I believe.

Press Secretary Lockhart. Thank you.

President Clinton. First—next question, I'll give you—next time we come, I'll give you the first one, after we do the roll. I've got to go. Thank you.

President Mubarak. Thank you very much.

President Clinton. Thank you.

NOTE: The President's 177th news conference began at 1:47 p.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. In his remarks, President Clinton referred to Gov. George W. Bush of Texas; CNN senior White House correspondent Wolf Blitzer; President Saddam Hussein of Iraq; King Abdullah II of Jordan; outgoing Prime Minister Binyamin Netanyahu of Israel; and former Senator Bill Bradley. President Mubarak referred to President Hafiz al-Asad of Syria; and Chairman Yasser Arafat of the Palestinian Authority. Both Presidents referred to Prime Minister-elect Ehud Barak of Israel.

Remarks on the Charters of Freedom Project

July 1, 1999

Thank you very much, ladies and gentlemen. As you might imagine, this is a very special day for Hillary and for me, in a signal honor for us to have the chance to serve at this moment. I want to thank John Carlin for his faithful stewardship of these great documents; thank my friend Mike Armstrong for his generosity and for calling on others in the business community to help in this endeavor; thank Secretary Riley and NASA and the Department of Commerce for working with the National Archives in designing and developing the new encasement that will house our charters. I thank the Center for Civic Education for their efforts to teach our children the importance of history.

I'd like to thank these young people who are here who read—first they helped us recite the Pledge of Allegiance, and then they read from our founding documents. And I thought that young man did a remarkable job introducing Hillary. I thought they were all great. Let's give them a hand. [*Applause*]

And I would like to say a special word of appreciation to Congressman Ralph Regula for his leadership and for proving that this is one issue which is not a partisan issue. This is an American issue. And I'm very grateful to him for his leadership in the United States Congress on this.

On July 4, 1776, King George of England wrote in his diary, ''Nothing of importance happened today.'' Now, even making allowances for the absence of world news and the Internet, His Majesty's diary entry stands as one of the more inaccurate statements ever written. [*Laughter*] We all know that those who put their names to the Declaration of Independence changed the world forever.

Before then, liberty had been a rare and fleeting thing in the course of human history. Citizens of ancient democracies enjoyed it but let it slip from their grasp. So the Founders labored mightily to craft a Declaration of Independence, then a Constitution and a Bill of Rights that they hoped would help America to beat the odds and keep liberty alive.

Two hundred and twenty-three years later we can safely say they succeeded not only in keeping the liberty they created, in fact, alive, but in moving ever closer, generation after generation, to the pure ideals embodied in the words they wrote.

Today, our liberty extends not just to white men with property but to all Americans. Our concept of freedom no longer includes the so-called freedom to keep slaves or extract profit from the labor of children. And our Constitution is the inspiration behind scores of democratic governments around the world, from Japan to Poland to Guatemala to South Africa.

Each generation of Americans is called upon not only to preserve that liberty but to enhance it; not only to protect the institutions that secure our liberty but to renew and reform them to meet the challenges of the present with an eye for the future. The renewal of our generation—in our economy, our social fabric, our world leadership for peace and freedom—is well symbolized by the project we celebrate today, employing the finest minds and latest technologies to preserve these charters of freedom for generations yet unborn.

When Hillary and I first realized that the turn of the millennium would occur while we were in the White House, we knew we had an obligation to mark it in ways that would be good for the country—in her words, ''by honoring the past and imagining the future.''

What we do with these hallowed pieces of parchment, all Americans can do with the important historical treasures that exist all around them, in their attics, their parks, their townhalls. Saving America's treasures is not about living in the past. It is about conveying to future generations the American story in all its texture and richness and detail, about fulfilling our duty to be good ancestors, about catching the spirit Thomas Jefferson had in his later years, when he became devoted to preserving desks and chairs and other ordinary things from his extraordinary times. ''These small things,'' he wrote, ''may perhaps, like the relics of Saints, help to nourish our devotion to this holy bond of Union and keep it longer alive and warm in our affections.''

I want to thank, first and foremost, Hillary for leading this effort, which has already accomplished so much, from restoring the Star-Spangled Banner to honoring our great artists, thinkers, and scientists. I look forward to walking on some of those 2,000 Millennium Trails we'll build together, and to naming more and more Millennium Communities.

We can all take pride in our efforts to renew our national treasures, for in a larger sense, the story of our Nation is the story of constant renewal, the realization that we preserve the ideals embodied in these documents not simply by revering them but by reaffirming our commitment to them. Each generation must widen the circle of opportunity, deepen the meaning of freedom, and strengthen the bonds of our community.

"We hold these truths to be self-evident, that all men are created equal." We fought a war of revolution to make those words real in 1776. We rededicated ourselves to that proposition in 1863, recognizing that the bright words of the Declaration could not abide the stain of slavery or endure the breaking of our Union. We rededicated ourselves at the coming of the industrial age, when we recognized that new measures were required to protect and advance equal opportunity and freedom. We rededicated ourselves again in 1920, when we ratified the 19th amendment, granting women the right to vote. We saved those ideals in World War II and for millions upon millions of people in the cold war. We rededicated ourselves again in 1963, hearing and heeding Dr. King's dream that one day, the sons of former slaves and the sons of former slaveowners would one day sit down together at the table of brotherhood.

Today, at the coming of the information age, we rededicate ourselves yet again. Thank God our challenges are not those of depression or war, but those brought on by this hopeful and remarkable explosion in technology, by the globalization of our economy, by all the changes in the way we work and live and relate to each other and the rest of the world.

To keep our ideals alive, we must embrace new ideas and follow a new course. Because we believe equal opportunity in 1999 is just as important as it was in 1776, we must rededicate ourselves to the truest guarantor of that opportunity, a world-class educational system that benefits every single child.

Because we believe the Federal Government must promote the general welfare, as our Founders instructed, we are dedicated to using its resources to pay squarely our single, greatest challenge as a nation today, the aging of America, and to do so in a way that pays off our national debt for the first time since 1835.

Because we believe every human being has the right to life, liberty, and the pursuit of happiness, and no one should be discriminated against, uprooted, abused, or killed because of his or her race or ethnic background or religion, we are proud to stand with our Allies in defense of these ideals in Kosovo.

It is natural for any American contemplating the documents behind me to look upon those who crafted them as almost superhuman in their wisdom and the times that they lived as a golden age. But the more you read about them, the more you respect their achievement because the Founders were not gods on Earth; they were farmers and lawyers, printers and merchants, surveyors and soldiers, chosen by their constituents to hash out divergent interests and make difficult decisions about the future—to engage, in other words, in politics.

I said at my alma mater, Georgetown, last week, that at its best, politics is about values, ideas, and action. That's what they were about. They turned politics into public service and made it a noble endeavor and left us a framework to keep it going. The Declaration and the Constitution emerged only after fierce debate and difficult compromise. Today, these documents enjoy universal acclaim. And at the time they were written, believe it or not, many Americans—though, thank goodness not a majority—actually did not agree with them.

Yet, the Framers refused to let serious differences of opinion become excuses to put off action. They overcame their differences and completed their tasks and stayed true to an idea that Jefferson would later express in his first Inaugural, that every difference of opinion is not a difference of principle.

We have to keep that idea in mind today. The greatest threat to our democracy today, and certainly to freedom and democracy around the world, is the poisonous idea that what divides us is far more important than what we have in common; that as long as we have differences of opinion, we must have personal animosities, and we cannot have positive action. This is a dubious political strategy, a dangerous governing strategy, wrong as a matter of historical fact, and an affront to the sacred documents we gather here to save.

Despite their many differences, the Framers drafted, debated, and signed the Declaration of Independence in less than a month. They drafted, debated, and approved the Constitution in less than 5 months. If they could produce those enduring charters of freedom in a matter of months, surely there is no reason why we here in our time cannot make major progress in the remaining months of this millennium, to prepare our Nation for the new millennium and a 21st century which I am convinced will be America's best days.

We owe it to these children to honor their past, to imagine their future, and to build a bridge to that future every single one of them can cross. So as we preserve the documents that launched this, the greatest journey in freedom and opportunity in all of history, let us resolve to do all we can to keep alive the spirit that got us to this point. These children will do the rest.

Thank you, and God bless you.

NOTE: The President spoke at 3:55 p.m. in the Rotunda at the National Archives. In his remarks, he referred to C. Michael Armstrong, chairman and chief executive officer, AT&T; and students Jasmine Smith, Kevin Su, and Nora Skelly, who read passages from the Declaration of Independence and the Constitution of the United States. The transcript made available by the Office of the Press Secretary also included the remarks of the First Lady. A tape was not available for verification of the content of these remarks.

Statement on Export Controls on High-Performance Computers and Semiconductors

July 1, 1999

Today I am announcing reforms to the administration's export controls on high-performance computers (HPC) and semiconductors. These policies will strengthen America's high-tech competitiveness, while maintaining controls that are needed to maintain our national security.

These reforms are needed because of the extraordinarily rapid rate of technological change in the computer industry. The number-crunching ability of a supercomputer that once filled a room and cost millions of dollars is now available in an inexpensive desktop computer. Computers that are widely used by businesses and can be manufactured by European, Japanese, and Asian companies will soon exceed the limits that I established on high-performance computers in 1996. These business computers have become commodities, and next year U.S. and foreign vendors are expected to sell 5 million of them.

Maintaining these controls would hurt U.S. exports without benefiting our national security. Moreover, a strong, vibrant high-tech industry is in America's national security interests. That is why I have decided to raise the licensing threshold of high-performance computers to so-called "Tier 2" and "Tier 3" countries. For "Tier 3" countries, which present the greatest risk from a national security viewpoint, the administration will continue its policy of maintaining a lower threshold for military end-users than civilian end-users. I have also directed my national security and economic advisers to provide me with recommendations to update our export controls every 6 months.

Due to legislation passed by the Congress in 1997, this change will require congressional approval and a 6-month period before it can go into effect. I will work with the Congress to pass legislation that would reduce this period to one month, so that we

can keep up with the rapid pace of technological change. I also want to work with the Congress on a bipartisan basis to explore longer term solutions to how we deal with commodities like widely available computers and microprocessors.

Proclamation 7207—To Extend Nondiscriminatory Treatment (Normal Trade Relations Treatment) to Products of Mongolia and To Implement an Agreement To Eliminate Tariffs on Certain Pharmaceuticals and Chemical Intermediates

July 1, 1999

By the President of the United States of America

A Proclamation

1. The United States has had in effect a bilateral Agreement on Trade Relations with Mongolia since 1991 and has provided normal trade relations treatment to the products of Mongolia since that time. I have found Mongolia to be in full compliance with the freedom of emigration requirements of title IV of the Trade Act of 1974 (the ''Trade Act'') (19 U.S.C. 2432).

2. Pursuant to section 2424(b)(1) of Public Law 106–36, and having due regard for the findings of the Congress in section 2424(a) of said Law, I hereby determine that title IV of the Trade Act (19 U.S.C. 2431–2441) should no longer apply to Mongolia.

3. On November 13, 1998, members of the World Trade Organization (WTO), including the United States and 21 other major trading countries, announced in the WTO an agreement to eliminate tariffs on certain pharmaceuticals and chemical intermediates that were the subject of reciprocal duty elimination negotiations during the Uruguay Round of Multilateral Trade Negotiations (the ''Uruguay Round''). A similar agreement between the United States and 16 other major trading countries eliminating tariffs on enumerated pharmaceuticals and chemical intermediates was implemented for the United States on April 1, 1997, by Proclamation 6982, adding such goods to the scope of the agreement on pharmaceutical products reached at the conclusion of the Uruguay Round and reflected in Schedule XX-United State of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade (1994) (Schedule XX).

4. Section 111(b) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3521(b)) authorizes the President to proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX for products that were the subject of reciprocal duty elimination negotiations during the Uruguay Round, if the United States agrees to such action in a multilateral negotiation under the auspices of the WTO, and after compliance with the consultation and layover requirements of section 115 of the URAA (19 U.S.C. 3524). Section 111(b) also authorizes the President to proclaim such modifications as are necessary to reflect such duty treatment in Schedule XX by means of rectifications thereof.

5. On April 29, 1999, pursuant to section 115 of the URAA, the United States Trade Representative (USTR) submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (''the Committees'') that sets forth the proposed tariff eliminations, together with the advice received from the appropriate private sector advisory committee and the United States International Trade Commission regarding the proposed tariff eliminations. During the 60-day period thereafter, the USTR consulted with the Committees on the proposed actions.

6. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTS) the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

7. Pursuant to section 111(b) of the URAA, I have determined that Schedule XX should be modified to reflect the implementation by

the United States of the multilateral agreement on certain pharmaceuticals and chemical intermediates negotiated under the auspices of the WTO. In addition, I have determined that the pharmaceuticals appendix to the HTS should be modified to reflect the duty eliminations provided in such agreement, and to make certain minor technical corrections in the identification of particular products in order to ensure that products are accorded the intended duty treatment.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to section 2424(b)(2) of Public Law 106–36, section 111(b) of the URAA, and section 604 of the Trade Act, do hereby proclaim that:

(1) Nondiscriminatory treatment (normal trade relations treatment) shall be extended to the products of Mongolia, which shall no longer be subject to title IV of the Trade Act.

(2) The extension of nondiscriminatory treatment to the products of Mongolia shall be effective as of the date of signature of this proclamation.

(3) In order to implement the multilateral agreement negotiated under the auspices of the WTO to eliminate tariffs on certain pharmaceutical products and chemical intermediates, and to make technical corrections in the tariff treatment accorded to such products, the HTS is modified as set forth in the Annex to this proclamation.

(4) Such modifications to the HTS shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in the Annex for the respective actions taken.

(5) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

In Witness Whereof, I have hereunto set my hand this first day of July, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-third.

William J. Clinton

[Filed with the Office of the Federal Register, 11:02 a.m., July 2, 1999]

NOTE: This proclamation was published in the *Federal Register* on July 6.

Message on the Observance of Independence Day, 1999

July 1, 1999

I am delighted to join my fellow Americans across the nation and around the world in celebrating Independence Day.

Today we gather with family and friends to commemorate the 223rd anniversary of the signing of the Declaration of Independence. In marking this historic event, and in remembering the courage and sacrifice of the patriots and soldiers who fought and died that we might shape our own destiny, we are truly celebrating the birth of our great country.

Every generation of Americans owes a profound debt of gratitude to our Founders for envisioning a nation that, as President Lincoln so eloquently put it, was ''conceived in liberty, and dedicated to the proposition that all men are created equal.'' Inspired by this same vision, we have built together a society in which freedom and democracy do more than enlighten our laws and political institutions—they permeate our culture and way of life. We have only to look at the recent tragic events in Kosovo to recognize how blessed we are to live in a land where life, liberty, and equality are cherished rights, upheld by courts and custom, and where, as we realize more each day, our diversity is a source of strength rather than a cause for division.

On this day, as we look back with pride on our heritage of freedom, let us look forward as well with renewed hope for the future. Enjoying the fruits of a robust economy, the stability of a country at peace, and the talents and energy of an increasingly diverse populace, America is poised to lead the world into a new millennium full of fresh opportunities and challenges.

Hillary joins me in sending best wishes to all for a wonderful Fourth of July.

Bill Clinton

Interview With Rick Dunham of BusinessWeek

June 29, 1999

National Economy

Mr. Dunham. I was wondering if I can sort of start broadly and lead into it. I mean, the new economy, with the increase in productivity that's tied to technology and globalism has really led the United States to sustained economic expansion that's been amazing in the decade, and growth beyond just about anyone's predictions.

I was just wondering if you're a believer in this ''new economy'' scenario. And then the second part was, why, if there is such a booming economy, do you think it hasn't trickled all the way down to some of these distressed inner cities and the rural areas?

The President. First, I do believe in the new economy. I think that technology is rifling through every sector of economic activity, in ways that have given us dramatic increases in productivity and potential for growth without inflation, that I think most models have not accurately measured.

And I think that, therefore, the most important thing for Government policy is to be fiscally responsible, to create the conditions in which people can prosper, and then to try to do things which will accelerate the trends that are already underway. I think that that's what we're trying to do with Internet II, for example, and what we're trying to do with having heavy investments in biomedical research.

Now, why hasn't it trickled down to everybody? I think there are—I'd like to make three points. First of all, there has been a remarkable amount of trickling down. We have the lowest minority unemployment rate, among African-Americans and Hispanics, recorded in the nearly three decades we've been doing racially separate unemployment statistics. And many cities—Detroit, for example, has an unemployment rate that's roughly half what it was in '93.

On the other hand, I think there are two reasons why it hasn't. One is, there are enormous premiums in this new economy for education and skills, so that people who don't have an education are both more likely to remain unemployed, and even more significantly, more likely to remain underemployed or relatively undercompensated, which I think explains the lion's share of why you've had increasing inequality for over 20 years—which began to abate about the last 2 or 3 years.

Mr. Dunham. In the last couple of years.

The President. You've begun to see comparable and, in some cases, relatively larger income gains in the lower 40 percent.

I also think the wage inequality is also reinforced by the fact that people at lower income levels are less able to buy stocks, and an enormous amount of increased wealth has come from ownership, as opposed to just salaried employment. So you see a lot of the companies, for example, that offer their employees, even their lowest wage employees, stock options—something that Wal-Mart, for example, has done for a long time—those companies will have a better record of increasing equality because their workers can afford wealth. And I think that that's important.

The other thing is, of course, what you're here to talk to me about. The third point is that I think there are still disincentives to invest in the neighborhoods and communities, or people, which still need to be brought in. They're either real disincentives or they're imagined ones—there are, you know, we have these, I think there are accumulated preconceptions about where market opportunities exist and don't exist.

And what I'm trying to do with—what I've been trying to do from the beginning of my administration, with the empowerment zones and enterprise communities, with a vigorous Community Reinvestment Act—over $18.5 billion was loaned under the CRA in 1997, for example, that's the last year I have numbers for. With community development financial institutions, with the microenterprise lending, with all these initiatives, we've tried to remove the institutional barriers and create mechanisms which would allow capital to flow to people and to neighborhoods where they miss. We had the tax credits for hiring people off welfare or for hiring people that were in the empowerment zones or the enterprise communities. Those are things that have already had an impact.

But what we're trying to do—what I'm trying to do now is to deal with what I think are both of the problems that have kept some of our inner-city neighborhoods and poorest communities from fully participating. That is, we have this new markets initiative, which is basically designed to put together a package of loan guarantees and tax credits, to induce new investment in these areas at more attractive rates—and, also, the psychological barriers. We're going to take—we've got Sandy Weill and Hugh McColl and Dick Huber joining Republican and Democratic elected officials, and Jesse Jackson and Al From and, you know, all these people, to shine the light on the opportunity.

You know, you've got a purchasing power gap over actual sales, retail sales, that averages 25 percent in urban areas throughout the country. It's 35 percent in Los Angeles and 40 percent in East St. Louis, two places we're going.

Dick Huber actually made a kind of an interesting comment, only in jest, when we went to Atlanta to kind of kick off this program. He said, "You know"—he said, "I may be the only guy that's kind of sorry you're doing this, because we figured out there's a huge opportunity out there and now all our competitors are going to know." [*Laughter*]

New Markets Initiative

Mr. Dunham. Well, that's—that's one of the things that I was curious about. I mean, some of these corporations and executives—Citicorp, Aetna, NationsBank—have realized this. But at the same time, it seems to be uneven in the corporate community——

The President. Very.

Mr. Dunham. ——where others are sitting on their corporate hands. I was wondering what you can do, as President, or what could be done through legislation to try to encourage more companies to go into these areas.

The President. Well, I think there are two things we can do, and I hope to do both on this tour. The first is to actually make sure that all the people in positions to make investment decisions understand that there are very gifted, very hard-working, very creative people out there in these communities, and that there are enormous opportunities there—just to shine the light on what's going on and what's out there, including the infrastructure we've worked hard to put in place in the last 6½ years.

And secondly, I hope to build bipartisan support for passing the new markets initiative which will, in effect, make it more attractive for people to invest in these areas by giving them a tax credit of up to 25 percent and making them eligible—making certain investments eligible—for loan guarantees of up to two-thirds of the amount of the total investment. I mean, if you have Government-guaranteed loans on two-thirds of an investment, you get 25 percent tax credit on what you put up, that cuts the risk, considerably, in ways that I think are important. So I hope to achieve that.

And if I could back up, I asked the people to think about this in another way. I think there is a moral logic here, which is that we don't want to go into the 21st century, at an all-time high in prosperity, leaving so many people behind. That's not right. There's also a very compelling economic argument. You know, we've got all the debates now about what's the Fed going to do and do they need to raise interest rates and all that. I don't want to get into that. I think Mr. Greenspan and the Fed do a perfectly good job, and we've had a good partnership by recognizing each other's appropriate roles.

But let me—no one believes, I don't think, that we have completely repealed the laws of economics, traditional laws of economics; that we've completely repealed any tendency for inflation in our economy; or that we've completely repealed the tendency to have some business cycle. But we've dramatically improved it through this technological revolution that's going on.

So if you ask yourself—you put yourself in my position, and you ask yourself: Okay, you've got 4.2 percent unemployment; you've got the longest peacetime expansion in history—the country may be able to have the longest expansion in history, including wartime, in the next several months. Now, how can you keep this going? How can you keep growth going with low inflation? And that involves, is there a noninflationary way to add more workers? Is there a noninflationary way to raise wages? And the answer to that, it

seems to me, is—there are only basically three answers.

One is, we can sell more of our goods and services around the world, which is why I strongly favor new trade initiatives and not seeing America go back to protectionism. And that's a subject for another day, but you know I'm hoping we can continue to push that forward.

Then, secondly, you can look at discrete populations in America which are underemployed. There are basically only two now: people on welfare—we cut the welfare rolls in half, but we know that there are still people on welfare who could work, but they're harder to place; and the disabled. We're about to take a huge step in that direction, with almost unanimous votes from Congress, by allowing disabled people who get Medicaid health insurance to keep their Medicaid while they go into the work force. And that will bring a lot of extra people into the work force at competitive wage rates.

The third big opportunity—and I'm convinced the biggest one, because it's a two-fer, you get more workers and more customers—is going to the neighborhoods and the communities that have basically not participated in this recovery.

So it seems to me that, quite apart from our moral obligation to do this—if, in fact, there are business opportunities there, which are there right now, in the tens of billions of dollars—and if there are ways to make those opportunities even more attractive, by the passage of this legislation, that this is a major, major opportunity for our country to keep our economy going and to keep it going with low inflation. So, to me, it may be finally something whose time has come.

I also think we've learned something in the last 6 years about what works. And of course, there were models out there before the last 6 years. In the 1960's there was this great effort, through the Great Society programs, to build up the poor urban and rural areas. And we found that, actually, they did a lot of good, in terms of providing nutrition for people, in terms of providing health care, in terms of providing educational opportunities. But the Government alone could not build a sustaining economy. You couldn't build an economic infrastructure with Government alone.

In the 1980's, we learned that the stock market could grow, and we could create record numbers of new millionaires and billionaires, but the private sector alone could not do this, and that more and more people would fall further and further behind.

So what we've tried to do is to apply our Third Way philosophy—that we should have a partnership between Government and the private sector that would literally empower people to change the dynamics of their lives in these poor neighborhoods. That's what the whole empowerment zone, enterprise community initiative that the Vice President has so ably run, is designed to do; that's what these CDFI's are designed to do. That's what the—you know, that's why we've been so vigorous in pursuit of the Community Reinvestment Act. As I'm sure you know, over 90 percent of all the loans made under the CRA, even though its' been on the books for over 20 years, have been made during the life of this administration.

So this is the next logical step. The problem with all that is, it's sort of uneven, and it—the CRA applies nationwide, where there's available capital, but the CDFI's and the empowerment zones, the enterprise communities, they only apply where they are. And there are 125 of them, but they don't cover every place. And even in the places where they exist, they don't cover all the areas of need within the cities where they exist.

So if we can dramatically increase the awareness in the business community of the investment opportunities, through the use of the bully pulpit with the tour we're about to take with the business leaders and others, and if we can pass the new markets initiative, it is literally—it's a nationwide initiative. It would apply everywhere where there's an economically distressed area.

So I'm very, very excited about this.

Mr. Dunham. I've been talking to Sandy Weill, and he's a big backer of new markets initiative. He was saying that if the U.S. Government can create programs that help American corporations, protect them from some of the risks around the world, that it makes sense that something similar would be

offered to—more incentives in the United States. I was wondering how much of this may be modeled on some of the—OPIC, or other programs, that have been successful around the world, and if you've had any of the same kinds of thoughts in trying to model this.

The President. Yes. We actually—what we tried to do is to create at least the same, if not greater, incentives for American business to invest in America, that we give them to invest in developing economies overseas.

I've been a vigorous supporter of OPIC and the Ex-Im Bank. I think that they're incredibly important to our interests and to the welfare of the people of developing countries around the world. And I would—and I have strongly opposed attempts to cut back on them in the last 6 years.

But I think that it is—I woke up one day and basically realized—we started debating what we could do—that American businesses could get lower risk to invest in developing economies overseas than they could in the developing economy right here in America. And I think that's wrong.

So there is a—the American private investment companies that we set up, which would be eligible for the loan guarantees—$2 in loan guarantee for every $1 of unguaranteed investment put up by the private sector—it directly came out of our attempts to parallel the incentives for investing overseas with incentives to invest here.

Minorities in Corporate America

Mr. Dunham. You've mentioned both Al From and Jesse Jackson. I'm curious what you think of the efforts that Jesse Jackson has made, working with corporate America—Wall Street, now in Silicon Valley—to try to encourage corporate America to hire more minorities, to invest more in minority areas, and to help underwrite minority businesses. I was wondering both what your sense is of what he's done and how it may have helped shape what you're doing here.

The President. Well, I strongly support it, and I think that—you know, I've spoken to his Wall Street conference in each of the last 2 years. And I think he deserved a lot of credit. He's been out there trying to get this done for a long time.

And it also influenced my thinking because Dick Grasso, who, you know, sponsors this with him every year, and the others who help have—they really persuaded me that there was a lot more we could do, even within existing law. And I'm hoping that I can support his efforts, that there will be—that these things will be entirely complementary.

You know, maybe this is just the moment at which years and years of accumulated effort by a lot of people will be bearing fruit. I've been interested in this whole issue, and Hillary has, for a long, long time, every since we first learned about the efforts of the South Shore Development Bank in Chicago, and we brought a development bank like that to Arkansas, with a microenterprise loan program. And I realized that—AID was helping people like Mohammad Yunus, who's founded the Grameen Bank at Bangladesh, you know, to do this kind of thing around the world. And I thought we ought to be doing it at home.

And we had some good success in Arkansas. And in the mid-eighties, I headed, along with the Governors of Louisiana and Mississippi, the Delta Development Commission—the Lower Mississippi Delta Development Commission. And we looked at how to do these kinds of things in the Mississippi Delta, which is the poorest part of America.

And so, as I said, there are—lots of people have been out there working on this, trying to get this done for a long time. And it seems to me that we now have enough evidence that what we have done works but that we still have these two big barriers. One is, the business community is not fully aware of what opportunities they actually have to make money now. And the second is that there are, frankly, still some greater risks in these areas that we ought to try to overcome by putting in place a framework where there's much more incentive to invest, and at least as much as we give to invest overseas.

President's Upcoming Travel To Promote New Markets Initiative

Mr. Dunham. You've mentioned your upcoming trip that leaves July 5th and will go everywhere from Appalachia to Los Angeles. I was wondering if there are any kind of specific proposals that you see there, that will

bring improvement to the communities you're going to visit. If you're—I know that the idea is to leave rays of hope in each of the places, but I didn't know if there were any specifics that you're looking to leave.

The President. We're going to do—we will try to do three things. One, we will try to highlight initiatives that are working now, things that we—like, we'll have places that have benefited from the Community Development Financial Institutions, for example.

Two, we will try to highlight how the impact of the new markets initiative, if the Congress were to pass it, would take these benefits and immeasurably increase them, and do it on a national basis, wherever there's need. And the third thing we will do is to have a whole series of announcements by business leaders about things they are going to do on their own, because they would be profitable—and, by the way, they'll create businesses; they'll create jobs; they'll create opportunities in these areas.

So we will have a heavy emphasis on that third area, because I don't think that, as I said, for a minute that this is primarily a Government initiative. This is a partnership initiative. But there are lots of opportunities right now, here, that people are genuinely unaware of. And I think most Americans understand how much prosperity we have, and that no one could have imagined that the stock market would more than triple, and that we would have now almost 19 million new jobs in the last 6½ years, and that all these things would happen, and yet there would still be these pockets left behind. So I think there's a longing to see all of our fellow citizens caught up in this prosperity—everyone who's willing to work.

And I think that, you know, when people actually know the facts, that there's a lot of money to be made out there. Just on the retail—if you think about the retail issue alone, the fact that there's a purchasing power gap of 25 percent in these urban inner cities, that's a stunning statistic. And it's a bigger market than virtually all of our foreign markets. And that's just on retail—never mind the factories you could put in; never mind the other kinds of nonretail, small business services you could have. It's amazing.

Status of New Markets Legislation

Mr. Dunham. What is the status of the legislation? Republicans on the Hill say that they're still waiting for precise wording. It's pretty well known in general what will be in it. I was wondering if you have both timetable and game plan for going ahead and trying to get something done.

The President. Well, what I want to do, I wanted to do this tour first, and get—I know there will be a lot of Republican legislators, I believe, will participate in this because this really is something that Republicans should like. It's a completely—it's free enterprise. It's using the tax system to prove that the enterprise system can work in every community in America, which is what they believe.

And so what I'm hoping will happen, and what I intend to do is, during the tour and then immediately after, I want to consult with the leaders of Congress in both parties, see if there is the kind of bipartisan support for this concept that I think there should be, and then we will quickly move to get the legislation up there—because we've got it all budgeted, and it's well within the budget.

And it also would be well within the budget potential of many Republican initiatives. I mean, the interesting thing is, if you do loan guarantees and tax credits, they don't cost that much money for the enormous benefit that they bring.

Mr. Durham. I guess most of the Republican, the Republican approach where it differs is—zero capital gains, they're talking about, or some further regulatory relief. That is sort of separate from these kinds of incentives, and I don't know if there's any room for that in the final package or——

The President. But that wouldn't do anything—you know, we had a capital gains reduction in the Balanced Budget Act. But that wouldn't do anything to specifically increase the likelihood of money going here. Because what we propose to do is to increase the relative attractiveness of these investments, recognizing that the relative risk is still slightly greater for a lot of the things that we'd like to see done.

So I think that those conversations ought to occur in the context of our larger budget negotiations. But on this, I think that we still

should do this. Whatever we come up with, in the end, with a tax bill, this should be done on its own merits. We need to increase the relative attractiveness during this period, just like we're increasing the relative ability to hire people who are disabled, because they can carry their Medicaid health insurance with them into the work force.

National Economy

Mr. Dunham. Do you—you were talking about growth and perhaps the new economy, and the changes of the recent decade would change the models of growth. Do you see, down the road, were you could have growth more than 2 percent, where it could be 3.5 percent, or more, per year?

The President. Without inflation?

Mr. Dunham. Without inflation.

The President. Oh sure, well, that's what we've had for the last 6 years.

Mr. Dunham. Yes, exactly.

The President. I do. But I think if we're going to do it, you have to find ways to find new customers and add to the work force in areas where there is an opportunity for growth without inflation. For example, I think—suppose we did all this, and we got down to a 3.5 percent unemployment rate. It's not inconceivable to me that we could do that, if we target these population groups and these neighborhoods and these places, without a substantial increase in inflation.

If then, the next big step is, I still believe, is that we and the other wealthy countries of the world are going to have to really work in a disciplined fashion with well-run nations, developing nations, and maximize the use of technology—I think a lot of these poor countries, if they're well-run, could skip a whole generation of economic development because of technology. With the advent of the Internet, I think you could—first of all, you could revolutionize all their schools. When I was in Africa, in these little villages in Uganda, which is the country in Africa that's done the most to cut its AIDS rate—so it has, it's a country with capacity and a sophisticated government. And I went into the little villages that had outdated maps that still had the Soviet Union there, and all that.

And I thought to myself, if we wired all these schools—if we hooked them up to the Internet—they could also have printers. And they wouldn't have to buy new maps; they could print out new maps. And the government could cover the operating costs of the computers in the schools. They could just be printing—you know, you just hook them up with a printer. They could print their educational materials. They could print their maps.

There are things we could do—and I believe, let me just say one other thing. I also think these countries can skip a generation of development in the sense that they do not have to, even in their initial stages, worsen their environment the way people did through the Industrial Revolution, if they do it in a clever way.

So I think the opportunities for new jobs, new growth, without inflation, because of technology and because of what we know in these areas, are stunning. But in order to do it over the long run, over a sustained basis—for 10 years, let's say—we're going to have to have much more sophisticated trading links, which means that we are going to have to deal with the things I talked about in Geneva—both times, in my two trade talks there—and the things I talked about at the University of Chicago. We've got to somehow build a consensus on trade that makes the American working people feel that we are preserving the social contract, if you will, here at home, and that we're doing it in a way that advances the lives of ordinary people around the world.

I think, if we can do that, if we can sort of adapt the world trading system—on the theory of leaving no one behind and making maximum use of new technologies and what we know about economic potential—I think that this thing can go on for an indefinite period.

But if we don't, if we don't do that—if we don't deal with the populations and the neighborhoods here at home, if we don't do these things, then at some point, you'll reach a floor in unemployment, and wage demands will occur and there will be some shortage or another around the world in some thing or another people need, and inflation will resume.

Mr. Dunham. Right.

The President. But I do think that the world is in a different place now. I think we we—whatever happens about things we don't know about—you know, no economist has an accurate model of how this has all changed the business cycle, or what productivity has really done to growth.

But what we know is, that if we are fiscally responsible and we continue to pursue this course that you and I discussed here today, that we will perform far better than we otherwise would, that we'll be better citizens, in terms of our relationships with one another in America, and we'll be better citizens of the world. We know that, regardless, we'll get better performance and we'll be a better society. So I hope that we can keep pushing all of this.

Federal Budget Surplus

Mr. Dunham. I wouldn't be a good BusinessWeek reporter if I didn't ask about the trillion-dollar windfall, as it were, and if you see this as on opening to a possible agreement that would cover everything from Medicare, with the prescription drug benefit that you talked about today, to, on the Republican side, perhaps tax cuts that would be larger than what you had spelled out in the State of the Union.

The President. I think it—obviously, when you have more money than you thought you were going to, it should make it easier to have an omnibus agreement. And I hope it will.

From my point of view, I want to caution, however, that—all of this, what we have this year, we will actually have—everything else, we're projecting—that what will make the projections turn out to be facts is very disciplined, responsible management of the economy, and the clear signal to the markets that we're managing our long-term problems.

So this should make it easier to make an agreement on Social Security and Medicare, and paying down the debt, and still have more funds for education, medical research, tax cuts, you name it. But we have to have our priorities in order. We still don't want to go off and have a big tax cut and ignore the Medicare liabilities, the Social Security liabilities, or what I consider to be the enormous opportunity we have to pay off the debt of the country over the next 15 years.

When I became President, we had a $290 billion deficit, and it was projected to increase forever. And now we project that next year we'll have a $142 billion surplus, and we could actually be out of debt in 15 years.

Now, I think it's important to note why that is in—again, in a global economy with global financial markets, I think that's quite a desirable thing, because it means lower interest rates for everything from business investment to car payments to home mortgages to college loans to credit cards. It means, therefore, more money for jobs, for growth, for wages. And it means we are relatively less dependent on global markets in times of turmoil, like we had in Asia.

It also means that our trading partners—again, we want them to grow; they need to do well, these developing countries—it means they will be able to access capital that they will have to get from beyond their borders, at lower interest rates than would otherwise be the case, because we won't be—the Government, at least—won't be in these markets.

So I think the idea of the United States—and, hopefully, other wealthy countries in the world—being free of public debt—at least long-term, structural public debt. You know, maybe if a country wants to undertake to rebuild all its airports and float bonds to do it, that's one thing. But you know what I mean. I mean long-term, structural public debt. I think is a very appealing prospect for the world over the next 15 to 20 years, because then we could take a lot of this investment capital that would normally go to governments in the United States and put it into these developing economies, where it is desperately needed, in a way that would benefit them and benefit us.

So I hope that—again, this should have appeal to the Republicans as well as the Democrats, the idea of making America debt-free.

Mr. Dunham. Right.

The President. And we can have a tax cut, but we ought to do Social Security and Medicare. And I still believe a big portion of these taxes ought to be—tax cuts ought to be directed toward helping more people save for their retirement. That's another thing.

You know, most people will not have enough in their private pensions, and Social Security, and in their present 401(k) accounts, to sustain their lifestyles when they retire. So I do think that my proposal there deserves some consideration from the Republican majority, just because I think it's good social policy, and it's a good way to give a tax cut to increase savings.

We've got—our savings rate in America has gone up in the last 6 years solely because of the decline in Government deficits, and now the surplus. There has been no increase in savings by individuals. Now, that is somewhat misleading, because it doesn't count record-high homeownership. But still, I think—I hope we can get all this done. The new economic news should increase the chances of an omnibus agreement. But we still have to keep first things first here.

Federal Reserve Board Chairman

Mr. Dunham. My Sam Donaldson question is, what about Alan Greenspan?

The President. Well, you know, he's established a pretty good record, and he's been right a lot more often than he's been wrong over the last several years. And as I said, the relationship we've had has been one of mutual respect and independence. And I respect his—he knows what we're doing. He knows that we're determined to be fiscally responsible. And he knows—actually, we haven't talked about some of the things that are in this article, but I'm sure he'll read it and he'll get a feel for what my theory is for how we can achieve long-term growth without inflation.

But he also knows there are these underlying things that he monitors every week for the Fed, and he'll make the best judgment he can. And whatever he does is his decision to make.

Mr. Dunham. Do you think he might for 5 more years?

The President. Oh, I don't even know if he wants to do it. I haven't talked to him. I don't even know if he's interested.

Mr. Dunham. Well, thank you very much.

The President. Thank you.

NOTE: The interview began at 4:25 p.m. in the Oval Office at the White House on June 29 but was embargoed for release until 10 p.m. on July 1. In his remarks, the President referred to Sanford I. Weill, chairman and chief executive officer, The Travelers Group, Inc.; Hugh L. McColl, Jr., chairman and chief executive officer, Bank of America; Richard L. Huber, chairman and chief executive officer, Aetna, Inc.; civil rights leader Jesse Jackson; Al From, president, Democratic Leadership Council; Richard Grasso, chairman and chief executive officer, New York Stock Exchange; former Gov. Charles (Buddy) Roemer of Louisiana; and former Gov. Ray Mabus of Mississippi. A tape was not available for verification of the content of this interview.

Interview With Susan Page of USA Today Aboard Air Force One

June 30, 1999

President's Medicare Modernization Plan

Ms. Page. We want to talk to you first about Medicare and then about new markets. You've got your long-awaited plan out on Medicare. What do you think the prospects are, especially looking at the early initial reaction that you got yesterday? What do you make of that?

The President. Well, first, I think it's a good sign that we have the Republican leadership with the door open. That's what having Senator Roth and having Congressman Thomas and the other two Republican congressmen there—McCrery from Louisiana, in particular, is a guy I know and have a regard for. He believes in getting things done. McCrery would like to make an agreement on Medicare and Social Security—very serious man. So these guys came, even though there were only three House Members and Bill Roth, they were the right people.

I think, also, the breadth of the presence of the Democrats indicates that the most liberal Democrats have acknowledged that we need to make serious structural reform. And our moderate-to-conservative Democrats believe that this is enough structural reform to unify and coalesce around. So I think we've got something to go forward on.

And what I intend to do is to call the leaders—Senator Lott and the Speaker and Senator Daschle and Mr. Gephardt—and ask them to come and meet with me the day we get back from Fourth of July recess, and let's try to make a plan for how we could do it this summer. Because I believe that I

can do the same thing with the Social Security I've done with Medicare, I can offer them something. We could even maybe build on it and get the—done, because we can't know that we're really going to pay the debt off which, as you know, I believe is profoundly important, unless we understand where we are on both. But I think the first thing to do is to get the Medicare because there's a real interest in it.

Ms. Page. When you have this meeting with the congressional leadership, are you going to give them a deadline for action? What will you do, specifically, at the meeting? What do you want to come out of it?

The President. Well, what I want to come out of it more than anything else is a common commitment to the goal. In other words, if the leaders will all say we want to do this and we think we can, it doesn't mean we will, but it will get us a lot closer. That will send a signal to the rank and file in both caucuses that this is something we're really going to try to do.

And it would be a phenomenal gift to the country to do it. And we have the money to do it, and the only reason not to do it, frankly, is if somebody makes a real decision that the money should be diverted to something else. There is no reason not to do it. We're close enough now—we're much closer now, frankly, on Medicare than we were before we did the omnibus balanced budget in '97.

Ms. Page. This meeting, or really, the release of the plan is the start of a process. Some people think the end of the process could be a deal that enables Republicans to get some of the tax cuts they want and you to get the Medicare plan you want. Do you think that's what will happen? Is that a possible end of this?

The President. Well, I think it depends first on whether we can get close enough so that—on the particulars of the structure of the Medicare—that is, can we get everybody, or more or less everybody for the kind of structural modernization that I think is imperative, where we have some genuine competition, but we do it in a way that doesn't sacrifice quality—that's why I want to set up this extra fund, because most people believe that in the '97 Balanced Budget Act we had excessive savings in some areas of Medicare from the point of view of providers, so we set aside a fund for the Congress to deal with that—and then whether we can get a general agreement on the structure of the drug benefit.

A lot of our people—and I'm very sympathetic—and maybe some of theirs—would like to accommodate both the people that have huge drug bills, and the biotech industry which wants to be able to sell these drugs if they keep investing and pushing the envelope on the big things. But I thought it important not to have a drug benefit that would be subject to the same criticism that we leveled at one of their tax programs back in '97—that, okay, it looks good for 5 years—so now we've avoided that.

But I think that if we can get agreement on the fundamentals of this and then if we can get agreement on real commitment to paying down the debt and taking the interest savings and plowing it into Social Security, then I think there is enough funding left over, not committed to either of those pots, given this new budget, that we can probably make it a kind of omnibus agreement covering other things.

But I think we——

Ms. Page. Including tax cuts?

The President. Yes, but I think that what we have to focus on is first things first. I think that for the Democrats and for me, the important thing will be having the right kind of Medicare reform, having the prescription drug benefit, and getting the details right here. And so that's why I think we have to really—we've got to focus on that.

I think the other stuff, assuming, as I said—it's a big assumption—assuming you get the financing right on the Social Security piece. I'd also like to have an omnibus agreement. I'm going to try to get them to agree on Social Security, too. And a lot of people—most people don't think we can do that. I disagree. I think there's a lot more commonality than most people think. I spent a lot of time just quietly thinking about it, on our trip to Europe and other things, trying to write out different scenarios. But I think there is much more energy right now behind the Medicare issue and a much greater sense of urgency. And frankly, you've got one that

goes broke in 2015 and the other one, if they just hang with the money I've got, will stay all right until 2053 or 2055.

So I think Medicare first, see if they want to do it, see if they'll commit to try to do it by the summer. And then I think they can raise their other concerns once we get into the framework of the substance. But we've got to stay—this is a big, big—changes in Medicare, and we need to focus on that first.

Ms. Page. Are you concerned at all, though, that there may be a good number of Democrats who are afraid there will be a deal that they won't like? And I know you've said you want to——

The President. But none of them think that so far. In other words, I have worked very, very hard to keep our caucus together. I took a good deal of time to come out with the specifics of this plan, and we did a lot of serious work—all of us—and I include the White House in that, too—really trying to take the politics out of this in terms of what specifics we recommended. That is, I really tried to figure out what I thought had to be done structurally for this program to work, what kinds of savings we had to achieve, whether the economics really would support getting rid of all the co-pays on the preventive screening if you put in the co-pays on the lab tests that tend to be—most people believe are overused. That kind of stuff.

So I think that—all I can tell you is that the negotiating process that I would support would be designed to produce an agreement that would be supported by the overwhelming majority of our caucus, and I would hope the overwhelming majority of theirs.

If you look at the balanced budget agreement, we did a pretty good job. They had a slightly higher percentage of Republicans voting for it in the House than the Democrats, and in the Senate, we had a slightly higher percentage of Democrats voting for it than Republicans. But in both Houses, there were big, big majorities in both parties. I think to get an agreement, we're going to have to do that.

President's Agenda and 2000 Election

Ms. Page. Given how important it is to you to try to win the Congress back, or as much as you could, for your party, do you ever feel personally torn about a deal versus trying to give Al Gore and the Democrats an issue?

The President. No, because I don't believe—it might help some individual Republicans get reelected to Congress if they voted for such an agreement, but I believe that for Democrats what is good policy is almost always the best politics. The ''do right'' rule is almost always best for us because we get hired to do things.

The American people, when they vote for Democrats, they hire them. They give you this job and you get a contract, and your contract is 2 years, 6 years, or 4 years if you're President. And they hire us to go to work every day and to do things. And I don't believe—for example, it didn't hurt the Democrats in 1998 that we had a big budget at the end where there was a compromise that a lot of Republicans voted for, and we got the big downpayment on 100,000 teachers and a lot of other educational priorities; it didn't hurt them at all.

The only—this is not going to turn into a status quo country, and there are too many issues on which we are too deeply divided. If we can reach agreement on—and I'm not saying this could happen—if we could reach agreement on Medicare, Social Security, taxes, investments in education, and there would still be differences in 2000 on next steps in education, on guns, on patients' rights—even if we pass a Patients' Bill of Rights, there are going to be differences, unresolved differences—on choice, on a lot of issues.

In other words, there will be a vibrant election-year environment in 2000 for issues still to be decided by America that will be clear in the Presidential race and clear in the congressional races. Even if both parties—even if the Republicans join us—if you look at George Bush's message—it's assumed he will be nominated on this compassionate conservatism thing—and that both parties are competing for the dynamic center of America, I happen to think that's a healthy thing. If you just look at the real substantive differences—all just the issues I've mentioned, and others, we'll have plenty to fight about, argue about in the election.

So I think that actually both parties will be better off in dealing with the agenda of the 21st century, if we dealt with the baby boom problems right now; if we dealt with Social Security and Medicare and committed to pay the debt down. If we did all that, the Republicans would still say we need more for tax cuts than maybe we get, or here's our next round of tax cuts, or whatever. There will be plenty to debate.

President's Medicare Modernization Plan

Ms. Page. One last question on Medicare, before we turn to new markets. Senator Breaux was critical, saying your plan didn't go far enough by addressing structural reforms. And you, yourself, since ''Putting People First,'' have supported things like means testing. Are you frustrated that politically it wasn't possible to go farther than you went in this Medicare plan?

The President. No, I think—well, first of all, I think the structural reforms in the health care—there are two issues there. One is the means testing, which was not in his report, either, because some of the Republicans didn't go for it. I don't think that's as big a problem as some people do, and I'll come back to that.

The second is an area on which we have an honest disagreement—Breaux and Thomas and me—and it's an honest disagreement. I want there to be—I want the managed care Medicare people to be given the maximum opportunity to make their program attractive to people in the traditional fee-for-service program, if they can do so. In that regard, I go just as far as they do.

Now, what I don't do, and I really don't think I should do, especially given the level of anxiety Americans have about managed care—even though I have imposed a Patients' Bill of Rights for Federally-funded programs, so our guys, our Medicare people, get the Patients' Bill of Rights—what I don't do that they do is, I don't permit a level of what they call competition in the fee-for-service program in a way that would permit the cost of the traditional program to the beneficiaries to rise so rapidly that it would force people into managed care, whether they wanted to be there or not. That's the only difference. And we just have an honest, philosophical difference about that.

Now, on the upper income premium issue—I ran on that in '92. I've never made any secret to the American people that I think that's the right thing to do. But it is not as compelling as it once was—and a lot of people have forgotten this—for one simple reason: We took the income limit off of the Medicare tax in the '93 Balanced Budget Act. So every wealthy person in America today is paying much more in Medicare taxes than they will use anyway. In other words, if you're making a quarter of a million dollars a year, you don't have that $67,000—I think it was $80,000 cap, something like that—you don't have that cap anymore.

So since '93, you've been paying a great deal into the Medicare program. So you don't have the equity argument you used to have. One of the reasons that Medicare program was extended in its life, apart from the cost savings we effected and waste, fraud, and abuse stuff, which we really did better about than most of us thought we could, is that we took the earnings limitation off the Medicare tax. And I think that a lot of times people who say upper income people should pay more have forgotten that and forgotten just what a significant amount of money that is to a lot of people.

New Markets Initiative

Ms. Page. We better turn to new markets, because we want to talk a little about that, too. So you're going next week from Appalachia to Watts. Tell us why you're doing the tour.

The President. Well, I'm doing it first to shine the light on these areas in America, because I believe that we have both an obligation to give the communities and the neighborhoods that haven't been touched by the economic recovery the chance to be a part of it, to go into the new century with us. And secondly, because I think it is very good economic strategy.

All the discussion leading up to what the Federal Reserve was going to do today on interest rates was all premised on the fact that we're having a great national debate now, because no one thought 5 years ago,

6 years ago, that we could possibly have average growth well in excess of 3 percent and unemployment under 4.5 percent without having inflation. So we don't have any signs of inflation, but shouldn't they be worried about it, since nobody really thought we could have it?

Everyone knows that the technology explosion, especially in telecommunications and information technology, has dramatically increased productivity in ways that traditional economic models don't measure. But no one really believes the whole business cycle and all traditional economics has been repealed. So if you're sitting in my chair and you're asking yourself not only what would you like to do to make sure all these people who aren't participating get a chance to participate, you ask yourself a bigger question: Is there any way we could keep this economic recovery going, creating even more jobs, raising incomes even more, and not have inflation?

And the answer is, yes, if you can either find more customers for American goods and services, or more workers to come in and produce more so they're not just being added on for the same level of production.

Now, what are the possibilities for that? Expanded trade, which is why I've worked very hard to build a consensus in my own party for trade, plus labor and environmental standards—why I went to Geneva and made those speeches, why I went to the University of Chicago and all that—for trade.

Two, getting more discrete populations into the work force. The most obvious ones in America are more people from welfare to work. Tonight I had Eli Segal at the fundraiser, if you listened in on that. He's now got 12,000 companies in this deal where we're trying to hire even hard-to-place welfare recipients and train them. Why? Because that's adding to the productive capacity. You get people who are both workers and consumers.

The other big discrete population are the disabled, which is why this thing that apparently we're going to have an overwhelming bipartisan majority of Congress do, which is to let disabled people keep their Medicaid in the work force, it's potentially a very big, positive contribution to long-term growth, because, again, you're creating more workers and more consumers.

Now, the third big opportunity is to find what areas have not been fully reached with investment and jobs in growth. And that's what this is about. I want to emphasize—so that's the idea. Now, I want to talk about three things when we go there. One is I want to emphasize the tools that are already out there, to make sure people are making the most of them—the empowerment zones; the community development banks, including the microenterprise zones and the enterprise communities; the tax credits employers get now for hiring people in those areas; and the Community Reinvestment Act, which, as you know, had been on the books for over 20 years, but over 95 percent of all the lending under the Community Reinvestment Act has been done during our administration. We really pushed it. So we'll do a little of that, hear things that are working now.

The second thing I want to do is to point out that one of the reasons there hasn't been more investment in these areas is that there is imperfect knowledge on the part of the American business and investment community. They don't know what a good deal it is. The head of Aetna insurance company, when we went to Atlanta, when we did our pre-trip—on the way back he was ragging me. He said, "You know, I'm the only guy here who's not happy we did this, because," he said, "I'd already figured all this out by myself, and now all my competitors are going to know." He said this is a big deal.

I'll just give you one example. On average, there is a gap between purchasing power and retail sales in the inner cities of 25 percent. In Los Angeles, it's 35 percent. In East St. Louis, where we're going, it's 40 percent. That's just retail sales. No small-scale manufacturing, no professional services, none of that other stuff, all the other things you could do.

So I think there's really a lot I can do just with the bully pulpit and taking these business leaders around and getting them—you know, we're going to have bipartisan political folks there; we've got Jesse Jackson and Al From; we're going to have Republican and Democratic Congressmen and Governors

and all. But I think that just getting the business community to focus on the fact—because they're all interested in this question. What I want to say to them is, look, you don't just have to debate what Alan Greenspan is going to do—you can change the underlying reality on the ground if you change the economics.

And the third thing that I want to do is to push the specific new markets legislation. Why? Because all these other things we've done—even though the CRA, the Community Investment Act, is a nationwide law, it depends still in part on the vigors of the bankers in specific places. And all the other things have discreet impacts. In other words, we don't have a community development bank everywhere; we don't have an enterprise zone or empowerment community everywhere—I mean, an empowerment zone or an enterprise community everywhere.

This new markets initiative basically is designed to put in place for the whole Nation, all distressed areas, the same incentives that we give America to invest in developing economies overseas. I think they ought to have those incentives, developing economies, at home.

So, for example, the way this would work is let's suppose someone wanted to build $150 million shopping center in East St. Louis and open 20 stores—I'm just making this up—and they started with $50 million of investments; they've got a $50 million investment fund. On that $50 million they could get tax credits of 25 percent for their investment. They would also be able to go to the bank and borrow $100 million and have that $100 million subject to the Government guarantee, which would dramatically lower the interest rate that they would be charged to borrow the money, because if they defaulted on the loan, the Government would guarantee it. And those are the kinds of mechanisms we have in place now for people who invest in developing markets overseas.

The reason that's important is, number one, unlike the empowerment zones, it would be nationwide. And number two, even if you had perfect knowledge on the part of investors, that you don't have now, there would be in many of these places somewhat greater risk to the investment than in a traditional investment. So by providing these two big incentives you lower the relative risk of this investment compared to others and make it even more attractive to do.

But if you think about it, this is sort of my classic Third Way kind of approach. In the 1980's, we found out for sure that free enterprise alone would not develop these areas into the 1990's. In the 1960's, with the whole Great Society approach, it isn't true that it didn't accomplish anything. It accomplished a great deal. It fed people; it educated people; it started Head Start; it provided health care in rural areas; it provided some Government funding jobs. But there was no internal structural change that would allow a lot of these places to become more self-sufficient on a long-term basis.

If we could do this and really make a big difference over the next few years, then when the next recession comes along in America it won't hit these areas as hard, because they will have, just like other places, some underlying economic supports, some self-sufficiency. And that means fewer people on the streets. It means the crime rate won't go up as much. It means you won't lose as many kids. It means a lot of things when times are tough.

But it seems to me that there is an enormous interest in this now, in the business community. You can see it in the Wall Street Project that Jesse Jackson and Dick Grasso and others have done for the last few years. And you can see it in the massive commitment that—and NationsBank made to setting up community banks and microenterprise lending over the next 10 years. They made a huge commitment on their own.

So there is a lot of this stuff just sort of germinating out there. A lot of great things have happened in our empowerment zones. A lot of these development banks are beginning to really show some results. But there is no either nationwide awareness or nationwide framework which could be applied to every place. And that's what the new markets initiative is all about.

It's about just increasing the awareness and the attractiveness of these areas to the investment community and then putting in place a framework that would make it even

more attractive to invest now. And if we could get a lot of this done while the economy is growing, I think the benefits to America could be permanent. I think, in that sense, it's the perfect public/private partnership example that I've been trying to develop all along. I'm really excited about it. I'm just—it's a real dream of mine to prove this can be done.

Ms. Page. You'll apparently be the first sitting President to ever go to an Indian reservation.

The President. Is that right?

Ms. Page. I think so.

The President. It's high time. I'm sorry it has taken me so long, because I spent a lot of time with Native American leaders. I went to reservations back in '92, and I spent enormous time with the leaders of the tribes over the last 6½ years. So I'm very excited about going.

Ms. Page. Some people would say you've done a lot—you've focused on empowerment zones; you've focused on some of these problems of poverty, people who haven't participated in the economic good times—but that we haven't heard so much about it lately, '95, '96. Why now? Why is now the time to put this kind of spotlight on the places that remind people that the economic prosperity hasn't been good for everybody?

The President. Two reasons. One is, I think that there is a feeling that the prosperity of the country is broadly shared, and that's right. We've got the lowest minority unemployment rates we've recorded. In the last couple of years, we've finally started to close the inequality gap. We've had substantial increases in wages for people in the lower 40 percent of our earnings. And there's a level of security about the direction of our economy that I think frees people in a way to think about those things that are still not done, because I think most Americans genuinely want to see everybody who is willing to work have a chance to participate in this.

Secondly, I believe that it's an essential component of my effort to keep this economy growing without inflation, as I said. In other words, I think moving people from welfare to work is a moral imperative; but I also think it's very good for the economy. I think giving disabled people a chance to take their Medicaid and get in the work force is morally right—I also think it's very good for the economy. And I think this could be even better for the economy, and it's certainly morally right.

We tried to do this in the past, and we've gotten kind of sporadic publicity for it. But we worked consistently at it. It's one of the many things that I asked the Vice President to lead. But he has done a superb job of this, and he's been systematic and disciplined. And just slowly, slowly, slowly over the last 6 years, I think we have completely satisfied that a lot of these communities, if they can get enough investment, can really take off and do well.

So I think that the timing is really right now for America to think about this as sort of the next economic agenda.

Campaign Financing

Ms. Page. I know we have to leave, but speaking of economic good times, George Bush has raised $36 million so far in the first half of this year. What do you think about that? Do you think this has gotten out of—spiraled out of control? Or is this not—what do you think? It just seems like a stunning number today.

The President. It's a big number, but you've got to remember, Republicans have more money than Democrats and they always promise upper income people bigger tax cuts. And he's the Governor of Texas; his brother is the Governor of Florida; and they've been out for 8 years, and they want in. So all those reasons mean big numbers.

But what did he raise in Texas? Eleven million?

Ms. Page. I don't know.

The President. When I ran in '92—8 years ago—in a State of 2.5 million people, with a lower per capita income and not nearly as many millionaires, we raised $4 million. That would be the equivalent of $20 million or more in Texas.

So he's got a lot going for him. He's a Governor of a State; his brother is a Governor of a State; his father was President. They want to win; they've got more money than we do anyway. So I think that it's a credit to—he's got good people raising that money,

obviously, but I'm not at all surprised they've raised that kind of money.

2000 Election

Ms. Page. It's early, though, it's very early—which also raises the point that conventional wisdom probably told us the Democratic nomination would be sewed up at this point, but the Republican wouldn't and it's actually the opposite—it appears to be actually perhaps the opposite of that. What do you——

The President. I don't know, it just depends, you know. It depends—the voters in Iowa and New Hampshire will not be as influenced by the money, probably, just because there's only so many of them; there's only so much you can—but I think the real problem for all these guys, and one reason they can compellingly go out and raise this money—I mean, arguably, if you're talking about the money Bradley raised, he was a national figure for longer than any of the other people running in the Republican primary, except for Elizabeth Dole—maybe she was. But she was in the Cabinet, but Bradley was a nationally known figure for 18 years in the Senate, from the day he got there, and traveled the country extensively all that time building a network, for all 18 years. So I'm not particularly surprised that he's raised a good deal of money.

But I think that—to go back to the main point—one of the reasons all these people can compellingly argue that they need to get out and raise this money early is that, unfortunately, it not only gets more and more expensive to advertise with every election cycle, the States at the back end get more and more anxiety-ridden, so they keep moving their dates up. So this whole thing gets more and more and more frontloaded.

And one of the interesting things to me would be—I do not know the answer to this. I'll start by saying I do not known the answer to this, but when you write the history of this election in the primary process, it will be interesting to see whether or not, even though the small States have retained their early status, which I happen to think is quite a good thing—having been through it, I think it's a good thing, because I think it's terrible that when you get all these primaries—people running for President from tarmac to tarmac, they will run about the States; they don't really listen to the people's voices, their concerns, and when it's all said and done, they haven't learned as much about the country as they should.

If you have to run in Iowa and New Hampshire, you've got to know things. You've got to take time. You've got to listen and so forth. So I believe in that. But anyway, it will be interesting to see when the history is written whether you and other observers conclude that their relative influence has declined anyway, simply because as soon as you turn around, everybody else is voting.

When is this whole thing over now? March? April? Mid-April? Keep in mind, on June 2nd in 1992—June 2nd—you had California, New Jersey, and Ohio. When are they all voting now? March?

Ms. Page. Yes.

The President. So I just don't know. I'm not particularly surprised about the amount of money anybody has raised.

Ms. Page. Are you concerned that it's bad news for Gore?

The President. Oh, no. I don't think that at all. I don't think that at all. I mean, I think the Republicans are going to raise more money than us. They outspent $100 million last year. They take care of their interest groups. The NRA's going to give them a ton of money. Look what they've done on the Patients' Bill of Rights. Everybody in the world with an opinion is for the Patients' Bill of Rights, except one, who is health insurance. But the health insurance might wind up giving more money in the election cycle than all the 200 groups that are for us. And so, that's the dynamic of modern politics. And their whole strategy is to rake in that dough and to dominate the communications.

It does not matter in our politics if your opponent outraises you if you raise enough. The only issue in modern politics is whether you have enough. And keep in mind, in the primary process—unless Governor Bush is going to slow the campaign finance law and not take any matching funds—in the primary process, the only thing that really matters is whether you can raise all the money you need

before the first primary starts so you can rationally plan how to spend it during the remainder of the primary season. Because there's a ceiling on how much you can raise in order to get the matching funds in all of the campaign finance system.

So he shouldn't—nobody else should be worried about that. The only people who should be worried are people who aren't going to have enough to get their message out, and the fact that early money normally means you've got big political support. What you're seeing in the Republicans now is a little bit what you saw in '92—we'd been out a long time, and we wanted to get in. And Governors can raise more money than Senators—especially Governors of big States.

I'm not too surprised he's got all that money. But it's not bad news for the Vice President, because he's doing very well and he's got all he needs and he's going to get his money by the time he needs it. I think you will—my gut feeling is that you will not see that have an appreciable impact on the outcome of the election.

Ms. Page. Before he actually grabs our arm and drags us out here, I guess we've got to go.

The President. I'm glad you're covering these things, though. This is really important. This new markets thing is big, and the Medicare thing is big. It gives us a chance to really do something important. Thanks.

Ms. Page. Thanks a lot.

The President. Get some sleep. I'm really sorry I kept you waiting.

Senate Seat in Arkansas

Ms. Page. Oh, it's fine. So, can we get a firm and final no from you that you're not going to run for Senate? I know it sounds crazy, but that's not exactly a firm and final, absolute no.

The President. Yes. I have to go out and make a living for my family, and that is—and I'm going to spend the first 2 years organizing my life, doing my memoirs, and finishing my library. That's what I'm going to be doing. I'm not running for the Senate. I was——

Press Secretary Joe Lockhart. Sounds firm to me.

The President. I don't even know where that story came from. I think the story—the guy that reported the story first said someone said they mentioned it to me and I didn't say no. I don't even remember anybody mentioning it to me. But it's not—I had a lot of people in Arkansas ask me if I'd come home and run for Governor, every time I go home. And I tell them that we've got to get a young crop up there and put them in there. I'm not in—I'm not going to do that.

NOTE: The interview began at 11:55 p.m., e.d.t., while en route from Chicago, IL, to Washington, DC. In his remarks, the President referred to Governors George W. Bush of Texas and Jeb Bush of Florida; Richard L. Huber, chairman and chief executive officer, Aetna, Inc.; civil rights leader Jesse Jackson; Al From, president, Democratic Leadership Council; Richard Grasso, chairman and chief executive officer, New York Stock Exchange; former Senator Bill Bradley; and former president of the American Red Cross, Elizabeth Dole. This interview was released by the Office of the Press Secretary on July 2. A tape was not available for verification of the content of this interview.

Memorandum on a Military Drawdown for Tunisia

July 1, 1999

Presidential Determination No. 99–32

Memorandum for the Secretary of State, the Secretary of Defense

Subject: Military Drawdown for Tunisia

Pursuant to the authority vested in me by the Constitution and laws of the United States, including Title III (Foreign Military Financing) of the Foreign Operations, Exporting Financing, and Related Programs Appropriations Act, 1999, as enacted in Public Law 105–277 (Title III), I hereby direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of $5 million for Tunisia, consistent with the authority provided under Title III, for the purposes of part II of the Foreign Assistance Act of 1961.

The Secretary of State is authorized and directed to report this determination to the Congress and to publish it in the *Federal Register*.

William J. Clinton

NOTE: This memorandum was released by the Office of the Press Secretary on July 2.

Remarks on Steps To Remove the American Bald Eagle From the Endangered Species List

July 2, 1999

Thank you very much. I have to tell you I was very moved by that. Let's give him another hand. And all these young people, I thank them. [*Applause*]

Thank you, Levar. Thank you, members of the Earth Conservation Corps. I'd like to thank all the adults and sponsors who are here with them today, and one strong supporter of this program that is not here, my good friend Ethel Kennedy. I thank her and all of you for what you have done to give these young people a chance to contribute to the conservation of their community and to earn some money to go on with their education.

I'd like to thank Secretary Babbitt for his outstanding leadership in this regard. He has been a wonderful, wonderful steward of our Nation's fish and wildlife and natural resources over these last 6½ years, and I'm grateful to him.

I'd like to thank George Frampton, who works on these issues for us here in the White House; Jody Millar, the recovery coordinator for the Fish and Wildlife Service. I'd like to recognize in her absence Jamie Clark, the Director of the Fish and Wildlife Service, who I believe is absent because she's about to have a baby, which is a good way to support species preservation. [*Laughter*]

I'd like to thank Al Cecere and the great eagle, Challenger, who are here. They look very good today together, and I thank them for coming.

This is a special day for us to be having this announcement, because we're about to enter the weekend to commemorate the very last Independence Day of this century.

Yesterday Hillary and I joined a number of people at our National Archives to celebrate this Fourth of July with a renewed effort to give a special gift to America in the new millennium—the preservation of the Declaration of Independence, the Constitution, and the Bill of Rights.

Today we honor the living symbol of our democracy, the American bald eagle. It was, in fact, on July 4th, 1776, the very day the Declaration of Independence was signed, that our Founders first considered the question of a fitting emblem for our Nation. Believe it or not, Ben Franklin wanted our national symbol to be a turkey. The press would be having a field day with that to the present day, wouldn't they? [*Laughter*]

Fortunately, in this case, Mr. Franklin, who had a lot of good ideas, had this referred to committee. [*Laughter*] Three committees, in fact, and finally, 6 years later, the Continental Congress approved a design for the Great Seal of the United States, a proud bald eagle—wings stretched wide, an olive branch in one claw, 13 arrows in the other. A "free spirit," said Thomas Jefferson, "high-soaring and courageous."

Yet, years later, even as its likeness was known world over and the very symbol of our might and our independence, here in America, the eagle struggled barely to survive. At our Nation's founding, as many as half a million bald eagles soared the skies in North America. Two hundred years later only a few hundred breeding pairs remained in the lower 48 States. Our majestic eagle was slipping toward extinction. You just heard Levar's story about Washington, DC, and the Anacostia.

But the American people decided to do something about it. First, we banned the pesticide DDT which had poisoned the eagles' fragile eggs. The naysayers said if we did so, it would wreck the economy. And, as we had seen before then, and time and again since, the people who say improving the environment will wreck the economy are wrong. We've done reasonably well with the economy while we brought the bald eagle back.

But banning DDT was only the first step. People all across our Nation banded together to guard nest sites; to nurse injured birds, like our friend Challenger, here, back to

health; and like Levar and all of his young colleagues who are here with us today, to reintroduce eagles in places where they had long ago disappeared. Most important of all, we made the Endangered Species Act the law of the land, declaring that extinction is not an option—not for the eagle, not for other creatures put here by God.

Thanks to these efforts, the bald eagle is now back from the brink, thriving in virtually every State of the Union. When I became President, I'm proud to say, my State had the second largest number of bald eagles in the country. But now they are everywhere, and we are very, very happy about it.

Today I am pleased to announce that the U.S. Fish and Wildlife Service is taking the first step to remove the American bald eagle from the endangered species list. It's hard to think of a better way to celebrate the birth of a nation than to celebrate the rebirth of our national symbol.

The return of the bald eagle is a fitting cap to a century of environmental stewardship, charted for us in the beginning by one of our greatest conservationists, President Theodore Roosevelt. I am proud of what we have tried to do to fulfill his legacy—from the Yellowstone to California's ancient redwoods to the Mojave Desert to the spectacular red rock canyons of Utah. And just yesterday Vice President Gore announced the largest environmental restoration effort in history, our plan to save the precious Florida Everglades.

In all these efforts we honor Teddy Roosevelt's ideal of leaving our Nation even a better land for our descendants than it is for us. And now, on the threshold of a new century, at a moment of unparalleled prosperity, we have an historic opportunity to deepen our commitment to conservation and to make it permanent.

The balanced budget I proposed for the coming year includes $1 billion for a lands legacy initiative, the largest annual investment ever proposed for the protection of America's lands. This initiative would expand our efforts to preserve critical wildlife habitat and other national treasures. It would provide new assistance to communities to protect farms, city parks, and other local green spaces.

In addition, I have also proposed guaranteed funding of $1 billion a year every year to sustain these efforts into the new century. I was disappointed that earlier this week committees in both the House and the Senate voted to cut deeply into this request of the coming year, including funds to help to keep other wildlife from becoming endangered in the first place. All through our century we have found ways to pull together across party lines to stand up for the environment, for wildlife, for our natural heritage. I hope we can do that again.

It took all Americans to save the bald eagle—people in places where you would expect the bald eagle, and people in places where we had forgotten the bald eagle ever existed, like Washington, DC. Now that we have the bald eagle back, let's get the spirit behind the bald eagle back, and put America back on a bipartisan American course of conservation of our natural resources.

You know, when Hillary talked to me about starting this millennium project and devoting ourselves this year and next year to giving gifts to the country for the new millennium, she came up with this phrase, ''honor the past and imagine the future.'' More than any other area, the environment and dealing with our natural resources gives us a chance to do both things at the same time. By saving the bald eagle and bringing it back home to the Nation's Capital, these young people have honored our past. They have also imagined a future in which we give all of our children a chance to get a good education and to have a good income and a thriving economy where we no longer destroy our natural resources, but instead, build them up. It is the past, and it must be the future.

Thank you very, very much.

NOTE: The President spoke at 11:22 a.m. on the South Lawn at the White House. In his remarks, he referred to Levar Simms, member, Eagle Corps, a program of the Earth Conservation Corps; and Al Louis Cecere, founder and president, National Foundation to Protect America's Eagles, who handled the eagle.

Remarks Following Discussions With President Kim Dae-jung of South Korea and an Exchange With Reporters

July 2, 1999

President Clinton. Let me begin by welcoming President Kim and his delegation to the United States. He is a remarkable leader and a person that all of us very much admire. And in the last year, we have seen an astonishing turnaround in the Korean economy, going from a period of contraction to a period of quite robust growth, in ways that no one could have predicted. It's a great, great success story. And I congratulated President Kim on that, and then we talked some, and we will talk more in our meeting after this of our security partnership.

Northern Ireland Peace Process

The second thing I would like to say very briefly is, I think all of you know that the British and Irish Prime Ministers have issued their proposal for the way forward on the Irish peace process. And I think this is a very welcome development. It gives us a chance to fulfill the Good Friday accords. It gives the people of Northern Ireland, both Protestant and Catholic, a chance to shape their destiny and govern themselves. It gives us a chance to put an end to guns and violence forever. And the United States intends to support their efforts and to hold all the parties to their commitments. I think that is very, very important.

This is a major opportunity to resolve that difficult problem forever, in ways that are good for all the people there. So it's good news.

South Korean Military Technology

Q. Mr. President, do you plan to support the South Koreans' bid to make a long-range missile—develop a long-range missile that could possibly hit their northern neighbor?

President Clinton. Well, we're going to have our security discussion after this, and I think that we should talk about it before I make a public comment.

Northern Ireland Peace Process

Q. Sir, to those who are dissatisfied with the proposals outlined by the Prime Ministers today, what would you say?

President Clinton. I would say, first of all, let's look at how far we've come. All the parties to the Good Friday accord—and large majorities in Northern Ireland—agree on the commitments that everyone has and how it should look at the end.

This whole argument has been over the sequencing of, how do you stand up the government; how do you get on with decommissioning? No one disputes the fact that everything has to be done by next May, on the decommissioning, for example. No one disputes the fact that everyone who got a certain percentage of the vote in the last election is entitled to be part of the executive.

And so I would say to those who are dissatisfied, first of all, everybody's got to comply with everything. One of the things this proposal does is to reaffirm that. So who can be dissatisfied with that?

Secondly, if you are afraid that the decommissioning won't occur, therefore, you don't want to stand up the government, my answer to that is that the Prime Ministers have offered to pass a bill through the British Parliament, which will make it clear that if General de Chastelain's commission's timetable is not kept, that the whole thing can be brought down.

So I would say to those who are skeptical, there are guarantees here. No one is going to get something for nothing. Everybody's going to have to fulfill the word of the Good Friday accord. And so don't let this thing come apart now.

Would you like to make a statement, Mr. President?

President Kim. This is my third meeting with President Clinton, and our third meeting in less than 2 years. And this clearly demonstrates the closeness of the bilateral relations between Korea and the United States. And I do hope that these close ties of cooperation will continue to be further strengthened.

I am extremely satisfied with the present state of relations between the two countries. We are meeting in close coordination on all issues—on economic issues, as well as security issues. And I do hope that this close cooperation sends a clear message to North Korea.

Thank you very much.

Q. Thank you.

President Clinton. Thank you all.

President's Plans for the Fourth of July

Q. What are you doing for the Fourth of July?

President Clinton. We're going to be around here, watch the fireworks on The Mall.

NOTE: The President spoke at 3:18 p.m. in the Oval Office at the White House. In his remarks, he referred to Prime Minister Tony Blair of the United Kingdom; Prime Minister Bertie Ahern of Ireland; and Gen. John de Chastelain, Canadian Defense Forces, member and chair, Independent International Commission on Decommissioning. A tape was not available for verification of the content of these remarks.

Radio Remarks on the Observance of Independence Day, 1999

July 2, 1999

This weekend, as we celebrate the 223d anniversary of the Declaration of Independence and the birthday of our great Nation, let us reflect on what it means to be an American.

Let us remember the visionaries, the patriots, and the soldiers who were inspired by a single ideal, that we are all created equal. And let us strive to honor that ideal today and every day by building a world where every individual can make the most of his or her talents and know what it truly means to live and breathe free.

On this, the last Independence Day of the 20th century, Hillary and I wish you a happy and memorable Fourth of July.

NOTE: The President's remarks were recorded at approximately 1 p.m. on June 29 in the Cabinet Room at the White House for later broadcast on the Fourth of July. The transcript was released by the Office of the Press Secretary on July 2. These remarks were also made available on the White House Press Office Radio Actuality Line. A tape was not available for verification of the content of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

June 25

In the evening, the President and Hillary and Chelsea Clinton went to Camp David, MD.

June 27

In the evening, the President returned to the White House.

June 28

In the morning, the President traveled to Westport, CT, and in the afternoon, he traveled to New York City.

In the evening, the President returned to Washington, DC, arriving after midnight.

The President announced his intention to nominate Richard Monroe Miles to be Ambassador to Bulgaria.

The President announced his intention to nominate Michael E. Ranneberger to be Ambassador to Mali.

The President announced his intention to nominate Carl Spielvogel to be Ambassador to Slovakia.

The White House announced that the President will meet with Prime Minister John Howard of Australia for a working luncheon on July 12.

June 29

The President announced his intention to nominate Barbro A. Owens-Kirkpatrick to be Ambassador to Niger.

The President announced his intention to nominate Charles A. Blanchard to be General Counsel of the Army.

The President announced his intention nominate Carol DiBattiste to be Under Secretary of the Air Force.

The President announced his intention to appoint Anita Borg as a member of the Commission on the Advancement of Women and Minorities in Science, Engineering, and Technology.

June 30

In the morning, the President traveled to Chicago, IL, and in the evening, he returned to Washington, DC.

The President had two separate telephone conversations with Prime Minister Tony Blair of the United Kingdom concerning the Northern Ireland peace process.

The President announced his intention to appoint Patricia Gallup to the Twenty-First Century Workforce Commission.

July 1

In the morning, the President had a telephone conversation with Prime Minister Tony Blair of the United Kingdom concerning the Northern Ireland peace process.

In the evening, the President attended the U.S. versus Germany Women's World Cup soccer game at Jack Kent Cooke Stadium in Landover, MD.

The President announced his intention to nominate Phillip R. Anderson to be a member of the Mississippi River Commission.

The President announced his intention to nominate Michael Cohen to be Assistant Secretary for Elementary and Secondary Education at the Department of Education.

The President announced his intention to nominate James B. Cunningham to be U.S. Deputy Representative to the United Nations, with rank and status of Ambassador Extraordinary and Plenipotentiary.

The President announced his intention to nominate Earl E. Devaney to be Inspector General at the Department of the Interior.

The President announced his intention to nominate Harriet L. Elam to be Ambassador to Senegal.

The President announced his intention to nominate J. Richard Fredericks to be Ambassador to Switzerland and Liechtenstein.

The President announced his intention to nominate Barbara J. Griffiths to be Ambassador to Iceland.

The President announced the nomination of Curt Hebert, Jr., to be a member of the Federal Regulatory Commission.

The President announced his intention to nominate Gregory Lee Johnson to be Ambassador to Swaziland.

The President announced his intention to nominate Jimmy J. Kolker to be Ambassador to Burkina Faso.

The President announced his intention to nominate Susan Ness to be member of the Federal Communications Commission.

The President announced his intention to nominate Sylvia Gaye Stanfield to be Ambassador to Brunei.

The President announced his intention to nominate Clifford Gregory Stewart to be General Counsel at the Equal Employment Opportunity Commission.

The President announced his intention to appoint Raymond D. Nasher as member of the President's Committee on the Arts and the Humanities.

July 2

In the afternoon, the President participated in a swearing-in ceremony in the Oval Office for newly appointed Secretary of the Treasury Lawrence H. Summers.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted June 28

Richard Monroe Miles,
of South Carolina, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bulgaria.

Michael Edward Ranneberger,
of Virginia, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Mali.

Carl Spielvogel,
of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Slovak Republic.

Submitted June 30

Charles A. Blanchard,
of Arizona, to be General Counsel of the Department of the Army, vice William T. Coleman III.

Carol DiBattiste,
of Florida, to be Under Secretary of the Air Force, vice F. Whitten Peters.

Barbro A. Owens-Kirkpatrick,
of California, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

Submitted July 1

Curt Hebert, Jr.,
of Mississippi, to be a member of the Federal Energy Regulatory Commission for the term expiring June 30, 2004 (reappointment).

Major General Phillip R. Anderson,
United States Army, to be a member and President of the Mississippi River Commission, under the provisions of Section 2 of an Act of Congress, approved June 1879 (21 Stat. 37) (33 USC 642).

Michael Cohen,
of Maryland, to be Assistant Secretary for Elementary and Secondary Education, Department of Education, vice Gerald N. Tirozzi, resigned.

James B. Cunningham,
of Pennsylvania, a career member of the Senior Foreign Service, class of Minister-Counselor, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary, vice Peter A Burleigh.

Earl E. Devaney,
of Massachusetts, to be Inspector General, Department of the Interior, vice Eljay B. Bowron, resigned.

Q. Todd Dickinson,
of Pennsylvania, to be Commissioner of Patents and Trademarks, vice Bruce A. Lehman, resigned.

Harriet L. Elam,
of Massachusetts, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

J. Richard Fredericks,
of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Principality of Liechtenstein.

Barbara J. Griffiths,
of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.

Gregory Lee Johnson,
of Washington, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Sally Katzen,
of the District of Columbia, to be Deputy Director for Management, Office of Management and Budget, vice G. Edward DeSeve.

Jimmy J. Kolker,
of Missouri, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Burkina Faso.

Anthony Musick,
of Virginia, to be Chief Financial Officer, Corporation for National and Community Service, vice Donn Holt Cunninghame, resigned.

Sylvia Gaye Stanfield,
of Texas, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brunei Darussalam.

Clifford Gregory Stewart,
of New Jersey, to be General Counsel of the Equal Employment Opportunity Commission for a term of 4 years (reappointment).

Lawrence H. Summers,
of Maryland, to be United States Governor of the International Monetary Fund for a term of 5 years; United States Governor of the International Bank for Reconstruction and Development for a term of 5 years; United States Governor of the Inter-American Development Bank for a term of 5 years; United States Governor of the African Development Bank for a term of 5 years; United States Governor of the Asian Development Bank; United States Governor of the African Development Fund; United States Governor of the European Bank for Reconstruction and Development.

Withdrawn July 1

G. Edward DeSeve,
of Pennsylvania, to be Deputy Director for Management, Office of Management and Budget, vice John A. Koskinen, which was sent to the Senate on February 12, 1999.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released June 19 *

Statement by the Press Secretary: The President's Trip to America's New Markets

Transcript of a June 18 joint press conference in Helsinki by President Martii Ahtisaari of Finland, Secretary of State Madeleine K. Albright, Secretary of Defense William Cohen, and Foreign Minister Igor Ivanov and Defense Minister Igor Sergeyev of Russia on implementation of an international security presence in Kosovo

Released June 21 *

Fact sheet: U.S.-EU Cooperation on Russia and Ukraine

Fact sheet: The 1999 U.S.-EU Summit: Strengthening the Transatlantic Economic Partnership

Released June 28

Transcript of a press briefing by Press Secretary Joe Lockhart

Statement by the Press Secretary: Working Visit by Australian Prime Minister John Howard

Transcript of a press briefing by Treasury Secretary Robert Rubin, Office of Management and Budget Director Jack Lew, and National Economic Council Director Gene Sperling on the midsession review of the Federal budget

Released June 29

Transcript of a press briefing by Press Secretary Joe Lockhart

Transcript of a press briefing by National Economic Council Director Gene Sperling and Deputy Assistant to the President for Health Policy Chris Jennings on the President's plan to modernize Medicare

Transcript of a press briefing by Health and Human Services Secretary Donna Shalala, National Economic Council Director Gene Sperling, and Deputy Assistant to the President for Health Policy Chris Jennings on the President's plan to modernize Medicare

Released June 30

Statement by the Press Secretary on the President's and First Lady's recognition of difficulty for Webb and Suzy Hubbell

Statement by the Press Secretary on the release of newly declassified documents relating to events in Chile from 1973–1978

Released July 1

Statement by the Press Secretary on the National Security Adviser's announcement of the release of NSC policy documents from the Kennedy through Bush administrations

*These releases were not received in time for inclusion in the appropriate issue.

Transcript of a press briefing by Chief of Staff John Podesta, Secretary of Commerce Bill Daley, and Deputy Secretary of Defense John Hamre on export controls on computers

Fact sheet: Export Controls on Computers

Released July 2

Transcript of a press briefing by National Economic Council Director Gene Sperling and Deputy Chief of Staff Maria Echaveste on the President's trip to promote the new markets initiative

Transcript of a press briefing by Deputy Press Secretary Jake Siewert and Assistant Press Secretary for Foreign Affairs P.J. Crowley

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.