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[Service Summit]

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Guidance
for
Good Morning America
Interview

April 27, 1997

THE WHITE HOUSE

WASHINGTON

April 27, 1997

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INTERVIEW WITH CHARLIE GIBSON OF ABC's GOOD MORNING AMERICA

DATE: April 27, 1997
TIME: 1:45 TO 1:55 PM EDT
FROM: Mike McCurry & Stuart Schear

I. PURPOSE

This 10-minute taped interview will provide you with the opportunity to articulate your philosophy of national service in the context of the service summit in Philadelphia. While the primary focus of the interview will be on the summit, it will provide you with the opportunity to address other issues besides national service, including your commitment to a balanced budget and campaign finance reform as well as your efforts to curtail teenagers' access to tobacco.

II. BACKGROUND

GOOD MORNING AMERICA is America's second most popular morning show. Charlie Gibson, the show's anchor, is considerably less flashy than TODAY's Katie Couric, and Gibson is far less likely to pop very tough questions on extraneous topics. ABC is making a great effort to cover the summit, and both GOOD MORNING AMERICA and WORLD NEWS TONIGHT are being anchored from Philadelphia.

III. QUESTIONS

Gibson will devote the majority of the interview to the summit and the proper role of national service and volunteerism in American society. Gibson may ask questions on other stories, but he is unlikely to ambush you. Gibson is likely to ask at least one follow-up question from your interview on FACE THE NATION.

The following are some of the questions which Gibson may pose:

NATIONAL SERVICE SUMMIT

Critics charge that your emphasis on national service and others' focus on volunteerism is a cop-out. They describe it as an effort to avoid traditional responsibilities of the federal government to care for low income and other vulnerable Americans. Is there any validity to this critique?

What is your message to church leaders and others who are protesting the summit?

Some say there has been significant friction between the White House and some of the summit's

Republican supporters. Is that true?

GEN. POWELL

Are you concerned that the summit is being used as a spring board by Gen. Powell for a presidential race in the year 2,000?

Given your deeply held convictions on racial healing, don't you see the appeal of a Powell presidency?

TOBACCO

Why have you given tacit approval to negotiations for a settlement with tobacco companies, when many anti-tobacco activists view these negotiations as tantamount to a surrender of principle?

Isn't there an appearance of a conflict of interest to have the First Lady's brother involved as counsel for the tobacco companies in these negotiations?

HEALTH CARE FOR CHILDREN

Yesterday on FACE THE NATION you spoke favorably of proposals before congress to extend health care to millions of uninsured American children. Do you support the 43 cent cigarette tax hike proposed by Sen. Kennedy and Sen. Hatch to pay for expanded access to care?

BUDGET

On FACE THE NATION you noted that you might have some news on a balanced budget agreement in a few days. Do you have any progress to report on budget negotiations?

CPI

On FACE THE NATION, you noted your willingness to consider a change in consumer price index. Aren't you playing with the security of America's seniors by even suggesting such a adjustment?

Do you have the will to take the lead on this issue?

HOT BUTTON ISSUES

Kenneth Starr, the Whitewater Special Prosecutor, asked this week for a six month extension of the grand jury based on evidence of possible obstruction of justice regarding Web Hubbel. Can you state with certainty that the White House was not involved in obstructing justice in the Hubbel case?

On Friday, news reports indicated that White House attorneys were arguing in a Little Rock courthouse against requests for new subpoenas for the First Lady and the President. What kind of information and documents are these subpoenas seeking? Why are White House lawyers involved?

On Larry King Live earlier this week, James McDougal said that he was tired of covering up the truth to protect you. Does Mr. McDougal have any credibility?

According to some reports, the Chinese government may be trying to influence American politics. Isn't this an outrage and shouldn't the President of the United States denounce such efforts?

III. PARTICIPANTS

The President
Sylvia Matthews
Barry Toiv
Stuart Schear
Charlie Gibson, ABC News
Bob Wheelock, ABC News
Ricki Goldberg, ABC News

IV. PRESS PLAN

Your interview will air over ABC on Monday morning on the GOOD MORNING AMERICA. On Monday morning, ABC News will release a transcript of the interview to the news wires. ABC will also make short portions of the interview available to other news organizations, after the interview airs on Monday morning.

V. SEQUENCE OF EVENTS

12:35 PM TO 1:35 PM EDT Pre-Brief, Marcus Foster Stadium
1:35 PM TO 1:45 PM EDT NBC Interview, Marcus Foster Stadium
1:45 PM TO 1:55 PM EDT ABC Interview, Marcus Foster Stadium

VI. REMARKS

None

VII. ATTACHMENT

Talking points on:

- Service Summit
- Independent Counsel Starr
- Tobacco

- Politics
- Budget
- Health Care
- Campaign Finance Reform
- Welfare
- NSC

SERVICE SUMMIT TAB A

TOBACCO	TAB C
Tobacco & FDA Qs &As	
Tobacco Settlement Talks	

BUDGET TAB E

CAMPAIN FINANCE REFORM TAB G

NSC GUIDANCE
China - Woodward Story
Middle East Peace Process

SERVICE SUMMIT

Q: What will the Summit accomplish?

A: The Summit is a great opportunity for all Americans to make a commitment to citizen service, and a chance for all sectors of our society to come together around what matters most -- our obligation to one another, especially our children.

Government has a critical role in solving our nation's problems and I am proud to lead the efforts of the federal government. But clearly we can accomplish more if all our citizens pull together to solve our problems. Already the Summit has prompted an outpouring of commitments by corporations and non-profits across the country to help in our mutual endeavor. And I know the organizers of the Summit are committed to making sure that all this good work doesn't end at the Summit, but that it continues in communities across our country.

Q: Isn't the Summit one big photo opportunity?

A: I think it's both exciting and tremendously encouraging that the Summit has captured the public imagination the way it has. Starting with the inspiration of the late Gov. George Romney, continuing with the enthusiastic support of all the former Presidents, and with the dynamic contributions of Gen. Colin Powell, this endeavor has really sparked the interest of the American people. The media, which is so often accused of cynicism, has responded so positively to this event. We would be foolish not to take advantage of this great opportunity to focus the attention of the American people on citizen service and the goals of the Summit.

In addition, the real work to be done at the Summit is probably the least glamorous part -- the work by the 140 communities attending the Summit. They are working on plans to bring the Summit's goals to life in their own communities.

Q: Isn't this Summit really the first round of the Presidential race in the year 2000, between Powell's involvement and reports that the White House insisted that the Summit drop Bill Bradley?

A: One of the things I like most about the way General Powell talks about this Summit is his emphasis that it's not bipartisan -- it's non-partisan. These themes of service and children transcend politics. That's why you see all the former Presidents coming together, people from all walks of life and political persuasion, agreeing that citizen action can make a difference.

Q: Doesn't the Summit downplay the role of government in solving our problems, and argue that volunteers can do it alone?

A: Government has a critical role in solving our nation's problems, and I am proud of what we have accomplished for this nation's young people, in education, health care, making our communities safer, and offering young people a chance to serve. But as I have said many times, the era of big government may be over, but the era of big challenges for our nation is not. Clearly we can accomplish more if all our citizens pull together to solve our problems. That's why it is so important for us to harness the power of citizen service to accomplish our goals. And it's the theory behind AmeriCorps, a program of which I am especially proud.

Members of my Cabinet along with other federal officials are attending the Summit to lend their expertise to this effort, along with scores of officials from state and local government. What you will see at the summit is communities, non-profits, corporations, government, and many others working side by side to solve problems.

I am also proud that federal agencies have made over 40 commitments to the Summit -- to tutor and mentor students, to create afterschool programs, and to create opportunities for young people to serve. For example, the Department of the Navy has committed to tutor or mentor 700,000 young people. Federal agencies have agreed to expand from 1,500 to 2,000 the number of schools they have adopted or have partnerships with.

Q: Isn't the Summit is an effort to paper over the government's withdrawal of assistance from needy children and families, exemplified by the new welfare law?

A: I am proud to have signed the welfare law and given millions of families throughout this country a chance to move from welfare to work. Communities, governments, churches, business, and welfare recipients themselves are now working together to make this law a success. The Summit complements our efforts to create partnerships between government and the private and nonprofit sectors to accomplish our goals.

Q: Doesn't the Summit reveal a rift between your approach of service and AmeriCorps and the volunteer approach championed by former President Bush through his Points of Light program?

A: Voluntary action is a vibrant part of American landscape. It is something we should all take pride in. Showing that the service model and the voluntarism model actually work well together is what this Summit is all about.

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Talking Points
April 24, 1997

Independent Counsel Starr

Q: Yesterday Independent Counsel Starr requested a six month extension of the Whitewater Grand Jury. In his pleadings, Mr. Starr indicates that he is looking at a number of issues, including obstruction of justice. Are you concerned about these developments?

A: I am not concerned. I am not going to comment on the Independent Counsel's activities. I will say that I have answered all of Mr. Starr's questions, that other entities that have looked at this have found that we did nothing wrong, and that I hope this will get wrapped up soon.

Q: Mr. McDougal said on *Larry King Live* on Monday night that you lied when you denied having attended a meeting with David Hale and Mr. McDougal about the Susan McDougal loan. Who should the public believe in light of both Mr. Hale's and now Mr. McDougal's statements?

A: I have testified truthfully on these matters.

Q: Independent Counsel Starr also indicates that certain witnesses have asserted privileges which have obstructed their search for the truth. Have you personally, or has the White House, asserted any privileges to withhold information from Mr. Starr?

A: As you know, I'm not going to comment on Mr. Starr and his investigation other than to say Hillary and I have answered all of his questions.

Tobacco Litigation

Q: Today's *New York Times* questions Hugh Rodham's role in the tobacco settlement discussions. Have you discussed the settlement negotiations with your brother-in-law?

A: Hugh has been working for over a year on tobacco litigation issues. From time to time he has updated me on the status of the discussions. If a settlement among the parties is reached, I of course will evaluate it based upon what's in the public's interest.

Q: What has been the White House's role in the settlement negotiations, and in particular, what is Bruce Lindsey's role?

A: Bruce has had discussions with the various interests in the talks to ensure those matters about which we care -- namely, the FDA rules -- are protected. He has monitored the negotiations, but no one from the White House has attended any of the negotiation sessions. And, other than Hugh, I have not discussed this matter with any of the parties. [Check with POTUS].

Tobacco Q&As

April 25, 1997

COURT DECISION

Background

The President announced the FDA rule to protect children from tobacco in August 1996; the rule was immediately challenged by the industry in U.S. District Court in North Carolina.

The Decision

The court ruled that FDA has jurisdiction and that the access and labeling provisions are still in effect, but that the advertising and promotion portions of the rule are invalid.

Statement

This is a landmark and historic day for the nation's public health and our children. With this ruling, we can regulate nicotine-containing tobacco products and take important steps to protect our children from a lifetime of addiction and the prospect of having their lives cut short by tobacco-related diseases. We have taken a monumental first step down the long, hard road we knew we had to go to protect our children.

Q: What are you going to do about the provision of the rule the court struck down?

A: The bottom line is that we are going to protect our children. Today we won an historic victory in court, and we're going forward with the provisions the court upheld. A statement on what next legal steps the Administration will take will come shortly.

Q: Doesn't this mean the FDA will have to do something more drastic in terms of access to protect children -- like make these prescription products?

A: We have taken a common sense approach to protect our children by restricting access and we have proposed a common sense approach to limiting appeal. We still believe that is the right way to approach this terrible public health crisis threatening our children.

Q: Doesn't this mean more delay?

A: The access provisions that went into effect in February have been upheld, remain in place and we are working with states to ensure compliance.

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Q: Why not seek a legislative settlement?

A: From the beginning, we have said that if Congress wants to put forth a legislative package as strong as our FDA rule with appropriate oversight and enforcement, we remain prepared to work with Congress.

Q: What does this mean in everyday terms?

A: It means that provisions that went into effect in February making it harder for children to buy cigarettes and smokeless tobacco products will stay in effect, and we are working with states to begin checking for compliance. And it means that FDA has authority to regulate nicotine-containing tobacco products.

Q: If you appeal, do you think an appeal will be successful?

A: This is an historic decision by the court on the Agency's authority over tobacco products. We believe we have a very strong case and we will ultimately prevail on all parts of the rule to protect our children.

Q: Isn't it time to seek legislation?

A: We have been open to a legislative solution that is as strong as the FDA rule with appropriate oversight and enforcement since the President announced the proposal in August 1995. We are still open to a legislative solution if it accomplishes our goal of protecting our children.

SETTLEMENT TALKS

Q. How does the judge's decision affect the Administration's interest in a settlement?

A. I have no idea. Today, we should focus on this ruling. [Go to statement on ruling above].

Q. Isn't the Administration deeply involved in settlement talks?

A. Like other parties interested in this issue, we have been monitoring the talks. We have a deep interest in protecting kids and the public health.

Follow-up

Q: But papers have reported that Bruce Lindsey is intimately involved in the settlement talks.

A: My staff are staying informed of the talks, but we are not a party in the talks. My only interest is in protecting kids and the public health.

Q: Would you support a settlement that gives tobacco companies immunity?

A: I'm not in any position to judge any settlement. As I've said, my only interest is in protecting kids and the public's health. We have to do right by them.

Follow-up

Q: Then, what form of immunity would you support?

A: I'm not going to speculate on what the participants in the negotiations might agree to. My Administration proposed the toughest measures ever to protect children from tobacco, and I am going to fight to see that those restrictions take effect. I'm not going to agree to anything with respect to tobacco that jeopardizes the public health. Our focus will stay on protecting kids and the public health.

Follow-up

Q: Anti-tobacco advocates -- including former FDA Commissioner David Kessler -- held a press conference yesterday saying immunity should be off the table altogether. Do you disagree?

A: I have tremendous respect for Dr. Kessler on this issue. Again, I'm not going to support anything that jeopardizes the public health.

Questions on Tobacco Settlement Talks

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A. My staff are staying informed of the talks, but we are not a party in the talks. My only interest is in protecting kids and the public health.

Q: Would you support a settlement that gives tobacco companies immunity?

A: I'm not in any position to judge any settlement. But, I'll say this: everybody agrees that blanket immunity is out of the question. As I've said, my only interest is in protecting kids and the public's health. We have to do right by them.

Follow-up

Q: Then, what form of immunity would you support?

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POLITICS

Q: The Democratic National Committee is \$15 million in debt. The committee is holding a major fundraising event next week but the proceeds from that event will not begin to put the Committee in the black. What is the future of the national Democratic Party? Will it be financially able to play a role in the 1997 and 1998 elections and beyond?

A: I believe in my party and I have made and will continue to make myself available to help raise funds for it. A Party's real strength is measured in the quality of its ideas and its candidates. By that standard, the Democratic Party is wealthy.

Q: Will you or do you support the Vice President for president in 2000?

A: The next election is too far away. We don't need to start that campaign today. But, as you know, the Vice President is an integral part of this team, and I can think of no one who would be better prepared or more capable of doing the job of President than Al Gore.

Q: Do you think the manner in which the Democratic National Committee engaged in fundraising and the allegations of improprieties have made Asian Americans feel under siege? Do you think it has increased the level of xenophobia in this country?

A: Many allegations have been made, some of them unfairly. Everyone --especially those in the Congress and in the media, because they have so much power --needs to be very careful when making allegations because they can potentially hurt an innocent person or group of people. Sometimes in the hurly burly of politics people forget that their words or their actions can have a huge impact on a person's life or the lives of an entire ethnic group.

Q& A ON BUDGET NEGOTIATIONS

Q: HAS THERE BEEN ANY PROGRESS ON THE BUDGET TALKS?

Q: ARE YOU CLOSE TO A DEAL?

A: I am encouraged by the progress that has been made and hopeful that we are going to reach a bipartisan budget agreement and it is important that we do so.

- **The deficit has fallen dramatically from \$290 billion in 1992 to \$107 billion in 1996. It is time to finish the job.** At the outset this year, I met the Republicans half-way on Medicare. I have put a detailed and serious balanced budget on the table.
- **I then instructed my economic team to work with members of Congress in a cooperative spirit.** Sensing an opportunity to move us forward, I invited Congressional budget leaders to the White House before my trip to Helsinki. Since then, budget talks have entered a new phase and I remain optimistic that an agreement can be reached.
- **I am determined to reach a balanced budget agreement that can win the majority support of both parties in Congress and that is consistent with the priorities of the American people.** A good agreement must include, at a minimum, that our children will have the best education from the first days of life through college to prepare for the 21st century; that more children will have access to quality health care; that our environment will be protected; that the most vulnerable among us will be protected; and that Medicare and Medicaid will be strengthened and modernized.

Q: IT HAS BEEN REPORTED THAT YOUR NEGOTIATORS AND THE REPUBLICAN NEGOTIATORS HAVE COME TO A TENTATIVE AGREEMENT THAT WOULD COMPRISE A NET TAX CUT OF AROUND \$80 BILLION AND MEDICARE SAVINGS OF AROUND \$110 TO \$120 BILLION. ARE THESE REPORTS ACCURATE?

A: We are in the middle of serious discussions on the best way to achieve a balanced budget that wins the support of a majority of both Democrats and Republicans. These discussions, I believe, have been going well and it would not serve this process very well to comment on specifics at this point

Q: **WHAT IS YOUR REACTION TO THE LETTER SENT TO SEN. LOTT FROM A GROUP OF SENATE REPUBLICANS OUTLINING CERTAIN DEMANDS BEFORE ANY BUDGET DEAL CAN BE COMPLETED. DOES THIS HURT CHANCES FOR GETTING IT DONE?**

A:

- (1) **As I have said before, we all need to be flexible and be willing to compromise.**
- (2) **Each of us must be willing to compromise our sense of the perfect, to reach an agreement that advances the greater good.** And we can do so without compromising our deeply-held values.
- (3) **It is critical that any budget deal contain important investments in our priorities,** such as extending health care coverage to 5 million children, providing greater educational opportunity and protecting the environment.
- (4) **We can achieve a mainstream balanced budget agreement** that garners the support of a majority of Democrats and Republicans as well as the overwhelming majority of the American people.

Q: **SENATOR LOTT HAS STATED THAT HE WILL RECEIVE SOME CRITICISM FROM SOME IN HIS PARTY FOR SUPPORTING THE CHEMICAL WEAPONS CONVENTION. HE SAYS THAT IT IS NOW YOUR TURN TO MAKE SOME BUDGET CONCESSIONS AND SHOW SOME LEADERSHIP. DO YOU PLAN TO DO THAT?**

A:

- (1) **As I have said before, we all need to be flexible and be willing to compromise.**
- (2) **Each of us must be willing to compromise our sense of the perfect, to reach an agreement that advances the greater good.** And we can do so without compromising our deeply-held values.
- (3) **It is critical that any budget deal contain important investments in our priorities,** such as extending health care coverage to 5 million children, providing greater educational opportunity and protecting the environment.
- (4) **We can achieve a mainstream balanced budget agreement** that garners the support of a majority of Democrats and Republicans as well as the overwhelming

majority of the American people.

MEDICARE TRUST FUND TALKING POINTS

April 24, 1997

THE MEDICARE TRUSTEES REPORT CONFIRMS WHAT THE PRESIDENT HAS CONSISTENTLY STATED -- THAT REPUBLICANS AND DEMOCRATS SHOULD COME TOGETHER AND ENACT MEDICARE REFORM THIS YEAR.

- The 1997 Trustees Report estimates that the Medicare Trust Fund will remain solvent until 2001.

WE WELCOME CONCERNS ABOUT THE TRUST FUND. PRESIDENT CLINTON HAS BEEN ACTING TO ADDRESS THE PROBLEM SINCE HE TOOK OFFICE.

- The President's 1993 Economic Plan extended the life of the Trust Fund by three years.
- In 1994, the reforms included in the Health Security Act would have strengthened the Trust Fund by five years.
- In 1995 and 1996, the President proposed Medicare reforms in the context of his balanced budget that would have extended the life of the Trust Fund for at least a decade.

THIS YEAR THE PRESIDENT'S BALANCED BUDGET GUARANTEES THE LIFE OF THE TRUST FUND AT LEAST A DECADE.

- HCFA's Chief Actuary confirms that, under the President's proposals, the life of the Trust Fund would be extended at least a decade.

ACTION IS NEEDED -- REPUBLICANS AND DEMOCRATS SHOULD USE THIS OPPORTUNITY TO COME TOGETHER IN A BIPARTISAN MANNER TO ADDRESS THE NEED FOR REAL MEDICARE REFORM.

- **The need for responsible intervention to improve the Trust Fund is real.** The President has a proposal that addresses this need in a responsible way, without imposing devastating provider cuts, increasing beneficiary costs, or enacting structural changes that devastate the program and the people it serves.
- **This report should not be used irresponsibly.** The upcoming Trust Fund report should not be used to recklessly frighten the 38 million Medicare beneficiaries and their families into thinking that their benefits are in imminent danger. They simply are not.
- **We have time to act this year.** Over \$120 billion remains in the Trust Fund (as of March 1997). While incoming revenues are somewhat less than outgoing payments, the current balance in the Trust Fund means that there is no danger that claims will not be paid.

IT IS TIME TO PUT PARTISAN DIFFERENCES ASIDE AND AGREE ON MEDICARE REFORMS THAT WILL EXTEND THE LIFE OF THE TRUST FUND AND STRENGTHEN THE MEDICARE PROGRAM.

THE WHITE HOUSE
WASHINGTON

April 23, 1997

MEMORANDUM TO THE PRESIDENT

FROM: Chris Jennings

cc: Bruce Reed, Gene Sperling, John Hilley, Melanne Verveer

SUBJECT: Introduction of a New Bipartisan Children's Health Bill

Tomorrow afternoon, Senator Chafee and Senator Rockefeller will lead a bipartisan group of at least 13 Senators (Hatch, Snowe, Collins, Jeffords, Breaux, Kerrey, Bingaman, Dodd, Kerry, D'Amato, and Kennedy) in introducing a new \$15 billion, Medicaid-based children's health coverage bill. They will suggest that their plan "targets" 5 million uninsured children, but their staffs are nervous about overpromising because estimates given to them by the Congressional Budget Office yesterday have, on a preliminary basis, projected a much lower number. Perhaps because of this, the sponsors will say that this legislation "complements," but does not replace the need for the Hatch-Kennedy grant program.

The Chafee/Rockefeller legislation includes: (1) your 12 month continuous coverage initiative; (2) an enhanced Federal match for children between 100 and 150 percent of poverty for those states that immediately cover all children up to age 18 to 100 percent of poverty (who are currently being phased-in over the next 5 years); and (3) a \$25 million a year state outreach grant. There will be no specific financing mechanism; apparently the sponsors agree with our current position that the more than \$120 billion in Medicare and Medicaid reductions that we are currently proposing is more than adequate to finance the \$15 billion investment. (As a reminder, we are currently carrying about \$19 billion for our new health coverage expansions.)

The introduction of yet another bipartisan children's health coverage bill clearly strengthens your hand in the balanced budget negotiations. It is particularly worth noting that a Chafee-Rockefeller type initiative can now easily be envisioned passing out of the Finance Committee since four of the Republican cosponsors sit on the Committee. This bill also helps respond to the Republican Budget Committee Chair's stated desire to avoid the establishment of new programs to address Presidential priorities.

We believe that the Chafee/Rockefeller bill still requires a good deal of work to most efficiently cover a greater number of uninsured children. It also seems likely that we will probably still need some type of grant program to build onto Medicaid improvements to get the most children for the least amount of money. Having said this, the introduction of this legislation undoubtably enhances the likelihood that a substantive children's coverage bill can emerge from the Congress.

Q&A on Chafee-Rockefeller Children's Health Bill

Question: Does the President support the new children's health bill being introduced by a bipartisan group of Senators led by Senators Chafee and Rockefeller?

Answer: The President is extremely encouraged by the emergence of yet another bipartisan children's health care proposal. Making a significant Federal investment in children's health care continues to be a top priority for this Administration.

We are currently reviewing the details of the Chafee-Rockefeller bill. The President is extremely supportive of expanding health coverage to more children by building on the Medicaid program. The Chafee-Rockefeller bill offers matching rates for states which expand Medicaid coverage to children above the mandatory level.

Cosponsors are discussing this bill as a complement to the Hatch-Kennedy block grant proposal to address the pockets of uninsured children in the middle class. The President too, believes that a multi-tiered approach to expanding coverage may be the best way to more uninsured children.

We look forward to working with Chafee, Rockefeller and a host of other Democrats and Republicans on the Hill interested in this issue to ensure that any balanced budget deal includes a significant investment in children's health coverage.

Background: On Thursday, April 22, Senators Chafee and Rockefeller are introducing a bipartisan children's health coverage bill which offers states higher Medicaid matching rates if they expand coverage to children above the mandatory levels. This expansion is contingent on states' choosing to extend 12 month continuous coverage to all children.

Cosponsors of this bill -- including Hatch, Kennedy, Chafee, Kerrey, Kerry, Snowe, Bingaman, Dodd, Collins, D'Amato, Breaux, and Rockefeller -- believe that this bill could complement the Hatch-Kennedy bill which provides block grants to states to cover uninsured children. This potentially increases the investment in children's health to \$25-\$35 billion.

Some Republicans like the Chafee-Rockefeller option because it builds on the current Medicaid program, rather than starting a new program.

Additional Children's Heath Q&As

Question: Does the President support the Hatch-Kennedy children's health care bill which finances children's health care expansions by increasing the tobacco tax?

Answer: First of all, the President is delighted that there is so much bipartisan interest in expanding health coverage to children, and he will continue to work with Senators Hatch and Kennedy and others in Congress to pass a balanced budget this year that extends health care coverage to more uninsured children.

While the Hatch-Kennedy bill pays for new expansions by increasing the tobacco tax, the President has a proposal which would expand coverage to millions of additional children and that is paid for in the context of his balanced budget plan. Regardless of the source of financing, assuring a significant commitment for children's health care will continue to be a top priority for the President.

Question: Didn't the President propose to increase tobacco taxes in his own health care reform bill?

Answer: Yes. However, the President's current proposal illustrates how children's health coverage can be financed without this mechanism. Again, regardless of the source of financing, children's health coverage is a top priority for the President. We can no longer tolerate a nation that has 10 million uninsured children. As we develop bipartisan legislation to address this unacceptable problem, we must assume a certain financing source that helps pay for children's health insurance.

Additional Medicare Q&As

Question: Democrats are saying that the Administration has gone far enough with Medicare savings. Are you concerned that your base Democrats will withdraw their support?

Answer: The President has put forth a strong Medicare proposal that extends the life of the Trust Fund to 2007 while modernizing and strengthening the program. The President has always been and always will be opposed to excessive Medicare cuts. He is working with the Democratic Leadership to ensure that any Medicare proposal is based on strong policy rationale and does not excessively or unfairly burden Medicare beneficiaries or the providers who serve them. Democrats have always been responsible stewards of the Medicare Trust Fund, and the President is confident that there will be broad Democratic support for any necessary reforms to the program.

Question: Do you plan to eliminate any of the new benefit improvements in your Medicare plan?

Answer: While everything will clearly be "on the table" in our budget discussions, we are extremely sensitive about making any changes to the important beneficiary improvements in our Medicare plan. Over three quarters of Medicare beneficiaries earn less than \$25,000 per year. Improving benefits and fixing flaws in the program which place undue costs on this vulnerable population is a high priority for this Administration. The President's proposal to cover preventive services is recognized by Republicans and Democrats alike as a sound, cost-effective investment.

Question: How do you respond to the Republican criticism that your Medicare plan does nothing but preserve the status quo?

Answer: That is absolutely not true. The President's budget takes important steps to modernize Medicare and bring it into the 21st century through a number of structural reforms including:

- **Establishing new private plans** including Preferred Provider Organizations and Provider Sponsored Organizations -- available to seniors and people with disabilities.
- **Establishing market-oriented purchasing for Medicare** including the new prospective payment systems for home health care, nursing home care, and outpatient hospital services, as well as competitive bidding authority and the use of centers of excellence to improve quality and cut back on costs.
- **Adding new Medigap protections** making it possible for beneficiaries to switch back from a managed care plan to traditional Medicare without being underwritten by insurers for private supplemental insurance coverage. This should encourage more beneficiaries to opt for managed care because it addresses the fear that such a choice would lock them in forever.
- **Expanding coverage for preventive services** including expanding services for mammographies and colorectal screening, improving self-management of diseases like diabetes, and extending respite benefits that are increasingly important to our older Americans.
- **Empowering America's seniors to make educated choices about their health care** by providing beneficiaries with comparative information on all managed care and Medigap plans in the area where they live. To help make those comparisons meaningful, the budget would create standardized packages for additional benefits.

GENERAL CAMPAIGN FINANCE REFORM

Q: There are now 57 separate proposals for campaign finance reform. Isn't the legislation dead for this Congress?

A: As has often been said, in Congress there are 535 "experts" on campaign reform. That's certainly true. But there is only one broad-based proposal that is supported by Democrats and Republicans – the legislation introduced by McCain and Feingold and by Shays and Meehan. I think that when the matter is proposed to Members of Congress, and they are forced to vote yes or no on this legislation, they will have a very hard time explaining to their constituents why they voted no. As for people who say "there won't be reform this year" – on an issue like this, popular sentiment can crystallize very quickly. Legislation that didn't look like it had a chance of passing, a month later, can be on its way to the President's desk. That's what happened, for example, on the lobbying reform legislation and the gift ban in 1995.

Q: Some people say that the McCain-Feingold approach will require as much fundraising as today. Senators John Kerry, Paul Wellstone, and John Glenn have proposed legislation to provide complete public financing for congressional elections. If candidates accepted the public funding, they wouldn't be able to raise private money. What is your view of this approach?

A: I believe that the basic test for campaign finance reform must be that it be comprehensive, that it be fair to both parties, that it level the playing fields, and that it curb the amount of money in elections. I welcome any effort that works to build consensus toward these goals. I believe that McCain Feingold – which doesn't have public financing, but instead gives candidates free TV time provided by broadcasters – is the most realistic way to achieve these goals. Of course, Sens. Kerry, Wellstone and Glenn also support McCain Feingold.

As for public financing, my 1993 campaign finance reform legislation provided partial public financing for congressional candidates; and I think that states who are experimenting with public funding should be able to do so. But we have a rare chance to enact broad and bipartisan reform – reform that does not include public funding – and we can't lose sight of that mission.

WELFARE REFORM LEGISLATIVE PROPOSALS

Q: More and more Republicans seem to be breaking ranks with their leadership to support some changes to the immigration parts of the welfare law. Do you think you have a chance in your negotiations with Congress to make real changes in this area?

A: I think that members of Congress and Governors and state legislators and county officials and mayors are gaining a new realization of the impact of some parts of the new law that I had a problem with from the beginning -- those parts not related to putting people to work. Many state and local officials are now looking more carefully at their budgets and the potential costs of assisting disabled legal immigrants, many in nursing homes, without federal help. We are now about 100 days away from August 1st, when many disabled individuals will lose their SSI and Medicaid benefits.

I think that, over time, more and more people will come to see the harm that these provisions could do and will support my proposal to provide medical and other vital assistance to legal immigrants who work hard, pay taxes and contribute to American society and fall on hard times through no fault of their own.

FLORIDA LEGAL IMMIGRANTS LAWSUIT

Q: The state of Florida has sued the federal government to overturn the part of the welfare law that eliminates benefits for most legal immigrants. Governor Chiles says the welfare law will leave state and local governments in Florida holding the bag for billions of lost benefits. What is your position on this?

A: I believe legal immigrants who work hard, pay taxes and contribute to American society and fall on hard times through no fault of their own should get medical and other vital assistance when they need it. That's why my budget provides \$14.6 billion in assistance for those legal immigrants -- children and individuals with disabilities -- who, through no fault of their own, are unable to work.

As you indicated, the state of Florida filed a lawsuit Wednesday. The lawyers at the Department of Justice have just begun to look at it, and I do not have an indication from the Department about their plans. Generally, however, the role of the Department of Justice is to defend the constitutionality of federal laws when they are challenged in suits like this one.

TEXAS WELFARE PLAN

Q: The Associated Press reported Tuesday that the "Texas Welfare Plan is stalled at the White House." Is it the usual procedure for you to personally consider state welfare reform requests?

A: The state of Texas is asking for far-reaching changes in Medicaid and Food Stamp laws which involve several agencies. The agencies are working as hard as they can to examine all of the relevant issues, and we hope to get the State of Texas an answer soon. The agencies have kept us informed of their decision making process -- as they should, given the significance of what Texas is requesting.

As you know, the Administration gets a lot of waiver requests from the states. The agencies conduct a review process for each of them. Because this is a complicated issue involving several different agencies, the review has been lengthy, probably a little more than we expected. But the agencies are working to provide Texas with a response as soon as possible.

FEDERAL GOVERNMENT HIRING

Q: Earlier this month, you announced that the federal government plans to hire 10,000 welfare recipients. Do you think that federal hiring is the answer to welfare reform?

A: The federal government hiring initiative I announced April 10th is only one part of our larger strategy to make welfare reform a reality. First, I have been visiting state legislatures to share the country's best welfare to work practices and to encourage every state to rise to the challenge. Second, I have enlisted key members of the business community in this effort, soliciting pledges of help from major CEOs and working to build a larger network of business people who will hire welfare recipients. I plan to meet with a large group of corporate CEOs next month to discuss their specific commitments to make welfare reform a success. Third, I continue to reach out to nonprofits and the faith community, similarly urging them to meet this challenge and offering them information and expertise on how to do so.

Finally, I have proposed \$3.6 billion in my FY 1998 budget for several welfare to work initiatives including tax credits and other incentives for businesses that hire people off welfare; incentives for states and communities to create more jobs for welfare recipients; and transportation and child care to help people go to work.

CHINA -- WOODWARD STORY

Did top Chinese officials approve plans to buy influence/is it continuing?

- Number of allegations have appeared in the newspapers. As you know, on-going investigation; because issue is law enforcement matter, dissemination of information limited to protect the investigation. Under the circumstances, not appropriate for me to comment.

What affect on US policy/will you raise with Qian?

- I have said in the past, should allegations of illegal activity/ funneling campaign contributions prove true, would be a serious matter and take appropriate action.
- Both the Vice President and the Secretary of State have communicated that message to senior Chinese officials. Since the investigation is on-going, it would premature to speculate on just what response would be appropriate.

Does this change plans for summit meeting/would it change your plans if proven true?

- Planning to go forward with exchange of state visits; not going to speculate on hypotheticals.

Should AG share more information with you

- As have said in the past, difficult balancing question between national security and law enforcement concerns.

How come FBI briefing intelligence committee and not you?

- Not aware of the content of any briefing to the Hill, so inappropriate for me to contrast information provided to Hill, White House.

MIDDLE EAST PEACE PROCESS

Some commentators have accused the Administration of not taking on the responsibility it should to save the Middle East peace process, even if that means putting some pressure on Israel to compromise. What are you doing?

- I have made it clear since the beginning of my Administration that I am committed to helping the parties to make peace after five decades of war and violence. That's why we've remained actively, deeply engaged in the process through the tough times as well as the good ones.
- Secretary Albright and I are in regular and constant contact with Arab and Israeli leaders in order to do everything we can to get the negotiations back on track. The talks we have had over the past two months, including two meetings with Prime Minister Netanyahu, have been for the purpose of developing an approach which will move the process closer to our goal of a comprehensive peace.
- For these efforts to succeed, two things are necessary: Zero tolerance for terror, including a 100% effort to prevent it, and a readiness by both sides to take steps that build confidence in the integrity of the negotiating process.

Will the decision not to indict Netanyahu help with your efforts to revive the MEPP?

- We are continuing our efforts to get the process back on track. I'm not going to speculate how Israeli internal matters might influence that.

Are you satisfied with the level of Palestinian security cooperation with the Israelis?

- We expect a 100% effort in the fight against terror. Amb. Ross had a positive meeting with senior Palestinian and Israeli security officials last week. Security cooperation serves the interest of both sides.