NOTE: The President spoke at 9 p.m. at a private residence. In his remarks, he referred to reception hosts Ronald I. Dozoretz and Beth Dozoretz; and Senator Robb's wife, Linda.

Remarks on Prescription Drug Coverage for Military Retirees and an Exchange With Reporters

May 16, 2000

Resignation of Helen Thomas

The President. Good afternoon, ladies and gentlemen. Before we start, I would just like to say a few words of appreciation and respect about Helen Thomas, who has decided today to leave UPI after 57 years.

Presidents come and go, but Helen's been here for 40 years now, covering eight Presidents and, doubtless, showing the ropes to countless young reporters and, I might add, more than a few press secretaries. I hope this change will bring new rewards and new fulfillment to her. Whatever she decides to do, I know I'll feel a little better about my country if I know she'll still be spending some time around here at the White House. After all, without her saying, "Thank you, Mr. President," at least some of us might never have ended our news conferences.

Prescription Drug Coverage

When I gave my State of the Union Address this year, I said that in good conscience we could not let another year pass without finding a way to offer voluntary prescription drug coverage to every older American. I think we're beginning to make progress toward that goal. And today I want to support one step in the right direction, a congressional proposal, scheduled for a vote this week in the House, to extend prescription drug coverage to all retired military personnel over 65.

Keeping faith with men and women in America who have served in our armed forces is a sacred obligation for all of us. That's why we have raised military pay over 8 percent over the last 2 years, why we're working to provide our troops with better housing, and taking steps to improve access to medical care for all military personnel, families, and retirees. We asked them to risk their lives for freedom, and in return, we pledged our support.

Part of that promise is a medical network that helps to provide prescription drugs at reasonable costs. Some senior retirees are able now to take advantage of that network. But they're out of reach for as many as three of four of them.

This proposal would make sure that we meet our promise to more than one million older military retirees across the Nation, providing every single one of them with a prescription drug benefit, sharing with them the price discounts that the military negotiates with drug companies. At a time of unprecedented prosperity, there is no reason for military retirees to go without these prescription drugs that they need to live longer and healthier lives. We need to show them that they count, and they can count on us.

This initiative is another step for finding a way to offer every older American voluntary prescription drug coverage and affordable prescription drugs. That ought to be our next goal, because today, more than three in five American seniors lack such coverage. Too many spend huge percentages of their income on prescription drugs. Too many have to choose every month between filling those prescriptions and filling grocery carts. Too many are simply not getting the medicine they need.

If we were creating Medicare today, as I have said over and over and over again, we certainly would include a prescription drug benefit to give older Americans and people with disabilities access to the most cost-effective health care. Prescription drugs help to keep seniors mobile and healthy. They help to prevent expensive hospital stays and surgical procedures. They promote the dignity that every retired person is entitled to—the quality of life all of us want for our own parents. We should act this year to make sure all seniors have access to such coverage.

In my budget, I proposed a comprehensive plan to provide a Medicare benefit that is optional, affordable, and available to all, based on price competition, not price controls; a plan to boost seniors' bargaining power to get the best prices possible, just as this military plan would; a plan that is part

of an overall effort to strengthen and modernize Medicare so that we won't have to ask our children to shoulder the burden of the baby boomers' retirement.

I'm glad there is growing bipartisan support for providing this coverage to all beneficiaries. Both sides say they want to get it done. Unfortunately, I still believe that the proposals put forward by the congressional majority will not achieve the goal. They'd provide no assistance to middle income seniors, nearly half of all those who now lack coverage. They'd subsidize private insurance plans that the industry itself says it will not offer. This will not get the job done.

But the bipartisan spirit of this proposal for military retirees shows us the way forward for all retirees. In reaching out to extend coverage to older military retirees, Congress has recognized that high prescription drug costs are a burden for every senior and that we owe every military retiree a dignified and healthy retirement.

Both parties now have agreed that prescription drug coverage should be available and affordable to older Americans. We can, surely, come to an agreement on the details of how to do this. We all want our seniors, all of them, to live longer, healthier lives. And I'm very glad that here, as so often before, our armed forces are leading the way.

Thank you very much.

Q. Mr. President, on——

Q. Mr. President, you——

The President. I'll take them both. Go ahead.

Q. Mr. President, you seem to be having a prescription drug event each week, now. Is it safe for us to assume that this is the one piece of what would be historical legislation—historic legislation—that you would like to sign on behalf of your legacy?

The President. No. It's safe for you to assume that I think there's a fair chance we could pass this, and I think it's the right thing to do for America. The Congress will have a chance to cast any number of profoundly important votes, including the vote on China and the trade relations. And I hope they'll do the right thing on each and every one.

But you know, my philosophy has always been the same in election years as in off-years. I think that we owe it to the American people to govern, to do as much together as we can in good conscience, secure in the knowledge that no matter how much we get done there will still be significant areas of disagreement between the two parties, beginning with our Presidential candidates and extending to the Senate and the House candidates, on which we can have a marvelous election and a rousing debate.

So, do I want to get this done? Absolutely, I do. But I want to do it because we have the money to do it now and we know how to do it and because the people need it.

Go ahead.

Interest Rates

Q. Sir, on the economy, are you concerned that if the Fed Chairman's efforts to slow this economy down have the desired effect, it might negatively impact the Vice President's campaign going into the November election and really give the Republican challenger some ammunition to go after Mr. Gore with?

The President. No, because what we've done is to minimize inflation by paying down the debt and keeping our markets open. And I think that if anything, the Chairman of the Fed has made it clear that if you had a huge tax cut, it would cause even higher interest rate increases. So I think—you know, the Fed will do its job, and we will do ours. And I'm going to let them make whatever decision that Chairman Greenspan and the others think is warranted.

But I think it should remind us all of the wisdom of continuing to pay down the debt, because the more we pay down the debt, the more we'll keep interest rates as low as they can, the more we'll keep inflation down. It's also a good argument for passing the normal trade relations with China and continuing to expand our trade.

2000 Presidential Election

Q. Mr. President——

Q. Mr. President—excuse me—poll after poll continues to show that Governor Bush is ahead of Vice President Gore. Do you think his campaign strategy, the Vice President's, is working?

The President. I don't want to comment on the campaign. It's a long time before it's

over, and I think that in these elections the fundamentals tend to take over, and the American people tend to take the measure of both the candidates, especially in the course of the debates. And you know, I trust them to make the decision. I don't have anything to comment about that.

Q. Sir, are you a registered voter in New York, sir?

Q. Mr. President, on——

The President. Go ahead, I'm sorry.

Permanent Normal Trade Relations With China

Q. Mr. President, on the Chinese vote, how are you doing? And could you elaborate on your statements of the other day that China could still get WTO membership, and the U.S. would be hurt if the Congress doesn't pass it?

The President. Sure. China could get into the WTO and will get into the WTO, but the United States would not be able to claim the benefits of the agreement we negotiated. So all those big cuts in agricultural tariffs, all that right to sell automobiles in China without putting plants up there or transferring technology, all the access to what will clearly be the biggest telecommunications market in the world—all those benefits we negotiated will go to the Europeans, the Japanese, and others who will be in a position to take advantage of them.

So that, it seems to me, is clear. You can't—if they go in, they have to be accepted on membership terms that apply to everyone else, and that's fair, because we expect them to follow the rules that apply to everyone else. And therefore, any nation that withholds those membership terms doesn't get the benefit of the agreement that was negotiated. And it would be quite significant.

Q. How hard are you finding this China trade fight? And when you meet one-on-one with Democrats, are they saying they're just facing terrific pressure from the labor unions? Are you losing some of those one-on-ones? And what's your prediction for the outcome?

The President. I'm losing some and getting some. My view is that in the end it will pass, not only because the economic benefits are clear and overwhelming but in a larger sense, because the national security interests are so clear.

Let me just say again, I think it's quite interesting that for all the differences the Taiwanese and the Chinese have had, and the tensions between them, everyone, beginning with the President-elect of Taiwan, wants us to approve China going into the WTO. Why is that? They think it's good for them economically, but in a larger sense, they think it will reduce tensions along the Taiwan Straits and maximize the chance that the Chinese and the people of Taiwan will have a chance to work out their differences in a peaceful way, which is consistent with over 20 years of American policy. I think it's interesting that Martin Lee came all the way over here from Hong Kong, a man who cannot even legally go to China, who has never met the Premier of China, to say to us, we had to support this because China had to be brought into a system that extols the rule of law. And that was the beginning of liberty.

I think it's interesting that Chinese dissidents in China, people who have been subject to abuses we would never tolerate in our country, whose phones have been tapped, who can't sponsor public events, still implore us to support this, because they know it is the beginning of the rule of law and change in China, and ironic that the people in China who do not want us to vote for this are those that hope they will have a standoff with us and continuing control at home, the more reactionary elements in the military and in the state-owned industries.

So I think the national security arguments are so overwhelming that, notwithstanding the pressures, and especially given the economic realities of this agreement, in the end that Congress will do the right thing. I believe they will.

Q. Mr. President, Charlie Rangel came out today and said he's going to go ahead and support normalizing trade relations with China. Can you tell us how you feel about that, and how it may affect other Democrats?

The President. Well, I think it's an enormously important decision by Mr. Rangel. If we're successful in the elections in November in the House, then he would become the chairman of the Ways and Means Committee. I think his decision will affect other

Members on the Committee. And I think if we're fortunate enough to get a majority of Democrats on the Committee to vote for this, because of Charles Rangel's leadership and because some of the others are already come out, that surely will have an effect on our caucus, because they are in the best position to understand the economic issues involved here. And I think it's an immensely important thing.

And I think if this passes, combined with the bill for Africa and Caribbean Basin trade, which was passed with overwhelming majorities last week, this Congress will build quite a legacy for itself in this area, and one that would be well-deserved for members of both parties that vote for it.

New York State Democratic Convention

Q. Mr. President, can you tell us how you came to the decision to go up to New York tonight, and any thoughts you have on seeing the First Lady nominated?

The President. I just decided I ought to be there. I mean, it's a big deal for her, a big night for her, and I want to be there with her. I just want to be there to support her. And I also—a secondary but important consideration for me is it's Senator Moynihan's, kind of his farewell address to the people in New York who have elevated him to the Senate and given him the chance to serve our country in a remarkable way. I'd like to hear what he has to say as well.

But mostly, I just wanted to be with Hillary tonight. It's a big night for her, and I just started working on my schedule today to see if I could go.

President's Voters Registration

Q. Are you yet registered to vote in New York, Mr. President?

The President. Excuse me?

Q. Are you yet registered to vote in New York?

The President. No. But I intend to register so I can vote for her in November.

You know, this was a—Mark [Mark Knoller, CBS Radio], this was kind of a difficult issue. I just voted in the last school election in Little Rock a few days ago. And for me, it's hard, you know, on a personal basis. But this is a commitment that we made together. And it's something that she wanted to do and a lot of people in New York wanted her to do, and I want to support her in every way I can. And I certainly intend to vote for her. And since I'm a tax-paying resident of New York now, I'm entitled to vote, and I intend to take advantage of it.

2000 Presidential Election

Q. Mr. President, on guns, I know you didn't want to talk about the campaign in general terms, but there are a lot of polls that shows Bush is doing as well or even better than Mr. Gore on the issue of guns. How can that be? What's your take on that?

The President. The people don't know what their respective positions are. You know, one of the things I said here on Sunday morning, before the Million Mom March, is that I think we'd lose, particularly in how people vote on this issue, if it gets muddled in rhetoric; and we win, if people know what the specifics are. And this just—and that's often true about issues in America.

If you say, do you want more gun control or not, or you want the Government to control guns more, we'd probably win that, but it would be close. If you say, do you believe we should close the gun show loophole and ban large capacity ammunition clips from being imported and require child trigger locks, or should we have people who buy handguns get a photo ID license showing they passed the Brady background check and a safety course, then I think we'd win.

And I think that it's really interesting—it's very instructive to compare this with automobiles. The NRA always talks about the right to keep and bear arms. Well, the Supreme Court says there's a constitutional right to travel, enshrined in and guaranteed by the Constitution. And when we have speed limits, seatbelt laws, child safety restraint laws, and drivers have to get licenses, nobody talks about car control in ominous terms. You don't hear all the "there's a big threat of car control out there."

Now, if I come get your car, park it in my backyard, that's car control. Otherwise, it's highway safety. And I have not proposed to confiscate the gun or take away the gun or the right to hunt or sport shoot or even to have a gun in self-defense for any law-

abiding American. I have not made any proposals. Neither to the best of my knowledge has anyone else in Congress. So what we're talking about is gun safety legislation to keep guns away from criminals and other people who shouldn't have them, and out of the hands of kids.

So my view is that as this debate unfolds, and we have a chance to debate the specifics—and I hope we'll do it in a civilized fashion. I really enjoyed—I did one of the morning programs last week, and there were people on both sides of the issues there. And we actually had a chance to talk specifics, and some of them made a couple suggestions that I agreed with. And I think that surprised them.

I think we need to get down to the specifics here and get away from the labeling, and I think it will turn out just fine. The American people will make the right decision on this if we give them a chance to.

Social Security

Q. Sir, Senator Moynihan, who you mentioned, Senator Bob Kerrey, many of the Democrats from the DLC wing of the party, like yourself, have suggested changes to Social Security not unlike those outlined by Governor Bush. Yet the Vice President says the Governor would "destroy" the program. Would Democrats like those recommend changes that would destroy Social Security?

The President. Well, I'm not sure they are the same. And you know, I saw a headline in the paper today that said that the Governor's campaign had released more details on Social Security and Medicare, and I need the chance to study them before I do.

I do think—I will say again, to get something done on this in the longer term, you need a bipartisan solution. And it's going to have to come out of the Congress. And I had hoped we could get it done this year.

But let me just caution you. You have to see all this stuff together. I'll say—you know, one thing people all over America ask me is, "What did you do different on the economy that changed America?" And I always say, only half-jokingly, "We brought arithmetic back to Washington."

So what you need to do on this is, for purposes of analysis, is take the projected revenues over the next decade, when they get—you know, and they'll be written up some when the so-called mid-session review comes out, because we've had more growth this year than was anticipated—subtract the size of both candidates' proposed tax cuts, take the Social Security program and see what the so-called transition costs are and then the other differences in spending in defense and education vouchers and what's inflation going to be, see what you've got left and whether you can pay for it, and then what do you think the chances are that we won't have this much robust revenue growth over the last 10 years, and don't you have to have some sort of guard against that, and then evaluate where it is.

We need to—I think it's going to be a good thing that we'll have a Social Security debate. But keep in mind, the people who want these private accounts, they argue two things. One is, we ought to have a higher rate of return on Social Security because it's going to go broke in 2034. Two is, we ought to give more Americans a chance to share in the wealth of the country with private savings.

Now, what I argued back is that if you take the interest savings that we get from paying down the debt because of the Social Security tax—just that that comes from the Social Security tax; so arguably, that's a savings that you're entitled to as a payer of the Social Security tax—if you put that into the Trust Fund, you get it up to 2054, for probably no more cost than the transition costs would be. That is, if you let the people start taking money out of the Trust Fund, obviously, and you guarantee the rights of the retirees that are here, you've got to put something back in from somewhere.

Then what I suggested, that did not find favor with the Congress, was that we have some means of letting the Trust Fund as a whole benefit from the markets, up to about 15 percent of the Trust Fund. That would increase the rate of return. And then remember, the year before last I proposed a very ambitious program—and I proposed a more modified, income-limited program this year—that would have the Government support private savings and wealth creation outside the Social Security system by individual citizens. I still think that's the safer way to

go, and we could easily get the Social Security Trust Fund out beyond the life of the baby boom generation just by doing that.

So we've got a chance now to have a big debate. I haven't seen the Medicare proposals, but I think that we've got to be particularly careful with that. We've added 24 or 25 years to the life of the Medicare Trust Fund since I've been here, and we need to put some more time on that, and do the drug issue. And there are some—I've proposed some structural reforms, but we need to be careful with that.

But just—let me just say, there are four or five different variations that I've seen of people who have proposed various kinds of private accounts. So I think it's important—again, you've got to get behind the labels to the facts and see how everybody's proposal works. And that would be my advice on that. I think the way we're—the safer way is to take it the way we've done, and it would achieve the other two objectives. That is, you could get a higher rate of return on the Social Security Fund, and you could open savings and wealth-creation opportunities for individual Americans, without actually privatizing the fund itself and running some of the risks that are inherent in that.

But that's a debate the American people will get a chance to resolve, if they get together and discuss it, and if they flesh out their ideas. I think it's an important debate to have.

Tobacco Regulation

Q. Mr. President, what was your reaction to the first McCain tobacco regulation bill, that gives the FDA direct authority to regulate tobacco products?

The President. Well, you know, I think they should have that authority.

Patients' Bill of Rights

Q. In your discussions with House Speaker Hastert last week on Patients' Bill of Rights, what assurances were you given that he's willing to support some form of coverage for everyone?

The President. He said that that was his position. And I must say, so far he's been as good as his word on everything he said.

Now, we do have some differences there. You know, he admitted that we still don't have the liability issues worked out, and we've got some other issues to resolve. But I think he wants legislation to pass, in this area and in the new markets area, which is terribly important. Again, that's something that could change the face of America. It could give us a chance to bring free enterprise to poor areas in a way that we've never tried to do before as a nation and to go beyond, even, what we've done with the empowerment zones, which has been quite successful.

So we were just talking, and that's what he said. And I've found that when he says something, he normally means it—or he always means it when he's talked to me.

Prescription Drug Coverage

Q. Sir, on prescription drugs, isn't this similar to a measure that you told the Secretary of Defense and the Chairman of the Joint Chiefs that you couldn't afford to put into an already bulging FY 2001 defense budget? And how is it that that measure can be afforded now by Members of Congress?

The President. Well, for one thing, when they—no. What happened is, after I had already presented the budget, they asked me about it. And I pointed out that under our program all the military retirees would be covered by a system very similar to this legislation. But I'm certainly not opposed to the military retirees being covered.

I think that the real question is, how can the Congress, in good conscience, provide this coverage in the same way—actually, the mechanism works just like what I want to do to cover all seniors. How can they do this and say they're not going to do it for people in the same situation in the rest of the country, the other senior population, when we can do it and do it with the same sort of mechanism that they provide here?

So I'm fine for them to do this, and if they do it in this way and then they pass the other, then the cost of the other program will be diminished if—for the military retirees who stay in this program. In other words, they're not going to be in both programs buying the same drugs twice.

So what I said was, I didn't—I had already presented the budget and that all military retirees would be covered in my program, along with all other seniors. But now that Congress is doing this, I think that this ought to be evidence that they understand, A, that people over 65 need this coverage and, B, that this is a good kind of mechanism to guarantee that they get the medicine at affordable prices.

Thank you.

Colombia

Q. Mr. President, are you worried about Colombia aid? Mr. President, the aid to Colombia?

The President. Well, it's funny, I talked to General McCaffrey about it this morning, actually. At this time I'm not worried about it, but I think it's important, given the continuing difficulties and challenges the Government in Colombia is facing, that it pass as soon as possible. We need to send a signal to those people down there who are fighting for democracy, fighting for freedom, fighting for the rule of law, fighting against the narcotraffickers, fighting against terrorism, that we're on their side.

And we also need to signal to them that there is an alternative economic way that the people can make a living who've been caught up in the drug trade kind of at the grassroots farmer level. And this bill does that, so that I think in the end, Congress will pass this bill. But I hope it can be put on some bill I'll get as quick as possible so we can send the right signal in a very timely fashion. I just don't want it dragged out another 3 or 4 months. I think it would be a really bad mistake in terms of our national security interests, not just in Colombia but throughout the Andean region. People are looking at us to see if we're really going to make a serious commitment.

It also will help Colombia to get the other support it needs from the international institutions, from other countries, to make a stand there, and in the process, hopefully, to see victory there for a democratic government and the rule of law, a reduction in drug production and exports, and a stabilization of the democracies that surround Colombia in the Andean region.

Thank you very much.

NOTE: The President spoke at 2:09 p.m. in the Rose Garden at the White House. In his remarks, he referred to Gov. George W. Bush of Texas; President-elect Chen Shui-bian of Taiwan; Hong Kong Democratic Party Chair Martin Lee; and Prime Minister Zhu Rongji of China.

Memorandum on Assistance for Federal Employees Affected by the Fires in the Los Alamos Area

May 16, 2000

Memorandum for the Heads of Executive Departments and Agencies

Subject: Assistance for Federal Employees Affected by the Fires in the Los Alamos Area

I am deeply concerned about the devastating losses suffered by many as a result of the fires in the Los Alamos, New Mexico, area. Many parts of the Federal Government have been mobilized to respond to this disaster.

As part of this effort, I ask the heads of executive departments and agencies to excuse from duty without charge to leave or loss of pay those Federal civilian employees who are affected by the fires in the Los Alamos area and their aftermath and who can be spared from their usual responsibilities. Specifically, I request that excused absence be granted to employees who are needed for emergency law enforcement, relief, or clean-up efforts authorized by Federal, State, or other officials having jurisdiction and employees who are prevented from reporting for work or faced with a personal emergency because of the fires and their aftermath.

I am also authorizing the Office of Personnel Management (OPM) to determine whether there is a need to establish an emergency leave transfer program to assist employees affected by this major disaster. An emergency leave transfer program would permit employees in an executive agency to donate their unused annual leave for transfer to employees of the same or other agencies who were adversely affected by the fires in the Los Alamos area and who need additional time off for recovery. If the need for donated annual leave becomes evident, I direct the