

July 21 / Administration of William J. Clinton, 1997

of most-favored-nation (MFN) status for Mongolia and certain other activities without the requirement of an annual waiver.

As required by law, I am submitting an updated report to the Congress concerning the emigration laws and policies of Mongolia. You will find that the report indicates continued

Mongolian compliance with U.S. and international standards in the area of emigration.

WILLIAM J. CLINTON

The White House,  
July 18, 1997.

NOTE: This message was released by the Office of the Press Secretary on July 21.

## Remarks Following a Meeting With the Budget Team and an Exchange With Reporters

July 22, 1997

### *Budget Negotiations*

*The President.* I'd like to make a brief statement, and then I'll be glad to answer some questions.

I've just finished a meeting with my budget team, reviewing where we are on the budget negotiations. We have worked very hard to pursue an economic strategy of reducing the deficit, cutting where we could, then investing more in education, in the future of this country, and selling more American products and services overseas. And it's working. I believe it's very important now to complete the job and get a balanced budget agreement that will continue to invest in our country and enable us to grow.

This agreement—let me say again what this agreement does. I think it's important. It has \$900 billion in savings over the next 10 years. It reforms the Medicare program and preserves the Trust Fund for another 10 years. It also contains the biggest expansion in health care for children since 1965—5 million; the biggest expansion in investment in education from the national level since 1965; the biggest increase in access to higher education since the GI bill passed 50 years ago; and billions of dollars to put people on welfare in the work force, as well as special incentives to help the distressed areas of this country get some jobs and participate in this recovery. That's what this agreement does. Now, there are those who say that we'd be better off without an agreement; none of these things will happen without an agreement.

As to the tax cut, my priorities are clear. I want to help children; I want to support education; I want to make sure that we give appro-

priate relief to middle income families. I do not believe it is right to deprive teachers, police officers, firefighters, nurses who have children in the home and who have only one earner and therefore earn less than \$30,000 a year, of the benefits of this tax cut. And we believe we have found a way to get around the objection that some Republicans have made of having the IRS collect it as a tax payment. We think we can avoid that.

But on the other hand, we don't want to—that's on the Medicare premiums—we don't—let me back up and say, we believe, first of all, that the tax cut is a tax cut even if it's a refund. Secondly, on the Medicare premiums for higher income people, I strongly support that. I said as soon as I got back from Europe that I would be disappointed if it were not in the bill. There is a dispute about exactly how we should collect the premiums. We think we have found a way to meet the Republican objective that it shouldn't look like a tax payment and still collect the premiums. If you're going to have a collection on upper income people, it's not fair to have some people pay it and some people not. So we think we've gotten around that.

Now, let me finally say that I am still quite optimistic that we will get an agreement that is consistent with our principles. We've had good bipartisan cooperation throughout this process, and I expect it will continue. Our budget team is going up to the Hill again shortly, and we expect that we'll keep working until we get success.

Q. Since you're that optimistic, what's the stumbling block? What's holding it up?

*The President.* We still have some differences of opinion. Let me go back through them. On the upper income premiums for Medicare, we have some differences in how we think it should be structured, but the main stumbling block seems to have been that the Republicans don't want it to look like an IRS tax payment. They don't want it to look like a tax increase, even though it wouldn't be.

Our problem is if HHS collected these upper income premiums, they'd have to set up a whole new bureaucracy, and our people estimate that half the money would be lost. And we don't want another big problem of fraud and abuse here. So we've come up with an idea that we think would allow Treasury to collect the money but to have it go directly to the Medicare Trust Fund so there would be no question of a tax payment. And we think that would ease a lot of the Republican and, frankly, some of the Democratic concerns that it wouldn't look like a tax increase. But if we're going to collect the upper income premiums, surely, all Americans would say we shouldn't give away \$12 billion. And you can't expect the really honest person to go out of his or her way to pay it and then half the people not pay it, and there would be a lot of disillusionment there. So we think we've solved that problem. That's a stumbling block.

And we still have a difference over this refundability. We're going to try to work through that. But I think we can get it, but we—I offered a tax plan, as you know, right before I left for Europe, to show good faith in working with the Republicans. And I think we'll keep working through it until we get something that we can both live with.

#### *Nazi Gold and the Vatican*

Q. Mr. President, are you concerned about the revelations overnight that the Vatican may have been involved in stashing Nazi-era gold? And have you been in touch with the Vatican Government over this?

*The President.* Well, let me say, I have talked to the—all I know is that there was apparently some suggestion that maybe there is a document here, somewhere in the Government Archives, which would shed some light on that question.

As you know, the United States has taken the lead on this. We've worked very hard. I

well remember the first time I heard about it when Mr. Bronfman talked to the First Lady about it. And we've worked very hard on this. And the Treasury Department has assured me that they have historians combing the records, and we will reveal whatever information we have and let the facts take us where they lead us. But we'll keep working on this until we do everything we can to make it right.

#### *Boeing-McDonnell Douglas Merger*

Q. Mr. President, on Boeing, besides talking to Italian Prime Minister Prodi, what other European leaders have you talked to? And having made some phone calls, what is your sense? Do you get a feeling that there is a chance that the European Commission will not block the Boeing-McDonnell merger?

*The President.* I'd like to see a resolution of this. This merger—the Federal Trade Commission, which, as you know, is independent under our law, has ruled that this is clearly not a violation of our laws because there is only room for two big commercial manufacturers. And indeed, the commercial side of the McDonnell Douglas business has suffered with the rise of the European company, Airbus.

The European antitrust laws are slightly different. Boeing has offered a good-faith resolution of this; they're trying to work through it. Our main concern is that only the antitrust considerations play a role in this decision and that we do everything we can to avoid a more political decision which would lead to an unfortunate trade conflict between the United States and Europe. And we're working hard to avoid that, and I've done quite a bit of work on it over the last 3 days and will continue to do so. I think there is a way to work this out, and I'm hopeful that by Wednesday when the Commission meets that an agreement will have been reached.

#### *Medicare*

Q. Two questions on the tax budget deal. Number one, one of the criticisms, vis-a-vis Medicare, was whether you had sent a strong enough signal that you wanted these higher Medicare premiums. Is that the signal that you're now trying to send? And number two—

*The President.* No. If you will remember, I think it was—as soon as I got back from Europe, I said that I would be—publicly—that I would be quite disappointed if we did not have an

upper income premium as a part of the agreement. I believe that that was a public statement I made the minute I got off the plane, practically.

Secondly, our negotiating team has made it very clear to the House and Senate negotiators for a long time that we thought it was an appropriate thing to do, that our only concerns were: number one, if we were going to do it, we wanted it to be collectible, we wanted it to be real; and number two, we did not want upper income recipients to receive absolutely no discount at all because that would encourage them to get out of the program all together, number one, and number two, because in the '93 agreement to reach our \$500 billion deficit target, which we greatly exceeded, but we took the cap off of the payroll tax that pays into Medicare. So upper income people now are paying a very high percentage—or much more money into the program than they will ever draw out anyway. So, for those two reasons, we thought that we should not charge 100 percent of the value.

Now, I think we can work those two things out. As I said, I understand why a lot of the Members of Congress say, "Well, we don't want the—if the IRS collects this, it will look like a tax payment, and we don't want it to look like a tax increase." And we agree with that. So we've now come back and offered them another way to do this, which I am very hopeful will break the impasse and enable us to go forward and have this. I think it's an important principle.

Most of the savings in the first 5-year period, indeed, most of the savings in the 10-year period, will come from the structural reforms that we've offered in Medicare: more competition, more choices, more managed care. But still I believe when you look well down the road at the time when the baby boomers will retire, it's good to put this principle in place now, and I'm very hopeful that we can get it.

And let me say, I saw some stories today about people worried about the political repercussions of this. My best judgment is that a big majority of the American people will support this. They understand how big the baby boom retirement generation is. They understand how large the subsidy is on Medicare. And I would be happy to defend the vote of any Member of Congress, Democrat or Republican, who votes for this.

*Q.* The second part of the question, if I may—

*Nomination of William F. Weld To Be Ambassador to Mexico*

*Q.* How about Weld? Are you sending him up—

*The President.* Yes.

*Bipartisan Cooperation*

*Q.* Hold on, the second part of the question, if I may. One of the issues on the budget deal is how much is it complicated by Republican infighting. Can you talk about that a little bit?

*The President.* Well, my best judgment is that we should do what we've been doing. I think—I have seen in the last year a spirit of bipartisan cooperation which did not prevail in the previous period. And I think that it will continue to prevail. I think it is so clearly in the interest of the country. And I don't have any comment about what's going on among the Republicans, except that I don't believe it will interfere with our ability to reach an agreement. I don't think that they will permit it to do so. I think it is in the interests of the country, and I think that's what we'll do.

*Drug Sentencing Guidelines*

*Q.* Mr. President, can you comment on Attorney General Reno's suggestions on crack cocaine?

*The President.* Yes. Attorney General Reno and General McCaffrey have sent me their recommendations. I have accepted it, and I have urged them now to go to work immediately with the Congress to try to reach an acceptable resolution of this. They did a lot of work on it. They deserve a lot of credit for the exhaustive analysis that they applied to this problem, and I've accepted it. And that's our position, and we're going to try to work with Congress now to achieve a resolution.

*Nomination of William F. Weld To Be Ambassador to Mexico*

*Q.* Today or tomorrow—are you going to be able to pass by Helms, or are you going to fight him, or what?

*The President.* Well, I'm going to nominate him, and we're going to work hard to see if we can confirm him, and we'll see what happens. We're going to do what we can.

Q. Do you think it's possible? Albright's using her wiles. *[Laughter]*

The President. I don't know. That's better than I could have said it. *[Laughter]*

NOTE: The President spoke at 11:25 a.m. in the Cabinet Room at the White House. In his re-

marks, he referred to Edgar Bronfman, president, World Jewish Congress; Barry R. McCaffrey, Director, Office of National Drug Control Policy; Senator Jesse Helms; and Secretary of State Madeleine Albright.

## Statement on the Report on Religious Freedom July 22, 1997

I welcome today's release of the Secretary of State's report on United States Policies in Support of Religious Freedom. Promoting religious freedom around the world is a key part of our human rights policy and an important focus of our diplomacy.

Today's report will help shine a spotlight on the serious problem of religious intolerance and persecution. It also underscores the importance of concerted actions by the United States and other like-minded nations to promote religious freedom.

The report fulfills a congressional request for a summary of U.S. policies to reduce and eliminate persecution against Christians around the world. It also describes our efforts to address religious persecution more broadly, which have included defending the rights of Muslims, Jews, Buddhists, Baha'is, and others to practice their faiths freely. Religious freedom is a fundamental

human right, and the United States vigorously condemns persecution against any believer and all faiths.

Our Nation was founded by men and women seeking refuge from religious persecution. Religious freedom is the first freedom guaranteed in our Bill of Rights. I am pleased that our Nation has been a leader in promoting religious rights, including through the establishment last year of the Secretary's Advisory Committee on Religious Freedom Abroad, through our willingness to press for religious liberty at the United Nations and in our relations with other nations, and through our determination to report fairly and accurately on these issues around the world. Today's report is part of America's larger commitment to help people of all faiths to live free of persecution and to worship in the freedom that is their birthright.

## Remarks at a Democratic Congressional Campaign Committee Reception July 22, 1997

Thank you very much. Ladies and gentlemen, one of the things that I really want before I leave this office in 3½ years is to be able to stand here with Dick Gephardt and have him introduce me and have me say, "Thank you, Mr. Speaker." And your presence here tonight makes that more likely.

I thank Martin Frost for his tireless efforts, often thankless efforts. Some of you he has doubtless almost irritated asking for help. *[Laughter]* But we are working hard to bring back the House of Representatives to our party

in the 1998 elections. And let me assure you that it can be done. I know that it can be done, but what I want you to understand is that it should be done. And I will just give you—just think about two or three things.

Number one, as Congressman Gephardt said, in 1993, with only votes from Members of our party, we passed an economic plan which exceeded all of our expectations. The deficit is now 77 percent lower than it was in 1993—with only votes from our party—and it helped to grow this economy.