

law in China and increase the likelihood that it will play by global rules as well. It will advance our larger interest in bringing China into international agreements and institutions that can make it a more constructive player in the world, with a stake in preserving peace and stability, instead of reverting to the status of a brooding giant at the edge of the community of nations.

Many courageous proponents of change in China agree. Martin Lee, the leader of Hong Kong's Democratic Party, says that "the participation of China in the WTO would . . . serve to bolster those in China who understand that the country must embrace the rule of law." Chinese dissident Ren Wanding said upon the agreement's completion: "Before, the sky was black; now it is light. This can be a new beginning."

As I have argued to China's leaders many times, China will be less likely to succeed if its people cannot exchange information freely; if it does not build the legal and political foundation to compete for global capital; if its political system does not gain the legitimacy that comes from democratic choice. This agreement will encourage the Chinese to move in the right direction.

The Importance of Permanent Normal Trade Relations

In order to accede to the WTO, China must still complete a number of bilateral negotiations,

notably with the EU and others, and also conclude multilateral negotiations in the WTO Working Party. These negotiations are proceeding.

The United States must grant China permanent NTR or risk losing the full benefits of the agreement we negotiated, including special import protections, and rights to enforce China's commitments through WTO dispute settlement. If Congress were to refuse to grant permanent NTR, our Asian and European competitors will reap these benefits but American farmers and businesses may well be left behind.

In sum, it lies not only in our economic interest to grant China permanent NTR status. We must do it to encourage China along the path of domestic reform, human rights, the rule of law and international cooperation. In the months ahead, I look forward to working with Congress to pass this historic legislation.

Sincerely,

WILLIAM J. CLINTON

NOTE: Letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. An original was not available for verification of the content of this letter.

Remarks on the Fiscal Year 2001 Federal Budget and an Exchange With Reporters

January 25, 2000

The President. Hello.

Q. Good morning.

The President. I think it's just afternoon. [Laughter] I'm glad you all got here; I thought school was canceled today. [Laughter]

Seven years ago, when I came to Washington, our Nation was burdened with a \$290 billion annual deficit, and our national debt had quadrupled in 12 years. Interest rates were high and growth was low. Vice President Gore and I set our Nation on a new path of fiscal responsibility, opening markets, investing in our people and

new technologies. We passed strong deficit reduction packages in both 1993 and in 1997 and made tough choices in each and every budget. This put the Nation on a course of fiscal discipline, while continuing to invest in our people and our future.

Last year I asked the Congress to use every single dollar of our Social Security surplus to pay down the debt and to use the interest savings from that debt reduction to lengthen the life of Social Security.

Now we see the results of the last 7 years: the first back-to-back budget surpluses in 42 years; last year's surplus of \$124 billion, the largest in our history. The latest numbers from the Treasury indicate the surplus for this year will be even larger. In just the last 2 years, we've already paid down \$140 billion of the national debt. Through unprecedented debt buybacks in the last few weeks, we're able to finance the debt on the most favorable possible terms.

Over the last 2 years, there have been repeated efforts to push us off the path of fiscal discipline, with large and irresponsible tax cuts. Because we've resisted these efforts, our debt is \$1.7 trillion less this year than it was projected to be back in 1993. Now is not the time to let up on a strategy that is plainly working.

Today I am announcing that because of the choices we have made, the budget I will submit for 2001 accelerates the date that we will be able to pay off our debt to 2013, 2 years earlier than we had originally planned. We will do this by protecting Social Security funds and dedicating the interest savings to Social Security, allowing us, in addition to paying off the debt, to extend the solvency of the Social Security Trust Fund to 2050.

We will also be able to make Medicare secure now, through 2025. And we will be debt-free for the first time since 1835, when our Nation just had 24 States and fewer than 15 million people. Our children and their children will not inherit the crippling burden of interest payments that we faced 7 years ago.

What does this mean for Americans in their daily lives? Already, the debt reduction means that American families pay, on average, \$2,000 less per year on their home mortgages, \$200 less on a loan for school or for a car. This new initiative will help even more with loans and credit card payments. Debt reduction helps everyone by getting the Government out of competition for loans, which makes interest rates lower overall. More investment, more jobs, higher wages for Americans result.

It makes us much more competitive in the global economy and less vulnerable to shocks elsewhere. It helps other nations which really need to borrow the money to get their economies going, and, in turn, they will be better trade partners with us.

All of this is good news. But as I have said over and over again, there is no room for com-

placency. We got here by making hard choices and sticking to a strategy that works, that builds opportunity and reinforces responsibility.

I remain committed to that strategy. I ask the Republican majority in Congress to put politics aside and join me. We've got so much work to do in the weeks ahead to make sure that we seize this historic opportunity.

Low Income Home Energy Assistance Program

I also, before I take your questions, and because of the remarkable weather you can see outside, would like to say just a word about relief for the thousands of families that are struggling with increased heating bills and cold this winter. We've been monitoring the situation daily, and based on the most recent data it is clear that a release of emergency funds from the Low Income Home Energy Assistance Program is warranted. Therefore, today I am directing the Secretary of Health and Human Services to expedite the release of LIHEAP funds to Alaska and States in the Northeast which have experienced the greatest hardship. These funds will help keep more American families safe and warm this winter, and we'll get them out there just as quickly as we possibly can.

Q. How much?

The President. I don't know yet. We're working on it. We'll put it out as quick as we know.

Fiscal Year 2001 Federal Budget

Q. Mr. President, why isn't it right for the next President and the next Congress to put forward such a long-term plan as you're doing today?

The President. Why isn't it right?

Q. Yes, why shouldn't—Senator Lott says it ought to be for the next President and the next Congress to do programs like this. This is a very long-term initiative that you're putting forward today.

The President. You mean the debt relief?

Q. That's exactly right.

The President. Well, I think they ought to follow it. But you've got to understand, even if we commit to this path, since every year the Congress will meet, they'll have to recommit to it. But it will be much easier—what we could do is derail them. If we had adopted, for example, the tax cut last year, we would have stopped that.

What we're doing, by taking this position, is maximizing the choices that the next Congress

and the next President will have. Except—on the Social Security thing, on debt relief. On Social Security, what I propose will take Social Security from 2034 to 2050. That is well beyond the life of most baby boomers. I would like to take it out 75 years. But I presume, based on what happened last year, that we won't be able to get enough bipartisan agreement to do that. So there will be plenty for the next President and the next Congress to do. And they will have to do that, because the life expectancy is going to go up so exponentially.

And we've already gotten Medicare out 25 years—keep in mind, Medicare was projected to go broke last year, when I took office. Now we've got it out to 2025. I think that it is appropriate to add the voluntary prescription drug benefit, and to take it out a little further by taking some of the reforms that all of us apparently agree on, based on the Medicare Commission that had heavy involvement by Senate Republicans and Democrats. And the Finance Committee's going to take that up. So there will be plenty for America to do next year and the years beyond. There always will be.

Terry [Terence Hunt, Associated Press].

Iowa Caucuses

Q. Mr. President, what do you—what's your read on the results from Iowa? Were you surprised by the margins on both the Democratic and the Republican side? Can you give us your take?

The President. Well, I think the Republican race was about as I thought it would be. And I think that the Vice President had a terrific victory last night in Iowa—and, I think, all the more impressive because he and Senator Bradley, I thought, both ran very substantive campaigns, very idea-oriented campaigns, and had that whole series of debates, which I think served the people very well. And I think he should be very proud of that, his strong effort. And I was very pleased to see that. But I don't have any real analysis of what happened in the insides of either one of the campaigns because I didn't follow it that closely.

Q. Well, you've been through this. I mean, as they go into New Hampshire, how does it affect the dynamic there?

The President. I think it's a plus, but I agree with what the Vice President said last night, it's important not to overread it. The people of New Hampshire are very independent. They

want to make a good choice. They understand that to some extent the choice they make affects the choices that the country has after the New Hampshire primary. And I think that you'll see all the candidates there really bearing down and trying to reach the voters, which is what they ought to do.

Eliau Gonzalez

Q. Mr. President, are you inclined to sign or veto any possible bill out of Congress that would grant Elian Gonzalez U.S. citizenship? And do you think it was a good idea for the two grandmothers to come here to meet with Congress, or are you concerned that might further politicize the process as you—[inaudible].

The President. Well, first, I have done my best, as all of you know, to handle this in a nonpolitical way and to make the judgments for which the law provides. The judgment that the law provides for the INS to make is whether the father can properly be declared the guardian of the child, since the mother was, unfortunately, killed.

And the case is now in court, and I would like to see—at a minimum, I would like to see this court case played out before the Congress takes action. I think we ought to try to let the legal system take its course.

I understand that the strong feelings that exist in this country about the Castro government complicates this. And I know that that little boy has some relatives in this country who feel very strongly about that. And I guess his grandmothers, in coming up here, were reacting to what they thought about the extent to which the case had already been politicized.

More than anything else, I wish that somehow—I mean, no one can really know for sure, I suppose, what terrible and probably not fully conscious burdens that child has already sustained because he lost his mother and because now he's being competed for in a way that is unusual for a 6-year-old child. And I know that—maybe it's just because I'm not running for anything, but I just somehow wish that whatever is best for this child could be done. And I know there are people who genuinely disagree about that, because plainly he would have more economic opportunity in this country. But all the evidence indicates that his father genuinely loved him and spent a great deal of time with him back in Cuba.

So I think that—you know, what I have tried to do is to set up a circumstance where the people who were in a position to know the most and be the least influenced by whatever the political considerations are would at least have the maximum opportunity to wind up doing what was right for the child. I hope that somehow we can still find a way to do that.

Q. For better or worse though—if I could follow up—for better or worse, though, politics is a reality in this situation.

The President. Yes, it is.

Q. Could you possibly veto any bill that would grant Elian Gonzalez U.S. citizenship?

The President. I have not decided what to do, and I wouldn't rule that out. I just haven't decided what to do.

Let me just say for the moment, if you take it out of the combustible, emotional nature of our relationship with Cuba and particularly the Cuban-American community in south Florida's relationship with Cuba, and you think about the issue, one of the things that I think we all need to think about is, this could happen again. I mean, this sort of thing could happen again, because you have so many people coming to our shores from all these different countries and then shifting governments, shifting policies within countries. And what we do need is an analysis of whether we have the tools to maximize the chance that the kids involved and the families involved will be treated fairly, based on the merits of, particularly, the best interests of the child.

And I think, again—I'm happy to talk to anybody about this and really try to think this through. I'm just trying to minimize the politics of it, because I think if you take this one decision out of context—it's not just Cuba, and it's not just this little boy. There are likely to be a lot of these things in the future as immigration flows increase, as upheavals increase elsewhere, and as we know more and more about what goes on in other countries.

This is something that ought to be thought about. But in my—I suppose I have tended to think of this child more from a point of view of a parent than anything else, and I wish I knew more about the facts even than I do, because I just—this poor kid has already lost his mother, and whatever happens, I'm sure he's going to carry certain burdens into his early adolescence that most of us did not carry. And somehow, whatever happens, I just hope it turns out to be best for him. He's a beautiful child.

Yes.

2000 Election

Q. Mr. President, in his victory statement yesterday, Governor Bush seemed to be throwing down the gauntlet against you. He seemed to be kicking off his major campaign against you. What do you have to say about that, and do you have a rebuttal? Are you going to do anything about it?

The President. Well, I have, I guess, two responses. One is, this campaign is between the candidates and the American people, and they will evaluate all claims and charges, and they usually get it right. That's why we're all still around here, after 224 years. They almost always get it right. And so I'm going to leave most of that to them.

Now, it is an unusual claim that we ought to somehow reject an approach that has given us the longest economic expansion in history and the lowest unemployment, welfare, and crime rolls in 30 years, not to mention the benefits of the family and medical leave law and the Brady law, which were vetoed in the previous administration. And I agree that the tax program he's proposed might well undo a lot of that, and he can make the claim that that's the basis on which the campaign ought to proceed. But I don't really want to get into an argument with him. He ought to—I think that ought to be something between him and the other candidates and the American people.

But I do think it's an unusual thing to say that what we really ought to do is change what has given us an unprecedented level not just of economic prosperity but of social progress and social cohesion, restored credibility of Government, proof that ideas really can matter to move the people forward. I think that that's a pretty hard argument to make.

Fiscal Year 2001 Federal Budget

Q. Mr. President, what's your projected surplus for the new budget, and doesn't that allow room for at least a modest tax cut?

The President. Well, yes. First of all, I'm not—you will see—I think the Congressional Budget Office, I believe, when they're going to propose what they think, I think they will show you what the difficulty here is, because my understanding is, they're going to give you options. They will show you—that is, they'll

show you—like every projected surplus, it depends on what you think the so-called baseline is.

We believe that there has been greater growth, and there will be a larger surplus than we thought. But we believe—and I intend to propose, as I did last time, a set of tax cuts that I think are targeted to the middle class, targeted to sustain our economic growth, targeted to help lower income people and areas move into the middle class, that will keep America's economic expansion going.

But I think the most important thing—I will say again, the most important thing is to keep our fiscal discipline, to keep paying down the debt, to get the country out of debt, to keep the interest rates down. Keep in mind, this is saving the average family \$2,000 a year on home mortgage costs. We're—next month, we'll have the longest economic expansion in history, and long-term interest rates are lower now than they were in the bad economy of 1991—I mean, 1992. They're lower.

So yes, we can have tax cuts. And yes, every year, and including next year when I'm not here and the years ahead, we can evaluate what the situation is. But I do not believe we should have very big tax cuts that will explode in the second 5 years of a 10-year period and that ignore what the real investment needs of the country will be.

And that's what I think of this so-called baseline. You know, to use the '97 baseline and spending caps, when they were totally shredded last year, as a basis for estimating how you should spend everything else on a tax cut, means you're going to get back in deficit problems—just for example.

So yes, we can have a tax cut. It ought to be modest. It ought to be targeted. It ought to be in the context of fiscal discipline. It ought not to explode in the second 5 years in a much bigger trajectory than it takes in the first 5 years.

And again I say—one of you mentioned about decisions that could be made in the years ahead. You can always make those decisions. If things keep getting better, then you can do more. But you should always do it with an eye, in my judgment, toward conservative economic policies and toward always understanding that those things are easy to do, but they're difficult to undo if times get tough.

Yes.

Indian Airlines Flight 814 Hijacking

Q. Mr. President, do you now have reason to believe that the Pakistani Government may have been involved in that airplane hijacking?

The President. No, we don't. We do not, no. I guess the simplest thing I can tell you is that we do not have evidence that the Pakistani Government was in any way involved in that hijacking; we don't.

State of the Union Address

Q. Mr. President, on the State of the Union, we know how pumped up you get for the State of the Union, and I was wondering, considering that this is your last one, whether there's also a sense of bittersweet, that it's a bittersweet moment, too.

The President. No, it's not bittersweet; it's nostalgic. One of the wonderful Navy stewards who works for me said this morning, he said, "I can't believe we've been doing this for 7 years." [Laughter] And the time flies when it's a busy time and you're absorbed—excuse me—absorbed in what you're doing.

I don't feel bittersweet; I do feel some nostalgia. And I think it's something I'm very much trying to fight off, because I think the important thing is to keep the attention of the country focused on the future and to keep my attention and the attention of the administration focused on the future and the energy level very high. So I am working with that in mind, and I've worked very hard on the speech, and I'm still working on it.

Bipartisanship on the Legislative Agenda

Q. Mr. President, you have a long list of things that you'd like to do. You've been rolling them out for the last couple weeks. There are things that weren't done last year. Realistically, what are the chances of any real bipartisan agreements with the Republican Congress?

The President. I think that we have some significant chance of getting some of the substantive issues through, the Patients' Bill of Rights, the minimum wage, the gun reforms, the Brady background checks at the gun shows. I think that there is a better than 50–50 chance that a lot of the investments I have recommended will eventually prevail. And I am immensely hopeful about the new markets initiative, which is more than twice as big in this budget as it was last time, largely because there is a lot of bipartisan support for it, beginning

with the Speaker of the House. So I'm very, very hopeful. You know, there's a part of that that has a special initiative for the Mississippi Delta, I believe, Senator Lott will support.

So I'm hopeful. I'm going to do everything I can to get as much done as I can for the American people, and I'm quite hopeful.

Super Bowl XXXIV

Q. Mr. President, we think we know how the Vice President feels, but what's your pick for the Super Bowl and why? *[Laughter]*

The President. He can say and get in no trouble, can't he, because he's from Tennessee. I'm not going to pick one. But I'll tell you this, I've followed it this year very closely. There were two great games last Sunday. And what I thought was going to happen 2 weeks ago I'm no longer so sure will.

Q. Can you say what?

The President. I don't think you can tell which one of them will win. You've got one that's a very powerful defensive team, Tennessee, with a capacity for real offense. And then you've got the most powerful offensive team playing against them, that was stymied last Sunday and played better defense than I thought they could. So I don't think you can predict which one of them is going to win this race.

Q. Will you send a play to one of the coaches? *[Laughter]*

The President. Would I what?

Q. Send a play to one of the coaches?

The President. No, I think they're perfectly capable of doing that without me. That's kind of like this campaign. You all want to get me involved in it, but I think the Vice President, Senator Bradley, Governor Bush, and Senator McCain, they can all do this without me. They're doing fine.

Hillary Clinton's Senate Campaign

Q. Is your wife going to win?

The President. I think so. I think she's done a good job with this, and she's getting into it. I certainly hope she does. I think it will be a good thing for New York and a good thing for our country.

Colombia

Q. Mr. President, in regards to the Colombian aid package, are you worried at all about sending arms down to a country who is now in a civil

war and there's no real guarantee about who will be in power even in the next 3, 4 years?

The President. Well, I wouldn't go that far. I think, for one thing, we want to try to preserve and strengthen democracy in Colombia. It's a very old democracy that's under the greatest stress perhaps in its history. And there's always a risk, when you go out on a limb to try to save a neighbor and help people to help themselves, that it won't work.

But I think that—I believe the risks and the investment is something that we ought to do. And again, I believe that there will be significant bipartisan support here. I'd be surprised if we don't have large numbers of Republicans and Democrats supporting this. And I think we're going into this with our eyes wide open.

One of the things that we have to do is to try to help them gain some measure of control over their own country again. And if you look at Colombia, sort of the intersection of the narco-traffickers and the political rebels, you see a picture of what you might see much more of in the 21st century world, with sort of the enemies of nation-states forming networks of support across national borders and across otherwise discrete interests, like narco-traffickers, organized criminals, and political terrorists, weapons dealers.

So this will be an interesting test run for what I predict to you not only our Nation but others in our position will have to face over the next two decades. And it is something, again, I'm going to work very hard to build a bipartisan consensus on this, to take this out of politics, because I believe that this is not only something we should do for our friend and neighbor and the country that is either the production or transit point for about 80 percent of the cocaine that gets dumped in this country; but also, if you will, a test run for the kind of challenges that my successors and our people will face in the years ahead.

Thank you.

Iowa Caucuses

Q. Did you miss being in Iowa? I'll bet you did.

The President. A little bit. I did. I love it there. They've been good to me. But I was interested in it. It's interesting to me to watch it unfold and watch how the decisions they make—which is why I don't want you guys to get me into it. This should be their campaigns,

and they should make the decisions. And we should trust the people. They'll get it right. They always do.

Thank you.

NOTE: The President spoke at 12:10 p.m. in the Briefing Room at the White House. In his remarks, he referred to former Senator Bill Bradley;

Elian Gonzalez, rescued off the coast of Florida on November 25, 1999; Juan Miguel Gonzalez, Mariela Quintana, and Raquel Rodriguez, Elian's father and grandmothers; and Gov. George W. Bush of Texas. Indian Airlines Flight 814, from Kathmandu to New Delhi, was hijacked on December 24, 1999.

Interview With Jim Lehrer of PBS' "NewsHour" January 26, 2000

State of the Union

Mr. Lehrer. Mr. President, welcome.

The President. Thank you.

Mr. Lehrer. Can we assume, sir, that tomorrow night in the State of the Union, you're going to declare the state of the Union to be in pretty good shape?

The President. It's in good shape. And I'm very grateful. But I'm also going to challenge the Congress and the country to make it better.

Mr. Lehrer. The things that are good about this country right now, how much of that do you believe you deserve credit for?

The President. Well, I think most of the credit, as always, goes to the American people. This is a country where citizenship is the most important job anybody can have, and I think we should start with that. I think the Members of Congress who have worked with us deserve a lot of credit. But if you look at where we are now, compared to where we were 7 years ago, I think the fact that we got rid of the deficit and are running surpluses; the fact that we changed the philosophy of the National Government on welfare, on crime; the fact that we have formed unprecedented partnerships with people in the private sector to deal with all kinds of social problems—teen pregnancy, which is down, adoptions, which are up; the fact that we have protected more land than any administrations in the country's history, except those of the two Roosevelts—I think that those things are things that our Government did.

I also believe that people have a lot more confidence now, that we can actually do things as a nation. In '92 we didn't just have economic distress and social decline. We had this political gridlock and discredited Government. The na-

tional Republicans had badmouthed the Government for 12 years, and they'd done a pretty good job of convincing America that it couldn't do anything. Now we have cut the size of Government by over 350,000. It's the smallest it's been since John Kennedy was here, and it really works to empower people and to create these partnerships.

So I think that we have played a role in the recovery of the economy and in the improvement of the situation with crime, with welfare, with education. We've opened the doors of college to virtually all Americans. And I think all these things count for something. And of course, our country has been a great force for peace and freedom around the world. And I'm very grateful for the chance we've had to—all of us—to serve here.

President's Historical Legacy

Mr. Lehrer. Do you believe that history is going to give you credit for all those things you've just enumerated?

The President. Well, I think that's up to the historians. I think that history will be very much more—that people who do serious histories of this administration will be amazed at the amount of energy and effort that went into the wide variety of areas that we worked in. And I think that it will show that in virtually every area we had progress, from helping to reduce poverty to improving the plight of our children, to creating an environment with the reform of telecommunications, the reform of banking, and getting rid of the deficit and major investments in science and technology, to this exploding new economy. I think it will show that we helped America to make this major transition into a new economy and an era of globalization.