

disadvantaged groups in the Nation. These individuals are an important untapped resource of talent and skills, and a key element in our Nation's ability to sustain our historic economic growth. The increasing use of off-site work stations to carry out significant and competitive work activities provides a critical new source of employment opportunities for individuals with significant disabilities.

It is in the interest of the Federal Government to utilize the skills of qualified people with significant disabilities by recruiting them for appropriate off-site, home-based employment opportunities with Federal agencies, including employment as home-based customer service representatives linked to Federal customer service call/contact centers.

To harness the power of new technologies to promote Federal sector employment of qualified people with significant disabilities, as defined in the Rehabilitation Act of 1973 (29 U.S.C. 701 *et seq.*), as amended, and to improve Federal customer service representation, I direct executive departments and agencies as follows:

- (a) Each head of an executive department or agency operating customer service call/contact centers shall identify positions that can be relocated to home-based or other off-site facilities, and that can be filled by qualified individuals, including those with significant disabilities.
- (b) Each head of an executive department or agency shall identify the appropriateness of using home-based and other off-site positions to carry out other specific work activities, such as the processing of insurance claims and financial transactions, that could be accomplished by qualified individuals, including those with significant disabilities.
- (c) If the head of a department or agency determines it is feasible and appropriate to use home-based and other off-site locations pursuant to its actions under paragraphs (a) and (b) of this memorandum, such head shall develop a Plan of Action that encourages the recruitment and employment of qualified individuals with significant disabilities.
- (d) The Plan of Action developed pursuant to paragraph (c) of this memorandum shall be submitted to the National Task Force on Employment of Adults with Disabilities (Task Force) (established by Executive Order 13078 of March 13, 1998) within 120 days from the date of this memorandum.
- (e) The Task Force shall review and approve agency Plans of Action and shall be responsible for developing guidance for the implementation of the plans and the provisions of this memorandum.
- (f) In implementing this memorandum, agencies must honor their obligations to notify their collective bargaining representatives and bargain over such procedures to the extent required by law.
- (g) This memorandum shall be implemented consistent with merit system principles under law.
- (h) This memorandum does not create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its officers, its employees, or any other person.

WILLIAM J. CLINTON

Remarks on Fiscal Responsibility and an Exchange With Reporters July 26, 2000

The President. For more than 7 years now, our Nation has stuck to a course of fiscal discipline, making tough choices that have resulted in the elimination of record deficits, investing in our people, and paying down our debt.

Clearly, the strategy is paying off. It has given us the longest economic expansion in our history, over 22 million new jobs, and the largest

budget surplus in history. Now, we have the chance to pass responsible tax cuts, continue to pay off the national debt, and keep our prosperity going.

Instead of following the path that got us here, congressional Republicans want America to take a U-turn. Over the past 2 weeks, they have pushed through a series of expensive tax bills,

one after another. They've been in a rush to get these bills passed before their convention, but they've been in no rush to get them to my desk, because they fear what will happen when the American people have a chance to add them all up and do the math.

Taken together, Republican tax bills now stacking up from this Congress would cost nearly \$2 trillion over 10 years. By our accounting, that would put America back into deficits. Even by their own rosy scenario, the Republican tax bills consume every dime of the surplus the American people have worked so hard to create. That's what this chart shows.

However you add it up, a \$2 trillion tax plan is too big, too reckless, too irresponsible. It leaves nothing for lengthening the life of Social Security and Medicare to make provision for the baby boomers' retirement. It leaves nothing for adding a prescription drug benefit to Medicare. It leaves nothing for greater investment in education or the environment or science and technology or health. It would make it impossible for us to get America out of debt by 2012.

Now, if the congressional Republicans truly think these tax cuts are good policy, instead of just good politics, they should put them together and send them down to me right now, before they break for their convention. Then the American people can add up the costs and draw their own conclusions. But if they adjourn for the summer and the bills aren't on my desk, the American people will know that they're playing politics with our surpluses.

Remember something else—and this is very important—these are projected surpluses. It's not money we have now but money we might have over the next 10 years. Think about it. If you got one of those sweepstakes envelopes from Ed McMahon in the mail saying you may have won \$10 million, would you go out and spend it? Well, if you would, you should support their tax plan, but if you wouldn't, you should think again because that's what the congressional Republicans want us to do, commit right now to spend all the money that we might get over the next 10 years.

In good conscience I cannot sign one of these tax breaks after another without any coherent strategy for safeguarding our future and meeting our other national priorities. At this rate, there will be no resources left for extending the life of Social Security and Medicare, for adding a real prescription drug benefit to Medicare, for

investing in education, or for getting us out of debt. And getting us out of debt will keep interest rates low and keep our economy growing. That could give the American people the biggest tax cut of all.

Lower interest rates, in a way, are the biggest tax cut we can give to most Americans. Because of the deficit and debt reduction already achieved, the average American family—listen to this—the average American family is already paying \$2,000 less a year in mortgage payments, \$200 less a year in car payments, and \$200 less a year in student loan payments.

If we keep interest rates just one percent lower over 10 years, which is about what my Council of Economic Advisers thinks we'll do if we keep paying down the debt instead of giving it all away in tax cuts, homeowners—listen to this—homeowners will save \$250 billion over the next 10 years in lower home mortgage rates alone. That's \$850 a family a year in lower mortgage payments.

And then to see what people are getting, you would have to add proportionally lower car payments, lower college loan payments. And of course, with lower interest rates, businesses will be able to borrow more easily and invest more, creating more jobs to sustain our prosperity. The more you do the math the less sense the Republican tax plan makes.

Consider this: The typical middle class family will get \$220 a year from the tax cuts the Republicans have passed this year—just the ones they've passed this year, not in this Congress. If interest rates went up because of the Republican plan one-third of one percent, just one-third of one percent, then that average family's mortgage payments would go up by \$270, completely wiping out the tax cut and leaving the average family worse off than they were before. It does not have to be that way.

I have proposed tax cuts to give middle class Americans more benefits than the tax bills the Republicans have passed at less than half the cost. Two-thirds of the relief of our proposal will go to the middle 60 percent of Americans, including our targeted marriage penalty tax relief.

Our tax cuts would also help send our children to college with a tax deduction for up to \$10,000 in college tuition a year, help to care for sick family members with a \$3,000 long-term care tax credit, help to pay for child care and to ease the burden on working families with

three or more children, to pay for desperately needed school construction.

And because our plan will cost substantially less than the tax cuts passed by the Congress, we'll still have enough money—and this is critical—we'll still have enough money left to provide a Medicare prescription drug benefit, to extend the life of Social Security and Medicare, to pay for the baby boomers' retirement, and to stay on track to be debt-free by 2012, and I might add, to keep interest rates lower so that we'll have billions of dollars in lower home mortgages, car payments, and college loan payments.

We should have tax cuts this year. But they should be the right ones, targeted to working families to help our economy grow, not tax bills so big they put our prosperity at risk. Now, we've tried it our way for 8 years, and we've tried it their way for several years before then. I say to Congress, stop passing tax bills you know I'll have to veto; start working together with us on a balanced budget that cuts taxes for middle class families, continues to pay off the national debt, and invests in America's future.

Over the last 7 years, our country has overcome tremendous odds to create a moment of unprecedented prosperity and promise. But how we respond to good fortune is as stern test of our values, our judgment, and our character as a nation as how we deal with adversity. I think we'll meet the challenge, and when we do, we'll ensure that America's best years are still to come.

Thank you.

Q. Are you still going to veto each of the bills if the Republicans did send them down to you?

The President. That is my plan. You know, a lot of these bills, individually, have a lot of appeal; I'm sure they do. And maybe, collectively, they have a lot of appeal until you know what they cost. But it's obvious that if you look at the income tax bill they passed last year and all these bills they're passing this year, together, they just eat up the projected surplus.

And let me say, the projected surplus is based on not only—let me just make a few more points to you. The projected surplus is based not only on, I believe, a very rosy scenario by them, a somewhat less optimistic scenario from us; it's also based on an assumption of spending which assumes that Federal spending will grow

less than the economy will grow over the next 10 years, which is, at least if you look at the record of even the Republican Congress over the last 4 years, a highly questionable assumption.

So keep in mind, this is before they spend money for anything, before they pay for their proposed national missile defense, before they pay for the promises being made in this national campaign on the domestic side, before they may decide that, at least for the things they like to spend money on, like highways and things, they want the spending to grow as fast as the economy grows.

This is a prescription, make no mistake about it, for going back to the economic policy of the past and going back to higher interest rates, and higher interest rates which will take away the benefit of the tax cut to the vast majority of Americans and undermine the long-term economic strength of the country. I know that it's not as appealing in an election year, maybe, but we're right to pay the debt down. We need to keep getting America out of debt. We need to get rid of it. It's the right thing to do for the young people of the country.

Q. Do the increased projected surpluses make it harder for you to make this case with every headline saying we're going to see this much more than we thought? Does that make it more difficult for you to argue that there is no room for these tax cuts?

The President. Well, again, I think in the beginning it does. That's why I'm here making the argument. But it doesn't change the reality. If you look at the projected surplus, just look at the spending levels alone, the projected surplus is based on, by the Congressional Budget Office, and then just—but the main thing I want to say is, once you put these tax cuts in, they're in. They're not like spending bills. You know, if Congress wants to spend money, they come in next year, and they spend money again.

So if the money turns out to be—let's suppose they spend money in 2001, and they've got a 5-year program. But in 2002 the revenues tail off; well, they don't have to appropriate as much money. They can always cut back on spending. But once you put the tax cuts in, they're in. It's a lot harder to say, "Well, I made a mistake. I think I'll raise taxes."

So there should be a tax cut. No one questions that there should be a tax cut. The question is, how big should it be and who should

be helped by it and what are the other interests the country has? We shouldn't mislead the American people about our obligations to keep interest rates low, because almost all Americans will be hurt more by higher interest rates than they can possibly be helped by any of these proposed tax cuts. And we shouldn't mislead the American people about the money we think the Congress is really going to have to spend.

This takes into account—what if we have in the next 10 years a bunch of farm emergencies, like we've had for the last 3? Let's go back and look at the extra money we've poured into spending on agriculture alone in the last 3. And if you were in Congress, wouldn't you want to at least see education spending grow at the rate of the economy growing? And look at the commitments they've made there.

And so I'd just tell you, the idea that we would say, "Okay, here's the surplus. Now let's pass tax cuts which take it all away, and never mind what might happen to the revenues, and never mind what new investments we might have to make as a country that we don't even know about now for the next 10 years"—I think it's very troubling.

Dick Cheney

Q. Mr. President.

The President. Yes.

Q. Do you think Governor Bush played it safe in choosing Dick Cheney as a running mate? And would you advise Vice President Gore to similarly play it safe in choosing his running mate?

The President. Well, first of all, I don't know—I think the most important thing about that decision is that it will—and everything I know about Mr. Cheney, personally, I like. I actually was kind of pleased by the decision, because there's no question that he has many years of experience in the Congress and in the previous Bush administration.

But the thing I liked about it was, it further clarified the choices for the American people, and I think that's important. I think the most important thing you want out of any election is that the voters understand what they're doing when they vote, and they understand that there are consequences to their vote. And it further clarifies that there are significant choices here to be made. There are big differences on the environment, on gun safety, on a woman's right to choose, on civil rights enforcement, and on

economic policy. That's what I think the election ought to be about.

I think this ought to be a positive election where people say good things about their opponents, personally, and say they have honest differences. And I think having Mr. Cheney coming on the ticket will help to clarify that there are big, profound differences between the two leaders and the tickets, and that those differences will have real consequences for the country. And I think because he's a good man, we can further dispense with the 20 years of politics of personal destruction and focus on the differences between the people that are running and the parties and how it will change life in America.

So I think anything that clarifies the debate, lifts it up, focuses it on the issue differences, is positive. And there are real, huge differences, and I think this will help to clarify them, and I think that's positive.

Recess Appointments

Q. Mr. President, you've complained that Congress has been slow to act on your appointments for judgeships and ambassadorial posts. If they don't act, do you feel in a mood to do this by recess appointments?

The President. Well, first, I have made no decision on this. I haven't made any kind of—I haven't had a meeting about it. As you know, I've been otherwise occupied the last couple of weeks. I'd like to begin by just citing the record here.

I have bent over backwards to respect the constitutional senatorial appointment process. The record will reflect that I have made less use of recess appointments than either President Bush or President Reagan, even when I had a Republican Senate the way they had Democratic Senates. I think the record will reflect that I have shown more restraint in that, even when I've had a little more partisan differences with the Senate than they did on the appointments process—my predecessors.

So I have shown a reluctance to make robust use of that option. And I just have—to be perfectly candid, I've been so absorbed with other things, I have not—I don't even know for sure what my options are, what's out there, what irrevocable consequences could result if I don't use it during this session, in terms of unfairness to particular individuals or to the public interest. So I've just got to look at the facts and make

a judgment. But I have not made a decision yet.

Q. It does sound like your patience is running out it, though.

The President. No, but I really haven't made a judgment on this. I've never been—if you just look at the record here, I have not been a big user of recess appointments, because I respect the whole process by which the Senate reviews these things, even when I think it's been strained. But I honestly haven't made a decision yet. I just have to look and see what the options are.

Middle East Peace Process

Q. On the Middle East, Mr. President, the Palestinians are saying the deal on the table on Jerusalem is just not doable. If that's the case, how can there ever be a compromise?

The President. Well, first of all, let me try to frame this in a way that I think that the Palestinians and the Israelis, and I would hope other friends of peace around the world, would think about it. We all know how hard Jerusalem is because it goes to the sense of identity of both the Palestinian and the Israeli people, and in a larger sense, the adherence of Islam, Judaism, and Christianity all around the world.

In a sense, therefore, the city of Jerusalem is not just Yerushalayim for the Israelis and Al-Quds for the Palestinians. It is a holy place that reaches beyond even the geographical boundaries of the city.

If there is to be an agreement here, it must be one which meets the legitimate interests of both parties. And that requires a certain imagination and flexibility of defining those interests and then figuring out an institutional and legal framework for them that, frankly, just takes more time and more reflection and probably less pressure than was available in our 15 days at Camp David.

But in any negotiation, it must be possible for both sides to say they got most of what they wanted and needed, that they were not routed from the field, that there was honorable compromise. And so, therefore, the issues cannot be framed in a "you have to lose in order for me to win, and in order for you to win, I have to lose" framework. If they are like that, you're correct, then we can never reach an agreement.

But I have spent a great deal of time, obviously, not only studying about this but listening

to the two sides talk about it, think about it, and looking at all the options available for a potential resolution of it. And all I can tell you is, I'm convinced that if the issue is preserving the fundamental interests of the Palestinians and the Israelis and the genuine sanctity of the Muslim, Christian, and Jewish interest in the Holy City, then I think we can do that. I just do. But we couldn't do it in the 15 days we were there.

The decision that will have to be made is whether there is a way—for example, in this case, you mentioned the Palestinians—for the Palestinians to win their fundamental interest without also winning the right to say they have routed the Israelis, or whether there's a way for the Israelis to protect their fundamental interests without also winning the right to say they have stuck it to the Palestinians. I believe there is, and we're going to explore how we might persuade them, all of them, that there is and where we go from here.

And I hope that just this kind of thing I've been talking about will spark a whole range of "oh" articles in the press, commentators on the TV programs, other people talking and thinking this way, trying to be innovative and open—and you know, I realize the incredible pressure these people were under in even having this discussion. That is, in the end, why I realized we couldn't get it done in 2 weeks. You've got to get used to talking about something for a little bit before you can then entertain how you can create an edifice that you hadn't previously imagined. And I think we'll be able to do it.

Q. How long are you going to wait before you give it another shot?

The President. Well, it depends. I can't answer that. I've tried to make the judgments here for 8 years based on what I thought would aid the process, and I can't yet tell, Mark, [Mark Knoller, CBS Radio] what would be most in aid of the process. I just can't tell yet.

Thank you.

NOTE: The President spoke at 2:10 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to Publishers Clearing House Sweepstakes spokesperson Ed McMahon; and Republican Presidential candidate Gov. George W. Bush of Texas.

July 26 / Administration of William J. Clinton, 2000

Message to the Congress Transmitting a Report of the Federal Labor Relations Authority

July 26, 2000

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95-454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Twenty-first Annual Report of the Federal Labor Relations Authority for Fiscal Year 1999.

The report includes information on the cases heard and decisions rendered by the Federal

Labor Relations Authority, the General Counsel of the Authority, and the Federal Service Impasses Panel.

WILLIAM J. CLINTON

The White House,

July 26, 2000.

Remarks at a Reception for Congressional Candidate Terry L. Lierman

July 26, 2000

Thank you very much. Let me say to all of you, I thank you for being here. And I want to thank the organizers of this event for holding it in this wonderful museum. It's one of Hillary's and my favorite places in all of Washington, DC, and I hope you'll always support it and bring some people back here. This is a great thing for the women of America, this museum, and I'm delighted to be here.

I want to thank Governor Glendening for what he said and for his sterling leadership. Maryland, in so many ways, has led the country in education and health policy and so many other things since Parris Glendening has been Governor and Kathleen Kennedy Townsend has been Lieutenant Governor. I am so proud of them. I have been to Maryland more than any other State in America the last 8 years, to highlight reforms at the State level that work. And it's a real tribute to him. I'm grateful to him.

I also want to thank the Members of Congress who are here and those who are gone. I know Steny Hoyer was here; I heard him, with his booming voice, speaking when I came in and started taking pictures with a few of you. And I thank him and Al Wynn. And thank you, Jim Moran, for being here. Thank you, Elijah Cummings, for being here. And thank you, Patrick Kennedy, for being here, out there in the crowd, just one of the folks, like all the Kennedys. [*Laughter*] I appreciate you being here. Good for you.

Patrick has been the chairman of the Democratic Congressional Campaign Committee, which means he has to go out and make sure all the House Members have enough money to get on television. So he's just out here checking you all out. He'll probably call you all tomorrow for somebody else. [*Laughter*] But you've done a great job. Thank you, Patrick.

Finally, I want to say a word of appreciation and admiration and thanks to Senator Paul Sarbanes—I think not only one of the brightest but one of the most wise people in the United States Congress. You are very lucky to have him as your Senator. I'm glad to see him and Christina here tonight. Thank you.

And I would like to thank Terry and his entire family, because this is a family endeavor, for their commitment to this race and to the future of our country. It is not easy to run for Congress today, still less to run against an incumbent and to run for a clear reason that overrides his or anyone else's individual interests. And I admire him for doing it, for taking it on, and for doing it with such gusto. So I thank you, and I thank your family.

Now, it is true, as all of you know, that I've been up most of the last 15 days. This will be the first night in 15 nights that I've been to bed before 2 o'clock in the morning, and the most of the nights we were at Camp David, we went to bed at 3 or 4. The last 2 nights we were all up until 5 o'clock in the morning.