

Melanne Verveer

Sib
but
control

The NSC
memo is
probably in
"Romania" to
file - ask Eric

NATIONAL SECURITY COUNCIL

Melanne -

I know of FINCA's work and am very supportive. We are trying to get a bilateral assistance agreement in place with Azerbaijan to resolve these kinds of taxation issues. The embassy is aware of FINCA's case & (I'm told) has been involved. But it will be hard to resolve this definitively until we get a legal mechanism (the bilateral assistance agreement) to support our case.

Carlos

Melanne Verveer

~~Catala~~ we have been
very active working
with Finca in creating
micro businesses thru
micro lending. They have
just sent us this
summary of the
region. Do you have
a service on Azerbaijan?

Azerbaijan

File
Azerbaijan

After a very promising start in Azerbaijan, where FINCA was able to provide credit to over 3,000 families, the Azeri government ruled that FINCA must cease lending operations pending the issuance of a non-bank financial institution lending license. (While FINCA is locally registered as an NGO, such a license has never been required in any country in which we operate.) Since July, FINCA Azerbaijan has suspended lending leaving the families without recourse to other sources of capital. If and when this license is issued, FINCA and other NGOs still face the threat of taxation both of their grants and on the incomes of expatriate personnel.

→ We, and the rest of the NGO community, would be grateful if the White House could convince the U.S. Ambassador to Azerbaijan to take up our concerns directly with the President of Azerbaijan. At this point, FINCA is appealing to the British Ambassador because the U.S. Ambassador has not made the issue a priority for reasons we do not understand. The details of the taxation situation, which poses the gravest threat, are outlined below.

Currently in Azerbaijan, there is no bi-lateral agreement in place between the United States and Azerbaijan, due to Section 907 of the Freedom Support Act of 1992, which states that "United States assistance under this or any other Act may not be provided to the Government of Azerbaijan (GOA) until the President determines, and so reports to the Congress, that the GOA has taken demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Norgorno-Karabakh."

For FINCA and other NGOs, this means USAID funded projects, such as ours, are not exempt from taxes in Azerbaijan. In the past nine months, a tax-working group has diligently pressed forth the issue and has drafted a presidential decree asking for issuance of a moratorium on taxes for humanitarian organizations. The U.S. Embassy pledged to convey the group's efforts to the relevant officials of the GOA. Representatives of the World Bank and International Monetary Fund advised taking the issue to the President of Azerbaijan, to avoid the intermediate levels of bureaucracy. To date, the tax issue has not been presented to the President, or to any officials of the Government who have the authority to make relevant decisions regarding taxation. >

We believe that we could make considerable progress if the U.S. Ambassador were to impress upon the President the importance of both resolving these taxation issues and of expediting licensing of microfinance institutions like FINCA.

Kyrgyzstan

We are happy to report that FINCA Kyrgyzstan has been extremely successful reaching over 15,000 clients. The IFC of the World Bank is now interested in assisting FINCA Kyrgyzstan to convert into a commercial bank. This would be the first microfinance bank focused on the poor in the former Soviet Union.

Moreover, President Akayev sent a letter last December to President Clinton lauding him for the program. I am attaching a copy of the letter. If President Clinton ever responded to President Akayev, we were never sent a copy.

Russia

Finally, FINCA's program in Samara just opened this summer and we have been able to reach over 200 clients thus far. The regulatory barriers which poor microentrepreneurs face are enormous. In January or February, FINCA will be organizing with Ohio State University a conference on regulatory issues faced by the microenterprise sector in Russia. We would welcome the participation of any interested White House officials.

A Mother's Day Pledge for America's Parents

May, 1999

- *I will not give my child unsupervised access to a firearm.*
- *I will not allow my child to play in a home where guns are improperly stored.*
- *If I own a gun, I will unload it and lock it up and store the ammunition separately and securely.*
- *I will urge others, including my community leaders and political leaders, to do everything in their power to protect our children from guns.*

file gun legis'n
FBI



Christine L. Anderson
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To: See the distribution list at the bottom of this message

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Subject: Fact Sheet: President Clinton: Convening Congressional Leaders and Making the Case for Common Sense Gun Legislation

**PRESIDENT CLINTON: CONVENING CONGRESSIONAL LEADERS
AND MAKING THE CASE FOR COMMON SENSE GUN LEGISLATION**
March 7, 2000

President Clinton today will announce the release of a new Justice Department report, *Kids and Guns*, showing the devastating impact that gun violence has on American children. The report shows that guns are the key variable in the recent rise and fall of juvenile homicide. The rise in murders of juveniles and by juveniles from the mid-1980's to their peak in 1993 was entirely firearms-related -- as was their subsequent decline since 1993. Non-gun juvenile homicide remained constant during that period. The report also makes clear that even with recent declines, too many American youth are killed by gunfire: the gun homicide rate of children under 15 is sixteen times higher in the U.S. than in 25 other industrialized nations combined.

In the wake of last week's tragic shootings, the President today will also convene a meeting with Congressional leaders to break the logjam on pending common sense gun legislation. The President will ask the leaders to put the safety of American families first, and pass measures to close the gun show loophole, require child safety locks for handguns, and ban the importation of large capacity ammunition clips. The President also will call on the leaders to pass his plan to punish adults who recklessly allow children to have access to deadly weapons.

RELEASING NEW REPORT ON KIDS AND GUNS. Today's report, prepared by the Justice Department's Office of Juvenile Justice and Delinquency Prevention (OJJDP), contains encouraging news on recent declines in gun-related juvenile deaths, but reinforces the need to do more to keep guns out of the hands of children. Key findings include:

- **The sharp decline in homicides by juveniles between 1994 and 1997 was attributable entirely to a decline in homicides with firearms.** This followed an increase in homicides by juveniles from the mid-1980's to the 1993 peak year -- fueled entirely by

firearms.

- **Guns are the weapon of choice for juvenile homicide offenders.** Between 1980 and 1997, 70 percent of juvenile homicide offender victims were killed with a firearm. Most victims of juvenile homicide offenders were male (83 percent). Of all victims killed by juveniles, 55 percent were acquaintances, 31 percent were strangers and 14 percent were family members.
- **The number of juveniles murdered with a gun increased 65 percent between 1987 and 1993 while other types of homicide remained constant.** The subsequent decrease in juveniles murdered also was all gun-related. Between 1980-1997, nearly 38,000 juveniles were murdered. In 1980, fewer than half (41 percent) of the juveniles murdered were killed with a firearm; this proportion peaked at 61 percent in 1993 and fell to 56 percent in 1997.
- **Teen homicides more likely to involve a gun than adult homicides.** In 1997, 85 percent of 15-17 year-old homicide victims were killed with a gun, versus 60 percent of victims 35-44.

The findings of today's report underscore the importance of this Administration's efforts to reduce gun violence, including the Brady Law, the 1994 assault weapons ban, the Youth Handgun Safety Act banning juvenile handgun possession, and the Youth Crime Gun Interdiction Initiative to crack down on illegal gun traffickers who supply guns to youth. The report also reinforces the need for additional gun safety measures, like those proposed by the President, to prevent guns from getting into the wrong hands.

PUSHING CONGRESS TO PASS COMMON SENSE GUN LEGISLATION. For eight months, the Congress has failed to complete action on common sense gun measures in the pending juvenile crime bill. Today the President will call on Congressional leaders to move quickly to enact into law the Senate-passed gun safety provisions to help keep guns out of the hands of children and criminals. The Senate gun provisions include:

- **Closing the gun show loophole.** The Senate bill contained provisions to close this dangerous loophole in the law that allows criminals to buy guns at gun shows on a cash and carry basis with no questions asked. It is estimated that up to half of sellers at the more than 4,000 gun shows held across the country are not subject to the same laws as licensed gun dealers -- and are not required to conduct background checks or keep records to help law enforcement trace guns later used in crimes. To close this dangerous loophole, the President will insist on background checks and recordkeeping for all sales at gun shows.
- **Requiring child safety locks for handguns.** An estimated one-third of all privately-owned handguns are left loaded and unlocked. Child safety locks can reduce the unauthorized use of handguns by a child at play or a teen looking to commit a crime. The Senate passed an amendment to require a child safety lock with every new handgun.

- **Banning the importation of all large capacity ammunition magazines.** While the 1994 assault weapons law banned the future domestic manufacture and importation of large capacity ammunition feeding devices that hold more than 10 rounds, those manufactured before the law's enactment were grandfathered. Since it is difficult to determine when clips manufactured by foreign companies were made, it has become relatively easy for foreign gun manufacturers to circumvent the ban. The Senate bill would close this loophole by banning the importation of all large capacity magazines -- regardless of when they were manufactured.
- **Extending the Brady Law to violent juveniles.** Although violent youths convicted in adult courts are barred from owning firearms as adults, the same is not true for youths found guilty of serious violent crimes in juvenile court. The Senate bill would permanently ban all violent juveniles from buying guns.

HOLDING PARENTS RESPONSIBLE FOR CHILD ACCESS TO GUNS. The President will also call on the Congressional leaders to take a step beyond the Senate-passed provisions and pass his Child Access Prevention (CAP) proposal, which would hold adults accountable if they allow children easy access to loaded guns. Sixteen states have already adopted CAP laws. According to a study published by the Journal of the American Medical Association, CAP laws help reduce fatal unintentional shootings by an average of 23 percent. The President's proposed legislation would impose felony penalties on adults who knowingly or recklessly allow a child to have unlawful access to an unlocked gun that is later used to cause death or serious injury. Such adults could be imprisoned for up to three years, fined up to \$250,000, or both.

LEADING AN EFFORT TO DEVELOP SMART GUN TECHNOLOGY. The President has also proposed a \$10 million FY 2001 budget initiative to fund the research, development and replication of "smart gun" technologies. These state-of-the-art safety innovations would limit a gun's use to its proper adult owner -- and could prevent accidental shooting deaths, deter gun theft, and stop criminals from seizing and using the guns of police officers against them.

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