Thursday, July 31, 1997

| | | |
|---|---|---|
| 10:50 AM | Weekly Economic Briefing | Tab A |
| 11:25 PM | Meeting with Secretary Cohen | Distributed Separately |
| 6:30 PM | Congressional Meeting (Fast Track) | Tab B |
| | - Talking Points | Tab C |
| | - Q's and A's | Tab D |
| | - List of Participants | Tab E |

# SCHEDULE OF THE PRESIDENT

## FOR

## THURSDAY, JULY 31, 1997

## FINAL

| | | |
|---|---|---|
| **SCHEDULING DIRECTOR:** | **STEPHANIE STREETT** | |
| | **HOME:** | **202-332-5651** |
| | **OFFICE:** | **202-456-2823** |
| | **WHCA PAGER:** | **4033** |
| | | |
| **PRESS DESK:** | **ANNE EDWARDS** | |
| | **HOME:** | **301-565-3101** |
| | **OFFICE:** | **202-456-2921** |
| | **WHCA PAGER:** | **4208** |

**WEATHER:**

**WASHINGTON, D.C.**
**Mostly sunny.**
**Wind north-northeast at 5 to 10 knots.**
**High 82 to 87.**
**Low 58 to 63.**

**SCHEDULE OF THE PRESIDENT**
**FOR**
**THURSDAY, JULY 31, 1997**

| | |
|---|---|
| 9:00 am-<br>9:45 am | **MEETING**<br>RESIDENCE<br>Staff Contact: John Hilley |
| 10:00 am-<br>10:15 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Erskine Bowles |
| 10:15 am-<br>10:30 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 10:30 am-<br>10:45 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 10:50 am-<br>11:10 am | **WEEKLY ECONOMIC BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Janet Yellen |
| 11:15 am-<br>11:20 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 11:25 pm-<br>11:55 pm | **MEETING WITH SECRETARY COHEN**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 12:00 pm-<br>12:05 pm | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: John Podesta |
| 12:05 pm-<br>12:10 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: John Podesta |

| | |
|---|---|
| 12:10 pm-<br>1:10 pm | **LUNCH WITH VICE PRESIDENT GORE**<br>OVAL OFFICE |
| 1:10 pm-<br>6:00 pm | **PHONE AND OFFICE TIME**<br>OVAL OFFICE |
| 6:00 pm-<br>6:30 pm | **BRIEFING**<br>OVAL OFFICE OR RESIDENCE<br>Staff Contact: John Hilley |
| 6:30 pm-<br>7:30 pm | **CONGRESSIONAL MEETING**<br>RESIDENCE<br>Staff Contact: John Hilley<br>**CLOSED PRESS** |
| **BC AND HRC RON** | **THE WHITE HOUSE**<br>**WASHINGTON, DC** |

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

July 29, 1997

# WEEKLY ECONOMIC BRIEFING

| | |
|---|---|
| DATE: | Thursday, July 31 |
| LOCATION: | Oval Office |
| TIME: | 11:30 - 11:50 a.m.. |
| FROM: | Janet L. Yellen JLY |

## I. PURPOSE

You will be briefed by CEA Chair Janet Yellen and other members of your economic team on Fed Chairman Greenspan's Tuesday, July 22 Humphrey-Hawkins testimony and the current state of the economy. You will also be briefed on movements in the Southeast Asian currency markets, and on new studies of the effects of teen childbearing (Weekly Economic Briefing, July 4).

## II. PARTICIPANTS

CEA Chair Janet Yellen
CEA Member Alicia Munnell
NEC Director Gene Sperling
Assistant to the President for International Economic Policy Dan Tarullo
Treasury Secretary Robert Rubin
Deputy Treasury Secretary Lawrence Summers
OMB Director Franklin Raines

## III. PRESS PLAN
closed

## IV. REMARKS
none required

## V. ATTACHMENTS

Weekly Economic Briefing, July 25, 1997.

Memo re: Greenspan Testimony (July 23, 1997)

"New Studies Question Effects of Teen Childbearing."
(Weekly Economic Briefing, July 4, 1997)

THE WHITE HOUSE

WASHINGTON

July 30, 1997

FAST TRACK MEETING WITH
SELECTED MEMBERS OF THE HOUSE

DATE: July 31, 1997
LOCATION: Yellow Oval Room
TIME: 6:30 - 7:30 p.m.

FROM: SAMUEL BERGER
GENE SPERLING
DANIEL K. TARULLO
JOHN HILLEY John Hilley

I. PURPOSE

To make our affirmative case for fast track to undecided Democratic House members and to encourage them to keep an open mind during the August recess.

II. BACKGROUND

This is the second small group meeting you are holding with House Democrats on fast track prior to the August recess. This second group contains Democrats who we feel can be persuaded, plus some supporters. As with the first meeting, we recommend your message be built around three themes.

1. Optimism/Future v. Pessimism/Past: This issue is at the center of our national debate about our future: whether we will meet the challenge to compete and win, or whether we will convince ourselves -- against the evidence -- that we should not move forward. Trade expansion has been a key element of a forward-looking economic strategy that has created 12 1/2 million jobs, brought core inflation to a 30-year low and created sustained economic growth.

2. American Leadership: As we enter the 21st Century, we need to be in front of world trade opening efforts, not lagging behind and losing market opportunities. The world is watching. If we don't act, others will.

3. Important Market Opening Opportunities: Fast track is the tool for eliminating foreign barriers, whether through sectoral agreements (e.g., medical equipment, environmental technology, agriculture), continuing regional processes in Latin America or Asia or eliminating global barriers in the WTO. This is not a referendum on NAFTA, as some suggest. It

is about a far different agenda: eliminating foreign barriers worldwide, which are much higher than ours.

As at the first meeting, we do not recommend you foreshadow our approach on labor/environment issues; it likely would leak and would make it even more difficult for Members to stay neutral during August. Instead, we suggest you reaffirm your commitment to these issues and indicate we will set forth an approach in September.

III. PARTICIPANTS

See Tab C.

IV. PRESS PLAN

White House Photographer

V. SEQUENCE

We recommend you open with brief remarks (attached), introduce Jay Berman and Vicki Radd, then open the floor for discussion.

Attachments
- Points to be Made
- Q's and A's
- Participants

# POINTS TO BE MADE FOR MEETING ON FAST TRACK

## Introduction

- I want to talk with you about why it is in our nation's interest to renew fast track trade negotiating authority. Before I begin, let me introduce Jay Berman and Vicki Radd, who will be leading our effort. Their appointment underscores the high priority I attach to this issue. It is one of the most important votes you will cast this year. In fact, when we look back, I think it will be one of the most important decisions we will make this decade.

## Optimism/Future v. Pessimism/Past

- This issue is at the heart of our effort to define America's future. It tests whether we will confidently meet the challenge to compete and win in the global economy, or whether we will convince ourselves -- against the evidence -- that we should not move forward. As President, I have tried to adopt a forward-looking economic strategy that guides our country into the 21st Century. And it is clear to me that international trade is central to that strategy:

    - Over the next decade, the global economy is expected to grow at three times the rate of the U.S. economy. Over the past four years, one-quarter of our economic growth came from trade. In a world where over 96 percent of the world's consumers live outside the U.S., we must export to sustain growth at home.

- Our strategy has made the American economy the envy of the world. We are perfectly positioned to seize these trade opportunities.

    - We have enjoyed the longest period of sustained growth of all of our G-7 partners - seven years as of last March. We have created 12 million net new jobs, more than all of the other G-7 countries combined. The unemployment rate was 5 percent in June, the lowest in over 23 years.

    - We are once again the world's largest exporter, the largest producer of semiconductors, the largest producer of automobiles. Independent studies have found America to be the most competitive economy in the world for the past five years. No country in the world is better positioned to compete.

Global Leadership

- To continue that record, I need the authority to continue opening markets. Without it, America will not maintain its leadership position in world trade and a critical part of our economic expansion will stall. We must be in front of market opening efforts, not lagging behind and losing opportunities.

- Let's not kid ourselves -- if we don't act, others will.

  - Since 1992, in Latin America and Asia alone, other countries have reached more than 20 preferential trade agreements without us.

  - Today every major economy in this hemisphere has a preferential trade deal with Chile, except the United States. Chile has an 11 percent across-the-board tariff that these countries are eliminating for their products. That means every time an American company competes to sell to Chile, it will face an immediate 11 percent cost disadvantage compared to its Canadian competitor. Canada's Northern Telecomm won a $180 million telecommunications contract over three U.S. companies in part because it could avoid paying $20 million worth of tariffs.

  - The EU, China and others are on the move. The EU has begun a process to reach a free trade agreement with Brazil, Argentina and other MERCOSUR countries. President Chirac has declared "the future of the region rests with Europe, not the United States." China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities" in Latin America.

Significant Market Opportunities

- The potential gains are great, if we seize them. If you give me the authority, we will attack foreign trade barriers on a number of fronts:

  - Sectoral Agreements: We would negotiate agreements in sectors where the United States is most competitive. The recent Information Technology Agreement, for example, eliminated tariffs and unshackled $500 billion of trade in semiconductors, computers, telecommunications equipment and software, amounting to a $5 billion tax cut in tariffs on American exports. With fast track authority, I can tear down more barriers in areas like medical equipment and environmental technology, where America leads the world.

- Latin America/Caribbean: This area was the fastest growing market for U.S. exports in 1996. If trends continue, Latin America and the Caribbean will exceed the EU as a destination for U.S. exports by 2000 and exceed Japan and the EU combined by 2010. We remain committed to the Free Trade Area of the Americas process. Chile would be our first step in this process.

- Asia: Contains the fastest growing economies in the world, with nearly 3 billion people. Forecasters expect real growth of 6-7 percent annually for the next 15 years. In APEC, we are working to reach agreements in key sectors that could open these markets to America's most competitive products. Without fast track, that process will come to a halt.

- Africa: Working with Congress, I recently launched an Africa trade initiative. Africa's nations are joining the march toward freedom and open markets -- and we should encourage it. Sub-Saharan Africa alone has 700 million people, but we supply only 7 percent of Africa's imports. We want to explore negotiations with South Africa when it is ready.

- Global: Over 50 years of persistent American leadership has helped bring down global tariffs from an average of 40 percent at the end of World War II to about 5 percent today, leading to a 90-fold increase in global trade. Upcoming WTO talks on agriculture can help us cut barriers and subsidies in the $526 billion global farm market. We can eliminate barriers to services trade, a $1.2 trillion global market, where U.S. firms had a surplus of $74 billion in 1996.

## Conclusion

- We face a critical choice. We can recognize that the American economy is the model for the world, continue to open foreign markets and seize the initiative. Or we can convince ourselves that we are on the wrong track, that we cannot succeed and that we should not move forward. Years from now, we will either proudly recognize that we saw our opportunities and we took them. Or we will have become paralyzed by indecision, squandered our strong competitive advantage and let others seize the initiative. The choice is that clear -- and that important. I ask you to support me on this critical issue.

# QUESTIONS AND ANSWERS
# FAST TRACK MEETING

## NAFTA

Q: NAFTA is relevant to fast track. Critics argue that NAFTA has cost us over 400,000 jobs. Our trade surplus has turned into a deficit. If NAFTA was a failure, why should we extend it to the rest of the hemisphere and beyond?

A: The critics are wrong. The best information available indicates that NAFTA has had a positive effect on jobs, creating 90,000 to 160,000 jobs in trade with Mexico alone. The trade deficit with Mexico was caused by Mexico's peso crisis and the recession, not NAFTA.

If anything, the trade deficit would have increased further if it were not for NAFTA. When Mexico had its last financial crisis in 1981-82, it imposed 100 percent duties on American products, U.S. exports fell in half and it took 7 years for us to recover to 1981 levels. This time, Mexico continued to reduce its tariffs as required by NAFTA (even though it raised on them on our competitors). U.S. exports recovered to pre-recession levels in 18 months, protecting the 750,000 jobs dependent on those exports. A Federal Reserve of Dallas study concluded U.S. export growth was 7 percent higher than it would have been absent NAFTA.

Q: What will you do about labor/environment in future trade agreements?

A: I share your concerns about labor and environmental issues. We must remain committed to promoting worker rights and ensuring that economic growth is not at the expense of the environment. In the fall, I will set forth a proposal addressing these concerns. In the meantime, I ask you to keep an open mind.

But failing to engage these countries will not improve their worker rights or the environment. These countries will advance economically, whether or not we negotiate trade agreements with them -- and other countries won't be as concerned about their labor or environmental protection. By leading the world, we have a far better opportunity to promote our values than by disengaging.

Q: NAFTA was supposed to have improved labor/environment conditions on the border, but it hasn't. In fact, the problem is worse.

A: The problems along the border existed before NAFTA and they won't be solved overnight. But NAFTA has given us better progress and cooperation than we would have had without it. There are clear signs of improvement:

- From 1993 to 1996, Mexico increased it budget for enforcement of labor laws by 250 percent.
- The overall rate of occupational injuries and illnesses fell from 47 per thousand in 1994 to 33 per thousand in 1996.
- Mexico has seen the number of environmental violations dropping; with a 72 percent reduction in serious violations in the maquiladora industry from 1993 to 1996; and a 43 percent increase in the number of maquiladora facilities in complete compliance.
- The NAFTA institutions financing border cleanup projects have certified 16 projects, including infrastructure projects costing nearly $230 million.

Q: Opponents have successfully made this a referendum on NAFTA. How do I refute that?

A: I think NAFTA's been good for this country. But no matter what you think, this is not about NAFTA. It's about the global trading agenda I outlined.

- Our competitors would like nothing better than to have us rehash the NAFTA debate for four years, while they seize new market opportunities.

- Inaction will simply let foreign barriers stand. When we reach these trade agreements, we give up very little, while other countries give up far more. When the Uruguay Round is phased in, our tariffs will average only 2.8 percent. Other countries are far higher: India (31 percent); Thailand and Turkey (26 percent); Chile and Indonesia (11 percent). Becoming mired in a debate about NAFTA won't level the playing field.

Q: NAFTA has diverted investment from the United States to Mexico. It was an investment agreement, not a trade agreement.

A: No. U.S. foreign direct investment in Mexico averaged $3.1 billion in 1994-96, little changed from the $2.5 billion the year before NAFTA took effect. The $3.1 billion was less than 0.3 percent of gross private fixed investment in the United States in 1996. The Big 3 invested $39 billion in the U.S. economy in the last three years, only $3 billion in Mexico.

Q: U.S. companies use the threat of relocation to Mexico to jawbone down the wages of America's workers. That will just happen over and over again if we reach more free trade agreements.

A: The fact is that NAFTA makes it more attractive to stay in the United States. Before NAFTA, U.S. exports faced an average 10 percent tariff when sending U.S.-made goods to Mexico. They had restrictions that basically forced us to locate car production down there if we wanted to sell in their market. NAFTA eliminates all of this - and will eliminate only a 2 percent average tariff on products coming here.

If we let other countries reach trade agreements, while we sit on the sidelines, it will make it even more attractive for U.S. companies to move offshore. If Brazil has eliminated all tariffs it faces in this hemisphere -- and we still face high tariffs -- U.S. companies have one more incentive to move offshore. If we want to keep jobs here, we should eliminate trade barriers for U.S.-made products.

**Trade Generally**

Q: Why should be reach trade agreements with low-wage countries? How can U.S. workers compete against foreign workers earning a fraction of U.S. wages?

A: The fact is that U.S. workers do compete successfully with low-wage countries. In the last 10 years, U.S. exports to low-wage countries have risen 240 percent, while exports to high-wage countries are up just 140 percent and domestic sales by 75 percent. Exports to low-wage countries now account for 42 percent of total U.S. exports. And these are good jobs. Wages for export-related jobs pay 13-16 percent more than the national average.

Competition from low wage countries does create competitive pressures in industries where skills and productivity are lower, but most such jobs don't compete with imports. In fact, imports from non-oil developing countries account for only 4 percent of U.S. spending and has grown only 1.5 percent during the past decade.

For those workers who are affected, we need to maintain our commitment to education and worker retraining. That's why I have made them a priority. It must be part of a complete strategy to prepare us for global competition.

Q: The U.S. trade deficit has hurt the U.S. economy and cost American jobs.

A: It's hard to argue that the trade deficit is devastating the U.S. economy. We are growing at a steady pace of about 3 percent per year over the past five years, unemployment is at a 23-year low, income levels are rising and exports are at record levels.

But one way to attack the deficit is to break down foreign barriers -- and I can't do that unless I have fast track authority.

| Hill Participants | Administration Participants |
|---|---|
| Representative James Moran | The President |
| Representative Vic Fazio | Vice President |
| Representative Silvestre Reyes | Secretary Rubin |
| Representative Charles Stenholm | Secretary Glickman |
| Representative Peter Deutsch | Secretary Dailey |
| Representative Zoe Lofgren | Secretary Herman |
| Representative Tom Barrett | Administrator Browner |
| Representative Norm Dicks | Ambassador Barshefsky |
| Representative Jay Johnson | Under Secretary Eizenstat |
| Representative Chris John | Erskine Bowles |
| Representative Adam Smith | Sandy Berger |
| Representative David Minge | Daniel K. Tarullo |
| Representative Nita Lowey | Gene Sperling |
| Representative Bill Luther | John Hilley |
| Representative Vic Snyder | Mack McLarty |
| Representative Lee Hamilton | Jay Berman |
| Representative Martin Meehan | Vicki Radd |
| Representative Michael McIntre | Susan Brophy |
| Representative David Price | Bob Kyle |
| Representative Floyd Flake | Bill Danvers |
| Representative Bob Clement | John Podesta/Sylvia Mathews |
| Representative Jane Harman | |
| Representative Bob Etheridge | |
| Representative Ike Skelton | |
| Representative Ellen Tauscher | |
| Representative Harold Ford, Jr. | |
| Representative John Murtha | |
| Representative Bob Menendez | |
| Representative Carolyn McCarthy | |
| Representative Donald Payne | |
| Representative Joseph Kennedy | |
| Representative Julian Dixon | |
| Representative Lloyd Doggett | |

# Clinton Presidential Records
# Digital Records Marker



Divider Title: **AUGUST 1997**

Friday, August 1, 1997

| | | |
|---|---|---|
| 9:15 AM | Military Aide Promotion Ceremony | Tab A |
| | Official Working Visit of President Aliyev <u>of Azerbaijan</u> | Distributed Separately |
| 11:40 AM | Restricted Meeting | |
| 11:55 AM | Expanded Meeting | |
| 1:05 PM | Working Lunch | |
| 2:10 PM | Statement Signing | |
| | - Remarks | Tab B |

**SCHEDULE OF THE PRESIDENT**

**FOR**

**FRIDAY, AUGUST 1, 1997**

**FINAL**

| | | |
|---|---|---|
| **SCHEDULING DIRECTOR:** | **STEPHANIE STREETT** | |
| | **HOME:** | **202-332-5651** |
| | **OFFICE:** | **202-456-2823** |
| | **WHCA PAGER:** | **4033** |
| **PRESS DESK:** | **JEREMY GAINES** | |
| | **HOME:** | **202-362-5475** |
| | **OFFICE:** | **202-456-5771** |
| | **WHCA PAGER:** | **4194** |

**WEATHER:**

**WASHINGTON, D.C.**
**Partly cloudy.**
**Wind south at 4 to 8 knots.**
**High 89 to 94.**
**Low 63 to 68.**

July 31, 1997 (7:37pm)

**SCHEDULE OF THE PRESIDENT**
**FOR**
**FRIDAY, AUGUST 1, 1997**
**FINAL**

| | |
|---|---|
| 9:00 am-<br>9:15 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Erskine Bowles |
| 9:15 am-<br>9:20 am | **MILITARY AIDE PROMOTION CEREMONY**<br>OVAL OFFICE<br>Staff Contact: Alan Sullivan<br>**WHITE HOUSE PHOTO ONLY** |
| 9:20 am-<br>9:25 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 9:30 am-<br>9:45 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: John Hilley, Rahm Emanuel |
| 9:45 am-<br>10:15 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: John Hilley, Rahm Emanuel |
| 10:30 am-<br>11:00 am | **HOLD**<br>OVAL OFFICE<br>Staff Contact: Mike McCurry |
| 11:00 am-<br>11:30 am | **BRIEFING FOR THE WORKING VISIT OF PRESIDENT ALIYEV OF AZERBAIJAN**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 11:35 am | President Aliyev is escorted into the Oval Office |

| | |
|---|---|
| 11:40 am-<br>11:50 am | **RESTRICTED MEETING WITH PRESIDENT ALIYEV OF AZERBAIJAN**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger<br>Interpretation: Consecutive<br>**STILLS AND OFFICIAL PHOTO ONLY** |
| 11:50 am | **THE PRESIDENT** escorts President Aliyev to the Cabinet Room |
| 11:55 am-<br>12:30 pm | **EXPANDED MEETING WITH PRESIDENT ALIYEV OF AZERBAIJAN**<br>CABINET ROOM<br>Staff Contact: Sandy Berger<br>Interpretation: Simultaneous<br>**CLOSED PRESS** |
| 1:00 pm | **THE PRESIDENT** proceeds to the Old Family Dining Room |
| 1:05 pm-<br>2:05 pm | **WORKING LUNCH WITH PRESIDENT ALIYEV**<br>OLD FAMILY DINING ROOM<br>Staff Contact: Sandy Berger<br>Interpretation: Consecutive<br>**OFFICIAL PHOTO ONLY** |
| 2:05 pm | **THE PRESIDENT** escorts President Aliyev to the Roosevelt Room |
| 2:10 pm-<br>2:35 pm | **STATEMENT SIGNING**<br>ROOSEVELT ROOM<br>Staff Contact: Sandy Berger<br>Interpretation: Consecutive<br>**STILLS AND OFFICIAL PHOTO ONLY** |
| 2:35 pm | **THE PRESIDENT** bids farewell to President Aliyev at the Oval Office |

**DOWN FOR THE DAY**

| | |
|---|---|
| **BC AND HRC RON** | **THE WHITE HOUSE**<br>**WASHINGTON, DC** |

THE WHITE HOUSE

WASHINGTON

July 31, 1997

MEETING WITH MAJOR (MAJ) DANA J. H. PITTARD, USA, AND HIS FAMILY

DATE: Friday, August 1, 1997
LOCATION: Oval Office
TIME: 9:15 a.m.
FROM: for Alan P. Sullivan Jim McHale

I. PURPOSE

To promote MAJ Pittard to the grade of Lieutenant Colonel (LTC).

II. BACKGROUND

Military officers are normally promoted by the highest ranking officer/official in their immediate chain of command.

III. PARTICIPANTS

The President
Mr. Sullivan
Major Pittard
Lucille Pittard (Wife)
Utensie Hillian (Grand Mother)
Felicia Pittard (Mother)
Robert Pittard (Father)
Christan Pittard (Brother)
Karen Pittard (Sister)
Paulette Boggs (Sister)
Edward Dyer (Guest)
Military Aides to the President

IV. PRESS PLAN

White House Photographer and White House Communications Agency camera crew.

V. SEQUENCE OF EVENTS

See attachment

VI. REMARKS

None Required

Attachment

## SEQUENCE OF EVENTS

| | |
|---|---|
| 09:15 a.m. | Maj White briefs the President on the promotion ceremony. MAJ Pittard introduces his guests to the President. Maj White reads the promotion orders for MAJ Pittard while the President and Mrs. Pittard pin LTC insignias on LTC Pittard's shoulders. |
| 09:20 a.m. | Promotion ceremony is complete and guests depart the Oval Office. |

7/31/97 1 PM

# PRESIDENT WILLIAM JEFFERSON CLINTON
# REMARKS WITH PRESIDENT HEYDAR ALIYEV OF AZERBAIJAN
# THE WHITE HOUSE
# AUGUST 1, 1997

**I am pleased to welcome President Aliyev to the White House. His visit marks a milestone in the partnership between our nations – and shows the promise of our growing cooperation.**

**America strongly supports Azerbaijan's efforts to build a strong, independent nation – because we have a major stake in its success.**

**Azerbaijan lies at the strategic crossroads between Europe, Asia and the Middle East. It is the gateway to Central Asia. It is rich in natural resources.**

**A confident, sovereign Azerbaijan will promote stability in a troubled region… provide a secure route for east-west trade… and enable swift, reliable transport of its energy resources to world markets.**

**Under President Aliyev's leadership, Azerbaijan has made significant progress in meeting the challenges of independence. America wants that progress to continue -- so the people of Azerbaijan can share the full benefits of democracy, prosperity and security.**

**A key to that goal is an early, peaceful settlement to the tragic conflict in Nagorno-Karabakh. Together with Russia and France in the OSCE Minsk Group, we are working with the parties to find a just and lasting solution -- but the parties themselves must make the tough decisions peace requires. Only through peace can the states of the Caucasus develop their full potential.**

**That potential is clear in Azerbaijan's vast energy resources. The Caspian Sea basin is a vital region for new oil and gas development – and the decisions made in the years ahead on energy extraction and transportation will profoundly affect generations to come. In a world of growing energy demand, our nation cannot afford to rely on any single region for our energy supplies. By working with Azerbaijan to tap the Caspian's resources, we not only help Azerbaijan to prosper, we also help diversify our energy supply – and strengthen our nation's security.**

**The Joint Statement President Aliyev and I are signing today reinforces our commitment to expand our partnership, promote regional peace and help Azerbaijan play its rightful role in Europe's new security structures. We are also signing a Bilateral Investment Treaty that will create a better basis for our trade and investment, help promote an open business climate in Azerbaijan and further strengthen our economic ties.**

**We want Azerbaijan to become our full partner – stable in its democracy, secure in its independence and working at peace with its neighbors. That will be good for Azerbaijan and good for America as well.**

###

Saturday, August 2, 1997

| | | |
|---|---|---|
| 10:06 AM | Live Radio Address | Tab A |
| | - Remarks | Tab B |

SCHEDULE OF THE PRESIDENT

FOR

SATURDAY, AUGUST 2, 1997

FINAL

| | | |
|---|---|---|
| SCHEDULING DIRECTOR: | STEPHANIE STREETT | |
| | HOME: | 202-332-5651 |
| | OFFICE: | 202-456-2823 |
| | WHCA PAGER: | 4033 |
| PRESS DESK: | JEREMY GAINES | |
| | HOME: | 202-362-5475 |
| | OFFICE: | 202-456-5771 |
| | WHCA PAGER: | 4194 |

WEATHER:

WASHINGTON, D.C.
Partly couldy, occassionally mostly cloudy.
Wind west-southwest at 8 to 12 knots.
High 89 to 94.
Low 69 to 74.

**SCHEDULE OF THE PRESIDENT**
**FOR**
**SATURDAY, AUGUST 2, 1997**
**FINAL**

| | |
|---|---|
| 9:40 am-<br>10:00 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Ann Lewis, Megan Moloney |
| 10:06 am-<br>11:00 am | **LIVE RADIO ADDRESS**<br>OVAL OFFICE<br>Staff Contact: Ann Lewis, Megan Moloney |

**DAY AND EVENING OFF**

| | |
|---|---|
| **BC AND HRC RON** | **THE WHITE HOUSE**<br>**WASHINGTON, DC** |

THE WHITE HOUSE

WASHINGTON

August 1, 1997

**LIVE WEEKLY RADIO ADDRESS**

DATE: August 2, 1997
LOCATION: Oval Office
TIME: 10:06 AM
FROM: Megan Moloney

## I. PURPOSE

To discuss the balanced budget agreement and the tax cut package you will sign on Tuesday.

## II. BACKGROUND

You will focus on how the balanced budget agreement and the tax cut package passed by Congress is a victory for America's working families. In particular, you will highlight the children's health care provisions, education tax credits and per child tax credits.

Three families, one representing each of the three provisions you will highlight, will attend the radio address and will be standing behind you.

Per Child Tax Credit

**The Dolans** are a family of five from Bethesda, MD. Joseph Dolan is 46 years old and he and his wife Dawn, are parents of 3 children living at home -- Matthew, 5, Haley, 12, and Theresa, 15. Joe has been a carpenter all his life, and Dawn is unemployed. Four years ago Dawn left her job as Director of Development and Marketing at a private school in Bethesda to care for Joe's disabled mother who has lived with them since that time. Joe recently got a raise from the general contractor for whom he works and is now making an annual wage of $40,000 a year. They have no health insurance for their children.

Education Tax Credit

**The Moores** are a family of four living in Northern Virginia. Cathryn Moore, 46, is a housewife. She files jointly with her husband, Lynn, who earns an annual income of $81,000. Her son, David, is a sophomore at the

University of Virginia and her daughter, Cathryn, is a sophomore at Jefferson High School. Ms. Moore finished one year at Northern Virginia Community College, and intends to get a Bachelor's of Art's from George Mason University, but cannot afford to go back to school until her children are through college. Tuition and Fees for the Community College are approximately $1,500.

**Children's Health Care**

**The Dickeys** are a family of three from Washington, DC. Zeola Dickey is a single mother who works 40 hours a week. Neither she, nor her two children -- Miesha, 6, and Malik, 16 mos., have health insurance and she was recently told that she works too many hours to receive Medicaid. Working fewer hours would make it impossible for her to pay rent. Her son has a heart ailment.

## III. PARTICIPANTS

Briefing: 9:40 am - 10:00 am
The President
Gene Sperling
Ann Lewis
Michael Waldman

Radio Address: 10:06 am
The President
Megan Moloney
White House Communications Agency (WHCA) staff
White House Television(WHTV)
White House photographer
(see attached for special guest list)

## IV. PRESS PLAN

The ABC, CNN, AP, C-SPAN, CBS, NBC, Mutual, UPI, USA, American Urban Radio Network, and Standard News radio networks will carry the address in its entirety to their thousands of stations across the country this Saturday at 10:06 AM ET.

## V. SEQUENCE OF EVENTS

Briefing
Live Radio Address

## VI. REMARKS

To be forwarded by the Office of Speechwriting.

Draft 8/1/97 8pm

**PRESIDENT WILLIAM J. CLINTON**
**RADIO ADDRESS ON THE BUDGET**
**OVAL OFFICE**
**August 2, 1997**

Good morning. This week, the we reached agreement on a bipartisan balanced budget that honors our values, invests in our people, and gives middle class families a well deserved tax cut. The Congress, with overwhelming bipartisan support, has sent me this measure. And next week, I will sign it into law. This is a historic achievement -- a plan that will strengthen our economy and prepare our people to meet the challenges of the 21st Century.

There's been a lot of cheering here in Washington this week -- but there's cheering on Main Street as well. For the real impact of this budget will be in the lives, the dreams and the futures of families in homes across America. Today I want to talk to you about how this balanced budget will affect millions of American families. I have asked some of them to join me here in the Oval Office today.

For four and a half years, our goal has been to keep the American dream alive, and to expand opportunity for all Americans who would work for it. In 1993, when I took office, our economy was not creating that opportunity. I vowed to change our nation's course. We put in place a new economic approach -- cutting the deficit to create the conditions for growth ... investing in the education and health care of our people, so all Americans could reap the rewards of that growth ... and opening foreign markets to American goods and services through tough trade agreements.

That strategy relied on tough cuts and hard choices that slashed the deficit by 80%. Four straight years of deficit cuts have begun to put our fiscal house in order. The low interest rates that have resulted have produced economic expansion, as well as real benefits for the middle class – in the form of lower car payments, mortgages, and credit card rates. Now, unemployment is at its lowest in 24 years. The economy created 316,000 new jobs last month alone. Investment is up. Inflation is low. And family incomes have finally begun to rise.

Our new balanced budget law gives us a chance to make sure all Americans have the tools to prosper in the hopeful new century ahead. For parents who work at home, there is an increase in the home office deduction. For family farmers who buy their own health insurance, there is a provision allowing them to deduct their health costs, just like other small businesspeople. For parents whose schools are crumbling, this budget helps communities to repair their schools, or build new ones.

Most important, in its core provisions, this balanced budget will help working families to live up to their responsibilities -- to their children, their parents, and their community.

One family has three children. He's a carpenter; she takes care of his mother, who lives at home with them. The $1500 a year they will receive from the child tax credit will be the biggest increase in take-home pay they have seen for some time. Another woman is a housewife who wants to go back to school, but can't afford to go until her own children finish college. The new Hope Scholarship tax credit would make it possible for her to live out her dreams and return to school. Another mother works full time, but has no health insurance for her two children, one of whom has a heart ailment. She was told she works too many hours to receive Medicaid. This budget invests $24 billion in children's health care, so that mothers like her can have greater peace of mind.

This balanced budget is a victory for every parent who wants a good education for their children, for every child in our hardest pressed households who needs health care, for every family working to build a secure future. It will provide a direct increase in take-home pay for millions of families. It is the best investment we can make in America's future. It is the achievement of a generation, and all Americans should be proud.

This is a moment of profound hope for our country. As the new century approaches, we have come together to conquer one of our most persistent problems -- and we have done it in a way that benefits all our people. I hope that's how we will meet all our challenges in the years to come. When Congress and the President put aside partisanship, find common ground, and act together for the common good, we can meet any goal and master any challenge. Thanks for listening.

Monday, August 4, 1997

| | | |
|---|---|---|
| 10:15 AM | Climate Change Event | Tab A |
| | - Pool Spray Remarks | Tab B |
| | - Discussion Points | Tab C |
| | - Background (including Company/CEO profiles) | Tab D |
| | - Q's and A's | Tab E |
| 3:10 PM | National Urban League Event | Tab F |
| | - Remarks | Tab G |
| 5:35 PM | Interview with Jim Angle and Wendell Goler from Fox Television | Tab H |
| 5:50 PM | Interview with Debra Mathis of Gannett News Service | Tab I |
| 6:15 PM | Interview with Tavis Smiley from Black Entertainment Television | Tab J |
| | - Background for all Interviews | Tab K |
| 6:30 PM | Meeting | Limited Distribution |

SCHEDULE OF THE PRESIDENT

FOR

MONDAY, AUGUST 4, 1997

REVISED FINAL

| | | |
|---|---|---|
| SCHEDULING DIRECTOR: | STEPHANIE STREETT | |
| | HOME: | 202-332-5651 |
| | OFFICE: | 202-456-2823 |
| | WHCA PAGER: | 4033 |
| EVENT COORDINATOR: | LAURA GRAHAM | |
| | HOME: | 703-212-7642 |
| | OFFICE: | 202-456-2349 |
| | WHCA PAGER: | 4809 |
| PRESS DESK: | ANNE EDWARDS | |
| | HOME: | 301-565-3101 |
| | OFFICE: | 202-456-2921 |
| | WHCA PAGER: | 4208 |

WEATHER:

WASHINGTON, D.C.
Partly cloudy with increasing cloudiness during the afternoon and isolated showers.
Wind southwest 10 to 15 knots.
High 87 to 92.
Low 68 to 73.

**SCHEDULE OF THE PRESIDENT**
**FOR**
**MONDAY, AUGUST 4, 1997**
**REVISED FINAL**

| | |
|---|---|
| 9:00 am-<br>9:15 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Erskine Bowles |
| 9:15 am-<br>9:30 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 9:30 am-<br>9:45 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 9:45 am-<br>10:15 am | **BRIEFING FOR THE CLIMATE CHANGE EVENT**<br>OVAL OFFICE<br>Staff Contact: Todd Stern |
| 10:15 am-<br>11:15 am | **CLIMATE CHANGE EVENT**<br>CABINET ROOM<br>Staff Contact: Todd Stern<br>**POOL SPRAY** |
| 11:25 am-<br>11:30 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 11:30 am-<br>2:30 pm | **PHONE AND OFFICE TIME**<br>OVAL OFFICE |
| 2:30 pm-<br>2:55 pm | **BRIEFING FOR REMARKS TO THE NATIONAL URBAN LEAGUE**<br>OVAL OFFICE<br>Staff Contact: Maria Echaveste |
| 3:00 pm | **THE PRESIDENT** departs the White House via motorcade en route the Washington Convention Center<br>[drive time: 5 minutes] |

| | |
|---|---|
| 3:05 pm | **THE PRESIDENT** arrives the Washington Convention Center |

Greeters: Hugh Price, President and CEO, National Urban League
Jonathan Linen, Vice Chairman American Express and Chairman of the Board, National Urban League
Kenneth Lewis, President, Nations Bank, Vice Chairman of the Board, National Urban League

3:10 pm-
3:20 pm

**GREET MEMBERS OF THE EXECUTIVE COMMITTEE**
BACKSTAGE PANTRY
Washington Convention Center
Staff Contact: Maria Echaveste, Gene Sperling
Event Coordinator: Laura Graham
**WHITE HOUSE PHOTO ONLY**

-- **The President** does a receiving line with 14 people.

3:25 pm-
4:10 pm

**REMARKS TO THE NATIONAL URBAN LEAGUE**
HALL C
Washington Convention Center
Remarks: June Shih
Staff Contact: Maria Echaveste, Gene Sperling
Event Coordinator: Laura Graham
**OPEN PRESS**

-- On-stage announcement of **the President**, accompanied by Hugh Price, President of the National Urban League by Jonathan Linen.

-- Hugh Price makes brief remarks and introduces **the President.**

-- **The President** makes remarks.

-- **The President** works a ropeline and departs.

4:20 pm

**THE PRESIDENT** departs the Washington Convention Center via motorcade en route the White House
[drive time: 5 minutes]

4:25 pm

**THE PRESIDENT** arrives the White House

| | | |
|---|---|---|
| 5:00 pm-<br>5:30 pm | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Mike McCurry |
| 5:35 pm-<br>5:45 pm | **INTERVIEW WITH JIM ANGLE AND WENDELL GOLER FROM FOX TELEVISION**<br>ROOSEVELT ROOM<br>Staff Contact: Mike McCurry |
| 5:50 pm-<br>6:10 pm | **INTERVIEW WITH DEBRA MATHIS OF GANNETT NEWS SERVICE**<br>OVAL OFFICE<br>Staff Contact: Mike McCurry |
| 6:15 pm-<br>6:30 pm | **INTERVIEW WITH TAVIS SMILEY FROM BLACK ENTERTAINMENT TELEVISION**<br>CABINET ROOM<br>Staff Contact: Mike McCurry |
| 6:30 pm-<br>6:40 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Mike McCurry |

**EVENING OFF**

| | |
|---|---|
| **BC AND HRC RON** | **THE WHITE HOUSE**<br>**WASHINGTON, D.C.** |

THE WHITE HOUSE

WASHINGTON

August 3, 1997

# Meeting with CEOs on Climate Change

DATE: August 4, 1997
LOCATION: Cabinet Room
TIME: 10:15-11:15 a.m.
FROM: Todd Stern and Katie McGinty
DOS

## I. PURPOSE

To engage in a substantive dialogue on climate change with ten CEOs of major corporations. These are the kind of business leaders whose support you will need for any position we ultimately take into Kyoto.

**Objectives for meeting:** (1) That the CEOs see you as personally engaged on this issue; (2) that they understand the Administration to be open to their input and ideas, rather than just engaged in an effort to sell pre-cooked policy decisions; (3) that you probe their thinking to get a better sense of what kinds of emissions targets and policies can win their support; and (4) that you get their help in the form of their (a) committing to voluntary actions now, and/or (b) spreading the message that climate change is a real problem that needs to be addressed in a serious and constructive manner.

## II. BACKGROUND

This is the first of what we intend to be a series of small, outreach meetings on climate change between you or your senior advisers and business, labor and environmental leaders.

In the past few months, attention to this issue in the business community has risen sharply. In general, heavy industry, oil and coal, transportation, and electric utility interests are opposed to a treaty and concerned that we might adopt a position that would hurt the economy and their businesses. Major lobbying and public relations efforts are apparently planned for this fall.

As attention to this issue has grown, some in the business community have complained about a lack of openness in our decision-making process. Rumors of "secret plans" have circulated. You should reassure the CEOs in this meeting that you, your Cabinet and members of your senior staff will work closely with constructive business leaders to develop an approach to this issue consistent with your belief that environmental protection and economic growth should go hand in hand.

**Topics for discussion:** We have attached suggested questions to get the dialogue going on each of several topics. Of course, the conversation is likely to be a bit more free form, but we would recommend proceeding in roughly the following way:

*General views.* During the pool spray, you will make some opening remarks articulating the principles that guide your approach to climate change. You could start the discussion after the pool leaves by asking Ken Lay of Enron to give an overview of how he sees this issue and our approach to it. You could ask the same question of BP's John Browne.

*Voluntary actions.* The framework we have endorsed for the international negotiations includes (1) realistic, **binding** targets; (2) flexibility measures; and (3) participation of all countries. Thus you cannot be in a position of accepting or even considering voluntary steps ***instead of*** binding targets. **Nevertheless, having companies sign on for meaningful voluntary steps now, before any treaty takes effect, could be very important, demonstrating that these companies recognize the climate change problem and understand the need for action.** For example, companies could commit to making an inventory of their emissions and pledging x% reductions, with "early credit" for such actions. Our intelligence indicates that several of the CEOs, including Alcoa's Paul O'Neill and FMC's Robert Burt (head of the BRT's Environmental Task Force) might be willing to commit to such voluntary steps.

*Targets and timetables.* These CEOs may resist endorsing any specific target and timetable, either because they don't want to go on record accepting any binding limit or because they don't want to box themselves in with specific numbers. Nonetheless, it is worth your trying to get a broad sense of what appears to be potentially acceptable or unacceptable -- e.g., 1990 in 2010, 1990 in 2020, a different baseline than 1990, etc.

*International issues.* Main ones are the flexibility measures -- international emissions trading and joint implementation and developing country participation. (See Background attachment.)

*Domestic implementing policies.* These are the domestic means -- such as emissions trading or technology -- for achieving whatever reductions we agree to. Several of the CEOs may want to talk about how technology can help address climate change. Your advisers are currently considering policies to promote development and diffusion of useful technologies. Partnerships with the private sector, similar to the Partnership for a New Generation of Vehicles, are likely to be among the options identified for serious consideration.

## III. PARTICIPANTS

Pre-brief Participants:

The Vice President, Secretary Rubin, Secretary Pena, Janet Yellen, Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, Jack Gibbons and Maria Echaveste.

Event Participants:

The Vice President, Secretary Rubin, Secretary Pena, Janet Yellen, Todd Stern, Katie McGinty, Gene Sperling, Dan Tarullo, Jim Steinberg, Jack Gibbons, Maria Echaveste and Commerce Department's Chief Economist Lee Price, filling in for Secretary Daley.

Hank Barnett (Bethlehem Steel)
John Browne (British Petroleum)
Michael Bonsignore (Honeywell)
Fred Buckman (PacifiCorp)
Robert Burt (FMC Corp; Chairman of Environmental Task Force for Business Roundtable)
Pete Correll (Georgia-Pacific)
Bob Denham (Salomon Brothers)
Linn Draper (American Electric Power)
Ken Lay (Enron)
Paul O'Neill (Alcoa)

## IV. PRESS PLAN

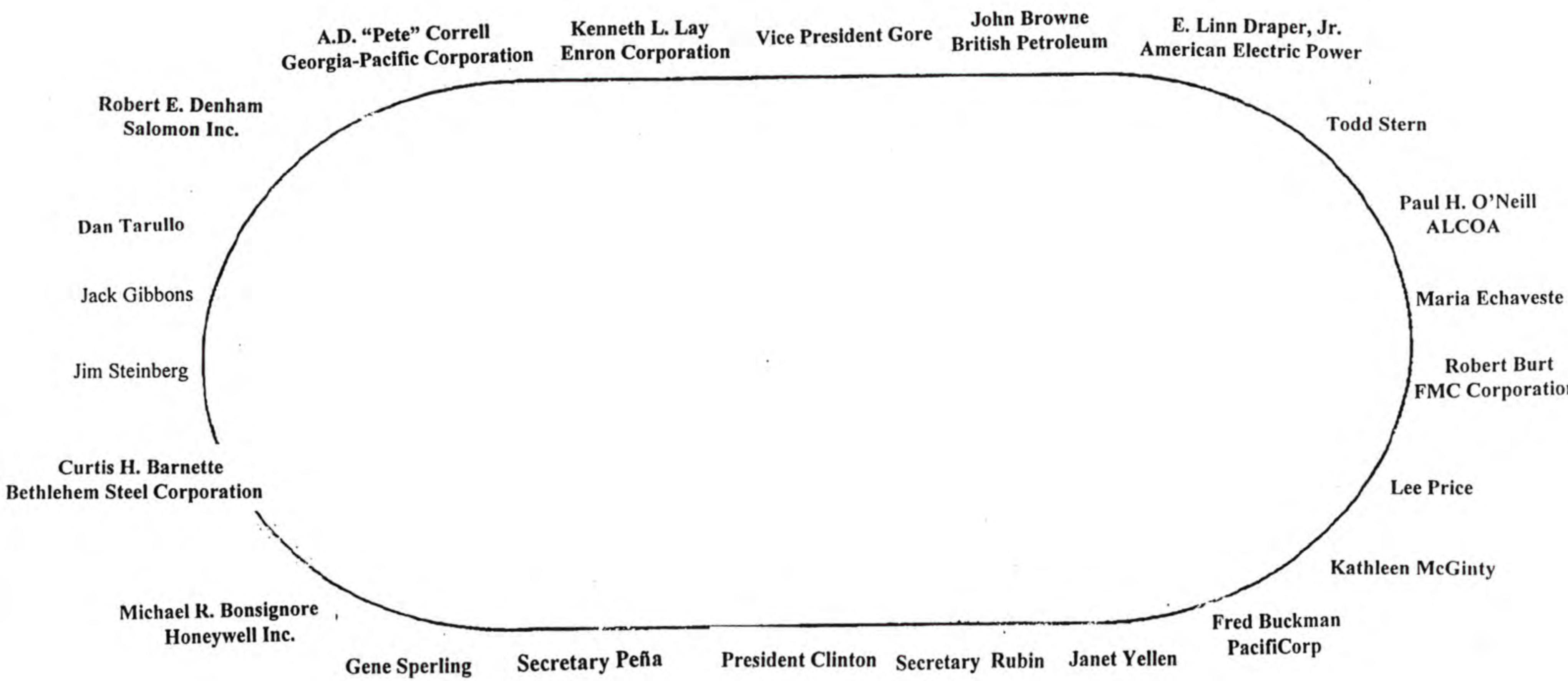
Pool spray at top of meeting.

## V. SEQUENCE OF EVENTS

- You and the Vice President enter Cabinet Room.
- You make remarks to pool.
- Pool departs.
- You lead a discussion.
- You and the Vice President depart.

## VI. REMARKS

Attached.




# CEO CLIMATE CHANGE SEATING CHART

'97 AUG 8 PM4:44

**PRESIDENT WILLIAM J. CLINTON**
**REMARKS FOR POOL SPRAY**
**BEFORE CEO MEETING ON CLIMATE CHANGE**
**THE WHITE HOUSE**
**AUGUST 4, 1997**

- I am pleased today to welcome to the White House the chief executives of 10 Fortune 500 corporations -- from the oil and gas business to electric utilities, heavy industry, high technology and finance -- to talk about developing a responsible approach to global climate change.

- The science tells us that global climate change will have real and disruptive effects. If we don't take sensible action to reduce greenhouse gases, we and our children will pay a steep price. **We as political and corporate leaders must work together now so that we can both protect our environment and keep our economy strong.**

- I approach the climate change problem with several key principles in mind:

  -- First, we must endorse realistic, binding limits to reduce greenhouse gas emissions.

  -- Second, we can make the necessary reductions while preserving or enhancing economic growth. Our success during the past four years shows that environmental protection and economic growth go hand in hand.

  -- Third, we should emphasize flexible, market-based policies to reduce emissions.

  -- Fourth, we must invest in research and development to promote technologies that reduce greenhouse gases. America should remain a leader in the $400 billion global market for environmental technologies.

  -- Finally, climate change is a global problem that requires a global solution. All countries must participate.

- With the active involvement of business, we can chart a new course on greenhouse gas emissions that the American people and the world community can support.

'97 AUG 8 PM4:04

# Discussion Points for Climate Change CEO Meeting

**Welcome**

- Thank you all for coming, particularly on short notice. [**Mr. President: you should recognize the Vice President, who may want to say a few words.** Also, if you recognize Secretaries Rubin and Pena (who are *not* expecting a speaking role), you should note that Sec. Daley wanted to be here, but had a commitment to be in Canada.]

**General Views** [Recommend asking Ken Lay/Enron and/or John Browne/BP]

- You've just heard a little about the principles that guide my approach to this issue. But I'm most interested in hearing from you. Ken, how do you see this issue right now and what do you think about our general approach?

**Voluntary Steps** [Start with Paul O'Neill/Alcoa.]

- Paul -- are there any steps that Alcoa might be willing to undertake soon?

  *We understand that O'Neill is prepared to have Alcoa inventory its greenhouse gas emissions and develop a plan to reduce those emissions voluntarily. We understand that Burt may be open to this as well.*

- **[If O'Neill makes such a commitment, you can ask Burt:]** Bob -- do you think BRT member companies would be willing to make a similar commitment?

- **[You should see if others are willing to make voluntary action commitments and when they could report back or announce their plans.]**

**Binding targets and timetables**

- In the international negotiations, we have endorsed a framework of binding emission targets, flexibility, and the participation of *all* countries. On targets and timetables, the Europeans support a 10-15% cut from 1990 emissions levels by 2010, which we think is unrealistic. I know some of you might prefer no binding targets, but recognizing that we *will* support some target, I'd like to hear what you all consider to be realistic. **[If no one picking this up, you can turn to Linn Draper/American Electric Power.]**

**International Flexibility**

- Many analysts believe that flexibility measures such as international emissions trading and joint implementation offer the potential for significant cost savings. I know that a number of you are already engaged in joint implementation projects. How important is it to you for a treaty to include such measures? **[If no one is picking this up, you can turn to Browne, Draper, or Michael Bonsignore/Honeywell]**

**Developing Country Participation**

- The role of developing countries may be the most difficult issue in the current round of negotiations. Developed countries are responsible for more than 75% of the increase in greenhouse gases since the beginning of the Industrial Revolution, but developing country emissions are rising rapidly and will catch up to developed country emissions in the next 40 years or so. The US has insisted that developing countries be part of the solution, and the US Senate has recently spoken clearly on this issue (the Byrd Resolution).

  What commitments do you think developing countries should be required to make? **[If no one is picking this up, you can turn to Pete Corell/Georgia Pacific]**

- How concerned are you that if developing countries do not have obligations, companies would relocate from the United States to the developing world?

**Domestic Policy -- Technology**

- Technology obviously will have an important role to play, and I believe we must work in partnership with business to develop these technologies. How do you think the Federal government can (1) best spur your investments in R&D and (2) best leverage its investment in clean energy technologies? **[You can turn to Bonsignore]**

  Where do you see the most promise for developing clean energy options?

  *Bonsignore will likely urge us to pay attention to deploying current technologies. Ken Lay and John Browne may emphasize renewable energy. Brown and Draper may suggest a "Manhattan Project" initiative aimed at breakthroughs in key technologies.*

**Domestic Policy -- Domestic Emissions Trading**

- Some of you are very familiar with emissions trading programs. We've had such a program in place for utilities for several years, to deal with the problem of acid rain. In order to address global warming, we might well need a much bigger program. What do you think about emissions trading? **[Fred Buckman/PacifiCorp; Bob Denham/Saloman; Draper/AEP can all be asked about this.]**

  *Buckman will likely speak favorably about emissions trading, citing experience under the acid rain program. Draper also has experience with this program. Denham may wish to comment from a financial market perspective.*

**Conclusion -- Asking for their help**

- I appreciate you all coming here for this discussion. I look forward to working with you as we go forward. I hope you can help us by moving forward on voluntary actions right away and by going out and speaking -- whether publicly or privately -- in support of constructive, market-based action. We *can* deal with this problem the right way, without hurting the economy, and I hope you can help us do it.

'97 AUG 8 PM4:45

# Background on Issues

## INTERNATIONAL NEGOTIATIONS

The Framework Convention on Climate Change was signed at the Rio "Earth Summit" in 1992. The current round of negotiations is scheduled to conclude in Kyoto this December. To date, the United States has advanced a three-part framework for the negotiations. We have argued for (1) binding emissions targets, (2) flexibility in achieving those targets (for example, through emissions trading among developed nations and "joint implementation" with developing nations), and (3) the participation of all countries. We have not yet proposed any specific targets or timetables. A relatively low-level negotiating session has been going on this week in Bonn and will continue next week.

### Targets and Timetables

The European Union has proposed that developed nations cut back emissions 10-15% from 1990 levels by 2010. We have stated publicly that we believe this proposal is unrealistic. Other nations, including Australia, Japan and Canada, have expressed concerns about moving too far too fast, but have not put forward any specific targets. Several countries (including Australia, Japan and Norway) have supported "differentiated" targets, under which different developed countries would take on different obligations. The United States has opposed these proposals as unworkable.

### Flexibility

The term "flexibility" has been used to refer to international emissions trading, joint implementation, banking and borrowing (applying extra emissions reductions from one period in another period) and multi-year targets (setting emissions targets for periods of two or more years, such as 2010-2020). Such policies can substantially reduce costs of compliance.

Our proposal for <u>emissions trading</u> among all developed countries has met with only limited support. However, the EU has proposed that its members be allowed to trade emissions among themselves (the "EU bubble"). We have insisted that all countries that all developed countries be allowed to trade emissions.

Closely related to international emissions trading is "<u>joint implementation</u>." In a typical case, a company in the developed world would invest in a renewable energy, energy efficiency or forestry project in a developing nation. Emissions avoided as a result of this investment could be applied to that company's obligations at home. Since emissions reductions are typically much cheaper in the developing world than they are in the developed world, significant efficiencies could result. Developing countries would gain benefits in the form of technology transfer and private sector investment flows as well.

In spite of the potential benefits, most developed countries remain opposed to joint implementation (although support has grown significantly in Latin America). Many of these countries see joint implementation as a way for developed countries to avoid taking responsibility for reducing greenhouse gas emissions. In addition, some environmentalists are concerned that measuring project-based emissions reductions will be too difficult, and some in Congress are concerned that joint implementation will result in significant transfers of wealth overseas.

The U.S. business community has strongly supported joint implementation. Utilities have been among the most active participants in pilot projects to explore the feasibility of joint implementation.

**Developing Country Commitments**

This is the most difficult issue in the current round of negotiations. There is a vast gulf between the dialogue abroad (where the U.S. proposals for developing country participation are almost uniformly considered too aggressive) and at home (where Senator Byrd's resolution, calling for commitments beyond the U.S. proposal or the 1995 Berlin Mandate under which this treaty is being negotiated, passed the Senate recently 95-0).

Developed countries are responsible for more than 75% of the increase in greenhouse gas concentrations since the beginning of the Industrial Revolution. In the decades ahead, however, emissions from developing countries are expected to grow sharply. By 2035, developing country emissions are expected to exceed those from the developing world.

Per capita emissions vary widely. Carbon emissions from the United States are roughly 5 tons per person; from the OECD as a whole, roughly 3.5 tons per person; and from developing countries as a whole, roughly 0.5 tons per person.

The 1992 climate treaty established differentiated levels of commitments for developed and developing countries. It called upon developed countries to take the lead in addressing climate change and to aim to return emissions to 1990 levels by the year 2000. It called upon developing countries to adopt policies and measures to address climate change, but provided no aim for developing countries similar to the year 2000 goal. These differentiated commitments were intended to recognize both the unequal contribution of developed and developing countries to global greenhouse gas concentrations and the unequal capacity of those countries to control emissions.

In 1995, in Berlin, the Parties to the climate treaty agreed to negotiate further steps for controlling greenhouse gas emissions. The negotiating mandate calls on developed countries to set quantified emissions limits for the "medium term (e.g. 2005, 2010 and 2020)." In Berlin, the United States argued strongly that developing countries must participate meaningfully in negotiations over next steps. There was little support for the U.S. position on this point, with many Parties noting the failure of most developed countries to take significant steps toward meeting the year 2000 goal. The Berlin Mandate states that there will be "no new commitments" for developing countries in the current round of negotiation, but that developing countries will be required to "advance the implementation of" their existing (non-binding) commitments.

In January, 1997, the U.S. submitted a draft protocol proposal. Provisions on developing countries included three elements, the most important of which is the "evolution" concept, which would require developing countries to enter into an agreement by 2005 to adopt legally binding emissions targets and would include a "graduation mechanism" under which developing countries would automatically incur obligations as their living standards increase.

## DOMESTIC POLICIES

Your Cabinet and staff are currently in the process of shaping domestic policies options to address greenhouse gas emissions. Among the options receiving close attention are domestic emissions trading and technology programs.

### Domestic Emissions Trading Programs

Under emissions trading programs (sometimes referred to as "cap and trade"), companies would be allowed to buy and sell the right to emit greenhouse gases. The US has had more experience with emissions trading than any other country. Examples include the Clean Air Act's acid rain program, under which utilities are allocated permits based on historical emissions of sulphur dioxide. Permits may be traded. Compliance costs under this program have been much less than expected, due to unforeseen factors. (Prior to passage, industry estimated compliance costs would be over $1,000/ton. Government studies estimated costs would be around $600/ton. Currently, allowances are trading on the Chicago Board of trade for around $100/ton).

Among the issues to be addressed in designing a domestic emissions trading program:

- Where the constraint is imposed. A "primary fuel" trading program would limit the production or import of fossil fuels. A "sectoral" trading program would limit emissions from one or more key sectors (e.g., utilities, transport or heavy manufacturing).

- How permits are distributed. For example, permits could be parceled out to emitters based on historical emissions, auctioned, or some combination of the two. If auctioned, substantial revenues would be raised which, for example, could be recycled through a consumer and/or business tax cut, or used for transitional or technology programs).

An emissions trading program for greenhouse gases could potentially be bigger in scope (by an order of magnitude) than any existing emissions trading program. We are currently exploring feasibility and implications.

**Technology Programs**

The cost of reducing greenhouse gas emissions between now and 2020 depends greatly on the ability to accelerate use of existing energy-efficient technologies. Over the longer-term, the solution to the climate change problem depends on developing and deploying new technologies that are even more efficient or are based on non-carbon energy sources.

A range of government programs might help accelerate technological change. Research and development programs generally aim to improve technologies by lowering production and operating costs. Large opportunities for cost-lowering research and development exist in buildings, transportation, combustion, renewables and sequestration (e.g., fuel cells, advanced industrial turbines, advanced diesel engines, and transportation biofuels). In addition, information dissemination programs assist businesses and consumers in identifying opportunities to reduce the energy intensity of their products or services (e.g., using more energy efficient light bulbs, insulation, appliances, etc.).

You have strongly supported technology programs with significant climate change benefits. Examples include:

*Partnership for a New Generation Vehicle (PNGV)*

The PNGV program joins the big three U.S. auto makers, federal agencies and many suppliers of materials and equipment in an effort to develop a more efficient car. The program's goal is to triple the fuel efficiency of passenger cars with no decrease in comfort or safety.

*The Climate Change Action Plan (CCAP)*

CCAP began in 1993 with a goal of returning total US greenhouse gas emissions to their 1990 levels by the year 2000. The plan includes about 50 initiatives covering all major greenhouse gas producing sectors of the US economy, including Energy Demand, Energy Supply, and Forestry. CCAP programs have reduced the rate of emissions growth, but not enough to achieve the programs goals. CCAP is a voluntary program that relies on partnerships and cooperation with industry and includes both government and private sector investment in new low-emissions, high-efficiency technologies. Agency participants include DOE, EPA, and USDA.

*Biomass Energy Initiative*

DOE and USDA are working with companies to demonstrate power projects for rural development and to improve technologies for converting crops to liquid and gaseous fuels. Pilot projects are running in New York, Minnesota and Iowa.

*Million Solar Roofs Initiative*

In your recent UN speech, you announced that DOE will lead an effort to place one million solar energy systems on the roofs of buildings and homes across the US by the year 2010. This will be accomplished by using existing federal grants, procurement, and other programs, and by working with local communities, businesses, state governments, utilities, and other groups to spur the sales of solar energy systems. In 2010, this initiative will avert emissions of carbon dioxide equivalent to those produced by 850,000 cars and will produce the same electrical generating capacity as 3-5 coal-fired power plants.

*PCAST Energy R&D Panel*

In response to your request, the President's Council of Advisors on Science and Technology is conducting a comprehensive and strategic review of U.S. energy R&D policies and practices "to ensure the United States has a program that addresses its energy and environmental needs for the next century". The group is examining energy efficiency, fossil, nuclear (fission and fusion), and renewable energy programs and budgets across the Federal government. Their assessment, including recommended actions, is expected by October.

*Partnership for Advancing Technologies in Housing (PATH)*

Our planned PATH initiative will have HUD, DOE, and NIST working with building suppliers, assemblers, insurance companies, and state and local regulators in an effort improve the quality of housing and meet ambitious environmental goals without increasing prices. Buildings are responsible for about a third of US greenhouse gas emissions (this total is rising) and 2/3 of US electricity consumption.

*DOE's Industries of the Future Program*

This is an industry/government partnership with the seven most energy-intensive U.S. industries, including chemicals, paper and pulp, steel, aluminum and petroleum. The program has reached technology agreements with each industry that focus the R&D expertise of our national labs on cutting energy use and pollution in each industry.

'97 AUG 8 PM4:45

**CEO Meeting on Climate Change -- Company Profiles**

**Hank Barnett, Bethlehem Steel.**

Bethlehem Steel is headquartered in Bethlehem, PA, with major plants in MD, IN, PA, upstate NY, and MS, and a coal mine in West Virginia. In 1996 revenues were about $4.7 billion. Since 1978 they have reduced their energy use by 40% and have recently restructured. Barnett is the Chair this year of the American Iron and Steel Institute. He is also a member of the President's Trade and Advisory Committee, having been appointed both by President Bush and by President Clinton. On climate change, he is concerned about developing countries and interested in flexibility measures. He is probably not supportive of any binding emissions cap, but may support voluntary activities.

**John Browne, British Petroleum**

With major production in Alaska and the Gulf of Mexico, BP America, based in Cleveland, is the largest crude oil producer in the United States. The British parent, with holdings in 70 countries and assets of $67 billion, is the 20th largest company in the world. It has begun to diversify its energy portfolio into the solar power business (investing more than $100 million to date) -- including manufacture of photovoltaic panels in California. In May, Browne unveiled BP's new approach to climate change in an influential speech at Stanford University in May. After concluding that the science of climate change could not be ignored, Browne launched an action plan closely aligned with the U.S. policy framework. This plan emerged from a year-long internal evaluation of climate science and policy options.

**Michael Bonsignore, Honeywell**

One of the world leaders in energy efficiency equipment, Minneapolis-based Honeywell manufactures everything from residential thermostats to power plant controls, oil exploration and refining equipment and automobile components. Honeywell participates in the Green Lights and Energy Star voluntary programs at EPA. It is active in 95 countries on six continents and had 1996 sales of $7.3 billion. Climate change mitigation -- as it drives greater energy efficiency -- opens new business opportunities for Honeywell. While it is poised to grow its business with climate policy, it is careful in the political debate to avoid offending its major customers in the automobile, oil and utility industries.

**Fred Buckman, PacifiCorp**

PacifiCorp is a major energy holding company based in Portland, OR, with electric utility or coal mining operations in seven western states and several foreign countries. Having electric generation capacity that is 80% coal, PacifiCorp is the largest single $CO_2$ emitter west of the Mississippi River. Recently, it announced plans to purchase UK-based Energy Group, with holdings that include St. Louis-based Peabody Coal, the largest coal mining firm in the free world, second only to China's national coal company. Even with its strong coal base, PacifiCorp committed itself to voluntary reductions in DOE's Climate Challenge program and intends to be constructive on climate change, believing that in a deregulated future where customers can choose an electricity provider, it must demonstrate environmental excellence. PacifiCorp supports emissions trading -- given its positive experience on acid rain -- and is already engaged in greenhouse gas emissions trading under an Oregon state law. PacifiCorp is a partner in a joint implementation pilot project in Bolivia, as mentioned above, and is convinced of the viability of this policy approach for climate mitigation.

**Robert Burt, FMC Corp.**

Based in Chicago, FMC is a diversified supplier of chemical products, agricultural chemicals, precious metals, defense systems, automobile components, food machinery, petroleum equipment and specialized machinery, with annual sales of over $3 billion. Burt chairs the Business Roundtable's Environment Committee and climate change initiative. Burt is unconvinced that we need targets and timetables and has generally been skeptical thus far on climate change.

**Pete Correll, Georgia-Pacific**

Georgia-Pacific, headquartered in Atlanta, is one of the nation's biggest paper and pulp companies, with around $13 billion in annual revenues. On climate change, Correll is concerned about the impact of climate change policy on its international competitiveness, but is interested in working constructively on a reasonable outcome. Georgia-Pacific has certain opportunities it could take advantage of with regard to reducing emissions, such as forest sequestration and producing energy from biomass waste or crops.

**Bob Denham, Salomon Brothers**

In 1996, Salomon Brothers of New York increased its revenues by a third to almost $4 billion. Salomon is actively working to develop financing packages for numerous independent power projects in developing countries. Until recently, Salomon was the owner of the fourth largest independent oil refiner in the United States. Denham just returned from a trip to Asia, where he gained some insights into how the climate issue is perceived there. Denham is very knowledgeable about oil issues as the largest oil trading firm in the world (larger than Exxon) and knows a lot about trading generally, but is not an expert on global warming.

**Linn Draper, American Electric Power**

Based in Columbus, Ohio, American Electric Power is the one of the nation's largest electric utilities, with facilities and some seven million customers in seven states. AEP's electricity generation resources are 85% coal. Having significant experience in emissions trading of sulphur dioxide, AEP consistently advocates market-based approaches to environmental controls. CEO Linn Draper has shifted the company toward a more positive approach to the environment. On climate change, Draper has been an industry leader. He helped convince others in his industry to enter voluntary commitments in the Energy Department's "Climate Challenge" program, which now has more than 600 companies actively reducing emissions. To demonstrate that international flexibility can work, AEP teamed with the Nature Conservancy and the government of Bolivia in a joint implementation project to protect and enhance an endangered rain forest. Recently, both BP and PacifiCorp joined as partners in this venture.

**Ken Lay, Enron**

Based in Houston, Enron is a diversified energy company -- with holdings that include one of the world's largest natural gas pipeline (36,000 miles), a wholesale electricity brokerage, an emissions trading brokerage -- and revenues of over $13 billion. Several recent acquisitions include Portland General Electric Utility in Oregon, Zond Windpower (the largest wind turbine manufacturer) in CA and a joint venture with Amoco in manufacturing photovoltaic panels in Virginia. Internationally, Enron is an independent power producer with projects under development in several countries. Enron's orientation to climate change is to embrace it as a new business opportunity -- for gas, solar, wind and emissions offsets/credits. It advocates free market approaches, such as emissions trading. Enron is a strong supporter of joint implementation, though it has not invested in any pilot projects, because credits are not allowed in the pilot phase.

**Paul O'Neill, Alcoa**

Headquartered in Pittsburgh, Alcoa is one of the world's leading producer of aluminum and alumina and has sales of $13.1 billion. Alcoa has been an active participant in two of EPA's voluntary programs: Green Lights (energy efficient lighting) and the Voluntary Aluminum Partnership (reducing chemical emissions from the smelting process). Alcoa has experience in the acid rain emissions trading program -- it opted in as a large industry generator. O'Neill does not want to be an obstructionist on climate change and views the business-as-usual approach of some in industry as unhelpful. He may be somewhat skeptical on aspects of the science. Alcoa is also concerned about potential effects on competitiveness if developing countries are not required to assume any obligations. O'Neill hopes this meeting is the beginning of a process where they can work with us to help shape policy on climate change.

'97 AUG 8 PM4:46

**Pool Spray Q&A on Climate Change**
(8/3/97)

**Q: What issues will you be discussing today?**

A: We will discuss a number of issues relating both to the international negotiations and to domestic policies for reducing greenhouse gas emissions.

**Q: Are you going to talk about energy taxes or other means of raising energy prices?**

A: I expect that we will talk about market-based policies that can help us reduce emissions while continuing our robust economic growth. It has always been my belief that we can make environmental protection work for us economically if we do it right and we do it smart.

**Q: Will you take energy taxes off the table now?**

A: It has never been my practice to make pledges of this kind and I'm not going to start now. But I would remind you that I have just spent the last many months fighting for a tax *cut* and working with the Congress to get a tax cut passed. I expect that we will talk about market-based policies that can help us reduce emissions while continuing our robust economic growth.

**Q: Taking serious action to reduce the emission of greenhouse gases inevitably means driving up the price of fossil fuels such as coal and oil. Don't you think that would hurt the economy? And -- remembering what happened to your proposed Btu tax in 1993 -- don't you think policies that would, in effect, impose a "carbon tax" would be dead on arrival in Congress?**

A: We have not yet decided on specific targets or timetables or the policies to achieve such targets. As I have said, I am not going to endorse policies that will disrupt our economy. Whatever measures we ultimately decide upon will of course have to be supported by the American people and the Congress.

**Q: The European Community's proposal would cause huge disruption to our economy and send jobs overseas. You're not going to support anything that threatens our economy, are you?**

A: The watchwords of my entire Administration have been economic growth and job creation and I am not going to endorse climate change policies that will disrupt our economy. The policy we develop on climate change will include a commitment to realistic, binding limits on greenhouse gas emissions; will emphasize flexible, market-based solutions to the maximum extent possible; and will be fully consistent with maintaining our vigorous economic growth. It is our responsibility to take appropriate action now that will both preserve economic growth and protect our children and grandchildren.

**Q: The Byrd Amendment says we should not sign any treaty in Kyoto that doesn't require developing countries to take on binding obligations too. Don't you agree that it would be foolish for the industrial world to accept tough, binding obligations on greenhouse gases while letting countries like China off scott free?**

A: I share the sentiment underlying the Byrd resolution that all nations - - whether developed or developing - - need to be part of a common solution to global climate change. Our negotiators will continue working hard to bring back an agreement that the American people and the U.S. Congress will overwhelmingly support.

**Q: What is your policy on climate change?**

A: We have not yet endorsed any specific target or timetable. What I can say is that we are committed to realistic, binding limits on greenhouse gas emissions; that we will emphasize flexible, market-based solutions to the maximum extent possible; and that the actions we take will be fully consistent with maintaining our vigorous economic growth. It is our responsibility to take appropriate action now that will both preserve economic growth and protect our children and grandchildren.

**Q: I understand that there isn't even scientific agreement that global warming is happening. Shouldn't we wait for more research before we saddle ourselves with burdensome obligations that are going to hurt our economy and damage our competitive position?**

A: The science on this issue is compelling. While no science is ever *certain*, this science tells us that appropriate action is called for now. Unless we change our business-as-usual path, serious consequences are in store for us and our children. And strong evidence suggests human activity has *already* started to change the climate. So the message to political and business leaders in this country is to get together and work out a sensible plan for reducing our greenhouse gas emissions.

**Q: Are you going to be having more meetings like this one as part of your effort on climate change?**

A: We are engaged in an intensive policy process to develop the position we will take into the Kyoto negotiations, and as part of that process we are reaching out to interested, knowledgeable parties to get their views and their best ideas. We will continue doing that and the Vice President and I, members of the Cabinet and other senior Administration persons will participate in those meetings.

**Additional Q&A on Climate Change**
(8/3/97)

Q: **I agree that climate change is a problem that needs to be addressed. My concern is that I think American business should have an opportunity to do this in a voluntary way that will not disrupt the economy, throw people out of work, or transfer factories and capital to China and India. Why can't we start on a voluntary basis?**

A: I think voluntary action is important, I encourage it, and I think early credit should be given for it. At the same time, the non-binding treaty that was agreed to in Rio in 1992 has not reduced emissions enough, so it is clearly time to move to the next level, with binding commitments.

Q: **While many scientists think that enough is known to act now, other scientist say that too much is still uncertain. Shouldn't more research be done before we undertake costly measures?**

A: The overwhelming majority of scientists agree that we are changing the earth's climate and that if we don't act to curb emissions, carbon dioxide in the atmosphere will reach levels unseen on this planet for millions of years. The potential impacts scientists warned me about at the Roundtable discussion we had recently at the White House include increased droughts and floods and changing patterns of disease. Some think we are already seeing signs of these.

We must start to change the emissions paths we are on now for 3 reasons: (1) the longer we continue on "business as usual" before deciding to reduce emissions, the more severe and expensive later reductions will have to be; starting the process will spur new technologies that we will need to address this problem; and (3) slowing the rate of climate change will make it more likely human and ecological systems can adapt to that change;

Q: **How can humans have such a big effect when natural sources account for 97% of the carbon emissions in a year?** *(Chrysler CEO Eaton raised this question in a recent Wash. Post editorial.)*

A: Humans add about 7 billion tons of carbon to the atmosphere each year-- faster than oceans and trees can absorb them. This is why the concentrations of such gases are rising. **The Earth's carbon budget is out of balance**, and getting more so each year as we continue to add $CO_2$ to the atmosphere.

**Q: How can any projections of impacts be accurate when climate models don't give an accurate picture of regional changes?**

A: Although detailed predictions of what might happen in specific regions of the world are not yet possible, plausible estimates of possible changes are starting to emerge. Climate change is already contributing to more rainfall in intense downpours and warmer temperatures, and affecting water resources, agriculture, low-lying coastal regions, natural ecosystems, the potential range of disease-carrying insects, and many other sectors of the environment and society. We can extrapolate these effects into the future, even though we cannot yet accurately simulate future climates on a regional-scale.

**Q: Isn't it true that most of the scientists who signed the "scientists letter" aren't climate specialists? What makes them qualified to speak out on this subject?**

A: A wide variety of researchers signed the Scientists Statement on Global Climate Disruption (dated June 18, 1997). Many of them are climate researchers; all of them are individuals trained in the evaluation of evidence and theory, and their opinion should not be taken lightly. The highly inter-disciplinary nature of climate change means that "climate specialists" include people trained in biology, ecology, physics, sociology, chemistry, geology, economics, geography, oceanography, meteorology, medicine, political science, and other disciplines, as well as climatology.

**Address The National Urban League Annual Conference**

| | |
|---|---|
| Date: | Monday, August 4, 1997 |
| Location: | Washington D.C. Convention Center<br>Washington, DC |
| Time: | 2:30 - 3:30 pm |
| From: | Maria Echaveste<br>Ben Johnson |

I. PURPOSE

To galvanize support for your education, business and economic development initiatives with one of the leading social services and civil rights organizations in the nation.

II. BACKGROUND

On Monday, August 4, 1997 at 2:30 pm, more than 4,000 attendees from the corporate community, civic associations, and a variety of other constituencies will gather to hear you address the National Urban League's Annual Conference. This year's theme is "Economic Empowerment: The Next Civil Rights Frontier," at the Washington, D.C. Convention Center. The Conference provides an opportunity for you to elaborate on race, economic and education initiatives and plans for moving America into the 21st century. The Annual Conference will convene on Sunday, August 3, 1997 and end on Wednesday, August 6, 1997. The purpose of the conference is strategy development and the agenda developed by the attendees serves as a guideline for the local chapters of the organization.

The Urban League founded in 1910, is a nonprofit, non-partisan community based organization headquartered in New York City. The League assists African Americans and others in the achievement of social and economic equality through advocacy, bridge-building and program services.

It has affiliates in 114 cities, in 34 states and the District of Columbia. The annual convention held every four years in Washington, DC, has been attended by every president since Carter in either the first or the second term. You were in attendance at the 1993 conference and Hugh Price, the League President, has been very eager for you to attend this year's conference as well.

NUL President Hugh Price was one of the first civil rights leaders to endorse your race initiative. Price has encouraged other ethnic organization leaders to endorse your race initiative. In June, the National Urban League joined with other ethnic organizations to host a symposium on Race and Reconciliation. This collaboration led to the formulation of "National Voices For An Inclusive 21st Century." This National Coalition links the National Urban League, Anti - Defamation League, National Council of La Raza, National Conference, and Leadership Education for Asian Pacifics to work toward a more inclusive America through Racial Reconciliation.

An important focus of the National Urban League's Conference is support for academic achievement and economic development. Some of the conference discussion topics include: "The Government's Role in Advancing Economic Development in Urban Communities and the Economic Empowerment of the African American Community," and "The Impact of Government Policies on the Economic Future of Cities" (see attached program).

In line with your effort to make education the nation's top priority, the National Urban League brought together key educators and community activists for a strategy session to construct solutions for problems in the nation's public schools. In February, NUL hosted a forum entitled, "A No Excuses Era of School Reform," which addressed a number of issues including peer pressure, parental responsibility, and new rules for urban teachers. NUL also launched a new campaign for African American Achievement entitled, "Our Children = Our Destiny," including a nationwide public service ad campaign. The campaign is built on a modelthat employs data- based advocacy and mobilization as a vehicle for community change.

The Campaign seeks to create a strong infrastructure that enhances and supports the academic achievement and social development of our young people by merging public awareness of the problems with community engagement to develop solutions. NUL's plan of action includes a national day of celebration to recognize youth who have excelled in school and in their communities called, "Doing the Right

Thing," with the intention of encouraging African Americans to commit time and/or money to local youth development programs.

A number of Administration speakers will be addressing the conference: OMB Raines will speak on Monday; Secretary Cuomo will speak on Tuesday; and the Vice President, Secretary Herman, and Secretary Slater will speak on Wednesday.

III. PARTICIPANTS

Pre-Brief Participants:
Ben Johnson
Minyon Moore
Maria Echaveste
Jena Roscoe

Event Participants:
Urban League Leadership and 1700 Delegates

IV. PRESS PLAN
Open Press

V . SEQUENCE OF EVENTS
- Arrive at the Washington Convention center
- Greeters: Hugh Price, President and CEO, National Urban League
  Jonathan Liner, Vice Chairman American Express and Chairman of the Bard, National Urban League
- Off-stage announcement and accompanied by Hugh Price to "Ruffles and Flourishes" and "Hail to the Chief."
- Introduction by Hugh Price
- Remarks
- Ropeline
- Depart stage
- Proceed to Room(tbd)
- Greet Executive Committee
- Receiving line with 14 people
- Depart Convention Center

VI. REMARKS
Speech Writers to provide

Draft 7:30 p.m. August 1, 1997

**PRESIDENT WILLIAM J. CLINTON**
**REMARKS BEFORE THE NATIONAL URBAN LEAGUE ANNUAL CONFERENCE**
**WASHINGTON, D.C.**
**AUGUST 4, 1997**

**Acknowledgments:** Hugh Price, President and CEO; Jonathan Linen, Chairman of the Board.

It is always a great honor to speak to the National Urban League. When I was governor of Arkansas, I had the privilege of working with your local chapters and saw firsthand how your work changed lives and minds for the better. I especially want to thank you for the support you are giving to my Initiative on Racial Reconciliation. It means a lot to me, but more importantly, it sends a strong signal to all Americans that we can no longer afford to ignore the racial divisions that continue to undermine our nation's greatness.

One of the Urban League's legendary leaders, Whitney Young, once said that "it was better to be prepared for an opportunity and not have one, than to have an opportunity and not be prepared." Today, I want to tell you that because of the strength of our economy and the balanced budget I will sign tomorrow, we now have both -- unprecedented opportunities and the means to seize them. Unemployment and inflation have reached historic lows. Our neighborhoods are freeing themselves from the fearful grip of crime and violence. Thousands of Americans are beginning to appreciate the value of work and self-sufficiency.

**Our historic balanced budget is an empowerment budget. It will give every American who is willing to work hard and take responsibility the opportunity to make the most of their own lives. It honors our values by strengthening families, investing in the education and health of our children, and moving more people from welfare to work.**

**This is the strongest budget for our cities in over a generation. It keeps America firmly on the course of bringing new businesses, good jobs and hope back to our most distressed urban neighborhoods. It will make sure that the blighted downtowns of the late 20th century do not follow us into the 21st century -- that they once again buzz with the energy and optimism of Americans working hard, teaching children, raising healthy families and preparing for the future.**

In our negotiations with the Congress, my administration fought hard for the right kinds of tax cuts and credits that will truly benefit working families and communities.

<u>We fought for and won $24 billion to bring health care to as many as 5 million uninsured children</u>. This is the single largest increase in health care spending since we established Medicaid in 1965. Because of this law, five million more children will now be able to get the medical attention they need and deserve -- everything from regular checkups to

major surgery -- to grow into strong and healthy citizens.

We fought for and won a $500 per child tax credit that will help bring financial peace-of-mind to every family -- especially those struggling to lift themselves out of poverty and raise their children on modest salaries. These parents are the indispensable backbone of our society -- our firefighters, police officers, nurses, teachers and technicians -- and they deserve all the help they can get to do right by their children.

We fought for and won the most significant new investment in education in three decades, and the largest increase in investment in higher education since the GI Bill a half century ago. Through Hope Scholarships, education IRAs, tuition tax deductions, and expanded Pell Grants, every American who is willing to study hard will be able to go to college and get the education they need to thrive in our new economy.

We know that strong schools will be a fundamental part of the rebirth of our inner cities. That's why I'm pleased that this budget incorporates Rep. Rangel's plan to help states finance much-needed repairs to schools in our empowerment zones. We can't expect our children to concentrate on the rules of multiplication and division when the classrooms they attend are literally falling down around them.

We fought to triple the number of empowerment zones across our country, luring business and jobs back to our abandoned downtowns with a combination of grants, low-interest loans and tax credits. We will expand tax credits to businesses who agree to clean up and redevelop our brownfields -- the environmentally contaminated, but otherwise attractive business sites in urban areas. And we're working to strengthen the community banks that are fueling the entrepreneurial energies of inner city residents and business owners.

We are expanding these efforts because we know they are already making a big difference in many communities. Detroit, once a symbol of urban decline and despair, is now a city at work. Automakers such as Chrysler and GM have reinvested in the downtown and new, often minority-owned businesses have moved into the once-boarded-up storefronts and hung up their "help wanted" signs.

We fought to make sure that the balanced budget continues to fund the 100,000 community police officers who are walking the beat and once again making our communities safe for our families. Crime in our country has dropped for five years in row in no small part because of their hard work.

Last summer, when I signed the welfare reform bill into law, I said that I would work to fix the shortcomings of the bill, eliminate aspects of the law that had nothing to do with the goals of welfare reform and find ways to encourage more employers to hire people off welfare. This budget makes good on these promises. It restores both SSI and Medicaid benefits to the legal immigrants who work and pay taxes in our country. It makes sure that the disabled children cut off from SSI under the welfare reform law will now keep their Medicaid coverage. And it expands food stamp benefits for unemployed citizens who are trying as hard as they can to find jobs.

Each one of us has responsibility to see to it that the increasing numbers of welfare recipients who will be required to move into the work force have the skills, training, child care, transportation, and the jobs they need to become self-sufficient and support their children. I fought hard for the $3 billion in welfare-to-work funds in the budget that will be used by our cities to help welfare recipients find and keep well-paying jobs. Our new budget will offer tax credits to employers who hire people off welfare. And we've made sure that welfare recipients moving to work are paid an honest wage -- nothing less than the federal minimum wage -- for the jobs that they do.

These are important steps. They bring us much closer to ending the culture of dependency and hopelessness that has trapped too many of our families and stymied the futures of too many of our children.

Children's health care, child and education tax credits, new businesses in our cities and welfare-to-work -- these efforts will empower all of our citizens to fulfill their God-given potentials.

But empowerment is only a concept until it's put into action. Let's remember what Whitney Young said to us about being prepared to take advantage of our opportunities. I urge each and every one of you to go to back to your communities to make sure that the opportunities in this budget come alive. Hire someone off welfare; help a lost child find his or her way; build partnerships with businesses to strengthen schools and create jobs; and above all reach out across lines of race, class and gender to seek common ground and build vital bridges of mutual respect and understanding that will lead us to One America in the 21st century.

Thank you and God bless you.

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THE WHITE HOUSE

WASHINGTON

# INTERVIEW WITH THE FOX NEWS CHANNEL

DATE: MONDAY, AUGUST 4, 1997
LOCATION: ROOSEVELT ROOM
TIME: 5:35 PM
FROM: MIKE McCURRY, LAURA SCHWARTZ

## I. PURPOSE

This television interview will give you the opportunity to discuss your race initiative.

## II. BACKGROUND

You will conduct a 10 minute interview focusing on your race initiative with Jim Angle and Wendell Goler of the Fox News Channel. You have interviewed with Goler in the past while he was with AP Radio and last sat down with him after the election for a "get to know you" session when he moved over to the Fox News Channel. Prior to working with the Fox News Channel, Angle has worked with NPR, ABC and CNN. Excerpts of your interview will air Monday evening and in its entirety on Tuesday during prime viewing hours.

Topics may include:

* Affirmative action
* EEOC
* Crack cocaine sentencing guidelines
* D.C. budget and Mayor Barry

You may also get a question on the "breaking news" of the day.

## III. PARTICIPANTS

<u>Pre-brief participants</u>
**THE PRESIDENT**
Sylvia Mathews
Mike McCurry
Joe Lockhart
Judith Winston
Laura Schwartz

Event Participants
**THE PRESIDENT**
Jim Angle (FOX)
Wendell Goler (FOX)

## IV. PRESS PLAN

The interview is exclusive to the FOX News Channel and its affiliates.

## V. SEQUENCE OF EVENTS

5:00-5:30 p.m. -- Briefing/make-up - Oval
5:35 pm FOX Interview - Roosevelt Room
5:50 pm Depart Roosevelt room

## VI. REMARKS

None provided.

## VII. ATTACHMENTS

*See guidance for race interviews.

THE WHITE HOUSE

WASHINGTON

August 1, 1997

# INTERVIEW WITH DEBORAH MATHIS OF *GANNETT*

DATE: August 4, 1997
LOCATION: Oval Office
TIME: 5:50 PM
FROM: Mike McCurry

## I. PURPOSE

This interview will provide you with an opportunity to discuss your race initiative with one of America's foremost African-American journalists.

## II. BACKGROUND

Deborah Mathis has known you since your time as Arkansas Attorney General. She needs no introduction. Her recent work includes several articles about your race initiative. These articles have been generally supportive. Below are some highlights:.

1. "Clinton to Announce New Initiative on Race Relations in June" *Gannett News Service*, May 30, 1997 --
In a preview to your San Diego race speech, Mathis referenced the Citizens' Commission on Civil Rights report which suggests you monitor welfare reform and make certain that those moving off public assistance are not left without healthcare, a home, food, and an education.

Mathis commented, although the details of the initiative were forthcoming, ". . . Clinton is known to favor a blend of federal power and personal conscious."

2."Question of Apology Over Slavery Clouds the Issue of Racial Dialogue, " *Gannett News Service*, June 17, 1997 --
She compared the slavery apology request to the apology and restitution for Japanese-American victims of World War II. The United States and other countries have apologized for various crimes to other ethnic groups, yet no apology has ever been made for the years of African-American slavery. However, an apology is not the answer to all racial problems. Leaders like Jesse Jackson have argued that an apology would not accomplish the changes needed and a fair restitution would be difficult, if not impossible, to calculate.

Slavery must be addressed. She states, ". . . even those opposed to cash compensations think the country must do something to repair the damage done by slavery -- something like strengthening affirmative action, the mainstay of Clinton's inchoate race policy."

3. "Discussion About Race May Help America Heal," *The Montgomery Advertiser*, June 20, 1997 --
In this editorial, Mathis emotionally critiques Robert Novak discussion of your race initiative on *Evans & Novak* (The article is attached).

4. "President's Advisory Panel on Race Expects Rough Road to Racial Harmony," *Gannett News Service,* July 14, 1997 --
Mathis wrote about the tough questions facing the Advisory Panel including the broad scope of the initiative.

5. "Take Wraps Off the Lies about Race" *The Montgomery Advertiser*, July 19, 1997 --
In this article, Mathis describes panel members' goal of dispelling the "misunderstandings that tend to separate one human from another on account of ethnicity" as the most difficult of all suggestions to accomplish.

## III. PARTICIPANTS

The President
Mike McCurry
Deborah Mathis, *Gannett News Service*

## IV. PRESS PLAN

Interview is exclusive to *Gannett News Service.* The story will run on the wires Monday night.

## V. ATTACHMENTS

Guidance on Race
Article

8TH STORY of Level 1 printed in FULL format.


The Montgomery Advertiser

June 20, 1997, Friday

SECTION: Editorial; Pg. 8A

LENGTH: 630 words

HEADLINE: DISCUSSION ABOUT RACE MIGHT HELP NATION HEAL

BYLINE: Deborah Mathis

BODY:

WASHINGTON -- It's understandable that some Americans don't understand what some other Americans are talking about when we say there are serious inequities in the country -- personal and institutional inequities. They don't understand because they either haven't been on the short end of the stick or haven't paid attention to the pattern of short endedness.

Or they just don't want to believe that a country with so great a constitution and so much catharsis in its history could still be so far off the mark when it comes to equalizing justice, opportunity, and, in general, access to the American Way.

Regardless of perspective, few among the civilized would object to a conversation -- a "dialogue" as President Clinton has put it -- about race relations. No half-awake person would argue that there is nothing to talk about. Besides, what harm can come from talking about a problem?

Plenty, to hear some tell it. By their logic, talking about race necessarily means recognizing differences. In turn, that recognition sets up camps and tribes. Hence, goes this specious reasoning, we are torn even more asunder.

That is the stuff that cows leave behind.

What self-deceit is required to believe that talking about a problem worsens it? Wherever did anyone learn that lesson? In Wife Beating class? On Drug Abuse Celebration Day? In Denial 101?

Yet, such storied Americans as Robert Novak, the crusto-conservative columnist, has lit into the president for putting race on the public plate.

There's no disputing that race relations have shown "great improvement," Novak said on his television show last weekend. Then he added this snide snippet: "Maybe we just want perfection, that's the trouble."

Of course the distance between "great improvement" and "perfection" can be a vast expanse, but Novak would not want to consider that. His point is to make racialism a naughty, maybe even destructive proposition. Acknowledgement, he might say, is tantamount to agitation.

To make his poor point, Novak even solicited one of the Republicans' proudest and most useful catches, Rep. J.C. Watts, the first black this, that, and the other from Oklahoma. Usually, Watts toes the party line but even he had a difficult time playing loyalist on this one.

THERE IS, Watts said, "a racial tension in America that I think is pretty serious." Color-blindness -- that purported ideal which, some would have us believe, can be accomplished by merely declaring it -- does not exist in the dear ol' U.S. of A., Watts declared.

Sounding like so many other black Americans, Watts even had his own indignity to report: being pulled over by six armed officers in an afternoon and treated with suspicion. For no apparent reason. Save one. The old, tired one.

Looks like Novak, in his attempt to minimalize the reality of racial tension so that he can proceed with his lush, privileged and very much separate life without being bothered by something so gnawingly inconvenient as a moral dilemma, picked the wrong black man to serve his purposes.

Now, Ward Connerly of Proposition 209 fame? If you're looking for a black man who will let America off the hook and load all of the responsibility for racial disparity onto the backs and shoulders of those who hold the short end, Ward Connerly's your boy.

Like Novak and his ilk, Connerly is not into facing facts, but prefers fantasy. He routinely chooses illusion over reality, prefers mirages to mirrors, knows how to pick a crowd and what it takes to please them.

OK, guys, you're right, is that what you want to hear? Everything's fine, just as you say, Bob. Everything's super duper, here in LaLa Land. Just as you told us, Ward.

Now, you boys just go wait over there. The grown-ups have some talking to do.

LOAD-DATE: June 20, 1997

THE WHITE HOUSE

WASHINGTON

# INTERVIEW WITH BLACK ENTERTAINMENT TELEVISION

| | |
|---|---|
| DATE: | MONDAY, AUGUST 4, 1997 |
| LOCATION: | CABINET ROOM |
| TIME: | ~~5:00-5:30PM BRIEFING - OVAL~~ |
| | 6:15 PM BET INTERVIEW - CABINET ROOM |
| FROM: | MIKE McCURRY, LAURA SCHWARTZ |

## I. PURPOSE

This television interview will give you the opportunity to discuss your race initiative.

## II. BACKGROUND

You will conduct a 15 minute interview with Tavis Smiley for Black Entertainment Television's show "BET TALK." You have interviewed with Smiley previously for the Tom Joyner radio show out of Los Angeles. Smiley is a guest commentator for KABC radio and he is the author of a straight talk book about the wrongs of "rights" and race matters entitled "Hard Left." The interview will air Monday night at 11pm on "BET Talk" and will be replayed throughout the month of August.

Topics to be discussed include:

- Affirmative action
- Sentencing guidelines
- 3 billion dollars marked in the budget to help welfare recipients move into the private sector
- State of the civil rights commission
- What the next millennium holds for minorities
- School vouchers

## III. PARTICIPANTS

Pre-brief participants

**THE PRESIDENT**

Sylvia Mathews

Judith Winston

Mike McCurry

Joe Lockhart

Laura Schwartz

<u>Event Participants</u>
**THE PRESIDENT**
Tavis Smiley (BET)

## IV. PRESS PLAN

The interview is exclusive to BET.

## V. SEQUENCE OF EVENTS

6:15 pm BET Interview - Cabinet Room
6:30 pm Depart Cabinet Room

## VI. REMARKS

None provided.

## VII. ATTACHMENTS

*See guidance for race interviews.

# One America in the 21st Century: The President's Initiative on Race

This year-long effort, which will be led by the President, combines constructive dialogue, study and action. Through the initiative, Americans will examine the current state of race relations, review the laws and policies that can help to ensure we remain one America and work -- as individuals, communities, businesses, schools and government -- to understand our differences and better appreciate our shared values.

## Goals of the Initiative

- To articulate the President's vision of a just, unified America;
- To help educate all Americans about the facts of race in this country;
- To promote a constructive dialogue in which we confront the difficult issues of race;
- To encourage leadership at the federal, state, local, community and individual levels to help bridge racial divides; and
- To identify and develop solutions in critical areas such as education, economic opportunity, the administration of justice, housing, crime and health care.

## Elements of the Initiative

Advisory Board. These seven individuals come from widely diverse backgrounds. They were chosen based on their outstanding leadership on the issue of race and their contribution to America's ongoing dialogue on the subject. Together, they will:

- provide guidance to the President on issues of race and reconciliation;
- extend the President's reach as he engages in a dialogue with the American people; and
- solicit ideas for bridging racial divides and for addressing concerns such as education, economic opportunity and the administration of justice.

Significant Presidential Events/Actions. Throughout the year, the President will participate in a number of events that highlight and advance the goals of the initiative. Among those events will be four town hall meetings, which will be held in four different regions of the country.

The President's Report to the American People. This document will be issued late next summer. It will:

- present the President's vision of one America, including an assessment of the growing diversity of our nation;
- report on the course of race relations in America over the past 30 years; and
- offer recommendations that will enable individuals, communities, schools, businesses, governments and other organizations to address difficult issues and build on best practices.

## Next Steps for the Advisory Board

The advisory board held its first meeting on July 14. It was a productive conversation in which they raised a number of topics and decided to dedicate themselves first to the issues of education and economic opportunity.

The board will hold its next meeting in mid to late September. At that time, it will set forth the activities it hopes to undertake, over the next several months or more, in support of the work being done by the Initiative staff and White House staff. During August, members of the advisory board are working, individually and in small groups, to prepare their work plan and to encourage dialogue among Americans on the subject of race.

**Talking Points on Likely Interview Topics**

## CRACK COCAINE SENTENCING

* I asked the Attorney General Reno and ONDCP Director McCaffrey to review the U.S. Sentencing's recommendation to me. They did and their recommendation was that the trigger for 5-year mandatory drug penalties should be increased from 5 to 25 grams for crack -- and dropped from 500 to 250 grams for powder cocaine. That would drop the ratio from 100 to 1, to 10 to 1. I think this is a sensible recommendation.

* It makes good law enforcement sense, and it's fairer.

* It will ensure that federal prosecutors focus on mid- and high- level drug traffickers, rather than low-level users.

* I have asked the Attorney General and Drug Director to work with members of Congress and I hope we can make real progress.

Additional points:

* Understand concern that many African Americans have when they are told that black users of crack are punished much more severely than white users of powder cocaine. Current disparity in our sentencing laws should be adjusted, but not as simple as equalizing penalties.

* Since mid 1980s, crack cocaine and the armed gangs that deal in it have fueled an unprecedented level of violence in our cities. Crack cocaine defendants continue to be associated with much more violence than powder cocaine and other users. That's why I continue to believe that crack cocaine should be punished more severely than powder cocaine.

## SLAVERY APOLOGY

* Slavery has left deep scars on our nation. Together, with my advisory board, I'll be looking at a number of options, but at this time, I don't believe that an apology is the best way to move the country forward.

(* Hall resolution - A congressional matter, but as I've said, I'm not personally convinced that it would be a productive step at this point.)

## WELFARE REFORM

* Bipartisan budget agreement restores most of the budget cuts what were attached to the welfare reform bill last year by the Republican Congress. Restored disability and health benefits for legal immigrants.

* Created a $3 billion fund to create jobs for the hardest-to-employ welfare recipients

* The $3 billion Welfare to Work Jobs Challenge fund will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. Funds can be used for job creation, job placement, and job retention efforts. Will be awarded starting in 1998. 75% of the funds will be distributed under a formula that targets areas of high poverty and unemployment within each state, including inner cities and rural areas. One-quarter will be awarded competitively to innovative projects.

* Provided an enhanced tax credit for companies that hire long-term welfare recipients, and restore $1.5 billion to the food stamp program.

**SCHOOL CONSTRUCTION**

* Congress balked at including my proposal in the budget agreement, but we fought to include some help for school districts that have construction needs.

* Created a new tax credit that encourages school renovation and construction in empowerment zones and high-poverty areas.

* Will keep working to get Congress to make a commitment to helping address the 40% of school buildings that need major repair or outright replacement.

**EEOC**

* Vigorous enforcement of our civil rights laws is a crucial component of ensuring equality of opportunity for all Americans.

* In conjunction with the Civil Rights Division at Justice, the work of the EEOC is critical in this area.

* Pleased that the EEOC has reduced its backlog of cases by 25% over the last four years. They want to do even better, but need resources in order to do so. It is imperative that Congress give us the money necessary to enforce the civil rights laws we fought so hard to obtain.

**CENSUS/DATA ON DIVERSITY**

* Think the 30-agency committee made a good-faith effort to respond to our nation's increasing diversity, while still seeing that we continue collecting important data on race and ethnicity so that we can best ensure that our civil rights laws in housing, employment etc. are being enforced.

* OMB is taking public comment on the task force recommendations and plans to announce a decision this fall. I am awaiting the completion of this process.

## Up-date on Affirmative Action Issues

### ADARAND

* Justice has found that many programs already complied with constitutional requirements.

* Justice is working with other federal agencies to reform programs which do not conform to Adarand's requirements, particularly in the area of federal contracting, to ensure that equal opportunity goals of the program are preserved in a manner consistent with what the Supreme Court dictates.

### PROPOSITION 209

* Oppose and continue to believe that it is harmful to full and equal access to opportunity for women and minorities.

* Justice Department joined the challenge brought against Prop. 209 by a number of Ca. Plaintiffs.

* Disappointed that the challenge has so far been unsuccessful.

### CIVIL RIGHTS ACT

* Oppose legislation, most notably federal legislation (Rep. Canady's "Civil Rights Act of 1997"), that would abolish affirmative action programs.

### HOPWOOD

* Fifth Circuit case of Hopwood was wrong, and the Justice Dept. also joined in the petition brought by the Sate of Texas asking for the Supreme Court to review the decision.

* In the area of education, I feel strongly that affirmative action programs meant to achieve diversity in schools and universities - programs that are constitutionally permissible under Bakke - must be preserved.

### MINORITY ENROLLMENT

* Distressing that minority enrollment in California and Texas has dropped off so precipitously in the wake of Prop. 209 and the Hopwood case. Will work with these states as they seek ways to address this problem.

* Education Department has begun an investigation into the falling minority enrollment in Ca. state schools. Investigation is in very early stages.

**PISCATAWAY**

* Supreme Court recently decided to review the Third Court's decision in Piscataway. The United States is not a party to the case.

* Working with Justice to determine what action might be appropriate for the U.S. to take in this case.

* Believe that the Third Circuit's opinion inappropriately limits the use of non-remedial affirmative action within educational institutions.

## ECONOMIC Qs AND As

**Q: WHAT DOES THE TAX BILL DO FOR IMPOVERISHED URBAN AREAS?**

**A:** The bipartisan balanced budget plan includes several critical tax incentives to help poor urban areas: Brownfields, EZ/EC and the welfare-to-work tax credit.

- **The Brownfields initiative will reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas.** This would, in turn, encourage redevelopment of these areas. *The Treasury Department estimates that this $2 billion tax incentive will, over seven years, leverage more than $10 billion for private sector cleanups nationwide, allowing redevelopment of 30,000 brownfields.*

- Many communities that were not designated as Empowerment Zones or Enterprise Communities in that first round lack the seed capital to begin revitalization efforts. In response, this bill provides a second-round of EZs and ECs.

- **To move people from welfare to work, this balanced budget plan includes a welfare-to-work tax credit that gives employers an added incentive to hire long-term welfare recipients** by providing a credit of 50% of the first $10,000 in annual wages paid to new hires who have received welfare for an extended period. The credit can be claimed for two years per worker, to encourage not only hiring but retention.

- The balanced budget plan also includes a new tax credit to encourage investment in Community Development Financial Institutions (CDFIs). Investors in these institutions would be able to take a tax credit of up to 25% of their investment. This new credit, which should help leverage over $1 billion in private investment for distressed communities.

**Q: WHY ARE YOUR EDUCATION TAX CUTS FOR UPPER MIDDLE CLASS FAMILIES WHO CAN ALREADY AFFORD COLLEGE INSTEAD OF FOR THOSE FAMILIES WHO MOST NEED THE HELP?**

**A:** We determined that the best way to help low-income students is to provide them the aid up-front, through the Pell Grant and other Federal programs. **The budget agreement includes the largest increase in the maximum Pell Grant in two decades, to $3,000, an increase of $300 compared to this year and $530 over 1996.** In addition, we are expanding the program so that more low-income independent students over the age of 24 will be eligible for the grants.

**The Pell Grant expansion is designed to complement the HOPE Scholarship and tuition tax credit.**

**Q: HAVEN'T AFRICAN AMERICANS BEEN LEFT BEHIND IN THIS ECONOMY?**

A: Our three-part economic strategy -- cutting the deficit, investing in people, and opening trade -- has helped to spur low unemployment, low inflation, and 12.9 million new jobs. This strong economic performance has helped African Americans:

- The unemployment rate for adult African American males has fallen from 13.5 percent in 1992 to 9.1 percent in June.
- The percentage of African Americans employed is now the highest in the history of the data series (57.7 percent in the second quarter of 1997).
- The poverty rate for African Americans declined from 33.4 percent in 1992 to 29.3 percent in 1995 -- the most recently available data. That's the first time the African American poverty rate dropped below 30 percent in the history of the data series.
- Median income for African American families has increased (from $22,923 in 1992 to $25,970 in 1995, an inflation-adjusted increase of over $3,000).

**Q: WHICH OF YOUR ECONOMIC POLICIES HAVE HELPED AFRICAN AMERICANS?**

**A:**

- The increase in the minimum wage raises the earnings of 1.3 million African American workers.
- The SBA has approved more than $1.1 billion in loans to African American business owners.
- Expansion in the EITC -- lifting over 800,000 African Americans, including almost 450,000 African American children, out of poverty in 1995.
- Created the Community Development Financial Institutions (CDFI) fund to promote entrepreneurship in distressed urban and rural communities.
- We reformed the Community Reinvestment Act to hold banks and other lenders accountable for performance rather than paperwork.

Tuesday, August 5, 1997

| | | |
|---|---|---|
| 9:45 AM | Weekly Economic Briefing<br>(Background distributed separately) | Tab A |
| 11:00 AM | Balanced Budget Bill<br>Signing Ceremony | Tab B |
| | - Remarks | Tab C |
| 5:45 PM | Black Leadership Forum<br>Outreach Meeting | Tab D |
| | - Background | Tab E |

'97 AUG 4 PM8:01

# SCHEDULE OF THE PRESIDENT

# FOR

# TUESDAY, AUGUST 5, 1997

# REVISED FINAL

| | | |
|---|---|---|
| **SCHEDULING DIRECTOR:** | **STEPHANIE STREETT** | |
| | **HOME:** | **202-332-5651** |
| | **OFFICE:** | **202-456-2823** |
| | **WHCA PAGER:** | **4033** |

| | | |
|---|---|---|
| **PRESS DESK:** | **ANNE EDWARDS** | |
| | **HOME:** | **301-565-3101** |
| | **OFFICE:** | **202-456-2921** |
| | **WHCA PAGER:** | **4208** |

**SCHEDULE OF THE PRESIDENT**
**FOR**
**TUESDAY, AUGUST 5, 1997**
**REVISED FINAL**

| | |
|---|---|
| 9:00 am-<br>9:15 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Erskine Bowles |
| 9:15 am-<br>9:30 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 9:30 am-<br>9:45 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 9:45 am-<br>10:05 am | **WEEKLY ECONOMIC BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Janet Yellen |
| 10:10 am-<br>10:15 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 10:15 am-<br>10:20 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: John Hilley |
| 10:20 am-<br>10:30 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: John Hilley |
| 10:45 am-<br>11:05 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: John Hilley, Gene Sperling |
| 11:05 am | **THE PRESIDENT** proceeds to the Diplomatic Reception Room |

| | |
|---|---|
| 11:10 am-<br>11:15 am | **MEET AND GREET**<br>DIPLOMATIC RECEPTION ROOM<br>Staff Contact: John Hilley, Gene Sperling<br>Event Coordinator: Setti Warren<br>**WHITE HOUSE PHOTO ONLY** |
| 11:15 am-<br>12:15 pm | **BALANCED BUDGET BILL SIGNING EVENT**<br>SOUTH LAWN<br>Remarks: Michael Waldman<br>Staff Contact: John Hilley, Gene Sperling<br>Event Coordinator: Setti Warren<br>**OPEN PRESS** |

-- **The President** and the Vice President are announced to honors, with Speaker Gingrich and Senator Lautenberg and all proceed to the stage.

**Note: Each speaker is introduced to the podium with an off-stage announce.**

-- **The President** makes remarks.

-- Speaker Gingrich makes remarks.

-- Senator Lautenberg makes remarks.

-- The Vice President makes remarks.

-- **The President** proceeds to table for bill signing.

-- **The President** and the Vice President work a ropeline and depart.

| | |
|---|---|
| 12:15 pm-<br>1:15 pm | **LUNCH WITH THE VICE PRESIDENT**<br>OVAL OFFICE |
| 1:15 pm-<br>5:15 pm | **PHONE AND OFFICE TIME**<br>OVAL OFFICE |
| 5:15 pm-<br>5:45 pm | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Maria Echaveste |

| | |
|---|---|
| 5:45 pm-<br>6:45 pm | **BLACK LEADERSHIP FORUM OUTREACH MEETING**<br>CABINET ROOM<br>Staff Contact: Maria Echaveste<br>**CLOSED PRESS** |
| 7:00 pm-<br>8:00 pm | **HOLD**<br>RESIDENCE |

**EVENING OFF**

| | |
|---|---|
| **BC AND HRC RON** | **THE WHITE HOUSE**<br>**WASHINGTON, D.C.** |

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

August 4, 1997

# WEEKLY ECONOMIC BRIEFING

| | |
|---|---|
| DATE: | Tuesday, August 5 |
| LOCATION: | Oval Office |
| TIME: | 9:45 -- 10:05 a.m. |
| FROM: | Janet L. Yellen |

## I. PURPOSE

You will be briefed by CEA Chair Janet Yellen and other members of your economic team on new studies of the effects of teen childbearing (Weekly Economic Briefing, July 4), and the growth of child-only welfare cases (Weekly Economic Briefing, July 18).

## II. PARTICIPANTS

CEA Chair Janet Yellen
NEC Director Gene Sperling
Assistant to the President for International Economic Policy Dan Tarullo
Treasury Secretary Robert Rubin
Deputy Treasury Secretary Lawrence Summers
OMB Director Franklin Raines
CEA Senior Economist Sanders Korenman

## III. PRESS PLAN
closed

## IV. REMARKS
none required

## V. ATTACHMENTS

"New Studies Question Effects of Teen Childbearing."
(Weekly Economic Briefing, July 4, 1997)

"The Growth of Child-Only Welfare Cases.)
(Weekly Economic Briefing, July 18, 1997)

THE WHITE HOUSE

WASHINGTON

**August 4, 1997**

**BILL SIGNING CEREMONY FOR THE TAXPAYER RELIEF ACT OF 1997 AND THE BALANCED BUDGET ACT OF 1997**

**DATE:** **Tuesday, August 5**
**LOCATION:** **South Lawn**
**TIME:** **11:15am-12:15pm**
**From:** **John Hilley** John Hilley / 8/3

## I. PURPOSE

To sign H.R. 2014, the Taxpayer Relief Act of 1997 and H.R. 2015, the Balanced Budget Act of 1997.

## II. BACKGROUND

As you know, the House passed H.R. 2015, the Balanced Budget Act of 1997 on Wednesday, July 30, by a vote of 346--85; 52 Democrats, 32 Republicans and one Independent voted against it. The Senate passed this legislation on Thursday, July 31 by a vote of 85--15; Democratic Senators Ford, Hollings, and Wellstone voted against. On Thursday, July 31, both the House (389--43; 41 Democrats, one Republican and one Independent voting against) and Senate (92--8; Democratic Senators Bumpers, Byrd, Feingold, Glenn, Hollings, Robb, Sarbanes, and Wellstone voting against) passed H.R. 2014, the Taxpayer Relief Act of 1996. Please see the memo prepared by Staff Secretary for further details on each bill.

## III. PARTICIPANTS

<u>Pre-Brief</u>
Sec. Rubin
Erskine Bowles
John Hilley
Frank Raines
Janet Yellen
Gene Sperling
Rahm Emanuel

Members of Congress (38)
Sen. Larry Craig (R-ID)
Sen. Frank Lautenberg (D-NJ)
Sen. William Roth (R-DE)
Sen. Arlen Specter (R-PA)
Sen. Paul Coverdell (R-GA)
Rep. Bill Archer (R-TX)
Rep. Dick Armey (R-TX)
Rep. Tom Bliley (R-VA)
Rep. Steve Chabot (R-OH)
Rep. Elijah Cummings (D-MD)
Rep. Thomas Davis (R-VA)
Rep. Diana DeGette (D-CO)
Rep. Terry Everett (R-AL)
Rep. Eni Faleomavaega (D-AS)
Rep. Vic Fazio (D-CA)
Rep. Robert Franks (R-NJ)
Rep. Elizabeth Furse (D-OR)
Rep. Newt Gingrich (R-GA)
Rep. Gil Gutknecht (R-MN)
Rep. Dennis Hastert (R-IL)
Rep. Van Hilleary (R-TN)
Rep. Rubin Hinojosa (D-TX)
Rep. David Hobson (R-OH)
Rep. Steny Hoyer (D-MD)
Rep. Sheila Jackson-Lee (D-TX)
Rep. John Kasich (R-OH)
Rep. Barbara Kennelly (D-CT)
Rep. Sander Levin (D-MI)
Rep. John Linder (R-GA)
Rep. Jim Maloney (D-CT)
Rep. Robert Matsui (D-CA)
Rep. Dan Miller (R-FL)
Rep. Charlie Rangel (D-NY)
Rep. John Spratt (D-SC)
Rep. William Thomas (R-CA)
Rep. Karen Thurman (D-FL)
Rep. Robert Weygand (D-MO)
Rep. Bill Young (R-FL)

## IV. PRESS PLAN

Open Press

## V. SEQUENCE OF EVENTS

**The President** and **theVice President** are announced to HONORS with Speaker Gingrich, and Senator Lautenberg. Speakers proceed to stage and are seated.

*Note: Each speaker is introduced to podium with off-stage announce*.

**The President** gives remarks.

Speaker Gingrich gives brief remarks.

Senator Lautenberg gives brief remarks.

**The Vice President** gives brief remarks.

**The President** proceeds to table for bill signing.

**The President** and **the Vice President** work ropeline.

**The President** and **the Vice President** depart.

The following people will be seated on the stage:
All Members of Congress
Sec. Rubin
Erskine Bowles
John Hilley
Frank Raines
Janet Yellen
Gene Sperling
Rahm Emanuel

**Only those on the stage will stand behind you for signing of the bill.

## VI. REMARKS

To be provided by Speechwriting

## VII. ATTACHMENTS

None.

Draft 08/04/97 8:30pm

**PRESIDENT WILLIAM J. CLINTON**
**STATEMENT ON SIGNING OF**
**OMNIBUS RECONCILIATION ACT OF 1997**
**THE SOUTH LAWN**
**AUGUST 5, 1997**

Vice President Gore, Mr. Speaker, Senator Lautenberg: members of Congress; ladies and gentlemen:

We are here today -- Democrats and Republicans -- Congress and the President – Americans of goodwill from all points of view and all walks of life, to celebrate a true milestone for our nation.

In a few moments, I will sign into law the first balanced budget in a generation, a balanced budget that honors our values, puts our fiscal house in order, expands the vistas of opportunity for all our people, and fashions a new government that is ready to lead in the new era. Like every generation of Americans before us, we have been called upon to renew our nation and restore its dream – and like every generation of Americans before us, we have acted. We have risen to the challenge of our time. We are working to make opportunity as real for all our people as it has been throughout our history.

For too long, huge, persistent and growing budget deficits threatened to choke off that opportunity. For too long it seemed as if America would not be ready for the new century – that we would be too divided, too wedded to old arrangements and ideas. It's hard to believe now, but it was not too long ago that some people looked at America and saw a setting sun.

When I became President, I was determined that America's best days were before us. So after years in which the deficit drained our economy and dampened our spirit – in which America's ability to lead the world was diminished by its inability to put its own house in order -- after years in which too many people doubted whether our nation would ever come together to address this problem -- in 1993, America set off on a new course. And in 1997, that new course is taking us to the 21st Century stronger than we have ever been.

Our new American economic approach cut the deficit, to create the conditions for business to thrive. We opened foreign markets to our goods and services. And we invested in our people, so all Americans have the tools to reap the rewards of prosperity. I said then that there were two deficits -- a budget deficit, and an investment deficit -- and we had to begin to close both of them. And we have.

Today, America's budget deficit, cut by more than 80%, is now among the smallest in the industrialized world. America's businesses once again lead in a world market we have made more free and more fair than any time in history. America's workers are the most competitive on earth. And we have recast our old government so that a new government can take shape – a new government that gives our people the tools to make the most of their own lives.

The balanced budget I sign into law today will continue America's successful economic strategy. It reflects those most fundamental values that strengthen us and bind us together.

It will spur growth and spread opportunity, balancing the budget with $900 billion in real, disciplined cuts.

It opens the doors of college to a new generation, with the largest investment in higher education since the GI Bill a half century ago – and it makes it possible for the 13th and 14th years of college to become as universal as high school is today.

It strengthens our families, with the largest expansion in health care for children since the Medicaid program 32 years ago.

It rebuilds our communities, moving millions more from welfare to work and bringing the spark of private enterprise into our most isolated inner cities.

And it provides targeted tax relief to help families raise their children, to encourage investment, and to pass on their home and their dream to the next generation.

For so many of our people, what goes on in Washington so often can seem abstract, remote. With this balanced budget, we are showing that we can focus on our challenges, find ways to address them, and above all, <u>act</u>, together.

Because we have acted, a child somewhere in America, whose name we may never know, will be able to see a doctor because of the health care this law provides him. A young person somewhere in America will be able to grow and prosper because of the education this law affords her. A family somewhere in America will have more resources to raise their children because of the tax relief this law provides. This budget is an investment in their future.

Today, it is increasingly clear that we have made this era of great change an era of unparalleled possibility for our people. I hope that we can tap the spirit of cooperation that produced this agreement, and use it to meet and master the many challenges that remain. We did not balance the budget through inaction; we will not meet our other obligations through inaction. The road ahead is not easy, but then again we Americans have never taken the easy path. And we take heart from the heroism of the past, and the accomplishments of the present as we face the challenges of the future.

Let me thank the many men and women whose hard work and leadership has brought us to this point. Speaker Gingrich, Senator Lott, and the Republican leaders of Congress were dedicated partners and fought hard for their priorities. Senator Daschle, Rep. Bonior, and the Democratic leadership were my close partners both when we passed our economic plan in 1993 and when we finish the job today. I would like to thank the members of my budget team, as well: Secretary Rubin, OMB Director Raines, Erskine Bowles, Gene Sperling, Janet Yellen, John Hilley, Rahm Emanuel, Jack Lew, Larry Summers. Let me also thank two people whose dedication is reflected in this budget: my wife Hillary, whose devotion to the health care of children has borne rich fruit in this budget, and Tipper Gore, whose dedication to mental health is reflected in new benefits for thousands of Americans. We owe them all a great deal.

With the signing of this bill, our generation commits that the American dream of opportunity for all will live on into the new century. And we can say, with pride and with certainty, that once again the sun is rising on America.

Thank you.

**Meeting with the Black Leadership Forum**

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| Date: | August 5, 1997 |
| Location: | Cabinet Room |
| Time: | 5:45p.m. - 6:45p.m. |
| From: | Maria Echaveste |
| | Ben Johnson |

I. PURPOSE

This is an opportunity for you to talk directly with African American leadership about issues of particular concern to the African American community.

II. BACKGROUND

The Black Leadership Forum (BLF) was organized in 1977 as a non-partisan association of African American organizations created to strengthen black leadership and to provide a forum for cooperation and collaboration among national civil rights and service organizations. Established with eleven founding organizations, the BLF now consists of twenty-one organizational members.

The BLF has requested a meeting with you to discuss the following issues: race and racism (police brutality and the Black community and sentencing for crack and powdered cocaine); urban policy and cities (petition for a White House Summit on Cities and a petition for funding from budget agreement for community - based banks and community development banks); Education (your National Standards Test); Agricultural Policies (Black Farmers); Dr. Martin Luther King's Assassination (a national observance of its 30th Anniversary and an update on the Justice Department Initiatives); the Budget Agreement (your view on how it affects the poor); and your reaction to CBC issues (raised previously with you and most recently with the Vice President last Tuesday, July 29, 1997.)

Headed by current Chairman Dr. Joseph E. Lowery, President, The Southern Christian Leadership Conference (SCLC), the membership roster includes the following organizations:

- The A. Philip Randolf Institute, President, Norman Hill

- Congressional Black Caucus, Chairwoman, The Honorable Maxine Waters
- The Martin Luther King, Jr. Center for Nonviolent Social Change, President & CEO, Dexter King,
- The Coalition of Black Trade Unionists, President, William Lucy
- The Joint Center for Political and Economic Studies, President, Eddie Williams
- The National Association for the Advancement of Colored People, President & CEO, Kweisi Mfume
- The NAACP Legal Defense Fund, Inc., Director - Counsel, Elaine R. Jones
- The National Black Caucus of Local Elected Officials, The Honorable Mary Pinkett
- The National Council of Negro Women, Inc., President & CEO, Dr. Dorothy Height
- The National Newspaper Publishers Association, President, Dorothy R. Leavell
- National Urban League, Inc., President & CEO, Hugh Price
- The National Pan-Hellenic Council, President, Daisy M. Wood
- Opportunities Industrialization Centers of America, Inc., President & CEO, Herman Art Taylor
- Rainbow/PUSH Coalition, President & CEO, Rev. Jesse L. Jackson, Sr.
- The Southern Christian Leadership Conference, Inc., President, Dr. Joseph E. Lowery
- The National Conference of Black Mayors, Inc., President, The Honorable Emmanuel Cleaver II
- The National Urban Coalition, President, Dr. Ramona Edelin
- Congress of National Black Churches, Chairman, Bishop Roy L.H. Winbush
- Blacks in Government, President & CEO, Oscar Eason, Jr.
- National Black Caucus of State Legislators, President, The Honorable Lois DeBerry
- National Political Congress of Black Women, Chairwoman, Dr. C. DeLores Tucker

III. PARTICIPANTS

Pre-Brief Participants:
Ben Johnson
Minyon Moore
Maria Echaveste
Jena Roscoe
Sylvia Matthews
Ann Walker

Event Participants:

(See attached list.)

IV. PRESS PLAN

Closed Press

V . SEQUENCE OF EVENTS

- The President will make opening remarks.
- The Vice President will make opening remarks.
- Black Leadership Forum Chairman Dr. Joseph E. Lowery will provide the overview of today's discussion and introduce the presenter of each question. They will raise seven issues in order to foster discussion. Talking points and questions and answers for each topic are attached.

VI. REMARKS

General opening remarks welcoming participants to the meeting.

ATTACHMENTS:

Black Leadership Forum Event Confirmation List
Question and Answers for the President for the Black Leadership Forum Meeting
Talking Points

CONGRESSIONAL BLACK CAUCUS GENERAL CONCERNS

TALKING POINTS

## CBC RECOMMENDATIONS

- We will have no low - level assistants notify you when our course of actions may differ from your recommendation.
- When I need to let you know what I am thinking of doing, I will make sure that no one lower than Bab Nash will talk to you.

## CBC NOTIFICATION OF CONGRESSIONAL DISTRICT VISITS

- I know that you do not always find out about our travel plans as early as you would like. This is due in large part to the last minute nature of many of these trips. My staff usually waits until travel plans are confirmed to speak to your staff.
- You should not hesitate to call my Legislative Affairs Office if you hear we are considering a trip to your district. Patrick Griffin and Susan Brothy will accommodate you any way that they can.

## CBC DISTRICT GRANT ANNOUNCEMENTS

- Thurgood Marshall, Jr. has pledged to me and the Vice President that in his new capacity as Cabinet Secretary for Cabinet Affairs, he will revisit with the Secretaries and their Chiefs of Staff how the grant notification process can be improved. I will gladly share his conclusions with you.

## AFRICAN- AMERICAN WHITE HOUSE APPOINTMENTS

- **I want to affirm today my commitment to appoint African Americans. I am proud of my record and pledge to make this Administration look like America. I have appointed more African Americans than any other President. African American appointees represent 13% (618) of my Administration. Our numbers are more than double than the 6% of the previous Administration.**

    **12% (3) of the Cabinet is African American (Secretary of Transportation Rodney Slater, Secretary of Labor Alexis Herman, and Director of the Office of Management and Budget, Franklin Raines.)**

    **13% (over 39) of my Administration appointees are African American (Bob Nash, Director of Presidential Personnel, Thurgood Marshall, Director of Cabinet Affairs, Terry Edmonds, Deputy Director of Speech writing, Ben**

**Johnson, Deputy Director of Public Liaison, Al Maldon, Deputy Assistant to the POTUS for Legislative Affairs, Cheryl Mills, Deputy Counsel to the President, Minyon Moore, Deputy Director of Political Affairs, Ann Walker, Director of Research) -- twice as many African Americans as any previous Administration.**

- **I have nominated 53 African Americans to the Federal bench -- 18% of my total Federal bench positions. I have also named 8 African Americans as U.S. Attorneys and 12 African Americans as U.S. Marshals.**

- **The Black Leadership Forum has been helpful in identifying capable, competent African American applicants. And thank you for your continued help with confirming our African Americans once nominated. Last Thursday, the following African Americans were confirmed:**

  **Shirley Watkins, Under Secretary for Food, Nutrition, and Consumer Services at the Department of Agriculture. In this job she oversees one of the largest budgets in the Government -- half of USDA's $66 billion budget.**

  **Calvin "Buck" Buchanan, U.S. Marshall for Northern Mississippi**

  **Robert Stanton, Director of the National Park Service at the Department of Interior**

  **David Andrews, Legal Advisor at the Department of State**

  **Kneeland Youngblood, Member, US Enrichment Corporation**

- **We also confirmed the following African American Judges last Thursday:**

  **Mary Ann Gooden Terrell, D.C. Superior Court**
  **Eric Clay, 6 Circuit, U.S. Circuit Court**

- **We also nominate the following African American Judges:**

  **Frederica A. Massiah - Jackson, Eastern Pennsylvania, U.S. District Court**
  **Victoria Roberts, Eastern Michigan, U.S. District Court**
  **Algenon L. Marbley, Southern Ohio, U.S. District Court**

- **African Americans in my Administration hold important non-traditional roles:**

  **Shirley Ann Jackson, Chair, Nuclear Regulatory Commission**

  **John Hope Franklin, Chair, President's Advisory Board on Race**

**Eric Holder, Deputy Attorney General, Department of Justice**

**Togo West, Secretary of the Army, Department of Defense**

**James Johnson, Assistant Secretary of Enforcement, Department of Treasury**

**Beverly Malone, Member, Adv. Comm. On Consumer Protection and Quality in the Health Care Industry**

**William Kennard, Commissioner - designee, Federal Communications Commission**

- **We have over 25 African American selected and in the vetting process for future appointments. They will be announced soon.**
- **Since my re-election, 12% of African Americans have been selected, announced, or appointed.**
- **We are working with Secretary Albright in our commitment to improving the numbers of African American appointments in the Career Foreign Service.**
- **There are several White House senior level NEC and DPC and White House lower level appointments. Mr. Emil Parker is a Policy Advisor at the NEC. Ms. Essence Washington is a Policy Assistant at DPC. As we speak, we are recruiting a Special Assistant to the President for Domestic Policy.**

## FCC TOP LEVEL AFRICAN - AMERICAN APPOINTMENTS

- Bill Kennard has a strong and demonstrated commitment to hiring African - Americans at the FCC. Bill helped recruit the first African - Americans to head four of the FCC's 16 operating bureaus and offices -- the most senior - level and highly visible staff positions at the agency. He will also try hard to find African - Americans for positions at lower levels. I know he will do well.

## MINORITY UNDER REPRESENTATION AT FEDERAL DEPARTMENTS (INTERIOR, TRANSPORTATION, ENERGY, NASA)

- Bob Nash is hard at work on a report on this subject. He is taking a thorough look at what we can do to improve the situation. I look forward to sharing his findings with you after you return from the August recess.

## H.R. 1824 & SMALL BUSINESS CONTRACTING GOAL FROM 20% TO 25%

- **For your background:** This is being looked at internally. Steve Kellman says that this is one of the ends of REGO, and that in fact the contracting figure is already moving toward 25%, though it may not quite reach 25%.

- We have an ongoing process in place to see what we can do to improve the contracting percentage. Our staff continues to work on this issue, and I look forward to getting your input during this process. We want to improve the figure, but I can't commit Administration support to 25%. That is a decision I will have to make.

**AUGMENTING THE TELECOMMUNICATIONS DEVELOPMENT FUND ABOVE AND BEYOND FUNDS FROM CURRENT SPECTRUM AUCTIONS**

- I know that the TDF is a critical resource. We are talking with the FCC and trying to find ways to boost the TDF. My staff will call Congressman Towns and ask for his input.

**RALPH EVERETT APPOINTMENT**

- We completely agree. Bob Nash is working a substantial part time Board or Commission position related to Telecommunications (Corporation for Public Broadcasting or Digital TV Commission) for Ralph Everett. If Ralph Everett Agrees to serve, then it will be done soon. We are in communication with Ralph on this issue.

BLACK FARMERS

**Background (Provided by Legislative Affairs):**

As you know, Representative Eva Clayton has been the lead member of the Congressional Black Caucus on this issue of discrimination at the Department of Agriculture (USDA). She has written letters to both the President and Secretary Glickman on this issue (see attached). In her correspondence, she has been laudatory of the Administration's efforts to deal with all forms of discrimination at USDA.

**In her meeting with COS Erskine Bowles, she requested the following:**

**1. Congresswoman Clayton requested the President make a public statement on black farmers.**

**STATUS:**

Erskine agreed to try to have the President make a statement in the near future. Possible options for when this might occur, e.g., Urban League, Town Hall Meeting, USDA Small Farmers Forum, Central High Event, CBC, Dinner, etc.

**2. Congresswoman Clayton wants our support for her bill.**

STATUS:

USDA will send a letter supporting most of her bill and providing guidance on how to improve her bill.

**3. Congresswoman Clayton wants the President to meet with a selected group of black/minority farmers.**

STATUS:

Erskine agreed to have the President meet with minority farmers. (USDA is putting together two options: 1.) Have the President meet with a group of small farmers and have discrimination against minority farmers be one of the issues or 2.) Have the President meet with the minority farmers alone as part of the Race Initiative.

**TALKING POINTS**

- The President directed Secretary Glickman to do everything within his power to resolve the concerns of Black Farmers.

- In the context of our race initiative, the President will be looking for opportunities to make public pronouncement concerning black farmers.

- Concerning your legislation, I know that you based many of your provisions on recommendations made by USDA's Civil Rights Action Team. Secretary Glickman currently has his staff working vigorously to analyze your bill. We hope that we can fully support your bill.

- USDA organized a Civil Rights Implementation team which has already made 92 specific recommendations. Over 50% of these will be implemented by September, 1997.

- Secretary Glickman met with Mary Berry of the U.S. Civil Rights Commission to elicit her support in monitoring USDA's progress.

- Secretary Glickman met with the CBC on April 16, 1997 to discuss the USDA Civil Rights plan.

- Secretary Glickman has issued two directives to USDA Field Offices which 1.) Freezes foreclosures when allegations of discrimination are made and 2.) Continue loan processing for new loans to Black farmers even when a discrimination complaint is pending.

- A new system and additional terms have been set up to deal with the backlog of discrimination complaints.

- USDA has settled three (3) major complaints against USDA including one by the President of the National Black Farmers Association,. These settlements and debt write-offs total over $1.5 million dollars. More lawsuits will be settled in the near future.

- The President and Erskine Bowles will monitor USDA's progress on a regular basis. The President and Erskine Bowles also support the Secretary in his efforts to resolve these issues in a timely manner.

# TALKING POINTS

## URBAN STRATEGY

- The President's urban strategy has supported and strengthened our cities, resulting in the biggest economic resurgence since WWII.

- In the 50 largest cities, unemployment is down by a third, and more downtowns and neighborhoods are making a comeback.

- President Clinton has supported local leaders by supporting empowerment zones and enterprise communities, the Earned Income Tax Credit, Community Development Financial Institutions and the flexible crime frame and prevention initiatives of the crime bill.
- The $3 billion welfare-to-work initiative will help our cities put former welfare recipients to work.

- The President's 3-year Brown fields tax incentive will reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas by permitting clean-up costs to be deducted immediately for tax purposes. This will, in turn, encourage redevelopment of these areas. The Treasury department estimates that this $1.5 billion tax incentive would leverage more than $6 billion for private sector clean ups nationwide, allowing redevelopment of 14,000 Brown fields.

- The budget includes a second-round of 15 urban and 5 rural Empowerment Zones, which will benefit from a different blend of tax credits from the first-round communities. For example, the EZs will be eligible for the Brown fields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

## TALKING POINTS

### CRACK COCAINE

- The current disparity in our sentencing laws for powder versus crack cocaine -- the so called 100 to 1 ratio -- is unjustified and should be reconciled.

- In addition to lending to a perception of unfairness and inconsistency in the criminal justice system, the current penalty scheme distorts law enforcement incentives and get in the way of our efforts to bring mid-level and high-level drug dealers to justice.

- I recently received a recommendation from my Attorney General Janet Reno and Drug Policy Director Gen. Barry McCaffrey that we reduce the disparity, and I will work with Congress to do so.

- The Sentencing Commission recently recommended a range of sensible options for doing this. Penalties for powder and crack cocaine should be "pinched" -- that is to say, that the trigger for powder should be dropped and that the trigger for crack should be increased.

## TALKING POINTS

### DR. KING ASSASSINATION

- There is absolutely no evidence that the FBI was involved in the assassination of Dr. King. Any suggestion to that effect is unfounded.

- The tragic assassination of Dr. King was thoroughly investigated by the FBI and independently by the House Select Committee on Assassinations. No evidence has ever been developed indicating FBI involvement in that murder.

- James Earl Ray's request for a new trial is a state court matter and, as such, the state court process should be allowed to proceed to its conclusion.

## TALKING POINTS

**AFRICA**
**(Supplied by National Security Council, Africa Affairs)**

- Our two major interests in Africa are the following: First, seek to defend against threats to our vital national security interests posed by crime, narcotics, terrorism, disease and environmental degradation. Second, work to integrate Africa fully into the global economy by resolving conflicts and promoting economic development.

- My administration's Partnership for Economic Growth and Opportunity in Africa is the latest step towards this goal. Working with bi-partisan coalition in Congress to pass legislation to increase African access to our markets, promote international investment in Africa, support debt relief and capacity building efforts for African countries making difficult economic reforms.

- At G-8 Summit in Denver allies agreed to support many of the these initiatives for reforming African countries on multilateral basis including increased access to global markets, greater assistance for capacity building efforts, promotion of private investment and debt relief.

- Working with African and Allies to increase African conflict resolution capabilities. Beginning training this month for countries which agreed to contribute troops to an integrated African force to respond to crises on the continent.

**African/African American Summit**

- Some of you attended the 4th Annual African/African American Summit in Harare, Zimbabwe, headed by my Secretary for Transportation Rodney Slater and the Reverend Jesse Jackson.

- They understood our commitment to Africa, particularly efforts to support peace and security on the continent and to help integrate Africa into the global economy.

**Democratic Republic of Congo**

- Congo is important because of its large size and strategic position in the heart of Africa. Our nation has long ties to the country and its people

- We want to help build lasting peace and democracy as we begin work with the new government of President Kabila (kah-BEE-la).

- The extent of our engagement will depend on the new reforms taken on by the new government in the sectors of politics, economics, the military, and human rights.

- We cannot yet substantiate reports of mass killings in Eastern Congo, but we remain very concerned about the fate of the refugees.

**Rwanda**

- Providing NO counter-insurgency training to Rwandan Army.
- Currently we are assisting in small, non-combat military professionalization programs. We are also helping judicial reform programs to cope with the aftermath of genocide.

**Kenya**

- We have repeatedly urged government and opposition parties to engage in dialogue, not violence. The source of political violence is the failure of government to create a free and fair election climate.
- Encouraged President Moi in recent days meeting with opposition figures and church leaders. We believe a broad dialogue on reform is the best course to end political violence.

**Sudan**

- Through support of terrorism, efforts to destabilize neighboring states, prosecution of civil war and persistent human rights abuses, Sudan has consistently engaged in destructive activities contrary to U.S. interests and international norms.
- The U.S. policy objective is to isolate Sudan and contain the threat it poses to neighbors and others in the international community.
- We have put Sudan on the terrorist list, supported UN sanctions, provided defensive, non-lethal military assistance to Frontline States, and support regional peace efforts.

**Nigeria**

- America supports stability through the return of democratic civilian rule. We seek increased respect for human rights and future progress on economic reform.
- American has significant interests working with Nigeria on issues of mutual concern such as controlling crime, stemming drug flows, and supporting the peace process in Liberia.
- We are skeptical that the transition program underway will bring the return of democracy due to tight government control and continued detention of journalists and opposition figures.

- We have not received any requests from Nigerian authorities to question Ambassador Carrington about recent bombings. The US abhors terrorism and has repeatedly condemned attacks.

**Liberia**

- President Taylor was sworn in over the weekend following a free and transparent election. This is an important culmination of efforts by the international community, especially regional states, to bring lasting peace to Liberia. A Presidential delegation headed by Representatives Donald Payne, including John Conyers, and Cynthia McKinney, as well as Special Envoy Howard Jeter, attended the August 2nd Inauguration Ceremony. This delegation was a sign of our high regard for the Liberian people's conduct under the extremely difficult circumstances of the election.

- We are pleased that all sides participated in the elections fully and refrained from acts of violence or intimidation.

- Former President Carter and Senator Simon were among hundreds of international observers overseeing the elections.

**South Africa**

- Last week I met with South African Deputy President Mbeki. It is through a continuation of such dialogue that we may better integrate the African continent into the global economy.