Monday, December 15, 1997

| | | |
|---|---|---|
| 9:45 AM | Working Meeting with Irish Prime Minister Ahern | Distributed Separately |
| 10:25 AM | Foreign Policy Meeting | Distributed Separately |
| 12:10 PM | Announcement | Tab A |
| | - Remarks | Tab B To Be Forwarded |
| 5:00 PM<br>9:00 PM | Press Receptions | No Paper |

# SCHEDULE OF THE PRESIDENT

## FOR

## MONDAY, DECEMBER 15, 1997

*REVISED FINAL SCHEDULE*

| | | |
|---|---|---|
| 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.**
*Mostly sunny. Wind west at 8 to 12 knots.*
*Low 27 to 32. High 45 to 50.*

# SCHEDULE OF THE PRESIDENT
# FOR
# MONDAY, DECEMBER 15, 1997
***REVISED FINAL SCHEDULE***

| | |
|---|---|
| 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 | **WORKING MEETING WITH IRISH PRIME MINISTER AHERN**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger<br>**STILLS ONLY (AT THE TOP)** |
| 10:25 am-<br>11:25 am | **FOREIGN POLICY MEETING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger |
| 11:40 am-<br>12:10 pm | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: John Hilley, Robert Nash |

| | |
|---|---|
| 12:10 pm-<br>12:25 pm | **ANNOUNCEMENT**<br>ROOSEVELT ROOM<br>Remarks: June Shih<br>Staff Contact: John Hilley, Robert Nash<br>**POOL PRESS** |

-- Off-stage announcement of **the President** accompanied by Attorney General Janet Reno and Bill Lann Lee.

-- Attorney General Janet Reno makes remarks and introduces **the President**.

-- **The President** makes remarks and introduces Bill Lann Lee.

-- Bill Lann Lee makes remarks.

-- **The President**, accompanied by Attorney General Janet Reno and Bill Lann Lee, departs.

| | |
|---|---|
| 12:25 pm-<br>12:40 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: John Podesta |
| 12:45 pm-<br>12:55 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 1:00 pm-<br>4:45 pm | **PHONE AND OFFICE TIME**<br>OVAL OFFICE |
| 5:00 pm-<br>6:30 pm | **PRESS RECEPTION**<br>DIPLOMATIC RECEPTION ROOM<br>Staff Contact: Capricia Marshall<br>Event Coordinator: Kim Widdess<br>**CLOSED PRESS** |

-- **The President** and the First Lady greet approximately 550 guests for photographs.

-- At the conclusion of the receiving line, **the President** and the First Lady depart.

| | |
|---|---|
| 9:00 pm-<br>10:30 pm | **PRESS RECEPTION**<br>DIPLOMATIC RECEPTION ROOM<br>Staff Contact: Capricia Marshall<br>Event Coordinator: Kim Widdess |

-- **The President** and the First Lady greet approximately 650 guests for photographs.

-- At the conclusion of the receiving line, **the President** and the First Lady depart.

**BC AND HRC RON** **THE WHITE HOUSE**
**WASHINGTON, D.C.**

A

'97 DEC 14 PM6:!!

THE WHITE HOUSE

WASHINGTON

December 14, 1997

**Appointment of Bill Lann Lee**

Date: December 15, 1997
Location: Oval Office
Briefing Time: 11:55am - 12:05pm
Event Time: 12:10pm - 12:25pm
From: Bob Nash and John Podesta

Purpose

The purpose of this event is to announce your appointment of Bill Lann Lee as Assistant Attorney General for Civil Rights at the Department of Justice.

Background

As you know, the Senate Judiciary committee has refused to move this nomination to the floor of the Senate. You have decided to appoint Bill Lann Lee through one of three options described in a memo to you from John Podesta.

Participants: See attached list.

Outline of Events:

- 10 minutes for the briefing
- 5 minutes with the Vice President, Attorney General, and Mr. and Mrs. Lee
- 15 minutes for the event (a total of 30 minutes)
- The Vice President, Attorney General Reno and Mr. and Mrs. Bill Lann Lee will meet briefly with you in your back office at 12:05 pm.
- At 12:10 pm, the five of you will enter the Oval Office with the Pool Press already in place.

- The Vice President and the Attorney General will be on your right. Bill Lann Lee and his wife will be on your left.
- Senators and Members of Congress will be to the Attorney General's right. Other guests will be to Mr. and Mrs. Lee's left.
- The Vice President will speak and introduce Attorney General Reno.
- The Attorney General will speak and introduce the President.
- The President will speak and introduce Bill Lann Lee.
- Bill Lee will speak.
- The President and the participants will take questions.
- The event will conclude and the press will leave.
- The participants will leave the Oval Office.

Remarks: To be provided by speech writers.

Media Coverage: Pool Press

**EVENT PARTICIPANTS FOR BILL LANN LEE**

1. The President
2. The Vice President
3. Attorney General Reno
4. Bill Lann Lee
5. Mrs. Bill Lann Lee
6. Wade Henderson, Leadership Conference on Civil Rights
7. Elaine Jones, NAACP Legal Defense Fund
8. Nancy Zirkin, American Association of University Women
9. Karen Narasaki, Exec. Director; National Asian American Pacific Legal Consortium (pending)
10. Two to three other organizational representatives are being recruited
11. Senator Kennedy
12. Senator Leahy
13. Representative Becerra
14. Representative Cummings
15. Representative John Lewis
16. Representative Matsui
17. Representative Mink
18. Senator Daschle, Senator Durbin and Representative Waters are pending
19. Bill Lee's brother and his wife (names to be confirmed)

B

The Remarks for the
Announcement
Will Be Forwarded

Tuesday, December 16, 1997

| | | |
|---|---|---|
| 9:40 AM | Medals of Science and Technology Event | Tab A |
| | - Remarks | Tab B<br>To Be Forwarded |
| | - Recipients | Tab C |
| 2:00 PM | Press Conference at State Department | Distributed Separately |

# SCHEDULE OF THE PRESIDENT

'97 DEC 15 PM 7:24

## FOR

## TUESDAY, DECEMBER 16, 1997

*FINAL SCHEDULE*

| | | |
|---|---|---|
| SCHEDULING DIRECTOR: | STEPHANIE STREETT | |
| | HOME: | 202-332-5651 |
| | OFFICE: | 202-456-2823 |
| | WHCA PAGER: | 4033 |
| EVENT COORDINATOR: | KAREN FINNEY | |
| | HOME: | 202-667-0132 |
| | OFFICE: | 202-456-7951 |
| | WHCA PAGER: | 4216 |
| PRESS DESK: | JEREMY GAINES | |
| | HOME: | 202-362-5475 |
| | OFFICE: | 202-456-5771 |
| | WHCA PAGER: | 4194 |
| PRESS DESK: (Press Conference) | MEGAN MOLONEY | |
| | HOME: | 301-951-7193 |
| | OFFICE: | 202-456-5644 |
| | WHCA PAGER: | 4483 |
| ADVANCE: (Press Conference) | STEVE DIMINICO | |
| | HOME: | 703-799-2260 |
| | OFFICE: | 202-219-8213 |
| | PAGER: | 800-759-4726 (PIN 207-0025) |
| ADVANCE: (Science and Technology Medals Ceremony) | MWITU NDUGU | |
| | HOME: | 202-546-0060 |
| | OFFICE: | 202-456-5319 |
| | WHCA PAGER: | 4402 |
| | CELL: | 202-757-9388 |
| WEATHER: | WASHINGTON, D.C. *Mostly sunny with a mild afternoon. Wind south to southwest at 4 to 8 knots. Low 29 to 34. High 53 to 58.* | |

# SCHEDULE OF THE PRESIDENT
# FOR
# TUESDAY, DECEMBER 16, 1997
*FINAL SCHEDULE*

| | |
|---|---|
| 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: John Gibbons |
| 9:35 am | **THE PRESIDENT** proceeds to Room 450, Old Executive Office Building |

9:40 am-
10:15 am

**1997 MEDALS OF SCIENCE AND TECHNOLOGY AWARDS CEREMONY**
ROOM 450
Old Executive Office Building
Remarks: Jordan Tamagni
Staff Contact: John Gibbons
Event Coordinator: Karen Finney
**OPEN PRESS**

-- Off-stage announcement of **the President** accompanied by John Gibbons and Secretary William M. Daley.

-- John Gibbons makes brief remarks and introduces Secretary William M. Daley.

-- Secretary William M. Daley makes brief remarks and introduces **the President**.

-- **The President** makes remarks.

-- At the conclusion of **the President's** remarks, each award recipient proceeds to stage as their name and award designation is read by the President's Military Aide.

-- **The President** presents each award recipient with their medal.

**Note: Approximately 13 presentations.**

-- At the conclusion of the award presentation, **the President** will take a group photograph with awardees.

-- **The President** departs.

10:20 am-
10:25 am

**MEETING**
OVAL OFFICE
Staff Contact: Stephanie Streett

10:30 am-
1:30 pm

**BRIEFING**
OVAL OFFICE
Staff Contact: Mike McCurry

| | |
|---|---|
| 1:45 pm | **THE PRESIDENT** departs The White House via motorcade en route the Department of State<br>[drive time: 5 minutes] |
| 1:50 pm | **THE PRESIDENT** arrives the Department of State<br><br>Greeter: Deputy Secretary of State Strobe Talbott<br>Ambassador Mary Mel French, Chief of Protocol<br><br>**THE PRESIDENT** proceeds to hold |
| 1:55 pm | **THE PRESIDENT** proceeds to Dean Acheson Auditorium |
| 2:00 pm-<br>2:45 pm | **PRESS CONFERENCE**<br>DEAN ACHESON AUDITORIUM<br>The Department of State<br>Remarks: Tony Blinken<br>Staff Contact: Mike McCurry<br>Event Coordinator: Karen Finney<br>**OPEN PRESS**<br><br>-- Off-stage announcement of **the President**.<br><br>-- **The President** makes a statement.<br><br>-- **The President** takes questions.<br><br>-- The last question is called.<br><br>-- **The President** departs. |
| 2:50 pm | **THE PRESIDENT** departs the Department of State via motorcade en route The White House |
| 2:55 pm | **THE PRESIDENT** arrives The White House |

**DOWN FOR THE AFTERNOON AND EVENING**

**BC AND HRC RON** **THE WHITE HOUSE**
**WASHINGTON, D.C.**

'97 DEC 15 PM6:07

THE WHITE HOUSE

WASHINGTON

December 15, 1997

# THE 1997 NATIONAL MEDALS OF SCIENCE & TECHNOLOGY PRESENTATION CEREMONY

| | |
|---|---|
| Date: | Tuesday, December 16, 1997 |
| Location: | Room 450, Old Executive Office Bldg |
| Time: | 9:40 - 10:15 a.m. |

## I. PURPOSE

To present the National Medals of Science and the National Medals of Technology -- the Nation's highest scientific honors -- to this year's laureates, and to reaffirm the Administration's enduring commitment to government's fundamental role in supporting scientific and technical research that results in substantial public benefit; and to announce two science and technology research initiatives. You will announce a project that will, within ten years, develop a computer chip with one billion transistors on it. As props, you will have one of today's most modern computer chips (one-inch square) containing 7.5 million transistors. To provide a sense of perspective, on the stage behind you will be an old mainframe computer that has only a small fraction of the computing power of today's chip.

## II. BACKGROUND

The National Medal of Science, established by Congress in 1959, is administered by the National Science Foundation. The Medal honors the contributions of outstanding individuals in the fields of physics, biology, chemistry, mathematics, engineering, sociology, and other behavioral sciences.

The National Medal of Technology, established by Congress in 1980, is administered by the U.S. Department of Commerce. The Medal recognizes technological innovation and the advancement of U.S. global competitiveness -- particularly those ground breaking contributions that commercialize a technology, create jobs, improve productivity, or stimulate the nation's growth and development in other ways.

You will present 14 medals -- 9 for Science and 5 for Technology, one of them to be awarded posthumously.

## III. PARTICIPANTS

Please see attached list of Medal winners.

## IV. SEQUENCE OF EVENTS

A. Jack Gibbons, Secretary Daley, Tom Kalil, and Ann Lewis will brief you and accompany **you** to Room 450.
B. Secretary Daley, Jack Gibbons, and **you** will be announced off-stage.
C. John Gibbons makes remarks and introduces Secretary Daley.
D. Secretary Daley makes brief remarks and introduces **you**.
E. **You** make remarks.
F. Upon conclusion of remarks, your Military Aide will read each Medal of Science and Medal of Technology recipient's citations.
G. Each recipient will proceed to the stage as their citation is read.
H. Your Military Aide will hand you the medals, which **you** will place over the head of each recipient.
I. Once all the medals have been awarded, your Military Aide will ask all the medal winners to join **you** on stage for a group photograph.
J. **You** will then depart.

## V. PRESS

Open Press

THE REMARKS

FOR THE 1997 NATIONAL MEDALS OF SCIENCE AND TECHNOLOGY
PRESENTATION CEREMONY

WILL BE FORWARDED

## ** RECIPIENTS OF THE 1997 NATIONAL MEDAL OF SCIENCE **

### Behavioral/Social Sciences

**WILLIAM K. ESTES** (Harvard University)
For his fundamental theories of learning, memory, and decision. His pioneering development and testing of mathematical models of psychological processes have set the standard for theoretical progress in behavioral and cognitive science.

### Biological Sciences

**JAMES D. WATSON** (Cold Spring Harbor Laboratory)
For five decades of scientific and intellectual leadership in molecular biology, ranging from his co-discovery of the double helical structure of DNA to the launching of the Human Genome Project.

**ROBERT A. WEINBERG** (Whitehead Institute for Biomedical Research and Massachusetts Institute of Technology)
For his contribution to the identification of cellular oncogenes and their role in cancer. which led to a better understanding of the molecular basis for cancer and its diagnosis and therapy.

### Chemistry

**DARLENE C. HOFFMAN** (University of California, Berkeley--Lawrence Berkeley National Laboratory--Lawrence Livermore National Laboratory)
For her discovery of primordial plutonium in nature and the symmetric spontaneous fission of heavy nuclei, for pioneering studies of elements 104, 105, and 106, and for her outstanding service to education of students in nuclear chemistry and as director of the Seaborg Institute for Transactinium Science of the University of California.

**HAROLD S. JOHNSTON** (University of California, Berkeley)
For his major contributions to the chemical sciences in the areas of kinetics and photochemistry, and for his pivotal role in providing understanding and conservation of the Earth's atmospheric environment.

### Mathematics

**SHING-TUNG YAU** (Harvard University)
For his fundamental contributions in mathematics and physics. Through his work, the understanding of basic geometric differential equations has been changed and he has expanded their role enormously within mathematics.

### Physical Sciences

**MARSHALL N. ROSENBLUTH** (University of California, San Diego)
For his fundamental contributions to plasma physics, his pioneering work in computational statistical mechanics, his world leadership in the development of controlled thermo-nuclear fusion, and his wide-ranging technical contributions to national security.

Physical Sciences (Continued)

**GEORGE W. WETHERILL** (Carnegie Institution of Washington)
For his fundamental contributions to understanding the measurement of geological time and understanding how earth-like planets may be created in evolving solar systems through collisional accumulation of smaller planetary bodies.

**MARTIN SCHWARZSCHILD** (Awarded posthumously (Princeton University))
For his seminal contributions to the theory of the evolution of stars, and his creative insights into galactic dynamics which form the basis of much of contemporary astrophysics, and his lifetime of dedication to students. His influence on U.S. astronomy in the second half of this Century is unsurpassed. (Accepting the award is Bruce Draine, Director, Princeton Observatory)

## ** RECIPIENTS OF THE 1997 NATIONAL MEDAL OF TECHNOLOGY **

General Product and Process Innovation

**ROBERT S. LEDLEY** (National Biomedical Research Foundation Georgetown University Medical Center)
For pioneering contributions to biomedical computing and engineering, including inventing the whole-body CT scanner which revolutionized the practice of radiology, and for his role in developing automated chromosome analysis for prenatal diagnosis of birth defects.

General Product and Process Innovation and Technology Transfer

**RAY M. DOLBY** (Chairman of the Board, Dolby Laboratories, Incorporated)
For inventing technologies that have dramatically improved sound recording and reproduction, fostering their adoption worldwide, and maintaining a vision that for more than 30 years has kept the world listening.

Technology Management

**NORMAN R. AUGUSTINE** (Chairman, Lockheed Martin Corporation-- Professor, Princeton University)
For visionary leadership of the aerospace industry, for championing technical and managerial solutions to the many challenges in civil and defense systems, and for contributions to the United States' world preeminence in aerospace.

Technology Transfer -- THE TEAM OF...

**VINTON GRAY CERF** (Senator Vice President, Date Architecture MCI Communications Corporation) **AND**
**ROBERT E. KAHN** (President, Corporation for National Research Initiatives)
For creating and sustaining development of Internet Protocols and continuing to provide leadership in the emerging industry of internetworking.

Wednesday, December 17, 1997

| | | |
|---|---|---|
| 9:30 AM | Drop By Meeting with German Finance Minister Theo Waigel | Distributed Separately |
| 10:00 AM | Congressional Space Medal of Honor Presentation | Tab A |
| | - Remarks | Tab B |
| | - Background | Tab C |
| 10:20 AM | Presentation of the 1997 HMX-1 Christmas Card | Tab D |
| 10:30 AM | Budget Meeting | Tab E |
| 3:00 PM | Congressional Meeting | Distributed Separately |
| 3:15 PM | Budget Meeting | See Tab E |
| 4:30 PM | Congressional Meeting | Distributed Separately |
| 5:45 PM | Family Farmers' Meeting | Tab F |
| | - Opening Remarks | Tab G |
| | - Participant Bios | Tab H |
| | - Background & Talking Points<br>- Credit<br>- Civil Rights<br>- Market Access<br>- Tobacco<br>- Dairy<br>- Production Agriculture Commission | Tab I |
| | - Counsel's Office Memo on Civil Rights Issues | Distributed Separately |
| | - Secretary Glickman Memo on Dairy Issues | Tab J |
| | - News Articles | Tab K |

'97 DEC 16 PM8:06



# SCHEDULE OF THE PRESIDENT

FOR

# WEDNESDAY, DECEMBER 17, 1997

*FINAL SCHEDULE*

| | | |
|---|---|---|
| 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: | **JEREMY GAINES** | |
| | **HOME:** | **202-362-5475** |
| | **OFFICE:** | **202-456-5771** |
| | **WHCA PAGER:** | **4194** |

WEATHER: WASHINGTON, D.C.

***A few high clouds; otherwise, mostly sunny and continued mild. Wind northwest at 8 to 15 knots. Low 35 to 40. High 52 to 57.***

# SCHEDULE OF THE PRESIDENT
# FOR
# WEDNESDAY, DECEMBER 17, 1997
*FINAL SCHEDULE*

| | |
|---|---|
| 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 DINING ROOM<br>Staff Contact: Sandy Berger |
| 9:30 am-<br>9:40 am | **DROP BY MEETING WITH GERMAN FINANCE MINISTER THEO WAIGEL**<br>OVAL OFFICE DINING ROOM<br>Staff Contact: Sandy Berger<br>**WHITE HOUSE PHOTO ONLY** |
| 9:45 am-<br>10:00 am | **BRIEFING**<br>OVAL OFFICE DINING ROOM<br>Staff Contact: John Gibbons |

10:00 am-
10:15 am

**CONGRESSIONAL SPACE MEDAL OF HONOR PRESENTATION**
OVAL OFFICE
Remarks: Jordan Tamagni
Staff Contact: John Gibbons
Event Coordinator: Laura Graham
**STILLS ONLY**

-- **The President**, accompanied by Administrator Dan Goldin, NASA, Dr. John Gibbons, Assistant to the President for Science and Technology Policy, Edward White III and Martha Chaffee, enters the Oval Office and proceeds to the toast lectern.

-- **The President** makes brief remarks and asks the Military Aide to read a citation.

-- **The President** presents the medal to Martha Chaffee, who accepts the award on behalf of Lieutenant Commander Roger Chaffee.

-- **The President** asks the Military Aide to read a citation.

-- **The President** presents the medal to Edward White III, who accepts the award on behalf of Lieutenant Colonel Edward White II.

-- Edward White III thanks **the President**, on behalf of both families.

-- **The President** departs.

10:25 am-
10:30 am

**PRESENTATION OF THE 1997 HMX-1 CHRISTMAS CARD**
OVAL OFFICE
Staff Contact: Alan Sullivan, Virginia Apuzzo
**WHITE HOUSE PHOTO ONLY**

Participants: Alan Sullivan
Colonel Ronald Berube, Commanding Office, HMX-1
Duty Military Aide
Major Thomas F. Daley, USMC
Mrs. Julie Daley (artist)

-- Alan Sullivan presents Major Thomas Daley and Mrs. Julie Daley to **the President**.

-- Mrs. Julie Daley presents the 1997 HMX-1 Christmas Card to **the President**.

-- A group photograph is taken.

-- Participants depart.

| | |
|---|---|
| 10:30 am-<br>11:30 am | **BUDGET MEETING**<br>CABINET ROOM<br>Staff Contact: Frank Raines, Gene Sperling |
| 11:35 am-<br>11:40 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 11:45 am-<br>12:15 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Nancy Hernreich |
| 12:15 pm-<br>2:45 pm | **PHONE AND OFFICE TIME**<br>OVAL OFFICE |
| 2:45 pm-<br>2:55 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Nancy Hernreich |
| 2:55 pm-<br>3:00 pm | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger, John Hilley |
| 3:00 pm-<br>3:10 pm | **CONGRESSIONAL MEETING**<br>OVAL OFFICE<br>Staff Contact: Sandy Berger, John Hilley<br>**CLOSED PRESS** |
| 3:15 pm-<br>4:15 pm | **BUDGET MEETING**<br>CABINET ROOM<br>Staff Contact: Frank Raines, Gene Sperling |
| 4:15 pm-<br>4:30 pm | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: John Hilley |

| | | |
|---|---|---|
| 4:30 pm- 5:15 pm | | **CONGRESSIONAL MEETING**<br>OVAL OFFICE<br>Staff Contact: John Hilley<br>**CLOSED PRESS** |
| 5:30 pm- 5:45 pm | | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Sylvia Mathews, Maria Echaveste |
| 5:45 pm- 6:45 pm | | **FAMILY FARMERS' MEETING**<br>CABINET ROOM<br>Staff Contact: John Hilley, Maria Echaveste<br>**CLOSED PRESS** |

**EVENING OFF**

**BC AND HRC RON** — **THE WHITE HOUSE**
**WASHINGTON, D.C.**

THE WHITE HOUSE

WASHINGTON

'97 DEC 16 PM1:07

PRESENTATION OF THE CONGRESSIONAL SPACE MEDAL OF HONOR
TO THE FAMILIES OF EDWARD WHITE AND ROGER CHAFFEE

DATE: Wednesday, December 17, 1997
LOCATION: The Oval Office
TIME: 10:00 a.m. to 10:15 a.m.
FROM: Dr. John H. Gibbons

I. PURPOSE

You will present the Congressional Space Medal of Honor to the families of astronauts Lt. Colonel Edward H. White II (USAF), and Lt. Commander Roger B. Chaffee (USN), who died in the Apollo 1 fire thirty years ago. The Medal is the nation's highest honor for distinguished service in space.

II. BACKGROUND

On January 27, 1967, NASA astronauts Gus Grissom, Ed White, and Roger Chaffee were killed when a fire erupted on the launch pad during a preflight test for the Apollo 1 Moon mission. To mark the 30th anniversary of this event, NASA requested and received your approval last June to award the Congressional Space Medal, posthumously, to White and Chaffee. (Grissom previously received the Medal as the Apollo 1 commander and one of America's most accomplished astronauts.) Other commemorations of Apollo 1 have taken place throughout the year, including the October induction of Roger Chaffee into the U.S. Astronaut Hall of Fame.

Only ten individuals have ever received the Congressional Space Medal. In 1978, President Carter awarded the first six to John Glenn, Neil Armstrong, Alan Shepard, Frank Borman, Pete Conrad, and Gus Grissom (posthumously). President Reagan gave one to John Young (1981), and President Bush gave one to Tom Stafford (1992). You have presented the Medal to Jim Lovell (1995) and Shannon Lucid (1996).

This will be a brief ceremony with the families of White and Chaffee. They will be accompanied by Mrs. Betty Grissom (Gus Grissom's widow) and select Members of Congress. This will be an opportunity for you to recognize the nation's significant but unspoken debt of gratitude to the Apollo 1 crew, whose tragic experience led to the establishment of major safety review processes that helped us land safely on the Moon, and that continue to protect our astronauts today.

III. PARTICIPANTS

Pre-brief participants:
The President
John H. Gibbons, Assistant to the President for Science and Technology
Dan Goldin, NASA Administrator

Jeff Hofgard, OSTP Aeronautics and Space
Military Aide

Event participants:
The President
Edward White III, son
Martha Chaffee, widow
Military Aide

Family members in attendance:
Michele White, daughter-in-law of Lt. Colonel White
Kristi White, granddaughter (age 12)
Bonnie White Baer, daughter
John Baer, son-in-law
Tricia Baer, granddaughter (age 13)
Jacqueline Baer, granddaughter (age 11)
Jeanne White Whatley, sister

Sheryl Chaffee Marshall, daughter of Lt. Commander Chaffee
Stephen Chaffee, son
Corrie Chaffee, granddaughter (age 14)
Donald Chaffee, father
Donna Young, sister
Richard Young, brother-in-law
David Pequet, nephew

Betty Grissom, widow of Lt. Colonel Gus Grissom

Members of Congress (confirmed):
Rep. Sensenbrenner (R-WI)--Chairman of Science Committee

Members pending:
Sen. Barbara Mikulski (D-MD)--Ranking, VA, HUD, Indep. Agencies Subcomm.
Rep. Louis Stokes (D-OH)--Ranking, VA, HUD, Indep. Agencies Subcommittee
Rep. Bill Archer (R-TX)--represents medal recipient

Members invited but unable to attend:
Sen. John Glenn (D-OH)--previous Congressional Space Medal recipient
Sen. Ted Stevens (R-AK)--Chairman, Appropriations Committee
Sen. Robert Byrd (D-WV)--Ranking, Appropriations Committee
Sen. Kit Bond (R-MO)--Chairman, VA, HUD, Indep. Agencies Subcommittee
Sen. John McCain (R-AZ)--Chairman, Commerce, Science, and Transport. Comm.
Sen. Ernest Hollings (D-SC)--Ranking, Commerce, Science, and Transport. Comm.
Sen. Conrad Burns (R-MT)--Chairman, Science, Tech., and Space Subcomm.
Sen. Jay Rockefeller (D-WV)--Ranking, Science, Tech., and Space Subcomm.
Sen. Bob Graham (D-FL)--represents Kennedy Space Center
Sen. Connie Mack (R-FL)--represents Kennedy Space Center

Sen. Phil Gramm (R-TX)--represents medal recipient
Sen. Kay Bailey Hutchison (R-TX)--represents medal recipient
Sen. Pete Domenici (R-NM)--represents medal recipient
Sen. Jeff Bingaman (D-NM)--represents medal recipient
Rep. George Brown (D-CA)--Ranking Member of Science Committee
Rep. Bob Livingston (R-LA)--Chairman, Appropriations Committee
Rep. Davis Obey (D-WI)--Ranking, Appropriations Committee
Rep. Jerry Lewis (R-CA)--Chairman VA, HUD, Indep. Agencies Subcommittee
Rep. Dave Weldon (R-FL)--represents Kennedy Space Center
Rep. Bill Redmond (R-NM)--represents medal recipient

## IV. PRESS PLAN

Pool Press

## V. SEQUENCE OF EVENTS

- Family members are escorted into Oval Office
- **You**, Mr. Goldin, Dr. Gibbons, Mrs. Chaffee, and Mr. White are announced into Oval Office
- **You** give remarks
- **You** ask Military Aide to read citation for Lt. Commander Chaffee
- Military Aide reads citation and hands box containing Medal to **you**
- **You** present opened box to Mrs. Chaffee
- **You** ask Military Aide to read citation for Lt. Colonel White
- Military Aide reads citation and hands box containing Medal to **you**
- **You** present opened box to Mr. White
- Mr. White gives brief remarks thanking **you** on behalf of families
- Military Aide announces conclusion of event
- Press Pool is ushered out
- **You** invite families to join **you** for photo in front of desk
- Guest are escorted out of Oval Office

## VI. REMARKS

To be provided by Speechwriting
Medal citations provided by NASA

## VII. ATTACHMENTS

Citations
Floor Plan
Press Q&A's

'97 DEC 16 PM7:16

**PRESIDENT WILLIAM J. CLINTON**
**REMARKS FOR THE CONGRESSIONAL SPACE MEDAL OF HONOR**
**THE WHITE HOUSE**
**DECEMBER 17, 1997**

**Acknowledgments:** Jack Gibbons, my Science Advisor; NASA Administrator Dan Goldin; Jim Sensenbrenner, Chair, House Science Committee; Edward White III and the White Family; Martha Chaffee [rhymes with taffy] and the Chaffee Family; Betty Grissom, widow of Gus Grissom.

A generation ago, President Kennedy challenged our nation and asked God's blessing to undertake "the most hazardous and dangerous and greatest adventure on which man has ever embarked." His 1961 challenge to send a man to the Moon and bring him safely back to Earth by the end of the decade captured the imagination of millions. A group of pioneering Americans recognized the limitless possibilities of this seemingly impossible challenge. They would risk their lives to make it happen.

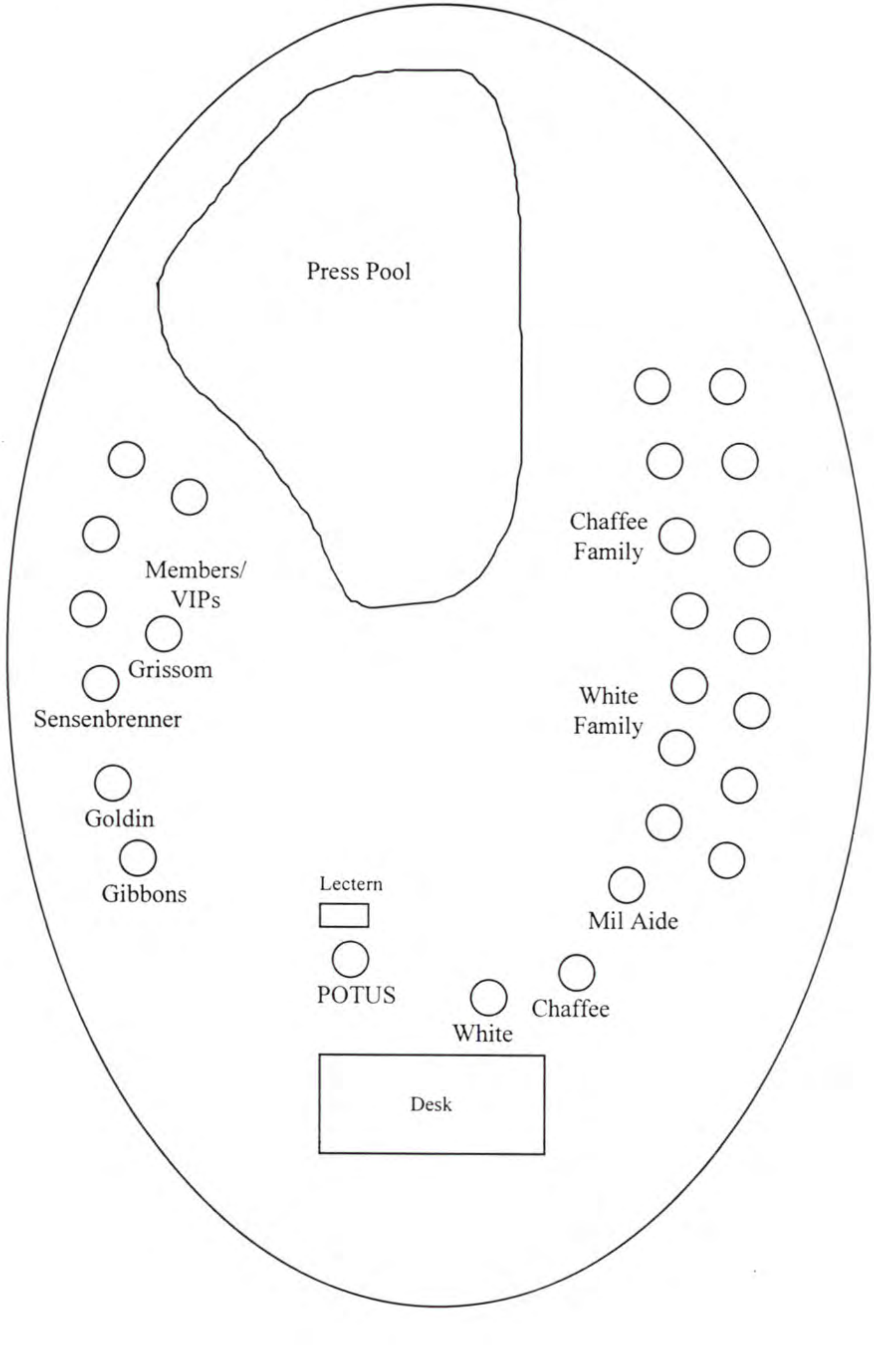
The two great Americans we honor today -- Lt. Cmdr. Roger Chaffee and Lt. Col. Edward White -- were among them. More than thirty years ago, the two men, along with their commander, Virgil "Gus" Grissom, were selected for the first Apollo mission. But tragedy struck before they could achieve their goal. On January 27, 1967, fire swept through the Apollo capsule during a training session, killing all three astronauts.

In 1978, President Carter presented Commander Grissom with one of the first Congressional Space Medals of Honor. Today, I have the privilege of presenting the same medal to his crewmates, Roger Chaffee and Edward White, courageous men who gave their lives in our nation's efforts to conquer the frontiers of space.

Even before they joined the Apollo program, Chaffee and White had already served our nation with great distinction. Born in Texas and a member of the U.S. Air Force, Col. White was the first American to walk in space. At a White House ceremony soon afterward, President Johnson called him one of the Christopher Columbuses of our century. Cmdr. Chaffee was a Michigan native and decorated navy pilot. Though he was the rookie of the crew, he didn't lack self-confidence. "Hell, I'd feel secure taking it up all by myself," he once said.

Today we bestow upon Roger Chaffee and Edward White the highest honor in America's space program. But they were honored in our hearts long ago. Their deaths will always remind us that exploring space is dangerous, life-threatening work -- work that demands and deserves the bravest among us. Though they never got there, Astronauts Chaffee, White and Grissom's footprints are on the Moon. Their presence is felt on every mission of our space shuttle program. Their spirits live on in every successful launch and every safe return of an astronaut from space. And I am certain they will be there when the International Space Station goes into orbit. America has become the world's "leading space-faring nation" because of the selfless, pioneering spirits of the men we honor today.

I am proud to present these medals to the families of Roger Chaffee and Edward White. On behalf of a grateful nation, I thank you for your sacrifice. Now, let me ask the Military Aide to read the citations.


Press Pool
Chaffee Family
Members/ VIPs
Grissom
Sensenbrenner
White Family
Goldin
Gibbons
Lectern
Mil Aide
POTUS
Chaffee
White
Desk

Citation
Roger B. Chaffee

Lieutenant Commander Roger B. Chaffee served with NASA for three years. During that time, he served as a Capsule Communicator for the Gemini 4 mission and flew chase planes that photographed the launch of a Saturn rocket. He was to serve as the Lunar Module Pilot for the maiden flight of the Apollo program. Commander Chaffee perished in the tragic fire inside the Apollo 1 capsule on January 27, 1967, paying the ultimate price in service of his Nation. The eventual success of the Apollo program was made possible because of the changes and redesigns that occurred as a result of this accident. By direction of the President, Lieutenant Commander Roger B. Chaffee is hereby awarded the Congressional Space Medal of Honor (posthumously) for exceptionally meritorious efforts and contributions to the welfare of the Nation and of humankind.

Citation
Edward H. White II

Lieutenant Colonel Edward H. White II served with NASA for five years. During that time, he became the first American astronaut to walk in space, spending 22 minutes outside the Gemini 4 spacecraft in June 1965. His extraordinary accomplishment energized the U.S. space program and excited the Nation on its race to the Moon. Gemini 4 also set a record for flight duration and provided important information about the medical consequences of longer missions. Colonel White lost his life on behalf of the Nation in the fateful Apollo 1 fire on January 27, 1967. By direction of the President, Lieutenant Colonel Edward H. White II is hereby awarded the Congressional Space Medal of Honor (posthumously) for exceptionally meritorious efforts and contributions to the welfare of the Nation and of humankind.

**Congressional Space Medal Ceremony**
**December 17, 1997**
**Press Pool (Oval)**

**Space Related Q&A's**

***Q. Senator Glenn (a previous Medal recipient) has said he wants to fly on the Space Shuttle. Are you going to let him go?***

A. Decisions on who will fly on the Space Shuttle are made by the NASA Administrator, Dan Goldin, not me. They are based on strict safety and mission considerations. Dan is in a better position to address this matter.

***Q. Roger Chaffee never actually flew in space. In commemorating his death on Apollo 1, can we expect to see similar Medals for the Challenger crew?***

A. Recommendations on who should receive the Medal come to me from the NASA Administrator after following an established internal process at NASA. I certainly believe the *Challenger* crew were heroes in their own right, but I will leave it to Dan Goldin to decide whether to recommend them for this honor. It was Dan who recommended that I present the Medal to Commander Chaffee's family today.

***Q. The International Space Station is the biggest NASA project since Apollo. Aren't you concerned with reports of increasing cost overruns on the Station?***

A. The International Space Station will be the largest, most complex space structure ever built. As we build it—and we will build it—we are bound to encounter unknowns that pose technical and budgetary challenges. Nonetheless, we are committed to containing cost growth in the Space Station program, and I know Dan Goldin will keep a sharp eye on the costs and take the necessary steps to manage the program successfully through this development phase of the program.

THE WHITE HOUSE

WASHINGTON

'97 DEC 16 PM2:57

December 16, 1997

PRESENTATION OF THE 1997 HMX-1 CHRISTMAS CARD

DATE: Wednesday, December 17, 1997
LOCATION: Oval Office
TIME: 10:20 a.m. - 10:30 a.m.
FROM: Alan P. Sullivan

I. PURPOSE

To accept the original artwork used by Marine Helicopter Squadron One (HMX-1) for their 1997 Christmas Card

II. BACKGROUND

Since 1960 HMX-1 has presented a personal Christmas card, drawn by a squadron member or a family member, to the President. A panel of judges selects the first place and runner-up winners from the anonymous entries. The winning entry is identified and reprinted as the squadron's official Christmas card.

III. PARTICIPANTS

The President
Mr. Sullivan
Colonel Ronald Berube (Commanding Officer, HMX-1)
Duty Military Aide
Major Thomas F. Daley, USMC
Mrs. Thomas Daley (Julie; artist)

IV. PRESS PLAN

White House Photographer and White House Communications Agency camera crew

V. SEQUENCE OF EVENTS

(1) Mr. Sullivan presents Major and Mrs. Daley to the President
(2) Mrs. Daley presents the 1997 HMX-1 Christmas card to the President
(3) Group photo will be taken
(4) Major and Mrs. Daley depart

VI. REMARKS

None Required

'97 DEC 16 PM5:18

THE WHITE HOUSE

WASHINGTON

December 16, 1997

# MANDATORY SPENDING IN THE FY 1999 BUDGET

DATE: December 17, 1997
TIME: 10:30 a.m.-11:30 a.m.; 3:15 p.m.-4:15 p.m.
LOCATION: Cabinet Room
FROM: Gene Sperling
Frank Raines

## I. PURPOSE:

To review alternative mandatory spending options for the FY 1999 budget.

## II. BACKGROUND:

Now that we have reviewed discretionary allocations with you, we need to look at the mandatory and revenue sides. We will present an overview of both the mandatory and tax sides and then discuss key mandatory issues, such as health care, child care, class size, etc. within the mandatory resources available.

If we can finish up our discussion on mandatory options, we will go to a discussion on options on the revenue side during the second meeting of the day.

## III. PARTICIPANTS:

The Vice President
Erskine Bowles
Frank Raines
Gene Sperling
Secretary Rubin
Jack Lew
Josh Gotbaum
Joe Minarik
Barry Anderson
Larry Summers
Michael Deich
Janet Yellen
Ron Klain
Rahm Emanuel
Bruce Reed
Elena Kagan
John Hilley
Sylvia Mathews
John Podesta
Paul Begala
T.J. Glauthier
Phil DuSault
Barbara Chow

## IV. SEQUENCE OF EVENTS:

-- Frank Raines, Gene Sperling, and Jack Lew will review a set of alternative options on mandatory spending.

## V. PRESS COVERAGE:

None

## VI. REMARKS:

None

THE WHITE HOUSE

WASHINGTON

'97 DEC 16 PM9:1

**MEETING WITH FAMILY FARMERS**

| | |
|---|---|
| DATE: | Wednesday, December 17, 1997 |
| TIME: | 5:30 PM - 6:30 PM |
| LOCATION: | Roosevelt Room |
| FROM: | Ben Johnson<br>Barbara Woolley |

## I. PURPOSE

To discuss policy issues affecting family farmers, including the civil rights issue of black farmers.

## II. BACKGROUND

You are meeting with 23 family farmers. Many of the farmers are on USDA's National Commission on Small Farms, chaired by former Member of Congress, Harold Volkmer, Missouri. Others in attendance were recommended by Representative Eva Clayton and other members of the Congressional Black Caucus (CBC).

You are participating in this meeting at the request of the CBC and Secretary Glickman to discuss the concerns of family farmers, especially the civil rights of black farmers. You may recall that during your meeting with the CBC, Maxine Waters designated Representative Eva Clayton as the point person between the White House and the CBC on the plight of black farmers. Other CBC members have been included in the meeting. In addition, Senator Chuck Robb, who has been a strong advocate for civil rights and in securing appropriations for the USDA will be in attendance. The following issues will be raised at the meeting: credit; market access; tobacco; dairy; and civil rights.

We have identified the 5 main issues that will be raised in the meeting. A brief description of them follows. For more details on the specific issues, please see the attachments to this memo.

**1. <u>Credit</u>**

As the lender of last resort, USDA operates direct and guaranteed lending programs that provide ownership and operating loans to family farmers who are unable to obtain credit from the private sector. As the government has shifted to more guaranteed loans, the direct loan programs have experienced reductions in funding. This group would like the Administration to fully fund USDA's direct farm ownership and farm operating loan programs. Also, the 1996 Farm Bill provides that any farmer who has had a write-off of farm debt to USDA is ineligible for USDA's loan programs. As a result, thousands of small and socially disadvantaged farmers, including some attendees, are not eligible for

USDA loan programs. The Administration has repeatedly expressed its support to change the law, including by expressing its support for Rep. Clayton's legislation, which will contain provisions on this issue.

* After increasing direct lending to women and minorities by 87% since 1993, the Administration is committed to (1) increasing funding for direct loan programs and (2) expanding access of USDA credit programs for small and socially disadvantaged farmers through better outreach and removing unfair statutory bans against participation in USDA programs.

**2. Civil Rights**

There are a number of black farmers who alleged they have been discriminated against in the farm loan program administered by USDA. Current attention to this issue arose in 1996 when a group of black farmers demonstrated at the White House, calling on you to use your influence to halt foreclosures and assure fair treatment of them in agricultural lending programs. Additionally, they alleged wide scale discrimination in the Agriculture Department and sued the government in a class action suit that is pending in federal court. Advice from the Counsel's Office and Department of Justice is that individual cases in litigation should not be discussed during the meeting. Farmers have been informed of this fact. There are some difficult legal issues which have arisen in connection with the complaints of discrimination by African-American farmers. A legal memorandum is attached.

The CBC has held hearings on the plight of black farmers and Secretary Glickman has appointed 17 USDA leaders to a Civil Rights Action Team, whose 92 findings are currently being implemented. While Secretary Glickman is making progress on these issues, some attendees are dissatisfied with the pace of USDA's work.

In July 1997, Secretary Glickman testified before the House Agriculture Committee on USDA's progress responding to the civil rights issue. In October, Secretary Glickman also testified before the House Agriculture Committee on legislation addressing the civil rights matters at USDA on Representative Clayton, H.R. 2185, the "USDA Accountability and Equity Act of 1997" and similar legislation introduced by Chairman Bob Smith. The legislation represents Civil Rights Action Team (CRAT) Report recommendations which govern two areas -- program accountability through changes in the county committee membership and personnel structures; and program equity and credit access for socially disadvantaged farmers -- and the Administration has gone on record supporting these parts of the bill.

Senator Robb and other members present have been actively working with USDA to secure legislation to remedy the civil rights problems at USDA.

* Despite a long history of criticism of USDA's civil rights record, starting with the U.S. Civil Rights Commission Report in 1965, Secretary Glickman is the first Secretary to fundamentally address this issue, and USDA is committed to the long-

term effort necessary to improve USDA's civil rights performance.

**3. Market Access**

All stages of the agricultural system are becoming more concentrated. Small farmers are concerned that increased concentration among buyers of agricultural products, particularly livestock buyers, reduces competition and thus depresses the prices received by farmers. Small farmers feel that larger farmers are better able to cope with the concentration of economic power among buyers and that large buyers favor large farmers. The attendees are likely to express strong concern about the effect of concentration and the decline of cash markets on small farmers.

* The Administration is strongly committed to providing small farmers with the tools necessary to compete and thrive, including protecting them from unfair trade practices, in today's concentrated agricultural economy.

**4. Tobacco**

Tobacco is the sixth largest cash crop in the U.S. Sales at the farm gate in 1997 will total $2.85 billion. Tobacco is produced under the provisions of the Agricultural Adjustment Act of 1938, which establishes quotas on how much tobacco may be marketed without penalty. These quotas restrict the marketing of tobacco such that tobacco has been very profitable for farmers over many years. Flue-cured tobacco quotas are set under a statutory formula for the following marketing year in December. Two primary concerns of all tobacco producers, and quota holders, is the effect of the proposed tobacco settlement on their livelihood and on the community where they live and the compensation for lost quota. Several bills have been introduced to compensate tobacco quota holders for these losses. Senator Lugar has proposed another more controversial approach which would buy-out tobacco quotas and terminate the program.

* Tobacco is an important crop for small and minority farmers, and the Administration is committed to working with Congress in an attempt to ensure that the settlement adequately addresses the concerns of tobacco growers.

**5. Dairy**

Dairy farmers continue to confront a difficult financial picture. Regional and other differences have prevented consensus on action. Some farmers have requested the Secretary to set a price floor. The upper Midwest has requested that the higher prices be pooled nationally, which would be strongly opposed by other regions of the country and may require legislation. One attendee at today's meeting will point out that many farmers want to get out of dairy production, and that the government should help them do so with dignity. Other farmers in regions are seeking a meeting with you to discuss the issue. The dairy farmers would like some message sent prior to the Holidays on this issue.

* The Administration is deeply concerned about how dairy farmers have been affected by market volatility and is exploring a range of options for addressing their concerns. Severe regional divisiveness has hampered the development of

coherent national dairy policy to benefit the Nation's dairy producers.

**Announcements**

Earlier today, Secretary Glickman announced the Administration will:

* Create a federal advisory committee on civil rights to provide independent expertise.
* Ask White House Counsel, Charles Ruff, to coordinate a high-level interagency effort between the White House, USDA and Justice to review processing of complaints of discrimination to ensure that these complaints are handled with as much attention as possible to the unique circumstances of these cases.
* Seek in the Administration's FY 1999 budget proposal, full funding of $85 million in direct farm ownership loans (up from $46 million in FY 98) and $500 million in direct farm operating loans (up from $490 million in FY 98). This is an 86 percent increase over 1998 funding levels for farm ownership loans, which, if approved by Congress, would result in nearly 500 additional ownership loans and over 200 additional operating loans to family farmers. These funding levels will help more than 1,000 small, beginning and socially disadvantaged farmers get on the land, and 12,000 more stay there and expand their operations.
* Increase outreach at USDA, the FY 1999 budget will request full funding of $10 million for the Section 2501 program, which provides funding to community-based organizations and colleges and universities to provide outreach, technical assistance and training to small and socially disadvantage farmers.
* Seek $4 million in emergency livestock feed assistance for American Indian Tribes.

**In your opening remarks, you will reiterate the above announcements, as well as announce the following:**

* Your appointments to the Commission on 21st Century Production Agriculture are Ralph Paige, Executive Director, Federation of Southern Cooperatives/Land Assistance Fund, Georgia (who is present at this meeting), Lee Swenson, President, National Farmers Union, Colorado, and Jim Dupree, Arkansas. The purpose of the commission is to make recommendations for the future direction of U.S. Agriculture policy.
* Your new Associate General Counsel for Civil Rights, USDA.

## III. PARTICIPANTS

President
Vice President
Erskine Bowles
Secretary Glickman
Deputy Secretary Richard Rominger
Sylvia Mathews

CONFIRMED TO ATTEND:
Rep. Eva Clayton
Rep. Sanford Bishop
Rep. Earl Hilliard

PENDING:
Sen. Dale Bumpers
Sen. Tom Daschle
Sen. Chuck Robb
Sen. Patrick Leahy
Rep. Bennie Thompson
Rep. Cynthia McKinney
Rep. Bobby Scott
Rep. Vic Fazio

See list attached of farmers.

## IV. SEQUENCE OF EVENTS

Pre-Brief in Oval Office: Vice President, Erskine Bowles, Secretary Glickman, Deputy Secretary Richard Rominger, Sylvia Mathews, Bob Nash, Goody Marshall, Susan Liss, Charles Ruff, Ben Johnson, Lucia Wyman (Legislative), Barbara Woolley (OPL), Pearlie Reed (USDA).

- **YOU** will enter the Cabinet Room, walk around the room and greet the participants, make welcoming remarks and introduce the Vice President.
- The Vice President makes brief remarks.
- **YOU** introduce Representative Eva Clayton (D-NC).
- Representative Clayton makes brief remarks.
- **YOU** introduce Secretary Dan Glickman who will serve as the moderator.
- Secretary Glickman provides overview of meeting. He then states first issue and turns to Harold Volkmer.
- Harold Volkmer begins discussion on credit. Mr. Volkmer will make remarks and others interested in issue will make comments to begin discussion.
- Secretary Glickman will provide a brief historical perspective on the civil rights issue and highlight USDA's accomplishments on this issue. He asks John Boyd to begin the discussion on civil rights.
- John Boyd will make remarks and begin discussion.
- Secretary Glickman will ask Kathleen Kelley to begin discussion on market access. Ms. Kelley will make remarks and others will join the discussion.
- Secretary Glickman will ask Karen Cummings Armstrong to begin discussion on tobacco.
- Karen Cummings Armstrong, Ralph Paige, and Bruce Flye will comment on tobacco.
- Secretary Glickman will ask Doug Henderson to speak on dairy.

- Doug Henderson makes brief remarks.
- **YOU** make closing remarks and depart.

## V. PRESS PLAN

Closed press.

## VI. REMARKS

Talking points attached.

## VII. ATTACHMENTS

Welcoming Remarks
Participants Bios
Background and Talking Points
-- Credit
-- Civil Rights
-- Market Access
-- Tobacco
-- Dairy
-- Commission on 21st Century Production Agriculture
Legal Counsel Memo on Civil Rights
Secretary Glickman Memo on Dairy Issues
Articles of Interest

**PRESIDENT CLINTON'S WELCOMING REMARKS:**

--Acknowledge: Vice President Gore; Agriculture Secretary Dan Glickman; Erskine Bowles, my Chief of Staff; Bob Nash, USDA veteran and director of White House personnel; Goody Marshall, director of cabinet affairs; Ben Johnson of my public liason office; Carl Whillock, my good friend and special assistant on agricultural matters; Gus Schumacher, Undersecretary of the Farm and Foreign Agriculture Service, Mr. Pearlie Reed, USDA's acting Assistant Secretary for Administration and Mr. Sam Thornton, the director of USDA's new Office of Outreach.

--Growing up in a small town in the rural South, I am no stranger to the civil rights and economic challenges we face in rural America. I know that these challenges make it difficult for many hard-working people to stay on the land and serve their nation through agriculture.

--I am proud that over the course of my Administration, we have seen farm ownership and operating loans to women and minorities increase by 74%. But I know that we can do more.

--Earlier today, Secretary Glickman announced that my 1999 budget will include a substantial increase in assistance to minority and small farmers. It will include full funding for the direct farm ownership and direct farm operating loan programs. This will help more than 1,000 small, beginning and socially disadvantaged farmers get on the land, and 12,000 more stay there and expand their operations. I will also request full funding of $10 million for the 2501 program for outreach and technical assistance to minority and disadvantaged farmers. No matter how strong our programs are, they don't do much good in underserved communities without strong outreach.

--We are also making available $4 million in direct-cash emergency feed assistance to tribes that were hard hit by natural disasters and got aid in a form that was of little use to them in the past.

--And, Secretary Glickman will create a permanent external advisory committee made up of independent civil rights experts who will audit USDA's progress and offer sound, outside policy advice.

--I have also asked the White House Counsel's Office to coordinate the work of USDA and the Department of Justice in sorting through the complex legal issues that we have encountered in the process of improving USDA's civil rights record.

--In addition, I want you to be the first to know that this morning we hired an Associate General Counsel for Civil Rights at USDA. _________ will be a full-time civil rights advocate within the legal team of the department, working to quickly resolve discrimination complaints and lay the groundwork for a more discrimination-free environment in the future.

--I also want to announce that Lee Swenson, Jim Dupree and Ralph Paige will be representatives to the 21st Century Commission on Agriculture. These appointments reflect the importance I place on having small and minority farmers at the table as we discuss agriculture's future.

--I believe that my commitments set us on the right path. But I also understand that they are a

***starting*** point. We have to responsible address the past and see that justice is served. We also have an obligation to future generations of farmers. I want to thank everyone here for their commitment. Now, I would like to recognize the Vice President.

**FAMILY FARMERS MEETING**
**December 17, 1997**

**List of Participants**

**Harold L. Volkmer**
**Chair, Small Farms Commission**

Mr. Volkmer, Chair, lives in Hannibal, **Missouri**, and is an attorney. He was a Member of the Missouri House of Representatives from 1967 to 1976, and the United States House of Representatives from 1977 to 1996. In the U.S. House, Mr. Volkmer served on the House Agriculture Committee's Livestock, Dairy, and Poultry Subcommittee, which he chaired in the 103rd Congress.

**Kathleen Sullivan Kelley**
**Vice Chair, Small Farms Commission**

Ms. Kelley is a self-employed farmer/rancher in Meeker, **Colorado**. She raises wheat, barley, and cattle. She also served in the Colorado Legislature from 1980-1982, and is a member of several Colorado farm and agriculture associations, including the Rocky Mountain Farmers Union.

**Douglas G. Henderson**

Mr. Henderson of Beresford, **South Dakota**, is the owner-operator of a family farm. He is a member of the Mid-Am Milk Coop, the LOL Milk Coop, the National Farmers Union (County President), the Small Farms Commission, and served on the State Extension Advisory Board.

**Toulu Thao**

Mr. Thao of Fresno, **California**, is Executive Director of the Hmong American Community, Inc., a community based nonprofit organization. He farmed fruits and vegetables from 1983 to 1993, and was a project engineer from 1986 to 1997. He is a member of the Small Farms Commission.

**Karen S. Armstrong-Cummings**

Ms. Armstrong-Cummings of Frankfort, **Kentucky**, is managing director of the Commodity Growers Cooperative Association in Lexington, Kentucky. She is a member of several Kentucky agriculture associations, including the Kentucky Leadership for Agricultural and Environmental Sustainability. She is aslo a member of the Small Farms Commission

**Robert M. Daniels, II**

Mr. Daniels operates a 640-acre family farm in Sedgwick County, **Kansas** and produces dryland soybeans, corn, sorghum, and wheat. He is a board member of the Kansas Agricultural and Rural Leadership, Inc., and is a member of the Small Farms Commission.

**Greg T. Gunthorp**

Mr. Gunthorp of LaGrange, **Indiana**, owns and operates a hog farm, and specializes in pasture-based livestock systems. He is a member of the LaGrange County Farm Bureau and participated in the State Farm Bureau Young Farmer program. He is also a member of the Small Farms Commission.

**Ronald Alan Stewart**

Mr. Stewart of Hood River, **Oregon**, is a certified organic farmer and operates his farm with his wife and sons. They grow apples, pears and cherries. He also owns a packing facility and stores, packs, and markets fruit for their farm and 5 other small farms. He is a member of the Small Farms Commission.

**Emma Jean Cervantes**

Ms. Cervantes is the owner and operator of Cervantes Agribusiness in Southern **New Mexico**. She raises cotton, pecans, alfalfa, chile peppers, and various vegetables. She won the New Mexico Governors' Award for Outstanding Business Women and New Mexico State Universities Agriculturist Award of Excellence. Ms. Cervantes is a fourth generation New Mexico farmer.

**Bob Miller**

Robert Miller is the President of the Intertribal Agriculture Council (IAC) and is active in all IAC activities. Mr. Miller has been the President of the IAC since 1987. He is a member of the Creek Nation of **Oklahoma** and raises cattle and horses on the oldest ranch in Oklahoma maintained in family ownership. Elected to the Oklahoma State Senate in 1978, Mr. Miller served as Senator for his district and was elected Majority Whip of the Oklahoma State Senate during his second term.

**Frank Gonzalez**

Mr. Gonzalez is a 16th generation farmer from Corrales, **New Mexico**. His family was among the first Spanish settlers to farm New Mexico almost 300 years ago. Mr. Gonzalez produces fruits and vegetables.

**Gary Cornelious**

Mr. Cornelious grows award-winning vegetables in **Iowa**, and has also raised goats, lambs, and poultry. Mr. Cornelious is a member of the Black Farmers, and was recently appointed to serve on the Iowa Farm Service Agency State Committee.

**Ralph Paige**

Mr. Paige has worked for the Federation of Southern Cooperatives/Land Assistance Fund in Atlanta, **Georgia** for 25 years. The fund serves low income and black family farmers accross the South, and has been presented with numerous awards from Humanitarian Organizations for its work. Mr. Paige has been Executive Director of the Federation/LAF for 12 years.

### Calvin King

Mr. King, of Little Rock, **Arkansas**, has served as the executive director of the Arkansas Land and Farm Development Corporation for over a decade. He is one of the founders of that organization. Mr. King recieved a Public Service Award from, then Governor Clinton of Arkansas, and has followed this accomplishment

### Tim Pigford

Mr. Pigford, of Riegelwood, **North Carolina**, filed a program complaint (loan issues) in the early 1980s. After investigation in 1987, a finding of no discrimination was made. He has not accepted that determination, and continues to try and get his case reopened. In the meantime, he lost his farm. No current case is in the administrative log.

### Gary Grant

Mr. Grant, a Hallifax, **North Carolina** farmer, has complaints also filed by Richard and Matthew Grant, his father and brother. His complaint involves an inventory sale, while his brother and father have loan issues. The father (Matthew) has a debt history more than 20 years old, and is in foreclosure. All three cases are in the investigation stage (contractor).

### George Hall

Mr. Hall is a Boligee, **Alabama** vegetable farmer. After initially filing a complaint dealing with disaster benefits in 1994, a determination of discrimination without damages was made in 1996. In 1997 Mr. Hall filed a second complaint, this one dealing with loan issues, which is moving to adjudication. A decision is expected by January 31, 1998. Mr. Hall is also named as a plaintiff in the Pigford class action suit.

### John Boyd

Mr. Boyd is a peanut farmer from Chase City, **Virginia**. While poultry farming in 1993 he had a complaint (loan issues) that was adjudicated with a finding of discrimination in 1996. He was subsequently awarded compensatory damages. The damages were negotiated and the case was closed in May 1997. Currently, he is president of the National Black Farmers Association.

### Eddie Ross

Prior to filing his 1991 and 1992 complaints (loan issues), Mr. Ross was a Vicksburg, **Mississippi** soybean and wheat farmer. Corrective action was taken regarding his 1991 complaint, and a determination of no discrimination was made following his 1992 complaint. Mr. Ross filed four addtional complaints between 1993 and 1994 (loan issues), which have been investigated jointly. After adjudication a finding od discrimination was issued, and compensatory damages and programmatic relief was made.

### Walter Powell

Mr. Powell farms cotton and soybeans in West Monroe, **Louisiana**. He had a 1992 complaint (loan issues) that was decided in his favor in 1994. He was also listed as part of James Myart's class action suit, after which his case was settled this summer. Mr. Powell filed another complaint on November 19, 1997 (loan issues), which is currently being reviewed to determine whether investigation or settlement is called for.

**Welchel Long**

Mr. Long of **Georgia**, filed a complaint in 1991 relating to denials of emergency loans. A finding of discrimination was issued in 1993, however, no specific relief was provided. In March 1994, Mr. Long filed a civil suit in District Court. In 1995, James Myart (an attorney who represents the Small Farmers Association of Texas) attempted to file a class action complaint in federal court on behalf of Mr. Long and other black farmers, but in 1997 the class was denied certification. Subsequently the Department settled four individual complaints, including Mr. Longs', through mediation involving the Department of Justice.

**Bruce Flye**

Mr. Flye is a farmer, and President of the Flue-Cured Tobacco Stabiliation Cooperative. He is also President of the Pitt-Greenville Chamber of Commerce in **North Carolina**. Mr Flye is a constituent of Representative Eva Clayton.

**Willie Head, Jr.**

Willie Head, Jr. is a third generation farmer from Brooks County, **Georgia**. The Head Family Farm has existed for over 100 years. He purchased the farm from his father in 1981. He and his father farm the land. He feels they have no economic support from banks and FSA (Formerly Farmers Home Administration.) Right now, Head is economically destroyed because he can not get farmer loans or economic support. In 1984-85, Head was unable to acquire a loan to purchase live stock to help build an economic base. In 1986, his family was completely denied the loans and all bank economic support opportunities to qualify for a loan. This financial situation has resulted in the next generation of farmers (he has two sons in their 20's) to give up their interest to continue the family farm business.

## ACCESS TO CREDIT

**Background:** As the lender of last resort, USDA operates direct and guaranteed lending programs that provide ownership and operating loans to family farmers who are unable to obtain credit from the private sector. The Clinton Administration has increased the use of these programs by minority and women farmers. In FY 93, USDA direct lending (ownership and operating loans) to minority and women farmers totaled $46 million. In FY 97, this total had increased to $81 million, an increase of 74 percent from the 1993 level. In FY 96, USDA made 1,987 direct loans to minority or women farmers (14% of all direct loans). In FY 97, USDA made 2,111 direct loans to minority or women farmers (16.3% of all direct loans), a 6 percent increase from FY 96. USDA is committed to more effective outreach through community-based organizations to improve further its loan making to socially disadvantaged farmers.

**Direct Loan Funding Needs to be Increased:** As the government has shifted to more guaranteed loans, the direct loan programs have experienced reductions in funding. The Civil Rights Action Team (CRAT) and the National Commission on Small Farms believe that the Clinton Administration should fully fund for USDA's direct farm ownership ($85 million per year) and farm operating ($500 million per year) loan programs.

**1996 Farm Bill Unfairly Excludes Farmers from USDA Credit:** The 1996 Farm Bill provides that any farmer who has had a write-off of farm debt to USDA is ineligible for USDA's loan programs. As a result, thousands of small and socially disadvantaged farmers, including some attendees, are not eligible for USDA loan programs. The Administration has repeatedly expressed its support to change the law, including by expressing its support for Rep. Clayton's legislation, which will contain provisions on this issue.

**Credit Talking Points:**

- During my Administration, we have improved our service to women and minority farmers. For example, by 1997, we have increased by 87% the amount of loans to women and minority farmers compared to 1993. But we can and must do even more, that's why my FY 1999 budget proposal will seek full funding of $85 million in direct farm ownership loans (up from $45 million in FY 98) and $500 million in direct farm operating loans (up from $490 million in FY 98). This is an 86 percent increase over 1998 funding levels for farm ownership loans, which, if approved by Congress, would result in nearly 500 additional ownership loans (and over 200 additional operating loans) to family farmers.

- But additional funding alone is not enough. We must change the restrictions contained in the 1996 Farm Bill. The Administration is strongly commited to working with Congress, particularly Rep. Clayton, to ease the restrictions contained in the 1996 Farm Bill. This provision of the 1996 Farm Bill is unfair to farmers who took advantage of loan servicing options, which were provided by Congress, to manage their debt. It is also more onerous than bankruptcy law, since it contains a lifetime ban on participation in USDA's loan programs.

- We also need to ensure that USDA engages in aggressive outreach and technical assistance efforts to ensure that small and socially disadvantaged farmers have access to our credit programs. That's why establishing an Office of Outreach in USDA and seeking full funding for the Section 2501 program is so important.

- In addition, we also need to remember that small and socially disadvantaged farmers may have a variety of other needs that must be addressed for them to be successful, ranging from conservation assistance or risk management, to business planning for a farmers market or farmer owned cooperative or market development for new crops or products. The fundamental challenge, then, is to do better outreach not just on credit, but to deliver an integrated package of information and assistance to help small and socially disadvantaged farmers not only survive, but expand.

- I understand that the Small Farms Commission is going to recommend actions across the entire spectrum of USDA programs, and I know that Secretary Glickman is committed to using the Commission report as a blueprint for developing a comprehensive USDA program to assist small and socially disadvantaged farmers.

NOTE: You should consider asking the attendees for their thoughts on the best ways in which to improve USDA's outreach as well as ways in which to meet other needs of small and socially disadvantaged farmers.

**Other Possible Credit Issues:**

**Alleged Disparities in Loan Processing Times:** Some participants may allege that there are great disparities in loan processing times for black and white farmers.

**Talking Points:**

- I appreciate your concerns. After all, farmers need to have their loans on a timely basis in order for their farm operation to be successful.
- But it's my understanding that there is little disparity in the processing times for applications by black and white farmers. For operating loans, the average national processing time is 16.55 days for black farmers, and 17.88 days for whites. For farm ownership loans, on the other hand, white applications are processed in 29.73 days, while black applications are approved in 47.62 days.
- There's some room for improved on the ownership side of the picture. USDA also needs to work closely to assist farmers in completing their applications. The outreach program also plays an important role in helping small and socially disadvantaged farmers access USDA's programs.

**Bilingual Credit Applications:** Some attendees may raise the need for bilingual applications for USDA programs.

**Talking Points:**

- I agree with you that we need to make every effort to ensure that USDA programs are accessible. Bilingual applications are one way, and outreach through community based organizations can also help reach these constituencies.

**Inventory Property:** Some participants may express an interest in obtaining farms that USDA has obtained as a result of foreclosure for pilot or demonstration farms.

**Talking Points:**

- This is an interesting idea, but it's one that would require legislation. The 1996 Farm Bill contains strict restrictions on the disposition of inventory property and essentially targets beginning farmers. The Administration supported legislation by Rep. Gary Condit to transfer an inventory farm to an organization in California for training, and has worked with Rep. Bennie Thompson on Alcorn State's interest in obtaining a farm (no legislation has been introduced). One issue to keep in mind is payment for the property, however. The Condit legislation provided for payment of fair market value. This is important because transfer of the government's property without payment might require an offset.

**Funding Formulas:** Some participants may also raise an issue about how the Virginia State FSA office returned $25 million in guaranteed operating loans to the National office. In this regard, they could also suggest that the funding formulas be modified.

**Talking Points:**

- The 1996 Farm Bill requires that unused guaranteed loan funds be allocated to approved direct farm ownership loans for beginning farmers, and Virginia funded three such loans. In FY 97, Virginia made 32 direct operating loans to socially disadvantaged farmers (25 black farmers, 7 women) totalling $1.3 million. This exceeds the amount targeted under law by $800,000, and there were no approved operating loans for socially disadvantaged farmers that went unfunded in Virginia. Ownership funds, of course, were limited, and our budget proposal for FY 99 will increase funds for ownership loans.

- The funding formulas for guaranteed and direct loans were one of the most controversial elements of the 1996 Farm Bill because some states use more guaranteed funds, while others rely more on direct loan programs. Under the current formula, unused guaranteed funds are targeted to beginning farmers, which is very important given that the average age of farmers is 58. But I agree with you that we need to work as hard as possible to ensure that our credit programs provide the maximum amount of assistance to other small and socially disadvantaged farmers.

**Paperwork:** Some participants may suggest that USDA needs to improve its service to small and socially disadvantaged farmers by simplifying and reducing its paperwork for loan applications. They may also raise this issue relative to USDA's guaranteed loan program.

**Talking Points:**

- I agree with you that we need to make USDA's loan programs work better for small farmers by streamlining USDA's loan application. Right now, there are 9 different forms, notifications, and letters a farmer must deal with to get a loan. USDA has hired a private contractor to review the entire loan process, change regulations, and develop simpler procedures for farmers.

- Until this effort is completed, USDA needs to work closely with small and socially disadvantaged farmers to help them complete their applications and receive their loans in a timely manner. This is another key role for USDA's outreach program, because community based organizations and 1890's also have the ability to help farmers through the maze of USDA's paperwork.

- While I know this group is primarily interested in USDA's direct loan programs, we also need to simplify the guaranteed loan program to make it easier for private creditors to use this program to serve small and socially disadvantaged farmers. For example, USDA is in the process of developing a "low doc" application for small loans, which should help in this regard.

**Guaranteed Loan Programs:** While the attendees are primarily interested in USDA's direct loan programs, some attendees may want to improve USDA's guaranteed loan program. For example, some may argue that the Administration should seek legislation establishing a 100 percent guaranteed loan program for socially disadvantaged farmers.

**Talking Points:**

- We need make the guaranteed loan program, which typically provides between 90-95 percent guarantee, work better for small and socially disadvantaged farmers. I know that Secretary Glickman has challenged private lenders and the Farm Credit System to improve their service to these farmers and that USDA is making a number of changes to these programs to make them more user friendly for lenders.

- USDA is currently developing a 3-way partnership with private lenders and 1890 universities. The banks will put up the funding for farm loans, USDA will make the guarantee, and the 1890 will service the loans and provide technical assistance to the borrowers. This kind of innovative partnership holds great potential to expand the resources available for small and socially disadvantaged farmers.

- A 100 percent guarantee program might be worth considering if we are not able to make the existing program work better for socially disadvantaged farmers. One of my concerns, though, would be whether private lenders would foreclose more quickly when farmers have financial problems, since they would not lose any funds under the 100 percent guarantee.

**Debt Forgiveness:** Some attendees may ask that you instruct USDA to forgive all debts of African-American farmers acquired from 1983-1997.

**Talking Points:**

- I don't think it's appropriate for USDA to simply write-off debt for all African-American farmers. USDA has, of course, written off the debt of some farmers as a part of settling discrimination complaints, and I support this action.

- But I don't see how USDA could simply write off the debt of all African-American farmers, regardless of whether they were discriminated against or not, and regardless of whether they are current or delinquent on their accounts. That could be hundreds of millions of dollars, and I think that Congress would be much less likely to fully fund our direct loan programs if USDA were to take such an approach.

- Moreover, until we get the 1996 Farm Bill changed, every farmer who had debt written off would be ineligible for USDA programs.

**Privatize the Socially Disadvantaged Direct Loan Program**: Some attendees may urge you to seek legislation to privatize USDA's Socially Disadvantaged (women and minorities) loan program.

**Talking Points:**

- I assume that this recommendation revolves around concerns about the ability of USDA to effectively serve socially disadvantaged farmers. As I indicated earlier, we have made progress, with a 74% increase in direct lending to women and minority farmers from 1993 to 1997. The increased funding and improved outreach by USDA, particularly working with community based organizations, will make even further improvements.

- I don't know what kind of entity you would envision as operating these programs, but I think Congress would be skeptical of turning a Federal loan program over to the private sector. After all, the programs were created to serve as the lender of last resort for farmers who cannot obtain commercial credit.

**Create a Farm Credit System Entity Solely Devoted to Socially Disadvantaged Farmers:** Some attendees may urge the Administration to seek legislation to create a Farm Credit System entity solely devoted to serving socially disadvantaged farmers.

**Talking Points:**

- Rather than trying to create a new entity, I think we need to continue to challenge the Farm Credit System to serve more small and socially disadvantaged farmers. I know that Secretary Glickman has urged them to lend more to these farmers, and I think we can make some changes to the guaranteed loan program that will encourage the Farm Credit System to expand their lending in this regard.

- If that doesn't work, then I'd be open to considering the possibility of changing the Farm Credit System charter to strengthen the system's obligation to serving small and socially disadvantaged farmers.

**Debt Collection/Administrative Offsets:** Some attendees could raise complaints about the Farm Service Agency's (FSA) new admininstrative offset policy, where FSA collects a debt owed to the farm loan program by offsetting payments such as AMTA, CRP, or disaster payments, that FSA would otherwise make to the borrower. In August, FSA changed its administrative offset policy so that it could offset payments if a borrower is over 90 days delinquent. In the past, FSA only offset payments if the borrower's account had been accelerated.

**Talking Points:**

- I understand the concerns with this new policy, but I think it is important to look at this issue in context. The offset policy applies to borrowers who are over 90 days delinquent. The principle behind the policy is that, if a borrower is delinquent in their debt to taxpayers, the borrower should pay the debt before the taxpayers give the borrower additional payments.

- FSA has offset approximately $13 million from several thousand borrowers, principally from AMTA payments. Many borrowers either simply came into FSA and paid their accounts current or avoided offsets by developing a feasible plan of operation. FSA is doing a survey of major states to get more details on implementation of the new policy and is preparing a memorandum for Secretary Glickman's review.

## CIVIL RIGHTS ACTION TEAM (CRAT) IMPLEMENTATION

**Background:** USDA has implemented 62 of the 92 recommendations of the CRAT, including (1) changing farm foreclosure procedures by creating an independent team that reviews each case before it is accelerated to ensure that there is no discrimination, (2) establishing an Office of Outreach; (3) establishing a civil rights unit in the Office of General Counsel (still being staffed); (4) increasing minority representation on FSA's state committees by 10 percent nationwide; and (5) establishing standards for holding all employees accountable for civil rights.

**Foreclosure Policy:** Some attendees may argue that FSA has ignored the new foreclosure policy. Some may also urge you to extend the moratorium on foreclosures and property seizures in cases where there are unresolved issues concerning discrimination.

- As I understand it, USDA has a moratorium on USDA foreclosures where there is a discrimination complaint pending. So if a civil rights complaint is pending, USDA does not proceed.

- In addition, even if no civil rights complaint is pending, no USDA foreclosures occur until an independent review team reviews the case to make sure there are no civil rights problems. When this problem of foreclosures first arose last year, Secretary Glickman imposed a new policy on foreclosures, and there was some confusion about exactly what the policy covered. But after the CRAT report recommended an independent review team approach, USDA quickly implemented that policy. The team has reviewed over 4,000 pending USDA foreclosures. Of those, the independent team stopped action on 116 cases of USDA foreclosures. The remainder have gone forward.

- My emphasis on USDA foreclosures is important to keep in mind. USDA cannot order the Department of Justice to cease foreclosures that are in court, nor can USDA order other creditors who have commenced foreclosure from pursuing their legal rights.

- But where USDA is initating the foreclosure, that foreclosure stops if there is a pending civil rights complaint. Where there is no complaint, the case still must be reviewed by this independent team before it proceeds. That's what's happening now, and it's become a regular part of USDA's procedures.

**Associate General Counsel for Civil Rights:** Some attendees may complain about the time it has taken to hire an Associate General Counsel for Civil Rights. Some attendees may also urge you to have the Associate General Counsel for Civil Rights be housed in the Office of Civil Rights and report only to the Assistant Secretary for Administration rather than the Office of General Counsel.

**Talking Points:**

- Let me first say that, as Secretary Glickman indicated, we will have this position filled in the very near future. We certainly wish we could have filled this position quicker, but personnel actions take time. In addition, the CRAT report recommended a time consuming interview process to ensure that we select the best person.

- The Associate General Counsel for Civil Rights is going to be housed in USDA's Office of General Counsel and will report to the General Counsel.

- I understand your point, but I think you would actually undermine the ability of the Associate General Counsel to help improve the Department's civil rights systems if you pulled this office out of OGC.

## COMPLAINT RESOLUTION

**Background:** USDA has closed 131 complaints in 1997, including 11 major settlements totaling more than $3.5 million where discrimination occurred, including several people who are attending the meeting. USDA has signed a settlement agreement with another person who is attending the meeting, but has not yet executed the settlement because the Department of Justice asserted a right to review the settlement given the pending proposed class action litigation against USDA. You should not discuss any individual complaint.

In general, minority farmers complaints are based on allegations that loans were not made on a timely basis, that loan applications were denied, or that loan servicing options were not properly offered. Many complainants also raise issues about the racial make-up of USDA county offices and county committees, which are the principal point of contact for farmers when accessing USDA programs.

**Issue:** Some attendees are likely to be critical of USDA's progress in resolving complaints since 957 remain unresolved, 451 of which are new complaints that have been filed since March 1997.

**Talking Points:**

- I am not going to discuss any individual cases. But I do know that, for those of you who have been waiting for justice, USDA has already taken too long. After all, there is a lot of truth in the statement that: justice delayed is justice denied.

- The principal reason for USDA's performance thus far is that USDA had to rebuild its civil rights investigative unit, which was dismantled in 1983. USDA has an aggressive plan to investigate and resolve the remaining complaints, including increasing USDA staff as well as hiring independent contractors to develop investigative reports on each complaint. This is going to take some time for a couple of reasons. First, we want to be fair and make individual determinations of whether or not discrimination occurred, and second, some cases raise difficult legal issues. But we are committed to doing everything that is legally possible to resolve these complaints.

- USDA has also established a team to review whether personnel actions are necessary in those cases where discrimination has been found.

- Still, I think we have to remember that the first Civil Rights Commission report critical of USDA was issued in 1965. It has been too long, but USDA's civil rights problems have a long history, and USDA is committed to the long-term effort it will take to remedy them. I'm proud that Secretary Glickman is the first Secretary to seriously address this problem, but its going to take some time.

- I also want to talk a bit about this backlog of complaints. The majority of these "new" complaints regard past acts of discrimination. Many new complaints were filed as a result of the CRAT process. These totals includes all USDA agencies and programs. For example, over 300 are against the Rural Housing Service. About one-half of the complaints are against the Farm Service Agency, but of those, many are not complaints of racial discrimination. My point is, I have seen press reports suggesting that there are 1,000 complaints of black farmers pending at USDA, and that just isn't the case.

- But, having said that, I want to also say that one complaint or one act of discrimination is too many, and when USDA gets a complaint, it needs to quickly and fairly resolve it. We cannot allow the problems that have occured in the past to ever occur again. That's why USDA's effort to set up a complaint resolution process that is fair and timely, as well as other civil rights enforcement systems, is so important.

## OUTREACH

**Background:** This summer, USDA established an Office of Outreach, which was one of the key recommendations of the Civil Rights Action Team (CRAT). The Office of Outreach will ensure that all agencies implement outreach strategies that utilize community-based organizations, 1890's colleges and universities, and others to ensure that all small and socially disadvantaged farmers have access to USDA programs.

**Increased Funding for the Section 2501 Program:** USDA's principal outreach program, the Section 2501 program, provides funding through cooperative agreements to community-based organizations and colleges and universities to provide outreach, technical assistance and training to small and socially disadvantaged farmers. Funding levels for the Section 2501 program need to be increased. The Congress has consistently failed to meet the Administration's budget request. In FY 96, Congress only provided $1 million (Administration had requested $3 million). Secretary Glickman added $4.5 million from the Fund for Rural America to this program. In FY 97, the Congress provided $3 million (the Administration had requested $5 million). USDA is exploring all available options for securing the necessary funding for FY 98 (the Fund for Rural America is unavailable until FY 99).

**Talking Points:**

- Effective outreach through community based organizations like the Federation of Southern Cooperatives or the InterTribal Ag Council and others is essential if we are to succeed in improving USDA's service to small and socially disadvantaged farmers.

- As I indicated, my 1999 budget will request full funding of $10 million for the Section 2501 program, which will ensure that USDA is able to maintain and expand this important program. The Civil Rights Action Team and the National Commission on Small Farms both support full funding for this program.

- Congress has unfortunately failed to meet our budget requests in past years for this program, and we will have to work hard to get this funding next year.

- Increased funding is important because we need to do a better job of ensuring that small and socially disadvantaged farmers have full access to all USDA's programs. The principal focus of the Section 2501 program is currently on credit. We need to maintain that focus, but we also need to expand the types of outreach this program conducts to address the other needs of small and socially disadvantaged farmers, which range from private forestry, to conservation, to business or cooperative development and marketing.

- Some of the attendees, Ralph Paige of the Federation of Southern Cooperatives, and Calvin King of Arkansas Farm and Land Development, receive funding from this program, and are leaders in effectively providing outreach and technical assistance to small and socially disadvantaged farmers.

- Of course, USDA agencies also conduct direct outreach in addition to the Section 2501 program. For example, in FY 1998, USDA's Natural Resource Conservation Service (NRCS) will commit over $2 million in new funding to pilot demonstration projects designed and implemented by community-based groups to educate and inform small farmers about the benefits of conservation planning. This aggressive outreach effort will inform small farmers about the broad range of financial and technical assistance resources available to help them solve conservation problems on their farms.

- Other USDA agencies such as the Risk Management Agency and the Farm Service Agency are also expanding their outreach efforts. The Office of Outreach will coordinate all of these efforts department wide to ensure that small and socially disadvantaged farmers have access to all USDA programs.

**Possible Outreach Issues**

**Outreach Office:** Some attendees may urge USDA to staff and fully fund the new Office of Outreach.

- I agree that, now that Sam Thornton, who is here at this meeting, has been selected as Director, USDA needs to move forward quickly to get this office up and running. Obviously, one issue is funding, and I know that Secretary Glickman is exploring a variety of options to get this important office fully established.

**Outreach Funding for FY 98:** Some attendees may raise the need for additional funding for the Section 2501 program in FY 98.

- As you know, we requested $5 million for this fiscal year, but Congress only provided us with $3 million. Unfortunately, it's not the first time Congress has not met our budget request for this program, and we are going to have to work hard to get full funding for FY 99.

- In terms of this fiscal year, I want to assure you that we are exploring every option for additional funding, and we hope to be able to maintain our commitments to the current participants in this important program. Last year, as you know, Secretary Glickman put $4.5 million from the Fund for Rural America into this program to make up for the limited funding from Congress. The Fund, however, is not available this year, so we're exploring all other possible funding options.

**Funding for New Organizations:** Some attendees may express an interest in obtaining funding through the Section 2501 program.

**Talking Points:**

- This fiscal year, we requested $5 million, but Congress only gave us $3 million, so we are struggling to find a way to meet our existing commitments. If we are successful in getting full funding in FY99, we can expand the program. All cooperative agreements are awarded on a competitive basis, however, so there is no guarantee that your organization will receive funding. I'm sure that USDA will work with you in applying for this program.

**Outreach on Private Forestry to Minority Farmers:** Some attendees may raise the need to increase outreach on private forestry to minorities.

**Talking Points:**

- I know that private forestry is an important issue for many minorities, particularly in the Southeast, and I agree with you that we need to improve our outreach to them through the State and Private Forestry Program. The Forest Service held a conference on this subject earlier this year that the Federation of Southern Cooperatives (Ralph Paige) participated in.

- One interesting point on this issue is that the program is largely operated by states, so we need to encourage our state partners to work closely on our outreach goals.

## REP. CLAYTON'S LEGISLATION

**Background:** On July 17th, Representative Clayton introduced H.R. 2185, the "USDA Accountability and Equity Act of 1977." The legislation represents Civil Rights Action Team (CRAT) Report recommendations which govern two areas -- program accountability through changes in the county committee membership and personnel structures; and program equity and credit access for socially disadvantaged farmers. Provisions in Title I of the bill would expand from five to seven the maximum number of members serving on each county committee and require that two members, appointed by the Secretary of Agriculture, be demographically representative of groups of producers who would be otherwise under-represented (the remaining members would continue to be elected). The bill also would convert county committee employees to Federal civil service status.

Other provisions of H.R. 2185 would modify current Farm Bill restrictions that prohibit a farmer from receiving a loan if a debt has been forgiven on a prior loan or from receiving a direct loan if delinquent on an existing loan. The bill also would permit loan eligibility for applicants who have poor or no credit history but who can document that they have been able to live for a reasonable period of time in a financially independent manner. H.R. 2185 would also would provide that debt relief from farm credit programs be excluded from gross income for tax purposes.

The bill also would increase the authorization for the Environmental Quality Incentives Program (EQIP) from $200 million to $300 million and require that one-third of all spending be devoted to socially disadvantaged producers. The bill also would appropriate mandatory funding as follows: $10 million in fiscal years 1998 and 1999 to fund leases and sales contracts of property acquired by USDA to beginning farmers and ranchers who had a positive cash flow for three years prior to April 4, 1996; $15 million for fiscal year 1998 through 2002 to upgrade agricultural and food science facilities at 1890 land grant colleges; $10 million for outreach and technical assistance to socially disadvantaged farmers and ranchers; $8 million for fiscal years 1998 through 2002 for the extension Indian reservation program; and $85 million in direct farm ownership and $500 million for direct operating loans to farmers. The estimated five-year cost, assuming the bill would provide the subsidy cost of proposed loan levels and not direct spending for the entire loan levels, is $905 million.

**Talking Points:**

- I want to applaud Rep. Clayton for her leadership in introducing this legislation, which contains provisions addressing many of the CRAT recommendations. We look forward to working closely with her and others in Congress during the next year on this important legislation.

**National Commission on Small Farms**

**Background:** To address the critical needs of small and socially disadvantaged farmers, Secretary Glickman established the National Commission on Small Farms on July 16, 1997, an action recommended by the CRAT. The Commission has held a number of public meetings and has received hundreds of comments on a wide range of programs such as credit, conservation, and research. Former Congressman Harold Volkmer chairs the Commission.

The Commission expects to submit its report to Secretary Glickman in January 1998. The report will likely contain recommendations for USDA actions in areas such as research, extension, rural development, credit, and conservation, as well as requests that USDA analyze and develop reports on issues like vertical integration and producer education for the Commission's review.

Once it receives the Commission's report, USDA will direct all agencies to review the recommendations and develop appropriate and feasible actions to address the needs of small and socially disadvantaged farmers. USDA will also complete the highest priority studies recommended by the Commission and will reconvene the Commission six months after its report is finalized to review these reports and make additional recommendations to USDA as well as to evaluate USDA progress in implementing other recommendations of the Commission.

**Talking Points:**

- I appreciate the hard work of all the Commission members and would like to particularly thank Congressman Volkmer for agreeing to chair the Commission. I look forward to reading the Commission's report and working with Secretary Glickman to develop a comprehensive strategy for addressing the needs of small and socially disadvantaged farmers. I hope the report will play a fundamental role in helping us to preserve America's small farm heritage as we move into the 21st century.

## National Black Farmers Association (NBFA) Small Farm Proposal

**NBFA Proposal for USDA Funding:** Some attendees may discuss a NBFA proposal to USDA entitled: Reinventing the Small Family Farm in America, which NBFA submitted in February 1997. USDA recently committed to formally responding to the proposal by January 1998. The proposal seeks a three-year, $190 million grant to a non-profit entity created and operated by NBFA for outreach, credit, business development activities etc., which are similar to programs already operated by USDA.

**Talking Points:**

- I want to first applaud your initiative in developing such a comprehensive proposal. As I have indicated, I believe we need to develop an integrated strategy to address all the needs of small and socially disadvantaged farmers.

- I don't want to be negative, but I do want to raise a couple of concerns about the proposal. First, the proposal seeks funding to operate programs similar to those already operated by USDA, and I think it's legitimate to question whether this is the best way to proceed. Second, NBFA is a new organization yet is seeking an extremely large amount of funding. This might not be the best way to invest additional funds on behalf of small and socially disadvantaged farmers.

- I understand that USDA asked the National Commission on Small Farms to review the proposal, and that NBFA made a presentation on their proposal to the Commission. As you know, USDA intends to use the recommendations of the Commission, where appropriate, as the basis for additional actions to assist small farmers.

- Community based organizations play an essential role in helping USDA serve small and socially disadvantaged farmers, and I urge NBFA as well as the other organizations here like Ralph and Calvin's and the Intertribal Ag Council to continue working closely with USDA to develop effective partnerships.

## MARKET ACCESS

**Livestock Concentration:** All stages of the agricultural system are become more concentrated. Small farmers are concerned that increased concentration among buyers of agricultural products, particularly livestock buyers, reduces competition and thus depresses the prices received by farmers. For example, 4 companies control between 80-90 percent of the livestock slaughter in the U.S. Small farmers feel that larger farmers are better able to cope with the concentration of economic power among buyers and that large buyers favor large farmers.

**Effect of Concentration on Small Farms:** The attendees are likely to express strong concern about the effect of concentration and the decline of cash markets on small farmers. They are likely to express strong support for USDA's plan to reorganize and increase funding for its enforcement agency--the Grain Inspection and Packers and Stockyards Administration (GIPSA) as well as encouraging vigorous enforcement of antitrust laws against the food industry by the Department of Justice.

**Talking Points:**

- This is a very important issue. As concentration increases, we have to ensure that the playing field is level for all farmers and that small farmers have the tools they need to compete and thrive.

- As you know, Secretary Glickman has been actively engaged in this issue for some time now. In 1996, USDA established an Advisory Committee on Agricultural Concentration in 1996 and has implemented many of the Committee's recommendations to improve market price information and ensure that small farmers can fairly compete in today's concentrated marketplace.

- As a result of the concentration committee, Secretary Glickman requested that USDA's OIG conduct an independent review of GIPSA, which recommended that the agency be reorganized and that economic and legal analysis be integrated into GIPSA's investigations. USDA is in the process of implementing these recommendations.

- My 1998 budget requested an additional $1.6 million to provide USDA with the legal and economic expertise needed for its concentration investigations. Congress, however, only provided $800,000.

- Still, USDA has intensified monitoring of trade practices in the meat packing industry to protect small farmers from unfair trade practices and ensure that markets operate competitively. For example, USDA brought an administrative enforcement action against IBP, the largest meatpacker, and recently appealed an adverse decision to USDA's judicial officer.

- In addition, USDA currently has three major investigations on-going into possible unfair trade practices in various sectors of the livestock industry. USDA also works closely with the Department of Justice on this issue.

- These enforcement actions and investigations are important, and we are going to aggressively continue them, but I also want to talk a little about other ways of helping small and socially disadvantaged farmers compete in today's agricultural economy.

- For example, we can help by encouraging small farmers to form value-added cooperatives, or to find new markets like farmers markets, or to explore niche markets or crops. I know there is a growing interest among farmers in these options, including a number of projects in the cattle industry, and USDA is strongly committed to expanding its efforts in this regard.

- Last year, USDA funded 18 projects with $1.7 million to promote cooperatives (out of 30 applications totaling $4.8 million). In addition, in FY 97, USDA also funded 17 projects specifically targeted at value-added cooperative development with $1.1 million from the Fund for Rural America (FRA) (out of 104 applications totaling $19.4 million).

- In FY 98, USDA has $1.7 million available for cooperative development grants and will reserve $200 million in business and industry (B&I) guaranteed loans for cooperative development. The FRA is unavailable for FY 98.

- USDA is also working aggressively to expand markets for small and socially disadvantaged farmers. USDA works hard to create more farmers markets, for example, which provide small farmers with the opportunity to sell their products directly to consumers, and getting the profit that too often goes to the middleman.

- Earlier this week, USDA published a proposed rule for organic standards, an important and growing market for many small farmers.

- These new markets may even be overseas. For example, USDA has a Memorandum of Understanding with the Federation of Southern Cooperatives and is working closely with the Federation to develop markets in other countries. This is a perfect example of how everyone can benefit from expanded international trade, if we work together.

- To be fully successful, this approach needs to integrate a number of USDA programs. For example, a group of farmers might want to raise a niche crop or product. They might need help from extension to get information. They might need help exploring the market opportunities available. They might need credit to operate their farms, and they might need a rural development loan to form their cooperative. We need to make sure that all USDA programs are available to provide this kind of assistance to help small and socially disadvantaged farmers.

**Other Possible Market Access**

**Organic Standards:** Some attendees may thank USDA for publishing the proposed rule on a national organic standard. They may also state that the organic community will oppose the final rule if it allows the use of biotechnology, biosolids, and irradiation.

**Talking Points:**

- I'm pleased that after 7 long years, USDA was able to publish the proposed rule on organic standards. Our goal is to finalize the rule by the end of next year.

- Organic foods is a rapidly growing industry, and many small farmers are organic growers, so I think it is very important that we promulgate standards that work for the organic community.

- As you know, there are a variety of perspectives on issues such as biotechnology and irradiation, and I understand the concerns and desires of organic growers on these issues. It's an interesting question. For example, is a genetically modified flavor saver tomato organic? But rather than prejudge this and other key issues, USDA is seeking a broad national and international debate on these key issues, and I strongly encourage you to formally submit your comments to USDA during this rulemaking.

**WORC Petition:** Some attendees may raise the issue of a petition for rulemaking filed with USDA by the Western Organization of Resource Councils (WORC). The WORC petition would restrict the manner in which captive supplies and formula contracts are used in the livestock industry.

**Talking Points**

- I understand that the petition has been pending at USDA for some time. USDA is in the final stages of evaluating the comments it received in response to the petition, and I believe they will announce their decision in the near future.

**Structural Changes in the Hog Industry**

**Background:** The hog industry is changing in two ways which concern small farmers. First, production is becoming more concentrated. The number of farms producing hogs (157,000) is less than half what it was in 1988. Three percent of the these farms have over 2000 hogs and control 51 percent of the hog inventory. Small producers feel they cannot compete with larger operations which appear to have lower costs of production. Small producers also feel that large operations create environmental problems, and some attendees may raise concerns about environmental justice effects of these large operations. Senator Harkin has invited Secretary Glickman and Administrator Browner to hold a national summit on hog waste issues, which are becoming controversial in states across the country as large operations expand.

Second, vertical coordination and contracting is increasing in the hog industry. Small hog producers are concerned that vertical coordination reduces the number of buyers for their hogs and may reduce the price they receive. Secretary Glickman has said that he does not want to see an agricultural system dominated by large operations. Through the Fund for Rural America, USDA is funding research to assist small producers develop more innovative practices and technologies to help them compete. One of the attendees, Greg Gunthorp, operates an innovative operation in Indiana.

**Talking Points**

- I understand that the hog industry is rapidly changing, with mega-farms being created in states across the country and vertical integration expanding. The number of farms producing hogs is less than half of what it was in 1988. Simply put, there are fewer and bigger farms, and the change is happening quickly.

- One of the most troubling aspects of these new operations is the divisiveness they have caused in rural communities across the country. I know that there is great concern about the environmental effects of these operations, and that Senator Harkin has invited EPA Administrator Browner and Secretary Glickman to a national summit on these issues.

- I don't want to see an agricultural system dominated by large operations. We have to find a way to help small farmers compete and survive. For example, through the Fund for Rural America, USDA requested research proposals to assist small producers develop more innovative practices and technologies to help them compete. We need to continue that work.

- But many farmers will also have to adapt their operations. I think that one of the people in this meeting, Greg Gunthorp of Indiana, operates an innovative hog operation. (You might ask him to describe his operation).

## TOBACCO

**Background:** Tobacco production and marketing is important to several individuals attending the meeting. Tobacco is the sixth largest cash crop in the U.S. Sales at the farm gate in 1997 will total $2.85 billion. Consumers spent about $50 billion, and Federal, State, and local tax revenues on tobacco products amounts to $13.4 billion in 1996. Tobacco is produced under the provisions of the Agricultural Adjustment Act of 1938, which establishes quotas on how much tobacco may be marketed without penalty. These quotas restrict the marketing of tobacco such that tobacco has been very profitable for farmers over many years. Governor Hunt often says that tobacco is ten times more profitable than the next most profitable crop in North Carolina, which happens to be soybeans.

Flue-cured tobacco quotas are set under a statutory formula for the following marketing year in December. Primary considerations in setting the quota are the purchase intentions of the tobacco companies and carryover stocks. Purchase intentions are dramatically lower for the 1998 marketing year, and under the statutory formula, quotas should be reduced by 20 percent. However, do to the negative effect such a reduction would have on producer income, the Secretary will use his discretionary authority to only allow a 17 percent quota cut. This decision will please growers in the flue-cured tobacco region.

**Effect of Tobacco Settlement On Tobacco Program:** The primary concern of all tobacco producers, and quota holders, is the effect of the proposed tobacco settlement on their livelihood and on the community where they live. If the settlement results in dramatically lower demand for U.S. tobacco, the resulting quota reductions will hurt the ability of tobacco farmers to continue as a profitable venture. Several bills have been introduced to compensate tobacco quota holders for these losses. Senator Lugar has proposed another more controversial approach which would buy-out tobacco quotas and terminate the program. Attendees may also be concerned about the flue-cured tobacco quota.

**National Summit on Communities in Tobacco Country:** Another attendee is likely to invite you to hold a summit on communities in tobacco country, similar to the summit on forestry issues in the Northwest.

**Talking Points:**

- I know that tobacco production is especially important to both minority and small farm producers. The average U.S. tobacco farm is 126 acres with 35 acres total harvested cropland, and tobacco production on only 6.7 acres. In tobacco growing states, the proportion of African-American operated farms producing tobacco is nearly three times that of all farms.

- Secretary Glickman and other Administration officials have been clear that, while tobacco farmers were not included in the settlement negotiations, the Administration will work with Members of Congress from the tobacco region to insure that the concerns of the farmers are adequately addressed. Specific remedies have not been identified as there has yet to be any consensus among these Members as to how to address the concerns of their constituents.

- I understand that continuation of the tobacco program and compensation for lost quota are the two primary commitments sought by most growers. Some producers are beginning to consider the effect of a buy-out. However, a major drawback of a buy-out plan is that tobacco farmers who cash rent, and therefore do not own quota, could be left behind when buy-out payments are made.

- I also understand that there has been some discussion of the usefulness of an economic development fund to help tobacco farmers diversify their economic pursuits, which parallels this idea of a national summit on tobacco. I think it's an interesting suggestion. We will be working closely with Congress on all these issues, and I want to reiterate that we will make every effort to ensure that the concerns of tobacco farmers are adequately addressed.

- Lastly, I know that some of you are concerned about the drastic 20 percent flue-cured quota reduction which was estimated under the statutory formula. However, I understand that the Secretary on Monday exercised his full discretionary authority to mitigate this reduction by 3 percent. This will help the situation significantly. Of course, we should be concerned about the long-term implications for the program of such a large quota reduction. But we must keep the program in balance and move forward. That is the way the program has always worked.

## DAIRY

**Background:** Dairy policy is extremely complex and regionally divisive. Over the past year or so, dairy producers have experienced drastic price swings, ranging from record highs to unusual lows. As a result, there have been repeated requests, including by the National Commission on Small Farms, that USDA use Federal Milk Marketing Orders (FMMOs) to increase dairy prices by setting a price floor through the basic formula price (BFP). While USDA has acted to improve dairy prices by expanding dairy exports and purchases for nutrition programs, USDA has not set a price floor for two principal reasons-- (1) FMMOs have not historically been used as a price support program; and (2) such action would be inconsistent with Congressional intent since Congress reduced the price support levels in the 1996 Farm Bill.

If a price floor were set, the Upper Midwest has requested that the higher prices be pooled nationally, which would be strongly opposed by other regions of the country and may require legislation. Prices have improved recently, somewhat reducing the pressure on dairy farmers. However, there is still great concern across the country about the future of the dairy industry, with many producers going out of business every year as rapid structural change continues.

This concern is exacerbated by a recent Federal district court decision in Minnesota striking down the minimum Class I (fluid milk) price surface, which is one of the principal issues USDA is considering as it reforms FMMOs as required by the 1996 Farm Bill (USDA plans to issue a proposed rule in December 1997 or January 1998). Various regions of the country have longstanding and strongly held differences of opinion as to how FMMOs should be reformed, particularly with regard to the minimum Class I price surface. In the wake of the Minnesota decision, which USDA has appealed and requested the court to stay, other regions of the country are seeking a meeting with you.

In addition, some members of the Small Farms Commission and others are advocating proposals to reduce milk production and increase prices having either the government or the industry (through assessments) buy dairy cows from producers. This is similar to a very controversial buy-out program the government operated in the 1980's. One attendee may make the point that many farmers want to get out of dairy production, and that the government should help them do so with dignity.

**Talking Points:**

- I share your concern about how dairy farmers have been affected by low prices and market volatility over the past year or so. I think its interesting that the 1996 farm bill gave most other farmers payments as price supports were eliminated, but not dairy farmers.

- On top of that, we really don't have good risk management tools for dairy producers to help them cope with a more market oriented approach. I know USDA is working on this, but that doesn't help the dairy farmers who are struggling to survive today.

- I understand that members of the Small Farms Commission recently presented Secretary

Glickman with a proposal to pay dairy farmers to cull cows in an effort to stabilize prices during the spring. While this is different than the whole herd buyout that Congress enacted in the 1980's, such an approach is, as you know, controversial. The cattleman, for example, would probably object to its effect on their markets, and consumers would argue that the government is increasing the price of milk for American families.

- Perhaps most problematic of all is that dairy policy is probably the most regionally divisive issue there is. The Midwest wants this, the Southeast wants that, and the Northeast wants their dairy compact. The bottom line is that it is almost impossible to develop a national dairy program. Congress tried and couldn't. And now Secretary Glickman is in the middle of milk marketing order reform, which highlights these regional divisions. And the court case out in Minnesota has made this reform effort even more complicated and contentious.

- It's an extremely difficult issue that we all continue to struggle with.

# TALKING POINTS FOR THE COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE

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- The Commission on 21st Century Production Agriculture was created in the Federal Agriculture Improvement and Reform Act of 1996 (FAIR). The initial role of the Commission is to conduct a comprehensive review of changes in the condition of production agriculture in the United States from the original time of enactment of Title I of FAIR, known as the Agricultural Market Transition Act, to the present.

- After the initial review, the Commission is to conduct a comprehensive analysis of the future of production agriculture in the United States and review the appropriate role of the Federal Government in support of production agriculture.

- The Commission will also develop specific recommendations for proposed remedial legislation.

## MEMBERSHIP

- Eleven members are to be appointed to the Commission.

- Three by the President.

- Four by the House Agriculture Committee in consultation with the ranking minority members. The House made its appointments December 1996.

- Four by the Senate Agriculture Committee in consultation with the ranking minority members. The Senate made its appointments August 1997.

## PRESIDENTIAL APPOINTEES

- *"The President's appointees to this Commission will bring their valuable experience to bear, insuring that the Commission meets the needs of small and socially disadvantaged family farmers, as it formulates the future of U.S. agricultural policy."*

- **LELAND H. SWENSON, Democrat of Colorado.** Mr. Swenson currently serves as President of the National Farmers Union (NFU) which represents 250,000 farm families nationwide.

- **RALPH PAIGE, Democrat of Georgia.** Since 1985, Mr. Paige has served as the Executive Director of the Federation of Southern Cooperatives/Land Assistance Fund. The Federation/LAW is a cooperative economic development organization serving black family farmers and other low income people across the rural South. Collectively, the 75 low-income cooperatives generate millions of dollars annually for development in rural communities.

- **JIM DUPREE, Democrat of Arkansas.** Since 1955, Mr. Dupree has served as the managing operator and partner of McDonald Bros. and Dupree Planting Co., a general farming operation located in Jackson, Arkansas.

## HOUSE APPOINTMENTS

Former House Agriculture Chairman Pat Roberts (presently a U.S. Senator) appointed the following four individuals in December 1996:

- Dr. Barry Flinchbaugh, Kansas State University, Manhattan, Kansas.

- Donald Cook of Pendleton, Oregon.

- John Campbell of Omaha, Nebraska.

- Mr. Bob Stallman of Columbus, Texas.

## SENATE APPOINTMENTS

Senator Richard Lugar, Chairman of the Senate Agricultural Committee appointed the following four individuals in August 1997:

- Don Villwock operates a 2,000-acre grain farm near Edwardsport, Indiana.

- Bruce Brumfield of Inverness, Mississippi, is the former President and Chairman of the National Cotton Council of America.

- Charles E. Kruse is the President of the Missouri Farm Bureau since 1992 and is the former Director of the Missouri Department of Agriculture.

- William Northey of Spirit Lake, Iowa, is the past President of the National Corn Growers Association.

THE SECRETARY OF AGRICULTURE
WASHINGTON, D.C. 20250-0100

Monday, December 1, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Secretary Dan Glickman Dan Glickman

SUBJECT: Current Dairy Issues

Diary is the most complex, controversial farm problem before the Department.

Four factors have converged, creating the current, contentious political climate over the future of dairy policy: 1) long-standing, sharply divisive regional views; 2) the 1996 farm bill phases out dairy price support programs and requires me to reform the remaining structure of dairy programs, federal milk market orders; 3) weak prices, compared to those of 1996; and 4) a recent federal district court decision negating one of the fundamental, decades-old tenants of dairy programs.

The proposal brought to your attention -- that I establish a floor on milk prices – is but one of the options I have been weighing; they, the background I outlined, and the steps I am planning are discussed in this report in four sections: I-The Dairy Industry Today; II-Highlights of Current Dairy Policy; III-Federal District Court Strikes Down Key Dairy Program Provision; and IV-USDA's Actions and Options.

## *I-The Dairy Industry Today*

Many dairy producers continue to experience financial difficulties. Reports of dairy farm closings are frequent occurrences across the country. Unfortunately, dairy producers can expect lower returns later next year as normal springtime production increases occur. High feed and forage costs, low cull cow and calf prices, and only a modest increase in milk prices from historical levels continue to aggravate these trends.

These trends are playing out across a dairy industry markedly different than the one which opened this decade. It is far more concentrated, its geographic center has shifted, and its numbers have declined, sharply.

In the last 10 years, the number of dairy farms has dropped by 44%; since 1990, the number has fallen by nearly one-third. Dairy farms total 126,800, about 6% of all US farms. Meanwhile, milk production has actually increased 8% over the last decade. Today's dairy farms are larger than those of a decade ago, and more productive.

Importantly, they are also in different parts of the country. While the traditional milk belt remains populated by sizeable numbers of generally smaller dairy farms, the locus of production has shifted to the South and West where large farms – those with 100 cows are more – out produce the small, traditional farms in the Upper Midwest and New England: California dairies produce at 124% of the national average rate, Arizona at 125%, and New Mexico dairy farms produce 117% of the national average. In contrast, Wisconsin dairy farms now produce at only 94% of the national average rate and Minnesota at 96% of the national rate.

Earlier this year, the Department responded to the dip in dairy prices from 1996 levels by increasing dairy product exports through the Dairy Export Incentive Program (DEIP) and by expanding the use of dairy products in its food and nutrition assistance programs, which were up nearly one-third in FY 1997. These actions have been somewhat successful: Milk prices increased steadily over the past several months. USDA expects the all-milk price to average $13.35 per cwt in 1997, well below last year's record of $14.87 but slightly the above 1990-96 average of $13.20.

### *II-Highlights of Current Dairy Policy*

The 1996 farm bill phases out the dairy price support program, ending it January 1, 2000. The phase out began at a level of $10.20 per hundredweight (cwt), nearly 25% below the peak support price of the early 1980's. On January 1, 1998, the support level steps down again to $10.05, then to $9.90 on January 1, 1999.

In stark contrast to the policies for grain, oilseed, and cotton producers in that legislation, the 1996 farm bill did not provide dairy farmers any transitional assistance as their support programs end. Congress provided direct, fixed payments over 7 years for grain, oilseeds, and cotton farmers to ease the transition to the end of traditional price and income supports but dairy producers receive no transition assistance.

Instead, Congress mandated the consolidation and reform milk marketing orders by April 1999 – a reform I supported. The Department is developing a proposed rule, which will be released late this year and which is discussed in greater detail in section IV.

### *III-Federal District Court Strikes Down Key Dairy Program Provision*

In 1990, the Minnesota Milk Producers Association filed suit in the local federal district court challenging certain pricing provisions of milk marketing orders. On November 3, 1997 the Court issued a decision finding, in essence, that class I differentials -- the premiums milk purchased for fluid use earns -- are unlawful. The Court enjoined USDA from enforcing them except in certain deficit productions areas, primarily the Southeast.

This decision has received extensive media, congressional, and public attention and fueled the fires of regional polarization over dairy policy. Farmers and their representatives in Wisconsin and Minnesota are ecstatic with the decision and do not want the Government to appeal. Producers in the Northeast and other areas are deeply concerned about the decision and the possibility they will no longer receive prices which include a differential. Producers in the South are concerned that, while their prices will still include a differential, cheaper milk will flow toward their region, driving down their ultimate returns.

Given the chaos that will result from the immediate implementation of the decision, I am working with the Justice Department on seeking a stay of the decision and appeal. The motion will be filed as soon as possible.

## *IV-USDA's Actions and Options: Federal Milk Marketing Order Reform, Flooring the Basic Formula Price, and the Northeast Interstate Dairy Compact*

Having boosted the use of our program to subsidize dairy exports and to increase the amount of dairy products used in our feeding programs as outlined in section I, last July I sent a letter to Congress indicating that further actions were beyond the Department's current authorities, inconsistent with the directives contained in the 1996 farm bill, and require congressional action. While regionally based congressional interest in dairy issues has been keen, Congress took no action in response to my letter.

### Federal Milk Marketing Order Reform

The 1996 farm bill directed USDA to consolidate and reform Federal Milk Marketing Orders (FMMO); I supported this reform. Since May 1996, USDA has requested comment on various options prior to issuing a proposed rule. The farm bill requires a proposed rule to be published by April 1998 and a final rule must be in place by April 1999.

FMMO reform involves three principal issues: 1) consolidating 31 orders into fewer and larger market areas; 2) reviewing the Basic Formula Price (BFP), which is used to establish prices for various classes of milk, such as fluid milk, cheeses, and dried milk; and 3) changing the minimum class I price surface, including the use and level of price differentials.

Various regions of the country have longstanding and strongly held differences of opinion as to how FMMOs should be reformed, particularly with regard to the minimum class I price surface. The debate on this point turns on whether the price surface should be flattened. In general, the price of milk increases the farther east, southeast, and south it is purchased from Eau Claire, Wisconsin as a result of the current class I differential system. Eliminating or reducing differentials flattens the national price surface.

Because the existing price surface increases the price of milk the farther the milk is from Wisconsin, the Upper Midwest believes the present system discriminates against it and encourages overproduction in areas with higher class I prices. The Upper Midwest supports a flatter class I price surface, with lower or no differentials, to reduce the price differences between it and other regions, who adamantly oppose this course. For example, 48 Senators and 113 members of the House have written to me urging that USDA propose a class I price surface that is not significantly different than the existing system.

Nonetheless, I believe a flatter class I price surface is preferable to current policy or one that would make only marginal changes because it is a more market-oriented system, consistent with the overall direction of other farm programs. However, such an approach would decrease dairy producer income and exacerbate the decline in dairy producers in areas, outside of Wisconsin and Minnesota, where class I price differentials would be reduced. Accordingly, I am examining a transitional aspect to this reform that would include a temporary flooring of the BFP as the flatter differentials phase in.

Flooring the Basic Formula Price

I am evaluating flooring the BFP for class I milk regulated under FMMOs in conjunction with reforming orders to stabilize or increase returns to dairy farmers in areas covered by FMMOs. While several farm groups support a floor of between $13.50 to $14.50 per cwt, I am considering setting a floor of the BFP at or near current levels, approximately $12.83, to minimize market distortions because that level is related to recent market forces compared to a floor which raises the BFP.

Any effort to floor the BFP will send a positive message to dairy producers that the Administration is taking action on their behalf. In addition, the primary benefit of such a floor would be to protect dairy producers from a dramatic reduction in returns which is likely to occur this spring. Our initial analysis indicates that this action could increase cash receipts from milk marketings by about $400 million over the current system.

Flooring the BFP would be controversial, and I am not inclined to propose it without simultaneously announcing reforms to the price surface of FMMOs. Such an action would generally be at odds with Congress' directive in the 1996 farm bill to phase out the price support program and might attract criticism from other agencies in the Administration. Since milk marketing orders were not intended to provide income support for dairy farmers, handlers or processors who would be required to make higher payments to farmers might mount a successful legal challenge against the action.

Flooring the BFP would require several months to accomplish. The Secretary has no emergency or other discretionary authority to amend milk marketing orders and this action could be accomplished through a rulemaking procedure, that would include notice and comment, including comments from many who will argue that establishing a BFP floor is not the most desirable policy option. Other policy considerations include:

1. Flooring the BFP would increase, or hold steady, the minimum class I price paid to producers who market their milk in areas regulated by FMMOs. Not all producers would benefit from flooring the BFP, since FMMOs are not in effect for many areas. FMMOs regulate about 70% of all milk marketed. In areas not regulated by Federal orders, such as California, the all-milk price could fall.

2. In areas regulated by Federal orders, flooring the BFP would have widely varying effects, since the increase in producer milk prices depends on the relative proportion of milk used in class I products, which varies considerably between the existing 31 Federal orders. Producers in low class I utilization markets, such as the Upper Midwest would likely see little or no increase in their prices. Higher minimum price for milk used in class I could reduce fluid milk consumption and cause producers to increase further milk production, which could place additional pressure on the price of milk in non-fluid uses.

3. Flooring the BFP transfers income to dairy producers by raising the retail price of fluid milk. Increasing class I milk prices would be reflected in higher retail prices for fluid milk and per capita consumption of fluid milk would decline. However, since only about one-third of all milk is used in class I products, only a fraction of the increase in the BFP would be reflected in the price for all uses of milk. Our initial analysis indicates that this action could increase national average price of fluid milk by 35 to 45 cents per gallon for milk marketed in FMMOs and would increase the average retail price for all milk by about 20 to 30 cents per gallon.

4. Higher retail fluid milk prices would have an immediate affect on low-income households. The increase in retail milk prices could trigger increases in outlays for the Department's food and nutrition assistance programs. Higher retail fluid milk prices might also reduce the number of program participants served by the Women, Infant, and Children's Program (WIC).

## The Northeast Interstate Dairy Compact

Another factor to consider in setting dairy policy is the Administration's approval of the Northeast Interstate Dairy Compact, a decision a Federal district court upheld and which is now under appeal in the Circuit Court of Appeals for the District of Columbia where oral arguments were heard on November 20, 1997. USDA's analysis suggests that the compact will not have a significant effect on other regions of the country. However, the Upper Midwest believes the compact exacerbated problems with the current FMMO system, since the compact has increased class I prices for dairy producers in the six compact states. Consequently, Senators Kohl and others from the Upper Midwest added a provision to the agricultural appropriations bill for FY 98 that requires the Office of Management and Budget to conduct a study on the effects of the compact.

Meanwhile, dairy interest in other regions of the country have expressed interest in establishing their own compacts, which the uncertainty created by the Minnesota litigation increased. This sentiment seems particularly strong in the Southeast. Several states have already passed legislation authorizing compacts if ratified by Congress. The expansion of compacts could reinforce regional disputes and undermine any effort to develop a market-oriented national dairy policy.

### *V-Conclusion*

While dairy producers in many areas continue to confront a difficult financial picture, regional and other differences have for years prevented consensus on action – perhaps most recently best illustrated by the fact that Congress was unable to come to any agreement on future dairy policy in the 1996 farm bill. These regional disputes were heightened by a federal district judge's decision throwing out the decades-old system of class I price differentials.

The 1996 farm bill provides me no authority to act aggressively on behalf of the dairy producers and Congress, to date, has expressed little interest in acting – perhaps because of the regional differences which divide it.

However, I do expect to announce in the near future proposals to reform the milk marketing and pricing system coupled with a program of flooring the BFP to assist dairy farmers through the transition to a more market-oriented, simpler dairy policy.

P.S. These issues are <u>extremely</u> complicated, & highly volatile. The regional differences on dairy policy are explosive, and will be exacerbated in the halls of Congress over the next several months. This presents a very interesting set of challenges for USDA.

2/9/3 (Item 1 from file: 539)
DIALOG(R)File 539:Macon Telegraph


09341010 (THIS IS THE FULLTEXT)
USDA GRAPPLES WITH CLAIMS OF DISCRIMINATION
Nolan Walters; The Macon Telegraph
Macon Telegraph, HOME ED, P 1
Sunday, December 7, 1997
JOURNAL CODE: MT LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT
SECTION HEADING: A
Word Count: 1,687

TEXT:
WASHINGTON - For the last year, the U.S. Department of Agriculture has undergone a painful self-examination about a reputed racist past. The result is what Secretary Dan Glickman calls a "revolution" in attitudes and policies.

After a series of demonstrations by black farmers last winter, the Clinton administration decided to improve the image of the USDA , which has been attacked by civil rights groups for decades as the "last plantation."

Having started down that road, though, the USDA now finds itself on a course that may take it further than intended or than the evidence justifies.

The department is in the politically awkward spot of admitting a racist past, yet simultaneously resisting the quick payoff of a lawsuit brought by black farmers who say their discrimination complaints were ignored for years.

"If you have 10 fingers and 10 toes, they don't see discrimination," complained Eddie Slaughter, a black farmer from Buena Vista, who has traveled to Washington seven times to protest and tell his story to the national media.

"As much as I hate to say it, between Washington, D.C. and the local lender , you have too many people who commit wrong and are able to cover it up," said Obi Beal, a Montezuma farmer who is also a party to the suit.

Even though making up for past wrongs is "priority No. 1" at the USDA, Glickman admits there are limits.

"I want to be known as a department that's just and does the right thing," Glickman said in an interview last week. "But there are limits on what the law will allow and not allow us to do, and we have to make sure the facts are somewhat understandable."

"A good half of the cases were resolved without any payments at all," Glickman said.

The 11 largest cases were settled for about $3.5 million.

Most of the remaining 957 complaints also will be found groundless or withdrawn, department officials believe, and the majority may not even deal with alleged racial discrimination.

Information often is so sketchy that USDA officials aren't sure.

But of the 60 complaints about current situations filed since February, only 17 deal with race or color, Glickman said. The others deal with such allegations as age or gender bias.

The discovery of something so remarkable and obvious as the collapse of the Office of Civil R ights E nforcement set a tone for other reform efforts.

The USDA created the Civil Rights Action Team. Its report, produced in 90 days and mainly based on a series of listening sessions with farmers and employees, was unequivocally negative.
But much of the technical information that CRAT used to buttress its conclusions was artfully picked out of independent reports that actually failed to find widespread discrimination at USDA.

The focus has been on "last resort" loans made to struggling or new farmers who can't get loans from commercial sources. Once provided through the Farmers Home Administration, they now come through consolidated Farm Service Agency offices.

The GAO did a sample of some Farm Service Agency offices , where discrimination might be expected in 101 counties with the largest minority farmer populations, or where minority farmers were receiving smaller or fewer loans.

Among them was the office in Dooly County.

To its surprise, the GAO found that workers and committee memb e rs were "often members of a minority group," and minority workers actually exceeded the percentage of minorities in the local farm community.

It also found that loan applications by minority farmers and white farmers were processed at about the same speed nationwide, although loans for black farmers were actually processed slightly faster than for whites. Although blacks were rejected at a higher rate for loans, it found no evidence of discrimination in the files.

"We didn't see that there was an unfair application of the rules," said black-run farms dropped by 43 percent, about three times the percentage rate for white-run farms.

But the record wasn't entirely bleak. Between 1987 and 1992, black farms with sales of $20,000 or more actually grew a tiny bit, with 186 new black-run farms, while white farms continued a downward path.

Beal and Slaughter both have about 75 acres of workable land. Beal grows mostly peas and melons, but a few years ago he tried unsuccessfully to obtain a $300,000 loan for irrigation to grow more profitable squash.

"They said, Well you haven't been trained in irrigation,' but , I said , N o , farmer is trained in irrigation until they get it, then they get trained," Beal said. "You could see it as clear as day that local farmers who were my age, who were white, were able to obtain loans."

After he and others complained, a woman from Washington investigated, but they were never told the results, he said.

Slaughter, on the other hand, got a $78,000 loan in 1992 to buy land previously owned by his relatives but only after his plight had been featured on National Public Radio, he said.

Later, he got another $126,000 for various improvements . B ut , he said, "I ain't been able to make a dime on the farm since they forced me to make the second loan."

Money to begin operations was frozen in the bank by USDA over a legal dispute about a disaster payment, Slaughter said.

The USDA can't comment on pending cases. But researching such years-old conflicts has become a tremendous challenge.

One of the first, and most devastating, discoveries made at USDA last year was that the department's O ffice of Ci vil R ights E nforcement had basically withered away during the Republican administrations of the 1980s, Glickman said.

Suddenly, hundreds of people came forward with complaints they said had never been addressed.

"We had a royal mess on our hands. It was complicated by the fact that there was no central clearinghouse for records ," Glickman said. " There was no central definition of what even constitutes a complaint ."

USDA has hired 27 outside investigators and 10 private companies to try to clear the complaints, but only 131 have been resolved.

The department and the farmers' attorneys are trying to work out a compromise, and President Clinton is scheduled to meet in mid-December with small and minority farmers to ease the pressure.

To make reform endure, the department is even supporting a proposed law that would upset the long practice of letting county committees, elected by local farmers, make key decisions about who gets farm loans and other services.

Applying a n affirmative action plan of sorts to local committees, mainly in the South, the secretary would appoint minority members to vote on local committees that are not "demographically representative."

The department's civil rights critics, and now Glickman and his group, say such dramatic changes are justified by a body of evidence showing long-term institutional discrimination.

"Discrimination is systemic, discrimination is pervasive and discrimination is real within the Department of Agriculture," former USDA secretary Mike Espy said at a September rally of black farmers.

Inconveniently, though, the most recent independent investigations of farm loan and other USDA programs have failed to find such a pattern of discrimination.

"A lot of the argument on this has been unbelievably dishonest," said Robert A. Robinson, director of food and agricultural issues for the General Accounting Office, Congress's investigative arm . His office investigated, but could not prove some of the charges.

To many people, the rapid disappearance of black farmers is all the evidence they need of racial discrimination.

In 1950, there were almost 600,000 black farmers. But by 1992, the last census of agriculture, there were only 18,816 farms operated by African Americans.

But economics complicates the explanation.

All small farms are disappearing, and black farms average 122 acres, compared to a national average of almost 500 aces. There were nearly 6 million farmers in 1900, and only about 2 million in 1992.

IN SEARCH OF ANSWERS

To what extent are black-run farms disappearing because of racism? And to what extent are they disappearing more because they aren't economically viable?

At the request of The Macon Telegraph, the USDA calculated some recent agricultural census numbers on farms. Between 1982 and 1992, the number of

Robinson, the head of the GAO's agriculture section.

Similarly, when the USDA's Office of the Inspector General checked service delivery, it concluded that : "Although we found some disparities in ... lending and servicing rules and practices as applied in particular locations, we did not find that these disparities were the result of systemic discriminatory practices."

PROBLEMS FOUND

Not that both the GAO and IG didn't find problems .

Minority farmers were having a much tougher time getting their loan applications done in a timely way in some places, and farmers of all races complained about the complicated application process.

Plus, white farmers in some places were having their loans refinanced, or rescheduled more often, suggesting they might be getting more sympathetic attention.

Mainly, though, the reports found administrative problems, such as not following equal opportunity or investigatory guidelines, or failing to reach out to overcome minority farmers' suspicions about the USDA.

But to black farmers such as Slaughter and Beal, all of this sounds like the same old story of delay.

"When we complained to Washington, they would seem to be interested , but they seemed to want to pacify you and keep you quiet. USDA seemed to realize you can wait a farmer out," Beal said.

Their lawyer, Alexander Pires of Washington, wants to settle quickly.

"If someone files a complaint and the government throws it in the trash, if that isn't a violation of your civil rights, I don't know what is," he argued in court.

A long, complicated and expensive series of investigations would only prove what the Clinton administration has already admitted, he said: The USDA is racist.

"President Clinton is so embarrassed that he has called our clients , and he wants them to come in without counsel," Pires said. "That's how bad this case is."

CAPTIONS: PHOTO 1 By Woody Marshall The Macon Telegraph



SPECIAL FEATURES: PHOTO

COMPANY NAMES (Dialog Generated): Department of Agriculture ; Farm Service Agency ; Farmers Home Administration ; Macon Telegraph ; National Public Radio ; Office of Civil R ; U S Department of Agriculture ; USDA 's

121

NC Black Farmers, Bjt,0639

Black farmers to tell their problems to President Clinton

RALEIGH (AP) Black farmers from North Carolina and around the country get a chance to speak to President Clinton this week about discrimination that sometimes led to financial ruin.

The farmers meet with Clinton on Wednesday. Several will be from North Carolina, home to one of every nine black farmers in the United States.

Among them will be Griffin Todd, who farms in Wake County and has never forgotten a slight he suffered three decades ago.

On a late summer day at a tobacco warehouse in Wilson, a U.S. Department of Agriculture grader gave Todd's leaf the top rating. Then, Todd made the mistake of standing near his crop and letting the grader see that he was black.

The next thing Todd knew, his tobacco had been downgraded. The insult took money from Todd's pocket. Far worse, it seared a wound into his soul.

``It hurt me so bad,'' he said last week at his brick ranch home on the edge of Zebulon. ``I was like a dog who put his tail between his legs and crawled off.''

The farmers are at the center of a nationwide class-action suit against the government.

The lawsuit, which had 641 farmers when it was filed in August and now has nearly 1,000, seeks almost $1 billion as compensation for what the farmers allege is decades of racial discrimination in the distribution of agricultural loans.

The plaintiffs contend that a good ole boy network of local Farmers Home Administration agents and boards, nearly all of them white, delayed or denied their loans, accelerated their payment schedules, foreclosed early on their property, gave them less money than white neighbors and excluded them from technical training.

The lawsuit also alleges that the Agriculture Department ignored hundreds of written complaints filed by black farmers, especially after President Ronald Reagan dismantled the department's civil rights office in 1983.

Such discrimination, the lawsuit says, sped the demise of the black farmer and helps explain why blacks have left the land at twice the rate of whites since 1950. Today, only 18,000 black families still till the land.

Pushed by Democratic Rep. Eva Clayton of North Carolina and other members of the Congressional Black Caucus, Agriculture Secretary Dan Glickman has launched an initiative to reverse his department's record.

Among them: a moratorium on new foreclosures and ordered that any already started be frozen if the property owner files a civil rights complaint.

Despite his reforms, Glickman missed his own deadline of clearing the old complaints by July. In fact, the backlog has grown as investigators discover old cases that lay dormant for years and as farmers come forward with more claims of past grievances. At his age, Tim Pigford says there is no time for delay.

Pigford, a Bladen County man who is lead plaintiff in the lawsuit, is 46. Thirteen years after he claims Farmers Home Administration discrimination drove him from the land, Pigford still longs to return to farming.

``Glickman admitted to discrimination said it went back 50 years but he doesn't want to pay for it!'' Pigford said. ``How much more humiliation can there be?''

Pigford says his failure to get adequate FHA loans especially one to buy his own farm forced him off the land in 1984 and ruptured a four-generation tradition of farming in his family.

After all these years, Pigford says he has come to understand that he is fighting as much to fix the future as he is to redress the past. ``I'm going to tell the president that I have two sons, and that I want them to have the right to farm,'' he said.

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Received by NewsEDGE/LAN: 12/14/97 12:09 PM

THE WASHINGTON
Informer

VOL. 33 NO. 51 THURSDAY, SEPTEMBER 25 - WEDNESDAY, OCTOBER 1, 1997

# Where Have All The Black Farmers Gone?

By Alvin Peabody

At the turn of the century, America boasted a huge number of Black farmers who owned vast land and who also contributed to the production of such important corps as corn, soy beans, barley and wheat.

But nearly 100 years later, Black farmers are disappearing at a faster rate than ever before — today representing less than one percent of all farmers in America. According to officials and members of the National Black Farmers Association (NBFA), that is due, in part, to continued discrimination within programs administered by the U.S. Department of Agriculture (USDA).

"We have seen reports going back to at least 1965, that showed a pattern of discrimination against Black farmers," said John W. Boyd, Jr., president of the association. "Agencies at USDA have always been engaged in a lot of unfair practices against small farmers."

Many years ago, young Bryan Bromley's grandfather used to own nearly 70 acres of farmland in Northumberland County, Virginia. Today, that land is no longer under the ownership of the Bromley's clan (it is being developed for housing). "It's so pitiful to see how we've lost our lands to bad deals and outright theft by whites. But they also had help from our federal government, who is supposed to protect all of its citizens," lamented Bromley.

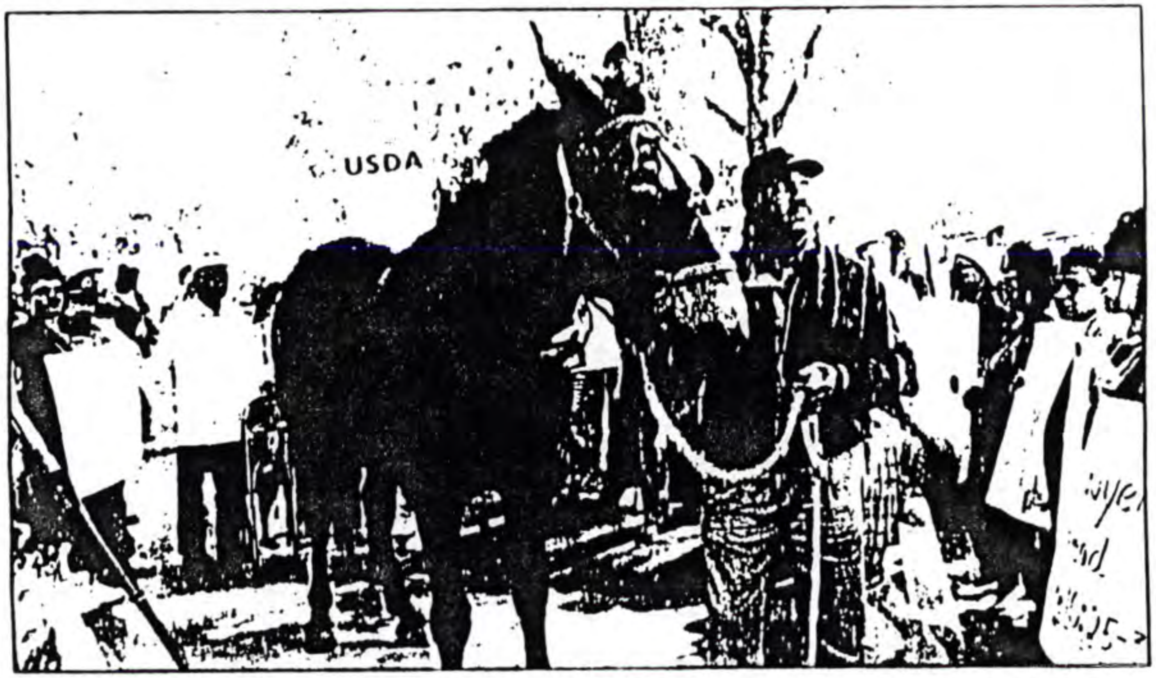
"USDA has 1.5 million acres in inventory, 53 percent formerly being Black-owned farm land," said Boyd, the NBFA's president. "And if this land was taken due to discrimination, then we want our land back!"

Like Bromley, Mark Reese is also a fourth-generation farmer in Cambridge, Virginia, and today, he, too, is afraid that he may soon end up losing his land if the federal government does not come to his aid. "We must have the courage to stand up and speak out for justice and equality for the Black farmers," Reese said.

"If you eat, then get on your feet and join these Black farmers in the fight against race discrimination!" demanded Bev Smith, a talk show host on Black Entertainment Television.

Accompanied by a mule called 'Struggle,' hundreds of Black farmers — men and women, young and old — did just that on Monday, when they gathered at Lafayette Park to lodge a protest against race discrimination by USDA. "Today, we've brought our mule and tractors to the nation's capital to bring further attention to the ongoing dis

See FARMERS, page 10




Black farmer John W. Boyd, Sr., leads the mule 'Struggle' to the front of a White House protest against charges of race discrimination at USDA.
*Photo By Dazine Kent*

# Farmers

**Continued from page 1**
crimination by our federal government," said Boyd, a Black farmer in Baskerville, Virginia.

Pointing to the White House, the Black farmers went on to urge President Clinton to begin to address a system that is "broken and needs fixing." And it is a system, they say, that is designed to deny Black farmers access to USDA's loan programs.

"A mere two percent of USDA loans made to farmers this year have gone to Black farmers, despite their pledge to ensure fair treatment of Blacks and other small farmers," Boyd said.

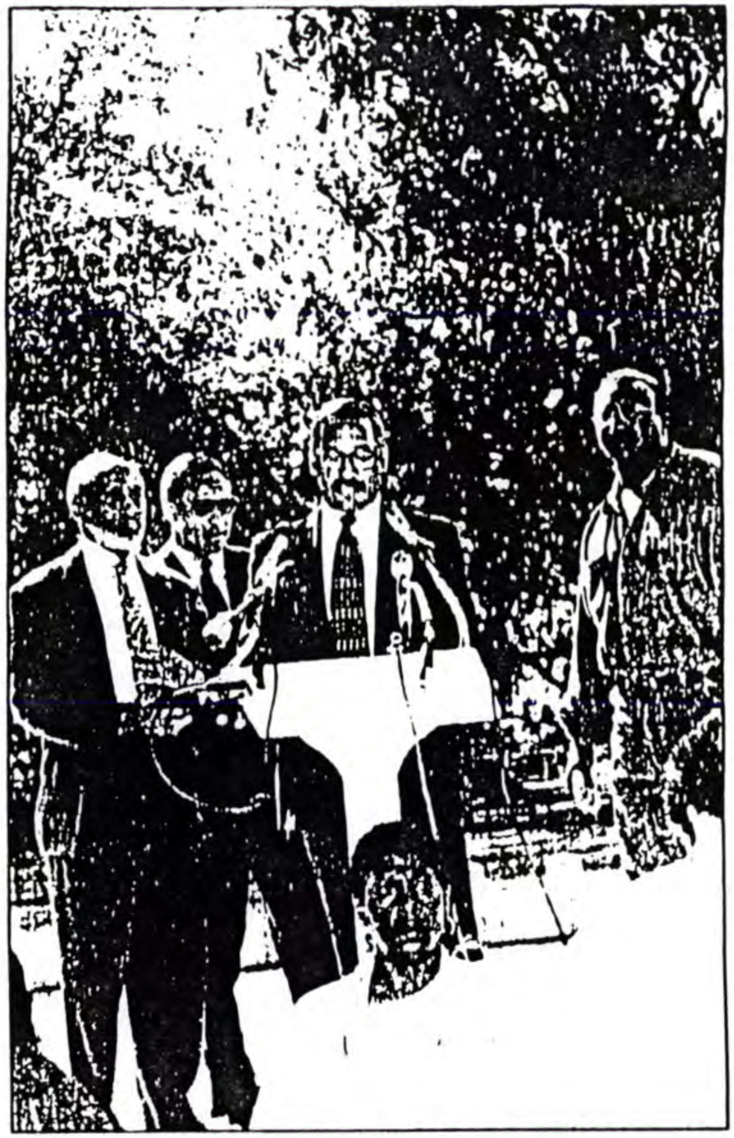
USDA figures obtained and distributed by the NBFA show that of 22,978 loans granted by the Farmers Home Administration in fiscal 1997, 91.4 percent went to white farmers, 2.3 percent to Blacks, 4.2 percent to Hispanics and 1.2 percent to American Indians. Blacks received an even smaller percentage of the amount of money loaned out (1.3 percent of the $1.9 billion loaned). Of the 1,532 organizations that received farm loans, only 13 were owned by Blacks, and they received less than one percent of the money loaned to organizations. In addition, emergency loan numbers are even worse, with only one out of 111 farm ownership loans going to a Black farmer. But no Black received any of the 161 emergency loans made during the same period.

"We have spent almost a year telling the USDA that we have a problem, but these numbers show how little progress has been made," said Boyd. "Our suffering at the hands of the USDA is continuing."

Former USDA Secretary Mike Espy fully understands the plight of America' k farmers. As a former me Congress who represented the Mississippi Delta region, Espy acknowledged that racism at USDA is "pervasive, real and systemic."

"Why can't our Black farmers be treated fairly by our federal government?" asked Espy, who also expressed the fear that, "we may soon be losing the great legacy of the Black farmer in America. Yes, President Clinton and [USDA Secretary] Dan Glickman need to begin to do the right thing in addressing this problem."

Also helping to push the federal government in the right direction is U.S. Rep. Bobby Scott (D-Va.), who spoke to the Black farmers. "These [Black farmers] people are facing blatant, institutionalized racism at USDA, and t has been documented man " the Black congressman observed. "It is my feeling that they are entitled to emergency loans, just as anybody else. Mr. Boyd and others have presented a compelling case, and a lot more needs to be done to address their concerns."

**Holding sign at left, Bryan Bromley listens as U.S. Rep. Bobby Scott addresses complaints of race discrimination at USDA against Black farmers.**
***Photos By Dazine Kent***

Secretary Glickman, who was out of the country at the time of the protest, could not be reached for comment. But in a recent address at Virginia State University, Glickman did admit that he was not "proud of USDA's past."

THE NATION'S NEWSPAPER
USA TODAY
PUBLISHED BY GANNETT

USA TODAY · TUESDAY, SEPTEMBER 23, 1997 ·


By Tyler Mallory, AP

**Black farmers protest:** John Boyd and his mule, Struggle, at an anti-bias rally in Washington.

**FARM PROGRAM BIAS:** Former Agriculture secretary Mike Espy told about 150 black farmers and U.S. Department of Agriculture minority employees that the Clinton administration is "beginning to do the right thing" about complaints of discrimination in farm programs. But officials need to "speed it up," Espy told the crowd in LaFayette Park across from the White House. Espy, the first African-American Agriculture secretary, resigned in 1994. He has pleaded innocent to federal corruption charges. Discrimination by USDA has been documented in several government reports over the last 15 years. The department has a backlog of 780 discrimination cases and about 100 new cases. Among the complaints: race-based denials of loans or lengthy application processes that forced many black farmers into foreclosure.

Written by Paul Leavitt with staff and wire reports

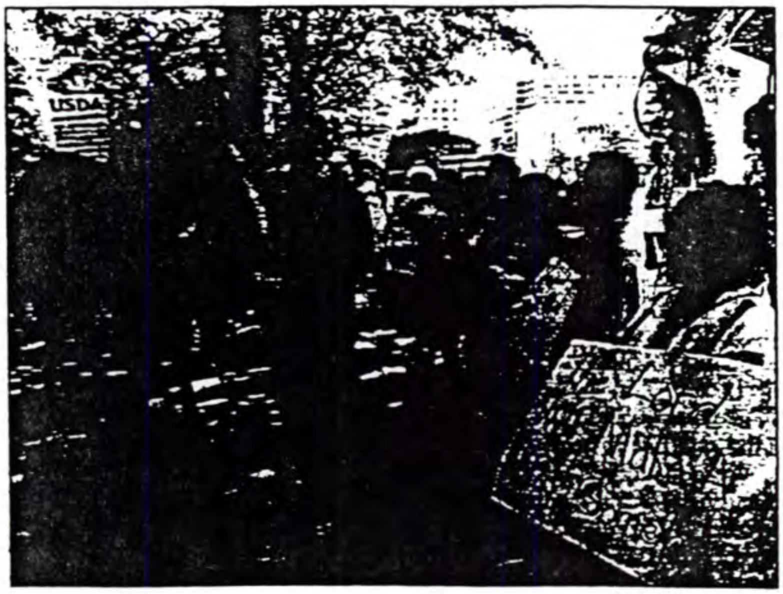
· TUESDAY, SEPTEMBER 23, 1997 •••

Richmond Times-Dispatch

VIRGINIA'S NEWS LEADER

## Farmers rally

About 50 black farmers and federal employees participated in a rally across from the White House yesterday to seek an end to racial discrimination at the Department of Agriculture. Speakers included former secretary Mike Espy and state Rep. Robert C. Scott, D-3rd. Farmer activist John Boyd Jr. of Virginia brought a mule and said, "We have our mule, now we're looking for our 40 acres."




THE ASSOCIATED PRESS

153rd YEAR ... THE VIRGIN ISLANDS SINCE 1844
ST. CROIX, U.S. VIRGIN ISLANDS SUNDAY, NOVEMBER 30-MONDAY, DECEMBER 1, 1997 NO. 279 60¢

# USDA loan practices questioned

By JAMIE BATE
AVIS Staff Writer

Institutional racism, past and present, at the U.S. Department of Agriculture has earned the agency an unenviable nickname — "the last plantation."

And that method of operation has affected Crucians dealing with the behemoth department responsible for farm and rural home loans and an array of other programs.

"For those of you who have been frustrated with how you've been treated by the department ... I sympathize, I empathize, I understand," said Mike Espy, former secretary of Agriculture in the Clinton administration.

Espy, John Boyd, president of the National Black Farmers Association, and Mississippi-based attorney Malcolm Harrison spoke to approximately 100 people Saturday evening about discrimination issues within the USDA. As on the mainland, the discrimination on St. Croix revolves around farm and home loan denials.

"The department has admitted it has discriminated against black farmers in the past, but that it was isolated and spotty," Espy, who served as secretary for two years, said. "I'm here to suggest it's not just isolated and spotty. It's in every state and territory.

"That's pervasive, complete and systematic."

The unequal treatment given to black farmers spurred Boyd, a Virginia farmer, to form the NBFA. Boyd said Espy was the first agriculture secretary to look into the problems in the department. Under Espy's watch, the department launched an investigation into its loan practices.

Among other things, the report found:

•It took 222 days to process a loan from a black person, 60 days for a white person.

•Delayed applications.

•There are 1,000 back-logged discrimination complaints.

•Some 1,500 foreclosures are being reviewed.

> "The department has admitted it has discriminated against black farmers in the past, but that it was isolated and spotty. I'm here to suggest it's not just isolated and spotty. It's in every state and territory."
>
> —Mike Espy, former secretary of the United States Department of Agriculture

Espy said the department has closed 119 complaints, some by just giving the loan initially asked for.

"Farming is hard enough" considering weather, insects, low prices and high overheads, Espy said. "You should not have to battle your government."

Just as black farmers have been discriminated against, so have black people seeking loans from the USDA's Rural Development Service.

Along with inordinate delays in getting a loan and unjustifiable denials, the main issue for at least 2,000 St. Croix residents concerns a waiting list

see USDA page 2

## Tradition

# My Brothers' Table seeks new kitchen

...NGELA BORCHERT
...VIS Staff Writers

get to. Not farther than Hospital Street

"Boo Boo" Velleca, 27, of 2-[illegible] Prosperity, F'sted and Michael Maynard, 21 of 187 Hannah's

In the second incident, police said that around 12:30 a.m.

along the Melvin Evans Highway

# Farm and home loan discrimination

USDA from page 1

...or a home loan application. The problem with the list is that no other USDA districts use such a system.

"No where in the whole United States was there ever a list for people to be placed on for a housing loan," said Gail Chiang, a special assistant to Gov. Roy Schneider and president of Caledonia Springs, Inc.

"There's just no way that is right," Espy said.

Two USDA investigation teams have visited St. Croix to look into the issue. The report, however, is not yet complete, Chiang said.

"I'm hoping it will get resolved in the system, along with a class action suit," she said.

Attorney Harrison, who represents 60 farmers in nine states, said his firm will take on local farm and home loan cases. He said the firm will not seek money from clients, only from the USDA.

Espy, who represents the NBFA, told Saturday's crowd that there is no guarantee money will be forthcoming, "but we'll guarantee we'll give you the right information."

Boyd said that in the past 60 years, the number of black farmers in the U.S. has decreased from more than a million to just 18,000. That makes up about one percent of the farming population.

"Black farmers are an endangered species," Boyd said.

That decline, Espy said, tracks with the overall decline of small-scale farms. But one reason for the decline, he added, shouldn't be because of discrimination.

"If a farmer submits a viable farm plan ... then they should get the loan," Espy said. "That's all we're asking."

Thursday, December 18, 1997

| | | |
|---|---|---|
| 8:30 AM | Meeting | Distributedd Separately |
| 9:45 AM | Statement | Distributed Separately |
| 10:00 AM | Budget Meeting | Tab A |
| 12:10 PM | Phone Call Interview with *The New York Times* | Tab B |
| | - Background | Tab C |
| 12:20 PM | Meeting | Distributed Separately |
| 2:00 PM | Children's Holiday Event | Tab D |
| | - Background | Tab E |
| 5:30 PM | Holiday Reception | Tab F |

# SCHEDULE OF THE PRESIDENT

FOR

'97 DEC 17 PM

# THURSDAY, DECEMBER 18, 1997

*FINAL SCHEDULE*

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

WEATHER:

WASHINGTON, D.C.
*Mostly sunny. Wind light and variable becoming southwest at 5 to 10 knots. Low 27 to 32. High 47 to 52.*

# SCHEDULE OF THE PRESIDENT
# FOR
# THURSDAY, DECEMBER 18, 1997
*FINAL SCHEDULE*

| | |
|---|---|
| 8:15 am-<br>8:30 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Erskine Bowles |
| 8:30 am-<br>9:00 am | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Erskine Bowles |
| 9:10 am-<br>9:45 am | **BRIEFING**<br>OVAL OFFICE<br>Staff Contact: Mike McCurry, Sandy Berger |
| 9:45 am-<br>9:55 am | **STATEMENT**<br>BRIEFING ROOM<br>Staff Contact: Mike McCurry, Sandy Berger<br>**OPEN PRESS** |
| 10:00 am-<br>12:00 pm | **BUDGET MEETING**<br>CABINET ROOM<br>Staff Contact: Frank Raines, Gene Sperling |
| 12:05 pm-<br>12:10 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Stephanie Streett |
| 12:10 pm-<br>12:15 pm | **PHONE CALL INTERVIEW WITH *THE NEW YORK TIMES***<br>OVAL OFFICE<br>Staff Contact: Mike McCurry<br><br>Interviewer: Richard Berke, *New York Times* |
| 12:20 pm-<br>12:40 pm | **MEETING**<br>OVAL OFFICE<br>Staff Contact: Nancy Hernreich |

| | |
|---|---|
| 12:45 pm-<br>1:45 pm | **LUNCH WITH THE VICE PRESIDENT**<br>OVAL OFFICE DINING ROOM |
| 1:45 pm | **THE PRESIDENT** proceeds to the State Floor |
| 1:50 pm-<br>2:00 pm | **BRIEFING**<br>STATE FLOOR<br>Staff Contact: Capricia Marshall |
| 2:00 pm-<br>3:00 pm | **CHILDREN'S HOLIDAY EVENT**<br>STATE FLOOR<br>Staff Contact: Capricia Marshall<br>Event Coordinator: Setti Warren<br>**POOL PRESS** |

-- **The President** and The First Lady proceed to the piano in the Grand Foyer (via the Blue Room) to join Charles Osgood, who will be playing the piano, and the children singing a medley of holiday carols.

**Note: CBS will film this segment for *CBS Sunday Morning*.**

*Medley to include: RUDOLPH, JINGLE BELLS, FROST THE SNOWMAN, WE WISH YOU A MERRY CHRISTMAS*

-- **The President** and The First Lady enter the East Room during the caroling and proceed to the benches in front of the trees.

-- **The President** and the First Lady clip on lavaliere microphones.

-- **The President** begins to read *'Twas the Night Before Christmas* to the children.

-- Following the reading, **the President** and the First Lady proceed to the Blue Room for a group photograph with children.

-- At the conclusion of the photograph, **the President** and the First Lady depart.

| | | |
|---|---|---|
| 3:00 | pm- | **PHONE AND OFFICE TIME** |
| 5:30 | pm | OVAL OFFICE |

| | | |
|---|---|---|
| 5:30 | pm | **HOLIDAY RECEPTION** |
| 7:00 | pm | STATE FLOOR |

Staff Contact: Capricia Marshall
Event Coordinator: Kim Widdess
**CLOSED PRESS**

-- **The President** and The First Lady proceed to the Diplomatic Reception Room.

-- **The President** and the First Lady greet approximately 700 guests (350 couples).

-- At the conclusion of the receiving line, **the President** and The First Lady depart.

*Option*:

| | | |
|---|---|---|
| 7:00 | pm | **HOLIDAY DINNER** |
| 9:00 | pm | PRIVATE RESIDENCE |
| | | Staff Contact: Melanne Verveer |

BC AND HRC RON — THE WHITE HOUSE
WASHINGTON, D.C.

THE WHITE HOUSE

WASHINGTON

December 17, 1997

'97 DEC 17 PM7:14

# MANDATORY SPENDING IN THE FY 1999 BUDGET

DATE: December 18, 1997
TIME: 10:00a.m.-12:00p.m.
LOCATION: Cabinet Room
FROM: Gene Sperling
Frank Raines

## I. PURPOSE:

To finish reviewing alternative mandatory spending options and begin a review of tax side options for the FY 1999 budget.

## II. BACKGROUND:

We will finish up our discussion of key mandatory issues, including child care, higher education, food stamps, school construction and TAA and options for financing new mandatory initiatives such as revenue from the tobacco tax. We will then move on to a discussion on options on the tax side, including both uses and sources of revenue. The sources, generally, are revenue raisers we have proposed in the past. The uses include initiatives such as child care, climate change and pensions.

## III. PARTICIPANTS:

The Vice President
Erskine Bowles
Frank Raines
Gene Sperling
Secretary Rubin
Jack Lew
Josh Gotbaum
Larry Summers
Janet Yellen
Ron Klain
Rahm Emanuel
Bruce Reed
Elena Kagan
John Hilley
Sylvia Mathews
John Podesta
Paul Begala
*As Appropriate, OMB and Treasury Specialists Will Attend*

## IV. SEQUENCE OF EVENTS:

-- Frank Raines, Gene Sperling, and Jack Lew will review a set of alternative options on both the mandatory and tax sides.

## V. PRESS COVERAGE:

None

## VI. REMARKS:

None

THE WHITE HOUSE

WASHINGTON

December 17, 1997

'97 DEC 17 PM6:18

**PHONE INTERVIEW WITH RICHARD BERKE**
**OF THE *NEW YORK TIMES***

| | |
|---|---|
| DATE: | December 18, 1997 |
| LOCATION: | Oval Office |
| TIME: | 12:00 pm |
| FROM: | Mike McCurry |

## I. PURPOSE

To give the readers of New York Times magazine anecdotes about and an insight into your relationship with Vice President Gore.

## II. BACKGROUND

Richard Berke is writing a profile on the Vice President for New York Times magazine. He has billed this article as a sequel to his first-term profile on the Vice President (see attached) which described your unusually close relationship with the Vice President. This interview will focus on the Vice President's political promise and was recommended by the Vice President's press office.

Potential questions include the following:

Gore had a tough year. How do you think this will impact his chances in 2000? What does Gore need to do to get his feet back on the ground for 2000?

When I interviewed Gore a couple weeks ago, he refused to concede any mistakes from last year. Are you concerned that he might have trouble trying to defend himself or build voter confidence by 2000?

How do you think Gore handles himself when he's under pressure?

What advice would you give him as you both look toward the new year?

After working closely with the Vice President these past five years, what you think about him today? Are you still as close?

There's been some talk that you and the First Lady were "disappointed by Gore's performance on the trade issue" -- and are increasingly worried that the Vice President might compromise your New Democrat legacy to please the Democratic Party's liberal base (Joe Klein column). Are you concerned?

It's obvious the Vice President is an influential advisor, but roles have been reversed of late. Early in the term, he was out there defending you on scandal issues. Of late, it is you that is defending Al Gore. Is this unusual or an odd role reversal for you?

Have you ordered your staff to do anything and everything they can to make sure his staff is propped up, ready for 2000?

## III. PARTICIPANTS

The President
Mike McCurry
Richard Berke via phone

## IV. PRESS PLAN

Interview is exclusive to *The New York Times.* The profile will run early next January.

## V. ATTACHMENTS

1994 profile of the Vice President

# The New York Times Magazine

FEBRUARY 20, [illegible] / SECTION 6




THE MIDDLE EAST IS A MYTH BY ROBERT D. KAPLAN

THE PEOPLE'S PAINTING

HOLLY BRUBACH: AN ELEGY FOR ELITISM



AL GORE

## Good Scout

BY RICHARD L. BERKE

The Good Son

# Al Gore, smart, loyal–and stiff–has become the strongest No. 2 ever. But does he also have what's needed to become No. 1?

By Richard L. Berke

*Pauline Gore and Albert Gore Sr., during his successful 1952 Senate race, with a 4-year-old Al Jr.*

Al Gore, at least, had some good news to offer. It was one of the President's darkest days. Bill Clinton was at his mother's house in Arkansas preparing for her funeral, yet there was little time to mourn; he was leaving the next day for Europe. If that were not enough, word had come that the President's nomination of Bobby Ray Inman as Secretary of Defense would soon implode. Clinton was at his gloomiest during a conference call with his closest aides at the White House when the Vice President spoke up with words to raise the Presidential spirits. After weeks of secret communications with President Leonid Kravchuk of Ukraine, Gore and other officials had virtually completed a historic agreement under which Ukraine would surrender its nuclear warheads. "I think we've got the deal," Gore told the red-eyed President on that January afternoon. Two days later, in a Sunday television interview, the Vice President denied reports of an impending accord, leaving the grand announcement for Clinton to make the next day in Brussels.

Gore's voice is often there at the right moment. In what has long been largely an ornamental office, he has become the President's most influential adviser, excepting, of course, Hillary Rodham Clinton. He challenged Ross Perot to debate, against the advice of others in the White House, and won. He has moved in to share the spotlight on foreign affairs with the Secretary of State. He has become a recognized authority on a range of 21st-century issues like electronic information and global warming. He has taken on pious projects of doubtful potential like remodeling the Federal Government and has sought to give them substance. And he doesn't do funerals.

The Vice President does much of his work unseen, perpetually dashing 18 steps down the blue-carpeted hallway from what he calls the Square Office to the back door of the Oval Office. Once there, he helps the President on minute details as well as major issues — sitting down at a computer himself, for instance, and typing in last-minute retouches to a Presidential address or urging Clinton to tape a weekly radio program so the First Family can have an uninterrupted holiday at Camp David.

In just one year, Albert A. Gore Jr. has given the office of Vice President its most consequential place in history. He is now regarded as a natural in the job, as the ideal No. 2. Accordingly, the question already arises: Granting the inevitable uncertainties of the future, does Gore have what it takes to make the next big leap, to be elected President? "That," says David R. Gergen, a counselor to Clinton and an ally of Gore, "is one of the great questions of American politics."

*Richard L. Berke covers national politics for The New York Times.*

*Pressing his edge the day after he debated Nafta with Ross Perot, Gore worked the phone from his Denver hotel room. "He's on fire!" chanted Michael Feldman, one of his lieutenants. "He's hot! He's hot!"*

Why should this be a question? Because Gore knows he has to overcome certain impressions — that, despite his 17 years in public office, he is not an electric politician. That he is somewhat of a "Robo Veep" who often does not connect with ordinary people. That, in a sense, he may be too *good* to be President. Pauline Gore recalls him as a reliable son who was "determined to please," and he plays that role now for the Clintons. Gore does what he is asked and does it well. But is he less an inspirational leader and more a good and faithful follower?

Gore seems to be groping with the question himself and acts a bit like a student cramming for his next assignment. From the shelf, he pulls one of his favorite books, a self-help guide for young executives: "On Becoming a Leader." Here is a 45-year-old man who has made it to the top tier of world politics and he is still trying to learn leadership from a paperback, who employs a New Age-style facilitator to better relate to his staff, who is trying to learn to loosen up and show his sense of humor while still acting like a statesman.

Yet he dare not try too hard. He can't outshine his boss or his boss's wife. Gore may be the highest-profile Vice President ever, but Hillary Rodham Clinton is the highest-profile First Lady. Clinton acknowledges that his wife's shadow can hide his Vice President. "Our relationships are not comparable, obviously," he says in an interview. "But what you need to know is that I believe, based on everything I've been able to read or learn from others, he has a larger role substantively and more influence than any Vice President. Ever."

The President, though diplomatic, is hardly definitive when asked whether Gore would succeed him. After a long pause, he says, "I hope we do a good enough job so that's what he wants and that's what the American people want."

## Reinventing the Office

For a President who swerves from crisis to crisis, Gore is a steadying hand. He knows his issues and tenaciously battles to expand his turf. His judgment, disciplined approach and willingness to take on knotty assignments help explain his acquired power.

Not that he doesn't make mistakes. Initially, it was Gore who pushed Inman for Secretary of Defense. But weeks later it was also Gore who twisted William Perry's arm to take the job. A private meeting with him at the Vice President's residence sped the process and saved the President embarrassment of further delay.

The critical establishing moment was his taming of the little



Photographs by Callie Shell/The White House

Gore may be the highest-profile Vice President ever, but Hillary Rodham Clinton is the highest-profile First Lady.



*The triumvirate — every bit one for all, all for one, they say — in the Old Executive Office Building. Early in the campaign, aides sensed there might be tension between the First Lady and Vice President, but none has yet surfaced.*

Texas dragon who had been breathing fire at the White House for months and seems now to be doing so no more. Witness the scene in Gore's Denver hotel suite the day after his November debate with Ross Perot over the North American Free Trade Agreement.

Tie and shoes off, head propped on two pillows, giddy from only three hours sleep, the Vice President is sprawled on a sofa, reveling in the notices of his triumph. "You see the headline?" says the man who seldom displays emotion. "Slam Dunk." He takes congratulatory calls. "It worked, didn't it?" he spouts to his old friend Tom Downey, a former Representative from Long Island.

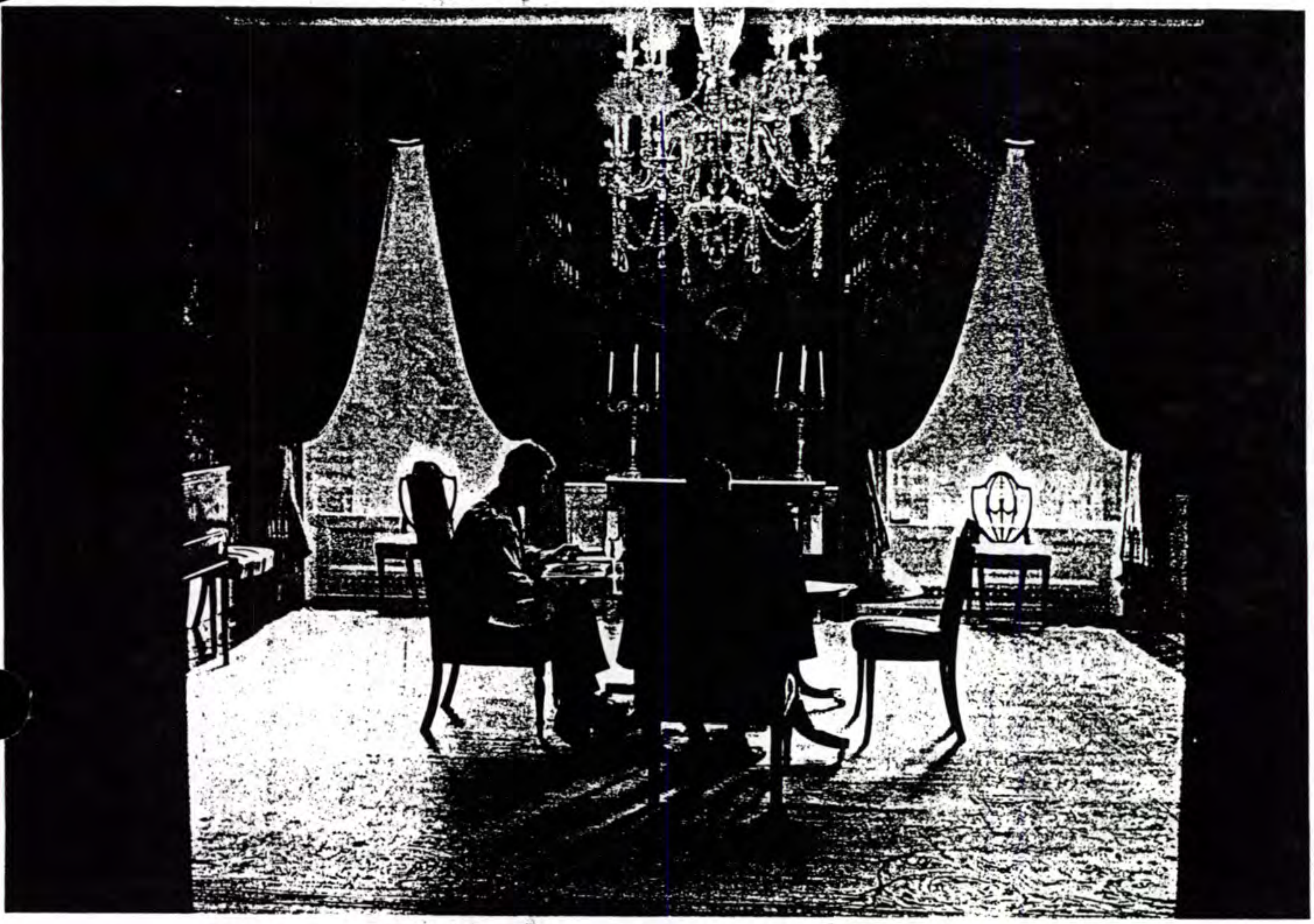
The man on the sofa exults, but does not rest. He is soon making call after call to recalcitrant members of Congress, seeking to turn his success in the nationally televised debate to a win for Nafta. He pleads with a House Democrat: "Can you keep us from getting killed on it?" While Gore administers the pressure, an aide, Dennis Alpert, mockingly fans this would-be sultan with a hotel bathroom towel, as if attending Valentino. One of his lobbyist ...enants on Capitol Hill, Michael Feldman, sits at Gore's ...ing feet, egging him on with a quiet yet steady chant: "He's ...e! He's hot! He's hot!"

In his own buttoned-down way, Al Gore *is* hot.

He maintained the momentum with his trip to Russia the next month. Trailed by an entourage that included Clinton's top foreign policy advisers, Gore met at the Kremlin with President Boris N. Yeltsin. He made his biggest splash when he delivered the Administration's attack on Vladimir Zhirinovsky, the ultranationalist whose faction won the second-largest bloc in the parliamentary elections. Gore had awkward moments. He was caught off guard by Zhirinovsky's strong showing and had to revise his public comments. The scene was nevertheless reminiscent of Vice President Nixon's trip to Moscow in 1959, when he drew worldwide attention in his "kitchen debate" with Nikita Khrushchev. Gore, in fact, conferred with Nixon before the trip.

What gives Gore his influence is his access. He and Clinton typically start the day together with the President's national security briefing in the Oval Office, and he often spends more than half his day with the President. On the morning of the Middle East peace signing, Gore scribbled lines into the President's text, giving it more historical breadth. Says Clinton: "He immediately saw what ought to be done to it and made three or four suggestions that made it very effective."

That the 45th Vice President has this power is no accident. Gore recognized from the start that he was taking a risk in accepting a job so often ridiculed as standby equipment. He sought the advice of Walter F. Mondale, who expanded its responsibilities under President Carter. Then, during three sessions of friendly negotiations at the Governor's Mansion in



*Before taking office, Gore sought assurances that he and the President would meet weekly for a private lunch. They do. In fact, the two are together so much that the Vice President's advisers think he sometimes appears too clingy.*

Little Rock, Ark., before they took office, Gore sought assurances from Clinton that, among other things, he and the President meet weekly for lunch, that he get an office close to the Oval Office, that he be welcome at most meetings there and that the Vice President's chief of staff be made an assistant to the President as a way to integrate the two staffs. Clinton agreed to all of his requests.

Clinton and Gore are together so much that the Vice President's advisers think he sometimes appears too eager — too, well, *clingy*. But Gore would almost rather look silly than give up any access. That is no doubt why he resisted recommendations by his aides to take his own trips in the early days of the Administration. The aides prevailed, however, on Gore not to tag along with Clinton at the President's first summit with Yeltsin, in Vancouver, telling him that while no one would stop him, he would not have much of a role there.

Gore carefully adheres to two old-style White House rules: that Vice Presidents must be loyal and that they must be self-effacing. The loyalty requirement never stopped some like Lyndon B. Johnson from saying nice things about the President in public but trashing him in private. Gore's fidelity, public and private, appears complete. Even to his confidants, he will not say anything remotely critical of Clinton. As for self-effacing, Roy Neel, Gore's former chief of staff, has a photo taken in the Oval Office showing Neel whispering in Gore's ear. At the bottom, Gore scribbled: "To Roy — O.K., I've got it: I stand behind him motionless and keep my mouth shut — Al."

One of Gore's proudest accomplishments has been his bringing the Big Three automobile companies together in an attempt to build an environmentally clean car. But, again, the public announcement about it, like that on Ukraine's agreement to surrender nuclear weapons, came from the President. The Vice President stood a few steps back.

### Pressing for Principle

Gore dares to disagree. But he keeps the President's trust because he chooses his moments well, and always in private.

One evening last summer, the President summoned close advisers to his residence to find a remedy for one of the most contentious issues of his first year: his pledge to overturn the ban on homosexuals in the military. Savaged by opposition from the military and Congress, Clinton was urged by one adviser after another to compromise. Except for Gore. Sitting to the right of the President, he argued that Clinton should stick to his principles and press for a full lifting of the ban, knowing that Congress would be nearly certain to reverse him.

"Gore took a very lonely position," Gergen recalls. "He was



Photographs by Callie Shell/The White House

Gore dares to disagree. But he keeps the President's trust because he chooses his moments well, and always in private.

# THE GOOD SON

the one who said he wanted the purest position. He thought a complete lifting of the ban was the right way to go. He said it would show guts." But by the end of the evening, it was clear that Clinton was moving toward the compromise. To Gergen's surprise, Gore did not bring up the matter the next day at his weekly lunch with the President: "Most people would say: 'Now's my chance. I've got my hour alone and I'll turn him around.' But he came out of that lunch and he told me he didn't raise the issue. He didn't think it was the right thing to do." Neither Clinton nor Gore will discuss it now. "That was a very difficult decision that we all had, and everybody offered their views," Clinton says. Asked about Gore's advice, the President snaps: "I just don't think I should discuss our conversations. If other people are doing it, they shouldn't be."

The episode demonstrates Gore's place in White House decision making. He is not shy about speaking out in private. But he will push only so far. "He doesn't pull rank; he makes an argument," says George Stephanopoulos, a senior Clinton adviser who advocated compromise. Gore puts it this way: "I'm not out to win arguments for the sake of winning arguments. But if some principle is at stake which I think is crucial, then I will push it harder."

Push? More like a genteel shove, with Southern civility. But he is strong-willed and will argue strenuously, particularly in defending what he regards as his turf. Hours before Clinton was to deliver a major Earth Day speech on the environment, Gore was told that Clinton was rethinking his promise to impose stricter carbon monoxide emission standards on automobiles. ...us that others in the Administration were trying to ...mine him, he marched into the Oval Office. And he ...lled. "He has a very profound moral sense," Clinton says. "Al is always on the side of encouraging me to do what I think is right, which I appreciate."

Gore has had other defeats. In keeping with an inclination that appears greater that Clinton's to use force, he pushed for a tougher policy on Haiti and for more military action in Bosnia, a position Clinton accepted and then abandoned when it faced opposition in Congress. But when Gore loses, his approach is to move to the next issue, saying there is no time to hold grudges. "A President of the United States," he says, "has about six to eight gut-wrenching decisions every day."

## FIRST LADY, SECOND MAN

By putting Hillary Clinton in charge of devising a national health care proposal, the President handed her a big assignment on an issue in which Gore had taken a strong interest in the Senate. Gore himself had toyed with the idea of taking on health care, but he told his aides during the transition that the issue would be too consuming. Besides, Mrs. Clinton wanted it.

Except for many social occasions when they clearly seem to get along fine, Gore and Mrs. Clinton take pains to stay out of each other's way.

The First Lady was noticeably quiet, participants say, when she sat in on a meeting with her husband and Gore last fall over how the President's time should be divided between health care and the trade agreement.

"Since the first bus trip, there was just some sense that, well, there was going to be tension between Hillary and Al," Neel says. "And it just has never happened."

Gore praises her with many of the same words that people use to praise him. "She is an extremely intelligent, capable, warm ...n who gives the President excellent advice on a wide range of ...s," he says.

...ould Hillary Clinton make a good President? Gore sputters out a polite but hardly encouraging response: "I think she's capable of doing an effective job at anything she undertakes."

Gore knows he must be deferential to this First Lady but is he concerned that she may be overshadowing him?

"No," he replies. Then he pauses.

"I mean — no."

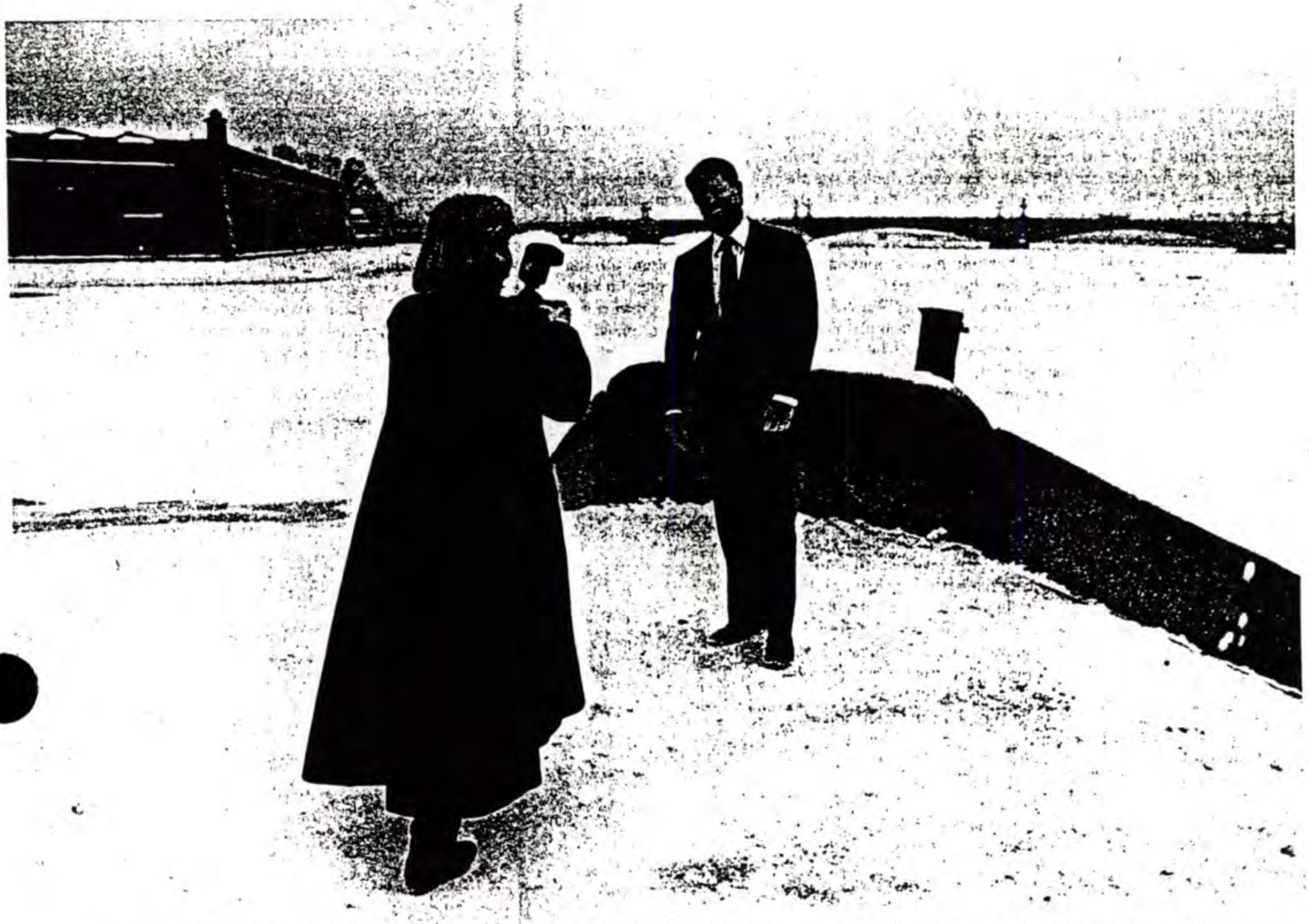
## REINVENTING GOVERNMENT, OR PIETY?

After yielding the health reform domain, Gore sought out supervision of another high-profile project, welfare reform. He had a reputation on Capitol Hill of avoiding the great roiling issues of the day that test leaders, like race relations, so his aides thought it was important for him to embrace something that directly involved people. But with health care getting off the ground and a budget battle brewing, Clinton told him last spring that it was too early to move on welfare and suggested that Gore take up an initiative for "reinventing Government," proposing ways to pare the Federal bureaucracy and make it more efficient.

Gore was warned that the assignment sounded like make-

*Aboard Air Force Two on his way to Russia late last year, top. Gore with Dave Rhodes, Rosemarie Forsythe and Leon Fuerth, Administration aides.*

*The photo op that got away once Gore arrived, bottom. The Vice President with the Lubavitcher book he didn't want to touch.*



*Tipper Gore recording a Russian moment. When another photographer complained he hadn't caught any displays of affection between the Gores, she began planting kisses on her husband's lips. "We're on satellite!" he admonished.*

work that others had tried and failed. "I said, 'You won't get anywhere with that sort of thing; it's a loser,'" recalls Tim Wirth, an under secretary at the State Department. "You use up a huge amount of credit trying to move the furniture around."

But Gore, ignoring the concerns, did his best to puff up his assignment. "He didn't want to just launch reinventing Government," says Stanley Greenberg, the President's pollster. "He wanted a block of the President's time over a 10-day period to make reinventing Government a priority. Which he got." He also published a glossy reinventing Government report with his name — and not the President's — on the cover.

Then Gore had to fight his biggest internal battle to turn the initiative into a real splash. At more than one tense meeting with the President, Gore argued strenuously, against George Stephanopoulos, who opposed putting out specific figures on how much waste the proposal would cut. Gore prevailed, although some White House officials said the Vice President's determination to cite figures opened the Administration to attack.

So far, the follow-through has not lived up to the hype. The plan was supposed to save $108 billion over six years. But the Congressional Budget Office studied one portion of the plan designed to save $6 billion and calculated that it would save only $305 million. The budget office believes the rest of the plan may be overly optimistic as well, though probably not to the same degree.

"Al will sometimes lead with his enthusiasm," Downey says. "Was it oversold a little bit? Yes it was. It's not going to cut $108 billion. And emphasizing how much it's going to cut is not all that smart. The Republicans then hold you to it."

### Besides, They're Friends

Gore has not remade the Vice Presidency forever; another President could relegate a Gore successor to oblivion. The difference this time is a factor not common among most past Presidents and Vice Presidents: Gore and Clinton are close friends and so are their families.

One Monday evening in January, Bill, Hillary and Chelsea Clinton slipped out and, defying weather reports of a major snowstorm, drove to the Naval Observatory, the Vice President's residence, for dinner. Over chicken with cilantro, the two couples, their children and Gore's mother never left the dining-room table. They chatted and laughed for three hours, much like yuppie neighbors in the suburbs.

"I don't think we talked about any business at all," Gore says. "I don't think we talked about any issues or problems. We talked about movies, books, interesting people that we met recently, interesting conversations that we've had, stuff like that."

Despite their closeness, Gore says he always addresses Clin-

Though he would never admit it, Al Gore must imagine that things would run more smoothly in a Gore Administration.

# THE GOOD SON

on as "Mr. President" in public. But when they are alone, he finds rays around the formal title without succumbing to a presumptuus "Bill." Clinton often calls him "Al" in private. When they're ffstage, Gore is the one to defuse Clinton's temper tantrums with eadpan humor. Once, with the President in a rage over Demorats in Congress who never seemed to have anything nice to say bout the Administration, Gore said, sternly, "I'll speak with hem." The President laughed.

Gore knows Clinton so well that when the President began lelivering his health care speech to Congress, Gore, sitting behind him, knew instantly that something was wrong. "His voice was lefinitely higher in his chest." It turned out that the wrong speech vas in the prompter.

Quite a turnabout after the years in which Clinton and Gore ad eyed one another suspiciously, believing two sons of the South ould not become President. In 1991, at the height of President Bush's popularity, the Senator from Tennessee passed up what ooked like a clear shot at the Democratic nomination. He says he eeded to take a few steps away from the political arena after his 8-year-old son, Albert 3d, almost died after being hit by a car. That eft the field open to the lesser-known Southerner, Clinton.

Gore was surprised, and wary, when he got the call in the ummer of 1992 to meet with Clinton and discuss joining the icket. Though there was never open friction, Clinton had not ndorsed Gore for the Democratic nomination in 1988 and four ears later Gore had not endorsed Clinton. With Clinton running hird in the polls behind Bush and Perot, Gore took what at the s a big gamble. He decided that the best way for him to e White House was to suppress his own ambitions and into the role of loyal sidekick, tying his future to Clinton's.

From their first late-night meeting in a Washington hotel oom, they hit it off. Gore was an interesting choice for Clinton; e did not bring geographic balance but did offer complementary xperience plus youth and energy that Clinton thought would be ppealing. After Gore's acceptance speech at the Democratic National Convention, Clinton stepped to the podium to accept the omination and said, "I am so *proud* of Al Gore."

Gore's explanation for why he and Clinton have become riends sounds much like the reasons that had made them rivals: We're of the same generation; we're from the same part of the ountry. We're from the same part of the same political party. We ave long had similiar views on a wide range of issues. We both ran or President at a relatively young age." They also never ran against ach other, so are not haunted by videotapes of one attacking the ther. And, after all, they are peers, with Clinton only 19 months lder. Dan Quayle was young enough to be George Bush's son.

After the convention, Clinton and Gore were buoyed by an nexpectedly enthusiastic reponse to the first ticket of Ivy League aby boomers. On their campaign bus, they would rattle on hour fter hour about policy minutiae. "We both joke about wonkdom," Gore says. They were Bob Hope and Bing Crosby in the road ictures — far cries from Ike and Nixon or Kennedy and Johnson.

Yet they are hardly copies of each other. Clinton, who always eems late, is much less disciplined than Gore. Gore stays on chedule and deliberates but does not dawdle over decisions. Clinton likes people around him. Gore cherishes solitude. Clinton s a night owl. Gore is early to bed — though he's sometimes so riven that he wakes in the middle of the night and plunges into vork. "My husband is very task oriented," Tipper Gore says. When he has a task, you can just be assured he'll get it done. In erms of their personalities, I think Al is by nature more reserved. esident is more outgoing."

en the pressures get particularly intense, Gore, a born-aptist, says he turns to religion, as he did before the Perot ncounter. "When I'm in a situation like that, I pray about it," he ays. "And if there's intense pressure, and I know in my heart it's the right thing, I pray that it will happen as it should, and I just then forget about the outcome and feel confident. And that may sound corny but that's the truth."

### WHITEWATER: SCOUT'S HONOR

Gore, with his earnest, Boy Scout manner, was the obvious choice to lead in defending the Clintons against allegations of a conflict of interest in the Whitewater real-estate deal back when Clinton was Governor of Arkansas. The charges, says Gore, are motivated by Republican politics. Was this politician who even Republicans had to admit during the last campaign was Mr. Clean risking damage to his own reputation?

This, among other things, brought Bob Dole, the Senate Republican leader, to a full boil at a recent news conference: "It's almost shameful the way he plugs the Administration."

Gore insists that he has had "no problems at all defending the President." But behind the scenes he *Continued on page 44*

*Father and son, top. The senior Gore, who had his own ambitions for the Presidency, says of the possibility of his son in the Oval Office: "How could a father be more satisfied?"*

*Gore dancing with his mother, Pauline, bottom, during his own quest for the nomination in 1988.*

*Continued from page 35*

recommended that a special prosecutor be put on the case at least a week before the President relented.

Could the White House have handled Whitewater better?

"The answer is yes," Gore says.

### A VICE PRESIDENTIAL DREAM?

Though he would never admit it, Al Gore must imagine that things would run more smoothly in a Gore Administration. Take the troublesome nomination last spring of Lani Guinier to head the Justice Department's civil rights division. Gore did not think she should have been picked in the first place. But when the nomination prompted opposition, Clinton dillydallied. It was Gore who pressed him to read her law review articles and make a decision. When Clinton then dumped Guinier, Gore, ever dutiful, went on television in an unconvincing effort to defend the drawn-out decision.

Gore with Beth Prichard-Alpert, his executive assistant; Jane Hopkins, a consultant; Lorraine Voles, his press secretary.

Does he *want* to be President?

Gore stammered when a young woman posed the question at a town meeting last December in the most unexpected of places: Bishkek, Kyrgyzstan, the former Soviet republic in central Asia.

"Bill Clinton's dream was to be President of the United States. What about you? Do you dream to be President?"

Gore laughed nervously.

"Would you believe me if I told you that since I was a young child I dreamed of becoming *Vice* President of the United States?" he asked.

After the translation, the crowd roared. But that response would not do and Gore tried another nonanswer:

"I take one year at a time."

The Vice President would have people believe that the moment he joined the Clinton ticket his own yearning for the Presidency ended. In the first of several interviews, this one aboard Air Force Two over the Rocky Mountains, Gore raised, then quickly dismissed, the notion that deep down he must think he would make a better President than his onetime competitor. Gore says that, because he did not run in 1992 for reasons that were completely valid and with which I was completely comfortable, I never for a single moment have felt the emotion which I think some previous Vice Presidents have sometimes felt — namely, that they could do better in a particular situation. I have always felt it really and truly a privilege to be able to serve in the exact position in which I'm now serving and to define it in the way I define it."

The now-verboten subject did come up after Clinton first interviewed Gore about the Vice Presidency, and Gore and Downey roamed the Capitol grounds for hours one night. Downey said to Gore: "Look, if you want to be the President of the United States, this is a good place to start. He agreed with me. I remember going through the number of Vice Presidents who eventually became President." There are 14.

There is no doubt that Gore's desire to reach the Presidency is less consuming than it was five years ago, before his son's accident, before he endured his version of a midlife crisis that led him to reorder priorities. These days, he thinks nothing of leaving work at 6 P.M. to watch his daughter playing field hockey.

But at times Gore certainly sounds as if he is thinking about the year 2000. Taking a sip in the Square Office from his ever-present mug of herbal tea, he says: "Because the President is so generous in his definition of our partnership, I have gotten a pretty good taste of what that is really like. And on a daily basis." His chief of staff, Jack Quinn, is more explicit: "When and if Al Gore has the opportunity to run for President, he will do so with a very real record on which he will be judged, as opposed to other Vice Presidents who have been able only to run on the records of the Presidents they've served."

A Gore Administration would fulfill the dream of his 86-year-old father, former Senator Albert Gore Sr., who once took his 12-year-old son to President John F. Kennedy's private office. "I had ambitions for the Presidency — it didn't turn out that way," the elder Gore says wistfully. Will he live to see his son reach the Oval Office? "How could a father be more satisfied?" he asks. "I've been negotiating with the Lord to let me live to see that something like that happens. But I haven't been able to get a commitment yet."

As for the commitment from Al Jr., consider the unambiguous words he spoke on the eve of the New Hampshire primary in 1992: "I'd like to be President and I look forward to the chance to run in the future."

### POLITICS VS. THEATRICS

Not everyone is sure that Al Gore is destined to be President. After his defeat in the 1988 primaries, the word among Democrats was that he wasn't *ready* — and might never be. The doubts, over whether he is enough of a politician, persist. And a dreary night in Moscow illustrates why.

Gore's handlers had flown halfway across the world to set up the perfect photo opportunity — but the Vice President was not sticking to the script. For years, Gore had pressed to help Lubavitcher Jews in their quest to get the Russian State Library to release 12,000 sacred volumes that had been confiscated by the Soviet Government after the 1917 Revolution. Finally, last December, there he was in a dusty reading room at the library, where Russian officials were to give him one of the old texts in a grand gesture of accommodation.

But Gore, wearing his customary blue suit (as usual, the pants too short), was too reserved to reach out and actually touch the prize he had won. An aide, Dennis Alpert, frantically motioned with his hands to pretend he was opening a book. Finally, Gore picked up the book, but even then did so in a lifeless way that deflated the poignant drama of the moment. "I was dying," recalls Steve Rabinowitz, a media consultant who had visited the library five times to set up the scene. "I was sending every thought to him that it was O.K. to pick up the book. You don't have to be Lubavitcher; you don't have to be Jewish."

The failure to seize the excitement of the moment also was evident three months earlier, at a sound stage at Fox studios in Hollywood. The Environmental Media Awards, a banquet of journalists and Democratic celebrities, seemed a tailor-made event for a man who had begun his career as a newspaper reporter and had written a best-selling book, "Earth in the Balance," on the environment. Kindred spirits. The crowd had already been warmed up by Mariel Hemingway, Kenny Loggins and Candice Bergen. Gore got the perfect introduction: a replay of his appearance on "The Late Show with David Letterman." Then Gore took the stage to a tape of Paul Simon's "You Can Call

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PHOTOGRAPH BY CALLIE SHELL/THE WHITE HOUSE

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Me Al," clapping awkwardly to the music like a marionette. It was a great moment to play off the Letterman routine with a memorable joke or even a light remark. Gore offered neither; he plunged directly into a numbing discourse on the global environment and spirituality.

Afterward, his aides had excuses: he was tired. And after the Russian library peformance, Gore himself had an explanation: "I felt that the message I was communicating to the people who possessed the books was more important than the theatrics of it." He wanted to be respectful, he says, but also "not to seem overly eager to just grab hold of this symbolic transfer if only to underscore the fact that it was in fact only one."

Whatever the reasons, it is easy to imagine Clinton conveying the drama of the Lubavitcher book without being coarse or whipping up the Hollywood crowd without abandoning a serious message. There is something endearing about Gore's inability to play the politician on cue. Some people find Clinton manipulative in the way he seems to be able to identify with every person he meets. Still, can Gore — who needs to be reminded to shake hands at the rope line — excite people when they need to be excited?

## Clown-Faced, Red-Faced

Gore speaks with passion, but the passion is often about ideas and concepts and not human beings. Ask about his vision of the world and vital issues facing the country and he talks like a futurist. The biggest challenge, he says, is "establishing the proper relationship between our global civilization and the global environment." Also high on his list are "stabilizing world population growth" and completing the information superhighway by the year 2000." These are not goals that bring wild cheers.

He seems happiest when he's learning or explaining an idea he has just learned. He stares in awe at a three-dimensional pyramid that came over a futuristic fax machine. He likes to work by himself in his office, sometimes to the New Age dreaminess of Enya, an Irish singer. On a trip over the Atlantic, he races excitedly down the aisle of Air Force Two like a little boy, waking up everyone to see the northern lights. "It's the aurora borealis!" he exclaims. At his weekly environmental breakfast, Gore is distracted from the conversation; his head is buried in a National Geographic article on water projects.

Gore knows he does not relate to the masses the way Clinton does. He says that is what he has learned most from the President. "I've certainly learned a lot about empathy. It's very moving to see him connect with Americans who feel strongly about what our country is doing."

What is confounding here is that, public formality notwithstanding, he has appealing informality in private. Though he is finding it harder to hide a bald spot, he still has the wholesome looks of a soap-opera doctor. When the cameras are gone, Gore's wry humor, long on verbal double takes and pretended insults, can amuse a room. At the Halloween party at his residence, he had his face painted like a clown and looked utterly at ease as he mingled with friends' children and pulled them onto the dance floor. "I've seen him walk into a room and have everyone in hysterics," says Paul Begala, a political adviser to Clinton, "and then walk into a different room with Tom Brokaw and sound like Kaw-liga the Wooden Indian."

The sense of public formality was plain on the Gores' recent Russia trip. Particularly in contrast to Tipper. In Moscow, the two of them sat in a television studio between interviews. At the urging of a magazine photographer who had complained that he had not caught any displays of affection between them, Mrs. Gore began planting kisses on her husband's lips. By the third smooch, his face had turned bright red and he whispered sternly, "We're on satellite!"

Has Clinton ever counseled his Vice President to loosen up? "You know, he has loosened up," the President says. "He's like all the rest of us. Sometimes when he's got a wooden style it's because he's tired. Privately, he's very droll. Sometimes when I say something off the wall, he looks at me with this straight face and says, 'I agree with everything you say, Mr. President,' when I know he means exactly the reverse." The President laughs uproariously.

Some suggest that Gore's compartmentalized personality is not a matter of political style but a reaction to having been raised in a household where his parents held out high expectations but were not always around to help him meet them. "He had built up this kind of very achieving dedicated life which was a defense against the need for personal embracing," says Tim Wirth, who as a Senator from Colorado worked closely with Gore on the Hill. "He has a very hard time letting people be friends of his. Once you get inside, it's wonderful."

## Reinventing the Persona

The Vice President is working on the problem.

He made a celebrated effort

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## AL GORE

*Continued from page 54*

to bring out the private clown in his Letterman appearance last September. Never one to make a move without deliberate preparation, Gore had his aides approach Letterman, offer to appear on the show and enter careful negotiations to make certain that he would come off fun-loving yet dignified.

"I told him, 'Here's the opportunity to show people you have a sense of humor,'" says Daniel Kellison, who produced the Gore segment. "He agreed."

Gore (with generous kibitzing from his advisers) came equipped with his own Top 10 list — "The Good Things About Being Vice President." One of his favorites: "If you close your left eye, the seal on the podium reads, 'President of the United States.'" He smashed Government-issue ashtrays. He was relaxed, self-deprecating and played his role just right.

"When I saw the audience giving him a standing ovation, that's when I realized he had reinvented himself," says Peter Lassally, an executive producer for Letterman. (Lassally concedes, incidentally, that they had really wanted another politician. "Hillary," he says, "was always our first choice." But she said no until two weeks ago, when the First Lady agreed to be interviewed at the Olympics by Letterman's mother.)

The Perot encounter, the brainchild of Jack Quinn, also helped make Gore look more human. It didn't hurt his reputation inside the White House, either. Until then, some Clinton aides still doubted Gore's effectiveness and loyalty because they felt he had inadequately defended Clinton against Dan Quayle in the Vice Presidential campaign debate. "Gore doesn't project any kind of image that we associate with effective communication in the mass media," says Walter Dean Burnham, a political science professor at the University of Texas. "But he did efficiently with Perot, so he may be developing talents along those lines."

Knowing that he has a long way to go before he can stir a crowd, Gore recently resorted to shtick to spice up a speech on telecommunications in Los Angeles. He brought Lily Tomlin on stage as Ernestine, the one-ringy-dingy telephone operator. The audience loved it. But soon after Tomlin walked off, Gore was deep into his plodding delivery.

It is as if Gore cannot shake a deeply ingrained patrician sense of how a gentleman is supposed to behave in public. "It goes back to my father — a tradition that has emphasized a little more formality in the public presentation," he says. "But I think I'm growing out of it."

### FEELING HIS WAY TO LEADERSHIP

While other politicians consult pollsters or image makers to help them connect, Gore turns to Jane H. Hopkins, a management consultant. She was the facilitator of a get-in-touch-with-your-feelings retreat at Camp David for Clinton, Gore and the Cabinet after they took office. She now advises the Vice President and his staff of 80 about how to get along better with one another, for a fee of roughly $3,000 a month. Two days a week, Hopkins travels from her home in Richmond to the Vice President's office and meets regularly with Gore.

Such consultants have been the rage in corporate circles for years. But Hopkins is the first to be given such a big role inside the White House. "I kind of dive into every aspect of the office," Hopkins says. "I might dive into correspondence at one point — or how the national security group is organized."

The Vice President's reliance on Hopkins, and another consultant, Carolyn Lukensmeyer, for his reinventing Government project shows how self-aware he is, how he wants to improve himself, to motivate his staff. But perhaps it also reflects a certain unsureness, someone still grasping for clues on how to express himself. That raises another, larger question: If the Vice President needs a management theorist to communicate to his staff, can he communicate effectively to the nation? "I'm sure at some point someone told him, 'Al, this is a little weird,' and he said, 'I don't care because it's the right thing to do,'" says Gore's friend Carter Eskew, a Democratic strategist.

One of Hopkins's tasks was to calm tensions that had arisen

*Continued on page 62*

## Al Gore

*Continued from page 57*

back during the Russia trip between the Vice President's advance staff, which handled the logistics of the trip, and his national security assistants, who dealt with policy. The differences, while petty, had threatened to become poisonous, over such issues as how the precious seats were divvied up on Air Force Two. After the staff returned home, Hopkins heard about all that went wrong.

So she called a meeting. She sat in a high-ceilinged conference room at the Old Executive Office Building, listening to gripes from nearly 20 staff members. It was called a Russia debriefing, but it was closer to a sensitivity session. The discussion was mostly courteous and Hopkins made sure everyone had their say. From time to time, she went to an easel and wrote "suggestions" for the future, like "Meeting before pre-advance and determine players, roles, etc." Participants later said it was good to have talked things out, though they were still a little wary of each other.

Hopkins says Gore seems to have changed in recent years. "There's a maturity there that is different. It's a thoughtfulness and wisdom and confidence. It's a focus." As part of what she calls his personal journey, she recommended "On Becoming a Leader" by Warren Bennis, a professor of business administration at the University of Southern California. Gore says it is "not a book that I live my life by," yet it has become required (or, at least, highly recommended) reading for his advisers. But that creates a possible paradox. Are people who need to follow the advice of someone else, about how to become a leader, by definition followers?

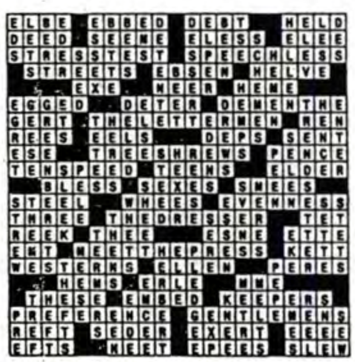
Of obvious interest to Gore, the book dismisses many recent Presidents as uninspired. "Lyndon Johnson, Richard Nixon and Jimmy Carter could be described as self-made men," Bennis writes, "but they failed to win our hearts or engage our minds, and finally failed as leaders." Each of them, he writes, failed because "each seemed trapped in his own shadows."

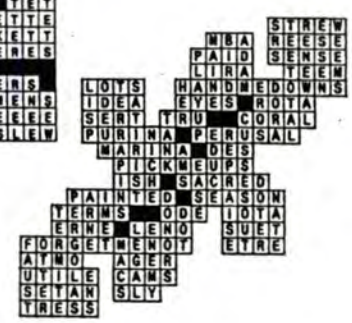
For Gore, the task is to prove that there is real leadership within him, that he can escape the shadows, his own and those of others. He clearly has grown and he has the time, desire and energy to grow more. He defends Hopkins as part of that process. "Is it healthy to talk about who you are? Sure it is. To talk about what's important to you? Of course it is. Why wouldn't it be?" At times, when he talks about motivational theory, say, or informational innovation, Gore sounds more like a far-out visionary than a politician. And visionaries who are out of touch with the people do not often get elected President.

His former communications director, Marla Romash, sees it another way. She says Gore's visions of the future are just far-out enough and make him "the perfect President for the year 2000." There is, of course, another possibility: that Al Gore was born to be the best *Vice* President. ■

## Answers to Puzzles

Of February 13, 1994





THE WHITE HOUSE

WASHINGTON

'97 DEC 17 PM 8:18

**December 18, 1997**

**CBS Interview and Children's Christmas Event**

| | |
|---|---|
| **DATE:** | **Thursday, December 18, 1997** |
| **LOCATION:** | **State Floor, The White House** |
| **TIME:** | **2:00 p.m. - 3:10 p.m.** |
| **FROM:** | **Capricia Marshall** |

## I. PURPOSE

To participate in an interview with Charles Osgood of CBS and to read *'Twas the Night Before Christmas* to underprivileged children from Washington, D.C.

## II. BACKGROUND

**CBS Interview**

CBS Sunday Morning has been working on a segment on Christmas at the White House which has included footage of the House being decorated and interviews with some of the creators of the ornaments. The culmination of all this work will take place on Thursday with the First Lady giving Charles Osgood (the anchor of CBS Sunday Morning) a tour of the Blue Room along with a short interview with you and the First Lady at the piano in the Grand Foyer. Charles Osgood is an accomplished pianist and will lead you, the First Lady and a group of the school children in a medley of four Christmas carols. Following the carols, you and the First Lady will be asked to make closing remarks. The program will air on CBS this Sunday, December 21 at 9:00 a.m.

**Children's Event**

The Holiday Children's event is a tradition which began in 1993 as an opportunity for you and the First Lady to share the spirit of Christmas with underprivileged children from Washington, D.C. You will be reading to three groups of first, second and third grade students from Brightwood Elementary School, the George Bancroft School and the TRJ School Learning Academy, all from the District of Columbia. These schools were selected with the assistance of the Office of Corporate and Community Relations in the Office of the Superintendent for the District of Columbia.

You will read from the book *'Twas the Night Before Christmas* and sing Christmas carols with the children. Frosty the Snowman, Rudolph the Red-Nosed Reindeer and Santa Claus will also be in attendance.

## III. PARTICIPANTS

<u>**Interview and Carol Sing at the Piano**</u>
-Charles Osgood, CBS Sunday Morning
-20 School Children from one of the D.C. Schools

**Children's Holiday Event**
-60 first, second and third grade students from the following DC schools:
- Brightwood Elementary School, 1300 Nicholson Street, NW
- The George Bancroft School, 1755 Newton Street, NW
- TRJ School Learning Academy, Cleveland Lower, Campus B, 8th and T Street

-Ms. Annie Ruth Marie Mair, Principal of TRJ School
-Chaperones for the children

## IV. PRESS PLAN

| | |
|---|---|
| Interview: | CBS Camera only |
| Children's Event: | Pool Press |

## V. SEQUENCE OF EVENTS

- **The First Lady** arrives in the <u>Red Room</u> for event briefing.

- **The First Lady** proceeds to the <u>Blue Room</u> for interview with Charles Osgood, host of CBS Sunday Morning.

- Upon conclusion of interview, the **First Lady** returns to the <u>Red Room</u>.

- **You** join the **First Lady** in the <u>Red Room</u> for event briefing.
  *Note: You will need to put on a wireless lav mic for the interview.*

- **You** and the **First Lady** proceed in the Piano in the <u>Grand Foyer</u> (via the <u>Blue Room</u>) to join Charles Osgood at the piano.

- **You** and the **First Lady** sing Christmas carols with the children. Medley of songs will include *Rudolph the Red Nosed Reindeer*, *Jingle Bells*, *Frosty the Snowman*, and *We Wish You a Merry Christmas*.
  *Note: CBS Camera only.*

- Upon conclusion of the caroling, **You** and the <u>First Lady</u> give closing remarks to Charles Osgood.

- **You** and the **First Lady** proceed to the <u>Green Room</u> to hold while the school children are escorted into the <u>East Room</u>.

- **You** and the **First Lady** enter the East Room and proceed to the benches in front of the trees.
  *Note: Lav mics will be on the benches for you to clip on at this time.*

- **You** begin reading *'Twas the Night Before Christmas* to the children.

- Following the reading, **you** and the **First Lady** proceed to the Blue Room to do group photos with the school children and chaperones.

- **You** and the **First Lady** depart.

## VI. REMARKS

No formal remarks necessary.

## VII. ATTACHMENTS

-Text of Charles Osgood interview from CBS

-Guest List

**WHITE HOUSE CHRISTMAS INTERVIEW**
**SUNDAY MORNING**
**TAPED THURSDAY, 12/18**

1:30 PM Charles Osgood and Mrs. Clinton in the Blue Room where she talks about some of her favorite ornaments. Two crews will shoot this.

When the interview is over, Charles will join the studens in the foyer and get ready for the second interview which will include President and Mrs. Clinton.

The camera people will immediately go to the foyer. Osgood will come to the piano. And then President and Mrs. Clinton will enter from the Blue Room.

Charles' remarks will be along the following lines.

"Mr. President. Merry Christmas and thank you so much for inviting us here today. And Mrs. Clinton thank you for showing us that spetacular tree in the Blue Room.

........

The White House looks so beautiful. It must help you both to get in the Christmas spirit..being surrounded by all this.

.......

It's a thrill for us..and for these kids to be here...and to have you join us in singing a few Christmas songs. What shall we start with Jingle Bells?

Jingle Bells
Rudolph the Red-Nosed Reindeer
Santa Claus is Coming to town

We Wish you a Merry Christmas

At the end Charles will say Thank you Mr. President...Mrs. Clinton...Merry Christmas to you and Chelsea and Socks ....and Buddy.

(Note: In between each song Charlie will play a few notes and mention the name of the next song)

THE WHITE HOUSE

WASHINGTON

| | |
|---|---|
| TO: | **THE PRESIDENT**<br>**THE FIRST LADY** |
| WHAT: | USSS/PPD/MILITARY RECEPTION |
| WHEN: | THURSDAY, DECEMBER 18, 1997 |
| WHERE: | PHOTO LINE: DIPLOMATIC RECEPTION ROOM |
| # OF GUESTS: | APPROX. 700/CLOSED PRESS/HOLIDAY ATTIRE |
| FROM: | CAPRICIA MARSHALL |

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<u>4:15 p.m.</u> East Visitors Gate opens for guest arrival. Guests proceed to State Floor for reception.

<u>5:30 p.m.</u> **THE PRESIDENT and THE FIRST LADY** arrive in the <u>Diplomatic Reception Room</u> for receiving line with approx 700 guests, 350 couples (WH photo).

<u>7:00 p.m.</u> (Approx. time) Upon conclusion of the receiving line, **THE PRESIDENT and THE FIRST LADY** depart.