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TO: President William Jefferson Clinton

FROM: Governor George E. Pataki

SUBJECT: Governors Island

DATE: January 14, 2000

PAGES: 2 (INCLUDING COVERSHEET)

REMARKS:

Hard copy to follow.

1-14-00

Send to Burkhardt for reply:

Yes ✓

No ____

B.

STATE OF NEW YORK

GEORGE E. PATAKI
GOVERNOR

January 14, 2000

Dear Mr. President:

As you know, both New York State and City, working in consultation with Senator Moynihan, recently announced a plan for the redevelopment of Governors Island. We believe this new vision for Governors Island will transform this national historic treasure into a major civic, cultural and educational destination for New York State residents, and the millions of tourists who come from around the world to visit New York each year. Governors Island will join the Statue of Liberty and Ellis Island as a third tourist destination in New York Harbor, allowing visitors to further discover and experience the history of our great state and nation.

Owned and operated as a military facility by the British and American forces for more than 200 years, this national landmark played an important role in the Revolutionary War, the War of 1812, the American Civil War, as well as World Wars I and II. Our plan preserves the historic nature of the 18th and 19th Century structures on the Island and includes museums and educational venues celebrating the Island's great military history. A 50-acre public park will be created, complete with recreational facilities, allowing visitors to experience the stunning views of the Statue of Liberty and beautiful New York Harbor. Through public and private-sector partnerships, a conference center, moderately priced family lodging, and a health and wellness center will also be established.

This is a tremendous opportunity. Transforming this Island into a magnificent public resource will, however, require significant investment. New York State and City have already agreed to make a substantial investment and we estimate the private sector commitment will exceed $300 million.

I join Senator Moynihan in asking for your support in our endeavor to preserve and protect Governors Island. By removing the Governors Island offset in your budget and agreeing to transfer the property to the State at no cost, we will be one step closer to preserving and enhancing one of the most important historical public spaces in the nation.

Thank you for your attention to this important matter.

Very truly yours,

George E. Pataki

The President
The White House
Washington, DC 20500

THE PRESIDENT HAS SEEN
1-14-00

To T Edmonds
worth going over before SOTU -
BC

'00 JAN 7 P4:10:15

Gene B. Sperling

The Clinton Administration's Anti-Poverty Agenda
Remarks to the National Press Club

Revised Text

October 1, 1999

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Edmonds
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I. INTRODUCTION

I wanted to use the occasion of the release of the new Census numbers on income and poverty to do an overview of the effectiveness of the Clinton-Gore Administration's policies at addressing one of the most important missions of any Administration: reducing poverty and increasing opportunity for our most disadvantaged families.

In a nutshell, the record is one of significant progress in the right direction and a frank recognition of the significant distance still left to travel. I believe a fair analysis must make both of those points.

Sometimes in politics when there has been a significant accomplishment, the White House or a political party takes a victory lap. There is no cause for that here. But there is cause for understanding that significant progress has been made – and a reason to understand what has worked and what still needs to be done.

Recognizing that there has been progress – even stunning progress – does not and should not dull our sense of concern over the distance remaining. Take one example: poverty among African-American children was 46.1 percent in 1993. Yesterday, we learned it has fallen to 36.7 percent. That represents a 20 percent drop in African American child poverty – the lowest on record. On one hand, this is an enormous achievement. On the other hand, the fact that more than one-third of African American children, more than 5 million, are being raised in poverty stands as one of the most disturbing and disappointing facts in American society.

From the 1970s to the early 1990s, the Nation witnessed a slowdown in growth and a widening of inequality. The result was that the incomes of the bottom sixty percent of Americans fell, after adjusting for inflation, while the poverty rate rose. In the last several years, the economic performance of the Nation has improved substantially, with strong growth, low unemployment, low inflation, and low interest rates. It is important to recognize that the economic policies and excellent economic performance of the Nation over the last several years has brought gains to all segments of society and stemmed the long rise of economic inequality. This can be missed when simply looking at trends over 20-25 year periods.

From 1993 to 1998, poverty has fallen across the board and incomes have risen for each and every income group. Consider the following (see Tables 1-4 at the back for more detail):

- The poverty rate has fallen from 15.1 percent in 1993 to 12.7 percent in 1998, lifting nearly 5 million people out of poverty.
- Between 1993 and 1998, the poverty rate has fallen by 15 percent or more for all persons, African Americans, Hispanics, children, African American children, Hispanic children, single mothers, and many other groups. The poverty rate is now the lowest on record for African Americans, African American children, Hispanic

children, single mothers, African American single mothers, and Hispanic single mothers.

- At the same time, incomes have grown by 9.9 – 11.7 percent for every quintile of the income distribution. For the bottom three quintiles, this is the strongest growth since at least the 1970s. The 10.3 percent increase in incomes for the bottom quintile over the last 5 years represents a particularly dramatic turnaround from the 4.4 percent decline between 1981 and 1993.
- Over the last 5 years typical families have seen their income rise by 12.1 percent and African American families have seen their incomes rise by 21.0 percent. That represents more than $5,100 in income for the typical African American family.
- In 1998, the Earned Income Tax Credit (EITC) lifted 4.3 million people out of poverty – twice the number of people lifted out of poverty by the EITC in 1993.

II. WHY MACROECONOMIC POLICY MATTERS FOR POVERTY REDUCTION

Despite this impressive progress, a common critique of the Administration's record goes something like this: The President came into office with an ambitious investing-in-people agenda that might have addressed poverty, but ultimately he had to sacrifice this agenda to address the worsening deficit projections.

Behind this critique lies two false premises. First, as I will establish, this President has fought – successfully – for significant investments in anti-poverty initiatives. The second, and the most fundamental misconception, is that only significant government investments and not sound fiscal and macroeconomic policies are tools to reduce poverty. However much any of us believe in the power of wisely-crafted public policies to invest in people, no one should be blind to the fact that the experience of the last 6 years demonstrates definitively that macroeconomics and fiscal policy do matter for poverty reduction and that they matter enormously.

The old paradigm assumed that fiscal discipline would hurt poverty reduction efforts for two reasons: one, public investments would have to be sacrificed or put on hold in the name of deficit reduction and two, deficit reduction would lead to short-term economic contractions that could freeze or hurt economic opportunities for poorer Americans even if in the long-run it led to savings, capital formation, and faster productivity growth.

The new fiscal paradigm of the last six years tells a rosier story – even and especially for the short-term. Serious debt reduction eliminated what Bob Rubin called the "deficit premium," leading to a virtuous cycle of lower interest rates and higher investment that increased capacity enough to allow for continuing expansion without inflation. Experts from Alan Greenspan to Paul Volcker credit the fiscal deficit reduction since 1993 as a key component of our near record expansion.[1]

[1] Alan Greenspan, Humprey-Hawkins testimony to House Banking Committee, February 20, 1996 and Paul Volcker, in *Audacity Magazine*, Fall 1994.

In short, strong deficit reduction helped create the conditions for an exceptionally strong, steady, and long economic expansion that has, in turn, led businesses to seek out more and more minority and economically-disadvantaged Americans who have traditionally been left behind, ignored, or at least left on the fringe of the labor market.

As the expansion has lengthened and unemployment has fallen, expanding businesses in search of workers have had to recruit and offer training to people they would never even have looked twice at in a shorter or less robust expansion. Therefore, to the degree that deficit reduction has been integral to the high investment / low inflation environment necessary to allow such a sustained expansion, and such significant hiring of disadvantaged workers, one must recognize the integral contribution that fiscal discipline has made to reducing poverty and increasing economic opportunity. Consider the following:

African American unemployment fell from 14.3 percent at the end of 1992 to 7.8 percent last month – and this year reached the lowest level on record. Over this period, Hispanic unemployment fell from 11.5 percent to 6.5 percent, the lowest on record. At the same time, the expanding economy, and the policies I will discuss in a moment, have brought new workers into the economy. The labor force participation rate of single mothers rose from 73.7 percent in 1992 to 84.2 percent in 1997. At the same time, the percentage of single women with children who received welfare fell from 19.3 percent in 1992 to 8.3 percent in 1997.[2]

Furthermore, the low unemployment rate may be creating a virtuous employment circle. The European economies saw large increases in their unemployment rates in the 1980s translate into what appears to be permanently higher levels of unemployment, a process some economists have called "hysteresis."[3] One explanation for why this might happen is that high unemployment rates lead to people being unemployed for longer periods, during which time they start to lose both their productive skills and their ability to search for jobs effectively. As a result of these changes, the unemployment rate could stay permanently higher. Although the definitive evidence for the United States is not in yet, there is good reason to hope that if we keep the expansion going with so many previously disadvantaged and unemployed workers in the workforce for so long, we will create a far larger pool of ready and able American workers for years to come.

[2] Council of Economic Advisers, "Good News for Low-income Families: Expansions in the Earned Income Tax Credit and the Minimum Wage," *A report by the Council of Economic Advisers*, December 1998.
[3] Olivier Blanchard and Lawrence Summers, "Hysteresis and the European Unemployment Problem." In Stanley Fischer, ed., *NBER Macroeconomics Annual*, Vol 1, 1986, MIT Press: Cambridge.

III. WHY MACROECONOMIC POLICY IS NECESSARY, BUT NOT SUFFICIENT

However flawed the premise that fiscal discipline has no impact on poverty reduction, the notion that there should be a sole and exclusive focus on deficit reduction is equally if not more flawed. Ensuring that growth is shared and inclusive cannot simply be assumed.

Growth has not always led to higher incomes for the poorest and falling poverty rates for the Nation. After observing the poverty rate rise and incomes at the bottom fall despite the expansion of the 1980s, David Cutler and Lawrence Katz published a paper arguing that "a long-standing, positive relationship between the economic well-being of the poor and the growth of the economy has changed."[4]

However, in the 1990s, falling unemployment rates and higher growth have once again led to falling poverty rates and higher incomes for all Americans. An important part of this development has been the President's policies that helped give people the tools, incentives and opportunities so that they can all benefit from, and contribute to, the strong economy.

While fiscal discipline and the resulting low-interest rates can fund investment growth and give more disadvantaged Americans job opportunities, they cannot ensure that a generation of young children won't be lost to poor schools, poor nutrition, and crime and drug ridden opportunities. Fiscal discipline may lead businesses to help some Americans who have fallen behind to get new training opportunities, but new technological and capital investments without a skilled and motivated workforce is like a bat without a ball. Necessary but not sufficient.

In the new economy, productivity growth is being driven by the high technology sector. The potential of the new economy is to provide rising wages for everyone. But the risk is that, without proper investments in people, the new economy has the potential to create a skills gap, between those who know how to take advantage of our new technologies and those who do not.

We have already begun to see the emergence of a skills gap. Improvements in technology and other changes continue to increase the gap between the wages of college educated workers and those with only a high school degree or less. In 1998, the average college graduate made 75 percent more than the typical high school graduate, compared to only 46 percent more in 1980.[5] As Katz summarized, "these findings imply that physical capital and new technologies are relative complements with more-skilled

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[4] David Cutler and Lawrence Katz, "Macroeconomic Performance and the Disadvantaged." *Brookings Papers on Economic Activity* 2:1991.
[5] Lawrence Katz, "Technological Change, Computerization, and the Wage Structure." Harvard University and NBER, September 1999.

workers. Such evidence is certainly consistent with the view that the spread of computer technologies may have contributed to rapid increases in the demand for skill in recent decades."

The skills gap does not just matter for wages, but for unemployment as well. In the last 7 years, the unemployment rate for high school dropouts has averaged 9.3 percent, while the unemployment rate for college graduates has only averaged 2.5 percent.

Study after study has documented that each additional year of a college can increase a worker's future earnings by 5 to 15 percent with evidence that such returns have risen in recent years.[6] Caroline Hoxby, for instance, finds that the return to a college education was 12 percent from 1992 to 1996, compared to 5 percent from 1972 to 1978.[7]

That is why even in a period of fiscal contraction, a sound growth strategy must not only bring down deficits, but also increase educational investments and work incentives. The 1993 Budget was an example of such a balanced approach. While it called for $505 billion in deficit reduction, the total gross savings were over $600 billion. In other words, the 1993 budget made over $100 billion in additional tough choices so that the largest EITC expansion ever could be passed and solid investments could be made in Head Start and the Special Supplemental Income Program for Women, Infants, and Children (WIC) – even in the midst of deficit reduction. Indeed, dropping the President's bold increase in the EITC could have allowed the President to avoid his most politically costly decision – raising the gas tax by 4.3 cents. Yet the new Census data show that there are at least 2.3 million fewer Americans in poverty because the President expanded EITC, made tough decisions, and chose a balanced approach over a sole focus on deficit reduction.

Contrary to any notion that poverty reduction initiatives were put on hold until the budget was balanced, the President has sought the right balance between debt reduction and creating and expanding upon programs that enhance economic opportunities for poorer Americans. The President and his Office of Management and Budget Directors from Panetta to Rivlin to Raines to Lew have all battled hard with yearly appropriations negotiations to protect and strengthen key anti-poverty programs. Even in the midst of the dramatic deficit reduction we have seen over the past 6 years, President Clinton has successfully increased funding for several anti-poverty programs and indeed has passed several new economic opportunity initiatives.

As a result, today we spend substantially more on a wide range of poverty reduction programs (see Table 5 for numbers and Appendix 1 for selected details). To name one example, we now spend nearly $3 billion more each year for Head Start and

[6] See Thomas Kane and Cecilia Rouse, "Labor Market Returns to Two and Four-year College: Is a Credit a Credit and Do Degrees Matter?" *American Economic Review*, 85:3, 1995 and Orley Ashenfelter and Alan Krueger, "Estimates of Economic Returns to Schooling From a New Sample of Twins." *American Economic Review* December 1994.

[7] Caroline Hoxby, "Tax Incentives for Higher Education." *Tax Policy and the Economy 12* 1998 MIT Press: Cambridge.

WIC than we did in 1993 even as discretionary spending as a percentage of our economy has been reduced from 8.4 percent in 1993 to less than 6.6 percent in 1999.

The 1997 balanced budget agreement – although perhaps best known for the nearly half trillion in entitlement savings over 10 years and significant tax cuts – had more than $70 billion over 5 years to help families making less than $30,000 (Appendix 2). Indeed, the last issue that held up the final agreement was the President's insistence on getting $24 billion over 5 years and $48 billion over 10 years for health insurance for children under 200 percent of the poverty line and his opposition to Republican proposals that would have denied the benefits of the child tax credit to families with more than half of the 13 million children on the EITC. Ultimately, because of the President, families earning less than $30,000 got an $18.5 billion tax cut from the child tax credit. In addition, in 1997 the President fought for and secured $12 billion to restore disability and health benefits to 350,000 legal immigrants, $3 billion for welfare to work programs, and the largest Pell Grant increase in at least two decades.

Likewise, the President has proposed and signed an impressive number of new initiatives that either focus on lower income Americans or are at least targeted to disproportionately benefit more economically-distressed Americans. One can see a complete list of initiatives in Appendix 3. Initiatives that focus on lower-income people include:

- Empowerment Zones, Community Development Banks, Community Reinvestment Act reform, Child Health Initiative, Welfare to Work programs, Brownfields, GEAR-UP, Youth Opportunity Grants, and Individual Development Accounts.

Other programs that disproportionately target low-income Americans include the Reading Excellence program and the Technology Literacy Challenge.

IV. BURDEN OF FISCAL UNCERTAINTY SHOULD NOT FALL ON THE POOR

In making the difficult choices between fiscal discipline and investments, any government should be guided by the principle that the burden of fiscal uncertainty should never fall first on the poor. This is not to say that low-income programs should never bear any burden of fiscal discipline – but it should be a last resort – not a first. This principle is based not just on equity, but also on the principle that any government should feel concern about imposing irreparable damage in the name of deficit reduction – in case the altered budgetary projections ultimately make cuts unnecessary. Even if one believed that balancing the budget should be the sole motivation of fiscal policy, those who called for major cuts in Medicaid, Food Stamps, and the EITC in 1995 turned out to be asking for a painful sacrifice from the poorest and most politically powerless population that was proven to have been unnecessary. On the other hand, freezes or even cuts to those Americans most able to handle them are easily reversed when times improve.

V. REWARDING WORK

The Clinton-Gore focus on poverty reduction has been very much grounded in a vision of rewarding work for poorer families. This coherent and comprehensive vision is a consistent strand running from sections of Putting People First to a comprehensive set of policies to reward work.

Economists are in strong agreement that lower income Americans are quite responsive to both economic incentives to enter the workforce or to disincentives that punish work efforts. In the past, a single mother who wanted to work risked losing health care for her children, and faced large child care, transportation, and clothing costs. At the same time, if this single mother was on Aid to Families with Dependent Children (AFDC), she would face one-for-one reductions in welfare payments for each dollar she earned above a relatively small amount. These child care, health care, and transportation costs, together with AFDC, served as a prohibitive tax on work for too many poor Americans.

The Clinton-Gore agenda has been to reward work and to launch an all-out assault on such work disincentives through measures from expanding the EITC to raising the minimum wage to welfare reform to expanded children's health insurance to greater child care.

Expanding the EITC and Raising the Minimum Wage: Eliminating Poverty For Full-time Working Families With Children

When he was running for office in 1992, then Governor Clinton called for increases in the minimum wage and expansions of the EITC in furtherance of his goal that no full-time working parent should have to raise their child in poverty. Consider what this has meant for our most hard-pressed working families. A working parent with two children earning the minimum wage in 1993 made $10,569 with the EITC (in 1998 dollars), well below the poverty line. With increases in the EITC and minimum wage, that same family in 1998 is above the poverty line – making $13,268 – a 27 percent inflation-adjusted increase in their standard of living.

Indeed, both Census data and academic studies show how powerful the impact of the EITC has been. The latest poverty statistics from the Census provide alternative measures of poverty with and without the EITC (see Tables 6 and 7). They demonstrate that in 1998, 4.3 million people were raised out of poverty by the EITC – of which more than half were children. This is an increase of 2.3 million over the number of Americans lifted out of poverty by the EITC in 1993. The result suggests that more than one-quarter of the reduction in poverty between 1993 and 1998 (7.7 million people according to the poverty measure that includes the EITC) is directly attributable to the expansion of the EITC.

In reality, the benefits of this tax credit have probably been even greater than these simple statistics suggest. There is now an increasing academic literature confirming that the EITC has been effective in bringing people, particularly single women, into the workforce:

- Liebman and Eissa find that the EITC significantly increases labor force participation among single mothers, especially less educated women. Dickert, Hauser, and Scholz present findings consistent with this, predicting that the 1993 EITC expansion would induce 516,000 families to move from welfare to work.[8]
- Partly as a result, 84.2 percent of single mothers were in the labor force in 1997, up from 73.7 percent in 1992.

The minimum wage has also played an important role in increasing the return to work and expanding labor force participation. In the past, there has been a concern that raising the minimum wage created a trade-off between higher wages and lower employment. A series of studies by David Card and Alan Krueger, however, debunked this premise, showing that higher minimum wages could enhance the income of working people while maybe even increasing employment.[9] At the same time, they showed that low-income families receive most of the benefits of higher minimum wages. This is especially true if one takes into account recent research at the Urban Institute and Council of Economic Advisors which shows the interaction of the minimum wage with the EITC, and their effectiveness in moving people from welfare to work.

A study by Mark Turner of the Urban Institute and Johns Hopkins University indicates that increases in the minimum wage can create an important incentive to move from welfare to work.[10] He found that raising the minimum wage by 50 cents would lead to a 1.3 to 2.5 percentage point decrease in the welfare rolls, as between 97,000 and 187,000 women chose to move from welfare to work. This finding is consistent with a recent study by the Council of Economic Advisers which found that the expansion of the minimum wage explained between 10 and 16 percent of the decline in welfare caseloads between 1996 and 1998.[11]

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[8] Nada Eissa and Jeffrey Liebman, "Labor Supply Response to the Earned Income Tax Credit." *Quarterly Journal of Economics*, 111(2) 1996, Bruce Meyer and Dan Rosenbaum, "Welfare, the Earned Income Tax Credit, and the Employment of Single Mothers." Joint Center for Poverty Research Working Paper May 1998 #2, and Stacy Dickert, Scott Houser, and John Karl Scholz, "The Earned Income Tax Credit and Transfer Programs: A Study of Labor Market and Program Participation." *Tax Policy and the Economy 9* 1995 MIT Press: Cambridge.

[9] David Card and Alan Krueger, *Myth and Measurement*, Princeton: Princeton University Press, 1995.

[10] Mark Turner, "The Effects of Minimum Wages on Welfare Recipiency," Joint Center for Poverty Research Working Paper July 1999 #4.

[11] Council of Economic Advisers, "The Effects of the Economic Expansion on Welfare Caseloads: An Update." *A report by the Council of Economic Advisers* August 3, 1999.

Health Care, Child Care, and Welfare Reform: Removing the Disincentives to Work

Health Care

Limited access to health insurance in entry-level jobs – as well as poor health to begin with – can discourage work. Historically, government assistance in providing affordable, accessible health insurance was limited to poor, single-parent families receiving welfare. As a result, work would generally end Medicaid coverage – keeping many people on the welfare rolls out of fear of losing their health coverage.[12] This can be an especially serious problem because many low-wage jobs lack employer-sponsored health insurance, many Temporary Assistance to Needy Families (TANF) parents have health problems, and the fact that uninsured children typically have more sick days at school.[13]

Clearly, passage of some variant of the President's health care plan in 1994 would have been a major pro-work, anti-poverty step. Since that didn't happen, the President has focused on targeted policies to achieve similar goals. Three major policy initiatives have provided access to affordable health insurance to low-income working families. First, the President and advisors such as Secretary Shalala and Bruce Reed have worked to de-link Medicaid from welfare program, making Medicaid accessible to working as well as poor families. This has been accomplished within the context of welfare reform in 1996, but also before that through state waiver programs and aggressive administrative action. This approach appears to be working, as can be seen in one study which found that the proportion of Medicaid-enrolled children with an unemployed parent fell from 75 percent in 1987 to 47 percent in 1996.[14]

Perhaps the most important step was the Children's Health Insurance Program (CHIP) – the largest children's health care investment since the creation of Medicaid in 1965. This program is targeted at working families who lack health insurance for their children but have too much income to qualify for Medicaid. Too many of these parents skip work to care for children who are sick but lack access to doctors or needed medicines. CHIP was created in 1997 with bipartisan Congressional support at a cost of $24 billion dollars over five years. To date, about 1.3 million children have been enrolled in state programs, all of whom come from working families – a number that is expected

[12] See Robert Moffitt and Barbara Wolfe, "The Effect of the Medicaid Program on Welfare Participation and Labor Supply." *Review of Economic Studies*. November 1992 and Aaron Yelowitz, "The Medicaid Notch, Labor Supply, and Welfare Participation: Evidence from Eligibility Expansions." *Quarterly Journal of Economics* 110(4) November 1995 for two good studies documenting this point.

[13] One study finds that only about 43 percent of people in near-poor families have employer-sponsored insurance (O'Brien E; Feder J. (May 1999). *Employment-Based Health Insurance Coverage and Its Decline: The Growing Plight of Low-Wage Workers*. Washington, DC: The Kaiser Commission on Medicaid and the Uninsured.). It may be worse for people leaving welfare, with one study finding that less than one in four received health insurânce on the job: Loprest P. (1999). *Families Who Left Welfare: Who Are They and How Are They Doing?* Washington, DC: Discussion Paper: Assessing the New Federalism.

[14] Banthin JS; Cohen JW. (August, 1999). Changes in the Medicaid Community-Based Population: 1987-96. Rockville, MD: Agency for Health Care Policy and Research. MEPS Research Findings No. 9 AHCPR Pub. No. 99-0042.

to double by September 2000.[15]

Finally, the President has taken an initial step – and continues to push for legislation – that ensures that people with disabilities are not kept from productive employment by their fear of losing their health insurance. In 1997, the President created an option that would allow people with disabilities who have income below 250 percent of poverty to buy into Medicaid. However, we believe this doesn't go far enough. The Work Incentives Improvement Act, which was funded in the President's FY 2000 budget and has unanimously passed the Senate, would take additional steps to ensure that no person has to choose between work and health coverage.

Child Care

Research shows that women are highly responsive to the costs of child care in making decisions to work. A recent National Bureau of Economic Research working paper finds that if the costs of childcare could be lowered by 50 cents per hour, the result would be an 18 percent rise in labor force participation by unmarried women with children and a 39 percent rise for unmarried high school dropouts with kids.[16]

Under the Clinton-Gore Administration, federal funding for child care has increased by 80 percent, helping parents pay for the care of about 1.25 million children out of the 10 million that are eligible. The 1996 welfare reform law increased child care funding by $4 billion over six years to provide child care assistance to families moving from welfare to work. Last year, the President succeeded in securing $140 million in new funds for after-school care and $173 million for child care quality activities. Over the next five years, the President has proposed to expand child care to another 1.15 million children from low-income families.

Welfare Reform

The President's health care and child care initiatives have been an integral part of his strategy to make welfare reform work by providing people with opportunities to move into the workforce. The President's efforts began in the first days of the Administration, with the Secretary of Health and Human Services granting waivers to 43 states between 1993 and 1996 to try a broad range of experiments to help provide an incentive for people to move from welfare to work. These measures included "sticks" like time limits and work requirements, as well as incentives like allowing welfare recipients to keep more benefits when they went to work or to exclude items like cars when calculating their assets for the purposes of program eligibility.

Welfare reform in 1996 pushed this further, abolishing AFDC and replacing it with TANF – a new program based on block grants with time limits and a wide latitude

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[15] Smith V. (July 30, 1999). Enrollment Increases in State CHIP Programs: December 1998 to June 1999. Washington, DC: The Kaiser Commission on the Future of Medicaid and the Uninsured.
[16] Patricia Anderson and Philip Levine, "Child Care and Mother's Employment Decisions." *NBER Working Paper No. W7058* March 1999.

for states to design their own rules. One consequence has been the proliferation of rules that allow people to continue to receive benefits when they first work and other incentives like childcare, transportation, reimbursement of work-related expenses, and earnings supplements. The result has been a powerful incentive for people to move from welfare to work – with evidence documented in one study indicating that measures like these increased the employment rate by 2.8 to 11.8 percentage points in different experiments across the United States and Canada.[17]

Welfare reform is working. Welfare rolls are down by nearly half to their lowest level in 30 years, nearly four times more of those on welfare are working, and the employment rate of people receiving welfare in the previous year has increased by 70 percent. All fifty states are meeting the law's overall work requirement.

Recent studies by the Urban Institute, the General Accounting Office, and others have documented that the vast majority of recipients leave the rolls for jobs.[18] The recent poverty statistics bear witness to the tremendous gains that have been made by single mothers as a result of the wide-range of policies I have discussed: poverty rates for single women with children have fallen from 46.1 percent in 1993 to 38.7 percent in 1998 – a 16 percent decline.

At the same time, we cannot let ourselves lose sight of the fact that the job is not done. More still needs to be done for families struggling to balance childcare needs for jobs. More needs to be done to ensure that the many people who need and are eligible for food stamps and Medicaid actually sign up for these programs. And we need to continue monitoring to ensure that people are indeed leaving welfare for good jobs.

VI. THE CLINTON ECONOMIC OPPORTUNITY AGENDA: LIFTING UP PEOPLE AND PLACES

The most frustrating and frequent debate in policy circles on economic development is whether the focus should be on empowering people or places. The President's policies and common sense dictate a focus on both.

As I will discuss, policies that give people the skills or mobility to move to jobs or homes in other neighborhoods can be quite successful in creating opportunity and a better, safer standard of living. Yet these strategies only confirm that neighborhoods and schools matter – it hardly seems right to rely only on moving people out of poor neighborhoods and into better neighborhoods without any effort to strengthen the distressed neighborhoods where people currently live.

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[17] Rebecca Blank, David Card, and Philip Robins, "Financial Incentives for Increasing Work and Income Among Low-income Families," Joint Center for Poverty Research Working Paper February 1999 #1.
[18] Pamela Loprest, "Families Who Left Welfare: How Are They Doing?" Urban Institute Discussion Papers 99-02, 1999 and General Accounting Office, "Welfare Reform: Information on Former Recipients Status," April 1999.

When the President and the Vice President ran for office, there was an increasingly counter-productive tug-of-war between government and laissez-faire approaches to our Nation's struggling urban and rural communities. The President and Vice President believe that there is a third way – an activist effort by government to bring private sector capital, free enterprise and entrepreneurial activity to our nation's underserved areas.

In order to accomplish this goal and breathe life into their third way vision, President Clinton and Vice President Gore set out in 1993 to put in place a comprehensive community empowerment agenda. Among other things, this agenda has included the creation of Empowerment Zones and Enterprise Communities, the establishment of the Community Development Financial Institution Fund, the Department of Housing and Urban Development's Economic Development Initiative, reform of the Community Reinvestment Act regulations, a greater commitment to affordable housing, and the New Markets Initiative.

To focus private and public sector resources and encourage local leadership on transforming distressed communities, this Administration created the first-ever federal Empowerment Zones and Enterprise Communities (EZs and ECs). Under the leadership of Vice President Gore, as Chair of the Community Empowerment Board, we now have designated two rounds of Empowerment Zones – 24 urban and 8 rural ones – and 115 additional Enterprise Communities, which are helping bring growth and economic opportunity to some of the most economically-distressed communities in our nation.

This approach has proven successful. Early reports demonstrate that Round One EZs are making major strides toward accomplishing their objectives. To date, Empowerment Zones/Enterprise Communities federal seed money has leveraged over $10 billion in additional public and private sector investment in community revitalization efforts.[19] One study from the Rockefeller Institute labeled the EZ initiative "among the most significant efforts launched by the federal government in decades on behalf of this nation's distressed inner cities and rural areas," and another report by Standard and Poors stated that "When successful, such (EZ) efforts can contribute to the improvement of a local economy and lead to an improvement in an issuer's credit rating,"[20]

To encourage the development of private lending and investment institutions focused on low- and moderate-income communities, this Administration has through the creation of a Community Development Financial Institution (CDFI) Fund made over $300 million in investments, grants, and loans to Community Development Financial Institutions and mainstream financial institutions, helping to support a network of institutions that provide capital to economically-distressed communities. A study of the

[19] 1998 aggregate numbers from the HUD and USDA Performance Measurement Systems, which rely on self-reporting by the EZs and ECs

[20] Nelson A. Rockefeller Institute of Government, "Empowerment Zone Initiative: Building a Community Plan For Strategic Change – Findings From the First Round of Assessment" 1997 and Standard & Poor's "Credit Week Municipal," December 22, 1997. For other studies, see GAO, "Status of Empowerment Zones." GAO Report, December 1996, and Price Waterhouse, "The Urban Empowerment Zones: Highlights from the First 18 Months." September 1996.

first year of the CDFI Fund awards found that every $1 of Fund investments leveraged nearly $17 in non-federal investments.[21]

To spur the development of neighborhood transforming economic development projects, this Administration, under the leadership of Secretary Andrew Cuomo, established the Economic Development Initiative (EDI), which combines grants and low-interest loans to leverage private investment for economic development. Over the past 5 years, $3.5 billion in EDI loan commitments have been made – these will create an estimated 300,000 jobs in low- and moderate-income communities during the life of the EDI program.[22] As part of the EDI program, the Department of Housing and Urban Development (HUD) has launched the Community Empowerment Fund Trust, a pilot program which will enable the pooling of loans and the creation of a private secondary market for economic development loans.

To make communities more livable for people and more attractive for economic development, we passed a brownfields tax incentive to encourage private sector help in cleaning up nearly 11,000 environmentally contaminated sites in our inner cities and rural areas, and bringing them back to life – and we asked Congress to make this incentive a permanent part of our tax code. In an effort to expand private investment in affordable housing, we have also made the Low-Income Housing Tax Credit permanent.

To boost additional community development lending by mainstream financial institutions, this Administration reformed the Community Reinvestment Act (CRA) regulations to emphasize performance standards – a move ultimately hailed by the Independent Bankers Association of America as a big step in regulatory burden reduction for community banks.[23] The CRA today encourages financial institutions to provide capital to distressed communities, helping to build homes, creating jobs, and restoring hope all across the country. According to the National Community Reinvestment Coalition, the private sector has pledged nearly $1 trillion in community development loans since 1992 – an amount that represents over 95 percent of all CRA pledges made since the legislation's enactment in 1977. Lending commitments under CRA have increased dramatically from the pre-1993 era, from an average of $2.6 billion per year between 1977 and 1992 to about $180 billion the past 6 years.[24] In 1998, banks made $16 billion in community development loans and $33 billion in small business loans in low- and moderate-income communities.[25] There is evidence that lending to minority and low-income borrowers is also on the rise. From 1993 to 1998, the number of home mortgage loans to African Americans have increased by 87 percent, to Hispanics by 62 percent, to Native Americans by 52 percent and to low and moderate income borrowers by 64 percent.[26] That is why the White House, along with Secretary Rubin and Secretary

[21] Community Development Financial Institution Fund, "CDFI Fund Survey of 1996 Awardees," 1999.
[22] "Consolidated Annual Report To Congress For HUD's Community Development Programs," 1996.
[23] Independent Bankers Association of America, Press Release, April 19, 1995.
[24] April 1999Report by the National Community Reinvestment Coalition, "CRA Dollar Commitments"
[25] Federal Financial Institution Examinations Council Report on CRA, July 29, 1999.
[26] July 29, 1999, Federal Financial Institution Examinations Council Report on Home Mortgage Disclosure Act

Summers, have taken a tough line against any efforts to weaken CRA in financial modernization legislation.

While the current economic expansion is one of the strongest in history, there are still too many communities in our Nation that are defined more by their lack of opportunity than by their prosperity. As our next step, the President this year challenged the private sector to join him in a New Markets Initiative to bring equity capital, jobs, and economic opportunity to America's most underserved urban and rural communities. The New Markets Initiative is designed to spur $15 billion in new investment in low- and moderate-income communities through our New Markets Tax Credit and loan guarantees. The New Markets Tax Credit is worth up to 25 percent of the original investments in a wide range of vehicles and will be available to investment funds, banks and institutions that are financing businesses in low- and moderate-income communities.

The New Markets Initiative also creates America's Private Investment Companies (APIC) – just as America's support for the Overseas Private Investment Corporation helped promote growth in emerging markets abroad, APIC will help encourage private investment in our own country's untapped markets. In addition, the New Markets Initiative involves the creation of another new type of investment vehicle – the New Markets Venture Capital (NMVC) firm. NMVC firms will provide incentives to increase the availability of venture capital in low and moderate-income communities for small businesses. Lastly, under the leadership of Administrator Aida Alvarez, the Small Business Administration has begun a specific initiative to ensure that the existing Small Business Investment Companies program reaches out to low and moderate-income communities.

Government can help provide the tools for businesses to grow through other efforts that are part of the New Markets Initiative, such as BusinessLINC – a program launched by the Vice President and supported by the Business Roundtable -- that encourages mentoring and protégé relationships between small businesses and large companies. These are examples of this Administration's efforts to encourage more private sector investment and partnerships in economically-distressed areas.

VII. NEW DIRECTIONS: INVESTING IN PEOPLE

Investing in people has been a primary focus of the Clinton-Gore agenda from day one. I will not even attempt to catalog everything that the Administration has done – but I do want to point to six areas that we feel are critical to future poverty reduction and are at stake in our current budget battle.

Moving to Opportunity

Research dating back to the Chicago Gautreaux case has shown that poor families who are given the opportunity to move to better neighborhoods have better education and job experiences.[27] New research on HUD's experimental housing mobility program – moving to opportunity – in two separate studies in Boston and Baltimore shows that increased housing mobility brings not only economic opportunity but also a significant reduction in behavioral problems for children, including reduced juvenile arrest rates, injuries, victimization of crime, while having positive health and mental health impacts for parents and heads of households.[28] These are some of the reasons that this President and Vice President believe that Secretary Cuomo's efforts to add 100,000 housing vouchers are a valuable anti-poverty proposal and worth fighting hard for in the current VA-HUD appropriations bill.

Closing the Digital Divide

As our nation seeks to close the race and income gaps that have too often divided us, it's critical that we not allow a new divide. We all know children who have become computer literate at a young age and watched their knowledge accelerate as their older relatives stagnate – still uncomfortable and awkward with the computer age. If we let a generation of middle-class children grow up whizzing from one computer to another while a generation of poorer children stays computer illiterate, we will be sitting by as a new divide helps widen the race and income gap we seek to close.

History shows that public policy can make a difference in determining whether or not the demand for higher-skilled workers creates higher wages across the board or instead leads to increasing wage inequality.[29]

In the first three decades of this century, the United States faced the technological challenge of adapting the economy and society to benefit from the invention of electricity and the spread of mass production. At the same time, the "high school movement" in the United States helped to produce an educated and skilled workforce to meet this challenge. As a result, people had the skills to benefit from the increasingly demanding jobs, resulting in higher wages across-the-board and even a reduction in inequality.[30]

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[27] The two classic studies are by James Rosenbaum: "Black Pioneers — Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?" *Housing Policy Debate* 2, 1992 and "Changing the Geography of Opportunity by Expanding Residential Choice: Lessons from the Gautreaux Program." *Housing Policy Debate* 6, 1995. David Cutler and Edward Glaeser have shown that a decrease in segregation would eliminate a substantial fraction of the black-white difference in schooling, employment, and single parenthood, see "Are Ghettos Good or Bad?" *Quarterly Journal of Economics* August 1997.

[28] Lawrence Katz, Jeffrey Kling, and Jeffrey Liebman "Moving to Opportunity in Boston: Early Impacts of a Housing Mobility Program." Harvard University, Princeton University, and NBER. September 1999 and Jens Ludwig, Greg Duncan and Paul Hirschfield, "Urban Poverty and Juvenile Crime: Evidence from a Randomized Housing-Mobility Experiment," Joint Center for Poverty Research, Northwestern University and University of Chicago, working paper.

[29] See the discussion in Lawrence Katz, "Technological Change, Computerization, and the Wage Structure." Harvard University and NBER, September 1999.

[30] Claudia Goldin and Lawrence Katz, "The Returns to Skill in the United States Across the Twentieth Century." *NBER Working Paper No. W7126* May 1999.

The question we face today is whether policy can help spur a wave of technology literate workers who can meet the demands of the information economy with broadly shared gains in income. The challenge is significant. Households with incomes over $75,000 are 20 times more likely to be connected to the Internet than the poorest families and nine time more likely to have a computer. Black and Hispanic families are less than 40 percent as likely as white families to have access to the Internet at home.[31]

The President and the Vice President deserve significant credit for seizing on this issue at an early stage. Under their leadership. investment in educational technology has risen by more than 3.000 percent – from $23 million to $698 million through our new Technology Literacy Challenge initiative which asks each state to create a plan to close the digital divide. The E-Rate provides $2.25 billion in discounts to community schools and libraries that want to connect to the Internet – where poorer schools are eligible for 90 percent discounts. Through our technology literacy initiative and E-Rate, nearly $3 billion a year is now being spent to bring technology literacy to all Americans.

This year we are fighting – so far unsuccessfully – to fully fund our next steps and to ensure middle schools have teachers trained in technology and to expand dramatically our Community Technology Centers – to bring computer learning to the places in our poorest neighborhoods most likely to serve disadvantaged young people.

Investing in Children From Birth

Everything we know about the importance of learning, and everything we know about the exceptionally high poverty rates for African-American and Hispanic children, and everything we believe about the value of a fair start in life, compels us to focus attention on the education and health of a child from the earliest possible time. That's why even in the toughest budget fights, the President has always insisted on budget increases in WIC and Head Start.

As Mrs. Clinton emphasized in her 1997 White House conference on early childhood development, pre-school that begins at age 4 may be too late for America's children. Scientists have determined that the human brain achieves approximately 90 percent of its total growth by age 3.[32] And the data demonstrates that experiences in a baby's earliest months help determine a person's physical and mental health, and ability to learn over a lifetime.

To do this, we have not only expanded Head Start and set a goal of reaching one million participants by 2002 – participation is now at 833,000 – but also have created Early Head Start in 1994 to provide comprehensive early childhood development services for 0-3 year olds.

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[31] NTIA, "Falling Through the Net: Defining the Digital Divide", July 1999.
[32] Rand Foundation, "Investing in Our Children, What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions." 1998.

And we've also proposed the creation of a $3 billion Early Learning Fund that would boost community efforts to improve child care for the youngest children through home visitation (where a nurse or trained professional comes in to counsel new parents about development and health issues), parent counseling, efforts to help parents find child care, and a variety of other activities focused on early childhood.

Inspiring Disadvantaged Youths to Go to College and Enabling Them To Finish

We are clearly proud of the efforts we have made through the Direct Student Loan programs, our income contingent loan repayment plans, national service, HOPE Scholarships, increases in Pell Grants, and the many other initiatives led by Secretary Riley to open the doors of college to all young and older Americans. This is no doubt a wise public policy investment when we consider that each year that a person from a disadvantaged background goes to college, he or she increase his or her projected lifetime earning by 8 to 15 percent.[33]

Yet, if we are serious about the importance of a college education, we need to do more in two often-neglected areas, the time *before* entry to college and the time *after*. First, although more students are going to college, there are still many from disadvantaged backgrounds that lack the hope, expectations, and incentives to choose college over dropping out. But getting students to enroll in college is only the first step. The second often-neglected challenge is keeping them there, reversing the trend toward greater college enrollment being accompanied by lower college completions.[34]

Mentoring Programs, GEAR-UP, and Preventing Children from Dropping Out

We have too often failed to focus on encouraging adolescents to stay in school and go to college. While excellent programs like TRIO do exist, when one considers the differential between the difficulty of getting dropouts back on track – and the disturbingly high Hispanic drop out rate – and the benefits of higher education, this is an area that deserves considerably more attention from public policy makers.

In seeking to get dropouts back on track it is important to reject the congressional impulse to thinly distribute funds geographically. Instead we have focused on providing concentrated benefits so that enough opportunities are offered in particular neighborhoods so that a dropout who says no to the streets will face some critical mass of peer support instead of ridicule and ostracism for doing the right thing.[35] Our new $250 million Youth Opportunities Act – which Sec. Herman calls the "YO" program – follows that research by concentrating its benefits in 25-30 communities to help 58,000 disadvantaged youth between 14-21 years old. The fact that this has been zeroed out in

[33] David Card, "Earnings, Schooling, and Ability Revisited." Princeton University, Industrial Relations Section Working Paper No. 311, May 1994.
[34] Caroline Hoxby, "Tax Incentives for Higher Education." *Tax Policy and the Economy 12* 1998 MIT Press: Cambridge.
[35] For the importance of these effects, see Anne Case and Lawrence Katz, "The Company You Keep: The Effects of Family and Neighborhood on Disadvantaged Youths." *National Bureau of Economic Research Working Paper 3705*, May 1991.

the House Republican budget is one more reason that overall fiscal policy is not sufficient.

Although the YO program is smart and well-designed, there is also no question that getting young people back on track after they have dropped out has historically been one of the most difficult public policy tasks.

The best approach – confirmed by both research and common sense – is to reach disadvantaged youth at a young age, to provide continuity through one-on-one mentors and role-models, and most of all, to encourage the expectation that they will finish high school and go to college.[36] One striking example comes from a recent study by Public/Private Ventures of Big Brother/Big Sister programs. The results, based on a scientific random experiment, are striking. Children in Little Brother / Little Sister programs were 46 percent less likely to start abusing drugs, 27 percent less likely to start abusing alcohol, 52 percent less likely to skip a day of school, and 37 percent less likely to lie to a parent.[37]

Perhaps even more striking is the success of the Quantum Opportunities Program, a comprehensive program that works with disadvantaged youths from ninth grade through twelfth grade, providing depth of service, continuity, and a sense of community. One study found that students in this program, compared to youths that were not, were more likely to graduate from high school (63 percent versus 42 percent), more likely to attend a four-year college (18 percent versus 5 percent), and less likely to become teen parents (24 percent versus 38 percent).[38]

Eugene Lang's "I Have A Dream" program reaches out to disadvantaged youth at a young age with the promise of college while challenging private sector individuals to play the role of mentors and role models. In city after city, the overwhelming majority of young people in this program graduate from high school despite the fact that they live in neighborhoods where the overwhelming majority of their peers drop out.[39]

Last year, using these programs and research as models and inspiration, the President proposed and signed the new GEAR-UP initiative. GEAR-UP asks colleges to

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[36] For an overview of the research emphasizing these themes see Lawrence Katz, "Active Labor Market Policies to Expand Employment and Opportunity." In *Reducing Unemployment: Current Issues and Policy Options*, Proceedings of a Symposium of the Federal Reserve Bank of Kansas City, August, 1994.
[37] Joseph Tierney and Jean Baldwin Grossman, with Nancy Resch, "Making a Difference: an Impact Study of Big Brothers / Big Sisters." A report by Public/Private Ventures, November 1995.
[38] Andrew Hahn, with Tom Leavitt and Paul Aaron, "Evaluation of the Quantum Opportunities Program (QOP): Did the Program Work?" Brandeis University, June 1994.
[39] Arthur Levine, the President of Teachers College, Columbia University, writes, "The results of Lang's efforts were astounding. Ten years after he first made his promise, 90 percent of P.S. 121 sixth-graders had graduated from high school or obtained a GED degree. (The original estimate, based on prior history, was that at least 75 percent of the students would drop out of school.)" In Arthur Levine and Jana Nidiffer, *Beating the Odds: How the Poor Get into College*, 1996, Jossey-Bass Publishers, San Francisco. For documentation of how the "I Have a Dream" program has improved educational outcomes, see Robert McGrath and Judy Hayman. "The Paterson New Jersey, I Have a Dream Program: Academic Performance and Outcomes." 1999, Fairleigh Dickinson University, Teaneck, New Jersey.

work with non-profits to adopt classes of middle school students from nearby disadvantaged schools and stay with these classes through the end of high school, providing information about college, and one-on-one mentoring with college students or local professionals. Most of all, GEAR-UP gives many young people the gift that many of us were lucky enough to have automatically: the strong and sustained expectation that whatever the temptations of adolescence are to go off track, we would graduate and go to college. The Ford Foundation has highly praised this new initiative and is working with the first partnerships. One of the best things we can do is invest in this type of initiative, a program that gives hope and high expectations to disadvantaged young people. While several Republicans, including Congressman Mark Souder and Senator James Jeffords, joined the White House and Congressman Chaka Fattah in helping to pass this legislation, it was eliminated in the bill voted out of the House Subcommittee on Labor, Health, and Human Services. This happened even as the Administration seeks to increase its funding to help meet the overload of demand expressed in the first competition.

America's Quiet Crisis: Enabling People to Finish College

Although there has been great and deserved focus on getting disadvantaged and minority young people into college, too little attention has been paid to ensure that those young people who enter college – either two- or four-year institutions – stay there. Although the college completion rate has been falling, this quiet crisis has yet to receive the attention that it merits.

Although America has the highest college enrollment rate in the world, its college completion rate is toward the bottom of OECD countries.[40] Roughly one-third of community college students drop out by the end of the first semester – and about one-half leave within the first year. Among four-year students, attrition is highest in the first two years. This problem is particularly acute in certain minority communities. Although Hispanic high school graduates are as likely to attend college as whites, their college completion rates are much lower.[41] 29 percent of African Americans and 31 percent of Hispanics drop out of college after less than one year, compared to 18 percent of whites. 48 percent of African Americans and 50 percent of Hispanics drop out by the end of the first year. And only 11 percent of African Americans and 10 percent of Hispanics finish college, as compared to 24 percent of whites.[42]

This quiet crisis in college education needs more attention from all of us. We need to make it a priority. We need to carefully analyze issues related to college aid and support services, as well as programs around the country that provide intensive summer programs or pre-college education boot camps, to help low-income and minority high school students enter college ready to succeed.

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[40] Organization for Economic Cooperation and Development, *Education at a Glance: OECD Indicators 1998*, OECD: Paris, 1998.
[41] See Philip Ganderton and Richard Santos, "Hispanic College Attendance and Completion: Evidence from the High School and Beyond Surveys." *Economics of Education Review* 14(1), 1995.
[42] U.S. Department of Education, "Trends in Postsecondary Credit Production, 1972 and 1980 High School Graduates." National Center for Education Statistics, June 1990.

Reducing Widow Poverty

While policy makers often celebrate the dramatic reduction in elderly poverty, particularly since the creation and expansion of Medicare, the recent policy debate on Social Security has opened the eyes of many Americans to the fact that within those low elderly poverty rates lie very different circumstances for different portions of the elderly population. While married elderly women for example have extremely low poverty rates of less than 5 percent, the poverty rates for elderly widowed women who often live alone is at a disturbingly high rate of 18 percent.[43]

One of the important reasons for addressing Social Security reform sooner rather than later is not only the opportunity to extend solvency for most of the 21st century, but also to address the flaws in the Social Security system that are certainly contributing to this unacceptable high poverty rate for elderly women living alone.

There are several ideas for how best to address this including proposals to increase the percentage of Social Security benefits that a widow is eligible for after her husband passes away. On a related issue, experts who are examining whether or not the measure of the poverty rate should be altered, have become increasingly concerned that the current poverty rate formula does not adequately account for the huge degree of out-of-pocket health costs that many elderly Americans pay for. If a new standard is devised, the adjustment for the poverty of single elderly women could be even higher, showing again further evidence that comprehensive Medicare and Social Security reform addressing both solvency and poverty-related issues should remain a top priority for Congress and this Administration.

Closing Wealth Inequality Through Universal Savings

Before closing, I want to briefly move from the issue of income and wage inequality to wealth inequality. The gap between the wealth of the rich and poor, like the income gap, is very large. The wealthiest 6 percent of the population have almost half of all of the assets. The typical white (non-Hispanic) family has $73,900 in financial assets, while the typical African American or Hispanic family has only $16,500.[44]

Perhaps even larger is the gap between those who participate in financial markets and save for retirement and those who do not. According to the Department of the Treasury, 73 million Americans workers and their spouses are not covered by any employer-sponsored retirement plan. According to Census data, only 10 percent of the bottom 40 percent of households had IRAs or Keoghs in 1993. Glenn Loury has pointed

[43] National Economic Council, Interagency Working Group on Social Security, "Women and Retirement Security." October 1998.
[44] Based on the Survey of Consumer Finances as discussed in Arthur Kennickell, Martha Starr-McCluer, and Annika Sundén, "Family Finances in the U.S.: Recent Evidence from the Survey of Consumer Finances." *Federal Reserve Bulletin*, Vol. 83, January 1997.

out that only 14 percent of African Americans owned mutual funds in 1994, compared to 41 percent for the population as a whole.[45]

This financial participation gap has been felt especially strongly over the last decade, and particularly over the last several years, as Americans who were fortunate enough to have savings they could invest in the stock market, through tax preferred IRAs or employer provided pensions, have experienced a significant increase in their wealth and retirement security. Those without the savings to invest in the market have certainly been left behind.

In our tax system, we today give significant incentives – exclusions from taxable income – to employer provided pension, IRAs, and 401ks, in order to encourage Americans to save. Our choice to provide incentives for such savings is clearly based on the public policy determination that we benefit as a nation when our savings rate is higher and when individuals take more responsibility for their retirement security. Yet the unfortunate irony is that by designing such incentives only in the form of tax deductions and income exclusions, we leave out the very Americans who have the lowest income and the hardest time saving because their income is almost entirely consumed by the basic necessities of life.

By what possible public policy rationale do we justify the fact that less than 10 percent of tax incentives for savings and retirement go to families making under $50,000?[46] For the large number of families in the bottom two quintiles that pay little income tax, such incentives are an empty offer. Most cannot afford to save virtually anything; many owe no income taxes because of their low income and even those who can save a little get only 15 cents to the dollar as an incentive – far below what is offered to those in the upper-income brackets. If we are serious about closing the wealth inequality gap, if we are serious about encouraging more low-income Americans to save for their retirement to participate in the process of investment, wealth creation and the wonders of compound returns, then we need to find new proposals that will let all Americans participate in savings and wealth creation.

The President's Universal Savings Accounts (USA's) seek to do just this. These accounts would give an automatic tax credit to low- and moderate-income working families so that those families would have an individual savings account and then they would provide matching returns to encourage Americans to contribute their own savings as well. Whether or not the USA account is the only way to achieve this goal, I believe that these are the type of savings and wealth creation incentives that must be provided for all Americans – even those at the lowest income bracket – if we are to close the wealth inequality gap in the future.

[45] Glenn Loury, "Opting Out of the Boom: Why More Blacks Don't Invest." *New York Times* June 7, 1998.
[46] Department of Treasury.

VIII. CONCLUSION

I have tried today to marshal evidence to demonstrate that public policy efforts to reduce poverty and increase economic opportunity have significant cost-benefit savings for our society and are consistent with a pro-growth economic strategy. Yet I would be being less than straight-forward if I suggested that I believe that the justification for our anti-poverty and economic opportunity efforts rest solely on efficiency or economic growth.

We are a country that not only tolerates, but truly celebrates the wealth and riches any American can fairly earn by virtue of their hard work, skill, innovation, entrepreneurship, or even dumb luck. The core of our strong belief in our unique American value of free enterprise is the specific American value that any one person can rise by virtue of their individual talent and efforts.

And while there will always be the rare individual who will rise from the cruelest of situations, there are too many neighborhoods, too many streets, too many families where a child born today faces overwhelming obstacles. When the accident of birth and not the content of one's efforts and God-given talents becomes the best indicator of too many children's life opportunities, it strikes at the heart of our belief system.

When more than one-third of all African-American and Hispanic children are born into poverty, when a single street in a single city marks a divide between children born into a home with computerized Pokemon games and children born into homes with inferior nutrition, low educational aspirations, and neighborhoods with failing schools and crime-filled streets, we fail to live up to the values and aspirations we hold dear. Yet every dedicated mentor, every successful pre-school program, every excellent teacher, every creative after-school program, every additional college grant can make our ideals a little more real for each child touched by such an opportunity who chooses to accept the responsibility to take advantage of it. Beneath the big picture politics, the headline soundbites, and the defining issues for the next election, are a multitude of below-the-screen budgetary decisions that each by themselves will determine whether another 10,000 or 100,000 or even one million young people will get such an opportunity. Shame on all of us if we ever forget that.

TABLE 1				
POVERTY RATES FOR SELECTED GROUPS				
	1993	1998	Percent Change	1998 Is the Lowest Since
All Persons	15.1	12.7	-15.9%	1979
Black	33.1	26.1	-21.1%	Record
Hispanic	30.6	25.6	-16.3%	1979
Children	22.7	18.9	-16.7%	1980
Black children	46.1	36.7	-20.4%	Record
Hispanic children	40.9	34.4	-15.9%	Record
Single mothers	46.1	38.7	-16.1%	Record
Black single mothers	57.7	47.5	-17.7%	Record
Hispanic single mothers	60.5	52.2	-13.7%	Record
Elderly	12.2	10.5	-13.9%	Record

(Note: the poverty threshold for a family of four is $16,660)

TABLE 2			
NUMBER OF PEOPLE IN POVERTY FOR SELECTED GROUPS (thousands)			
	1993	1998	Change
All Persons	39,265	34,476	-4,789
Black	10,877	9,091	-1,786
Hispanic	8,126	8,070	-56
Children	15,727	13,467	-2,260
Black children	5,125	4,151	-974
Hispanic children	3,873	3,837	-36
Single mothers	4,424	3,831	-593
Black single mothers	1,780	1,397	-383
Hispanic single mothers	706	707	+1*
Elderly	3,755	3,386	-369

Note: This population grew 16.1 percent between 1993 and 1998.

TABLE 3			
CHANGE IN INCOME			
	1993	1998	Increase
All families	41,691	46,737	+5,046
Black families	24,300	29,404	+5,104
Hispanic families	26,682	29,608	+2,926
Married couple	48,511	54,180	+5,669
Single female	19,676	22,163	+2,487

TABLE 4					
INCOME GROWTH FROM 1981-1998					
	1981	1993	1998	1981-93	1993-98
All families	40,502	41,691	46,737	2.9%	12.1%
Black families	24,000	24,300	29,404	1.3%	21.0%
Hispanic families	29,671	26,682	29,608	-10.1%	11.0%
Bottom quintile	8,749	8,361	9,223	-4.4%	10.3%
Second quintile	20,966	21,044	23,288	0.4%	10.7%
Third quintile	34,628	35,276	38,967	1.9%	10.5%
Fourth quintile	51,581	54,821	60,266	6.3%	9.9%
Top quintile	90,350	114,216	127,529	26.4%	11.7%

TABLE 5				
GROWTH IN SELECTED POVERTY-REDUCTION PROGRAMS (In millions of dollars)				
	FY 1993	FY 1999	Growth 1993-99	Increase 1993-99
Head Start	2,776	4,660	+68%	+1,884
WIC	2,928	3,924	+34%	+996
EITC (calendar year estimates)	15,537	31,855	+105%	+16,318
Dislocated Worker Funding	517	1,406	+172%	+889
Job Corps	966	1,309	+36%	+343
Pell Grants Max. Award*	$2,300	$3,125	+36%	+$825

* Dollars per person.

TABLE 6						
POVERTY WITH AND WITHOUT THE EITC						
	POVERTY RATE			PEOPLE IN POVERTY (thousands)		
	w/o EITC	w/ EITC	Lifted Out	w/o EITC	w/ EITC	Lifted Out
1992	16.2	15.2	1.0	41,561	38,995	2,565
1993	16.3	15.5	0.8	42,262	40,188	2,074
1994	15.8	14.6	1.2	41,335	38,196	3,139
1995	14.8	13.4	1.4	39,032	35,340	3,692
1996	14.9	13.3	1.6	39,666	35,407	4,259
1997	14.3	12.7	1.6	38,393	34,097	4,296
1998	13.6	12.0	1.6	36,864	32,527	4,337

Note: poverty without the EITC is Census definition 1a and with the EITC is Census definition 1b

TABLE 7						
POVERTY WITH AND WITHOUT THE EITC IN 1998						
	POVERTY RATE			PEOPLE IN POVERTY (thousands)		
	w/o EITC	w/ EITC	Lifted Out	w/o EITC	w/ EITC	Lifted Out
Americans	13.6	12.0	1.6	36,864	32,527	4,337
Black	27.6	24.5	3.1	9,626	8,545	1,081
Hispanic	27.4	23.6	3.8	8,635	7,438	1,198
Children	20.2	17.0	3.2	14,410	12,127	2,283
Black children	38.5	32.9	5.6	4,357	3,723	634
Hispanic Children	36.6	30.9	5.7	4,082	3,446	636
Single mom	43.2	36.7	6.5	12,614	10,716	1,898

Note: poverty without the EITC is Census definition 1a and with the EITC is Census definition 1b.

APPENDIX 1 – THE CLINTON ADMINISTRATION'S CONTRIBUTION TO POLICIES TO HELP PEOPLE LIFT THEMSELVES OUT OF POVERTY

1. REWARDING WORK

Expanded EITC to Put Money Back in Working Families' Pockets

- The EITC helps working families supplement their earnings through tax credits. In President Clinton's 1993 Economic Plan, EITC was expanded to make work pay for 15 million working families.

- In 1998, the EITC lifted 4.3 million Americans out of poverty – more than twice as many as in 1993. The average family received an EITC credit of $1,890.

Minimum Wage Hike Increased Pay By $1,800 for Full-time Workers

- In 1996, the President and Vice President fought for and won a minimum wage increase from $4.25 to $5.15 per hour for nearly 10 million workers.

- Now, the President is fighting for another minimum wage increase – $1 over two years – to make work pay for 11.4 million workers and help ensure that parents who work hard and play by the rules can raise their children out of poverty.

Provided Health Care to Low-Income Working Families

- The President has successfully fought to increase low-income families' access to health care by allowing states to expand Medicaid to cover low-income two-parent families who work and working with states to ensure that uninsured families receive Medicaid when eligible.

Enacted Single Largest Investment in Health Care for Children since 1965

- The President, with bipartisan support from the Congress, created the Children's Health Insurance Program (CHIP). The Balanced Budget Act of 1997 allocated $24 billion over five years to provide affordable health insurance to children in families with incomes too high to qualify for Medicaid but too low to purchase private insurance through State-designed programs.

- On September 8, 1999, President Clinton announced that all 50 states and every territory are participating in this new program, bringing us closer to our goal of providing insurance for up to 5 million children through a combination of Medicaid and CHIP.

Improved Access to Affordable and Quality Child Care

- Under the Clinton-Gore Administration, federal funding for child care has increased by 80 percent, helping parents pay for the care of about 1.25 million children.

- The 1996 welfare reform law increased child care funding by $4 billion over six years to provide child care assistance to families moving from welfare to work. Last year, the President succeeded in securing $140 million in new funds for after-school care and $173 million for child care quality activities.

Initiated $3 Billion Welfare-to-Work Initiative

- The Clinton-Gore Administration fought for a $3 billion Welfare-to-Work initiative as part of the 1997 Balanced Budget Agreement.

- During FY 1998 and FY 1999, nearly $2.7 billion in grants have been awarded to states, local communities, and tribes across the nation to help long-term welfare recipients, and certain low-income fathers, work and support their families.

- Funds are targeted at individuals and communities facing the greatest challenges. To date, these resources are helping nearly 100,000 individuals to get or keep a job.

Helping People Get to Work

- With the Administration's leadership, the Transportation Equity Act for the 21st Century (TEA-21) authorized $750 million over five years for the President's Job Access initiative and reverse commute grants.

- The Omnibus Budget Act included $75 million for this program in FY 1999, and in May, Vice President Gore awarded grants to 179 communities in 42 states around the country to assist states and localities to develop flexible transportation alternatives for welfare recipients and other low-income workers.

Welfare-to-Work Housing Vouchers

- In 1999, the President proposed and Congress approved $283 million for 50,000 new housing vouchers for current and former welfare recipients who need housing assistance to get or keep a job.

- Families will use these welfare-to-work housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing that will help eliminate emergencies which keep them from getting to work every day on time.

Helping People Who Want to Work but Can't Find a Job

- Acknowledging that finding a job often takes time, the Balanced Budget Act of 1997 provided funds for work slots and food stamp benefits to help those who are willing to work, but through no fault of their own, have not yet found employment.

Passage of Welfare-to-Work Tax Credit and Work Opportunity Tax Credit

- The Welfare-to-Work Tax Credit, enacted in the 1997 Balanced Budget Agreement, provides a credit equal to 35 percent of the first $10,000 in wages in the first year of employment, and 50 percent of the first $10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients.

- This credit complements the Work Opportunity Tax Credit, which expands eligible businesses to include those who hire young adults living in Empowerment Zones and Enterprise Communities.

- In FY 1999, the President requested and Congress accepted extending the credit through June 30, 1999.

2. Supporting Hard-Pressed Working Families

Introduced $500 Per-Child Tax Credit, Benefiting 13 Million Children from Low-income Families

- 27 million families with 45 million children are receiving the $500 per-child tax credit included in the 1997 Balanced Budget Agreement.

- As a result of the President's efforts, 13 million children from families receiving the EITC will also benefit from the $500 child tax credit.

Increased WIC by $1 Billion

- Under President Clinton, participation in WIC has expanded by 1.7 million – from 5.7 million in 1993 to 7.4 million women, infants, and children in 1999. Funding has risen from $2.9 billion to $3.9 billion.

Helping Working Families to Buy Food

- In July 1999, the President took executive actions to help ensure working families who need Food Stamps have access. These steps include:
  - ✓ new policy guidance making it easier for working families to own a car and still receive food stamps
  - ✓ new regulations simplifying rules so that families do not have to report income as often and states won't be penalized for small errors in projecting families' future earnings
  - ✓ a new public education campaign to educate working families about food stamps

Established of Individual Development Accounts (IDAs)

- In 1992, the President proposed to establish IDAs to empower low-income families to save for a first home, post-secondary education, or to start a new business. The 1996 welfare reform law authorized the use of welfare block grants to create IDAs.

- Last year, the President signed legislation creating a five-year IDA demonstration program for low-income households. The first 40 grants announced in September will match the savings of 10,000 working families.

Providing Community Resources

- Community Development Block Grant (CDBG) funds activities such as economic and neighborhood revitalization, job creation, public services, community development and renewal of distressed communities.

- In 1999, CDBG funds assisted nearly 200,000 households in up to 900 communities around the country that are eligible for CDBG funding.

3. Investments in Education: From Head Start to Gear-Up to Pell Grants

Expanded Head Start By Nearly 70 Percent

- Since 1993, President Clinton and Congressional Democrats have expanded Head Start by 57 percent, from nearly $2.8 billion in FY 1993 to nearly $4.7 billion in FY 1999.

- The program now serves an estimated 835,000 children, reaching more kids than at any time since its creation in 1965 and more than 200,000 additional children than in 1992.

Launched the Reading Excellence Program

- Two years ago, President Clinton launched the America Reads Challenge, a multi-faceted effort to help states and communities ensure that all children can read well and independently by the end of the third grade.

- The program received $260 million in FY 1999 and another $286 million has been requested in FY 2000 to allow the program to continue. The funds help to train reading tutors and coordinate after-school, weekend and summer reading programs linked to in-school instruction. In addition, over 1,000 colleges have pledged to use federally-financed work-study positions for tutoring programs.

Helping Students Most in Need

- Title I funds provide over $8 billion to help 11 million low-income students benefit from higher expectations and a challenging curriculum geared to higher standards.

Strong Investments in Educational Technology

- The Clinton-Gore Administration has made strong investments in educational technology. Funding for education technology at the Department of Education has increased from $23 million (FY 1993) to $698 million (FY 1999) to $801 million (FY 2000 request).

- States and local communities are given a great deal of flexibility in how they use the money for computers, teacher training and software -- but they are required to develop a plan for ensuring equity.

- The "E-rate" provides $2.25 billion in discounts to connect schools and libraries to the Internet. Discounts are 90 percent for the poorest schools that need it most, and 20 percent for the wealthiest schools. E-rate was a critical part of the Telecommunications Act of 1996, which the President signed into law.

Providing Safe After-School Opportunities

- Under the Clinton-Gore Administration. the 21st Century Community Learning Centers program has been expanded to provide safe and academically enriching after-school opportunities for nearly 400.000 school-age children in rural and urban communities each year.

- In his FY 2000 budget, the President proposes to triple funding to $600 million, reaching 1.1 million students.

Creation of Youth Opportunity Grants

- President Clinton proposed the $1.25 billion Youth Opportunities Grants program, a five year grants initiative that was authorized as part of the 1998 Workforce Investment Act. This program focuses primarily on out-of-school youths. The program provides them with job training and has a strong emphasis on mainstreaming youth into the private sector, both in terms of immediate job placement and work-based learning opportunities to increase long-term employment prospects.

- The Youth Opportunities program will receive $250 million this fall and will make a significant attack on concentrated poverty and unemployment. This initiative represents a strong investment in Empowerment Zones and Communities and other urban and rural areas that are considered high-poverty areas.

- The main goal of the program is to increase employment in the private sector, increase college enrollment and decrease dropout rates.

Creation of the GEAR-UP Initiative

- Under the Clinton-Gore Administration, the new mentoring initiative GEAR-UP was created to better prepare up to an estimated 260,000 low-income middle school children for entrance to and success in higher education.

- GEAR UP grants will fund partnerships involving more than 1,000 organizations, such as the YMCA. Boys and Girls Clubs, 4-H programs, Salvation Army, libraries, arts organizations, local chambers of commerce, and individual companies such as Wal-Mart, Unisys, Hewlett-Packard. Bell Atlantic, and the New York Times Newspaper in Education Program.

- In August 1999, $120 million in grants were awarded to 164 partnerships and 21 grants to states (for statewide program).

Assisting Migrant Children and Families

- Migrant families face difficult obstacles to gaining the education and training they may need to improve their standard of living. President Clinton improved the Migrant Education Program in the 1994 reauthorization. and won a 16 percent increase in FY 1999.

Expanding Pell Grants

- President Clinton and the Congressional Democrats have increased the Pell Grant maximum grant amount from $2,300 in FY 1993 to $3,215 in 1999. In 1999, nearly 4 million students will receive a Pell Grant of up to $3,125, the largest maximum award ever.

4. Helping to Bring Private Enterprise and Capital to Distressed Areas

Expanding Microenterprise Lending and Technical Assistance

- Microenterprise development programs provide access to capital, other financial services, and training to those traditionally bypassed by the mainstream financial sector, such as the poor women, minorities and those in economically distressed areas.

- President Clinton's and Vice President Gore's proposal also includes a doubling of support for technical assistance in SBA's Microloan Program and a doubling of support for SBA lending to leverage over $75 million in new microlending.

- The microenterprise strategy will also involve new funding for Individual Development Accounts (IDAs) and for SBA's One-Stop Capital Shops.

Created the Community Development Financial Institutions (CDFI) Fund

- In 1994, President Clinton proposed and signed into law the CDFI Fund. Through grants, loans, and equity investments, the Fund has created a network of approximately 270 CDFIs in distressed areas across the nation. CDFI activities leverage investments from banks, foundations, and other sources.

- Since the Fund's creation, it has made more than $190 million in awards to community development institutions and financial institutions. This investment is expected to leverage three to four times the amount of the investments in total capital raised for CDFIs over the next few years. In FY 1999, funding for the CDFI Fund was increased 19 percent to $95 million.

Strengthened and Simplified the Community Reinvestment Act (CRA)

- In April 1995, the Clinton-Gore Administration reformed the CRA regulations to emphasize performance.

- According to the National Community Reinvestment Coalition (NCRC), the private sector has pledged more than $1 trillion going forward in loans to distressed communities – and more than 95 percent of these financial commitments have been made since 1992.

- Banks made $18.6 billion in community development loans in 1997 alone. Lending to minority and low-income borrowers is also on the rise.

135 Empowerment Zones and Enterprise Communities

- After pushing to have Empowerment Zones (EZs) and Enterprise Communities (ECs) passed into law, the Clinton-Gore Administration has designated 135 urban and rural EZs and ECs across the country. The First Round EZ/EC initiative, which included 105 EZs/ECs, was proposed by President Clinton and passed by Congress in 1993. The Second Round of 30 EZs/ECs was also proposed by the President, and in FY 1999 the President and Congress provided first-year funding for the new EZs and ECs.

- Designated communities were chosen on the basis of their strategic revitalization plans, and receive special incentives and resources to help carry out their plans. The EZ/EC initiative has already leveraged over $10 billion in additional public and private sector investment in community revitalization efforts.

The Economic Development Initiative (EDI) and Section 108 Loan Guarantee

- EDI grants are used to infuse capital into community development projects, enhancing the debt financing provided by the Section 108 loan guarantee program. Together, the programs support critical economic development in distressed communities.

- Estimated jobs supported by EDI and the Section 108 loan guarantee have grown by 300,000 from 1994 to 1998. During this time period EDI and the Section 108 loan guarantee program have funded $3.5 billion for more than 650 separate project commitments.

Cleaning Up the Urban Environment through Brownfields Redevelopment

- The Clinton-Gore Administration has launched a landmark effort, including the Brownfields Tax Incentive, to clean up and redevelop Brownfields sites.

- In total, the Brownfields action agenda has marshaled funds to clean up and redevelop up to 5,000 properties, leveraging between $5 billion and $28 billion in private investment and creating and supporting 196,000 jobs.

APPENDIX 2 – THE 1997 BALANCED BUDGET AGREEMENT ALLOCATED MORE THAN $70 BILLION FOR FAMILIES EARNING LESS THAN $30,000

$18.5 Billion – Child Tax Credit for those Earning Less than $30,000

- As a result of the President's efforts, 13 million children from families receiving the EITC will also benefit from the $500 child tax credit.

$24 Billion – Children's Health Insurance

- The President insisted on increasing the investment for children's health from $16 billion to $24 billion. Because of the President's leadership, this budget contained the largest investment in children's health insurance since the enactment of Medicaid in 1965.

$1.5 Billion – To Help Pay Premiums for Low-income Medicare beneficiaries

- The Balanced Budget Act of 1997 established a "Qualified Individual" program to help Medicare beneficiaries with incomes up to 175 percent of poverty pay their premiums.

$12 Billion – To Restore Benefits to Immigrants

- The President restored disability and health benefits for 350,000 legal immigrants who are currently receiving assistance or become disabled, ensuring that they will not be turned out of their homes, nursing facilities or become otherwise helpless.

$1.5 Billion – Food Stamps For Adults Looking For Work But Have Not Found Jobs

- The Balanced Budget Act of 1997 provided assistance through food stamps to help adults who want to work but have not yet found jobs.

$3 Billion – Welfare to Work Programs

- The President created a proposal that established a $3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting jobs through a range of means including job placement efforts and wage subsidies for private employers.

$7 Billion (at least) – Largest Pell Grant increase in two decades

- Congress adopted President Clinton's proposal to increase the maximum Pell Grant to $3,000 – *the largest increase in two decades*. Approximately 3.7 million students have received the $300 increase, and an additional 220,000 low- and moderate-income families that were not previously eligible received Pell Grants.

$3 Billion (at least) – Tax Incentives to Revitalize Our Nation's Distressed Urban Areas

- A new tax cut to help clean up and redevelop Brownfields, with a three year cost of $1.5 billion expected to leverage more than $6 billion for private sector cleanups nationwide.

- The budget also provided $1.65 billion for a second round of Empowerment Zones – 15 urban and 5 rural.

APPENDIX 3 – THE CLINTON ADMINISTRATION'S NEW INITIATIVES TO HELP PEOPLE LIFT THEMSELVES OUT OF POVERTY

- Technology Literacy Program
- GEAR-UP Initiative
- Reading Excellence Program
- Youth Opportunity Grants
- Community Development Financial Institutions Fund (CDFI)
- Strengthened and Simplified the Community Reinvestment Act (CRA)
- Empowerment Zones (EZs) and Enterprise Communities (ECs)
- Economic Development Initiative (EDI) and Section 108 Loan Guarantee
- Brownfields Tax Incentive
- $500 Per-Child Tax Credit
- Children's Health Insurance Program (CHIP)
- Established of Individual Development Accounts (IDAs)
- Welfare-to-Work Initiative
- Passage of Welfare-to-Work Tax Credit and Work Opportunity Tax Credit
- Welfare-to-Work Housing Vouchers

Do nice ty reply — pers file

THE PRESIDENT HAS SEEN
1-19-00

TOWN OF NEW CASTLE

200 South Greeley Avenue, Chappaqua, New York 10514 • (914) 238-4771 • Fax (914) 238-2354 • town.new-castle.ny.us

Supervisor
Marion S. Sinek
(914) 238-7281

Council Members
Janet L. Wells
Richard Laster
Deputy Supervisor
Barbara S. Gerrard
Jason C. Chapin

Town Administrator
Gennaro J. Faiella
(914) 238-4742

Deputy Administrator
& Comptroller
Penelle M. Paderewski
(914) 238-7261

January 12, 2000

copied
personal file
Burkhardt
(original for reply)

President and Mrs. Clinton
15 Old House Lane
Chappaqua, New York 10514

Dear Mr. President and Mrs. Clinton:

As New Castle Supervisor I would like to express an official welcome to you in addition to the welcome that has already been given to you by many of the individual residents in their own way. All of us wish you happiness in your new home as you start life in this community.

Although in one respect we want to consider you as just another neighbor in town, there is clearly a dimension which makes your residency somewhat special and therefore I am writing this personal welcome to you. It is also the reason the Town Board passed a resolution in November recognizing this as a special event. In case you did not receive a copy at the time, I enclose one with this letter.

Also enclosed for your information, is a copy of the current version of the new residents' packet which provides some basic information about the Town of New Castle.

Your arrival has certainly caused a stir in Chappaqua. Everyone at Town Hall is eager to meet the challenges connected with your presence here and to offer you any assistance you might need as you settle into the community. Please feel free to let us know whenever we can be of help.

When we met in Rye last November, Mrs. Clinton, you told me that you were looking forward to your "Chappaqua Days." Now that they are here I wish you that your hopes and expectations will be met.

Sincerely,

Marion S. Sinek

Marion S. Sinek
Supervisor

MSS/cm
clinton.112
enclosure
cc: Gennaro J. Faiella
Town Board

TOWN of NEW CASTLE

SUPERVISOR
CLINTON B. SMITH

COUNCIL MEMBERS
MARION S. SINEK*
JANET L. WELLS
KENNETH J. NOVENSTERN
RICHARD LASTER

* DEPUTY SUPERVISOR

200 SOUTH GREELEY AVENUE
CHAPPAQUA, NEW YORK 10514

(914) 238-4771
Fax # (914) 238-2354

TOWN ADMINISTRATOR
GENNARO J. FAIELLA

EXTRACT OF A REGULAR MEETING
OF THE TOWN BOARD
OF THE TOWN OF NEW CASTLE
TUESDAY, NOVEMBER 9, 1999

RESOLUTION
President and Mrs. Clinton

Council Member Laster moved, seconded by Council Member Wells, to adopt the following resolution:

WHEREAS, President William Jefferson Clinton has twice been elected to the highest office of the land and became the 42nd President of the United States; and

WHEREAS, the President and First Lady Hillary Rodham Clinton have selected the hamlet of Chappaqua in the Town of New Castle as their place of residence; and

WHEREAS, the Town welcomes all those who want to join and contribute to our community; and

WHEREAS, the move of the First Family will be noted by generations to come; and

NOW, THEREFORE, BE IT RESOLVED THAT;

We, the members of the New Castle Town Board are pleased to welcome the First Family as our neighbors to share in our appreciation of the physical charm of the Town and to enjoy the people who make up the fabric of this community. As the Clinton's make Chappaqua their home, and become effective members of our community, their presence will enrich the life and history of our Town.

VOTE: AYES ALL

STATE OF NEW YORK)
COUNTY OF WESTCHESTER)
TOWN OF NEW CASTLE)

I, Diana L. Marino, DEPUTY TOWN CLERK of the Town of New Castle, do hereby certify that this is a true transcript of the original filed in the Town Clerk's Office, 200 South Greeley Avenue, Chappaqua, NY 10514

IN TESTOMONY WHEREOF, I have hereunto set my hand and affixed the Town Seal this 11th day of January 2000.

Diana L. Marino

Diana L. Marino, Deputy Town Clerk

THE PRESIDENT HAS SEEN
1-14-00

Dr. Robert Schuller
Crystal Cathedral Ministries
12141 Lewis Street
Garden Grove, CA 92840
714-971-4075
Fax 748-9423

facsimile transmittal

TO:	President Bill Clinton	Fax:	
From:	Robert H. Schuller	Date:	Wednesday, January 12, 2000
Re:		Pages:	Three
CC:	None		

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

At the request of Sandy Berger, I am sending you a copy of the letter I am sending to His Royal Majesty Abdullah II, King of Jordan. I've tried to reach you by phone pertaining to this matter which I feel is of utmost urgency. I look forward to talking with you.

To Sandy
We should discuss this
If we can keep this going
such a meeting might help
BC

copied
Berger
Podesta

ROBERT SCHULLER

January 11, 2000

Your Majesty:

It was recently my honor to be invited to offer the prayer of blessing in your presence on Saturday, December 22nd. It was a joy to see you receive, on behalf of your father, the Peace Award. I first locked eyes with your father, and shook hands firmly and affectionately with him, at the gravesite of Prime Minister Itzhak Rabin. I was there with President Clinton's delegation.

Now I am so proud of you, the new King! For you are being credited with bringing together the persons from Syria and Israel to reopen the peace process. Now, thanks to you, Syria and Israel are talking peace again.

With profound humility and apologies for any impertinence on my part, I would respectfully make a request to you. A request to take the next step and invite the Chief Sephardic Rabbinate of Israel to meet the Grand Mufti of Syria. Invite these two men of God to meet face to face ... to talk ... to listen to each other ... to pray.

I have had over four meetings with the Grand Mufti in Syria, Sheikh Ahmad Kiftarou, prior to the night that we were together in the Marriott Hotel for the dinner honoring your father. I believe that the Grand Mufti can be a powerful force and source of peace in Syria. The two of us have a profound respect and affection for each other.

From Damascus I went to Jerusalem where I met with the Chief Sephardic Rabbinate, Eliahu Bakshi-Doran. After I shared with him my meeting with the Grand Mufti in Damascus, he said to me. "Dr. Schuller, I will go anywhere, anytime if you will arrange a meeting with me and the Grand Mufti, but I want you to be with us at this meeting. God must have His way in this peace process." My reply to the Chief Rabbi was, "I will do whatever I can to cause such a meeting to happen. It should be a meeting in a neutral country where both are free to travel. It should be in a neutral country that is riding the crest of peace on earth, good will toward men. It should come from a believer in God who is the highest authority in that nation. So the best place to meet is Jordan, and the invitation to meet in that country should come

THE CRYSTAL CATHEDRAL
12141 LEWIS STREET, GARDEN GROVE, CALIFORNIA 92840

from King Abdullah II. It could well be in the Palace in Amman. I will be happy and honored to do whatever I can to help. I am prepared to board a plane today or tomorrow to meet and go anywhere to introduce the Grand Mufti to the Chief Rabbi." I believe that if they met, they would unite behind and publicly support the peaceful resolution of conflicts between and within nations, and advocate an end to social or economic injustice wherever it may exist. We secured two critically important commitments toward that goal when Sheikh Ahmad Kiftarou and Rabbi Eliahu Bakshi-Doran signed The One Light, One World proclamation which I presented to them.

I am assured that if such a meeting took place it would gain immediate media attention around the world and would penetrate both the religious and secular parts of Israel in showing the Israeli citizens (who are going to vote for a peace referendum very soon) that the religious leaders, not only the political leaders are speaking true peace. This would also help peace penetrate the Syrian public opinion since a religious leader such as the Grand Mufti of Syria is very highly respected by most of the Syrian population.

Thank you for giving this your prayerful consideration. If there is anything I can do to be helpful, I would be most honored.

Most appreciatively yours,

Schuller

Robert H. Schuller

His Royal Majesty Abdullah II
King of Jordan
Royal Palace
Amman, JORDAN

RHS/bae

cc: President Bill Clinton,
Mr. Sandy Berger, National Security Advisor to President Clinton

THE PRESIDENT HAS SEEN
1-14-00

Copied
Reed
Podesta

BReed
any good ideas
here?

THE PRESIDENT HAS SEEN
1-14-00

In America

BOB HERBERT

The Teacher Crisis

It used to be fairly easy to get large numbers of decent teachers for the public schools.

In the 1930's and 40's, young people shaped by the harsh lessons of the Depression were happy to have a steady job that was respectable, even though the pay was low. In the 1950's and 60's, when the baby boomers flooded the schools, women moved en masse into teaching. Few other professional options existed. Women who wanted a career became, for the most part, teachers or nurses.

In the late 60's and early 70's, a wave of men went into teaching. These were young, draft-eligible guys anxious for a deferment that would keep them out of Vietnam. Only one out of five remained in the profession for the long haul, but that 20 percent was a significant boost to the ranks of teachers nationwide.

Those more or less natural sources of teachers have long since vanished, and the U.S. now finds itself in the midst of a teacher shortage that is threatening the viability of school systems from coast to coast.

"This shortage of competent teachers is one of the most glaring problems we face right now," said Senator Charles Schumer, who plans to introduce federal legislation that is designed to encourage more young people to become teachers.

A senator's plan to ease the shortage.

"We've entered a whole new type of economy in which ideas are the generators of wealth, of jobs and growth," Mr. Schumer said in an interview last week. "But the No. 1 storm cloud on the horizon is the lack of a young, high-quality, dedicated group of professionals to teach our children."

Referring to the teacher shortage in a speech yesterday, the U.S. secretary of education, Richard Riley, said, "It's gotten so bad that some schools have been forced to put any warm body in front of a classroom."

The shortage will only grow worse over the next decade as tens of thousands of teachers reach retirement age. It is estimated that two million new teachers will have to be hired during that period. But how many first-rate teachers can you reasonably be expected to recruit when the average starting salary is roughly $25,000 a year?

Senator Schumer noted that the greatest need for new teachers is in the areas of math and science. School systems find it particularly difficult to recruit competent men and women in those disciplines because they can so easily command much higher salaries and much better working conditions elsewhere.

"The shortages in math and science are desperate in all but the wealthiest districts," said Mr. Schumer. "So of the 40,000 math or science teachers we needed last year, only 3,000 had the necessary math or science training."

The shortage over all is so acute that many school districts are hiring just about anybody with a college degree. "They get into a classroom," said Mr. Schumer, "and they don't know what to do. They don't know how to teach."

A number of states and local districts are offering enticements to young people to go into teaching. Gov. George Pataki of New York has put together a tuition subsidy plan, and Gov. Gray Davis of California is proposing, among other things, cash bonuses and low-interest home loans.

Senator Schumer's proposal, which he is calling "The Marshall Plan for Public School Teachers," would offer a variety of federal incentives to potential teachers across the country. The key elements are as follows:

- All undergraduate student loans would be forgiven for anyone who becomes certified and teaches for five years.
- The federal government would provide a $5,000-a-year salary supplement for teachers who pass a special test in math and science given by the National Academy of Sciences.
- The federal government would cover 75 percent of the cost of a cadre of master teachers who would serve as trainers and mentors for new teachers.
- Federal employees who retire and go into teaching would be permitted to begin receiving their pensions as soon as they left their federal post. Mr. Schumer said he would encourage local governments and private businesses to adopt a similar policy.

The senator said his program would cost about $15 billion over 10 years.

"People are beginning to see education as an important issue," he said, "but they don't yet see this teacher shortage as a real crisis. It is." □

The New York Times
MONDAY, JANUARY 10, 2000

Terry Edmonds
Agt - BC

THE PRESIDENT HAS SEEN
1-14-00

copied
Edmonds
Podesta

What Is A Jubilee?

In the Roman Catholic tradition, a Jubilee, or Holy Year, is a great religious event. It is a year of forgiveness of sins and also the punishment due to sin, it is a year of reconciliation between adversaries, of conversion and receiving the Sacrament of Reconciliation, and consequently of solidarity, hope, justice, commitment to serve God with joy and in peace with our brothers and sisters. A Jubilee year is above all the year of Christ, who brings life and grace to humanity.

Biblical Roots of the Jubilee

The origin of the Christian Jubilee goes back to Bible times. The Law of Moses prescribed a special year for the Jewish people: "You shall hallow the fiftieth year and proclaim liberty throughout the land, to all its inhabitants; it shall be a jubilee for you when each of you shall return to his property and each of you shall return to his family. This fiftieth year is to be a jubilee year for you: you will not sow, you will not harvest the ungathered corn, you will not gather the untrimmed vine. The jubilee is to be a holy thing to you, you will eat what comes from the fields."(Leviticus 25:10-14)

The trumpet with which this particular year was announced was a goat's horn called *yobel* in Hebrew and the origin of the word jubilee.. The celebration of this year also included the restitution of land to the original owners, the remission of debts and the liberation of slaves, and the land was left fallow the whole year. In the New Testament, Jesus presents himself as the One who brings the old Jubilee to completion, because he has come to "preach the year of the Lord's favor" (Isaiah 61:1-2).

A Celebration of the Birth of Christ

It is interesting to note that in almost every country, time is counted as before and after Christ's coming into the world, although today few people may realize this calculation. For Christ Jubilee of the year 2000 important because it will be the 2000th anniversary of the (apart from differences of exa count). What is more, it will b Year which marks the turn o since the first Jubilee was Pope Boniface VIII in 1300. then, the Jubilee of the Year a great prayer of praise and thanksgiving to God for the gift of the Incarnation of His Son and the Redemption He brings.

2000: A Holy Year

The Jubilee is called a Holy Year not only because it begins, is marked, and ends with solemn holy acts, but also because its purpose is to encourage holiness of life. It is convoked to strengthen faith, encourage works of charity and brotherly communion within the Church and in society and to call Christians to be more sincere and coherent in their faith in Christ, the only Savior.

A Jubilee can be "ordinary" if it falls after the set period of twenty-five or fifty years, and "extraordinary" when it is proclaimed for some outstanding event. There have been twenty-five "ordinary" Holy Years so far: the Year 2000 will be the 26th. The custom of calling "extraordinary" Jubilees began in the 16th century and they can vary in length from a few days to a year. There have been two extraordinary jubilees in this century: 1933 proclaimed by Pope Pius XI to mark the 1900th anniversary of Redemption and 1983 proclaimed by Pope John Paul II to mark 1950 years since the Redemption carried out by Christ through his Death and Resurrection in the year 33. In 1987 Pope John Paul II also proclaimed a Marian year.

(Adapted from the Vatican Jubilee website www.vatican.va/jubilee_2000/docs/documents/ju_documents_17-feb-1997_history_en.html).

Ben Johnson
Interesting
BC

THE PRESIDENT HAS SEEN
1-14-00

Copied
Johnson
Podesta

OOKS OF THE TIMES

[The Race to the Swift. Or Is It the Swift to th

By RICHARD BERNSTEIN

Black athletes are so dominant in ıck, basketball, boxing and foot- ll, and so strongly represented at e top echelons of baseball, that a rious effort to determine why ems inevitable. This particular quiry, by Jon Entine, a former tele- sion producer and freelance jour- list, also has a provocative edge to because Mr. Entine drives relent- ssly to a politically incorrect con- ısion.

The conventionally acceptable ew of blacks in sports would stress lture and environment. Blacks ve risen to such paramountcy in so any sports because they are denied cess to opportunities in other eas of life, this argument goes, or cause the sports heroes who have ready made it are compelling role odels. Mr. Entine says, by contrast, at environment is only one factor. s view is that men and women om Africa or of African ancestry ssess genetic attributes that make em superior in certain sports.

"The decisive variable is in our nes," he writes. "There is exten- ve and persuasive research that te black athletes have a phenotyp- advantage — a distinctive skeletal stem and musculature, metabolic uctures and other characteristics ged over tens of thousands of rs of evolution."

Ir. Entine makes a careful and soned case for this point of view, he argues forcefully against atever tendency there may be out re in the world of racial politics to interpret it. This does not mean it he sweeps away all contrary guments once and for all.

Indeed, reading "Taboo: Why ack Athletes Dominate Sports and ıy We're Afraid to Talk About It," was not convinced that environ- ental and cultural explanations are adequate to account for the phe- menon under discussion. Other in- ances in which a population domi- tes an area of activity — Jews nd increasingly Asians) on inged instruments, Russians in ess, Cubans in Olympic boxing — e clearly not explained by evolu- nary divergence, and the utter mination by blacks of basketball d track might not be either.

Image by Dwayne/Public Affairs

TABOO
Why Black Athletes Dominate Sports and Why We're Afraid to Talk About It
By Jon Entine
Illustrated. 387 pages. PublicAffairs. $25.

Still, Mr. Entine thoroughly covers the ground. He begins with an overview of the current sports situation to show the extent of black supremacy, citing, for example, the remarkable fact that "every world record at every commonly run track distance now belongs to a runner of African descent." Even in more racially mixed sports like baseball, Mr. Entine produces studies showing that blacks are, on average, better than whites by an important statistical margin.

Along the way he includes accounts of major episodes in the morally and politically rich American history of blacks in professional sports, including the troubled career of Jack Johnson, the first black heavyweight boxing champion; the triumphs of Jesse Owens and Joe Lewis; and the explosion of black power at the 1968 Olympics.

But the heart of Mr. Entine's study is an examination of the debates that rage in the fields of genetics and evolutionary biology. Here he does not accept the idea that race is merely a subjective quality, a social construct corresponding to no physical reality. In several chapters he advances the theory that while all humans have a common ancestor, there are several racial lineages within that family, lineages that have some different and even measurable characteristics, described in detail in this book.

This is, as Mr. Entine suggests in his title, not a politically easy subject, and he makes every effort to distinguish himself from the long European history of crude race theorizing. He is fully aware of the nasty double bind that blacks, especially in the United States, have always been in when the subject was sports. During the long years when sports were mostly segregated, the common assumption was that blacks didn't have the reflexes or the character to be as good as whites.

Mr. Entine in this regard cites the immortally ill-advised words of the sports columnist Jimmy Powers who, commenting in 1945 on the news that Jackie Robinson had been hired to play for a Brooklyn Dodgers farm team, wrote, "The Negro players simply don't have the brains or the skill."

Once black athletes had made cinders of that notion, a different but also racist assumption took its place, namely that the natural athleticism of blacks was a corollary to other supposed attributes: a more primitive nature, greater brutishness, less intelligence. The problem is that once you have isolated one genetic distinction in a racial population, even an advantageous one, the field is open to find other racial attributes, including disadvantageous ones. For this reason many people both black and white have not only felt uncomfortable with arguments about genetically based athletic prowess, some have denounced as racist those who have expressed opinions about that prowess.

"Although people accept the role of genetics in individual differences — not many of us would expect to survive a one-on-one game of hoops with Allen Iverson — any evidence that innate differences exist between races or the sexes is considered inflammatory and inadmissible by the prevailing intellectual zeitgeist," Mr. Entine writes. He then repudiates the common equation of "natural athleticism" with intellectual inferiority.

"It ca that the data that ... our ancestry to athletic skills have little or anything to say about intelligence," he writes. "Differences or the track or basketball court do not necessarily mean differences between the ears."

Overall, the argument can be summed up in a quotation that Mr Entine provides from Joe Morgan the black Hall of Fame basebal player, now a broadcaster: "Blacks for physiological reasons, have better speed, quickness and ability Baseball, football and basketball pu a premium on these skills." Mr. Entine, illustrating this point, cites the experience of a Swedish researcher who brought a half-dozen top Swedish runners to Kenya, where they were soundly trounced by East African schoolboys at every distance The Swede concluded that there were 500 boys from that one smal area in Africa who could beat the best his country had to offer.

The possibility remains, nonetheless, that culture has more power than Mr. Entine realizes, that such things as habitat, childhood experience, local custom and the unavailability of alternative avenues to fame and fortune (Swedes, let's face it, have more nonsports chances than Kenyans) can be decisive. Still, Mr Entine's conclusion that racially distinctive features are an essential element of the picture is part of a sophisticated argument that, whether entirely persuasive or not, cannot b dismissed.

THE PRESIDENT HAS SEEN
1-14-00

THE WHITE HOUSE

WASHINGTON

January 13, 2000

MEMORANDUM TO THE PRESIDENT

FROM: **STEPHANIE STREETT**
LORETTA UCELLI

SUBJECT: **MARTIN LUTHER KING JR. DAY EVENT**

On Martin Luther King, Jr. Day, January 17, 2000, you have been asked to participate in a service event to renovate the Boys and Girls Club of Greater Washington in Southeast D.C. Upon arrival, you will participate in painting and varnishing shelves in the computer lab with several D.C. Cares volunteers and young people from the Boys and Girls Club. Following the service activities, you will proceed to the gymnasium at the club where 75 to 100 volunteers and youth will be assembled. D.C. Cares has asked that you give brief informal remarks.

Prior to our exploring your attendance at this event, D.C. Cares extended invitations to several local officials – including Mayor Williams, Eleanor Homes Norton, City Council members – to also give brief remarks. We are working to preserve this day as an informal day of service for you. But, given local political complications, expect that one or two local officials will speak on the program.

Do you agree with the above Martin Luther King, Jr. Day service-event scenario?

YES ✓ NO ____

Can I do in
morning, &
finishing by noon?

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Streett
Ucelli
Podesta

CJRW outmarketing

CC: Staff Secretary

January 10, 2000

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

We have just learned that the very small budget proposed for the Little Rock Central High School National Historic Site by the National Parks Service has been or is in the process of being eliminated at the Assistant Secretary level at the Department of Interior. The 2001 budget only calls for $300,000 in operating funds and $2 million in construction. These funds, recommended by the National Parks Service, are absolutely critical in the operation and development of one of America's most famous and historic high school sites.

Knowing of your sincere personal interest in Central and longtime commitment to the school, to Mrs. Bates and to the Little Rock Nine, I hope you will review this matter. I also left a detailed phone message for Bruce Lindsey last Friday afternoon. I would certainly appreciate your help. Thank you for looking into this for us.

Best Wishes,

Skip Rutherford
Executive Vice President

cc: Bruce Lindsey
Nancy Hernreich
Bob Nash

Thank you for Little Rock DFB. Much appreciated

1-19-00

To Burkhardt?
Yes ✓
No ____
to respond ASAP.

Carl

Public Relations OutMarketing
303 West Capitol Avenue Little Rock Arkansas 72201
501-975-6251 Fax 501-975-4241 www.cjrw.com
Eastern Office Raleigh North Carolina

SECRETARY OF THE ARMY
WASHINGTON
January 6, 2000

'00 JAN 14 AM8:55

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Thank you for allowing me to represent the United States in the final transfer ceremony for the Panama Canal on December 31, which was conducted professionally and without incident. My remarks on behalf of the United States stressed how important the transfer of the Canal was to achieving the kinds of relations we wish to have with the nations of Latin America, and to our ability to work with them as partners committed to common goals. A copy of my speech is attached.

As Chairman of the Board of the Panama Canal Commission, I had the honor of supervising the transition over the past 18 months. The Board, comprised of both Americans and Panamanians, worked hard to ensure the transition was successful and is proud of its accomplishments. We can report to you that we fulfilled our final and major obligation under the Panama Canal Treaty of 1977 fully in accordance with your mandate for a "seamless transition." As a result, the outlook for Panama's stewardship of the Canal is promising.

The final commemorations of U.S. involvement in Panama were moving. We executed, with dignity, the embassy's decision to lower the U.S. flag a day prior to the actual transfer of the Canal. The contingent of soldiers, sailors, airmen and marines from U.S. Southern Command who struck the colors for the last time were a vivid reminder of our honorable history in Panama. History will report that we left Panama a better and healthier country than we found one hundred years ago.

Thank you again for the opportunity to represent our country at this historic transition. Please do not hesitate to let me know if there is anything else I can do to support you and our nation.

With warmest regards and best wishes for the New Year.

Very respectfully,

Louis Caldera

1-14-00

Enclosure

Send to Burkhardt
Yes ✓
No ______

coordinated with
NSC Yes ✓

Remarks
The Honorable Louis Caldera
Secretary of the Army,
Chairman of the Panama Canal Commission Board of Directors
and
Head of U.S. Delegation

Panama Canal Transfer Ceremony
December 31, 1999

Senora Presidente Moscoso, distinguidos miembros de las delegaciones de los Estados Unidos y de la Republica de Panama, damas y caballeros.

Muchas gracias Senora Presidente Moscoso, a usted y a la gente de Panama, por recibirnos tan amablemente este dia en cual, con mucho orgullo de la parte de los Estados Unidos, cumplimos con las ultimas obligaciones de el Tratado de Carter-Torrijos sobre la reversion del canal de Panama a la gente de Panama. Los felicitamos.

President Moscoso, distinguished guests, ladies and gentlemen.

It is my honor to lead the distinguished delegation that is here today representing the United States of America, as we proudly fulfill our final and major obligation under the Panama Canal Treaty of 1977. Thank you, President Moscoso and the people of Panama, for your kindness in receiving us so warmly on this historic day.

Today is truly a special day. For people the world over, today is a day of new beginnings. A day in which we celebrate the end of the 20th century and in which we greet the dawn of a new millenium with hopeful anticipation. Here, in Panama, we are privileged to celebrate more than just the turning of a page on the calendar and the hopeful promise of a new day. Here, we ring in a new era for the Panama Canal and for the two great countries – the United States and Panama – that built and stewarded this Eighth Wonder of the Modern World throughout the course of most of this past century.

As of 12 noon this day, full control of the Panama Canal will pass from the United States to the sovereign nation of Panama, uniting the whole of her territory under one flag for the first time since the birth of the Republic of Panama in 1903. For Panama this is indeed a proud and important day. For the United States, too, this is an important moment in history. We look back with great pride on the achievement represented by the building of this Canal and its continuous operation since 1914 for the benefit of all nations. At the same time we look forward to a new day in our relations with Panama and with all the countries of the Western Hemisphere. Panama and the United States can be proud that we accomplished all the tasks that were necessary to achieve this transfer in a manner that is worthy of countries that share a common destiny as part of the family of nations that call the Americas our home.

It is hard for some Americans to recall that at many times throughout this century, relations between our countries were strained because of issues surrounding the very thing that bound us together uniquely as partners in the world, the Panama Canal. Today our relations are as strong as ever, precisely because we have worked together to resolve those issues in a manner befitting two great countries, through diplomacy, cooperation and with an abiding spirit of goodwill. We look forward to continuing the good relations that exist between our two nations. Indeed we look forward to building even stronger and better relations between the United States and Panama, and between the United States and all the nations of Latin America -- relations based on mutual respect, trust, cooperation and partnership in charting a course for the Americas that will help us achieve our shared goal of creating a better life for all the people of our hemisphere.

When the signers of the 1977 Carter-Torrijos Treaty selected this date for the transfer of the Canal they could little have imagined how the world would be caught up in ushering in the new millenium. But they chose wisely, for it is a date that causes us to reflect on where our nations stood just 100 years ago and how far we have come. In 1899, a young America had just completed her first century of existence, growing from a small English colony to a bustling nation that crossed the whole of North America. Panama, a land of ancient history, was on the brink of gaining her independence from Colombia. At the turn of the century, America's interests, like those of other former colonies in the New World, lay close to home. The United States was determined to end the domination of the Americas by the European monarchies, so that the people of the former colonies would be free to explore and develop the bounty of their own lands and free to govern their own lives. It would be fair to say that, one hundred years ago, America was not yet a world power. The global responsibilities that would soon be thrust upon her in the First and Second World Wars still lay ahead. In Panama, Ferdinand de Lesseps had given up, after toiling for years without success, at a dream that had captured man's imagination for nearly 400 years: to build a great canal across the Isthmus.

Three short years later that goal was begun in earnest, when Panama, with the support of the United States, declared her independence and almost immediately entered into a treaty to construct the Canal. President Teddy Roosevelt said of Panama's independence, "By every law, human, and divine, Panama was right in her position." As President, Roosevelt was deeply committed to building the canal, with full knowledge of all the obstacles and challenges that such a grand project entailed. As work on the Canal progressed he would visit the excavation sites, telling the workers, "this is one of the great works of the world. It is a greater work than you yourselves at the moment realize."

The effort was indeed monumental. Laborers from America, Panama, the West Indies, and the world over struggled for ten long years before they realized the seemingly impossible dream of building a waterway across the Isthmus of Panama that would connect the two great oceans of the world, the Atlantic and the Pacific.

Eighty-five years after the Ancon made the maiden voyage through the Canal, and nearly one hundred years after the plan for this Canal was conceived, we now know what this Canal has meant to the world. It has brought the entire world closer together through the commerce that passes through her locks. The Canal has made new markets viable for more nations and helped spread the goodness of trade that benefits all to even more people of the world, giving them a chance to improve their lives and their well-being through the fruits of their own labor. And it has brought us all closer in our relationships and understanding of each other.

Looking back now, we can see that the Panama Canal was a gateway to the future – opening the door to this century of globalization and helping to build the interdependent and interconnected world we live in today. At the same time, we can see, as President Jimmy Carter reminded us just two weeks ago, that from the beginning, the treaty under which the Canal was built contained language that raised difficult questions regarding the extent of Panama's sovereignty over her own land within the Canal Zone. Questions that soon became a matter of great controversy between our countries.

The Treaty effectively divided Panama into two separate territories, and gave the United States, throughout the Canal Zone that divided Panama, a level of sovereignty reminiscent of a colonial era more appropriate to the nineteenth century than to the twentieth. This arrangement became a source of conflict between our countries precisely because it was inconsistent with the principles the United States came to stand for in the 20th century: a commitment to preserving freedom, promoting democracy, and protecting human rights. In two World Wars, in Korea, and throughout the Cold War, the United States has been dedicated to the proposition that preserving and spreading the blessings of liberty is the best hope for improving the lot of mankind.

By the midpoint of the century, the contradictions in the 1904 Treaty were coming into conflict with the role America was playing in a rapidly changing world and the role that the United States sought to play here in our own hemisphere. In 1961, President John Kennedy articulated a compelling vision for the Americas, an alliance -- *Alianza para Progreso* -- in which the United States would work with our friends and closest neighbors to realize the highest aspirations of our common destiny. "Our hemisphere's mission is not yet complete," he said, "for our unfulfilled task is to demonstrate to the entire world that man's unsatisfied aspiration for economic progress and social justice can best be achieved by free men working within a framework of democratic institutions."

John Kennedy would have understood that America could not aspire to be a good neighbor to Latin America and continue to occupy and divide the territory of a sovereign country it considered a friend, no matter how beneficial that arrangement had been for both countries. He would have understood that America could not stand for democracy and self determination, yet deny Panama the sovereign control over her own territory that Panama yearned for. In 1962, he tried to settle these troubled waters, by agreeing with President Robert Chiari, that the flag of Panama should fly side by side with the American flag in all places in the Canal Zone where the American flag flew, including here at the Panama Canal Administration building and on the Bridge of the Americas. I believe that, had he been alive, President Kennedy would surely have promised to negotiate reversion of the Canal, just as President Johnson did in 1964, in response to the tragic incidents that occurred that year in which 3 American soldiers and 19 Panamanians lost their lives as a consequence of the growing resentment that was undermining the longstanding bonds between our two countries.

President Johnson tried to keep that promise. In 1968, what President Johnson was unable to achieve fell to a new administration. During both the Nixon and Ford Administrations, Dr. Henry Kissinger steadfastly and courageously pursued negotiation of a new treaty. He said recently of those negotiations, that it was important for the United States to make a decision about whether we, the United States, would rest our interests in the Panama Canal "on our undoubted ability to retain our rights . . . by force; or whether we would rely on cooperation with the nation of Panama and a consensus with the Western Hemisphere that what we were doing reflected our common destiny." The United States, he said, "needed to negotiate a new treaty, if we were to proceed in the Western Hemisphere on the basis of a "commitment to a common destiny," and a "common commitment to human dignity, of democratic institutions, and of cooperative relations."

But it was President Jimmy Carter, building on the work of predecessor administrations, who took the final bold steps necessary to negotiate and sign, with General Omar Torrijos, the 1977 Panama Canal Treaty providing for the full reversion of the Panama Canal to the people of Panama. And every administration since has worked to support this transfer process.

Today, we culminate the work that was begun with the signing of the 1977 Treaty. Today, a young Panama, standing on the brink of her second century, assumes historic responsibility as steward for this vital waterway. Panama meets this new role a strong and vibrant democracy, a land of great beauty and promise. And she starts this exciting century with complete sovereignty over all her territory.

As Chairman of the Panama Canal Commission, a U.S.-chartered commission that ceases to exist today, I can assure you that Panama is more than ready. The new, independent, Panamanian board of directors, the Panama

Canal Authority, *La Autoridad del Canal de Panama*, the Canal Administration management team, and the talented and loyal workforce of the Canal, have over the last 10 years, effectively transitioned to running every aspect of Canal operations. Our two nations have worked extremely hard to ensure a smooth transition. Panama takes control with the most modern management practices in place and with a clear sense of responsibility for what this Canal must continue to mean for the world. I thank my board members, American and Panamanian alike, the members of the Panama Canal Authority, the Administrator and management team, the pilots, the line handlers, the engineers and all the employees of the canal and their unions, for all their hard work in making this day a reality. Our motto was "One Team - One Mission, *Un Equipo - Una Mission*." And we did it. We charted as one team, for the canal, a "passage into the 21st century."

The spirit of cooperation in which the Canal was built, in which the reversion treaties were negotiated, and now fully implemented, is reflected in the observation of President Clinton that "At the edge of a new century, the Canal, long a symbol of American power and prestige, now also symbolizes the unity and common purpose of the democratic nations of the Americas."

So now we move ahead as partners in a new era -- never taking our accomplishments for granted, nor forgetting that making progress takes hard work.

The challenges that John Kennedy called us to face are still before us. Too many of our people still live in poverty, ignorance and despair. We must build on the opportunities this Canal has provided to our region and the world, and the enormous progress our region has made this last half century to build stronger democracies, more tolerant societies and greater economic opportunity. Our community of democracies must be committed, as we have done here, to choosing cooperation over confrontation.

Our destiny is a common one. So we must seize the enormous opportunities of the 21st century, to forge together a hemisphere where the dignity and right of every individual to life, home, work, education and health is an undeniable birthright. And we must make it our first order of business in this new century. So that a hundred years from now, history will record that we did not miss the opportunity to create a region that is an example to the world. A region where freedom, justice, opportunity, and respect for human dignity prevailed.

Panama, our friend, the United States of America salutes you.

Que Dios los bendiga.

This page plus 4 additional pages being faxed.

'00 JAN 14 AM9:34

THE OXFORD SOCIETY

OF WASHINGTON, D.C.

Rochelle Aschheim
Joint Honorary Secretary

January 13, 2000

P.O. Box 3758
Washington, D.C. 20007
Telephone (202) 337-6777

Dear President Clinton,

1-14-00

Send to Scheduling?

Yes ✓

No ______

Conf

...espect and warmest ...on I am contacting ...a to you a message ...ohn Rowett. ...Rhodes House. He ...! me this morning ...hat he has cancelled a trip to Kenya to come to Washington especially to attend the Oxford/Rhodes Scholar occasion on 22 January at the Willard. It would mean so much to Dr. Rowett if you could pop in at the Reception or any and all of the event on 22 January.

You are cherished - loyally yours,

Rochelle

This page plus 4 additional pages being faxed.

'00 JAN 14 AM9:34

THE OXFORD SOCIETY

OF WASHINGTON, D.C.

Rochelle Aschheim
Joint Honorary Secretary

January 13, 2000

P.O. Box 3758
Washington, D.C. 20007
Telephone (202) 337-6777

Dear President Clinton,

With respect and warmest appreciation I am contacting you to send to you a message from Dr. John Rowett. Warden of Rhodes House. He telephoned me this morning to tell me that he has cancelled a trip to Kenya to come to Washington especially to attend the Oxford/Rhodes Scholar occasion on 22 January at the Willard. It would mean so much to Dr. Rowett if you could pop in at the Reception or any and all of the event on 22 January.

You are cherished - loyally yours,

Rochelle

President William J. Clinton
4 pages

THE OXFORD SOCIETY
OF WASHINGTON, D.C.

Dr. Joseph Aschheim
Honorary Secretary

January 13, 2000

P.O. Box 3758
Washington, D.C. 20007
Telephone (202) 337-6777

Dr. John S. Rowett (Brasenose)

Secretary to the Rhodes Trust
and
Warden of Rhodes House

has just informed us that he will be travelling from Oxford to Washington especially for the Oxford occasion on Saturday, 22 January. Dr. Rowett will speak at the Afternoon Tea. Dr. Rowett has expressed the hope that the Rhodes Scholars of Washington, Maryland & Virginia will be with him on 22 January at the Willard. Dr. Rowett looks forward to seeing you at the Willard.

All other details are provided in the invitation.

Loyally yours,
Joseph Rochelle

THE OXFORD SOCIETY

OF WASHINGTON, DC

Dr. Joseph Aschheim
(St. Antony's, Linacre, and Wolfson Colleges, Oxford)
Honorary Secretary

The Rt. Hon. Lord Jenkins of Hillhead
Chancellor of Oxford University
President of the Oxford Society

With the kind support of
The Hon. Justice Stephen G. Breyer (Magdalen College, Oxford, Marshall Scholar)
Supreme Court of the United States
and
Dr. Joanna Breyer (Lady Margaret Hall, Oxford)

Oxford University's association in the nation's capital warmly invites you to a Sherry Reception and Afternoon Tea

To celebrate

the visit to Washington, DC from Belgium of guests of honor
General Wesley K. Clark (Magdalen College, Oxford, Rhodes Scholar)
and
Mrs. Gertrude Clark

on Saturday, January 22, 2000

at the **Willard Inter-Continental Hotel**
1401 Pennsylvania Avenue, Northwest
Washington, DC

Sherry Reception from 2:00 pm to 3:00 pm
Seated and Served Afternoon Tea Meal begins at 3:00 pm

With guests of honor and speakers
(in alphabetical order)

Admiral Dennis Cutler Blair, US Navy (Worcester College, Oxford, Rhodes Scholar)
Commander in Chief, United States Pacific Command

General Wesley K. Clark, US Army (Magdalen College, Oxford, Rhodes Scholar)
Commander in Chief, United States European Command
and Supreme Allied Commander Europe

Professor Denis J. Galligan (Magdalen College, Oxford, Rhodes Scholar)
Professorial Fellow of Wolfson College, Oxford
Director, Centre for Socio-Legal Studies, University of Oxford
Professor of Socio-Legal Studies, Faculty of Law, University of Oxford
and Barrister of Gray's Inn

Dr. Michael H. Robinson (Linacre College, Oxford)
Director, National Zoological Park, Smithsonian Institution

and with guests
Michael Arthur, CMG (Balliol and St. Antony's), the new Minister, The British Embassy, Washington, DC
and
Mrs. Plexy Arthur (Lady Margaret Hall)
Mrs. Diane Blair
Dr. John Baldwin (Magdalen, Rhodes Scholar), Dean of the Dartmouth Medical School
General Bernard W. Rogers (University, Rhodes Scholar and Honorary Fellow of University)
Former Chief of Staff, US Army and former Supreme Allied Commander Europe
and **Mrs. Ann Rogers**
Admiral Stansfield Turner (Exeter, Rhodes Scholar and Honorary Fellow of Exeter)
Former Director of Central Intelligence
and **Mrs. Karin Turner**

With recognition of members of Oxford's family
Admiral Charles S. Abbot (New College, Rhodes Scholar)
Major General John O. B. Sewall (Brasenose, Rhodes Scholar)
Major General Charles G. C. Vyvyan (Balliol)
and all the other Oxonian military officers of the nation's capital and throughout the world

With recognition of the appointment of a member of Oxford's family
Elliot F. Gerson (Magdalen, Rhodes Scholar), American Secretary of the Rhodes Scholarship Trust

With recognition of **John Shand**, MBE, The British Embassy, Washington, DC
Friend of Oxford's community of the nation's capital

as our guest

The charge for the Sherry Reception and Afternoon Tea is per person which includes a sherry and mineral water bar and a special and delicious three-course (seated and served) Afternoon Tea Meal. As at all Oxford Society of Washington, DC events, spouses/special friends of Oxford University are very welcome. Reservations are required. No reservations will be available at the door. No tickets will be mailed. You will be recognized by the Midshipmen at the door where your name tags will await you. Please send the enclosed reservation card, together with your remittance (per person), indicating the names of your guests, as early as possible (to be received no later than January 17). Checks should be made payable to The Oxford Society of Washington, DC. A response envelope is also enclosed addressed to Dr. Joseph Aschheim, The Oxford Society of Washington, DC, PO Box 3758, Washington, DC 20007.

The honor of your presence will be appreciated to extend to General and Mrs. Clark, Admiral and Mrs. Blair, Professor Galligan, and Dr. Robinson the warm and memorable welcome that Oxford's great community here can so uniquely provide. All the guests of honor are very much looking forward to greeting you on 22 January. General and Mrs. Clark will have travelled from Belgium, Admiral and Mrs. Blair from Hawaii, and Professor Galligan from Oxford, to be with Oxford's community of the nation's capital region. With gratitude and warmest wishes for the new year to every member of the University of Oxford family.

Biographies
(in alphabetical order)

Admiral Dennis Cutler Blair assumed duties as Commander in Chief, United States Pacific Command in Hawaii in February 1998. As the senior US military commander in the Pacific and Indian Ocean areas, he leads the largest of the unified commands and directs Army, Navy, Marine Corps, and Air Force operations across more than 100 million square miles. He is responsible to the President and the Secretary of Defense through the Chairman, Joint Chiefs of Staff and is the US military representative for collective defense arangements in the Pacific. Admiral Blair served on guided missile destroyers in both the Atlantic and Pacific fleets. He has commanded the USS Cochrane and the Kitty Hawk Battle Group. Ashore, Admiral Blair commanded Naval Station Pearl Harbor from 1989 to 1990, served as Associate Director of Central Intelligence for Military Support from 1995 to 1996, and on the staffs of the National Security Council and the Chairman of the Joint Chiefs of Staff. Admiral Blair is a graduate of the US Naval Academy and attended **Worcester** College, Oxford as a Rhodes Scholar matriculating in 1968. He was a White House Fellow and served as a Chief of Naval Operations Fellow in the Strategic Studies Group.

Admiral Blair's personal decorations include the Defense Distinguished Service Medal with two oak leaf clusters, Defense Superior Service Medal, Legion of Merit with three gold stars, and the National Intelligence Distinguished Service Medal.

Mrs. Diane Blair will attend the 22 January Reception and Afternoon Tea with Admiral Blair.

General Wesley K. Clark became the Commander in Chief of the United States European Command in July 1997. He is also the Supreme Allied Commander Europe. General Clark's previous assignment was as Commander in Chief of the United States Southern Command, Panama, where he commanded all US forces and was responsible for the direction of most US military activities and interests in Latin America and the Caribbean. Before that he was Director, Strategic Plans and Policy, J5, the Joint Staff, where he was the staff officer responsible for worldwide politico-military affairs and US military strategic planning. He also led the military negotiations for the Bosnian Peace Accords at Dayton.

General Clark is an Armor Officer who has commanded at every level from Company to Division. As the Commander 1st Calvary Division, Fort Hood, Texas, August 1992-April 1994, he transitioned the Division into a rapidly deployable force and conducted three emergency deployments to Kuwait. His many command posts include three companies encompassing a mechanized infantry company in combat in Vietnam. General Clark trained leaders and soldiers including many of the forces that saw combat operations in Desert Storm. In the course of his career he has innovated training methodologies for Division and Corps level training. In addition to his Joint Staff work, his major staff assignments include service as Deputy Chief of Staff for Concepts, Doctrine, and Developments, US Army Training and Doctrine Command, Fort Monroe, Virginia in 1991-1992 and Chief of the Army's Study Group, Office of Chief of Staff of the Army, Washington, DC in 1983-1984.

Please see next page

General Clark is a 1966 graduate of the United States Military Academy at West Point, where he graduated first in his class. He has an MA in Philosophy, Politics, and Economics from Oxford University where he was a Rhodes Scholar at **Magdalen** College from 1966 to 1968. General Clark was a White House Fellow and served as Special Assistant to the Director of the Office of Management and Budget.

Among General Clark's military decorations are the Defense Distinguished Service Medal (two awards), Distinguished Service Medal, Silver Star, Legion of Merit (four awards), Bronze Star Medal (two awards), Purple Heart, Meritorious Service Medal (two awards), and the Army Commendation Medal (two awards).

Mrs. Gertrude Clark will attend the 22 January Reception and Afternoon Tea with General Clark.

Professor Denis J. Galligan is Director of the University of Oxford's Centre for Socio-Legal Studies. A graduate of the University of Queensland (Australia), he was Rhodes Scholar for the State of Queensland matriculating at **Magdalen** in 1971, receiving the Bachelor of Civil Law degree with first class honors in 1974, and the Master of Arts degree in 1976. He became a Barrister of the Supreme Law of Queensland in 1970 and is a Barrister of Gray's Inn. Professor Galligan has served as a lecturer at **Magdalen and St. Anne's**, Oxford and as a tutorial fellow at **Jesus**, Oxford. He was Professor of Law at the Universities of Southampton and Sydney. In 1993 he became Professor of Socio-Legal Studies in the Faculty of Law of the University of Oxford, Director of the Centre for Socio-Legal Studies, and Professorial Fellow of **Wolfson** College, Oxford. The author and editor of many books and articles on the law, Professor Galligan is an expert on law and society, as well as public administration and administrative law. He is a member of the editorial boards of scholarly law journals and is Associate Editor of the *New Dictionary of National Biography*.

Dr. Michael H. Robinson, Director of the National Zoological Park, Smithsonian Institution, is an animal behaviorist and tropical biologist. Born in Preston, Lancashire, England, he received his Doctor of Philosophy degree from Oxford University after being awarded the Bachelor of Science degree, Summa Cum Laude, from the University of Wales. Dr. Robinson, who was at **Linacre**, was a student of Nobel Laureate, Niko Tinbergen. Author of over 150 articles and a book on his specialty, the courtship and mating behavior of spiders, Dr. Robinson served as Acting Director and Deputy Director of the Smithsonian Tropical Research Institute in Panama before assuming the Directorship of the National Zoo. In his sixteen years as Director, Dr. Robinson has transformed the National Zoo into "the zoo that is not." His vision of a biopark has been realized combining the exhibit function of zoo, botanical garden, arboretum, aquarium, natural history museum, and museum of man, enshrining "a sense of wonder for the living world."

Michael Robinson, during his Directorship of the National Zoological Park, has been a warm friend of Oxford's great family of the capital, providing special "Behind the Scenes" tours of the National Zoo for all the generations of the Oxford community. In April Dr. Robinson will take on new and challenging work, thus 22 January 2000 provides an opportunity for Oxford's family to greet Dr. Robinson at the Willard.

All the guests of honor are distinguished leaders in their fields, and their presence and speeches at the 22 January Oxford gathering promise to be lively and fascinating.

If you should know of new Oxonian arrivals to this region, we would look forward to receiving from you their names, addresses, and Oxford affiliation. Also, if you do not receive OXFORD TODAY, the University of Oxford magazine, and wish to do so, please note this too on your response card. We will arrange to have a subscription to OXFORD TODAY sent to you by the University of Oxford as a gift from the University.

THE WHITE HOUSE

WASHINGTON

Date 1·14·00

To: NOLAN, CABE

From: The Staff Secretary

ANY COMMENT / OK TO GO TO POTUS?

LAS VEGAS SUN

MIKE O'CALLAGHAN,
EXECUTIVE EDITOR & CHAIRMAN OF THE BOARD

800 South Valley View Blvd.
Las Vegas NV, 89107-4411
(702) 385-3111

Sean—
please take a look
@ this.
It's hard to keep
such letters from
POTUS good friend but
a couple of touchy issues

December 9, 1999

Nancy Hernreich
Deputy Assistant to the President
The White House
1600 Pennsylvania Avenue
Washington, DC 20008

Mr. President:

Despite my several decades of public service this is the first time I have made a request of our nation's chief executive.

Because of the support of several great Americans, including our mutual friend the late Barry Goldwater, you are aware of the plight of former Navajo leader Peter MacDonald. Its time for him to return to his people and be released from a federal prison.

I ask you to take time during the Christmas season to meet with Navajo President Kelsey A. Begaye and some of MacDonald's fellow Navajo Code Talker veterans. Please allow them the opportunity to personally tell you about Peter.

Mr. President, your personal attention to this humanitarian act would be deeply appreciated by good people often overlooked in our fast moving, high-tech and urbanized society.

Thank you,

Mike O'Callaghan

Mike O'Callaghan
Executive Editor
Chairman of the Board
Las Vegas Sun

1 Native American
pardon

2 education
schedule event

pls advise...
asap nancy

MO/sd

LAS VEGAS SUN

BRIAN L. GREENSPUN, President
800 S. VALLEY VIEW BLVD., LAS VEGAS, NV 89107
702-259-4003

0. Box 4275
89127-0275
2-259-4143

nh - 2 issues
(1) Navajo Leader
(2) Teaching Academy

January 3, 2000

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500-2000

Telefax (202) 456-6703

Dear Mr. President,

What a fabulous way for my family and so many others to spend New Year's Eve – at the White House and on the Mall at the Lincoln Memorial. I know that kind of commitment is not easy, so thanks to you and Hillary for the warm and wondrous memories.

We also had a delightful, albeit lazy, day with you, Hillary and Chelsea – together with a roomful of young Stanford fans on Saturday. It fit perfectly with one of my old sayings, "If you are going to waste a day away, you might as well do it at the White House!" Thank you very much for your hospitality and, more importantly, your friendship.

It would not be like me if I did not follow up on two conversations so...the first is Mike O'Callaghan. As a reminder, I am enclosing the letter he wrote to you before Christmas. It makes the case for what you agreed should at least be a meeting with his people to discuss his situation. I do not see a downside to meeting and, should you decide a pardon is in order; there are many good and humanitarian reasons to do so.

The second matter is the potential of a federal/state academic institution for teachers and administrators, which can be built in Henderson. The state has agreed to create a college and the direction it takes is still to be determined. The new president of the school, Dr. Richard Moore, and its backers are in favor of such a teaching academy as well as Governor Kenny Guinn who sees this as an opportunity to lead the nation in elevating teaching in this country. I took the liberty of mentioning the idea to Secretary Riley who seemed to like it – amidst the confetti and fireworks, that is.

As you will read in Dr. Moore's memo to you (I gave it to Mary M. last week), the timing could be perfect, given the upcoming State of the Union and your desire to emphasize your commitment to education. Please let me know what we need to do to get this fast tracked as good ideas like this have a way of spilling out and getting lost in the political landscape. That should not happen on this one.

I will leave you now to the important work you are doing with every good wish from my family to yours and a special one for your efforts on behalf of the peace effort in the Middle East.

Looking forward to spending Y3K with you, I am

Your friend,

Brian

Brian

/Cr
Enc: one

COMMUNITY COLLEGE of SOUTHERN NEVADA
OFFICE OF THE PRESIDENT

MEMORANDUM

TO: William Jefferson Clinton, President, United States of America

FROM: Richard Moore, Founding President Elect, Nevada State College Richard

DATE: December 30, 1999

SUBJECT: An Idea for America

United States Teaching Academy (USTA)
a federal/state partnership with the
Nevada State Teaching Academy (NSTA)

Background:

It has been in the national interest for America to professionally educate and train its young people for leadership in the military arts. America's constitution recognized the need to provide for a common defense and the United States Government has since then established a "service academy" for the Army (1802), the Navy (1845), the Coast Guard (1876), our Merchant Marine (1943), and more recently, the Air Force (1954). Selection of young people for admission to these academies has incorporated both the rigor of academic standards and a nomination process from the Congress of the United States.

The graduates of our academies are reflected in the greatness of many of our military leaders -- men like Marshall, Eisenhower, MacArthur, and Nimitz serve as examples of exceptional WWII military leaders–one of whom became President of the United States of America.

National Need:

"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare of America, ..." need to attract and prepare the best and brightest of our people for service as teaching professionals in America's schools, be they kindergarten teachers or high school science teachers. America's corp of teaching professionals deserves a cadre of teachers, prepared under a federal/state partnership to set the standards for excellence and sustain the highest quality of teaching. The general welfare of America deserves nothing less and the 21st Century calls upon America for leadership in the preparation of teachers. As Professor David Drew of the Claremont Graduate University wrote - "teaching is our first line of defense against a dangerous enemy - ignorance."

Officially, this federal/state partnership reflects a "federal interest" to "promote the general Welfare of America" combined with the "state responsibility" to prepare the teachers of our youth.

Timing:

President Kennedy challenged America with his vision of a Peace Corps. It is time in America's history that you challenge America to help craft and prepare great teachers, through the formation of a national/state partnership -- the United States Teaching Academy (USTA) and Nevada State Teaching Academy (NSTA).

A federal/state teaching academy needs to be founded now, with the idea in mind that this is but the first of several federal/state academies, and that eventually there may be five to ten federal/state teaching academies throughout America. Let the pilot academy be located in Southern Nevada (Henderson) and then have this model be the template for the 21st Century for our nation to found additional academies as the need and experiences dictate.

Action:

As President of the United States, you should in your State of the Union speech request that Congress authorize and fund a national teaching academy (USTA) and that Congress then should nominate the youth of their respective districts for cadet membership.

Values:

The United States Teaching Academy should be an institution founded in the liberal arts with its core principles centered in the mastery of student discovery and student learning. Its graduates should prove first their own competencies per federal/state standards and then demonstrate teaching proficiencies in school districts throughout America.

What characterizes this field of study is a passion for ideas, an understanding that risk-taking is a prerequisite for change, and a recognition that values permeate all of ones actions. The belief structure is centered around a learning environment which is:

- Rooted in the humanities; celebrating and exploring the contributions, values and ethics of different civilizations; across time, within individual and collective lives. (The Humanities)

- Trusting in the nonpredictability of the entrepreneurial spirit; accepting in each person responsibility for both private and public entrepreneurial leadership. (Entrepreneurial Leadership)

- Celebrating the role and power of immigrant lives, the inherent richness of native peoples, and confluence of the merged yet distinct new generations of ethnic and cultural groups. (Cultural Richness)

- Understanding that learning and the acquiring of knowledge has much to do about "discovery and risk taking" and little to do with rote memorization; believing that directed conversations, forums, convocations, rituals and private reflection are the at root elements which describe a rich learning environment within the institution we call the United States Teaching Academy. (Discovery and Colloquiums)

- Grounded in the understanding that the preparation of professionals is best accomplished when "working in the field," associating and interning directly with the professionals; and, that from these apprenticeships each new professional adds their own unique perspective. (Field Work)

Secondary Mission:

In addition, the nation needs a teaching academy which in the summer months serves as a host for in-service programs designed for teachers currently engaged in the profession. Directed colloquiums reflecting the most recent advances in science and technology need to be interspersed with shared teaching experiences by identified master teachers in America. This secondary goal would then be to sustain the vitalization of teachers in the practice of education.

Implementation:

This idea first needs a vision statement incorporating the lifetime thinking of yourself and Secretary Riley. Both of you have visited the nation's urban and rural communities over these past seven years and know first hand the need for more and better prepared teachers. Your 1999 major new initiatives for the U.S. Department of Education called for both state standards and "talented, dedicated and well-prepared teacher(s)." Here is the model for the nation to follow.

Second, you will need a state partner. I am pleased to report that Governor

Kenny Guinn of the State of Nevada would be honored to work with you to implement a national/state teaching academy. Fortunately, Nevada is considering founding its first state college (to be located in Henderson, Nevada, opening perhaps in Fall, 2001). The value of associating with an institution of higher education, not yet opened nor fully defined, is that there are no biases and entrenched points of view which might need "adjusting" to fit a new national model. Two entities - a federal government and a state government *founding together* a joint new academy to help transform America.

The obvious teaching laboratory for appropriate teaching internships would be the fastest growing school district in America, the Clark County School District. It is here that "field based," programs would be conducted. Each summer the National Teaching Academy cadets would intern at their home states.

Funding:

Funding for the USTA should come from the federal government and private foundations and for NSTA and its Nevada students, funding should come from the State of Nevada. Following the model of the three primary military academies, the USTA would enroll 1,000 cadets each year and each would receive room, board, and tuition paid for by the federal government. The State of Nevada would also hope to have 1,000 "cadets" each year and state funds would meet tuition costs with private funds to pay for room and board.

Again, following the model of military service for academy graduate, each Teaching Academy graduate would be under contract to work as a teaching professional in their home state for a minimum of four (4) years.

The faculty for the teaching academy should be composed of a core set of permanent scholars and a cadre of rotated academic professionals from the leading colleges and universities in America; and in addition, the element that provides specific focus to this endeavor, master teachers from the local Clark County School District (ensuring field-based experiences). A Board of Visitors should be established to set guidelines and review performance results, wherein both you and the state governor would nominate the members of this joint committee.

Mistakes Avoided:

Recent Carnegie and Ford Foundation studies on schools of education suggest that presidents of State Colleges and Universities ought not to view their education schools as having the sole responsibility for the preparing of new teachers. Where possible, the president should direct faculties of the other disciplines (sciences, humanities, technologies) to share in this work. In the founding of a national/state teaching academy, it is possible that every person hired, be they in the English department, chemistry department, or computing sciences, have as their prime responsibility to work with the field-based education faculty to insure subject matter competencies and teaching appropriate skills. The challenge. . . that graduates have mastered core subject information, and secondly, that they have gained the experiences necessary to assist young people to discover, not memorize, the body of knowledge we call civilization.

To ensure quality, there would be high admissions standards and periodic performance tests requiring each student to demonstrate his or her mastery of core information and knowledge ("arthemis tests" to national standards). Those who do not satisfactorily pass such examinations, might be offered a program of remediation, but the passing of such remediation course should not take the place of an individual passing an examination for perhaps the second time, a test of core information and knowledge. The Teaching Academy would not be founded on the completion of courses but on the mastery gained of knowledge, the demonstrated ability to find information and the understanding of the power of discovery (versus note taking and memorization).

Starting Point:

Every person living in America has at some point in their life spent time with a great teacher (be it their grandmother, a neighbor or a professional educator). It is this unique connection that empowers the hope for greatness in our teaching profession and inspires our nation's youth to join the profession of teaching. The United States Teaching Academy is the catalyst for insuring that those who first felt the power of great teachers can themselves become a great teacher.

Action:

You announce in your State of the Union Address the formation of the first United States Teaching Academy, to be located in Southern Nevada and to be co-implemented with the to be commissioned Nevada State College.

RM:jt

cc: Kenny Guinn, Governor, State of Nevada
Jill Derby, Chair, Board of Regents, University and Community College System of Nevada
Brian Greenspun, Publisher/Entrepreneur

. CAP Publishing & Literary Co., LLC
"Educating and Equipping the World"

12138 Central Avenue, Suite 152
Mitchellville, Maryland 20721
Telephone: 301-499-6900
Facsimile: 301-499-8844
E-mail: dr-adh@pobox.com

Avaneda D. Hobbs, Ed.D.
Chief Executive Officer

TO
Dan B.
1.14.00

Dan —
Here's our past correspondence. My inclination is to say NO — do you agree? If so, could you suggest draft remarks?
Thanks.
(W)

December 27, 1999

Ms. Liesel Loy
Special Assistant to the F
and Staff Secretary
Staff Secretary Office
THE WHITE HOUSE
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Loy:

Thank you for your letter updating us on the Law Office of Felder & Tra [...] William Jefferson Clinton to write the Foreword for *Dr. Maya Angelou: As Seen* [...] *erica (Honoring a Woman Full of Life)*. Your consideration of the request wa [...] e do regret that you were unable to grant that specific petition, but appreciate your ti [...] d accordingly.

As a publisher and an author, it is my duty to pursue every possible angl [...] ed, especially when publishing a work with historical value. To that end, CAP Publishing would like to invite President William Jefferson Clinton to write a two to three paragraph letter congratulating Dr. Maya Angelou on her accomplishments. Specific emphasis can be placed on the impact she has had on all Americans. For informational purposes, Dr. Angelou has made substantial contributions in the field of education, theater, religion, music, literature, civil rights and philanthropy

We are aware of the great strain on your time. We assure you that your participation is welcomed and appreciated. If you have any questions or need additional information, please contact me at the above address.

Sincerely,

Avaneda D. Hobbs, Ed.D.
Chief Executive Officer

Let's get copy of response we sent
(W)

ADH/tss

Enclosure
As Stated

CAP Publishing & Literary Co., LLC
"Educating and Equipping the World"

12138 Central Avenue, Suite 152
Mitchellville, Maryland 20721
Telephone: 301-499-6900
Facsimile: 301-499-8844
E-mail: dr-adh@pobox.com

Avaneda D. Hobbs, Ed.D.
Chief Executive Officer

December 27, 1999

Ms. Liesel Loy
Special Assistant to the President
and Staff Secretary
Staff Secretary Office
THE WHITE HOUSE
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

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Sincerely,

Avaneda D. Hobbs, Ed.D.
Chief Executive Officer

ADH/tss

Enclosure
As Stated

Dr. Maya Angelou
As Seen Through the Eyes of America
Honoring a Woman Full of Life

FOREWORD

Written by Dr. Dorothy I. Height.

PREFACE

Written by Dr. H. Beecher Hicks, Jr.

INTRODUCTION

A powerful synopsis that is written with passion and ingenuity. The introduction sets the tone for the presentation of material contained therein.

PART ONE - THE INCOMPARABLE DR. MAYA ANGELOU

Part One opens with quotes from James Baldwin and William Shakespeare.

Chapter 1 - The First and Second Decades: Humble Beginnings

This chapter chronicles the first 20 years of Dr. Maya Angelou's life. Letters from the public are featured. Quotes from well-known personalities such as Gladys Knight, Wally Amos and Norman Vincent Peale. A special attraction to this chapter is a listing of some of the most famous choreographers, dancers and playwrights.

Chapter 2 - The Third and Fourth Decades: Taking On Life

This chapter chronicles the second 20 years of Dr. Maya Angelou's life. Letters from the public are featured. Quotes from well-known personalities such as Mary Tyler Moore, Ida B. Wells, Debbie Allen, Martin Luther King, Jr. and Mark Twain. A special attraction is a listing of some of the most famous civil rights activists.

Chapter 3 - The Next Three Decades: Becoming A Legend

This chapter chronicles Dr. Maya Angelou's life from age 50 to the present. Letters from the public are featured. Quotes from well-known personalities such as Norman Lear, Steven Spielberg and George Bernard Shaw. A special attraction is a listing of some of the most famous filmmakers and producers.

Chapter 4 - Reflections On Life

This chapter shares a few of Dr. Angelou's "words of wisdom" from her life's experiences. Letters from the public are featured. Quotes from well-known personalities such as Marva Collins, Nelson Mandella, Bill Cosby and George Orwell. A special attraction is a listing of some of the most famous educators.

PART TWO - DR. MAYA ANGELOU'S LIFETIME CONTRIBUTIONS

Part Two opens with quotes from Toni Morrison and Emily Dickinson.

Chapter 5 - Maya Angelou: The Literary Genius

This chapter provides an indepth listing on ***every*** work (i.e., books, poetry, audiotapes, films, plays, etc.) written by Dr. Maya Angelou. Also presented are books by authors who have written about Dr. Maya Angelou and her works. Letters from the public are featured. Quotes from well-known personalities such as James Earl Jones, Lena Horne, Celine Dion, Cher, Vanessa Williams, Nikki Giovanni and Walt Whitman. Quotes from the various leading periodicals are also featured. A special attraction is a listing of some of the most famous journalists, luminaries of literature, musicians, singers and entertainers, and poets.

Chapter 6 - Maya Angelou: The Orator

This chapter provides an indepth listing on some of Dr. Maya Angelou's greatest speeches. Letters from the public are featured. Quotes from well-known personalities such as Janet Jackson, Larry King, Clint Eastwood, Carl Rowan and Les Brown. A special attraction is a listing of some of the most famous actors and actresses.

Chapter 7 - Maya Angelou: The Philanthropist

This chapter provides an indepth listing on some of Dr. Maya Angelou's greatest philanthrophical contributions. Letters from the public are featured. Quotes from well-known personalities such as Bob Hope, General Colin Powell and T.S. Eliot. A special attraction is a listing of some of the most famous politicians.

PART THREE - THE PRIVATE SIDE OF DR. MAYA ANGELOU

Part Three opens with quotes from Alex Haley and Antoine de Saint Exupery.

Chapter 8 - Maya Angelou: The Other Side of Greatness

This chapter provides some "poignant" insights into the personal side of the great Dr. Maya Angelou. Letters from the public are featured.

NOTES

An index that provides a list of resources.

Numerous photographs presented in this dossier, preview Dr. Maya Angelou historically and across various genres.

IT IS IMPORTANT TO NOTE THAT A PORTION OF THE PROCEEDS FROM THE SALES OF THIS BOOK IS BEING DONATED TO ONE OF DR. MAYA ANGELOU'S FAVORITE CHARITIES . . . WINSTON-SALEM UNIVERSITY - THE MAYA ANGELOU NATIONAL INSTITUTE FOR THE IMPROVEMENT OF CHILD AND FAMILY EDUCATION. (OTHER CHARITIES HAVE ALSO BEEN IDENTIFIED AND WILL BE THE RECIPIENTS OF PROCEEDS.)

CORTINA BAND OF INDIANS
CORTINA INDIAN RANCHERIA
WINTUN TRIBE

P.O. BOX 7470
CITRUS HEIGHTS, CA 95621-7470

Carolyn -
Check w/
Lynn Cutler

1-14-00

Send to Burkhardt?

Yes ✓

No

C.

A HOUSING AUTHORITY

TRANSMITTAL SHEET

FROM: Cortina Indian Rancheria and Family

DATE: January 13, 2000

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 2

TELEPHONE NUMBER

SENDER'S TELEPHONE NUMBER: (916) 726-7118

RE:

REFERENCE NUMBER:

✓ URGENT __ FOR REVIEW __ PLEASE COMMENT ✓ PLEASE REPLY __ PLEASE RECYCLE

NOTES/COMMENTS:

Dear Mr. President we would like to respectfully inform you about the death of Chairwoman Mary Mae Norton. She over the years of your term spoke highly of you and Hilary and your efforts in washington regarding Indian country and other matters of state over the years. Hilary and you have sent cards during the holidays. Thank You for your time and consideration.

Sincerly,
Mary Mae norton's Family

CORTINA BAND OF INDIANS
CORTINA INDIAN RANCHERIA
WINTUN TRIBE
P.O. BOX 7470
CITRUS HEIGHTS, CA 95621-7470

CORTINA HOUSING AUTHORITY

FAX TRANSMITTAL SHEET

TO: President of the United States

FROM: Cortina Indian Rancheria and Family

COMPANY: United States of America

DATE: January 13, 2000

FAX NUMBER: (202) 456-1210

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 2

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SENDER'S TELEPHONE NUMBER: (916) 726-7118

RE:

REFERENCE NUMBER:

✓ URGENT __ FOR REVIEW __ PLEASE COMMENT ✓ PLEASE REPLY __ PLEASE RECYCLE

NOTES/COMMENTS:

Dear mr. President we would like to respectfully inform you about the death of Chairwoman mary mae norton. She over the years of your term spoke highly of you and Hilary and your efforts in washington regarding Indian country and other matters of state over the years Hilary and you have sent cards during the holidays. Thank You for your time and consideration.

Sincerly,
mary mae norton's
Family

CHA/Form 100

CORTINA BAND OF INDIANS
CORTINA INDIAN RANCHERIA
WINTUN TRIBE
P.O. BOX 7470
CITRUS HEIGHTS, CA 95621-7470

THE HONORABLE MARY MAE NORTON

Tribal Chairwomen
Cortina Indian Rancheria

March 3, 1931 - January 10, 2000

Visitation hours on Friday, January 14, 2000
MT. VERNON MEMORIAL PARK
8201 GREENBACK LANE – FAIR OAKS, CA
(916) 9691251

Family Visitation	5 p.m. – 6 p.m.
Public Visitation	6 p.m. – 9 p.m.

FUNERAL SERVICE BY REICHERTS WILL BE HELD ON SATURDAY, JANUARY 15, 2000, AT 11:00 A.M. AT:

CALVARY CEMETERY
7101 VERNER AVE.
SACRAMENTO, CA.

TO THE CEMETERY:

1. TRAVELING EAST ON I-80, TAKE GREENBACK EXIT, RIGHT AT STOP LIGHT, LEFT ON VERNER TO CEMETERY
2. TRAVELING WEST ON I-80, TAKE ELKHORN/GREENBACK LANE, LEFT OVER FREEWAY TO VERNER, TURN LEFT TO CEMETERY

RECEPTION FOLLOWING AT HERITAGE HOTEL

A memorial fund has been established at the Arden Branch of CalFed Bank.
Please send remembrance to:

MARY MAE NORTON MEMORIAL FUND
C/O CalFed Arden Branch
3501 Arden Way – Sacramento, Ca. 95864
Attn: Roxanne McNeese

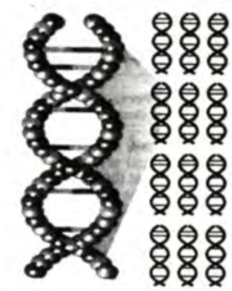
NORTON, MARY MAE

At her home in Citrus Heights, January 10, 2000. Mrs. Norton was born March 3, 1931 in Knights Landing, CA and was 68 years old at the time of her death. She is survived by her loving husband Carl Norton, 19 children, 40 grandchildren, and 11 great grandchildren. She was very active in Native American Indian Government and policy making. She was Tribal Chairwoman for Cortina Rancheria for 34 years. She was the first elected women for Tribal Chairperson. She was also a member of California Tribal Chairman's Assoc., Northern Valley Indian Health, California Indian Manpower Consortium, Inter Tribal Council, Little Eagles West, Haskell Indian University, Central California Policy Board and the E.P.A. National Board. Friends are invited to greet and visit with Mrs. Norton's Family at Mt. Vernon Church of the Valley, 8201 Greenback Ln., Fair Oaks, Friday, Jan. 14, 2000 from 6 PM until 9 PM and are invited to attend funeral services Saturday, January 15, 2000 at 11 AM at Calvary Cemetery Chapel, 7101 Verner Ave., with interment to follow at Calvary Cemetery. Reichert's Funeral Service in charge of arrangements.

USA TODAY

Life

TUESDAY, JANUARY 11, 2000



eWorld: Check t
to you by rocke

Entertainment:
three-star 'Sund

Health and Beh
in the human g

By Grant Jerding, USA TODAY
DNA: Selected, copi

THE PRESIDENT HAS SEEN
1-14-00

LIFELINE

A QUICK READ ON WHAT PEOPLE ARE TALKING ABOUT

Mighty mice: 'Fantasia,' 'Stuart Little' stand tall

The mouse invasion continues at the box office. *Stuart Little* was the No. 1 film of the weekend for the second consecutive week, earning $11.2 million. Meanwhile, the return of Mickey Mouse in Disney's *Fantasia 2000* earned $2.7 million at 54 IMAX theaters, a per-theater average of $50,000. The top 10:

Film	Box office (millions) Wkd.	Total	Avg. per site	Pct. chg.	Weeks out
1 *Stuart Little*	$11.2	$95.3	$3,765	-30%	4
2 *The Green Mile*	$9.7	$91.3	$3,634	-17%	5
3 *The Talented Mr. Ripley*	$9.3	$54.2	$4,025	-25%	3
4 *Any Given Sunday*	$8.8	$59.2	$3,505	-25%	3
5 *Galaxy Quest*	$8.0	$38.5	$3,275	-17%	3
6 *Toy Story 2*	$7.2	$219.7	$2,599	-42%	8
7 *Magnolia*	$5.7	$6.6	$5,507	3,501%	4
8 *Bicentennial Man*	$5.3	$47.2	$2,032	-36%	4
9 *Deuce Bigalow: Male Gigolo*	$5.0	$54.1	$2,436	-12%	5
10 *Snow Falling on Cedars*	$3.9	$4.1	$3,400	9,983%	3

Source: ACNielsen EDI Inc.

Do congrats to her

KEEPING TABS ON BABS: It's been quite a week for Barbra Streisand. On Saturday, photographer Wendall Wall, 28, was booked for stalking the diva and hubby James Brolin around Los Angeles; he is being held on $1 million bail. But the mirror has two faces: The Funny Girl earned a record payday for her New Year's Eve concert. Fans shelled out $14.7 million for the one-night stand at Las Vegas' MGM Grand hotel-casino, an all-time single-concert box-office record, according to Pollstar.

GLORY FOR GLORIA: Sultry salsa-pop singer Gloria Estefan is joining some prestigious company. Estefan will receive the Award of Merit on Monday's American Music Awards, recognizing her "outstanding contributions to the musical entertainment of the American public." Previous winners include Irving Berlin, Frank Sinatra, Johnny Cash, Ella Fitzgerald, Elvis Presley and Michael Jackson.

AP

Estefan: Award of Merit

ROCKIN' ON: The ageless Dick Clark has signed a deal with ABC that will keep him rockin' well into the new decade. Clark, 70, will host *Dick Clark's New Year's Rockin' Eve* specials for five more years. Clark, who has hosted the Times Square tradition for 28 years, says the 90-minute show will expand to 3½ hours.

TROJAN HORSE: A potentially controversial commercial has quietly galloped onto the broadcast television scene without a word of complaint — the Trojan Man. In the past few weeks, Trojan condom ads have aired during NBC's *Saturday Night Live*, its late-night talk shows and Fox's *MAD TV*. Condom ads have appeared on radio and cable TV since 1996 but only once on a broadcast network. Back in 1991, Fox aired a Trojan ad but met with negative publicity and never aired it again.

CARNEGIE HAULS IN BOULEZ: French composer/conductor Pierre Boulez appears to be becoming an honorary New Yorker. He is extending his composer-in-residence position at Carnegie Hall for three years, through 2003. He'll also conduct three Vienna Philharmonic concerts in March 2001. More highlights of Carnegie's 2000-2001 season, announced Monday: a complete Beethoven symphony cycle by the Berlin Staatskapelle, a festival devoted to American composers John Cage and Morton Feldman, and recital music by Jessye Norman and James Levine.

SOUND BITE: "If the man is repulsive, you could close your eyes. I mean, with that much money, you could always say, 'I'm going on a trip.'" —Genny Marquez, 39, who tried out for Fox's special Who Wants to Marry a Multi-

In the course of h

By Maria Puente
USA TODAY

A piece of America's 18th century history is about to go on sale in the marketplace of the 21st century — the Internet.

Sotheby's plans to auction a rare 1776 copy of the Declaration of Independence — one of 25 known to survive — on its new auction Web site, Sothebys.com, in late spring. Sotheby's believes that it w first Internet sale of a document.

The copy will go c on the Web site and by's New York galler

Sotheby's estimates will sell for $4 million lion. That would be a a historic document collectible auctioned 1991, Sotheby's sold copy at a live auctic

THE DEAL OF THE

1-14-00

After you have seen,
we will send to Burkhardt
for reply —

Carl

Will merger re life as we nov

You're watching HBO's *The Sopranos*, and you just have to have Tony's pinkie ring. Armed with your remote control, you order it immediately through America Online's interactive shopping link — and you instant-message everyone on your Buddy List about the deal.

Your cell phone buzzes with the new Madonna single. The TV calls out "You've Got Mail" when you turn it on. Meanwhile, *Time* magazine is waiting on your printer, with its content customized to your tastes.

A new worldwide web of entertainment and information is in the wings.

The $160 billion combination of America Online and Time Warner, announced Monday, will create the biggest media company ever if approved by regulators. The marriage of Time Warner's movie, music, magazine and TV dynasty with

COVER STO

"The importanc the deal over tir the great promi: the Internet bei able to deliver customer on a one-to-one bas This emphasiz only textual or graphical conte but also the futu sound, automati and video. . . . I would envision

THE PRESIDENT HAS SEEN
1-14-00

JP
I think
we talked about
this - surely we
can do something
about it —
Ms advise -
I need to get back
to Pryor + Starr, an
old friend
BC

FAX COVER SHEET 1/11/00

CC: Sean M.
to handle

to POTUS

copied
COS

Office of David Pryor
2701 Kavanaugh Boulevard
Suite 300
Little Rock, Arkansas 72215
(501) 661-1775   (501) 661-9091

TO: Nancy Hernreich

FAX NUMBER: 202-456-2883

FROM: David Pryor

DATE: January 5, 2000

NUMBER OF PAGES (Including Cover Sheet): -

Nancy:

This is a self-explanatory letter I received from Joe Fred Starr in Fayetteville.

As you can see, time is of the essence in this case. It may well be, in order to save this man from our country's deportation of him, that it will take coordination with various agencies of the government. This is why I bring this to your attention. I have faxed this to Bruce Lindsey (no response), and have also talked to Blanche Lincoln's office (Steve Patterson). I have also sent a copy to David Pryor, Jr. at the State Department.

Nancy, if this man is deported, it would be criminal. Please help us!

Your friend,

David Pryor.

JOE FRED STARR
210 Ravenswood Lane
Fayetteville, AR 72701

December 27, 1999

Honorable David Pryor
#10 Greenbriar
Little Rock, AR 72202

Dear David:

RE: Hua Zhong, MD, Phd.

I know you are retired from politics. I also know you have made remarkable contributions to the welfare of the country. Could you do one more? Could you do something which might cure many of the major causes of cancer?

I have terminal prostate cancer – This is too late to help me, but may help those who get it in the next few years as well as cure many other types of cancer.

I am working with the top prostate research scientists at John Hopkins Medical Institute. A Chinese visitor, a Doctor Hua Zhong is working with them and has made an earthshaking breakthrough. He discovered the Hypoxia Inducdible Factor 1 alpha gene (HIF-1α). That gene is the one that causes blood vessels to grow into tumors, not just in prostate cancer but in breast cancer, lung cancer, ovarian cancer and a dozen others.

Just as important Dr. Zhong has identified what turns on HIF-1α in cancer cells which is a pathway (RI3) that may be blockable by four different drugs. Some of his work has just been published in the newest issue of Cancer Research (November 15, 1999).

The U. S. Government is going to deport Dr. Zhong before he finishes his work! Can you believe it? Not because anyone wants to, but because the bureaucracy simply cannot function quickly enough to process his visa application or extension.

Can you help stop such a stupid thing from happening?

Honorable David Pryor
Page 2
December 27, 1999

I attach a letter from the Director of the National Cancer Institute (Attachment A) to the USIA explaining how important this is.

Here are some of the basic facts:

500,000 American citizens will die this year of the 12 leading causes of cancer.

Dr. Zhong's research according to the John Hopkins scientists (such as Dr. Jonathan Simons) has the possibility of a major cure on all 12, not just prostate cancer.

Dr. Zhong must leave this country in March, 2000 if his J-1 visa status is not extended by the United States. The Chinese government refuses to consent to such an extension. He is not a "Fulbright". The law does not require him to return to China.

The Defense Intelligence Agency has granted clearance. The Department of Defense is going to recommend to the State Department that Dr. Zhong's J-1 visa waiver be granted. See letter from the Office of Under Secretary of Defense (Attachment B).

<u>BUT</u>

To complete the process at D.O.D a "Research Assessment" of the importance of the research must be made by a "Research Officer" who knows how long this will take? (Isn't the opinion of the Director of the National Cancer Institute good enough?)

Although the file has been mislaid at times a Ms. Peggy Rock at D.O.D. now has the file. She will not tell anyone who the "Research Officer" is. She says this information is classified.

After this "Research Assessment" is done (if ever) Ms. Rock apparently does not know who exactly and to what offices of the State Department she is to send the file, but believes it will take the State Department **<u>five (5) months</u>** to process the file (by which time Dr. Zhong will be long gone).

Ms. Rock's telephone number at D.O.D. is 703-647-3459 or 703-693-2982.

Honorable David Pryor
Page 3
December 27, 1999

Can any of your old friends in Congress help? Can anyone get the D.O.D. to move on its research assessment? Can anyone get the file sent to the right place at State? Can anyone get the State to act promptly?

I hate to impose on your goodwill but I really believe this is the most important thing going on in the war against cancer and future generations will bless you if you can help.

Thanks,

Joe Fred Starr

JFS/nw

Enclosures (2)

U S ARMY MEDICAL RESEARCH AND MATERIEL COMMAND
[illegible] STREET
FORT DETRICK, MARYLAND 21702-5014

REPLY TO
ATTENTION OF:

October 13, 1999

Congressionally Directed Medical Research Programs

ATTACHMENT B

Office of the Under Secretary of Defense
(Acquisition & Technology)
ATTN: Congressional Actions & Internal Reports/Peggy Rock
Room 3D765, Pentagon
3020 Defense
Washington, DC 20301-3020

Dear Sir:

I fully support Hua Zheng's, M.D., Ph.D., application for a J-1 Visa extension. During the past year, Dr. Zheng has been critical to the accomplishment of a prostate cancer research project funded by the Department of Defense, Prostate Cancer Research Program. The ultimate goal of this project, titled "Oncolytic Gene Therapy for Prostate Cancer," is to design highly specific and effective therapies for prostate cancer.

Dr. Zheng is a highly skilled, competent and capable scientist and is dedicated to developing new treatments for human cancers. During this post-doctoral fellowship, Dr. Zheng has made a major discovery involving a gene that initiates the process allowing cancer cells to turn on their own blood supply and thereby metastasize. This area of research (angiogenesis) is one of the scientific community's highest priorities targeted for new cancer treatments, and Dr. Zheng's research has attracted international acclaim. It is vital that Dr. Zheng be granted an extension to the J-1 Visa and continue analyzing this important gene.

Thank you for your consideration of Dr. Zheng's application for the J-1 Visa extension.

Sincerely,

Patricia C Modrow

Patricia C. Modrow, Ph.D.
Deputy Director for Grants
Management

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

ATTACHMENT A

National Institutes of Health
National Cancer Institute
Bethesda, Maryland 20892

August 19, 1999

United States Information Agency
Office of the General Counsel
Waiver Review Branch
Washington, D.C. 20547-0001

RE: J-1 Visa Exception for Dr. Hua Zhong

Dear Sirs:

As Director of the National Cancer Institute, and a matter of national interest, I am requesting a J-1 visa exception on behalf of Dr. Hua Zhong who is a post-doctoral fellow in the National Institutes of Health, Special Program of Research Excellence (S.P.O.R.E.) at The Johns Hopkins University, School of Medicine. I am specifically requesting a waiver on behalf of Dr. Zhong, as his continued stay in the United States is in the public's best interest.

Dr. Zhong is conducting novel research on the HIF-1α gene, which appears to be an important new marker for cancer prevention, and a new target for treatment of lung, colon, breast, ovarian, kidney, and prostate cancers. These cancers have been responsible for the deaths of over 1 million U.S. citizens in the past 5 years, and his work may have a significant beneficial impact on future therapeutics of this disease.

Dr. Zhong is uniquely qualified and trained under the direction of Professors Donald S. Coffey, Patrick C. Walsh, Martin D. Abeloff, and Jonathan W. Simons to conduct this important direction in cancer research in the National Institutes of Health S.P.O.R.E. at Johns Hopkins. In the event a specific form is required with this request, please forward it to the undersigned. Thank you for your consideration in this matter.

Sincerely,

Richard D. Klausner, M.D.
Director
National Cancer Institute

cc: Senator Barbara Mikulski
Senator Paul Sarbanes
Dr. Hua Zhong
Judge Ralph Burnett
Dr. Patrick C. Walsh
Dr. Donald S. Coffey
Dr. Martin D. Abeloff
Dr. Jonathan W. Simons

JP

There is current Abe Pollin wants in this budget can we do it?, can we get Mayor, Eleanor, Tom Davis to support/call for it? Need to resolve soon

HAS SEEN
1-14-00

copied
COS

WASHINGTON SPORTS
& ENTERTAINMENT

Washington Sports & Entertainment (WS& E)

- The Administration's continued support of the District of Columbia and the leadership that brought the 1997 Revitalization Act have stimulated economic growth and job development in the Nation's Capital. Included in this package was expanded authority for the City to issue taxable and tax-exempt revenue bonds.

- I appreciate your support for the Rising Tide initiative which attempted to remedy unintended consequences of the Revitalization Act that had an adverse effect on the MCI Center – the project that catalyzed new downtown development.

- Rising Tide failed, in large part, because it was duplicative of the Revitalization Act and because its scope made it extremely costly to the federal treasury.

- Members of Congress and my advisors have now counseled me to pursue a less and more targeted approach. Therefore, WS&E seeks the authority to refinance construction costs for the MCI Center using federal tax-exempt bond financing.

- Refinancing costs consist of $180 million of debt ($40 million of federal tax reve foregone as opposed to $366 million required for Rising Tide) over a period of 1 Preliminary research has shown that the District has not used significant portions federal tax-exempt authority. Since unused authority exists from past fiscal years offsets may be required.

- The first step toward success would be a provision in the Administrations' FY 2001 budget authorizing tax-exempt financing for the MCI Center. If placed in the budget, we believe that we get considerable bipartisan Congressional support for the initiative.

- In original discussions with the District of Columbia, the City intended to finance the major cost of the MCI Center with District of Columbia bonds. As we pushed toward the start of construction, we were advised that the District's financial rating was so low that no one would buy their bonds. WS&E moved forward with the construction of the MCI Center with the hope that once the City's economy improved we would refinance the debt with tax-free bonds and return the debt service close to what was originally promised.

- Mayor Williams, Congresswoman Norton, the City Council, and the Control Board all support this effort to make good on the City's original promise. The *Washington Post* and the *Washington Business Journal* have also editorialized in favor of a remedy for WS&E.

Mr. President, is there a liaison within your office that you could assign as my point of contact in this effort? I would also suggest, if you are agreeable, that we work with Michael Barr, your Deputy Assistant Secretary for Community Development Policy and Special Advisor on the District of Columbia.

The Washington Businesss Journal Editorial

Pay now, pay later ... or not at all?

Could someone please explain why two side-by-side projects downtown should get vastly different tax treatment?

• MCI Center, built mostly with private funds, gets no tax-exempt financing, even though city officials promised Abe Pollin he would qualify for such assistance soon.

• Gallery Place, which seeks to piggyback on Pollin's success by building a million-square-foot retail/entertainment complex next door, is likely to get $45 million from the city, up-front and free.

The $200 million sports arena opened exactly two years ago, when the District was still seeking congressional approval for a new tax increment financing (TIF) program. Approval came early last year.

Some $300 million in city bonds now may be issued to spur development in targeted, depressed areas of the city that need a boost. Several developers are hoping to jump aboard the TIF bandwagon, and who can blame them?

Could someone please explain why two side-by-side projects downtown should get vastly different tax treatment?

These aren't loans: TIF really should be spelled GIFT. The bonds are repaid from the new tax revenue generated by the TIF-assisted projects. If the project fails, the city picks up the tab.

Contrast this something-for-nothing scenario with Pollin, who first sought city assistance to finance the proposed sports arena, but quickly stepped in and offered to pay for it himself, when the city faltered.

Sure, the District contributed $61 million in infrastructure, utilities, environmental remediation and Metro station improvements toward the development of MCI Center. But most of those costs would have been necessary whatever was built at Gallery Place, a city-owned site that in 1994 had been vacant for 20 years.

At the time, the District was on the brink of bankruptcy and about to be taken over by a congressionally imposed financial control board.

Now, with the District's budget brimming with a surplus, the money is going to retail malls, movie complexes and hotels — projects that may not need the handout to succeed.

The last time we looked, land values were rising quickly near MCI Center, the new Washington Convention Center and the Southwest waterfront.

Yet these are the "distressed" areas being considered for the first three TIF grants totaling more than $100 million — not a penny in Anacostia or the badly neglected Georgia Avenue and New York Avenue corridors.

We don't blame Pollin for feeling left out of the Gold Rush.

While Pollin was making a commitment to revitalizing Washington, another team owner, Jack Kent Cooke was backpedaling out of the District, plopping his new Washington Redskins stadium in the middle of suburban sprawl.

Congress recently fumbled a chance for a make-up call Republican leaders Nov. 17 killed a federal tax incentive that had broad support from major business groups in the District because it was perceived as a private tax break fo Pollin.

The so-called "Rising Tide" initiative would have granted tax-*exempt* — not free — financing to companies that invest at least $25 million in improvements and hire at least 400 workers in the District.

Yes, Pollin easily qualifies, but so do dozens of compa nies, such as MCI WorldCom — if they stay.

And that's the point. Incentives should reward those who make a commitment, not punish those who show entrepreneurial spirit.

As D.C. Councilwoman Charlene Drew Jarvis put it recently, "It's the pioneers who get the first arrows."

The Hill Newspaper Editorial

Congress disses D.C.

Congress has once again dissed the District of Columbia.

Congress still finds money for farmers who produce feed grain, corn, rice, cotton and other commodities. And Sen. John McCain (R-Ariz.) published a 264-page list of pork programs, totaling $14 billion in this year's budget, ranging from $285,000 for a study of Hawaiian sea turtles to $19.6 million for the International Fund for Ireland.

But Republican leaders killed a measure intended to bring investments and jobs into the nation's capital, and, incidentally, benefit a man whose generosity has been a boon to the city. Named Rising Tide, the measure would allow companies that had invested $25 million or more in the city, and hired 400 new employees, to finance their new ventures with tax-exempt bonds.

The bill had the support of the White House and congressional Democrats, who saw it as a way to revitalize the district. The nonpartisan Joint Committee on Taxation estimated that it would create 10,000 new jobs and bring $1 billion into the city.

"This is not my hometown, but, by God, it is the nation's downtown," said Rep. David Obey of Wisconsin, ranking Democrat on the Appropriations Committee, who championed the bill.

But congressional Republicans said it would benefit only one person: Abe Pollin, who built the MCI Center in downtown D.C. Of course, Baltimore offered to build a new arena next to Orioles Park at Camden Yards and give it to Pollin, but he spurned the offer and decided to put up $200 million of his own money to build a new arena in a ragged part of town. The measure would save Pollin about $4 million a year.

Pollin made an extraordinary gift to this city. The MCI Center has already sparked millions of dollars of new investment that have regenerated the surrounding depressed neighborhood. Other entrepreneurs should be encouraged to follow suit. They are more deserving than most recipients of congressional largesse.

SATURDAY, SEPTEMBER 25, 1999 R

The Washington Post

AN INDEPENDENT NEWSPAPER

'Rising Tide'

IT'S NOT EVERY day that a wide-ranging group of local businesses, area members of Maryland and Virginia congressional delegations, and a bipartisan group in the Senate and House can come together to embrace essentially a local idea. But Rising Tide, a District-based initiative to spur business investment in the nation's capital, seems to have attracted such support across a broad public and private front.

District officials are excited by the possibility. The initiative neither draws on the city treasury nor infringes on D.C. self-government. But through tax-exempt federal bonds and wage tax credits, which a business would qualify to receive for five years if it invested at least $25 million and employed at least 400 people in the Washington Enterprise Zone, the District could gain $1 billion in private investments and 10,000 new jobs. At least that is the estimate attributed to the congressional Joint Committee on Taxation, which puts the five-year cost of the resulting tax expenditure at $238 million.

Unlike the District's enterprise zone, which offers incentives to small and mid-sized business, the proposed Rising Tide enterprise zone aims to attract major corporate investment with federal tax incentives. Advocates point to the privately financed $200 million MCI Center as an example of the substantial commitment businesses can and will make in the nation's capital if the city is able to offer a major competitive incentive package. "Rising Tide could remedy that gap," wrote the Greater Washington Board of Trade in endorsing the initiative.

The measure's supporters initially had hoped Rising Tide would be included in the tax bill, now vetoed by the president. They would like to see it included in any future tax bill negotiated between the Republican-led Congress and the White House. It remains to be seen whether another tax bill emerges this session. But the Rising Tide public-private initiative offers an opportunity that advocates of an accelerated revitalization in the nation's capital can hardly ignore. It deserves consideration by the president and Congress.

Do nice ty reply — pers file

THE PRESIDENT HAS SEEN
1-19-00

TOWN OF NEW CASTLE

200 South Greeley Avenue, Chappaqua, New York 10514 • (914) 238-4771 • Fax (914) 238-2354 • town.new-castle.ny.us

Supervisor
Marion S. Sinek
(914) 238-7281

Council Members
Janet L. Wells
Richard Laster
Deputy Supervisor
Barbara S. Gerrard
Jason C. Chapin

Town Administrator
Gennaro J. Faiella
(914) 238-4742

Deputy Administrator
& Comptroller
Penelle M. Paderewski
(914) 238-7261

January 12, 2000

copied
personal file
Burkhardt
(original for reply)

President and Mrs. Clinton
15 Old House Lane
Chappaqua, New York 10514

Dear Mr. President and Mrs. Clinton:

As New Castle Supervisor I would like to express an official welcome to you in addition to the welcome that has already been given to you by many of the individual residents in their own way. All of us wish you happiness in your new home as you start life in this community.

Although in one respect we want to consider you as just another neighbor in town, there is clearly a dimension which makes your residency somewhat special and therefore I am writing this personal welcome to you. It is also the reason the Town Board passed a resolution in November recognizing this as a special event. In case you did not receive a copy at the time, I enclose one with this letter.

Also enclosed for your information, is a copy of the current version of the new residents' packet which provides some basic information about the Town of New Castle.

Your arrival has certainly caused a stir in Chappaqua. Everyone at Town Hall is eager to meet the challenges connected with your presence here and to offer you any assistance you might need as you settle into the community. Please feel free to let us know whenever we can be of help.

When we met in Rye last November, Mrs. Clinton, you told me that you were looking forward to your "Chappaqua Days." Now that they are here I wish you that your hopes and expectations will be met.

Sincerely,

Marion S. Sinek

Marion S. Sinek
Supervisor

MSS/cm
clinton.112
enclosure
cc: Gennaro J. Faiella
Town Board

1-14-00
We will send original to Burkhardt for reply after you have seen.

TOWN of NEW CASTLE

SUPERVISOR
CLINTON B. SMITH

COUNCIL MEMBERS
MARION S. SINEK*
JANET L. WELLS
KENNETH J. NOVENSTERN
RICHARD LASTER

* DEPUTY SUPERVISOR

200 SOUTH GREELEY AVENUE
CHAPPAQUA, NEW YORK 10514

(914) 238-4771
Fax # (914) 238-2354

TOWN ADMINISTRATOR
GENNARO J. FAIELLA

EXTRACT OF A REGULAR MEETING
OF THE TOWN BOARD
OF THE TOWN OF NEW CASTLE
TUESDAY, NOVEMBER 9, 1999

RESOLUTION
President and Mrs. Clinton

Council Member Laster moved, seconded by Council Member Wells, to adopt the following resolution:

WHEREAS, President William Jefferson Clinton has twice been elected to the highest office of the land and became the 42nd President of the United States; and

WHEREAS, the President and First Lady Hillary Rodham Clinton have selected the hamlet of Chappaqua in the Town of New Castle as their place of residence; and

WHEREAS, the Town welcomes all those who want to join and contribute to our community; and

WHEREAS, the move of the First Family will be noted by generations to come; and

NOW, THEREFORE, BE IT RESOLVED THAT;

We, the members of the New Castle Town Board are pleased to welcome the First Family as our neighbors to share in our appreciation of the physical charm of the Town and to enjoy the people who make up the fabric of this community. As the Clinton's make Chappaqua their home, and become effective members of our community, their presence will enrich the life and history of our Town.

VOTE: AYES ALL

STATE OF NEW YORK)
COUNTY OF WESTCHESTER)
TOWN OF NEW CASTLE)

I, Diana L. Marino, DEPUTY TOWN CLERK of the Town of New Castle, do hereby certify that this is a true transcript of the original filed in the Town Clerk's Office, 200 South Greeley Avenue, Chappaqua, NY 10514
IN TESTOMONY WHEREOF, I have hereunto set my hand and affixed the Town Seal this 11th day of January 2000.

Diana L. Marino

Diana L. Marino, Deputy Town Clerk

cc:ed Podesta

THE PRESIDENT HAS SEEN
1-14-00

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 6, 2000 JP

The only thing I would say is that in the case of the embassy bombing and the Ron Brown case, the loss of life is similar to what happens to people in uniform, yet the ~~[illegible]~~ civilian benefits seem substantially less – perhaps we should have a parity policy when deaths to civilians come from danger in the line of duty — if the [illegible] benefits aren't adequate, then we probably should do something

MEMORANDUM FOR THE CHIEF OF STAFF

THROUGH: JACOB J. LEW

FROM: Bob Kyle RK

SUBJECT: Benefits for Families of Embassy Bombings

This memorandum provides information on our past treatment of victim relief for Federal employees. Three subjects are described: 1) the normal course of action to compensate the victims and their families; 2) examples of incidents after which we did nothing beyond current law to compensate; and 3) any special relief bills passed to compensate victims and their families for particular incidents.

I think at a minimum the [illegible] – something should be given for college education of all kids – BC

Benefits Payable under Current Federal Laws

United States law provides survivor and injury benefits for all Federal employees. The attached chart summarizes these authorities. In the case of the military and civilian employees killed in the East Africa bombings, all of the survivors received benefits consistent with existing law.

Survivors of military personnel receive burial assistance and various financial benefits including partial retirement pay if entitled, Social Security death and survivor benefits, and Serviceman's life insurance if entitled.

The survivors of Federal civilian employees receive burial assistance and financial benefits, including death benefits under the Federal Employees Compensation Act (FECA) and Social Security. In response to the Ron Brown plane crash, the Administration proposed and was able to get enacted language allowing additional payments of up to $10,000 (less amounts provided for reimbursement and expenses) for any Federal employee or their survivors. Although this new benefit was enacted in response to a particular incident, it was not a special relief bill, since it applied to all Federal employees that are victims of any incident.

Examples of Past Incidents

The following list of past incidents involving Federal employees indicates the government has never provided special relief for survivors of victims of particular incidents - in all cases we have provided only benefits payable to all employees under current Federal law.

- The bombings of the U.S. Embassy in Beirut in 1983 and 1984 - no victims assistance provisions were legislated or requested;
- The bombing of the Murrah Building in Oklahoma City in 1995 - no victims assistance provisions were legislated or requested;
- The "friendly fire" shootdown of two U.S. helicopters in Iraq in 1994 - no victims assistance provisions were requested or have been legislated, although two have been proposed (see below);
- The bombing of Khobar Towers, Saudi Arabia in 1996 - no victims assistance provisions were legislated or requested;
- The Ron Brown plane crash - in response to this incident, Congress authorized additional death gratuities of $10,000 for civilian employees killed in <u>any</u> incident while in the line of duty (a new benefit for all Federal employees, not just survivors of this incident); and
- The bombing of the U.S. Embassies in Tanzania and Kenya in 1998 - no victims assistance provisions were legislated or requested.

Special Relief Bills

On at least two recent occasions, Congress has tried to enact special relief bills, but has not succeeded. On the first occasion, Congress proposed a bill allowing payments to survivors of Defense employees killed in incidents for which payments were made to foreign nationals killed in the same incident (in this case, the 1994 friendly fire incident in Iraq). This bill did not move beyond committee. On the second occasion, Congress proposed last July another bill authorizing special relief for survivors of the military and civilian employees killed in the 1994 Iraq incident. No action has been taken on this bill, either, except for a subcommittee hearing. The Administration has been consistent in opposing such efforts because they undermine the uniform system of compensation provided for all Federal employees killed or injured while in service.

Benefits Payable Under Current Federal Laws

(10 USC 1482-1483; 10 USC 1478; 22 USC 3973; 37 USC 406 (f); 5 USC 5570, 5742; 5 USC 8131-8139; 10 USC 1482a.)

	Benefits for Survivors	Injured
Military	Burial arrangement or reimbursement of $4,850 for burial expenses; $6,000 death gratuity; final move for dependents; Dependency and Indemnity Compensation (DIC) of $850 per month for a spouse plus $215 per child; Generally, $200,000 in Serviceman's Life Insurance; For spouses and dependents, Social Security death benefit of $255 & Survivor benefits; Survivors of Retirement-eligible members receive benefits equal to 55% of member's projected retired pay, offset against DIC.	Medical care in U.S. Government facilities; if disabled, possible Social Security disability, Military and/or Veterans disability retirement or severance pay.
USG Direct Hire	Transportation of deceased to place of interment and reimbursement of up to $800 for burial expenses; Transportation, upon request, of an escort for the remains; $200 for death-related expenses; Under P.L. 104-208, up to a $10,000 additional payment, less the amount provided for reimbursement and expenses. Death benefits under FECA, the Foreign Service Act, and Social Security, including spousal annuity plus additional amounts for other dependents.	Medical bills paid under the Federal Employees Compensation Act (FECA); Disability retirement if necessary or FECA annuity, at the option of the patient. Death benefits under FECA if employee later dies.
Foreign National Direct Hire	Death benefits equal to lesser of FECA or comparable local country laws.	Medical benefits equal to lesser of FECA or comparable local country laws.
Foreign National Indirect Hire	Death benefits equal to lesser of FECA or comparable local country laws.	Medical benefits equal to lesser of FECA or comparable local country laws.
Collateral Civilians	No benefit.	No benefit.

THE WHITE HOUSE

WASHINGTON

January 10, 2000

MR. PRESIDENT:

We understand from the Press Office that you may be talking to Ron Brownstein today regarding your November 13, 1993, speech to the Church of God in Christ in Memphis and your Administration's record on poverty. The Memphis speech and Gene Sperling's speech on your Anti-Poverty Agenda given October 1, 1999 are attached for your review.

copied
Edmonds
Podesta

To Terry Edmonds
fyi,
BC

Justin Coleman

THE PRESIDENT HAS SEEN
1-14-00

a lot of hard lessons in the last 12 years, but we've got to have more customers. And that's what this is about.

So I ask all of you, all of you, to support the members of the Tennessee congressional delegation that have come out for NAFTA, to support the members of the delegations from Arkansas and Louisiana and from the other States that are supporting this, to give our country a chance to compete and win.

On the day after Congress votes on this agreement, I have to fly out to Washington State to meet with the President of China, the world's largest country; with the Prime Minister of Japan, the country that had the largest growth rate in the 1980's; with 13 other leaders of Asian nations. That's the fastest growing part of the world. I'm going to say to them, "We want to be your partner. We will buy your products, but we'd like for you to buy ours." If we adopt NAFTA, it will be a lot easier for me to make that case.

I want the American people to be confident about the future. I want them to believe we can do better. In the last 10 months we've seen interest rates come down, inflation down, the deficit's come down. Millions and millions of Americans have refinanced their homes and their businesses, and this economy has produced more jobs in the last 10 months than in the previous 4 years. But I'm telling you, you and I know there are not near enough jobs, and incomes are not going up near enough. And the reason is we don't yet have enough people who will buy our products and services.

We need more growth in the world economy, and we need more customers. And Wednesday we're going to take a big first step with NAFTA, thanks to the people of Tennessee, your Vice President, your congressional delegation, and the other Members who are here.

Thank you very much.

NOTE: The President spoke at 10 a.m. at the Air National Guard Ramp, Memphis International Airport. In his remarks, the President referred to Mayor William N. Morris, Jr., of Shelby County and Mayor W.W. Herenton of Memphis.

Remarks to the Convocation of the Church of God in Christ in Memphis
November 13, 1993

Thank you. Please sit down. Bishop Ford, Mrs. Mason, Bishop Owens, and Bishop Anderson; my bishops, Bishop Walker and Bishop Lindsey. Now, if you haven't had Bishop Lindsey's barbecue, you haven't had barbecue. And if you haven't heard Bishop Walker attack one of my opponents, you have never heard a political speech. [*Laughter*]

I am glad to be here. You have touched my heart. You've brought tears to my eyes and joy to my spirit. Last year I was with you over at the convention center. Two years ago your bishops came to Arkansas, and we laid a plaque at the point in Little Rock, Arkansas, at 8th and Gaines, where Bishop Mason received the inspiration for the name of this great church. Bishop Brooks said from his pulpit that I would be elected President when most people thought I wouldn't survive. I thank him, and I thank your faith, and I thank your works, for without you I would not be here today as your President.

Many have spoken eloquently and well, and many have been introduced. I want to thank my good friend Governor McWherter and my friend Mayor Herenton for being with me today; my friend Congressman Harold Ford, we are glad to be in his congressional district. I would like to, if I might, introduce just three other people who are Members of the Congress. They have come here with me, and without them it's hard for me to do much for you. The President proposes and the Congress disposes. Sometimes they dispose of what I propose, but I'm happy to say that according to a recent report in Washington, notwithstanding what you may have heard, this Congress has given me a higher percentage of my proposals than any first-year President since President Eisenhower. And I thank them for that. Let me introduce my good friend, a visitor to Tennessee, Congressman Bill Jefferson from New Orleans, Louisiana—please stand up; and an early supporter of my campaign, Congressman Bob Clement from Tennessee, known to many of you; and a young man who's going to be coming back to the people of Tennessee and asking them to give him a promotion next year, Congressman Jim Cooper from Tennessee, and a good friend. Please welcome him.

You know, in the last 10 months, I've been called a lot of things, but nobody's called me a bishop yet. [*Laughter*] When I was about 9 years old, my beloved and now departed grandmother, who was a very wise woman, looked at me and she said, "You know, I believe you could be a preacher if you were just a little better boy." [*Laughter*]

Proverbs says, "A happy heart doeth good like medicine, but a broken spirit dryeth the bone." This is a happy place, and I'm happy to be here. I thank you for your spirit.

By the grace of God and your help, last year I was elected President of this great country. I never dreamed that I would ever have a chance to come to this hallowed place where Martin Luther King gave his last sermon. I ask you to think today about the purpose for which I ran and the purpose for which so many of you worked to put me in this great office. I have worked hard to keep faith with our common efforts: to restore the economy, to reverse the politics of helping only those at the top of our totem pole and not the hard-working middle class or the poor; to bring our people together across racial and regional and political lines, to make a strength out of our diversity instead of letting it tear us apart; to reward work and family and community and try to move us forward into the 21st century. I have tried to keep faith.

Thirteen percent of all my Presidential appointments are African-Americans, and there are five African-Americans in the Cabinet of the United States, 2½ times as many as have ever served in the history of this great land. I have sought to advance the right to vote with the motor voter bill, supported so strongly by all the churches in our country. And next week it will be my great honor to sign the restoration of religious freedoms act, a bill supported widely by people across all religions and political philosophies to put back the real meaning of the Constitution, to give you and every other American the freedom to do what is most important in your life, to worship God as your spirit leads you.

I say to you, my fellow Americans, we have made a good beginning. Inflation is down. Interest rates are down. The deficit is down. Investment is up. Millions of Americans, including, I bet, some people in this room, have refinanced their homes or their business loans just in the last year. And in the last 10 months, this economy has produced more jobs in the private sector than in the previous 4 years.

We have passed a law called the family leave law, which says you can't be fired if you take a little time off when a baby is born or a parent is sick. We know that most Americans have to work, but you ought not to have to give up being a good parent just to take a job. If you can't succeed as a worker and a parent, this country can't make it.

We have radically reformed the college loan program, as I promised, to lower the cost of college loans and broaden the availability of it and make the repayment terms easier. And we have passed the national service law that will give in 3 years, 3 years from now, 100,000 young Americans the chance to serve their communities at home, to repair the frayed bonds of community, to build up the needs of people at the grassroots, and at the same time, earn some money to pay for a college education. It is a wonderful idea.

On April 15th when people pay their taxes, somewhere between 15 million and 18 million working families on modest incomes, families with children and incomes of under $23,000, will get a tax cut, not a tax increase, in the most important effort to ensure that we reward work and family in the last 20 years. Fifty million American parents and their children will be advantaged by putting the Tax Code back on the side of working American parents for a change.

Under the leadership of the First Lady, we have produced a comprehensive plan to guarantee health care security to all Americans. How can we expect the American people to work and to live with all the changes in a global economy, where the average 18-year-old will change work seven times in a lifetime, unless we can simply say we have joined the ranks of all the other advanced countries in the world: you can have decent health care that's always there, that can never be taken away? It is time we did that, long past time. I ask you to help us achieve that.

But we have so much more to do. You and I know that most people are still working harder for the same or lower wages, that many people are afraid that their job will go away. We have to provide the education and training our people need, not just for our children but for our adults, too. If we cannot close this country up to the forces of change sweeping throughout the world, we have to at least guarantee people the security of being employable. They have to be able to get a new job if they're going to have to get a new job. We don't do that today, and we must, and we intend to proceed until that is done.

We have a guarantee that there will be some investment in those areas of our country, in the inner cities and in the destitute rural areas in the Mississippi Delta, of my home State and this State and Louisiana and Mississippi and other places like it throughout America. It's all very well to train people, but if they don't have a job, they can be trained for nothing. We must get investment into those places where the people are dying for work.

And finally, let me say, we must find people who will buy what we have to produce. We are the most productive people on Earth. That makes us proud. But what that means is that every year one person can produce more in the same amount of time. Now, if fewer and fewer people can produce more and more things, and yet you want to create more jobs and raise people's incomes, you have to have more customers for what it is you're making. And that is why I have worked so hard to sell more American products around the world; why I have asked that we be able to sell billions of dollars of computers we used not to sell to foreign countries and foreign interests, to put our people to work; why next week I am going all the way to Washington State to meet with the President of China and the Prime Minister of Japan and the heads of 13 other Asian countries, the fastest growing part of the world, to say, "We want to be your partners. We will buy your goods, but we want you to buy ours, too, if you please." That is why.

That is why I have worked so hard for this North American trade agreement that Congressman Ford endorsed today and Congressman Jefferson endorsed and Congressman Cooper and Congressman Clement, because we know that Americans can compete and win only if people will buy what it is we have to sell. There are 90 million people in Mexico. Seventy cents of every dollar they spend on foreign goods, they spend on American goods.

People worry fairly about people shutting down plants in America and going not just to Mexico but to any place where the labor is cheap. It has happened. What I want to say to you, my fellow Americans, is nothing in this agreement makes that more likely. That has happened already. It may happen again. What we need to do is keep the jobs here by finding customers there. That's what this agreement does. It gives us a chance to create opportunity for people. I have friends in this audience, people who are ministers from my State, fathers and sons, people—I've looked out all over this vast crowd and I see people I've known for years. They know I spent my whole life working to create jobs. I would never knowingly do anything that would take a job away from the American people. This agreement will make more jobs. Now, we can also leave it if it doesn't work in 6 months. But if we don't take it, we'll lose it forever. We need to take it, because we have to do better.

But I guess what I really want to say to you today, my fellow Americans, is that we can do all of this and still fail unless we meet the great crisis of the spirit that is gripping America today.

When I leave you, Congressman Ford and I are going to a Baptist church near here to a town meeting he's having on health care and violence. I tell you, unless we do something about crime and violence and drugs that is ravaging the community, we will not be able to repair this country.

If Martin Luther King, who said, "Like Moses, I am on the mountaintop, and I can see the promised land, but I'm not going to be able to get there with you, but we will get there"—if he were to reappear by my side today and give us a report card on the last 25 years, what would he say? You did a good job, he would say, voting and electing people who formerly were not electable because of the color of their skin. You have more political power, and that is good. You did a good job, he would say, letting people who have the ability to do so live wherever they want to live, go wherever they want to go in this great country. You did a good job, he would say, elevating people of color into the ranks of the United States Armed Forces to the very top or into the very top of our Government. You did a very good job, he would say. He would say, you did a good job creating a black middle class of people who really are doing well, and the middle class is growing more among African-Americans than among non-African-Americans. You did a good job; you did a good job in opening opportunity.

But he would say, I did not live and die to see the American family destroyed. I did not live and die to see 13-year-old boys get automatic weapons and gun down 9-year-olds just for the kick of it. I did not live and die to see young people destroy their own lives with drugs and then build fortunes destroying the lives of others. That is not what I came here to do. I fought for freedom, he would say, but not for the freedom of people to kill each other with reckless abandon, not for the freedom of children to have children and the fathers of the children walk away from them and abandon them as if they don't amount to anything. I fought for people to have the right to work but not to have whole communities and people abandoned. This is not what I lived and died for.

My fellow Americans, he would say, I fought to stop white people from being so filled with hate that they would wreak violence on black people. I did not fight for the right of black people to murder other black people with reckless abandon.

The other day the Mayor of Baltimore, a dear friend of mine, told me a story of visiting the family of a young man who had been killed—18 years old—on Halloween. He always went out with little bitty kids so they could trick-or-treat safely. And across the street from where they were walking on Halloween, a 14-year-old boy gave a 13-year-old boy a gun and dared him to shoot the 18-year-old boy, and he shot him dead. And the Mayor had to visit the family.

In Washington, DC, where I live, your Nation's Capital, the symbol of freedom throughout the world, look how that freedom is being exercised. The other night a man came along the street and grabbed a 1-year-old child and put the child in his car. The child may have been the child of the man. And two people were after him, and they chased him in the car, and they just kept shooting with reckless abandon, knowing that baby was in the car. And they shot the man dead, and a bullet went through his body into the baby's body, and blew the little bootie off the child's foot.

The other day on the front page of our paper, the Nation's Capital, are we talking about world peace or world conflict? No, big article on the front page of the Washington Post about an 11-year-old child planning her funeral: "These are the hymns I want sung. This is the dress I want to wear. I know I'm not going to live very long." That is not the freedom, the freedom to die before you're a teenager is not what Martin Luther King lived and died for.

More than 37,000 people die from gunshot wounds in this country every year. Gunfire is the leading cause of death in young men. And now that we've all gotten so cool that everybody can get a semiautomatic weapon, a person shot now is 3 times more likely to die than 15 years ago, because they're likely to have three bullets in them. A hundred and sixty thousand children stay home from school every day because they are scared they will be hurt in their schools.

The other day I was in California at a town meeting, and a handsome young man stood up and said, "Mr. President, my brother and I, we don't belong to gangs. We don't have guns. We don't do drugs. We want to go to school. We want to be professionals. We want to work hard. We want to do well. We want to have families. And we changed our school because the school we were in was so dangerous. So when we stowed up to the new school to register, my brother and I were standing in line and somebody ran into the school and started shooting a gun. My brother was shot down standing right in front of me at the safer school." The freedom to do that kind of thing is not what Martin Luther King lived and died for, not what people gathered in this hallowed church for the night before he was assassinated in April of 1968. If you had told anybody who was here in that church on that night that we would abuse our freedom in that way, they would have found it hard to believe. And I tell you, it is our moral duty to turn it around.

And now I think finally we have a chance. Finally, I think, we have a chance. We have a pastor here from New Haven, Connecticut. I was in his church with Reverend Jackson when I was running for President on a snowy day in Connecticut to mourn the death of children who had been killed in that city. And afterward we walked down the street for more than a mile in the snow. Then, the American people were not ready. People would say, "Oh, this is a terrible thing, but what can we do about it?"

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fine State of Florida, when we see our children planning their funerals, when the American people are finally coming to grips with the accumulated weight of crime and violence and the breakdown of family and community and the increase in drugs and the decrease in jobs, I think finally we may be ready to do something about it.

And there is something for each of us to do. There are changes we can make from the outside in; that's the job of the President and the Congress and the Governors and the mayors and the social service agencies. And then there's some changes we're going to have to make from the inside out, or the others won't matter. That's what that magnificent song was about, isn't it? Sometimes there are no answers from the outside in; sometimes all the answers have to come from the values and the stirrings and the voices that speak to us from within.

So we are beginning. We are trying to pass a bill to make our people safer, to put another 100,000 police officers on the street, to provide boot camps instead of prisons for young people who can still be rescued, to provide more safety in our schools, to restrict the availability of these awful assault weapons, to pass the Brady bill and at least require people to have their criminal background checked before they get a gun, and to say, if you're not old enough to vote and you're not old enough to go to war, you ought not to own a handgun, and you ought not to use one unless you're on a target range.

We want to pass a health care bill that will make drug treatment available for everyone. And we also have to do it, we have to have drug treatment and education available to everyone and especially those who are in prison who are coming out. We have a drug czar now in Lee Brown, who was the police chief of Atlanta, of Houston, of New York, who understands these things. And when the Congress comes back next year, we will be moving forward on that.

We need this crime bill now. We ought to give it to the American people for Christmas. And we need to move forward on all these other fronts. But I say to you, my fellow Americans, we need some other things as well. I do not believe we can repair the basic fabric of society until people who are willing to work have work. Work organizes life. It gives structure and discipline to life. It gives meaning and self-esteem to people who are parents. It gives a role model to children.

The famous African-American sociologist William Julius Wilson has written a stunning book called "The Truly Disadvantaged" in which he chronicles in breathtaking terms how the inner cities of our country have crumbled as work has disappeared. And we must find a way, through public and private sources, to enhance the attractiveness of the American people who live there to get investment there. We cannot, I submit to you, repair the American community and restore the American family until we provide the structure, the values, the discipline, and the reward that work gives.

I read a wonderful speech the other day given at Howard University in a lecture series funded by Bill and Camille Cosby, in which the speaker said, "I grew up in Anacostia years ago. Even then it was all black, and it was a very poor neighborhood. But you know, when I was a child in Anacostia, a 100 percent African-American neighborhood, a very poor neighborhood, we had a crime rate that was lower than the average of the crime rate of our city. Why? Because we had coherent families. We had coherent communities. The people who filled the church on Sunday lived in the same place they went to church. The guy that owned the drugstore lived down the street. The person that owned the grocery store lived in our community. We were whole." And I say to you, we have to make our people whole again.

This church has stood for that. Why do you think you have 5 million members in this country? Because people know you are filled with the spirit of God to do the right thing in this life by them. So I say to you, we have to make a partnership, all the Government agencies, all the business folks; but where there are no families, where there is no order, where there is no hope, where we are reducing the size of our armed services because we have won the cold war, who will be there to give structure, discipline, and love to these children? You must do that. And we must help you. Scripture says, you are the salt of the Earth and the light of the world, that if your light shines before men they will give glory to the Father in heaven. That is what we must do.

That is what we must do. How would we explain it to Martin Luther King if he showed up today and said, yes, we won the cold war. Yes, the biggest threat that all of us grew up under, communism and nuclear war, communism gone, nuclear war receding. Yes, we developed all these miraculous technologies. Yes, we all have got a VCR in our home; it's interesting. Yes, we get 50 channels on the cable. Yes, without regard to race, if you work hard and play by the rules, you can get into a service academy or a good college, you'll do just great. How would we explain to him all these kids getting killed and killing each other? How would we justify the things that we permit that no other country in the world would permit? How could we explain that we gave people the freedom to succeed, and we created conditions in which millions abuse that freedom to destroy the things that make life worth living and life itself? We cannot.

And so I say to you today, my fellow Americans, you gave me this job, and we're making progress on the things you hired me to do. But unless we deal with the ravages of crime and drugs and violence and unless we recognize that it's due to the breakdown of the family, the community, and the disappearance of jobs, and unless we say some of this cannot be done by Government, because we have to reach deep inside to the values, the spirit, the soul, and the truth of human nature, none of the other things we seek to do will ever take us where we need to go.

So in this pulpit, on this day, let me ask all of you in your heart to say: We will honor the life and the work of Martin Luther King. We will honor the meaning of our church. We will, somehow, by God's grace, we will turn this around. We will give these children a future. We will take away their guns and give them books. We will take away their despair and give them hope. We will rebuild the families and the neighborhoods and the communities. We won't make all the work that has gone on here benefit just a few. We will do it together by the grace of God.

Thank you.

NOTE: The President spoke at 11:51 a.m. at the Mason Temple Church of God in Christ. In his remarks, he referred to Elsie Mason, widow of Charles Harrison Mason, founder, Church of God in Christ; denomination officers Louis Henry Ford, presiding bishop, Chandler David Owens, first assistant presiding bishop, Cleveland L. Anderson, second assistant presiding bishop, L.T. Walker and Donnie Lindsey, Arkansas jurisdictional bishops, and Philip A. Brooks, general board member, Detroit, MI; and Mayor Kurt Schmoke of Baltimore, MD.

Remarks to the Community in Memphis
November 13, 1993

Thank you for that wonderful welcome. Thank you for your sign about NAFTA. I didn't give it to her, I promise. [*Laughter*] Reverend Whalum, it's wonderful to be in your church, and I thank you for hosting this townhall meeting. Last year Reverend Whalum accepted my invitation to come to Arkansas to the Governor's mansion and to meet with me about a number of the problems you'll be discussing today. And it's good to see him again. He came to my house, and I'm in his house now.

I want to thank my good friend Harold Ford who started helping me in my quest to become President early and, long before that, worked with me to help reform the welfare laws to give people both the obligation ,to work and the opportunity to grow and thrive. And the two things go together, and I thank Harold Ford for that. I'm glad to be here with Congressman Clement and with Congressman Jim Cooper. I'm glad to see them both up here talking. I was especially glad to see Jim talking because he's going to come back and ask you for a promotion next year, and he needed to get warmed up here, and I like that. I'm glad our good friend Congressman Jefferson came all the way from New Orleans to be with us today. That was good. Mayor Morris, it's good to see you. And I saw Mayor Herenton earlier today.

And I want to say a special word of thanks to my good friend Governor McWherter. I think he's one of the finest Governors in the country, and a person could never ask for a better friend. And I thank you. We were out in the wind at the airport announcing the support of several Members of Congress for the North American

THE PRESIDENT HAS SEEN
1-14-00

Need meeting w/ him, Sid Hooker

cc: John Podesta
1/11

January 5, 2000
Memorandum to the President
From: Al From
Subject: New Democrat-Third Way Future

BS

This memorandum responds to your request that I offer a proposal for our working together to ensure the continuation and growth of the New Democrat-Third Way effort after you leave office.

Summary

We have made enormous progress during this decade in changing our party, our country, and progressive politics throughout the democratic world. When you assumed the DLC chairmanship in March 1990 and we issued the New Orleans Declaration, we could not have dreamed of the success we have achieved. The main reasons for that success are your unrivaled ability to articulate the New Democrat-Third Way philosophy (as you did again at the Saturday night dinner in Florence) and the incredible success of your Presidency.

As I see it, we now face two enormous challenges when you leave office:

First, on the domestic front, our challenge is to assure that the next generation of Democratic Party leaders continues to build upon the progress you've started so that we can reach our ultimate goal of making a modernized Democratic Party the majority party in America. That is our greatest political challenge. That job will be easier if the Vice President is elected but I think we need to prepare for the possibility that he is not – and that we have to wrestle George Bush for the Third Way mantle. I see meeting this challenge as ensuring you have a living legacy.

Second, on the international front, our challenge is to build upon the Third Way dialogue we have begun, but to move it more toward political ends, so that the success of the International Third Way will give credibility to our political efforts here at home. The point is we are engaging in the Third Way policy discussions to help us learn about ideas that will strengthen our political movement here at home.

I think the DLC is the best vehicle for leading our efforts to meet the first challenge. I think much of the second effort can be centered in the Clinton Library, with our Third Way Foundation, serving as an agent of the Library to carry out some of the international operations.

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The DLC and Your Living Legacy

Over the past year, we have shifted much of the focus of the DLC to identifying, nurturing and training the next generation of New Democrat leaders. I see this very simply as assuring your living legacy – a group of leaders in our party, identified with the New Democrat philosophy and policies you've espoused, who will carry on the political change you've brought about.

Here briefly are the three elements, I believe are most important and that I propose we work in partnership through the DLC to put together (some of which we've begun).

* a rising stars program that identifies and nurtures the up and coming leaders in our party who have the ability to run for statewide or national office. (We're just starting to put this together.) This need not be big (in the sense of thousands), but it should be something that is of real value to aspiring young Democrats, something they fight to get in.

* a training program to train up and coming leaders, not on the mechanics of campaigning, but on how to run and govern effectively as modern, progressive New Democrats. We've put together a terrific core values training program and taken it to about 10 states last year. This training program is enormously popular – and we get requests to do it all over the country. The challenge is to bring it to scale. We train about 15 or 20 at a time and it is expensive (about $10,000 a session). We could dramatically change and modernize the state and local infrastructure of our party – and assure that we continue to hold the ground in the vital center you worked so hard to occupy – if we could train 2,000 young leaders a year instead of 200.

* a clear, authoritative voice that articulates the New Democrat-Third Way point of view. You have been our movements clearest voice. With you out of the White House, New Democrats across the country will need a place to go for the authoritative voice of the movement. Most will naturally look to the DLC, so we need to have that kind of voice. Right now we have *The New Democrat* magazine, our policy journal, *Blueprint*, and a weekly fax. *Blueprint* will end by the time of the convention.

I believe that we should develop for launch in 2001 a new voice for the movement that would be, as you suggested, low cost and widely distributed. It would probably be mostly electronic, but with some print. Perhaps a weekly e-mail and fax, with a monthly print magazine for more in-depth pieces. And, I'd suggest we develop a television and radio version to complement. My idea would be to get the best New Democrat-Third Way thinkers and writers (you clearly among them) to be regular contributors. That way the readers would understand that this is the voice of the leaders of our movement.

There are other things we need to do, as well. Obviously, for example, we could build all sorts of events around the rising stars network and the training. And, it goes without saying, that the DLC will always be available for you to use as a political forum. But these are the big three in my mind. And, I propose that we figure out a way to partner up to do them.

The International Front

I suggest we follow through on your suggestion to get together to talk about how to make the Third Way discussions more politically useful. It's hard for me to suggest the role our Third Way Foundation (the Progressive Foundation renamed to claim the turf) would play vis a vis the library until I have a better sense of what you're thinking. But I'd suggest that we could sponsor parliamentary exchanges, seminars among intellectuals and government officials, and a major international conference at least annually – a Third Way Davos.

I've attached a list of six events we can do this year to set the predicate for building your living legacy long term.

Let's get together soon to discuss this. Both of our futures are at stake.

1. Online meeting with you and Tony Blair (Spring 2000)
As we discussed in Florence, Tony has agreed to do a follow up to our successful online town hall meeting last November. He would be in London and you in Washington. This is terrific, because it reinforces that our politics is the politics of the information age. Excite.com., which sponsored our November event is eager, ready and waiting. All we need is a date.

2. California Conference with Gray Davis (Spring 2000)
This would be a day long DLC forum, which you and Gray could either start or close. This event would make an important political point by underscoring the success you and Gray have had in the most important state in the country by following the New Democrat course. I'd suggest the focus be on trade – an issue that is incredibly important in California and is likely to be on the front burner nationally in the spring. In a sense, this forum could be an answer to the challenge you laid before the DLC in October – to develop a third way on trade. I would suggest two sessions: one making the case for expanded trade and granting permanent normal trade status for China (the big legislative fight); the second on expanding the winners' circle in which we offer specific ideas for putting a human face on the global economy.

3. Economic Summit (Spring 2000)
The purpose of this to underscore your success in making the Democratic Party a party of economic growth. We need to remind people that it has been a Democratic president that has overseen the greatest economic expansion in our nations history. I think an event that looks at how far we have come, and where we have yet to go is essential to "brand" our party, and our presidential nominee, as the best hope our nation has for continuing the prosperity. We could add an international element to the event, acknowledging the global economy, by scheduling the event when the G7 Finance Ministers descend on Washington, D.C. this spring. Larry Summers and Gordon Brown, for example, would like to participate. Your role could be to open the event. It's just another way of reminding people that in 1992 we had a theory; in 2000 our economic accomplishments are a fact.

4. Retreat for the Democratic Party's Rising Stars (May 2000)
At our last meeting, you suggested that it was time to update the New Orleans Declaration. One way to do that would be to convene a group of 40 or 50 of the New Democrat rising stars (your living legacy) from around the country to a weekend retreat. We're thinking about doing that at Hyde Park. The purpose would be to put the focus on some of the party's best up and coming talent. At that retreat, we could draft a new version of the New Orleans Declaration. I love the symbolism of the President who reshaped the Democratic Party for the 21st century hosting a retreat at the home of the President who reshaped it for the 20th century. The draft of the declaration we produce at the retreat could then be issued at our annual National Conversation, the larger meeting we hold of state and local elected officials.

5. National Conversation (Early Summer 2000)
This will be the fourth gathering of the elected official network of the New Democrat movement. Last year, we had 175 state and local elected officials, including, at least one from each of the 50 states. This year we expect even more -- and we want to make the point going into Los Angeles that the Democratic Party and the New Democrat movement are alive and well. That could be of critical help to the Vice President who will have to get back to his New Democrat roots after a bruising primary campaign. Issuing a forward looking updated version of the New Orleans Declaration could make it clear that the party is heading into its convention with a message that will play well in general election politics.

6. National Convention (August 2000)
It will be absolutely essential that we send a strong message that the New Democrat movement was not just about your personal brand of politics, but in fact a major transformation of America's oldest political party. If we don't, we'll have a hard time holding onto the White House. I don't know what etiquette will require as far as your schedule goes, but I would love to see a major DLC sponsored event that honors you, and promotes the rising stars of the party - giving credit to you for having brought about a fundamental and positive change that has benefitted our party and our nation.

THE PRESIDENT HAS SEEN
1-14-00

Gene (Bruce) cc - Box 1/14/00

POINTS ON PARENTS' COVERAGE POLICY

copied
Sperling
Reed
Podesta

PURPOSE

To determine if the President would be willing to support a policy modification to the parents' expansion initiative that ensures a much greater insurance coverage effect than our estimators will project with our current policy.

BACKGROUND

Yesterday, it became clear that the addition of a significant infusion of dollars for our policy will not have a commensurate effect on coverage take up. This is because our actuaries' model assumes that states that currently cover parents at low levels of poverty (18 states cover parents to levels less than 50 percent of poverty) are unlikely to participate even with a large allotment / increased match. While we disagree with this assumption, it is possible that CBO take a similar approach on this issue.

It has therefore appears that the better way to assure higher projections of coverage take up is to have a failsafe trigger mechanism that requires states to cover parents up to 100 percent of poverty if they have not done so voluntarily by a certain time period. We believe that doing so could make a difference in take-up of 1 to 2 million people. The obvious down-size of altering our policy in this manner is that governors would label this as an unfunded mandate and reverse their current position of support of parents' policy to one of opposition or at least significant criticism.

RECOMMENDATION

Taking all these factors into account, and because we believe that the debate on the Hill this year will be who can most efficiently cover the most uninsured Americans, OMB, NEC, and DPC believe that we should include this failsafe in the proposal. However, we believe that it should be delayed until after 2005 to give states a period of at least 5 years to voluntarily participate in this program. We believe further that, although the target population is 200 percent of poverty and below, that the failsafe trigger be no more than 100 percent since that is the level of coverage for children in Medicaid now. If the President signs off on this approach, we recommend reviewing a few alternative phase-in options designed to maximize coverage and minimize political opposition.

We have reviewed this recommendation with the office of the Vice President and they do not object to it.

→ 20 States left out Chip

You can ... [illegible]
15% ... [illegible]
Family pl - up to 200+

THE PRESIDENT HAS SEEN
1-14-00

HEALTH AND BEHAVIOR

Map of human genes a private triumph

But rapidly created sequence is a closed book to the public

By Tim Friend
USA TODAY

ROCKVILLE, Md. — Gene research maverick Craig Venter announced Monday that his company, Celera Genomics, has completed the first rough draft of the human genetic blueprint, spanning 90% of human chromosomes and representing 97% of human genes.

Celera's Craig Venter left NIH in 1991 after his efforts to employ rapid gene sequencing were blocked.

The milestone propels the company ever closer to completing the "Book of Life," or human genetic blueprint, ahead of the publicly financed Human Genome Project.

The goal of both projects is to provide a complete map of the genes on the 23 pairs of human chromosomes and a full set of the coding of the body's estimated 80,000 genes.

The information is expected to revolutionize medicine and launch an era in which medications can be tailored to a person's genetic profile. Already, the pharmaceutical industry is mining information from public and private genetic sequence databases to develop drugs aimed at specific genetic targets. It is believed that such medicines will be more powerful and have fewer side effects than conventional drugs.

Celera's achievement is likely to accelerate the pace of discovery for genetically based medicines for the public. But the milestone, reached first by a private biotechnology company rather than the multicenter, international Human Genome Project, has prompted controversy in scientific circles.

The public effort, led by Francis Collins, who directs the National Human Genome Research Institute at the National Institutes of Health, was to be completed by 2005. But after Venter launched Celera in May 1998 and announced he would complete the human gene sequencing more quickly and for less money, Human Genome Project scientists moved their schedule ahead.

Collins, who was not available to comment on the Celera announcement, has said the public project would issue a "working draft" similar to Celera's by spring.

At a news conference Monday, Venter said Celera would finish the final version of the human DNA sequence database this year. Collins predicts the Human Genome Project will be finished by 2003.

Which group finishes first will have little impact on the average patient because the data must end up with private companies for development. The pharmaceutical industry is the one that must use the genetic blueprint to create drugs. But Collins has expressed concern that Celera will hold an unfair advantage by owning much of the data.

Celera has filed for provisional patents on about 10,000 genes. It charges pharmaceutical companies to use the gene sequence database it has developed. Venter says academic researchers will be able to use the information for a nominal fee paid by their institutions.

Even though Collins himself holds patents for several genes, including the cystic fibrosis gene and one for a rare disorder called AT, much of the criticism directed at Celera has been on its filing for patents.

How a private company could take on an international effort to sequence the human genome and arrive at the milestone first has to do primarily with strategy and new technologies. Also, Venter has been able to use all the human sequence data produced by the Human Genome Project, which is available to the public.

Venter, who worked for the National Institutes of Health, turned his attention to rapid gene sequencing in the late 1980s. He left NIH in 1991 after James Watson, then director of the Human Genome Project, blocked his efforts to employ rapid gene sequencing.

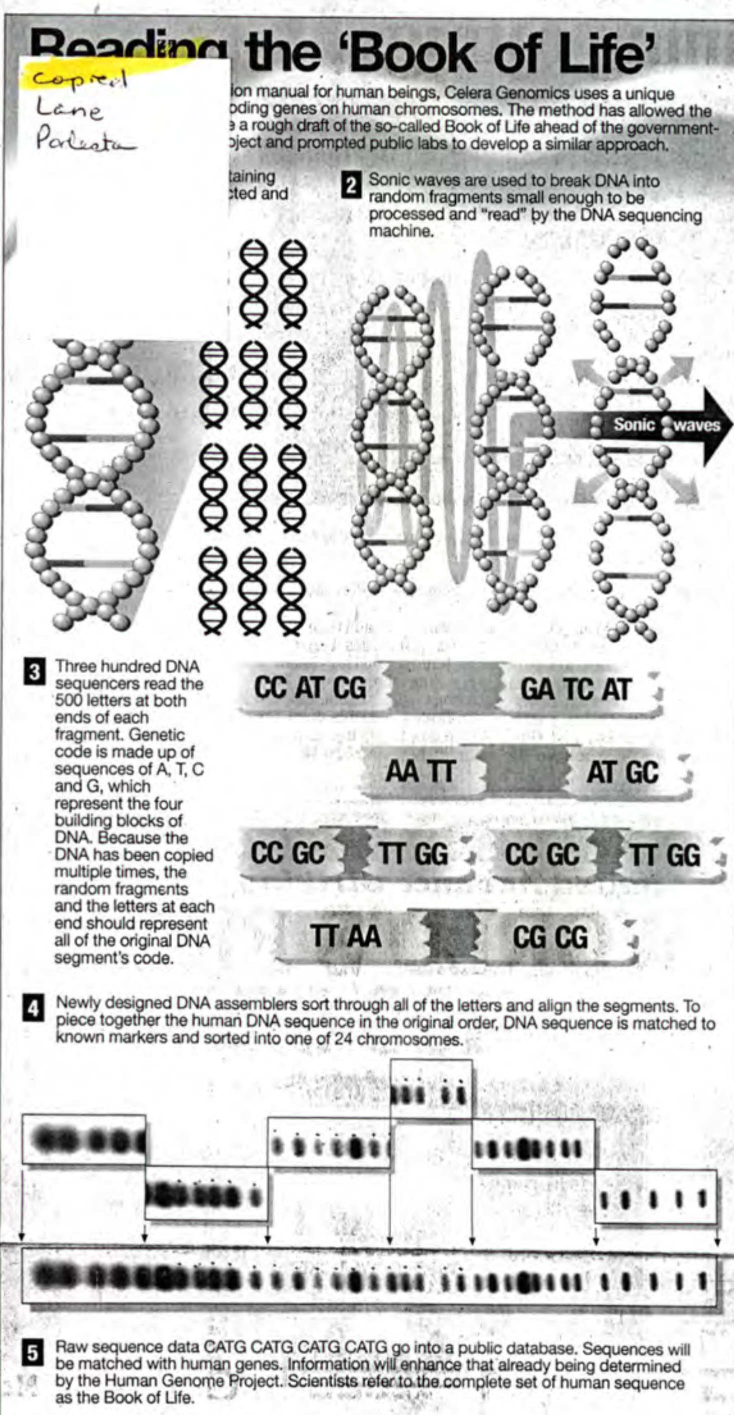
Venter raised $90 million and formed a non-profit institute, The Institute for Genomic Research (TIGR), to discover genes with a system he perfected to locate active genes making proteins in tissue.

TIGR scientists then began using a technique for sequencing genes called "whole genome shotgun sequencing." It was used to determine the complete sequences in microorganisms. That experience led Venter and his colleagues, including Nobel laureate Hamilton Smith, to develop mathematical algorithms for sequencing random segments of DNA and reassembling them the way nature arranged them on chromosomes.

When the team believed it had refined the technique enough to tackle human chromosomes, it launched Celera with the backing of Perkin-Elmer Corp., which builds gene sequencing machines.

Venter said the first rough draft of the human genome was begun in September and achieved in four months by 500 scientists and the world's largest civilian supercomputer facility, located at Celera.

The next task is to repeat the sequencing to reduce errors, or "polish" the draft, and assemble the sequence data into the order of human DNA.



Source: USA TODAY research by Tim Friend

By Grant Jerding, Bob Laird, USA TODAY

At Lake Francis Case: Dayla I
Horns and Roxie Spotted Eagle

Court de
for Sioux

Tribe maintains vigil, sends in archaeologists

By Dan Vergano
USA TODAY

Native Americans seeking t
protect a recently uncovere
burial site have deployed the u
timate weapon in their ques
They've called in archaeolo
gists.

The archaeologists not onl
will catalog the bones litterin
the dry floor of Lake Franci
Case, near Pickstown, S.D., an
the Nebraska line, but will o
fer insight into the site's histor

"We don't take any sides,
says Todd Kapler of Cultura
Heritage Consultants in Siou
City, Iowa. "We've just bee
hired to collect evidence."

The U.S. Army Corps of En
gineers and the Yankton Siou
tribe are fighting over po
session of the remains.

A week ago, U.S. Distric
Judge Lawrence Piersol issue
a one-week restraining orde
preventing the Corps of Eng
neers from reflooding the site

In December, the cemeter
emerged because of planne
drainage and a lack of rain
The lake serves as a reservoi
behind the Fort Randall Dan
on the Missouri River. Bone
and caskets now rest expose
to the air. The Corps flooded th
land, formerly the communit
of White Swan, during dan
construction in the 1950s.

The Corps has no plans to re
fill the lake until the issue is re
solved, spokeswoman Maggi
Oldham says.

The tribe brought its lawsui
before Piersol to ensure that re
filling didn't happen. "It's bee
a devastating experience," say
Tessa Lehto, a tribal repre
sentative. The Yankton Siou
had believed their relative
were moved before the lake'
creation, and they no longe

Kids with cancer feel less fearful after nasal spray

The Associated Press

A nasal spray containing a drug similar to Valium reduced anxiety in children undergoing painful cancer treatments, researchers found.

The study of 43 cancer-stricken Swedish children found that those given midazolam in a nasal spray prior to having a needle inserted into them for intravenous treatments were calmer and more comfortable than children given a placebo.

Although the drug was tested only on children with cancer, researchers said it could be used to ease anxiety in youngsters facing procedures for other medical problems.

"It's interesting for children who are very much afraid, where you otherwise would have to hold them down to carry through the procedure or immunization or whatever," said Gustaf Ljungman, lead author of the study. It was published in the January issue of the journal *Pediatrics*.

Ljungman is a pediatric cancer specialist at Uppsala University Children's Hospital in Sweden.

The spray or a placebo was given before a needle was inserted in an intravenous port, an opening left in cancer patients to avoid having to insert an IV each time doctors need to administer a drug.

The children were later asked whether the spray had a calming effect, whether it bothered them and if they would want the medication again.The main drawback to the spray, Ljungman said, is that some children reported a burning sensation.

The study also noted that midazolam only reduced the children's anxiety and not the pain associated with the treatment itself.

Copied
Podesta

THE PRESIDENT HAS SEEN
1-14-00

THE WHITE HOUSE

WASHINGTON

January 7, 2000

JP

This has great initial appeal but is complex and politically charged – needs not be raised at SOTU – too complex. Should be discussed thoroughly w/ VP's office affected agencies, + quietly w/ one or 2 friends in utility industry – if given enough time, it could work

MEMORANDUM FOR	JOHN PODESTA GENE SPERLING CHARLES BURSON GEORGE FRAMPTON MARTIN BAILY JACK LEW
CC:	KAREN TRAMONTANO BRUCE REED DAVID BEIER SYLVIA MATHEWS ROBERT LAWRENCE CHUCK BRAIN
FROM:	ROGER BALLENTINE RONALD E. MINSK RM
SUBJECT:	"Clean Energy for the 21st Century" - Domestic Power Plant Proposal

I. Overview

As the domestic centerpiece of its initiative on "Clean Energy for the 21st Century," the Administration could announce a comprehensive proposal to reduce air pollution from the domestic power plants. This proposal would reflect the "next generation" of environmental regulation. It would replace the command-and-control approach of regulating power plant emissions in the Clean Air Act with a tough but flexible market-oriented approach that could achieve the greatest environmental and public health gains at the least possible cost.

- Fossil-fueled electric power plants are major sources of four air pollutants that have serious adverse health, environmental and economic effects: *sulfur dioxide, nitrogen oxides, mercury, and carbon dioxide*. The electric power industry is responsible for one-quarter to two-thirds of national emissions, depending on the pollutant. Moreover, 45 percent of the generation capacity is more than 30 years old, and 36 percent of the total generation comes from plants that are more than 30 years old, in part a result of the "grandfathering" of these plants under the original Clean Air Act.

- The proposal would replace complex, often uncoordinated, and sometimes inconsistent

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2019-0940-S

provisions of the current Clean Air Act with *an integrated multi-pollutant plan for clean air*. This approach would establish emission targets for four pollutants over the next 15 years. The targets would constitute the only regulation of power plant emissions (except for limited regulation necessary to avoid local air pollution problems or hotspots), thereby providing the industry with an increased degree of certainty and a flexible and cost-effective means to achieve the targets. In addition, by eliminating prospective application of EPA's New Source Review (NSR) rules, we would be giving the industry meaningful regulatory relief from NSR, although we would be imposing new regulatory requirements on carbon dioxide and mercury emissions.

Because of the political considerations surrounding a significant modification of the Clean Air Act, prior to further work by an interagency group, we request your approval or disapproval of the concept, and your guidance with respect to the parameters we should abide by if you decide that we should proceed. If you direct us to proceed, we would like to know if we should examine the design of an emissions trading system, including the choice regarding allocation or auction of permits, and economic dislocation issues. If you choose to support the proposal, we would like to try to develop it sufficiently to announce it in the State of the Union Address (perhaps nothing more than committing to submit a proposal to Congress by a specified date, such as Earth Day).

II. Description of Integrated Emissions Reduction Proposal

This proposal would establish an integrated cap-and-trade program for four pollutants -- nitrogen oxides, sulfur dioxide, mercury, and carbon dioxide -- for the electric power generation industry.[1,2] In exchange for imposing tough emissions targets on power plants, the proposal would establish certainty about future emissions requirements in that the emission limits would constitute all clean air requirements for the industry over the next fifteen years. In establishing the emission targets, we would consider both economic and technical factors. The proposal also would reduce the facilities' regulatory burden through the suspension of the Clean Air Act's New Source Review requirements.

To enable power plants to meet their emissions targets at the lowest cost possible, each company could meet the standards using market-based emissions trading, as the utility sector does now under the Clean Air Act's acid rain program (the acid rain emissions trading program has cut SO_2 emissions from power generation with cost-savings projected at over $4 billion per year, 80 percent less than a traditional regulatory approach). Trading programs ensure that an

[1] The concept of an integrated clean air strategy was first raised by utilities as part of the industry consultations launched by the Vice President two years ago.

[2] EPA has suggested that we should also consider including industrial boilers in our proposal, although that might complicate the proposal by extending "downstream" in the economy, further complicating the ability to move towards an economy-wide regulatory scheme in the future.

emissions target is achieved while minimizing costs by allowing individual plants to choose their least costly compliance options, including emissions trading. An "infrastructure" for cap and trade programs in the utility industry is already largely in place, because power plants already monitor and publicly report on hourly emissions of three of the four pollutants (SO_2, NO_x, and CO_2). The costs of meeting the targets could be further reduced by allowing power plants to meet their targets with the use of domestic offsets (e.g., sinks for carbon or "cash for clunkers" for NO_x).

This proposal would replace the current approach to clean air regulation, which emphasizes incremental air quality improvements as plants are incrementally modernized. It would suspend the Clean Air Act's New Source Review requirements for those facilities subject to the cap. Under current law, utilities are subject to permit review and must install best available control technology when they build a new plant or refurbish an old one. The institution of national emission budgets or caps makes this provision unnecessary, except to avoid local air pollution problems or hotspots. The new integrated strategy would give utilities fewer short-term regulatory requirements in exchange for a long-term commitment to reduce emissions of the covered pollutants.

The proposal could also include provisions to distribute the permits to utilities either through direct government allocation or through an auction. This is a significant decision; the value of permits for carbon dioxide alone is estimated to be in the tens of billions of dollars. In addition, the proposal could include measures to mitigate economic dislocation associated with the plan, perhaps paid for with auction receipts or allocation of permits to affected communities.

III. Political Considerations

This proposal would have important political benefits such as in the environmental community and political constituencies in the Northeast and California. It would demonstrate our seriousness about making domestic progress on reducing greenhouse gas emissions and would clean our air using a market-based approach. The proposal would also, however, entail significant political risks. It will likely offend important industrial and Midwest political constituencies and could impose significant costs on the economy.

Two events in 2000 will focus domestic and international attention on U.S. domestic actions to reduce greenhouse gases and other emissions in our energy sector -- the 30th Anniversary of Earth Day on April 22 and the next round of climate change negotiations beginning November 13th. A proposal to reduce emissions from power plants would build support with domestic and international audiences, who have been critical that the United States is not taking appropriate action to reduce emissions. Although this Clean Energy proposal is not strictly a climate change issue, any strong domestic action that would reduce greenhouse gas emissions would enhance the U.S. negotiating position on the cost-lowering flexibility mechanisms of the Kyoto Protocol.

The proposal could be portrayed more broadly as a visionary attempt to recast environmental regulation for the 21st Century. This proposal could also be received as a important health initiative, responsive to public concerns about the need for clean air to reduce incidence of asthma and other maladies. Although a proposal of this magnitude would be impossible to adopt in this Congress, it would receive some bipartisan support, and could create a sharply contrast an Administration seeking to reduce emissions and Congressional lethargy regarding the problems of local air pollution and global warming. Support for the proposal would be strongest in the Northeast and California. In addition, the proposal to reinvent Clean Air Act regulation and to achieve the emission targets through emissions trading would be favorably received by some utility companies, and we could get some validation and perhaps support from segments of the industry. Companies that provide clean fuels (e.g., natural gas suppliers) and companies that develop and manufacture clean power technologies (e.g., distributed generation, wind, and solar) would also support the proposal.

The 106th Congress has already seen a number of bills regulating power plant emissions. These bills have received some bipartisan support. A list of the bills with sponsors and co-sponsors is attached.

A decision to go forward with a proposal also entails significant political risks. It would likely lead to a contentious debate, with particularly strong opposition from the coal industry and workers concerned about loss of coal production. They will be strongly opposed to the proposal in any event, although perhaps less if we include a proposal to assist dislocated workers and injured communities. Members of Congress from states with significant power generating capacity, and coal and automobile production may oppose this approach, including those from Illinois, Indiana, Kentucky, Michigan, Ohio, and West Virginia. It could also cause a split within the Democratic Caucus in the House and Senate.

Another significant political issue regarding the proposal is its cost, which opponents may characterize as an energy tax. Even with the flexibility provisions, this proposal will lead to higher costs at power plants, which would likely lead to utility rate increases. They might also note that the plan does not provide them with absolute certainty because the fate of the Kyoto Protocol, with its targets and international flexibility mechanisms, is unknown. Although the proposal may be expensive, we cannot conduct any analysis until we have identified emission targets. If the analysis concludes that carbon permits will trade above $23 per ton (the Administration's estimate of the cost of a carbon permit under Kyoto), which is likely, the proposal will be criticized on that basis.

Proceeding with the proposal could also complicate ongoing EPA enforcement actions against several power plants. If the proposal includes limits for emission of NO_x, it could be difficult for EPA to settle its ongoing cases with limits less stringent than our proposal. Administrator Browner suggested that we could attempt to sidestep that problem by announcing a proposal without specific limits for NO_x. Another consideration regarding our choice of emission limits are the positions of some Eastern Republicans, including Governors Pataki and Whitman. It would be problematic to propose limits less stringent than their proposals.

Opponents may also charge that the proposal is inconsistent with the President's October 1997 three-stage plan for addressing climate change. That plan proposed five years of priming the pump through R&D, tax incentives, early action credit, federal leadership, and industry consultations, a second stage of review and evaluation beginning around 2004, and a final stage of mandatory reductions through domestic and international emissions trading beginning in 2008. This charge could be resolved by making the timing of any mandatory reductions under the sector specific plan consistent with the timing of the President's plan.

This proposal might also attract criticism that we are attempting to implement the Kyoto Protocol prior to Senate ratification. Opponents will also argue that this proposal is inconsistent with EPA's representations that the Agency has no plans to regulate carbon, an issue about which there has been great concern in Congress. While such arguments may have little merit, as we would merely be proposing new legislation for Congress to consider, we should be aware that such arguments could have ramifications such as additional environmental riders.

Finally, the inclusion or absence of specific proposals regarding the distribution of permits through allocation or auction, or economic dislocation adjustment provisions, will focus attention on distributional issues. A proposal to auction permits may be attacked as a tax, while a proposal to allocate permits may face the charge of a government giveaway to polluters.

IV. First-Tier Policy Issues

Development of a proposal will entail wrestling with a number of critical policy issues. Among the most important are:

- *Sectoral approach to CO_2:* Economists have argued that the most efficient way to address the problem of climate change is to design an economy-wide system that "prices" carbon across all sectors, rather than regulating one sector. An economy-wide system permits all actors to find the most cost-effective emission reductions throughout the economy. A strategy aimed only at the utility sector would result in utilities achieving their reductions in a less cost-effective manner than under an economy-wide approach and may create administrative problems, economic inefficiencies, or flight to unregulated industries. However, an integrated clean air strategy tailored for this sector takes advantage of unique factors in this industry and increase certainty regarding environmental planning. By limiting the breadth of the proposal to power plants, however, it may make it more costly for the remainder of the economy to reduce carbon emission in the most cost-efficient manner.

- *Design of trading system:* Developing a strategy for one sector may prejudge the ultimate design of an economy-wide system. For example, it would be more efficient to implement an upstream trading program (*i.e.,* at the mine shaft for coal, the wellhead for gas, the refinery for domestic oil, and the port for imported petroleum products) rather than impose the burden on downstream users. In the future, it may be difficult to integrate the fuel processors into a system, if the utilities have already begun to hold these permits.

- *Allocation of permits:* If the government allocates permits directly to utilities, it would probably be difficult to create an auction of carbon permits at a later date. A decision to do so therefore, may be the functional equivalent of deciding to forego billions of dollars in annual revenue from the electricity generation industry to the federal government by effectively giving the revenue to the utilities through free permits. To provide a sense of the magnitude of these revenues, auction revenues based on the Administration's $23 per ton carbon price estimate for the Kyoto Protocol would amount to about $35 billion per year for an economy-wide system (and roughly one-third that for an electricity generation industry-only system). If the price per ton of carbon is double the $23 estimate, the potential government revenues would likewise double.

Would keep money [illegible] down but use it for affected communities

- *Careful examination of emission targets and timing:* We must strike a careful balance between levels of control and the timing of those controls. On the one hand, the controls must be ambitious enough to assure the public that the utility industry is doing enough to ensure public health protection and to warrant the proposed regulatory relief. On the other hand, we must assure the public that in establishing these goals, we considered adequately economic and technical constraints.

- *Regulating Mercury:* We would also need to closely examine the scientific basis for controlling emissions of mercury. Mercury emissions have been regulated at incinerators, but not for power plants. Under a process established under the Clean Air Act, the Administration is planning to make a regulatory determination regarding mercury from power plants in December 2000. Including mercury in a comprehensive proposal at this time would prejudge that ongoing process.

V. Conclusion

Because we would not expect to see any significant legislative action in this area this year, our proposal is primarily one meant to articulate a new framework for environmental regulation of air pollution for the next century, and to demonstrate a serious domestic commitment to reducing greenhouse gases by addressing one of the two significant emitting sectors (autos being the other). This proposal would dovetail with our international Clean Energy for the 21st Century initiative, which focuses on helping developing countries meet their energy demands in the cleanest possible fashion. Indeed, a lack of domestic action could undercut this international effort. It could also be presented as a significant health initiative addressing an issue of rising public concern.

Strong support for such a plan would be expected from key constituencies and allies in both parties. We would likely please public health and environmental organizations (who have made clean energy and climate change their top priority for Earth Day), Northeastern congressional delegations and governors (who have sponsored or supported similar legislation), and areas of the country with serious local air quality problems such as California. Support would also be expected from cleaner electric utilities that are disadvantaged by higher-emitting utilities. Although this Clean Energy proposal is not strictly a climate change issue, any strong domestic action that would reduce greenhouse gas emissions would enhance the US negotiating position on the cost-lowering flexibility mechanisms of the Kyoto Protocol.

In announcing this initiative, however, we would be challenging directly powerful and well-represented interests and would likely receive strong opposition from key constituencies and Democratic allies, particularly those in the Midwest. We could expect opposition from some labor unions (who fear the loss of jobs in coal mining and railroads), a portion of the utility community (for being singled out from other industries), and the industrial community (which may feel that their sectors of the economy could be the next to be regulated). We can also expect opposition from governors and Members of Congress from coal mining and significant power generating states and local officials in the communities that would be most directly affected by a significant reduction in the use of coal. Without additional outreach, we cannot say whether we would get any mainline industry support.

We also might be accused of proposing a new expensive tax. If our analysis suggests that carbon reduction would cost more than $23 per ton, we also might be criticized for proposing an initiative that was more expensive that the Kyoto Protocol. Moreover, implementing this proposal might make it more difficult ultimately to implement an economy wide trading system, which would achieve the sought after reductions at the lowest possible cost.

Given the significant political risks in promoting this proposal, we need your feedback prior to investing the time that it would take to more fully develop it. If you choose to support the proposal, we would like to try to develop it sufficiently to announce our intentions in the State of the Union Address. In order that we may proceed as quickly as possible, we would appreciate feedback at your earliest convenience.

Power Plant Bills 106th Congress

BILL NUMBER	*S.1949*	*S.1369*	*S.172*	*H.R. 2900*	*H.R. 2667*
SPONSOR	Leahy (D-VT)	Jeffords (R-VT)	Moynihan (D-NY)	Waxman (D-CA)	Allen (D-ME)
COSPONSORS	(none)	Lieberman (D-CT) Moynihan (NY) Schumer (D-NY) Kerry (D-MA) Lautenberg (D-NJ) Dodd (D-CT) Kennedy (D-MA) Reed (D-RI) Feinstein (D-CA) Snowe (D-ME) Boxer (D-CA)	Lieberman (D-CT) Schumer (D-NY) Jeffords (R-VT) Reed (D-RI) Dodd (D-CT) Kerry (D-MA) Feinstein (D-CA) Boxer (D-CA) Lautenberg (D-NJ) Kennedy (D-MA) Wyden (D-OR)	Boehlert (R-NY) Olver (D-MA) DeLauro (D-CT) Hinchey (D-NY) Lewis (D-GA) McKinney (D-GA) Farr (D-CA) Vento (D-PA) Kennedy (D-RI) McGovern (D-MA) Schakowsy (D-IL) Jackson (D-IL) Moran (D-VA) Lantos (D-CA) Kucinich (D-OH) Kilpatrick (D-MI) Miller (D-CA) Gutierrez (D-IL) Nadler (D-NY) Weiner (D-NY) Gejdenson (D-CT) Eshoo (D-CA) Baldacci (D-ME) Meehan (D-MA) Larson (D-CT) Ackerman (D-NY) Pallone (D-NJ) Smith (R-NJ) Sanders (I-VT) Johnson (R-CT) Berman (D-CA) Filner (D-CA)	Saxton (R-NJ). Baldwin (D-WI) Baldacci (D-ME) Barrett (D-WI) Bonior (D-MI) Capuano (D-MA) Davis (D-IL) Delahunt (D-MA) DeLauro (D-CT) Gutierrez (D-IL) Hinchey (D-NY) Inslee (D-WA) Kennedy (D-RI) Kilpatrick (D-MI) Maloney (D-NY) Miller (D-CA) Napolitano (D-CA) Neal (D-MA) Olver (D-MA) Quinn (R-NY) Roukema (R-NJ) Rush (D-IL) Sanders (I-VT) Schakowsky (D-IL). Stark (D-CA) Underwood (D-Guam) Vento (D-PA) Markey (D-MA) Waxman (D-CA)