2/11/00

'00 FEB 11 PM4:46

Sean -
This came from Oval
should we send to
Burkhardt for reply?

Yes ✓

No

Dear Mr. President,

After 40 years the nightmare of the Chicago Housing Authority is over. The buildings will come down and the tenants will be protected. Mayor Daley and Bobby Rush are happy. Thank you for the help, advice and confidence. I know it was tremendous pressure.

P.S. now everyone is all smiles

Best,
Andrew

ANDREW CUOMO
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

Chicago Tribune
Chicagoland Final
$1.75
Sunday, February 6, 2000

★

CHA to be torn up, rebuilt

$1.5 billion plan razes 51 high-rises, boosts minority firms

By Melita Marie Garza
TRIBUNE STAFF WRITER

Businesses owned by minorities and women are to be awarded half of all contracts under a historic 10-year, $1.5 billion plan to rebuild public housing in Chicago, federal officials said Saturday.

The bold plan, first proposed by Mayor Richard M. Daley last September, calls for tearing down 51 of the Chicago Housing Authority's family high-rises, including the Robert Taylor Homes and Stateway Gardens on the South Side, long symbols of the nation's failed public housing policies.

In addition, about 25,000 units will be rebuilt or renovated, and management of all CHA properties will be privatized. Redevelopment plans already are under way for other CHA projects, including Cabrini-Green and Henry Horner Homes.

Daley's plan, touted as a national model, will mean the temporary or permanent relocation of virtually every resident housed by the nation's third-largest public housing agency.

By championing such a sweeping plan, Daley has taken on the CHA's seemingly intractable problems in a personal political mission, much as he did in 1995 with the Chicago Public Schools.

"People told me it was political suicide," Daley said at a news conference Saturday at the Ralph Metcalfe Federal Building, 77 W. Jackson Blvd. ' "Don't take it. There's no solutions. . . . You aren't going to change it.' The way we change it is with everyone together."

Standing next to Daley to announce formal federal approval of the plan was the mayor's political foe, U.S. Rep.

SEE CHA, PAGE 17

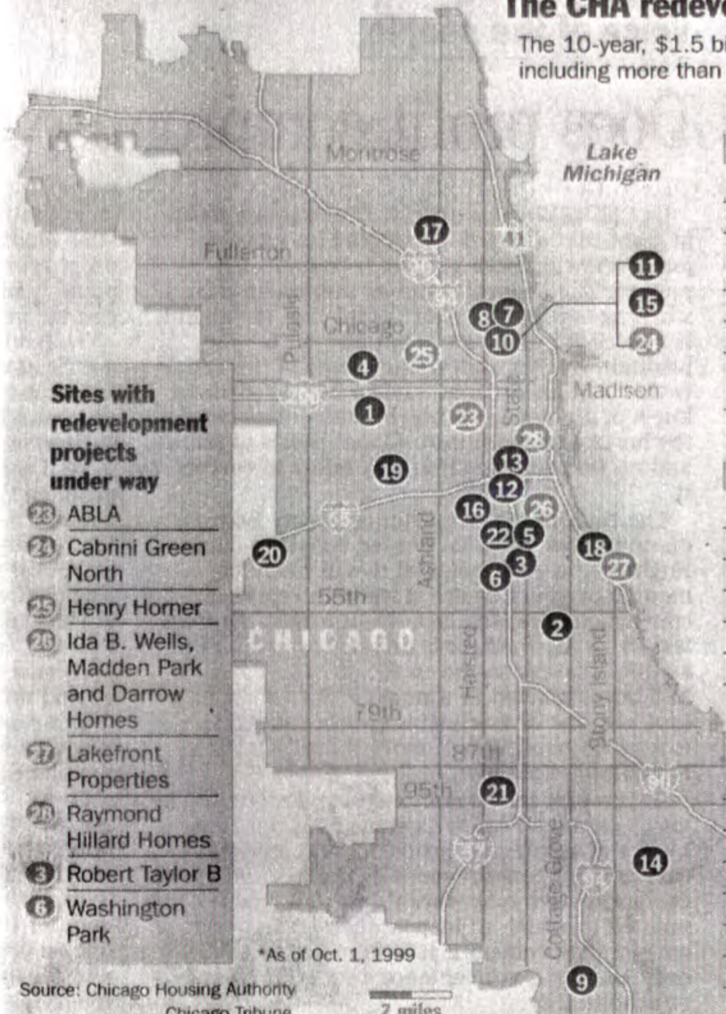
Housing units affected

Occupied CHA units that either would be demolished and replaced or renovated:

Source: CHA — Chicago Tribune

The CHA redevelopment plan for family housing

The 10-year, $1.5 billion plan will replace or renovate 25,000 units, including more than 10,000 currently occupied family units.



DEVELOPMENT	OCCUPIED UNITS*
Demolition and new construction	
1 Lawndale Complex	1
2 Randolph Towers	137
3 Robert Taylor A	785
Robert Taylor B	774
4 Rockwell Gardens	439
5 Stateway Gardens	689
6 Washington Park high-rises	192
Washington Park low-rises	226
7 William Green Homes	550
Rehabilitation or new construction	
8 1230 N. Burling	106
9 Altgeld/Murray	1,713
10 Cabrini Extension South	474
11 Cabrini row houses	466
12 Dearborn Homes	603
13 Harold Ickes Homes	823
14 Trumbull Park Homes	382
Rehabilitation	
15 Cabrini Extension Lincoln	18
16 Bridgeport Homes	136
17 Julia C. Lathrop	747
18 Lake Parc Place	235
19 Lawndale Gardens	120
20 LeClaire Courts	270
21 Lowden Homes	115
22 Wentworth Gardens	386

*As of Oct. 1, 1999

Source: Chicago Housing Authority
Chicago Tribune

Tribune photo by Ovie Carter

Mayor Richard M. Daley (from left), HUD Secretary Andrew Cuomo and U.S. Rep. Bobby Rush (D-Ill.) share a light moment at a news conference Saturday to announce the CHA overhaul plan.

January 26, 2000

'00 FEB 11 PM6:43

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20050

Dear Mr. President:

I am a student at Baker University and am writing a paper on Presidential Libraries and the level of involvement of each President in his Library, not only in establishing and designing it, but in the activities of the Library.

I have written to each former President asking this same question in hopes that at least one might take the time to read my letter and share his thoughts with me, with the exception of President Reagan, due to his illness.

Since you are in your final year of your Presidency, I know you are planning for your Presidential Library now. I would certainly appreciate receiving a note from you on insight as to how you wish to be involved in the activities of your Library.

Once my report is completed, I will share a copy with you. Thank you for your consideration of my request.

Sincerely,

T. J. Czajkowski

T.J. Czajkowski
5329 S.W. 15th St. Ct., #3
Topeka, KS 66604

2/11/00

Send to Burkhardt?

Yes ✓

No ______

cc Podesta McCurry
The reunion idea
w/ + Gail — BC

cc: Sched

Send SOTU

copied
Podesta
Streett

WHITE HOUSE

VASHINGTON

Ellen Hart Peña
700 Franklin Street
Denver, Colorado 80218

Dear Ellen:

I'm so sorry we didn't get a chance to visit at the Millennium celebration -- but I'm glad you were there. I did dance a little. Hillary, Chelsea and I had a wonderful time that night.

I've alerted my scheduling office about the portrait unveiling ceremonies and the possibility of seeing you. I'd love to do both. We'll try to work something out.

Thanks for your kind words about my State of the Union address, and thanks especially for sending that wonderful magazine. You look terrific, and your example is an inspiration for believers in fitness everywhere.

Keep up your great work, and say hello to Federico and the children for me.

Sincerely,

Bill

The reunion is
a good idea

Ellen Hart Peña
700 Franklin Street
Denver, Colorado 80218

STATE OF THE UNION

ADDRESS TO THE 106th CONGRESS

SECOND SESSION

President William J. Clinton

JANUARY 27, 2000 • WASHINGTON, D.C.

Jan. 28, 2000

Dear Mr. President,

You did a great job with your speech last night, and you looked terrific delivering it. I was moved by the beginning and the end, as well as much in between. It made me think, again, how lucky we are to have you as our president. Wish I'd been there to deliver congratulations in person, but the invitation came too late, and as you know, with my three little people, I can't be quite that spontaneous!

I've been thinking of you lately. Thank you for the Christmas present. It looked like your handwriting on the notecard. That was sweet. Thanks also for the invitation to the millenium celebration--we had a very fun time. The program was great; we stayed till the very end. But then our bus got stuck in traffic so we didn't get to the White House until 2:30 am, by which time you'd already left the party. (Fly across the country, get all dressed up, then miss seeing you--"*dang*!" as my girls would say!) Anyway, the party was lots of fun, we saw some Washington friends, and I liked when the dinner foods were replaced by the breakfast foods. I got an hour of sleep, then flew right back to my kids, but ran into Kris Kristofferson in the airport--that was fun. All in all, a great 24 hours, except for not seeing you. (Heard you were dancing--true?)

We (kids and all) will be coming to Washington this summer for Federico's portrait unveilings, probably June. Two questions: 1. would you come to one of them, and 2. would you like to go running, or visit, with me? My recent (and ongoing) activities involve: President's Council and Colo. Governor's Council on Physical Fitness; the USOC; eating disorders; schools; and my favorite--kids. I am having a great time with my 2-year-old, and feel very blessed to have this little guy. My girls are great too (but you know how great it is to have daughters). If the answer is "yes" to either of the above questions, could someone from your office let us know, because we haven't picked the dates yet. Then we'll get the artists and everyone else organized.

I'm sending along what should have been a Christmas card, but the stack is still on my desk, so they're now Valentines cards. I'm also sending you a copy of the January *Runner's World* since I don't suppose you're a subscriber and it's off the newsstands. See, I'm keeping busy.

How about a reunion of all past and present Cabinet members (and spouses) before the end of 2000? It was a fun group. I still miss Washington and my friends, but life does go on. That's good to have found out.

Well, I started this letter a few days ago, so it's time to see if my computer will print it out. By the way, do you have e-mail?

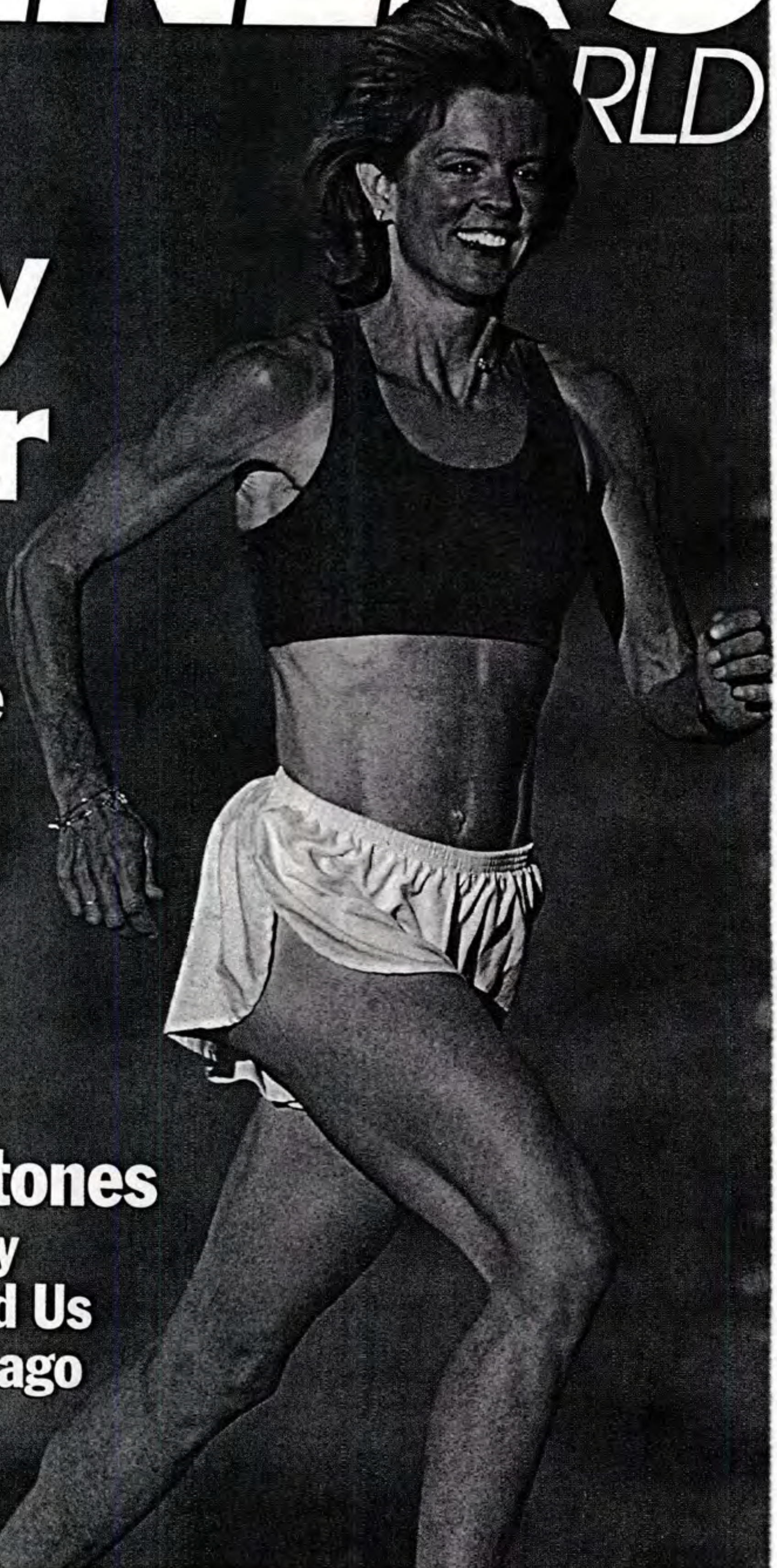
Anyway, I hope you are doing well. You certainly seem to be.

Keep up the great work.

Ellen

JANUARY **Special Millennium Issue** 2000

RUNNER'S
RLD



Run Healthy Forever

26 Simple Ways To Run Strong For The Rest of Your Life

10 Can't-Fail Resolutions

Boost Motivation Now, p.58

Millennium Milestones

- ►Runner of the Century
- ►20 Spirits Who Moved Us
- ►World Record at Chicago

www.runnersworld.com

Abraham ltr
DC
2/10

Prepared by Devorah Adler

JP
[illegible]

THE WHITE HOUSE

WASHINGTON

Mr. S. Daniel Abraham
West Tower, Suite 1400
777 South Flagler Drive
West Palm Beach, Florida 33401

Dear Danny:

Thanks for your letter. I value your counsel and have shared your recommendations for holding a White House Conference on Nutrition and Health with my staff.

I am grateful for your efforts to improve the health and well-being of your fellow Americans. I agree that we must do all we can to encourage our citizens to maintain a healthy diet, and as my Administration continues working to promote this goal, I'm glad to know I can count on your help.

Best wishes.

Sincerely,

Bill

copied
Podesta

1/18

S. DANIEL ABRAHAM

'00 JAN 17

01-17-00

1/20/00
copy given to
Betty Currie for
John Podesta
C. Cleveland

Send to Burkhardt for reply?
Yes ✓
No ____

SM

S.C.

President William J. Clinton
The White House
Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

There is currently a tremendous body of knowledge that links food and nutrition to health and disease. Never before has there been a greater need and public interest to apply this knowledge to promote the health and well being of the American population. As President, you could have a major impact on the health of the nation by convening a White House Conference on Nutrition and Health in year 2000.

Only once before, in 1969, has such a conference been held. It had a profound effect on the nutrition and health agenda of the nation. A White House conference has been strongly advocated and would be enthusiastically supported by many members of congress on both sides of the aisle, by the Institute of Medicine of the National Academy of Sciences, and by hundreds of consumer, producer and marketing organizations. Your own Domestic Policy Council has this proposal under consideration.

The USDA and HHS are planning a National Nutrition Summit that is tentatively scheduled for May 30-31, 2000, in Washington, D.C. The public hearing testimony indicates that the proposed Summit objectives would best be served through the prominent involvement of a White House Conference with participation by the President, and Vice President, and possibly Hillary Rodham Clinton and Tipper Gore.

This national nutrition summit is intended to provide an opportunity (a) to highlight accomplishments in the areas of Food, Nutrition, and Health, especially those achievements of this administration; (b) to identify continuing challenges and opportunities for the nation in these areas; and (c) to focus on the effects of good and poor nutrition on health and longevity, and the current epidemic of obesity. The poor quality of nutrition in America today is placing Americans at increased risk for diabetes, heart disease, hypertension, osteoarthritis, gallbladder disease, and high cholesterol.

Approximately 300,000 deaths each year can be attributed to obesity. The direct health care costs of obesity are estimated to be approximately 4.3% of all direct health care costs, a figure on the order of $40 billion. Moreover, obesity is more common among certain ethnic minorities, women (particularly African American, Native American, and Hispanic women), and the poor.

777 SOUTH FLAGLER DRIVE · WEST TOWER, SUITE 1400
WEST PALM BEACH, FLORIDA 33401

TEL. 561·822·2800 FAX 561·832·3006

With disease prevention becoming more important in this time of health care reform proper nutrition can dramatically improve the lives of millions of Americans. The ideal time for such a conference is now. The only way we can truly succeed at ensuring a healthful diet for all Americans is to initiate a national dialogue and come together in a public/private effort to strengthen our national nutrition policies. A White House conference could project a food, nutrition and health agenda for the 21st century and beyond. Such a White House Conference could be announced at your State of the Union Address and would be a vivid demonstration and legacy of the commitment of your administration to the health of the American people.

Sincerely,

Dan

S. Daniel Abraham

CC: John Podesta, Chief of Staff
Dan Glickman, Secretary of Agriculture
Donna Shalala, Secretary Health and Human Services
Hon Tom Daschle
Hon Patrick J Leahy

633 PENNSYLVANIA AVENUE, NW • FIFTH FLOOR
WASHINGTON, DC 20004

John Podesta

SARA EHRMAN

John,
This conference on nutrition and health is very dear to Danny Abraham's heart. Can you please help facilitate

CENTER FOR MIDDLE EAST PEACE & ECONOMIC COOPERATION
633 PENNSYLVANIA AVENUE, NW • FIFTH FLOOR • WASHINGTON, DC 20004 • (202)624-0850 • FAX (202)624-0855

THE PRESIDENT HAS SEEN
2-11-00

from Tom Mannegan

President Clinton

2/11/00

Send to Eugenie?

Yes ✓

No

Carl

5121 Tilden Street, N.W.
Washington, D.C. 20016

THE PRESIDENT HAS SEEN
2-11-00

Mr President

I would like to arrange two projects for you during your "victory lap". The first is a silver tour of the White House collection by a friend of ours from London. The second is visit to Mr Jefferson's retirement retreat at Poplar Forest.

This gift for you is from our friend in London. He is a great admirer.

We are ready to begin these projects whenever you are.

[illegible signature]

'00 FEB 11 PM12:13

THE PRESIDENT HAS SEEN
2-11-00

February 8, 2000

Dear Mr. President,

Mrs. Yeni Wong has had the pleasure of unconditionally supporting you, your ideas and your leadership over the past eight years. As your presidency continues through the end of this year she would be honored to further serve you and our country as an Ambassador and/or a U.S. Delegate to the United Nations.

Thank you in advance for your consideration and feel free to contact her or me directly at (202) 393-2280 extension 13.

Sincerely,

2/11/00

Send to Nash?

Yes ✓

No ___

cal

copied
Baily
Podesta

THE PRESIDENT HAS SEEN
2-11-00

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

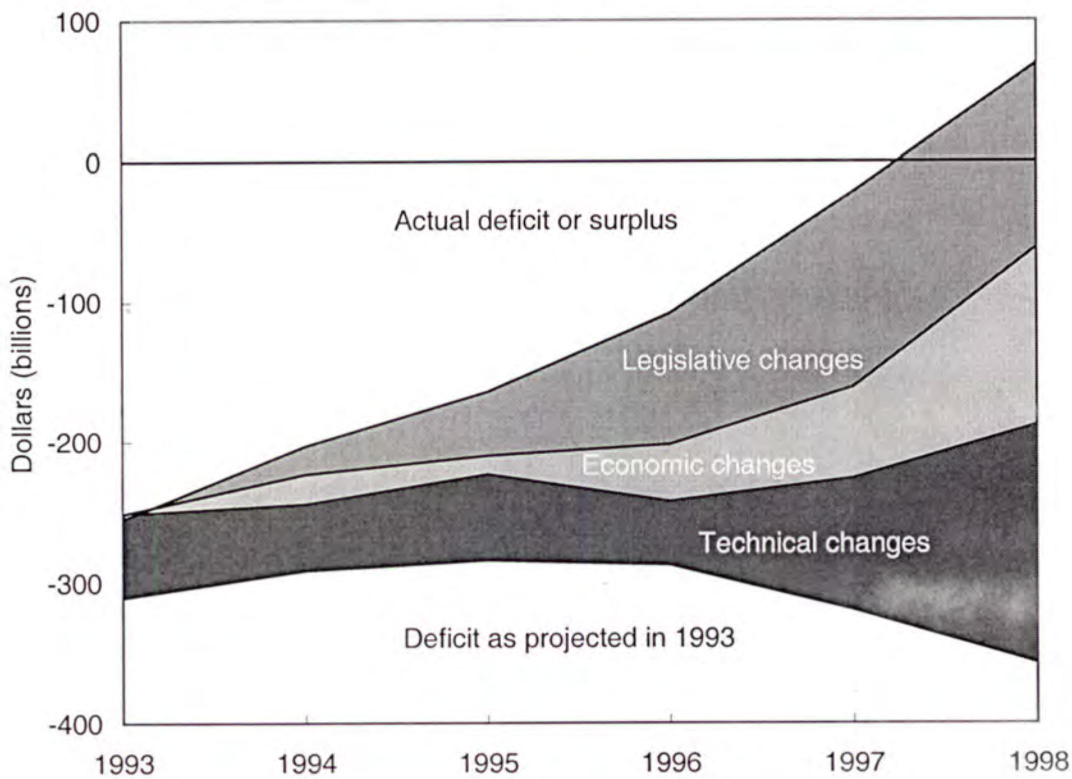
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

'00 FEB 4 AM8:57

February 4, 2000

CHART OF THE WEEK

Actual Deficits or Surpluses Compared with 1993 Projections



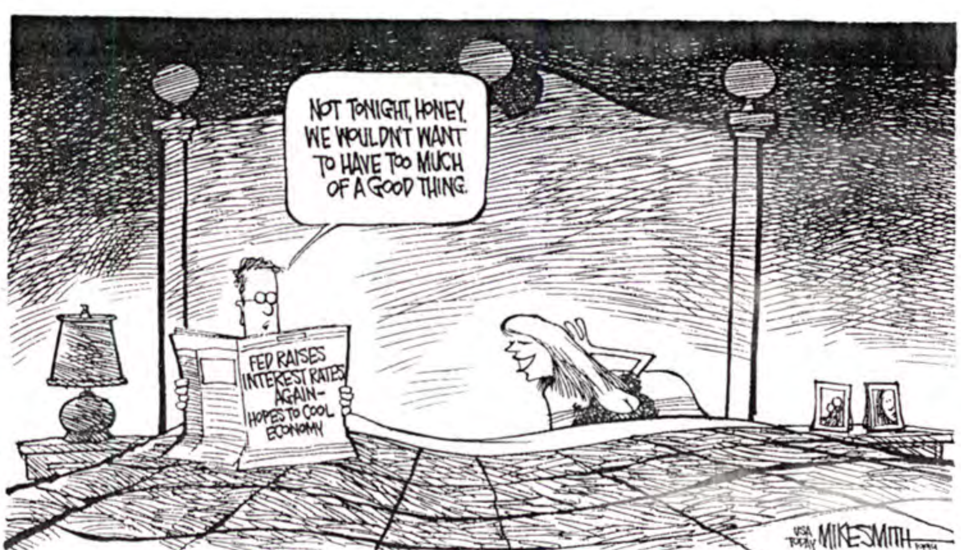
The Congressional Budget Office's 1993 budget projections showed the Federal budget deficit worsening to $357 billion in 1998. In fact, the budget was in surplus by $69 billion. CBO estimates that $130 billion of this swing resulted from legislative changes, $127 billion from better economic performance, and $169 billion from changes in technical factors (such as overall trends in health care costs that affect Medicare, or the weather, which affects farm programs).

CONTENTS

CURRENT DEVELOPMENT

ARTICLE

DEPARTMENTS



POOR SUSAN, SHE MARRIED AN OFFICIAL OF THE FEDERAL RESERVE.

CURRENT DEVELOPMENT

GDP Scorecard: Fourth Quarter 1999

Real GDP is estimated to have increased at a 5.8 percent annual rate in the fourth quarter of 1999 with strong growth in consumption, inventory investment, exports, and government spending. Growth over the four quarters of 1999 is estimated to have been 4.2 percent. Inflation—as measured by the price index for GDP—increased at a 2.0 percent annual rate in the fourth quarter, but only 1.6 percent over the whole year.

Component	Growth*	Comments
Total consumer expenditures	5.3%	Fourth-quarter consumption grew at the same rate as during the previous four quarters, and the saving rate fell further.
Equipment and software	4.9%	Growth was the weakest it has been in over a year. Investment in computers rose at only a 27 percent annual rate, well below the 46 percent pace over the previous 4 quarters. Motor vehicle investment fell.
Nonresidential structures	-5.3%	Spending has fallen in each of the past 4 quarters.
Residential investment	-1.2%	Housing starts peaked in the first quarter, and have come down since. Because housing starts remain high relative to what would be predicted based on demographics, this is not likely to be a growth sector.
Inventories (change, billions of 1996 dollars)	$65.4	Some of this very large inventory buildup may have been to buffer against feared Y2K disruptions. Nevertheless, final sales growth was strong enough to keep the inventory-to-sales ratio from rising.
Federal purchases	16.0%	Large gains were estimated in both defense and nondefense categories.
State & local purchases	4.4%	The fourth-quarter gain was similar to the pace over the previous four quarters. The surplus of state and local governments—about $46 billion over the most recent 4 quarters—has doubled over the past 2 years.
Exports	6.9%	Fourth-quarter growth was slightly better than the pace of the previous 4 quarters and may reflect emerging strength among our trading partners.
Imports	10.6%	About 40 percent of this large increase in imports was for capital goods. Another 30 percent of the increase was accounted for by consumer goods.

*Percent real growth in the fourth quarter at annual rates (except inventories). This advance estimate is subject to substantial revision—especially for exports, imports, and inventories, where the estimates are based on only 2 months of data.

THE PRESIDENT HAS SEEN
2-11-00

ARTICLE

The 2000 *Economic Report of the President*

The 2000 *Economic Report of the President* will be released February 10. This article summarizes and highlights the chapters of the accompanying annual report of the Council of Economic Advisers.

Chapter 1: Sustaining a Record-Breaking Expansion.

This overview chapter describes how the Administration's policy strategy of investing in people and technology, opening international markets, and maintaining fiscal discipline has paid off in a record-breaking expansion. In addition, it contrasts this expansion with previous expansions and examines the question of whether we are in a new economy.

An expansion that is not just longer. Several features of this expansion are distinctive and heartening. First and foremost, the structural budget deficit shifted from deficit to surplus (rather than either growing or remaining large as in previous long expansions). This fiscal prudence has contributed to an investment-led expansion as relatively low real interest rates have spurred strong investment in technology and high-tech equipment. In addition, productivity growth has strengthened as the expansion has matured (typically it slows down); core inflation has declined despite falling unemployment (typically inflation rises with low unemployment); and capacity has roughly kept pace with output growth (typically capacity utilization rates increase more).

Rethinking inequality. The two-decade-long trend toward greater inequality has ended. Between 1993 and 1998, household incomes grew between 9.9 and 11.7 percent for each quintile of the income distribution. Since 1994, workers with only a high-school degree and those who have completed college have seen similar earnings growth; hourly wage growth for the lowest deciles has matched those in the top deciles. At the same time, however, the forces previously seen as causing greater inequality—technological change, the internationalization of the economy, and fiscal restraint—have never been stronger. Instead of aggravating inequality, however, rapid productivity growth and openness to trade have helped us to operate and sustain a high-employment economy, with opportunities for all. Deficit reduction has been compatible with more careful targeting of spending to increase funding for education, training and the Earned Income Tax Credit.

A New Economy? Since the previous cyclical peak in 1990, growth in GNP per capita has matched the 2.1 percent annual pace recorded for the century as a whole. Data from the past 5 years suggests, however, that we may have done better than just return to the good old days, and that the future could be even more prosperous. The challenge is to sustain this progress with the policy framework that has worked so well—maintaining fiscal discipline, investing in people and technology, and opening international markets.

Chapter 2: Macroeconomic Policy and Performance

This chapter provides a review of macroeconomic developments in the past year as well as the Administration's economic forecast and the near-term outlook for the economy. It also examines in detail the stock market boom, the changing nature of the business cycle, and the high investment economy.

A record-breaking year. A number of measures besides growth, unemployment and inflation show how strongly the economy performed in 1999. For example, the employment-to-population ratio of 64.3 percent topped last year's record. The proportion of American households owning their own homes climbed to a new high of 66.8 percent in 1999. Sales of new and existing homes also broke new ground last year and 16.8 million cars and light trucks were sold, the most ever.

The stock market boom. The bull market that began in 1995 is already the strongest since the 1930s and the sixth strongest in the last 200 years. The real return to stocks has averaged nearly 24 percent per year during the last 5 years, with technology stocks performing especially well in the past 2 years. No one has a definitive explanation for this run-up in stock prices, but the chapter analyzes two possibilities: a reduction in the equity premium owing to reduced costs of diversification and greater tolerance toward stock market risk; and improved prospects for future productivity growth related to investments in intangible capital and new technologies.

The end of the business cycle? Business cycles moderated in the second half of the 20th century, owing in part to fundamental changes in the economy, as well as changes in monetary and fiscal policy. For example, more cyclically sensitive sectors like manufacturing now account for a smaller share of employment and output than earlier this century, and volatile inventory stocks are less important.

The high-investment economy and productivity. The acceleration in productivity growth, from 1.4 percent per year between 1973 and 1995 to 2.9 percent per year since 1995, has been fueled by increases in real business investment—especially computers—along with increased productivity in the computer-producing sector. This pickup in productivity growth has supported real wage gains and temporarily lowered the unemployment rate consistent with stable inflation (the NAIRU), helping keep inflation in check.

The Administration forecast. Growth in real GDP is projected to moderate to 2.9 percent and 2.6 percent in 2000 and 2001, respectively. Although the 2000 figure was slightly above the consensus of professional forecasters when the GDP projection was finalized in November, it is now slightly below. Productivity is projected to grow an average of 2.1 percent per year over the next 4 years, similar to the average rate of growth since the last business-cycle peak. The unemployment rate is expected to remain at 4.2 percent for 2000, and then to edge upward slowly, reaching 5.2 percent in 2003—the middle of the range consistent with stable inflation in the long run. Inflation—as measured by the CPI—is projected to remain roughly stable over the 11-year projection horizon.

Chapter 3: Technology and the American Economy

This chapter examines the technological change that has driven growth in this expansion and in this century at the industry level. Technological change has created new industries and altered the competitive landscape of the American economy. Just as Ford changed manufacturing earlier in the century with his invention of the assembly line, today computers and information technology are changing how firms operate in our economy.

Growth in telecommunications and information technology. Two examples of these trends are evident in the telecommunications and information technology industries. The computer and telecommunications industries contributed between 21 and 31 percent of GDP growth in each of the years from 1995 to 1998. Investment in communications equipment grew by 13 percent annually from 1993 to 1998, spurred on in part by new investments by wireless phone companies that now serve more than 69 million subscribers. Computer usage in the home has also been rising, as has usage of the Internet. A recent survey found that more than 118 million Americans had access to the Internet, and more than 74 million were actively using this new communications medium.

The effect of information technology on the firm. Information technology has vast potential to enhance the economy's productivity and make firms more efficient. For example, one company found that by moving marketing and support functions online, it saved more than $300 million per year in operating costs. Use of information technology to support business-to-business e-commerce is also becoming increasingly important, as firms are finding new ways to use information technology to organize markets for selling industrial products like steel or conducting auctions among potential suppliers of customized parts. By one estimate, business-to-business e-commerce is expected to grow from $43 billion in 1998 to over $1.3 trillion by 2003.

Supporting new innovations. As technology becomes increasingly vital to our knowledge-based economy, a crucial task of government is to provide appropriate support for research and development. New technologies can create benefits with large spillovers to society, but firms may underinvest in R&D because they cannot appropriate the full benefits of that investment. By supporting research in a broad and balanced national R&D portfolio, the $43 billion investment in the 21st Century Research Fund proposed for fiscal 2001 has the potential to yield significant benefits in years to come.

Enhancing competition. Government can promote competition by changing the regulatory framework within which industries operate, as it did with the Telecommunications Act of 1996, which reduced barriers to entry in local telephone markets. Local competition is growing rapidly, and new entrants now account for 6 percent of revenues in these markets.

Chapter 4: Work and Learning in the 21st Century

This chapter analyzes how the nature of work has changed dramatically over the past 100 years and the challenges these changes pose for current policy. In 1900 over 40 percent of the work force was in agriculture, and another 28 percent was in manufacturing. Services, broadly defined, accounted for the remaining 31 percent. Today, agriculture accounts for less than 3 percent of employment, while the service-producing sector dominates with over 75 percent. The change in the industrial mix has been associated with a technological revolution—one that has touched the majority of jobs and put a premium on a new set of skills, including those related to the new information technologies.

The rising importance of skills and education. In 1940, 41 percent of whites and 12 percent of African Americans had completed high school. By 1998 both groups enjoyed about an 88 percent completion rate. Despite these impressive gains, it appears that in recent decades the demand for skilled workers outpaced the supply. The rise in the demand for basic computer skills illustrates this change. In 1984 about a quarter of all workers were using a computer at work, by 1997 that proportion had risen to virtually half. In fact, most jobs in today's labor market that are available to workers without a college degree require the ability to perform basic tasks involving reading, writing, or arithmetic, the use of computers, and the interpersonal skills to serve customers effectively. Only 8 percent of the jobs available to non-college graduates require none of these skills. Further, a sharp increase in the wages of college graduates relative to those without a college degree provides indirect but striking evidence of rising demand for workers with higher level skills. In 1999 male college graduates working full time were earning 68 percent more per week than comparable male high school graduates, and 147 percent more than those who had not completed high school. These figures are up from 29 and 57 percent, respectively, in 1979.

Growth in opportunities. This chapter also analyzes the increasing opportunities for women, minorities, and persons with disabilities. For example, through most of the 1960s and 1970s, the median full-time, full-year woman worker earned about 60 cents for every dollar earned by her male counterpart. More recently, this figure has been about 75 cents on the dollar (73 cents in 1998 in the series cited in the report). Women's earnings are even closer to men's when factors such as education and experience are held constant, but evidence of discrimination still exists.

Policy challenges. The challenge for public policy in the 21st century will be to develop an appropriate set of education and training policies: one that creates a framework of lifetime learning within which workers can acquire and maintain both the basic skills and the more technical skills they need in the new labor market. The last part of the chapter discusses the appropriate role of government in fostering this objective and Administration initiatives such as Head Start, the Technology Literacy Challenge, and the Workforce Investment Act.

Chapter 5: The Changing American Family

This chapter discusses how the opportunities and challenges facing American families have changed over the last hundred years as the increase in the number of dual-earner and single-parent families has eclipsed the traditional one-breadwinner, one-homemaker family. In particular, the chapter looks at the balance between the rewards of work and the needs and rewards of family time.

Key trends. The chapter identifies three important trends that have shaped the American family over the past century. First, 60 percent of females are now in the labor force, up from 20 percent in 1900. Second, increases in divorce and out-of-wedlock births mean that 28 percent of children now live in one-parent families, up from less than 10 percent in 1900. Finally, life expectancy has increased from less than 50 to well over 70 years, so that concern for their own retirement and care of elderly relatives are increasingly concerns of families today.

Increasing diversity across families. Traditional one-breadwinner, one-homemaker married couples have been declining as a share of all families (from 67 percent in 1952 to 27 percent in 1999). Dual-earner married couples, by contrast, now account for roughly half of all families, up from a fifth at mid-century. The share of families headed by a single householder is now 23 percent, up from 13 percent 50 years ago. Among these family types, the median income of dual-earner couples has always been higher than that of the others, and the gap has widened over the past half-century. The median income of married couples in which the wife has no earnings is less than three-fifths that of dual-earner married couples; the median income of families headed by single females is a little more than a third that of dual-earner married couples.

Increased educational attainment and greater labor force participation of wives have been particularly important in raising the incomes of dual-earner couples. Three-fifths of married mothers with earnings have at least some college (up from 22 percent in 1969). And 79 percent of married mothers with at least some college worked (up from 53 percent in 1969). Single mothers are also working more, but with lower average educational attainment, their earnings are lower.

Challenges: The "money crunch" and the "time crunch." Despite favorable income gains in the current expansion, many families experience a "money crunch" that makes it difficult to meet basic family needs. The money crunch affects poor and possibly also non-poor families, now that a car, a telephone, and perhaps even a computer are near-necessities and families have to set aside funds to educate their children and, increasingly, to take care of their aging parents. A second challenge families face is the "time crunch": a shortage of time to devote to family needs, because the increased participation of parents, especially mothers, in the labor force reduces time at home. The chapter's discussion of the money and time crunches includes a discussion of Administration policies to address them—including the Family and Medical Leave Act, expansions of the EITC, and the child care and long-term care initiatives.

Chapter 6: Opportunity and Challenge in the Global Economy

This chapter describes the importance of global economic integration in producing unprecedented prosperity in the United States and much of the rest of the world. It focuses on the role of technology and policy in driving integration, as well as the benefits and challenges globalization brings.

The fall and rise of the global economy. Trade and, to a much lesser extent, investment links were well established a century ago, but both deteriorated during the interwar period. Over the past 50 years, however, international trade and investment have risen sharply. Economic globalization—the worldwide integration of national economies through trade, capital flows, and shared production arrangements—has never before been as broad or as deep as today. U.S. trade (exports plus imports) has amounted to nearly 25 percent of GNP in recent years, its highest point in at least a century. Global capital flows have soared even more dramatically. Cross-border transactions in bonds and equities have exploded, amounting to about 223 percent of GNP in the United States in 1998, compared with only 9 percent of GNP in 1980.

The forces behind globalization. Technological improvements—in transportation, communications, information technology, and other areas—have reduced the costs of doing business internationally. In 1930, for example, a 3-minute phone call from New York to London cost $293 in 1998 dollars. By 1998, one widely subscribed discount plan charged only 36 cents for a clearer, more reliable 3-minute call. Such improvements have also increased the range of possible commercial transactions, particularly in financial markets. Policy has also played an active role in reducing barriers to trade and investment. Since the creation of the GATT in 1948, import tariffs on industrial products in industrial countries have dropped by about 90 percent. Especially since the 1970s, many countries have decided to remove restrictions on capital flows.

The benefits of a global economy. Globalization raises living standards. It improves efficiency, promotes innovation, encourages technology transfer, and otherwise enhances productivity growth. Through trade, countries can shift resources into their most internationally competitive sectors. Recent studies show substantial wage premiums in U.S. jobs supported by goods exports—on the order of 15 percent. Consumers also enjoy less expensive and more varied products. Global capital flows can help countries invest more effectively. Foreign direct investment, as well as trade, can help spread international best practices.

The challenges of globalization. International economic integration, like other sources of growth, involves tradeoffs. Even as the nation benefits overall, some industries and their workers may find themselves facing sharp international competition. Moreover, global capital flows help promote growth, but can disrupt economies when they reverse course. Sound policy can help ensure that the benefits of economic integration are shared as widely as possible.

Chapter 7: Making Markets Work for the Environment

Economic growth brings abundant benefits but it can also unleash a wide array of environmental problems. Fortunately the same economic dynamism that gives rise to these problems also provides the income and the know-how needed to address them. The challenge in addressing environmental problems lies in harnessing the power of markets to deliver continued economic growth and foster sound environmental practices.

Environmental problems through the 20th century. In 1900, one of the most common environmental problems was the accumulation of horse manure on city streets, which posed public health problems. While the automobile eventually solved this problem, it brought others in its wake. Over time, other environmental problems became apparent, often reflecting a growing and changing economy. Concerns about pesticide use, burning rivers, and smog-filled skies brought more attention to environmental problems culminating in the 1970 Earth Day, which spurred new legislation. While these laws' traditional, usually inflexible, regulatory approaches improved environmental quality since 1970, they also carried significant costs. By 1990, the costs of environmental pollution control had reached $125 billion annually.

The U.S. experience with market-based approaches. In light of the higher costs of traditional regulations, innovative efforts to address environmental problems through market-based incentives—such as emissions permit trading and emissions charges—have been pursued to achieve environmental goals at lower cost than traditional approaches. The experiences with tradable permit programs, including efforts to reduce local air pollutants, the lead content of gasoline, and acid rain-causing sulfur dioxide, illustrate the substantial cost-savings from market-based approaches. Compared with a traditional regulatory approach, the sulfur dioxide trading program has achieved annual cost-savings of up to $1 billion. Phasing down lead in gasoline resulted in an extraordinary reduction in lead emissions: 1997 lead emissions were 50 times lower than 1970 emissions. Charging households for each unit of solid waste set out for collection reduces waste sent to landfills. None of the market-oriented approaches undermined the achievement of environmental goals. More cost-effective attainment of environmental goals depends in large part on the design of markets tailored to the specific characteristics of an environmental problem.

Applying these lessons to climate change. Perhaps the leading environmental challenge of the 21st century will be to address the risks associated with global climate change. The characteristics of the climate change challenge create great potential for emissions trading and similar flexibility mechanisms to reduce greenhouse gas emissions. Lessons drawn from our domestic experience support the Administration's advocacy of rules that would promote an efficient international trading system. Expanding the number of countries participating in trading would both reduce the costs of U.S. compliance with its Kyoto target and promote technology transfer to and investment in developing countries.

Conclusion: A Century of Change: New Opportunities For The Future

The conclusion draws together the report's findings on how the 20th century was one of dramatic growth, change, and new opportunity. Technological innovation, globalization, and demographic shifts were key drivers of those changes, creating new industries, altering the nature of work, and reshaping the typical family.

A look back. At the turn of the century, fewer than 10 percent of homes had electricity. Fewer than 2 percent of people had telephones. A car was a luxury for only the wealthy. Health and sanitation problems, such as typhoid fever spread by contaminated water, were common. One in 10 children died in infancy. Average life expectancy was just 47 years. 80 percent of children lived in a family with a breadwinner-father and homemaker-mother. Fewer than 10 percent lived in single-parent homes. Widowhood was far more common than divorce. Fewer than 14 percent of Americans graduated high school.

More than 40 percent of the work force worked on farms. Average income per capita, in 1999 dollars, was about $4,200. About 80 percent of women worked at home or on the farm. Only about 30 percent of workers were employed in services, which made up just 2 percent of U.S. exports. International trade equaled about 15 percent of GNP, but there was relatively little integration of national economies through investment and production arrangements.

The American economy today. Infant mortality has dropped by more than 90 percent over the course of the century. Life expectancy has increased by about 30 years. Typhoid, cholera, smallpox, and polio have been dramatically reduced or even eliminated through improved sanitation and the widespread use of vaccines. Average income per capita is now $33,740, more than eight times what it was in 1900. Just 3 percent of the labor force now work on farms. More than 40 percent of employment is in industries that use information technology intensively. Services account for half of the 20 million new jobs created over the last 7 years and about 29 percent of exports. More than 80 percent of Americans over 25 have finished high school, and almost a quarter have graduated college.

Women now graduate high school and college at slightly higher rates than men. Over 75 percent of women aged 25-44 are in the work force. Women and minorities work in a broad range of industries that previously were closed to them. The "typical" family has been redefined. Some 28 percent of children now live in single-parent families; another 44 percent live in families where both parents work for pay. Only 24 percent of children live in what used to be the typical model of a breadwinner-father and homemaker-mother.

Looking ahead. Americans today are more prosperous and have more choices than ever before. But these new opportunities have also brought new challenges for policymakers—such as helping prepare workers for the increasingly global, competitive, technology-driven economy; and helping families cope with the competing demands of work and family.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Inventory Management Helps Make Economy More Stable. Since 1984 the variability of quarterly real GDP growth has been only half that of the preceding 25 years. Changes in all major components of GDP have contributed to the increase in stability, with inventory investment and consumer spending contributing the most, according to a New York Federal Reserve Bank study. Increased stability in inventory investment has been the most important contributor, possibly due to structural changes in inventory management. For example, just-in-time ordering methods enable firms to decrease the lead time in which they must purchase materials, thereby allowing them to react more quickly to unexpected shifts in demand and avoid extreme fluctuations in inventories. Increased stability in residential investment over these two periods was also found to have had a stabilizing effect. Regulatory and structural changes in the 1980s (such as the elimination of interest rate ceilings on deposits) very likely contributed to the sector's stability, largely by enabling banks and other financial institutions to stabilize the supply of funds for housing investment.

Study Examines Impact of Taking Leave. While the Family and Medical Leave Act legally guarantees 92 million workers the right to spend needed time with family members, it cannot guarantee how leave-takers are treated upon their return to the workplace. A recent study found managers who had taken leaves of absences in the early 1990s received significantly fewer promotions and smaller salary increases than managers who had not done so, even after controlling for performance ratings. The study found that there was no greater penalty attached to a family leave (which might be viewed as voluntary) than to sick leave. Also, women managers who took leaves of absence were not punished more severely than their male counterparts. (However, 89 percent of the leave-takers were women, indicating penalties did apply primarily to them.) The study notes that wage penalties incurred by women taking job-protected family leave were relatively small, particularly in comparison with the wage penalties associated with career interruptions—though the two are not strictly comparable.

Congregations Provide Social Services. Over one-third of religious congregations indicated in a recent survey that they might apply for government money to support human services programs, such as grants and contracts provided by government agencies implementing "charitable choice" provisions. Currently, 57 percent of congregations surveyed participate in social service projects. However, only a small minority administer their own programs. The majority either support projects run by other organizations or work in collaboration with other organizations. Congregations are more likely to engage in activities that address the immediate needs of individuals for food, clothing, and shelter than in projects or programs that require sustained involvement to meet long-term goals. The study also found that very large congregations, predominantly African American congregations, Catholic congregations, and theologically liberal or moderate Protestant congregations expressed the greatest interest in the proposed charitable choice provisions.

INTERNATIONAL ROUNDUP

World Bank Launches Global Emissions Trading Prototype. The World Bank recently launched a $150 million Prototype Carbon Fund ("PCF")—the world's first global emissions trading fund intended to address climate change. Using contributions from four European governments and nine primarily Japanese companies, the PCF will fund cleaner technologies in developing and transitional economies to reduce greenhouse gas emissions. After verification by an independent party, these reductions will be transferred to the Fund's contributors in the form of emissions reduction certificates. Depending on the rules developed at the next climate change negotiations at The Hague in November 2000, these certificates may eventually be used to satisfy future greenhouse gas emissions limits. The World Bank, which will aid in negotiating a price for the emissions reductions, hopes to establish prices of roughly $20 per ton of carbon reduced. This price, which is consistent with a range of abatement cost estimates made by the Administration, would allow industrialized countries to comply with their emissions limits at a reduced cost while simultaneously offering developing and transitional countries an opportunity to gain advanced technology and a new source of revenue. The PCF has already identified several potential projects and plans to begin operations in April 2000.

New Rice May Save Millions of Lives. Scientists at the Swiss Federal Institute of Technology's Institute for Plant Sciences have developed a new rice strain that could save millions of lives and improve maternal and child health in developing countries by increasing the iron and Vitamin A content of the rice grain. This development, which results from genetically modifying rice grains, should help alleviate Vitamin A deficiency, which afflicts 124 million children worldwide, causes over 1 million childhood deaths each year, and is the single most important cause of blindness among children in developing countries. In related research, the International Rice Research Institute, using traditional plant breeding techniques, has developed a rice high in iron and zinc. According to the World Bank, between 40 and 50 percent of children under age 5 in developing countries are iron deficient.

RELEASES THIS WEEK

Employment and Unemployment

****Embargoed until 8:30 a.m., Friday, February 4, 2000****

In January, the unemployment rate was 4.0 percent; it was 4.1 percent in December. Nonfarm payroll employment rose by 387,000.

Leading Indicators

The composite index of leading economic indicators increased 0.4 percent in December following an increase of 0.3 percent in November.

NAPM Report on Business

The Purchasing Managers' Index declined 0.5 percentage point to 56.3 percent in January. (A reading above 50 percent indicates that the manufacturing economy is generally expanding.)

MAJOR RELEASES NEXT WEEK

Productivity (Tuesday)
Retail Sales (Friday)

U.S. ECONOMIC STATISTICS

	1970-1993	1999	1999:2	1999:3	1999:4
Percent growth (annual rate)					
Real GDP (chain-type)	3.0	4.2	1.9	5.7	5.8
GDP chain-type price index	5.2	1.6	1.3	1.1	2.0
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.7	N.A.	0.6	4.9	N.A.
Real compensation per hour:					
Using CPI	1.0	N.A.	1.2	2.1	N.A.
Using NFB deflator	1.5	N.A.	2.9	4.4	N.A.
Shares of Nominal GDP (percent)					
Business fixed investment	11.4	12.6	12.6	12.7	12.5
Residential investment	4.5	4.4	4.5	4.4	4.4
Exports	8.2	10.8	10.7	10.8	10.9
Imports	9.2	13.5	13.4	13.8	14.1
Personal saving	6.6	1.7	1.8	1.5	1.4
Federal surplus	-2.8	N.A.	1.3	1.4	N.A.

	1970-1993	1999	November 1999	December 1999	January 2000
Unemployment Rate (percent)	6.7**	4.2**	4.1	4.1	**4.0**
Payroll employment (thousands)					
increase per month			**257**	**316**	**387**
increase since Jan. 1993					**20790**
Inflation (percent per period)					
CPI	5.8	2.7	0.1	0.2	N.A.
PPI-Finished goods	5.0	3.0	0.2	0.3	N.A.

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.
Employment and unemployment data **embargoed until 8:30 a.m., Friday, February 4, 2000**.

FINANCIAL STATISTICS

	1998	1999	December 1999	January 2000	Feb. 3, 2000
Dow-Jones Industrial Average	8626	10465	11246	11281	11013
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	5.20	5.32	5.46
10-year T-bond	5.26	5.65	6.28	6.66	6.49
Mortgage rate, 30-year fixed	6.94	7.43	7.91	8.21	8.25
Prime rate	8.35	8.00	8.50	8.50	8.50 [p]

[p] As of February 3, 2000, the prime rate at a number of banks has moved to 8.75 percent.

INTERNATIONAL STATISTICS

Exchange Rates	**Current level February 3, 2000**	**Percent Change from Week ago**	**Year ago**
Euro (in U.S. dollars)	0.989	-0.0	-12.8
Yen (per U.S. dollar)	107.9	2.9	-4.0
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. $)	94.58	1.0	2.6

International Comparisons [1/]	**Real GDP growth** (percent change last 4 quarters)	**Unemployment rate** (percent)	**CPI inflation** (percent change in index last 12 months)
United States	4.2 (Q4)	**4.0** (Jan)	2.7 (Dec)
Canada	4.2 (Q3)	6.9 (Nov)	2.6 (Dec)
Japan	1.0 (Q3)	4.6 (Nov)	-1.1 (Dec)
France	2.9 (Q3)	10.7 (Nov)	1.3 (Dec)
Germany	1.3 (Q3)	9.0 (Nov)[2/]	1.2 (Dec)
Italy	1.2 (Q3)	12.1 (Apr)	2.1 (Dec)
United Kingdom	1.8 (Q3)	5.9 (Sep)	1.8 (Dec)

U.S. unemployment data **embargoed until 8:30 a.m., Friday, February 4, 2000**.

1/ For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

2/ Rate for unified Germany.

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THE PRESIDENT HAS SEEN
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WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

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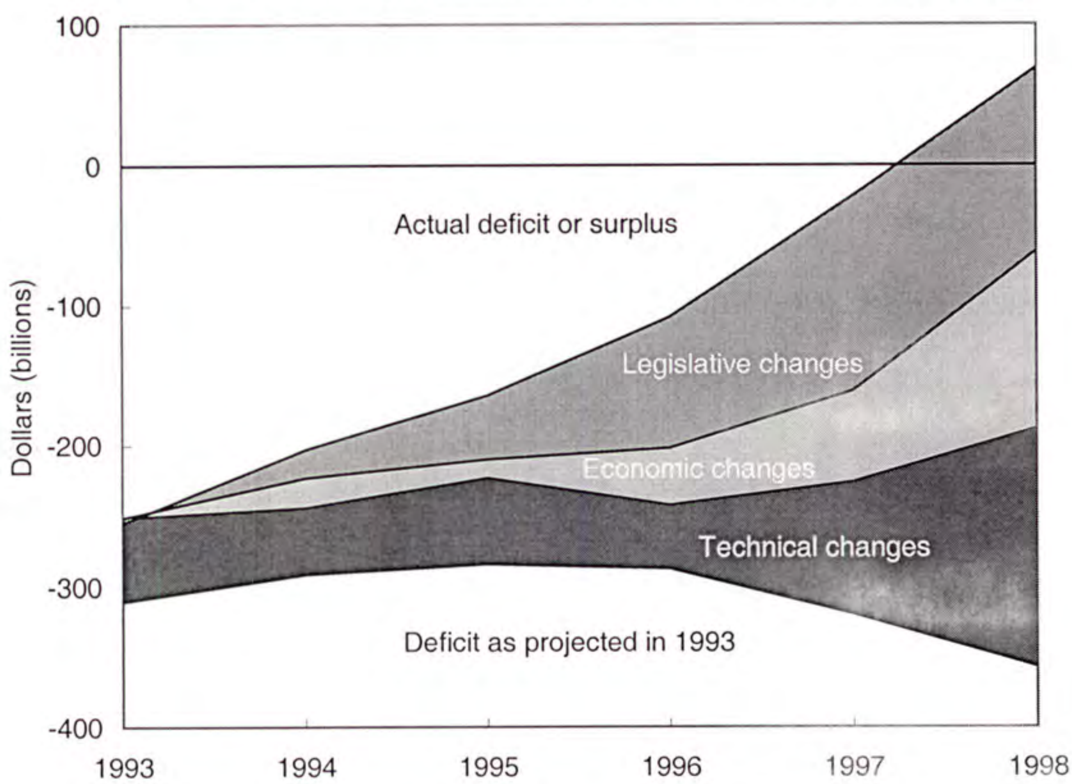
February 4, 2000

CHART OF THE WEEK

Actual Deficits or Surpluses Compared with 1993 Projections



The Congressional Budget Office's 1993 budget projections showed the Federal budget deficit worsening to $357 billion in 1998. In fact, the budget was in surplus by $69 billion. CBO estimates that $130 billion of this swing resulted from legislative changes, $127 billion from better economic performance, and $169 billion from changes in technical factors (such as overall trends in health care costs that affect Medicare, or the weather, which affects farm programs).

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
2-11-00

February 4, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Education – Schumer's "Marshall Plan" for Teachers. Senator Schumer has announced a set of initiatives he has dubbed a "Marshall Plan" for teacher quality. Schumer's proposals would: forgive student loans for those who teach in public schools at least five years; create a Mentor Teacher program; offer a stipend of $2,500 to math and science teachers who pass an advanced competency test; give grants to school districts to pay 75 percent of the cost of getting teachers board-certified; launch a national public service campaign to encourage people to become teachers; and provide incentives for retirees to enter teaching through various pension provisions. We met with Schumer this week, and agreed to work together on an ambitious proposal that incorporates the Vice President's ideas on raising teacher salaries and standards.

2. Education – Charter Schools. On Wednesday, you will release the education Department's fourth annual report on charter schools, and announce your $175 million budget initiative for charter schools (a $30 million increase over last year). Like the three previous reports, this one shows steady growth: there were 1,633 charters as of September 1999, serving 250,000 students in 30 states and the District of Columbia. The Department estimates that there are now nearly 1,700 nationwide. The report also finds that charter schools serve a diverse student body that is very similar to the composition of traditional public schools – and that they actually serve a slightly higher percentage of students receiving free and reduced price lunch. A repot planned for later this year will evaluate issues of charter school quality.

3. Health Care – Executive Order on Genetic Discrimination and Update on Gene Therapy. On Tuesday, you are scheduled to sign an executive order prohibiting all federal agencies from using genetic testing in hiring or promotion actions. This EO will be strongly endorsed by Francis Collins and the National Institute of Genome Research and will serve as a model for legislation that you will again call on Congress to pass. Meanwhile, on the issue of gene therapy, NIH testified this week that researchers routinely flout the agency's reporting regulations, and that adverse events in clinical trials may be greater than expected. We are working closely with HHS to address the shortcomings in the reporting process, strengthen requirements on informed consent, and ensure that information about trials is made public.

4. Health Care – Medicare Reform Update. On Monday, as you release your FY 2001 budget, we will highlight your success in extending the life of the Trust Fund. We will also underscore how your Medicare reform proposal lengthens the life of the Trust Fund to at least 2025, provides for an optional drug benefit, and, in particular, includes a $35 billion reserve fund to begin protecting against catastrophic expenses. In this context, we will emphasize that you are dedicating over half the on-budget surplus ($433 billion) to strengthening and modernizing Medicare. Senate hearings on Medicare reform will begin Tuesday in the Aging Committee and two weeks later in the Finance Committee.

5. Crime – Ex-offenders Initiatives. On Thursday, the Attorney General will speak at John Jay College in New York City about the record numbers of people leaving prison, and about new Administration initiatives to reintegrate ex-offenders into their communities. As you know, your budget includes $60 million for the Justice Department to fund "re-entry courts" and "re-entry partnerships" that will provide increased community supervision of released offenders, promote responsible fatherhood, and link offenders to drug treatment, health care and job training. Your budget also includes a program at the Labor Department that provides $75 million in grants for job training to help reintegrate young offenders. The Attorney General will highlight the ways these two initiatives complement one another, as will Secretary Herman.

6. Tobacco – New Budget Proposals. On Friday, we released your tobacco budget proposal, which will 1) charge the tobacco industry a $3,000 assessment for every underage smoker starting in 2004 if youth smoking has not been cut in half by then; and 2) increase the excise to 25 cents beginning in 2001. The tobacco industry (as well as Senator Lott's office) has labeled the proposal a new tax and argued that the $3,000 assessment is unreasonable because it is tied to teenagers' behavior and not the industry's. We argue that the industry is in a better position than anyone to keep kids from smoking (by, for example, limiting advertising targeted to children and encouraging retailer compliance with laws forbidding minors from purchasing cigarettes). The American Cancer Society, the Campaign for Tobacco-Free Kids, and other advocates have praised the initiative, saying the per-child assessments are the only way companies would make serious efforts to reduce youth smoking. In addition to the assessments, we also released details on proposals to ensure Medicaid coverage for smoking cessation drugs, and to increase funding for CDC's tobacco prevention programs and FDA's enforcement efforts.

7. Welfare – Food Stamps. On Monday, the House passed the Food Stamp Electronic Benefit Transfer Interoperability and Portability Act. This bill was passed unanimously by the Senate last November and has been delivered for your signature. As you may recall, the 1996 welfare law required all states to put in place Electronic Benefit Transfer (EBT) systems for food stamps by October 2002. EBT works like an ATM or debit card – individuals get credit in their accounts each month for the amount of their benefits, and use a card to purchase food. This legislation requires states to set up EBT systems enabling food stamp recipients to use their benefits in any state; it also provides a 100 percent federal match for administrative costs. Although we are concerned that the bill requires a 100 percent match, rather than the usual 50 percent, we believe the benefits of the bill are great and have signaled your intention to sign it.

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THE WHITE HOUSE

WASHINGTON

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February 4, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE Neal

CC: JOHN PODESTA

SUBJECT: OSTP WEEKLY REPORT

NASA Ready to Prepare Interim Control Module for International Space Station.

NASA Administrator Dan Goldin announced in the press today that NASA will prepare to launch the U.S.-built Interim Control Module by December as a substitute for the Russian Service Module unless Russia launches by July or early August (as currently planned). Earlier in the week, the Russians launched a Progress resupply vehicle to their Mir space station to prepare it for a crew to arrive in early April for a mission that is planned to last until August. As a result, House Republicans expressed strong criticism of the Administration because of concerns that the Russians cannot meet their obligations to the International Space Station program as long as they continue operating Mir.

Chinese 'Taikonaut' Launch Possible Saturday, Although Unlikely

Speculation is growing that China may attempt a manned space flight to usher in the Year of the Dragon which begins tomorrow (2/5). A number of sources have indicated that a launch may be imminent, including recent editorials in two pro-China Hong Kong newspapers.

In China itself, the People's Army Liberation newspaper recently carried an interview with a member of the Chinese Academy of Sciences, who was quoted as saying that sometime soon Chinese astronauts "would travel in space in the Shenzhou series of spacecraft" that was tested in unmanned mode last year. Shenzhou is a modified version of the Russian Soyuz design.

And last month, following a visit to Chinese space facilities, Russian cosmonaut Anatoli Berezovoi said that he believed China would soon become the third nation to be able to launch humans into space, after Russia and the United States.

Although recent unmanned Chinese space launches have gone well, they are not a good basis for a manned flight. By our standards, China should not be ready to attempt a manned mission for a few years. It is clear that China intends to launch an astronaut or a "taikonaut" as soon as it can, and that the Chinese Communist Party regards putting an astronaut into space as an important national effort.

THE PRESIDENT HAS SEEN
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Recent Decisions on Future Sales of GMO crops

This week, Frito-Lay Co. and Archer Daniels Midland Co. announced different approaches to genetically modified crops. Frito-Lay is telling its suppliers to stop growing genetically modified corn, citing "consumer confusion about bio-engineered products" as the reason. However, they are not planning to modify their snack food labels to reflect this decision. ADM reversed its September 1999 decision to require farmers to segregate their crops into genetically engineered and non-genetically engineered varieties. ADM believes "the pendulum is beginning to turn back" so there is less need for segregation. Food companies are responding to their consumer's concerns and making commodity-purchasing decisions accordingly.

Tyler Prize for Environmental Achievement Awarded to John Holdren, PCAST Member

John Holdren, a Harvard University professor who has mobilized the international community of scientists and policymakers to take action on a wide range of global energy, environmental, and security issues, will receive this year's Tyler Prize for Environmental Achievement. The Tyler Prize is considered the premiere international award honoring achievements in environmental science, environmental protection, and environmental aspects of public health. As a member of your PCAST, he has led major studies that you requested on: U.S.-Russian cooperation to protect nuclear materials; U.S. fusion-energy research; an energy research and development strategy to address the climate-change challenge; and international cooperation in energy-technology innovation. Your FY 2001 Clean Energy Initiative incorporates many of the recommendations from those PCAST reports.

A congrats letter to

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THE WHITE HOUSE

WASHINGTON

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February 4, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra

SUBJECT: Office of Intergovernmental Affairs Weekly Report, January 31- February 4, 2000

SOUTHWEST BORDER INITIATIVE

The Department of Agriculture sponsored two community forums this week in McAllen and Eagle Pass, Texas to solicit input from state and local officials on the Administration's implementation of your Executive Order on the Economic Development of the Southwest Border, which you issued in May of 1999. Both forums were well attended and included participation by many state and local elected officials as well as Congressman Ruben Hinojosa (D-Texas). Three more community forums are planned before a final report is submitted to Vice President Gore in May of this year.

GOVERNORS

Governor Paul Patton (D-KY): Secretary Richardson and Governor Patton had a great trip to Paducah on Friday, January 28, to announce DOE's response to the Governor's request for assistance. Governor Patton publicly stated, "Let me say that this is an example of your elected leaders working together the way they're supposed to." The Governor will continue to press for more money for FY 2000 with the Kentucky congressional delegation, but he was pleasantly surprised by the FY 2001 cleanup funding figure.

Governor Roy Barnes (D-GA): I spoke to Governor Barnes on January 31 to inform him of your approval of his emergency declaration request for winter storm relief. He appreciated your quick response.

Governor Parris Glendening (D-MD): Following your State of the Union Address on January 27, Governor Glendening issued a statement of support, saying "the President was on target when he said that the state of our union is better than at any time in our history. . . we can achieve the inspirational goals the President outlined tonight." The Governor specifically referenced your proposals on education, the environment, and One America.

Governor Jim Hunt (D-NC): Governor Hunt also released a public statement of support, saying "President Clinton hit the mark tonight--on education, on our economic progress, on our families, our environment, our farmers, and our future." The Governor also cited your proposals regarding fatherhood and smart growth. IGA notified Governor Hunt of your approval of his disaster request for winter storm relief.

THE PRESIDENT HAS SEEN
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Governor Jim Hodges (D-SC): The Governor has requested to speak with you to urge you to speak at an event for the South Carolina Democratic Party in March honoring Representative Jim Clyburn (D-SC). IGA and Political Affairs have submitted a call request for you to consider. We also notified Governor Hodges of your approval of his disaster request for winter storm relief.

LEGISLATORS

National Conference of State Legislatures (NCSL): Your remarks to the NCSL Silver Anniversary dinner on February 2 were very well received. The "My One Wish for America" message you delivered at the conclusion of your remarks was a showstopper. Today, IGA hosted a White House briefing for more than 150 NCSL leaders, with presentations by Census Director Ken Prewitt, Ambassador Barshefsky, Josh Gotbaum (OMB), and Chris Jennings (DPC).

CITIES / COUNTIES

DOT Transit Grants: Today, Vice President Gore and Secretary Slater called the mayors and county executives of the cities receiving DOT transit grants for new light and commuter rail projects. The grant recipients are Portland, OR; Seattle, WA; Chicago, IL; Pittsburgh, PA; Memphis, TN; Salt Lake City, UT; Minneapolis-St. Paul, MN; Denver, CO; Baltimore, MD; Northern New Jersey; and Washington, DC.

SCHOOL BOARD MEMBERS

IGA worked with the National School Boards Association to coordinate a White House Briefing for 140 school board members from 45 states and the Virgin Islands on February 1. Speakers addressed the group and fielded questions about the Administration's FY 2001 education agenda, school construction initiative, and the White House Initiative on Educational Excellence for Hispanics. School board members clearly appreciate your substantial support for improving our public schools.

INSULAR AREAS

Reactions to your Vieques directives have been mixed. Puerto Rico's House passed a resolution of support after defeating a proposal by its 'Commonwealth' party leader for a referendum on your directives. They were supported by members of the statehood party, including Governor Pedro Rossello (D), Vieques Mayor Manuela Santiago (I), and Resident Commissioner Carlos Romero-Barcelo (D).

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THE WHITE HOUSE
WASHINGTON

February 4, 2000

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MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: **MARY BETH CAHILL** MBC
DIRECTOR, OFFICE OF PUBLIC LIAISON

SUBJECT: **WEEKLY REPORT** (January 28 to February 4)

I. ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES:

FY2001 BUDGET

OPL Hosts Briefings to Amplify Budget Roll-Out. On Monday, OPL is coordinating a plenary briefing for all our constituencies with Jack Lew, Gene Sperling, and Loretta Ucelli. On Thursday and Friday, OPL is also hosting issue-specific briefings and conference calls on the following: Healthcare, Education, Immigration, Foreign Affairs, Women, People with Disabilities, and Latinos.

CHINA PNTR

OPL Continues Aggressive Outreach to Promote China PNTR. In addition to placing senior Administration officials before corporate groups, OPL is actively amplifying your message. Copies of your remarks in Davos, your letter to Congress on China, and Berger's remarks to the Wilson Center have been widely circulated among the Washington corporate offices. On Friday, Sperling spoke to more than 100 members of the US Chamber of Commerce Asia Task Force and argued for the business community to fully engage in the promotion of China PNTR. The business community believes the establishment of a centralized working office in the White House dedicated to China PNTR is another strong showing of your commitment.

OPL Organizing Supporters. OPL compiled a list of potential China PNTR validators among faith leaders; we are working with NSC and State to encourage their support and determine how they might be most helpful.

HATE CRIMES

OPL Hosts A Meeting on Hate Crimes. On Wednesday, February 2, OPL, DPC and Counsel office held a meeting with representatives from the law enforcement community to discuss the Administration's proposed Hate Crimes legislation. Law enforcement groups supporting the legislation include: the International Association of Chiefs of Police, the National Sheriffs Association, Police Executive Research Forum, the National Organization of Black Law Enforcement Executives, and the Federal Law Enforcement Officers Association. The meeting was generally positive, though two specific concerns where raised: federal jurisdiction (i.e. when

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does the Federal Government intervene in local hate crimes prosecutions); and including the murder of police officers in the definition of hate crime.

BREAST CANCER

Breast Cancer Funding Increase. To energize supporters of breast cancer research, OPL conducted a conference call with leaders in the field of women's health in advance of your radio address.

DIGITAL DIVIDE

Ford Motor Company Announces Computer Initiative. On Thursday, Ford announced it would provide personal computers, printers, and Internet access for all of its 350,000 employees – from executives to people working on the loading docks. This move, in cooperation with Hewlett-Packard, is the most significant effort by a major corporation to bridge the digital divide. Observers speculate that General Motors and Chrysler will feel compelled to follow suit. Bill Ford, Chairman of Ford Motors, was scheduled to join you at the CEO reception in Davos. Carly Fiorina, CEO of HP, met with you in the Oval Office in mid-January.

Good - [illegible]

II. CONSTITUENT OUTREACH AND OTHER ISSUES:

AFRICAN AMERICAN OUTREACH

Actor Malik Yoba Interested in Supporting your Fatherhood Initiatives and Council Against Youth Violence. Yoba, acclaimed actor from "New York Undercover," met with OPA, DPC, One America, and OVP to discuss his Daddy Conference 2000, scheduled for this summer. The conference will provide a forum for communicating experiences and learning strategies for effective fathering. Mr. Yoba is also the founder of the Malik Yoba Fatherhood Project, co-writer of a forthcoming feature film on fathering, and is developing a parenting magazine aimed at minority fathers.

ASIAN PACIFIC AMERICAN OUTREACH

Asian American Community Praises Initiative to Preserve Internment Camps. This week the Vice President announced the most comprehensive report ever on the history and status of World War II internment camps, and proposed $4.8 million for a new initiative to help preserve several of these sites throughout the West. OPL worked with CEQ to develop the initiative and outreach plan. Several Asian American organizations, including the Japanese American Citizens League and the Organization of Chinese Americans, issued statements praising the Vice President for his leadership.

DISABILITY OUTREACH

Disability Advocates Disturbed by Threats to ADA. Internet alerts are sweeping the disability community on two issues. First, the House is holding a hearing on February 9 in response to private sector complaints that the ADA should not apply to the Internet. This could undermine aspects of your Digital Divide initiative. Second, in another Federalism decision, the Supreme Court will rule on two ADA cases, potentially concluding that Title II of the ADA regarding state and local governments' accessibility obligations is unconstitutional. The decision will likely be reached in June, the month before the ADA's 10th Anniversary.

GAY/LESBIAN OUTREACH

Gay Rights Groups Thrilled with Secretary Cohen's Announcement of Training Plans for the "Don't Ask, Don't Tell" Policy. Advocates were especially pleased that the leadership of the service branches made official statements condemning harassment.

RELIGIOUS OUTREACH

Strategy Session with Jubilee 2000 Groups. We hosted an excellent meeting with religious groups and other NGOs on reduction of Third World Debt. Treasury Secretary Summers briefed them, encouraging them to broaden their coalition to established groups that support international institutions and to African Americans. They asked for more sensitivity to environmental as well as social issues, and a greater role by the IMF in poverty reduction. They also warned that the strong anti-military views of their constituents could force them to remain silent on a bill linking HIPC to the Colombia initiative. That linkage could even compel a few to oppose the bill.

THE PRESIDENT HAS SEEN
2-11-00

February 4, 2000

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MEMORANDUM TO THE PRESIDENT AND VICE PRESIDENT

Copied
Moore
Podesta

FROM: Minyon Moore

SUBJECT: Weekly Political Report

ALABAMA

Siegelman's approval rating high. An Alabama Poll conducted January 12-17 showed that Governor Don Siegelman (D) has a 65% job approval rating. That is two points higher than the rating he received last May, before the state legislature rejected his state lottery proposal, the centerpiece of his campaign.

CALIFORNIA

Governor Davis raises $13 million for 2002 gubernatorial bid. On Monday, the campaign committee of Governor Gray Davis (D) reported he raised more than $13.2 million in campaign funds during his first year in office. As a result, after deducting expenses, Davis had nearly $14.5 million heading into 2000. Davis is taking advantage of what could be a temporary relaxation of California's campaign finance laws. California's restriction on campaign financing, Proposition 208, passed in 1996 by 61% to 39%, but was later suspended by the state Supreme Court. Last week, however, the U.S. Supreme Court upheld a Missouri campaign finance reform law which some say makes it more likely that 208 will be reinstated. Furthermore, on March 7 voters will decide the fate of Proposition 25, which would impose contribution limits and provide partial public financing for candidates who abide by voluntary campaign spending limits. Proposition 25 would also ban fund-raising in the 2002 governor's race until June 2001. Davis has announced his opposition to Proposition 25, saying that it would do absolutely nothing to rein in the unlimited amounts of money wealthy candidates can and do spend on their own campaigns. During the 1998 gubernatorial campaign, Davis faced two millionaires (Jane Harman and Al Checchi) in the Democratic primary.

GOP state Party. Some business and donor leaders want to change the post of state GOP Party Chair to a paid position. Last year, the debt-ridden California GOP recruited state Senator Jim Brulte to step down as the co-chairman of the state campaign for George W. Bush, with Bush's blessing, to become the party finance chair. The state GOP is now showing a cash balance of $1.5 million. Sources with the California Democratic Party report it ended the year with $2.3 million in the bank, of which $1.4 is set aside for the coordinated campaign. The State Democratic Party convention will be held February 11-13 in San Jose.

FLORIDA

Governor Bush misreads opposition to affirmative action plan. On Thursday, a rough crowd packed a downtown Miami theater transformed a forum on Governor Jeb Bush's One Florida diversity program into an emotional civil rights rally filled with attacks on the Governor. More than 100 constituents spoke for three minutes each and the majority were African American, Hispanic, and women. The crowd accused him of trying to roll back gains made by minorities and women in the state of Florida. However, Governor Bush stood behind his plan to overhaul the state's affirmative action program.

ILLINOIS

Governor Ryan's aide faces possible indictment. On Tuesday, former inspector general of the secretary of state's office, Dean Bauer, was indicted. Bauer, who was appointed by then Secretary of State George Ryan (R) to investigate corruption in his office, was charged with hastily shutting down an investigation into a November 1994 accident in Wisconsin in which 6 children in one family were killed. Witnesses have testified that the driver whose truck caused the accident got his license through a fixed test. Bauer, one of Ryan's closest friends, was also accused of failing to pursue allegations of corruption at a licensing facility. This is the first time Federal prosecutors have secured an indictment in their year-long investigation of corruption in the secretary of state's office against any official close to Ryan. Prosecutors have charged 28 individuals with wrongdoing in connection with the drivers' license program under Ryan and have gotten guilty pleas from 17 of them. Prosecutors say payoffs in exchange for commercial drivers' licenses were used to buy political fundraising tickets that put more than $170,000 into campaign funds, mostly Ryan's.

Last week, Ryan apologized and took responsibility, but continued to say he knew nothing about payoffs in exchange for licenses. Hoping to divert public attention away from the federal probe, Ryan announced on Monday that Illinois will halt executions and conduct a review of capital punishment after the release of a series of inmates from Death Row. The moratorium will permit a Ryan-appointed commission to study the issue and determine what led to the wrongful convictions of 13 men sent to Death Row since Illinois reinstated the death penalty in 1977. Illinois becomes the first state to halt capital punishment to study it. Of 86 Death Row inmates exonerated nationwide over the last 25 years, 13 are from Illinois. All told, 165 men and women are on Illinois' Death Row. Three have been freed since Ryan took office.

MICHIGAN

Republican state Party chair resigns. On Wednesday, popular Michigan Republican Party Chair Betsy DeVos resigned in a dispute with Governor John Engler (R). The two have been at odds over the party's role in a school voucher ballot proposal. DeVos has been vocal voucher supporter, while Governor Engler is harshly against the ballot proposal. DeVos is married to Amway Corporate executive Dick DeVos, who was the founder of the voucher effort and invested over $500,000 in the ballot measure. DeVos was originally recruited for her job by Governor Engler, but she had increasingly become at odds with the governor in recent months. Many Democratic insiders think DeVos' departure will force the state GOP to now focus on her replacement and rebuilding the party, thus losing its momentum towards next month's GOP primary, which Engler has promised to deliver as a victory for George W. Bush.

Meeting with state House Democratic leader. On Wednesday, Orson Porter and I met with Democratic Leader Senator John Cherry (D), Assistant Floor Leader Senator Bob Emerson (D), and key caucus staff. The delegation encouraged us to continue to reach out and find creative ways to coordinate our message with local officials.

NEW YORK

Cuomo, McCall even in 2002 gubernatorial primary poll. A Manhattanville College poll showed Housing Secretary Andrew Cuomo (D) and state Comptroller H. Carl McCall (D) are in a statistical tie among Democratic voters. When asked about their preferences for the 2002 governor's race, Cuomo received the support of 33%, while McCall was backed by 32%. State Attorney General Eliot Spitzer (D), who said he doesn't plan to run for governor and expects to back McCall, was third with 14%, while 22% were undecided.

PENNSYLVANIA

Democratic State Party fails to endorse Senate candidate. Last Friday, the winter meeting of the Democratic State Committee ended in chaos when delegates from the state's 67 counties could not agree on endorsing a candidate for Senate. This deadlock means that the party leadership officially will not choose a favorite among the six Democrats competing in the April 4 primary for the right to oppose Senator Rick Santorum (R) this fall. Supporters of Rep. Ron Klink (D) walked out after party leaders refused their request to vote on a proposal to endorse a candidate.

WASHINGTON

Comprehensive Test Ban Treaty Ads. On January 27, Peace Action began running a weeklong series of 30-second cable TV ads asking viewers to call Senator Slade Gorton (R) and urge him to support the Comprehensive Test Ban Treaty. The ads are part of a larger campaign that will be aired in six states represented by Senators who voted against the treaty.

U.S. HOUSE 2000

Note: Attached you will find a chart listing fundraising figures released this week in targeted House, Senate and gubernatorial races.

FL-15: Gephardt cousin enters race. State Senator Patsy Kurth (D), a cousin of Minority Leader Dick Gephardt, will challenge Rep. David Weldon. Kurth is term-limited in the state House and her Senate district overlaps the 15th congressional district. Weldon has easily defeated past challengers in this Republican leaning district, but Kurth's name recognition could pose a challenge for Weldon.

KY-01: Governor Patton clears Democratic field for Roy. On Wednesday, attorney Lee Steers (D) withdrew from the race for the first Congressional seat now held by Republican incumbent Ed Whitfield (R). Governor Paul Patton had urged Steers to reconsider his candidacy, thus avoiding a costly Democratic primary. Steers' withdrawal clears the way for former U.S. Marshall Brian Roy (D) to take on Whitfield in the fall. In the '98 election Whitfield handily defeated Tom Barlow (D) 55% to 45%. But many Democratic Party officials think that this district could be won, due to its strong Democratic base and Governor Paul Patton's (D) support.

KY-03: Governor Patton is also involved in the Democratic primary in the third Congressional District. Governor Patton has endorsed state Rep. Eleanor Jordon for the seat, which is now held by Rep. Anne Northup (R). In '98, Northup narrowly defeated Chris Gorman (D), 47% to 51%. Many insiders think the state has a good opportunity to take back three congressional seats. The third targeted race is the sixth district, where former Rep. Scotty Baesler (D) is challenging Rep. Ernie Fletcher (R) for his old seat.

MN-04: Rep. Vento retires. On Tuesday, Rep. Bruce Vento (D) announced that he is retiring from Congress at the end of the current term due to health reasons. Vento has been diagnosed with lung cancer. Vento's announcement has triggered a scramble for his seat among Democrats and Republicans. This seat should remain in Democratic hands.

NJ-03: Mayor Levin to challenge Rep. Saxton. On Wednesday, Cherry Hill Mayor Susan Bass Levin (D) officially declared that she will challenge Rep. Jim Saxton (R) for the 3rd Congressional District seat this fall. While Saxton has routinely defeated his past Democratic opponents, never winning with less than 58%, Levin is an extremely popular mayor, and the district went for Clinton/Gore by a 12% margin in 1996.

NM-01: Democratic field continues to grow, Rep. Wilson has $500,000 cash on hand. This Sunday, former U.S. Attorney John Kelly (D) will officially announce his candidacy challenging Rep. Heather Wilson (R). Kelly will face former Albuquerque City Council Member Sam Bregman (who lost his City Council seat last October), attorney John Wertheim, and former state Rep. Bob Perls in the Democratic primary. Wilson's year-end FEC reports show $549,960 cash-on-hand.

OH-17: Rep. Traficant expects indictment. Last weekend, Rep. James Traficant (D) told a Democratic club he is sure that the Justice Department wants to link him to organized crime and an indictment seems inevitable. On the pending indictment Traficant said that "as much as they want to, they have been unable to link me in any way to organized crime or any criminal acts. The reason why they have not been able to tie me to any illegal activity is very simple: I have done nothing wrong. End of story." The organized crime probe has resulted in more than 50 convictions. Among the defendants was Charles O'Nesti of Youngstown, former district director for Traficant, who in 1998 pleaded guilty to perjury and racketeering conspiracy charges. In 1983, a federal jury acquitted Traficant of charges that he took $163,000 in mob money as Mahoning County Sheriff. The current investigation comes at the same time Traficant is facing the most serious contest of his political career with 2 Democratic primary opponents blasting him as the symbol of corruption. Traficant's chief opponent in the March 7 primary will be State senator Robert Hagan (D), who is the younger brother of former Cuyahoga County Commissioner Tim Hagan. The third candidate in this race is Mahoning County Auditor George Tablack (D). Currently, Traficant is expected to win the primary and the general elections. Obviously, support for him might drop if he is indicted.

OK-04: Rep. Watts announces reelection bid. Despite his 1994 pledge to the voters to call it quits after three terms, Rep. J.D. Watts (R) announced he will seek reelection to Oklahoma's 4th District on Tuesday. Watts also announced he will seek reelection to the Republican Conference chairmanship. Watts has raised nearly $400,000 for his reelection campaign and does not plan to take any NRCC funds. At this time, no Democrat is seriously considering challenging Watts.

VA-05: Boyd challenges Goode, Goode pays dues to NRCC. John Boyd, president of the National Black Farmers Association, will run as a Democrat against Rep. Virgil H. Goode, Jr. (I). Last week, Goode said he was leaving the Democratic Party to seek reelection as an Independent and will participate in policy-making caucuses with the GOP. This week, Goode contributed $7,500 to the National Republican Campaign Committee. Boyd's candidacy caught many state Democrats by surprise. Boyd, a 34-year-old tobacco farmer, founded the National Black Farmers Association in 1995 and will be stepping down as its president. Boyd is best known for filing a discrimination law suit, which alleges the Agriculture Department systemically denied loans and other assistance to black farmers.

U.S. SENATE 2000

Florida: Poll shows Education Commissioner Gallagher in dead heat with Nelson. A Florida Voter poll conducted January 20-27 tested Insurance Commissioner Bill Nelson (D), Education Commissioner Tom Gallagher (R), Rep. Bill McCollum (R-08) and Democratic state Rep. Willie Logan (I) in the race for Senate.

THE PRESIDENT HAS SEEN
2-11-00

Gallagher	36%	Nelson	38%
Nelson	35%	McCollum	31%
Logan	5%	Logan	4%

Montana: Schweitzer goes to Mexico. Last week, Senate candidate and rancher Brian Schweitzer (D) announced plans to lead a trip by Montanans to Mexico to buy prescription drugs. Schweitzer has already led trips to Canada for this purpose. According to Schweitzer's cost comparisons, seniors on the trips have averaged savings of $100 each. On Thursday, Senate candidate and Rep. Debbie Stabenow took a page out of Schweitzer's campaign book and bused 15 senior citizens to Canada to buy prescription drugs.

Burns under fire for protecting asbestos manufacturers. Last Saturday, Senator Conrad Burns (R) finally spoke out on the political firestorm that has been ignited in Montana over a Burns co-sponsored Senate measure on asbestos (S.758). The bill became a big issue when news reports last fall claimed that 192 Libby residents have died from asbestos-related diseases and another 375 have been diagnosed with illnesses linked to asbestos exposure all connected to a local mine which closed ten years ago. Environmentalist groups who oppose the measure launched a $75,000 television ad campaign against Burns that claims the Senator is letting companies off the hook by placing a federal bureaucracy in the way of those seeking compensation. The U.S. Chamber of Commerce recently joined the fray with ads of their own supporting the legislation, although not mentioning Burns.

In a press interview last week, Burns claimed he is trying to speed claims settlement through creation of a quasi-judicial settlement process that would remove claimants from federal courts. Burns defended himself saying that he believes he is being targeted because he is up for re-election. On February 16, Senator Max Baucus (D) will hold Senate Environment and Public Works Committee field hearings in Libby. Governor Mark Racicot (R) and Rep. Rick Hill (R) have rejected Baucus' invitation to attend. Burns is expected to do the same. Baucus opposes the legislation. Burns' 2000 Senate opponent Brian Schweitzer (D) has recommended that Burns donate the $29,5000 his campaign received from the asbestos industry to the Libby hospitals for screening and treatment of asbestos-related patients.

Nebraska: Two more Republicans join Senate race. This week, two more Republicans joined the race to replace Senator Bob Kerrey (D). The entry of Secretary of State Scott Moore (R) and Omaha businessman George Grogan bring the total Republican primary candidates to five. The Republican field also includes Attorney General Don Stenberg, Lieutenant Governor Dave Maurstad and physician Elliot Rustad. On Monday, former Governor Ben Nelson (D) stated that he is seriously considering a run for the Senate seat. Analysts think that all of his actions and most of his words show that Nelson has made up his mind, and the announcement is a mere formality. If Nelson enters the race, a primary fight on the Democratic side would be unlikely.

New York: First Lady to officially announce candidacy. On Sunday, the First Lady will kick off her campaign for U.S. Senate with a eight-stop announcement tour. The tour will begin in Westchester County and proceed throughout the state.

First Lady trails Giuliani by seven percent. A Marist Institute poll conducted February 2-3 shows Mayor Giuliani leading the First Lady 47%-40%. Giuliani led by 9% in the Marist poll conducted in January.

General Election Matchup

	All	Upstate	NYC	Suburb	Men	Women	White	Black	Latino	Jew
Giuliani	47%	50%	37%	56%	53%	43%	56%	4%	6%	46%
Clinton	40%	33%	53%	34%	35%	44%	30%	82%	86%	41%

First Lady, Giuliani release ads. On Wednesday, the First Lady began airing her first campaign radio commercial. The 60-second spot says her goals include bolstering family leave benefits, expanding affordable medical care and modernizing the schools. Mayor Giuliani, meanwhile, is ready to launch another barrage of TV ads, which could go on the air as early as today. The mayor has already run two waves of TV spots upstate. The third will tout the mayor as a job builder and tax cutter.

GOVERNORS 2000

Delaware: Burris leads Republicans in fundraising but trails Minner. In just two months, Republican gubernatorial candidate John Burris (R) has raised nearly $500,000 for his campaign. Burris still trails Lt. Governor Ruth Ann Minner (D), the only Democratic candidate, but he is well out in front of his GOP opponents, House Speaker Terry Spence (R) and former judge Bill Lee. Lt. Governor Minner raised about $325,000 in '99, ending the year with $601,800 in cash and no debts. Spence finished the year with $76,400, and Lee finished with $102,000. The race will probably be the most expensive gubernatorial contest in Delaware history. You are scheduled to attend a Washington, D.C. reception to benefit Minner's campaign in on February 22.

NATIONAL ISSUES

Same-sex marriage and benefits in the states. Last Friday, Governor Gray Davis (D) announced his opposition to Proposition 22, known as the Knight Initiative after its author conservative state Senator Pete Knight (R), which would ban California from recognizing same-sex marriages. Davis said he is against same-sex marriages, but believes that the measure is unnecessary because California already defines marriage as between a man and a woman. Davis charged the initiative was placed on the March 7 ballot mainly to stir up prejudices and hostility. A recent statewide poll conducted for the *San Francisco Examiner* found 54% of California voters support the measure and 38% oppose it, with 8 percent undecided.

On Tuesday, an arbitrator ruled that Connecticut must offer health benefits to same-sex partners of state employees. The ruling would extend health and pension benefits to same-sex couples who have lived together for at least a year, as well as their children. The ruling will take effect in 30 days unless it is overturned by a two-thirds vote of either the state House or Senate. Democrats hold a comfortable majority in the House, but hold a slim two-seat majority in the Senate. Senate Majority Leader George Jepsen (D) does not expect the Senate to overturn the ruling.

This week, the Vermont state House Judiciary Committee conducted two public hearings on same-sex marriage in response to a state Supreme Court ruling. On December 20, the state Supreme Court ruled that gay and lesbian couples' exclusion from the rights and benefits of marriage is unconstitutional. The court left it up to the state legislature to find a remedy for discrimination against gay couples. Democrats maintain a slight majority in both state chambers and Governor Howard Dean (D) has expressed his support. Vermont has been inundated with outsiders protesting the court ruling. Only state residents have been allowed to testify at the hearings. A statewide poll conducted January 18-21 by the *Rutland Herald* and the *Barre-*

Montpelier Times Argus found that 38% agreed with the court's ruling, 52% disagreed, and 10% were unsure.

REPUBLICANS

Republican leadership quarrels over financial situation. On February 3, *Roll Call* reported that GOP leadership held a "contentious" meeting on Monday, where NRCC Chair and Rep. Tom Davis (R) "accused" Speaker Dennis Hastert (R) and other Republican leaders of not doing enough to raise money for the party. Hastert angrily responded that he had just completed a fundraising tour of the West Coast that raised approximately $5 million for congressional candidates. The cause of the friction is the latest FEC report, which shows that the DCCC has $19.8 million in the bank compared to $8.3 million for the NRCC. Rep. Davis noted that Minority Leader Gephardt (D) and the Democratic leadership is "single-minded in their aim to recapture the House...including their determination to level the playing field on fundraising."

CLINTON JOB APPROVAL

A Fox News/Opinion Dynamics poll conducted January 26-27 showed President Clinton with a 65% job approval rating and a 43% personal favorable rating. 58% believe the nation is headed in the right direction.

WHITE HOUSE 2000

Republicans

McCain catches Bush in South Carolina polls after drubbing Bush in New Hampshire. After thrashing Texas Governor George Bush in New Hampshire 49%-31%, Senator John McCain has received a big bounce going into South Carolina, the next major primary. In addition to other good news for the McCain campaign (detailed below), two South Carolina polls released this week show McCain with a slight lead over Bush. A Zogby International Poll conducted one day after the primary found McCain leading Bush 44%-39%, while an American Research Group poll showed McCain leading Bush 45%-42%. These polls show a massive shift in a short period of time. Last week's polls showed Bush ahead by 15-20 points, and just last December, Bush held a 45-point lead I the state. The polling news came two days after Bush declared South Carolina to be "Bush country." Bush's campaign responded by stepping up attacks on McCain, calling him a "liberal" and comparing him to the President and the Vice President.

Despite polls, South Carolina still poses serious challenges for McCain. To win South Carolina, McCain needs a large turnout to overcome Bush's strong support from the Republican establishment in the state, led by former Governors Carroll Campbell and David Beasley. Bush has a couple of other advantages: 1) South Carolina, being a much bigger state, is not as conducive to the retail politics that McCain practiced in New Hampshire; and 2) Bush has plenty of money and does not have to abide by spending caps, while McCain has a cap of about $3 million because he accepted federal matching funds. However, McCain should be able to attract a large proportion of the state's 400,000-plus veterans (a larger share of the electorate than in any other state). He should also do well among Independents and Democrats, who can vote in this primary.

McCain's large victory margin raises questions about Bush campaign. McCain's unexpectedly large victory in New Hampshire has created real questions for Bush and the Republican establishment that backs him. While Bush still maintains significant leads in the polls for most of the upcoming primaries, his less-than-dominant Iowa win and his New Hampshire loss brought into question his status as the "inevitable" nominee. To achieve these two lackluster results, Bush raised more money than any candidate in history, spent $37 million, and enjoyed overwhelming support from the party establishment. Further, he focused his campaign on a large tax cut that has not caught on with voters. To top it off, many members in the Republican party were scratching their heads when Bush followed up Tuesday's loss with two peculiar events: 1) a Dan Quayle endorsement; and 2) a visit to Bob Jones University which bans interracial dating. One perceptive analyst pointed out that if Florida Governor Jeb Bush (R) and his Mexican-born wife, Columba, had met as students at Bob Jones University, they would have been expelled for interracial dating. Bush and his campaign return to Texas this weekend to regroup. There has been a lot of finger pointing within the Bush camp for choosing to campaign in New Hampshire on photo ops, rather than Q&A with the voters, as the other campaigns did.

McCain's victory leads to much needed cash infusion. Since his New Hampshire win, McCain has received over $1 million on the Internet. McCain, who has dropped his campaign's Web address in nearly every nationally televised interview he has done, received a surprising 40% of the donations from first-time political givers and 34% of the contributors are under age 40. Political strategists and analysts said that it is the first real example in political campaigns of the Internet revolution having such a significant impact. Overall, McCain has raised $2.2 million on the Internet. All this money qualifies for federal matching funds. The average donation collected on the campaign's Web site is $115, and most of the donations are less than $250. In part due to the Internet fundraising, McCain's campaign expects to meet their goal of $5 million raised by March 7.

McCain gains access to ballot in New York. On Thursday, the New York Republican Party quit their fight to keep McCain off the ballot in New York. The decision came before a federal judge was expected to rule against the party. The decision is expected on Monday. For weeks, Bush and Governor Pataki had both insisted that the primary rules were not burdensome and exclusionary. However, Bush and Pataki came under increasing attack that they were rigging the New York contest to halt McCain's advance. McCain responded to the news by saying, "Republicans of New York rejoice! You're free, throw off your chains!" McCain still faces a difficult challenge in New York, where the Republican establishment is solidly aligned with Bush. It is unclear how Pataki will ensure McCain's access to the statewide ballot. It may require that Pataki ask the legislature to approve a special bill adding the three major contenders -- Bush, McCain and Forbes. The outcome of the legal case and this settlement could influence future presidential primaries and other New York elections. (To add an ironic twist to the story, on Wednesday, Bush was thrown off the ballot in the Bronx after it was determined that his petition signatures were invalid due to "pervasive fraud.")

Bauer ends campaign. On Friday, Gary Bauer bowed out of the race after poor finishes in Iowa and New Hampshire. In Tuesday's primary, Bauer finished with only 1% of the Republican vote. Bauer did not endorse any of the other Republican candidates.

Democrats

After Gore edges out Bradley in New Hampshire, campaigns focus on Super Tuesday. Vice President Gore edged out Senator Bill Bradley in Tuesday's primary 52%-47%. Gore, who found himself behind in New Hampshire for 14 straight weeks, surpassed Bradley after his Iowa victory and then the race tightened. While the victory was generally viewed as a step forward for the Gore campaign, Bradley's competitiveness is seen as a possible harbinger of a tough Democratic primary season. Bradley, still winless, was close enough in New Hampshire to claim a mandate to continue the race. The next Democratic test is March 7, Super Tuesday, when more than a dozen states will be contested, including California and New York.

After repeatedly calling the Vice President's challenge to stop running ads and debate twice a week "a gimmick," this week Bradley challenged the Vice President to weekly debates through Super Tuesday. The Vice President accepted the challenge on the condition that Bradley curtail television ads. To date, the campaigns have reached no agreement. As the campaign moves forward, the Vice President is given the edge for his stamina, skills, and organizational superiority. The Vice President holds substantial leads in the polls in almost all states. However, Bradley has the financial resources to match him dollar for dollar.

Other states

Connecticut. A Connecticut Poll released this week showed the Vice President leads Bradley by 21 points, while Bush leads McCain by 40 points.

New York. A Democratic primary poll released by Peter D. Hart Research Associates showed the Vice President leading Bradley 49%-26%, and leading in every category of voters. A Zogby International poll of general election matchups showed the Vice President leading Bush 44%-35%. Bradley led Bush by 11 points, and McCain led the Vice President by 3 points. Both states hold primaries on March 7.

General

Candidates' FEC reports. This week, the candidates' Federal Election Commission reports were released. As expected, Bush still continues to dominate this area with $31.4 million on hand, although he has spent a record $37.3 million to date. Bradley, with $8.3 million on hand, leads Gore who has $5.7 on hand.

Candidate	Raised	Spent	Cash on Hand	Matching Funds
Bush	$68.7	$37.3	$31.4	not applicable
McCain	$15.7	$14.2	$1.5	$6.2
Gore	$28.9	$23.2	$5.7	$12.4
Bradley	$27.7	$19.4	$8.3	$11.4

(Numbers in $ millions)

Front-loaded primary schedule leaves few days left before Super Tuesday. Both Democrats and Republicans are expected to choose their presidential nominees between now and March 7. (The attached schedule reflects the complete listing of primaries and caucuses that will be held during that period and the number of convention delegates at stake in each state.) As of March 7, Republicans will have selected 44% of their delegates and Democrats will have committed 32% of theirs. By the following week on March 14, the total committed delegates will stand at 68% for Republicans and 56% for Democrats. Factoring in the Democrats' super delegates, some 70% of that party's delegates could be considered to have been allocated by the second Tuesday in March. Technically, super delegates are not committed until they vote on the convention floor. However, the Vice President has approximately 470 super delegates pledged to him this point - - nearly one-quarter of the total needed to clinch the nomination. Bradley has approximately 40 committed super delegates.

THE WEEK AHEAD

POTUS: On Monday, the President will address the U.S. House Democratic Caucus Issues Conference in Hot Springs, Virginia. On Tuesday, he will attend a DNC reception and dinner in Washington, D.C. On Wednesday, the President will travel to McAllen, Texas to attend events for the DNC and Rep. Ruben Hinojosa. He will then travel to Dallas, where he will attend a DNC dinner before returning to Washington, D.C.

VPOTUS: On Saturday, the Vice President will travel to Nashville, Tennessee. Sunday through Tuesday, he will be in New York. On Tuesday and Wednesday, he will campaign in Florida, with events in Ft. Lauderdale and Tampa. On Wednesday, the Vice President will travel to Detroit, Michigan and Dayton, Ohio for campaign events. On Thursday, he will make a campaign stop in Houston, Texas. Thursday through Saturday, he will campaign in Los Angeles and San Jose, California.

FLOTUS: On Sunday, the First Lady will formally kick off her campaign at an event at the SUNY-Purchase campus in Westchester, accompanied by the President, Chelsea, and her mother, Dorothy Rodham. After the announcement, she will conduct a week-long tour throughout New York in a Chevy Suburban.

MEG: On Monday, Mrs. Gore will campaign in San Antonio and Houston, Texas. On Tuesday, she starts the day campaigning in Houston and continues to Tulsa, Oklahoma. On Friday, Mrs. Gore will campaign in Augusta, Georgia, and Miami and Key West, Florida.

Campaign Finance Reports

***Amounts were not available where figures are missing.*

Office	State	Candidates	Raised	Cash on Hand
Governor	DE	Lt. Gov. Ruth Ann Minner (D)	$325,000	$601,800
		John Burris (R)	$500,000	
		State House Speaker Terry Spence (R)		$76,400
		Former Judge Bill Lee (R)		$102,000
Senate	CA	Senator Dianne Feinstein (D)	$1.9 million	$2.6 million
		Rep. Tom Campbell (R)	$521,000	$1.2 million
	FL	Rep. Bill McCollum (R)	$2.25 million	$2 million
		State Insurance Comm. Bill Nelson (D)	$2.14 million	$1.8 million
		State Rep. Willie Logan (I)	$250,000	$10,000
	MI	Senator Spencer Abraham (R)	$4.6 million	$4 million
		Rep. Debbie Stabenow (D)	$2.3 million	$1.7 million
	MN	Senator Rod Grams (R)	$2.2 million	$1.2 million
		Six Democratic candidates combined	$1 million	$600,000
	MO	Senator John Ashcroft (R)	$4.8 million	$3.44 million
		Governor Mel Carnahan (D)	$3.9 million	$2.55 million
	NJ	Former Gov. Jim Florio (D)	$511,500	$800,000
		Frmr. Goldman Sachs CEO John Corzine (D)	$1.4 million	
		State Sen. William Gormley (R)	$1.53 million	$1.5 million
	OH	Senator Mike DeWine (R)		$2.5 million
		Ted Celeste (D)		$26,821
	VA	Frmr. Gov. George Allen (R)	$1.6 million	$3.2 million
		Senator Charles Robb (D)	$1 million	$1.8 million
	WA	Senator Slade Gorton (R)	$2 million	$1.6 million
		State Insurance Comm. Deborah Senn (D)	$805,000	$542,000
House	CA-15	State Assemblyman Jim Cuneen (R)	$140,000	
		Bill Peacock (D)	$77,700	
		State Assemblyman Mike Honda (D)	$29,000	
	CO-06	Rep. Tom Tancredo (R)	$450,000	
		Businessman Ken Toltx (D)	$235,000	
	CT-05	Rep. Jim Maloney (D)	$592,000	$411,000
		Mark Nielsen (R)	$327,000	$252,000

FL-08	Orange Co. Clerk of Courts Linda Chapin (D)	$390,000	$294,949
	State Rep. Bill Sublette (R)	$209,000	$160,158
	Attorney Ric Keller (R)	$107,000	$85,417
	Businessman Bob Hering (R)	$28,000	$5,733
FL-22	State Rep. Elaine Bloom (R)	$739,000	$602,000
	Rep. Clay Shaw (R)	$604,000	$1 million
GA-07	Roger Kahn (D)	$750,000	$500,000
	Rep. Bob Barr (R)		
IL-17	Rep. Lane Evans (D)		$220,900
	Dr. Harold Bayne (R)		$184,000
	Mark Baker (R)	$96,000	$101,000
MI-08	State Senator Mike Rogers (R)	$671,000	$605,000
	State Senator Dianne Byrum (D)	$542,000	$392,000
NV-01	Rep. Shelley Berkley (D)	$946,000	$761,000
	State Senator Jon Porter (R)	$201,000	$170,000
NM-01	Rep. Heather Wilson (R)		$549,960
	Former U.S. Attorney John Kelly (D)		
OH-02	Columbus City Councilmember Maryellen O'Shaughnessy (D)	$220,220	
	State Rep. Pat Tiberi (R)	$529,041	$415,180
OK-04	Rep. J.C. Watts (R)	$400,000	$304,160
OR-01	Rep. David Wu (D)	$612,000	$413,000
	Alice Schlenker (R) and Charles Starr (R)	$62,000	$14,890
PA-13	Rep. Joe Heoffel (D)	$578,293	$418,516
	State Senator Stewart J. Greenleaf (R)	$280,028	$200,173
TX-05	Frmr. WH IGA Director Regina Montoya-Coggins (D)	$555,000	$440,000
	Rep. Pete Sessions (R)	$439,000	$472,000

The President will attend the fundraising events for the following candidates:

Delaware Lt. Governor Ruth Ann Minner	February 22 in Washington, D.C.
Florida State Rep. Elaine Bloom	February 29 in Miami
California Senator Dianne Fienstein	March 3 in San Francisco
Missouri Governor Mel Carnahan	March 9 in Washington, D.C.
Michigan Rep. Debbie Stabenow	March 28 in Washington, D.C.
Virginia Senator Charles Robb	April 14 in Virginia

PRIMARY SCHEDULE & DELEGATE COUNT

(Schedule is through March 14. All states are primaries except where noted as caucus.)

Date	Delegates Democrat	GOP
Feb. 8		
Delaware		12
Feb. 8		
Delaware	---	12
Feb. 19		
South Carolina	---	37
Feb. 22		
Michigan	---	58
Arizona	---	30
Feb. 26		
American Samoa caucus	---	4
Guam caucus	---	4
Virgin Islands caucus	---	4
Feb. 27		
Puerto Rico	---	14
Feb. 29		
Virginia caucus	---	56
N.D. caucus	---	19
March 7		
California	367	162
New York	243	101
Ohio	146	69
Massachusetts	93	37
Georgia	77	54
Washington	75	37
Missouri	75	35
Maryland	68	31
Connecticut	54	25
Minnesota	---	34
Maine	23	14
Hawaii	22	---
Rhode Island	22	14
Idaho	18	---
Vermont	15	12
North Dakota	14	---
American Samoa	3	---
March 9		
South Carolina	43	---

Date	Delegates Democrat	GOP
March 10		
Colorado	51	40
Utah	24	29
Wyoming caucus	---	22
Dems Abroad Caucus	7	---
March 11		
Michigan caucus	129	---
Minnesota caucus	74	---
Arizona caucus	47	---
March 12		
Nevada caucus	20	---
March 14		
Texas	194	124
Florida	161	80
Tennessee	68	37
Louisiana	61	29
Oklahoma	45	38
Mississippi	37	33

Delegate Summary

	Democrat	GOP
Total Delegates Thru 3/14:	2,369	1,365
Needed to nominate:	2,169	1,034
Total Delegates:	4,337	2,066

Current Delegate Count

Republicans (1,034 needed to win out of 2,067)

Bush	15
McCain	11
Forbes	10
Keyes	4
Bauer	2
Hatch	0

Democrats (2,169 needed to win out of 4,337)

Gore	42
Bradley	27