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001. memo	Bob Nash to POTUS re: Office of Presidential Personnel Weekly [partial] (2 pages)	03/17/2000	b(6)

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FOLDER TITLE:

Saturday, March 18, 2000 [2]

2019-0990-S
rs3445

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or
financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President
and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of
personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed
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2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of
an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial
information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of
personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement
purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of
financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information
concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE
WASHINGTON

March 17, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. T.M.
KRIS M. BALDERSTON KMB

SUBJECT: Summary of Cabinet Weekly Reports
March 11 - 17, 2000

Approved
Enure Report:
Marshall
Balderston
Podesta
Pg. 4
Spelling

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **FY2001 Budget:** Following your statements on the budget and the Cabinet briefing with John Podesta on March 16, the members of your Cabinet will reach out to media outlets across the country over the next week to highlight the themes and initiatives in the Administration's budget proposal. We expect Cabinet members to amplify the Administration's budget priorities to over 50 cities from coast to coast. Also, following the meeting on March 16, Secretaries Riley, Shalala, and Slater spoke to the White House press corps and stressed the differences between the Republican plan and that of the Administration.

DEPARTMENT OF TREASURY

- **Minimum Wage/Business Tax Cut:** On March 9, the House passed by 282-143 a bill increasing the minimum wage by one dollar over two years. The bill contains overtime provisions that are objectionable to Democrats, moderate Republicans, and labor. The House also passed a companion measure which includes a variety of tax cuts for businesses. This bill, which would cost \$45B over five years and \$123B over ten years, would reduce estate taxes, increase the business meal deduction to 60 percent (up from 50 percent), and accelerate the date when health insurance premiums for the self-employed are fully deductible. The bills will now go to conference with a Senate minimum wage bill passed in February.
- **International Financial Institutions:** On March 20, Secretary Summers will address the Council on Foreign Relations in New York City. Following on his December IMF speech, he will address core development priorities in the multilateral development

banks, presenting an affirmative but realistic picture. On March 23, Secretary Summers will testify before the House Banking Committee regarding IMF reform and reforms to the international financial architecture. The other panels at the hearing will address the recently released report of the International Financial Institution Advisory Commission (better known as the Meltzer Commission) and Ukraine.

- **China/PNTR:** On March 14, Secretary Summers delivered a keynote address on the importance of granting China PNTR before the Electronics Industry Association. On March 21, Secretary Summers will travel to Dallas, TX to speak to the Dallas Committee on Foreign Relations and meet with *The Dallas Morning News* editorial board on PNTR.
- **Buybacks:** On March 10, Treasury conducted its first buyback operation in 70 years, repurchasing \$1B of outstanding government securities. The operation was well received by the dealer community and resulted in an 8.6 to 1 coverage ratio. On March 16, Treasury conducted its second buyback operation, again repurchasing \$1B.
- **Social Security:** The Senate vote on the earnings test provision has been delayed until after next week's Senate recess. On March 9, the Senate reached a unanimous consent agreement that allows the bill to be brought up on March 21 with limited debate. One of the reasons for the delay was the objection of Senator Kerrey, who wants the Senate to consider proposals to restructure Social Security in addition to the earnings test provision.
- **National Summit on Identity Theft:** On March 15-16, Treasury held the first National Summit on Identity Theft. Secretary Summers gave opening remarks and the FTC Chairman, Robert Pitofsky, gave the keynote address. Participants included representatives from the White House, DOJ, and SSA, as well as a number of consumer advocacy, non governmental and private sector groups including: American Express, America On Line, Chase Manhattan Bank, Citibank, Equifax, the Privacy Rights Clearing House, Trans Union, and Visa International. A series of forums will be held in the future to discuss issues raised at the Summit.

DEPARTMENT OF JUSTICE

- **Judicial Nominations:** On March 8, the Senate approved the nominations of Marsha Berzon and Richard Paez, both to be U.S. Circuit Judges for the Ninth Circuit Court of Appeals. On March 2, the nomination of Bonnie Campbell to be a United States Circuit Judge for the Eighth Circuit was sent to the Senate. On March 7, the Senate confirmed the nomination of Julio Fuentes, to be a U.S. Circuit Judge for the Third Circuit.
- **Indictment of Former INS Employee:** On March 3, a federal grand jury returned a five-count indictment against the former section chief of the INS Adjudications Division in Miami. The indictment charges the defendant with communicating national defense

information to an unauthorized person in violation of the Espionage Act and converting government property, in the form of classified information, to his own use. The indictment also charges the defendant with three separate counts of making false statements on a security clearance form and to FBI and INS agents.

- **Former Congressman Pleads Guilty to Contempt:** On March 8, in the District of Columbia, Carl Christopher Perkins, a former member of the U.S. House of Representatives from KY, pleaded guilty to a one-count information charging him with criminal contempt. The information charged Perkins with making false statements concerning his calendar year 1994 income to the U.S. Probation Office and the U.S. District Court for D.C., in connection with his 1995 sentencing in a prior federal prosecution relating to the House Bank scandal. During the sentencing process in that case, Perkins had represented that his total income for 1993 and 1994 was \$175,000, when in fact his 1994 income alone was more than \$343,000. The Probation Office and the court relied on these statements in concluding that Perkins lacked sufficient funds to pay a fine or the costs of incarceration.
- **Federal Fugitives Caught in China:** On March 6, two men believed to be Vietnamese nationals, both formerly of Boston, were taken into custody in China, ending their nine-month flight from prosecution for a 1991 quintuple homicide in Boston. U.S. authorities received formal notification from Chinese authorities of the fugitives' arrest and incarceration. The men are awaiting their possible return to Boston to face prosecution for executing five men and seriously wounding a sixth on January 12, 1991. All six victims were shot in the head, execution style, inside a Chinatown basement social club. A third defendant remains at large. Law enforcement authorities from around the globe have been pursuing the men since January 18, 1991.
- **Stock Fraud Scheme:** On March 2, nineteen defendants, including members and associates of various organized crime families, were indicted for participating in a large-scale stock fraud and money laundering scheme between 1993-96. Seventeen of the 19 defendants are charged with racketeering. The indictment alleges that principals of two Manhattan brokerage firms, together with other brokers and brokerage firms, planned and carried out a series of fraudulent securities schemes and then laundered tens of millions of dollars of illicit profits. The firms' partners were allegedly able to acquire secret control of securities through undisclosed financial arrangements. The indictment further alleges that the partners enlisted the help of individuals affiliated with organized crime families to protect and promote their criminal activities by resolving disputes and performing other services.
- **FL Terrorism Conference:** From March 28-30, the U.S. Attorney for the N.D. FL will sponsor the Annual Spring Law Enforcement Conference in Sandestin, FL. The National Domestic Preparedness Office will provide a presentation on state and local response and

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assistance when terrorist acts occur involving weapons of mass destruction. The FL Department of Law Enforcement will also be on hand to demonstrate its criminal justice database. Members of the U.S. Secret Service's Financial Crimes Unit will discuss Internet and cellular telephone technologies. Participants will represent federal, state, and local law enforcement agencies.

DEPARTMENT OF INTERIOR

- **World Oil Reserves:** The USGS plans March 22 to release a new study estimating undiscovered world oil reserves outside the U.S. The study is based on analysis of likely oil-producing geologic formations. It updates a 1995 study. Key points of the study are: (1) there is probably more oil in the planet and slightly less natural gas than previously believed; (2) major oil producing areas in the future may include the coasts of South America and Africa within the territorial waters of nations that are not now part of OPEC; (3) OPEC nations have plenty of oil reserves; (4) Mexico and Canada have less oil than previously believed; and (5) the former Soviet Union has less natural gas than previously believed. USGS briefed the Senate on March 14. USGS briefed the House on March 17 and will unveil the report at an international oil conference in Paris on March 18, then release the study on March 22.
- **Water Contamination by Leaking Tanks:** The week of March 21, USGS will release a preliminary analysis suggesting that as many as one-third of community water supply wells analyzed in 31 states may be at risk of MTBE contamination because of their proximity to leaking underground storage tanks. It is a particularly big issue in CA, where drinking water must be brought into several areas because of MTBE contamination.
- **Saipan Sweatshop Claim:** Six more major U.S. clothing companies, including Levi Strauss & Co. and Calvin Klein, Inc., have been added to a landmark class action alleging sweat shop labor conditions in the U.S. territory of Saipan. According to the complaint, the more than 13,000 garment workers in Saipan regularly work 12-hour days, seven days a week, often "off the clock" without receiving any pay or overtime. The suit before a HI court is the first attempt to use federal racketeering laws to hold U.S. companies accountable for mistreatment of workers in foreign-owned factories operating on U.S. soil. The new defendants, which also include Brooks Brothers, Inc., Abercrombie & Fitch Co., Talbots Inc. and Woolrich Inc., join some 18 other major U.S. clothing companies that have been accused of allowing mistreatment of thousands of workers in the Pacific island territory.
- **Land Transfer at Fort Wingate, NM:** Fort Wingate, an army base in NM, was created by withdrawing public lands for military purposes. During the next 10-20 years, all lands at the Fort will return to the jurisdiction of DOI. After five years of work, the first parcel

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is nearing transfer from the Army to DOI. When the military reservation is revoked, the lands will return to the jurisdiction of DOI and will be reserved for BIA for the benefit of the Navajo Nation and Pueblo of Zuni. DOI is expected to sign the Public Land Order in early May.

- **Unveiling the National Parks Pass:** During National Park Week 2000, NPS and its legislatively-chartered partner, the National Park Foundation, will unveil the National Parks Pass. For only \$50, the Pass will provide unlimited entrance to all NPS sites for a year for the owner and his or her family (or occupants of their car). Sales of the Pass are expected to raise over \$150M over five years to benefit the national parks.
- **World War II Internment Camps:** NPS recently released the most comprehensive report ever on the history and status of World War II internment camps. The report describes the history and current condition of 35 relocation centers and other facilities where approximately 120,000 Japanese Americans were interned during World War II. Vice President Gore recently proposed a \$4.8M new initiative to help preserve several of these sites throughout the West. The proposed funding for the FY2001 budget would be used to construct a new visitor center at Manzanar National Historic Site in CA; to acquire and protect other former camp sites; to construct an interpretive exhibit near a former work camp in AZ; and to begin an NPS study of "World War II on the Home Front."
- **Students Bound for Pine Ridge Reservation:** More than 50 college students from across the country will spend their spring break at Pine Ridge, SD, on the Pine Ridge Reservation helping with renovation projects at the SuAnn Big Crow Boys and Girls Club and in nearby communities.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Invasive Species Tour:** On successive days March 21–24, Secretary Glickman will address the dangers of invasive species to U.S. agriculture by visiting USDA port inspection facilities in New York, NY; Miami, FL; San Diego and Long Beach, CA. During his tour the Secretary will discuss problems associated with pests and diseases imported from abroad, and will highlight USDA efforts to minimize and reverse damage.
- **Giant Sequoia Forum:** In accordance with your directive, on March 18, the Sequoia National Forest (CA) will host a forum to highlight protection and restoration of the giant sequoia trees. Demonstrations by SAMS (a coalition of pro-forest and public lands access groups) and the Sierra Club are likely. Representatives Radanovich, Dooley, and Thomas are interested in the process.

- **Drought Forecast:** On March 13, Secretary Glickman joined Secretary Daley and NOAA Administrator Baker for a media briefing on the spring drought outlook. While the Northeast should experience some relief from the drought suffered since last summer, dry conditions are expected to continue from the Southwest to FL.
- **Supply and Demand Forecasts:** On March 10, *Crop Production* reported USDA's latest forecast for 1999/2000 citrus and sugarcane production, and USDA made its March 10 projections of U.S. supply, use, and prices for 1999/2000 in the *World Agricultural Supply and Demand Estimates* report.
- **Commodity Markets:** Concerns about the winter crop and a pickup in exports sent wheat prices up last week. Cash corn prices were unchanged, but dryness in the Midwest and continued strong exports boosted futures. Cash soybean prices averaged \$5.00 per bushel for the second consecutive week, but futures fell following the announcement that a large U.S. soybean crushing facility in Arkansas will be shut down. Cash rice prices held steady, but futures moved higher on USDA's forecast for increased exports. Cotton prices rose sharply as near-term supplies tightened; there are reports of continued delivery problems by major exporters, particularly Uzbekistan. Heavy demand for beef, particularly advanced purchases for retail featuring, lifted cattle prices. Slow movement of hogs to market led to higher prices. Broiler prices were virtually unchanged, despite an increase in slaughter. Cheese prices held steady, just above support. Butter prices ticked up slightly on retail featuring.
- **NY Food Safety Regulations:** On March 9, USDA announced that, following routine testing, Three Star Provision Co. of South Ozone Park, NY, voluntarily recalled 270 pounds of cooked Mortadella sausage due to possible salmonella contamination. The product was distributed to wholesale outlets in the greater New York City area. In a related story, on March 7, USDA officials closed the AGY Corp. Plant in Mongaup Valley, for failures in the plant's food safety system plan.
- ✓ • **Census 2000 Income Waivers:** As of March 8, 38 States have agreed to waive income earned by temporary census workers from counting against food stamp eligibility, per USDA policy to approve all such requests. Seven additional states are considering asking for these waivers. States not seeking waivers include KS, ME, MI, SD, VT, and WY.

DEPARTMENT OF COMMERCE

- **Destruction of Abandoned Chemical Weapons in China:** The Bureau of Export Administration (BXA) is facilitating U.S. involvement in the destruction of abandoned chemical weapons in China. The Japanese abandoned these weapons during World War II, and the Japanese Government considers destruction of these weapons a Chemical Weapons Convention obligation. A number of U.S. companies have placed bids on what

will be a lucrative contract, and several U.S. companies obtained State Department licenses to enable them to compete. Tiananmen Square sanctions resulted in the issuance of restrictive licenses that preclude effective U.S. participation. BXA is working to determine if any of the technology or equipment to be used to fulfill the contract is under DOC jurisdiction, and therefore, subject to less restrictive export licenses.

- **Unified Time for North America:** On March 13, the National Institute of Standards and Technology, the Canadian National Research Council, and the Mexican Centro Nacional de Metrologia declared that their respective versions of Coordinated Universal Time (the world time standard known as UTC) are equivalent to within five microseconds for time measurements and within one part in a trillion for frequency deviations. This common time scale ("UTC North America") supports trade and technology across the region, especially through such things as time tags for financial transactions and scientific observations.
- **Organization for the Prohibition of Chemical Weapons (OPCW) Meeting:** From March 20-24, BXA will attend the OPCW meeting on industry issues in The Hague, The Netherlands. The meeting will focus on verification issues that affect the U.S. chemical industry. BXA will ensure that any OPCW decision on these issues will have little or no impact on U.S. regulations presently in effect.
- **Child Online Protection Act (COPA) Commission:** Congress designated National Telecommunications and Information Administration an ex officio member of a Commission to study methods of reducing minors' access to harmful material on the Internet. At the Commission's first meeting on March 7, some private-sector members expressed concern that Congress failed to appropriate funds for the COPA Commission, and the commissioners appointed a subcommittee to request funding.

DEPARTMENT OF LABOR

- **NY Department of Labor Complaint:** A letter has been sent to Secretary Cuomo, complaining about the lack of cooperation and information from both the HUD Regional and National offices in efforts to identify the recipients of HUD employment and training funds. DOL is attempting to identify these recipients so that the local workforce investment areas can bring these mandated WIA partners to the implementation process.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **1998 Births Report:** On March 28, CDC's National Center for Health Statistics is scheduled to release "*Births: Final Data for 1998*," a National Vital Statistics Report. This report features 1998 data on teen births, unmarried childbearing, cesarean deliveries, low birth weight, prenatal care, and many other indicators of maternal and infant health.

Findings show that the teen out-of-wedlock birth rate ~~dropped again in 1998 to 41.5~~ births per 1,000 unmarried teens aged 15-19, down 11 percent from the all-time high in 1994; and unmarried childbearing hit an all-time high in 1998, increasing 3 percent from 1997, reflecting the rising number of unmarried women of childbearing age in the U.S. population.

- **Nursing Homes:** On March 16, the latest Office of Inspector General compliance program guidance addressing nursing facilities was published as a notice in the *Federal Register*. The development and issuance of this compliance program guidance for nursing facilities will continue to serve as a positive step toward promoting a higher level of ethical and lawful conduct throughout the entire health care industry.
- **First Amendment Issues:** HHS has published a *Federal Register* notice describing the U.S. Court of Appeals for the District of Columbia ruling in a First Amendment challenge to the FDA Modernization Act's provisions on the dissemination by manufacturers of written materials about "new uses" of unapproved products and FDA's guidance documents about the promotion of such "new uses." The notice describes the history and outcome of the case and details how the agency intends to exercise its enforcement discretion. FDA, consistent with its longstanding interpretation of the laws it administers, may proceed on a case-by-case basis to determine from a manufacturer's written materials and activities how it intends that its products be used. If the agency brings an enforcement action, a manufacturer may interpose a First Amendment defense.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Interfaith Call to End Gun Violence:** Secretary Cuomo joined with leaders of many of the nation's major religious organizations in an interfaith call to end gun violence, as the religious leaders released a letter supporting Administration initiatives to protect Americans from gun violence. More than 100 religious organizations and leaders have signed the letter, which will be delivered to Congress.
- **Gun Buybacks to Continue:** HUD announced that it will continue funding gun buyback programs around the nation, after the House Appropriations Committee dropped plans to block nearly \$2.6M in HUD funds already awarded for buybacks of about 50,000 guns in 80 cities. HUD approved \$2.6M in gun buyback funding earlier this year for the 80 cities under its Drug Elimination Grant Program, and plans to approve more funding in the future. The buybacks, which are run by local police departments, have taken place so far in Louisville, KY and Watervliet, NY, with the rest scheduled to occur in the coming weeks and months.

JP
Should consider
adding sign of
this policy
to the guidelines

- good!
- **Teacher Next Door Initiative:** The Teacher Next Door initiative will enable thousands of teachers to buy HUD-owned homes for half-price in economically distressed neighborhoods in the school districts where they work, in a move to help revitalize communities. Secretary Cuomo made this announcement at Burrville Elementary School, located in a revitalization area in Washington, DC. He was joined by Burrville Principal Gwendolyn Baccus and leaders of the nation's two largest teacher unions – AFT President Sandra Feldman and NEA President Robert Chase.
 - **NASA Partnership Benefits Children in Public and Assisted Housing:** Secretary Cuomo announced that children living in HUD public and assisted housing developments in every state will be able to chat with an astronaut via the Internet on Monday from more than 500 Neighborhood Networks computer labs supported by HUD. HUD and NASA have worked together to set up the event. Lt. Col. Michael Anderson will share his experiences as a pilot and astronaut. If the response is good, with many children joining the Internet chat, HUD will continue working with NASA to schedule regular chats with NASA engineers and scientists on related topics of interest.

DEPARTMENT OF TRANSPORTATION

- **Central Europe Aviation Symposium:** On March 21, Secretary Slater will keynote the Symposium on Aviation in Central Europe in Seattle, WA. The symposium, sponsored by the Trade and Development Agency, will focus on U.S. aviation and air transport development issues and will explore possible application of U.S. policies and technologies in Poland, Hungary, the Czech Republic, and Slovenia.
- **Proposed Drug and Alcohol Testing Rule:** On March 20-21, DOT's Office of Drug and Alcohol Policy and Compliance will host a public listening session in Washington, DC, on its notice of proposed rulemaking to revise DOT's drug and alcohol testing procedures. These rules relate to alcohol and drug testing of approximately eight million safety-sensitive employees in the aviation, motor carrier, railroad, and mass transit industries. The session will provide all segments of the transportation industry and the general public with an opportunity to make statements to the docket. Similar public meetings will also be held in Los Angeles on March 28 and Dallas on March 30.
- **Woodrow Wilson Bridge Litigation:** On March 7, the U.S. Court of Appeals for the DC Circuit denied a motion filed by the plaintiffs in the Woodrow Wilson Bridge litigation which had sought rehearing or rehearing *en banc* of the Court's favorable ruling upholding the Federal Highway Administration decision to build a new twelve-lane bridge to replace the aging six-lane bridge across the Potomac River.

DEPARTMENT OF ENERGY

- **ENERGY STAR Building:** On March 28, DOE and EPA will celebrate the ENERGY STAR Buildings Award Ceremony at 4 Times Square in New York City. This joint awards ceremony will recognize the real estate owners whose buildings are among the first 100 to be awarded the ENERGY STAR rating. The Times Square designers used DOE-2 energy simulation modeling analysis to determine the efficiency of various energy saving measures for this landmark building, which boasts extensive use of daylighting, energy efficient CFC-free chillers, photovoltaic cells, and superior indoor air quality.
- **Renewable Energy:** A number of electric utilities have announced an increased commitment to renewables in recent months. In January, Austin Energy in TX announced that it wants five percent of its electricity to be green by 2005. Austin intends to purchase mainly wind and landfill gas-generated electricity, and invite customers to join its Green Power program. Similarly, Jacksonville Electric Authority in Jacksonville, FL announced in December its intention to achieve a 7.5 percent (200 MW) clean power supply by 2015, and began with the Sierra Club, a "GreenWorks" green pricing program. Elsewhere, the Salt River Project in Phoenix, AZ announced in February a four-year, \$29M program to fund renewables as a follow-on to a two year old "Solar Choice" green pricing program as well as other renewable projects. Plans call for the use of Photovoltaic, solar water heating, solar thermal dishes, and landfill gas.
- **Power Outage Study Team Recommendations:** The Power Outage Study Team issued its final report on six power outages and two major power disturbances that occurred during the summer of 1999. The report made recommendations to Secretary Richardson for appropriate federal actions that build on existing federal, state and industry programs to enhance reliability. More specifically, the report includes recommendations to address the use of market-based approaches to reliability, the need for mandatory reliability standards for the transmission system, the need to collect and share information on industry best practices, emergency preparedness, leadership by the Power Marketing Administrations, and research and development needs.

DEPARTMENT OF EDUCATION

- **Safe and Drug-Free Schools:** On March 27 or 28, DOEd's Safe and Drug-Free Schools office will award grants to seven campuses under the Alcohol and Other Drug Prevention Models on College Campuses Grant program. Funds for this program -- a total of \$500,000 -- were awarded at the end of FY1999. Senator. Byrd, a cosponsor of the legislation, is scheduled to speak at the recognition ceremony.

- **FL Vouchers Ruled Unconstitutional:** On March 14, a FL circuit judge ruled that the state's school voucher law is unconstitutional. Governor Bush immediately vowed to appeal the decision and to keep the voucher program going with private funds if necessary. This is the first year vouchers have been used in FL, and only 53 students participate in the program. The judge ruled that the students can finish the school year at the private schools they are attending, but barred the state from taking other action to implement the law. This year, 21 states are considering school vouchers. Legislative committees in KS, CO, and SD already have turned them down. MI residents may vote on vouchers in November.
- **Campus Crime and Athletic Equity Data:** DOEd's Office of Postsecondary Education (OPE) is sending letters to college presidents to alert them to their obligation, under the Higher Education Act reauthorization, to provide DOEd with data on campus crime and athletic equity. Even though schools have been required to provide this information to their students and prospective students since 1998, postsecondary education associations have expressed concerns about the data collection and individual institutions' ability to respond promptly.
- **Study on Federal Education Funding:** By the end of March, DOEd expects to release *Study of Education Resources and Federal Funding: Final Report*, which will examine the distribution and uses of funds from Goals 2000 and the Elementary and Secondary Education Act. A preliminary report was released in July 1999. This final report presents a more comprehensive set of findings from the study, with additional information on targeting, the comparability of state and local resources in Title I and non-Title I schools, the uses of Title I funds at the district and school levels, and the impact of Title I funds on total resource levels in different types of Title I schools.

DEPARTMENT OF VETERANS AFFAIRS

- **CO Nursing Home Transfer:** On March 2, VA officials announced that plans to transfer the 170-bed veterans nursing home in Fort Lyon, CO, could be delayed up to a year. An environmental impact study will be completed before planning proceeds, and HUD will be given the option of acquiring the facility for homeless groups. VA and the State of CO had been looking at the possibility of converting the nursing home into a correctional facility for ill and aging inmates.
- **Midwest VA Facilities:** VA facilities in IA, NE, and IL will share nearly \$10 million from savings and a reserve fund. The mid-year funding boost came after VA officials identified a two-year increase in the region's caseload that nearly tripled its patients. The three-State region has the fastest growth in patient caseload in the VA health-care system.

- **Homeless Grant:** On March 20, through its Homeless Grant and Per Diem Program, VA will award over \$1M to the Compass Center in Seattle, WA which will renovate a structure in Seattle to create transitional housing for homeless veterans.

ENVIRONMENTAL PROTECTION AGENCY

- **West Nile Virus:** EPA's Office of Prevention, Pesticides and Toxic Substances is providing technical expertise to the state and city environmental and public health officials in New York state to ward off another possible outbreak this Spring of the West Nile virus. News accounts last week reported that while researchers were unable to detect live West Nile virus in mosquitos, they did detect genetic material from the virus in overwintering adult mosquitoes in New York City. However, CDC is uncertain whether this means that an outbreak of the virus will occur in New York this spring. New York City health officials collected adult Culex mosquitoes in January and February from areas in New York City where outbreaks of the West Nile virus occurred. No live virus isolates were found in mosquitoes from any of the 67 pools tested. However, insects from three pools exhibited low but detectable levels of the virus. The three pools of insects in question came from Queens. New York public health officials are developing a surveillance plan to detect outbreaks of the virus in birds or mosquitoes. If the virus is detected, city officials will work with EPA and the state on some sort of early control of mosquito populations focusing on killing mosquito larvae in an attempt to avoid spraying to kill adult mosquitos later in the season.
- **Options for Eliminating MTBE in Gasoline:** Out of a concern for protecting drinking water supplies from MTBE contamination, the Administration is currently evaluating and discussing the best approach for addressing this problem. EPA has called on Congress to act quickly to phase out MTBE. EPA is also evaluating regulatory options under existing statutory authorities. EPA has prepared an advance notice of its intent to begin a rulemaking to eliminate or limit the use of MTBE as a gasoline additive.

UNITED STATES TRADE REPRESENTATIVE

- **Trip to Los Angeles:** From March 22-24, Ambassador Barshefsky will travel to Los Angeles to push for China PNTR. In Los Angeles, she will deliver an address on China to the Town Hall Meeting of Los Angeles, and conduct a series of press interviews with a variety of news organizations, including the *Los Angeles Times*' editorial board. Ambassador Barshefsky will also tour movie and television production facilities to highlight the increased benefits for American workers of increased access to China's market.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Meeting with Ecuador's Foreign Minister:** On March 20, Director McCaffrey will meet with Ecuador's Minister of Foreign Affairs, Heinz Moeller. They will discuss a number of regional drug control issues, including the situation in Colombia, FARC activity on Ecuador's border, regional counterdrug cooperation, and the recently established Forward Operating Location located in Manta, Ecuador.
- **Budget Testimony:** On March 23, Director McCaffrey will testify before the House Appropriations Committee's Subcommittee on Treasury, Postal Service and General Government. This hearing will focus on ONDCP's FY2002 budget request.
- **Annual Report:** On March 23, Director McCaffrey will release the first-ever Annual Report on the National Drug Control Strategy at a hearing before the House Appropriations Subcommittee on Treasury, Postal Service and General Government. Prior to this year, Congress required the Administration to submit a *National Drug Control Strategy* each year. The Annual Report addresses Federal success in achieving the National Drug Control Strategy goals and objectives, modifications of the National Drug Control Strategy, and an explanation of the Administration's counterdrug budget proposal.

SMALL BUSINESS ADMINISTRATION

- **Small Business Lending:** The 1999 version of *Small Business Lending in the United States* annual report has been released. Data shows that the dollar value of bank loans to large firms was almost double the value of loans to small firms -- 14.6 percent versus 7.6 percent. The total dollar value of loans under \$100,000 increased 2.5 percent. Bank consolidations continued to be a major factor in small business lending. Since 1995, the number of commercial banks filing call reports has declined at a rate of about 373 banks per year -- from 10,149 in 1995 to 8,659 in 1999. Virtually all of the decline was in the very smallest banks with less than \$100 million in assets.

SOCIAL SECURITY ADMINISTRATION

- **Temporary Restraining Order Against Misleading Solicitations:** On February 25, the U.S. District Court for the District of Nevada, at the request of the U.S. and SSA issued a temporary restraining order (TRO) against Newlywed Document Service and Marriage Notification Service of America, and their owners for violation of the Social Security Act. The TRO was requested in conjunction with a \$1.5 M Civil Monetary Penalty proposed by the Inspector General. The companies had been responsible for mass mailings of misleading solicitations offering to "assist" brides in the process of changing their names on their Social Security cards (a service provided free of charge by SSA) for

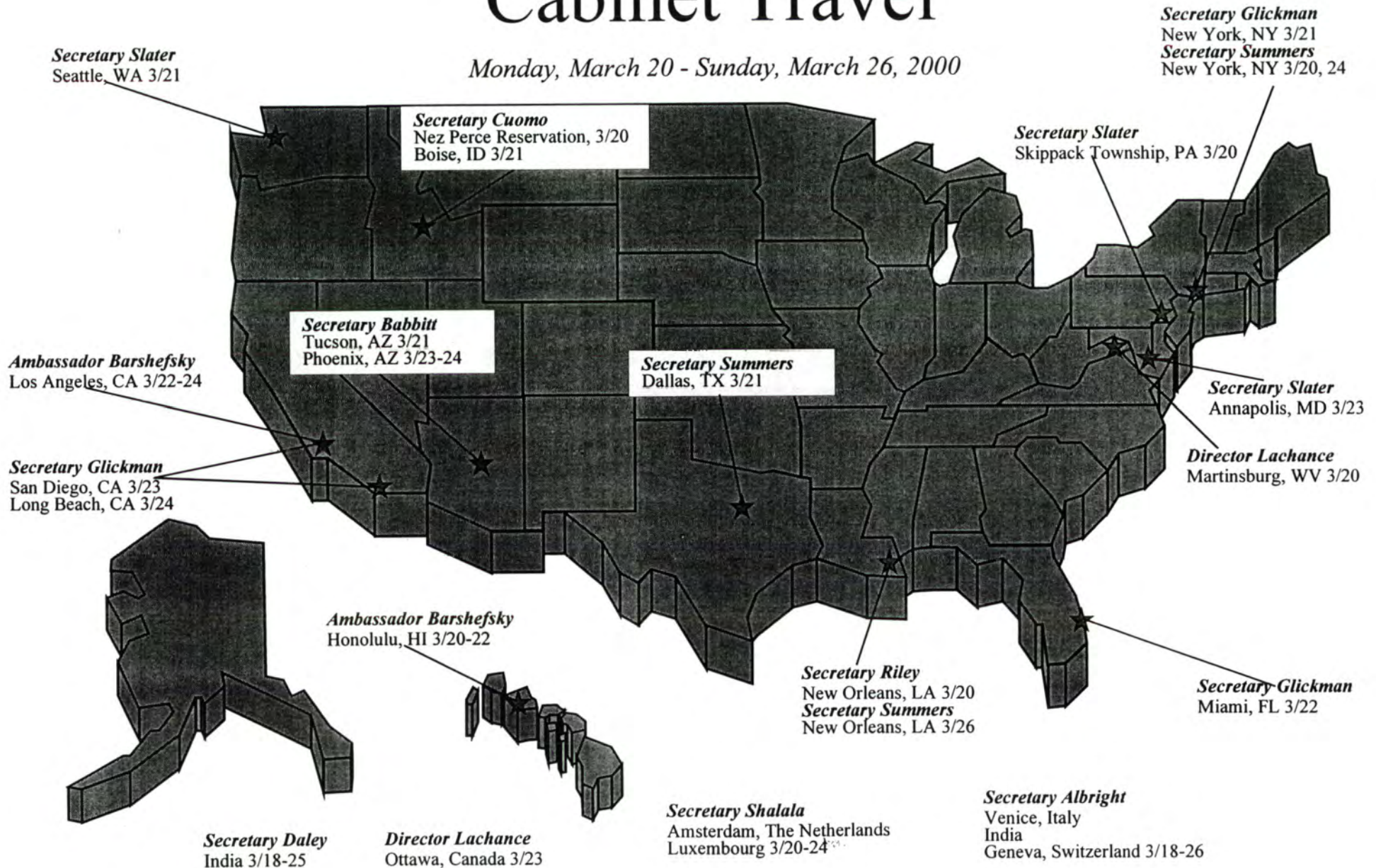
a fee of \$15.00. The solicitations use the words, names, letters, and/or symbols of SSA in a manner that conveys the false impression that the companies are affiliated with SSA. The court has not yet ruled on the requests.

cc:

The Vice President
John Podesta
Martin Baily
Sandy Berger
Sidney Blumenthal
Chuck Brain
Charles Burson
Mary Beth Cahill
Maria Echaveste
George Frampton
Mickey Ibarra
Ben Johnson
Joel Johnson
Janis Kearney
Neal Lane
Jack Lew
Ann Lewis
Joe Lockhart
Buddy MacKay
Sean Maloney
Minyon Moore
Bruce Reed
Steve Ricchetti
Gene Sperling
Lauren Supina
Loretta Ucelli
Melanne Verveer

Cabinet Travel

Monday, March 20 - Sunday, March 26, 2000



THE WHITE HOUSE
WASHINGTON

March 17, 2000

copied
Entire Report:
Brain
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: CHUCK BRAIN *cnb*

SUBJECT: LEGISLATIVE WEEKLY REPORT

Appropriations Activity

- **Appropriations:** The House did not take up the supplemental for Colombia, Kosovo, and other items. The Republican Leadership made some efforts to resolve concerns raised by conservative members but no conclusion was reached. It appears that the House will not take up the supplemental bill next week, turning instead to the budget resolution. House floor action would then be possible for the week of March 27th. The Senate Appropriations Committee markup, which had been originally scheduled for Tuesday, March 21st, was moved to March 23rd, and could slip to the following week. Senate leaders have made several public statements suggesting that the supplemental should be considered as part of an early regular, FY 01 bill; and that fact, combined with the slow pace of House consideration, could be behind the slippage in the Senate committee's schedule.

House of RepresentativesFloor Activity

The House passed six non-controversial measures under suspension of the rules, including a measure expressing support for humanitarian assistance to the Republic of Mozambique. In addition, the House took the following action:

- **FAA Conference Report:** By a vote of 318-102, the House passed H.R. 1000, the Conference Report to the Aviation Investment and Reform Act, clearing it for your signature.
- **Small Business Reauthorization:** By a vote of 410-11, the House passed H.R. 3843, the Small Business Programs Reauthorization Act, which reauthorizes programs to assist small business concerns.
- **Gun Safety:** By a vote of 218-205, the House passed Rep. Zoe Lofgren's (D-CA) motion to instruct conferees on H.R. 1501, the Juvenile Justice Reform Act. Rep. Lofgren's motion directs the managers of the bill to have its first substantive meeting within the next two weeks.
- **Property Rights:** By a vote of 226-182, the House passed H.R. 2372, the Private Property Rights Implementation Act of 2000. This vote was slightly better than the vote on a similar bill that passed the House two years ago. The bill would shift authority over State and local land use to Federal courts. This could increase the threat of costly litigation that would favor wealthy

landowners. It dramatically changes the current legal doctrines of ripeness and abstention. We had a Senior Advisors veto threat on this bill. It is unlikely the Senate will consider this legislation.

Week Ahead

In another light legislative week, the House will reconvene for votes on Tuesday after 7:00 pm and is scheduled to remain in session until Friday, though that seems unlikely. In addition to considering several measures under suspension of the rules, it will also consider the following:

- **Nuclear Waste:** On Wednesday, the House is expected to take up S. 1287, the Nuclear Waste Policy Amendments Act of 2000. The Senate passed this version of the bill by a vote of 64-34 (three votes short of an override margin.) You have stated that you will veto this bill because it would undermine the EPA's current authority to set acceptable radiation standards for the Yucca Mountain repository. A proposal pushed by Energy Secretary Richardson to "take title" of the waste at reactor sites was dropped from the Senate bill, which reduced industry support for the legislation. A more egregious version of Nuclear Waste legislation passed the House in October 1997. This revised bill will likely pass by a wide margin in the House, but the Senate would sustain your veto.
- **Oil:** On Wednesday, the House is expected to consider H.R. 3822, the Oil Price Reduction Act of 2000. This bill authorizes you to reduce, suspend or terminate assistance and arms sales to countries determined to be engaged in price fixing (e.g. OPEC). The bill also requires a Presidential report on the relationship we have with each major oil exporter and gives you the authority to call for sanctions. The House bill is expected to pass easily, but the Democrats will use the debate time to criticize the Republican Leadership for failing to reauthorize the Strategic Petroleum Reserve, ignoring your budget proposals on energy conservation, and for playing politics with a sensitive international issue particularly before the March 27th OPEC meeting. We do not support this legislation, and there are growing indications that the Republican Leadership may reconsider debating the bill since major defense contractors would be lost if the authority to terminate arms sales was ever implemented.
- **Budget Resolution:** On Thursday, the House may consider the Budget Resolution which the Budget Committee reported last Wednesday. There are reports of opposition from several quarters from within the Republican conference and the Leadership believes it will need to work the vote on the resolution carefully. The Budget Resolution provides \$596.5 billion in BA discretionary programs for FY 01, far below your budget level of about \$614 billion. In addition it provides \$150 billion for a tax cut with another \$60 billion reserved for debt reduction or further tax cuts. Chief of Staff Podesta sent a strongly worded letter to the Budget Committee prior to the mark-up expressing opposition to the proposed plan.

House Notes

- **Republican Prescription Drug Plan:** The House Budget Committee included a \$40 billion reserve fund for prescription drugs and Medicare reform. Although there is no language requiring income targeting, that focus was discussed during Committee debate. A democratic amendment to actually designate \$34.5 billion for prescription drugs (without Medicare reform) failed. The Republicans are claiming that they have more money in their budget for prescription drugs than the Administration.

- **Gun Safety:** Since last week's successful passage of the Lofgren (D-CA) motion to instruct conferees, Rep. Conyers (D-MI) sent a letter to Chairman Hyde (R-IL) agreeing to meet with him "24 hours a day, seven days a week" pending the scheduling of another meeting of the conferees. Rep. Conyers asked Chairman Hyde to co-sign a letter to Chairman Hatch (R-UT) requesting such a meeting. Chairman Hyde has yet to sign that letter.

United States Senate

Floor Activity

- The Senate stood in recess for the week of March 17th.

Week Ahead

- **Social Security Savings Accounts:** On Tuesday, the Senate will begin consideration H.R.5, the Social Security Earnings Legislation. Under previous agreement, there will be three amendments in order to the bill: a Roth/Moynihan managers amendment to make technical corrections, a Kerrey (D-NE) amendment to change the references from "retirement benefit" to "old age benefit", and an amendment by Senator Gregg (R-NH) that requires a report from the Social Security Administration regarding the financial solvency of the Social Security fund. Votes on the amendments, as well as final passage, could occur during Tuesday's session.
- **Export Administration Act:** The Senate could also consider S.1712, the Export Administration Act, a bill sponsored by Senator Gramm (R-TX) which would modernize commercial export control regulations for goods having a potential military use. Although the bill passed the Banking Committee by a unanimous vote, the Majority Leader has not brought the bill to the floor because many Senate "Hawks" and the Department of Defense continue to argue that the bill does not adequately address national security and intelligence concerns. Until these concerns are addressed, it is unlikely that the Senate will act on the bill.
- **Rural Satellites:** The Senate may also consider S. 2097, the "Launching Our Communities' Access to Local Television Act" sponsored by Senator Phil Gramm (R-TX). This bill would provide a loan guarantee program to spur telecommunications in rural areas. The bill was reported by the Senate Banking Committee by a vote of 20-0, after a deal was struck between Senators Phil Gramm (R-TX), Sarbanes (D-MD), Johnson (D-SD), and Daschle (D-SD). Although we are generally supportive of the bill, we are concerned that the bill only applies to satellites and traditional cable. In order to be consistent with your general digital divide message, we strongly feel that the bill should be "content neutral" and, thus, allow for broad band access as well.
- **Crop Insurance:** On Wednesday, the Senate may take up crop insurance legislation. The bill provides for \$6 billion over four years in mandatory spending for crop insurance. The Senate Agriculture Committee reported out the bill on March 2nd, that is based on a proposal sponsored by Senators Kerrey (D-NE) and Roberts (R-KS). Chairman Lugar (R-IN), and the sponsors are attempting to work out all amendments prior to bringing the bill to the floor. Although we have some concerns about the bill, USDA and OMB are working on a SAP in the support of the legislation.

Senate Notes

- **Budget resolution:** The Senate Budget Committee is scheduled to begin its markup next Wednesday although Senator Domenici (R-NM) faces opposition from Senator Phil Gramm (R-TX)
- **Delta Regional Authority:** Senate Agriculture Appropriations Subcommittee Chairman Cochran (R-MS) held a field hearing in his home state to discuss investment in the Delta. DOT, USDA and Education testified in strong support of your budget initiative. Senator Cochran (R-MS) has not been supportive publicly and has suggested that there are already educational earmarks going to the Delta. He was not critical of the Delta Regional Authority initiative at the field hearing, because, we believe, of the local constituent interest.

cc: The Vice President
John Podesta
Steve Ricchetti
Joel Johnson
Maria Echaveste
Karen Tramontano
Ann Lewis

00 MAR 17 04:43

THE WHITE HOUSE

WASHINGTON

March 17, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARY BETH CAHILL 
DIRECTOR, OFFICE OF PUBLIC LIAISON

SUBJECT: WEEKLY REPORT (March 11 to March 17)

copied
Cahill
Podesta

CONSTITUENT OUTREACH AND OTHER ISSUES:*AFRICAN AMERICAN OUTREACH*

OPL Hosts The National Newspaper Publishers Association (NNPA), Gains Commitment to Partnership. Yesterday, OPL and the Press Office met with representatives of over 40 African American newspapers. Sec. Slater addressed the audience regarding racial profiling and "Driving While Black" (DWB). NNPA announced they would: take steps to hire an NNPA foreign press correspondence to report on the Administration's Africa policy; publicize your Administration's commitment to help rebuild Princeville, North Carolina; and work with DOT to cover your Administration's initiatives to address discrimination by taxi drivers. NNPA is a trade association that compiles, edits, and distributes editorial and other media materials to over 200 African American member newspapers and publications.

AGRICULTURE OUTREACH

OPL Hosts a Meeting for National Farmers Union (NFU). President Lee Swenson and members of the NFU Executive Committee met with Sec. Daley, Sec. Glickman, USTR General Counsel, and NEC to discuss the NFU's reluctance to support PNTR with China. The NFU raised nine issues of concern, which were discussed frankly and at length. The key to NFU's support appears to be their request that the Administration strongly support and encourage the establishment of a Trade Adjustment Assistance Program. This program would directly compensate farmers and ranchers for economic losses due to import surges, or loss of market opportunities as a result of unfair trade barriers (including currency variances and fluctuations). While the Administration representatives effectively answered each issue, NFU remains opposed to PNTR for China.

BUSINESS OUTREACH

OPL Hosts Meeting with Representatives From the Owners-Operator Independent Drivers Association. Gene Sperling and I met with James Johnson, president of OOIDA, to discuss rising fuel costs and the economic impact on independent commercial diesel truck owners and operators. OOIDA, founded during the 1973 oil shortage, is the largest national organization representing over 49,000 small business truckers. They view sharp price increases in diesel fuel as a threat to their livelihood -- putting many of them out of business. Yesterday, as earlier this year, OOIDA participated in the organization of a "convoy to Washington" rally to protest the Administration's and Congress's response to the fuel crisis. The rallies were meant to encourage truckers to visit their Representative and Senators' offices to tell them how the fuel crisis is affecting them. Both rallies received local and national press coverage. Another large trucking association, the American Trucking Association, has written to the White House asking for an emergency summit on the issue.

DISABILITY OUTREACH

Disability Advocates Emphasize Two Types of "Access" to Digital Technology. In follow-up calls to last week's Digital Divide briefing, technology experts urge the Administration to draw attention to the "usability" of technology as well as "availability" (the traditional notion of access). They also stress that this is not specific to people with disabilities: language barriers, for example, may also prevent individuals from being able to "use" technology even when it's "available."

HEALTH OUTREACH

Advocacy and Professional Communities Respond Favorably to Prescription Drugs and Pediatric Drugs Events. The health and senior communities are pleased with the new data on prescription drugs as they further underscore the need for prescription drugs for the middle class. The family consumers, education, health, and children's communities are pleased with the direction of Mrs. Clinton's announcement on pediatric drugs.

JEWISH OUTREACH

Jewish Groups Send Mixed Messages to Hill on Syria. Pro-Israel Jewish organizations are battling for the attention of Members regarding any Israeli-Syrian agreement that would require U.S. aid. Hawkish American Jewish groups are urging lawmakers to sign a letter stating their opposition to aiding Syria until Hafez al-Assad stops aiding terrorists and spreading anti-Semitism. A majority of pro-Israel organizations, however, are urging lawmakers not to sign any letters on the issue.

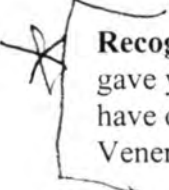
U.S. Families Sue Arafat, PA for Deadly Terrorist Attacks. The family of Yaron and Efrat Ungar (American residents of the West Bank who were killed by Palestinian terrorists in a 1996 drive-by shooting in Israel) have filed a \$250 million federal lawsuit against the Palestinian Authority, Yasser Arafat, the PLO, and the Islamic fundamentalist group Hamas. The suit claims that Palestinian officials allowed Hamas to operate training facilities and store weapons in Palestinian-controlled parts of the West Bank and Gaza Strip. The lawsuit is based on a statute that gives federal courts jurisdiction over cases of American citizens who are injured in foreign countries by acts of terrorism.

RLPA Coalition Standoff Continues, Cloture Petition Imminent. OPL and White House Counsel met with the remaining religious groups still behind RLPA who are asking the White House to: 1) provide leadership on this issue; and, 2) break the impasse with the civil rights groups or Senate Democrats. The religious groups are adamant about pressing for the original bill (as opposed to a limited bill that would apply to land use, prisons, autopsies, and garb), but have signaled that they would be interested in a civil rights exemption. We are now working both with Hill staff and civil rights groups to see if there is acceptable exemption language or if meetings can be facilitated between the opposing sides.

LATINO OUTREACH

OPL Hosts CBI Conference Call with United States Hispanic Chamber of Commerce (USHCC). On Tuesday I hosted a conference call with members of the USHCC to discuss our strategy, the state of play, and next steps regarding CBI legislation. Additionally, we have scheduled a larger briefing that will focus on the Africa Trade Bill and CBI legislation with key supporters and constituents from the African American, Hispanic, Religious and Business communities. We will continue to monitor the situation and work with outside groups, Legislative Affairs, the Special Envoy, USTR, and Commerce.

RELIGIOUS OUTREACH

 **Recognition of Buddha's Birthday.** Venerable Piyatissa of The Buddhist Council of New York gave you a letter at the One America event asking that you recognize Buddha's birthday. You have done so in the past and will do another message May 19. We have spoken with the Venerable and Correspondence will do a reply from you as well.

Widespread Distribution of Your Hate Crimes Letter. In recognition of the season of the Hajj, Passover, and Easter, we are (as we did last year) circulating a letter from you to faith leaders nationwide asking for them to offer prayers and sermons on hate crimes.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bob Nash to POTUS re: Office of Presidential Personnel Weekly [partial] (2 pages)	03/17/2000	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Chron Files
OA/Box Number: 21412

FOLDER TITLE:

Saturday, March 18, 2000 [2]

2019-0990-S

rs3445

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

3-18-00

THE WHITE HOUSE
WASHINGTON

March 17, 2000

BAGNM

*copied
Nash
Podesta*

MEMORANDUM FOR THE PRESIDENT

FROM: Bob J. Nash, Assistant to the President and Director of Pre Personnel

RE: Office of Presidential Personnel Weekly Report for Week Ending March 17, 2000

NEW ISSUES

National Science Board

John White of Arkansas cleared the General Counsel's vetting process today for his appointment to the National Science Board. He will be nominated on Monday, March 20, when the Senate returns.

(b)(6)

Kennedy Center Board of Trustees

Jim Kimsey has been appointed to the Board of Trustees. Ron Burkle is in the General Counsel vetting process and should clear soon and be appointed. Twelve (12) current terms will expires on 9/1/00. We will make recommendation on the replacement and/or reappointment of members shortly.

National Council on the Arts

Seven (7) of the fourteen (14) positions on the Council will expire on 9/3/00. By law, none of the current members can be re-appointed. We will make a recommendation soon.

President's Foreign Intelligence Advisory Board

There are three vacancies on PFIAB. A decision memo has been submitted for Tony Lake and Dale Bumpers. I will discuss the third vacancy with Podesta.

Ambassadors

There are thirty-four (34) career ambassadors who have been nominated to the Senate. Six (6) career and three (3) political ambassadors are in the State Department/General Counsel vetting process and should be cleared soon. The three political ambassadors in the State Department/General Counsel vetting process are:

1. Robin Chandler Duke, Norway
2. James Daley, Barbados
3. James Walsh, Argentina

Carl Speilvogel is the one political ambassador who has been nominated and awaiting confirmation since his 6/28/99 nomination date. Senator Grassley has a hold on him.

Ambassador Christopher (Kit) Ashby (Montevideo, Uruguay)

Kit Ashby continues to express an interest in working in the White House before you leave. I will talk with John Podesta and Sandy Berger regarding this issue.

Federal Labor Relations Board

Phyllis Segal resigned as Chair on February 7 and you designated Donald Wasserman (current member) as Chair. Bonnie Castrey, who is supported by Eli and Phyllis Segal, would like to be the Chair of the FLRA when Don Wasserman's term is up in July of 2000. When she completes her General Counsel vetting, we will recommend her as Chair to replace Don Wasserman in July.

Federal Reserve

Roger Ferguson, Vice Chairman, has not been confirmed. He is holding over. Carol Parry of New York and Chicago has been nominated. Senator Gramm from Texas is questioning the residency for Carol Parry; the Counsel's office and my office are convinced that she fits this residency requirement for Chicago. Both candidates are being held by the Republican Senate. There is one vacancy left. Open regions for this one vacancy are: Philadelphia, Atlanta, Cleveland, Minneapolis, Kansas City and San Francisco. Senators Daschle, Conrad, Wellstone, Baucus and Dorgan want a person with some agriculture background. While none of these candidates will be confirmed in 2000, we should select and nominate someone for this last slot. Podesta and I will work on a name.

Deputy Head of GAO

We nominated and the Senate confirmed David Walker as Head of GAO. Senator Lott agreed to support a Deputy Head of GAO of your choice. He and the Republican leadership have now changed their minds and are supporting a career person recommended by David Walker. We should leave the position vacant and let the new President try to get a deputy confirmed. This is the VP's office

Repeal of Reductions in Military Retired Pay when Holding a Civilian Job

On October 5, 1999, you signed the National Defense Authorization Act for Fiscal Year

2000(P.L. 106-65). Section 651 of this law ends the reductions in retired or retainer pay previously required of retired members of a uniformed service who are employed in a civilian office or position of the U.S. Government. This changes the past practice of capping the combined total of Federal civilian basic salary plus military retired pay for all Federal employees who are retirees of a uniformed service. There is little political downside to this interpretation and this new law gives us an additional recruitment incentive for retired military personnel during this last year.

Jim Zogby, Arab American Outreach

I have met with Jim Zogby twice regarding Presidential appointments since your meeting with the Arab American Group. Four decision memos for Arab American are being finalized and we are working on several others candidates for other positions.

Mary Streett

Stephanie Streett's sister, Mary Streett is currently Special Assistant to the General Counsel at the Department of Commerce. The General Counsel, Andy Pincus, wants her to move up to his Deputy General Counsel. This should be done. We are also trying to get Mr. Pincus to talk to Richard Steinkamp as a Special Assistant in the General Counsel's office.

National Credit Union Administration (NCUA)

You approved Geoff Bancino (supported by B. Rapoport) as a new member of the NCUA to replace Norm D'Amours (Chairman). By law, Norm cannot be reappointed. Alan Wheat's wife (Yolanda) is currently on the board. If Geoff Bacino is confirmed later this year, he will go on as a board member and we will recommend Yolanda as Chairman.

Mary Ellen Schattman

She is the wife of Gene Schattman, General Counsel of the Small Business Administration. She will soon begin work as Director of the Office of Insured Health Care Facilities at the Department of Housing and Urban Development. They are happy.

(b)(6)

Togo West

I have asked one of Togo's good friends from North Carolina to encourage him to move to a law firm or other non-government job quickly. I will update with more information later.

Dick Stern

Dick Stern wants us to create a new position at the State Department entitled Ambassador at Large for the Arts and Cultural Affairs. The purpose of this position would be to facilitate the display of American Art and Cultural throughout the world.

The State Department is opposed to the creation of this position. The National Council on

the Arts shares this sentiment. They do not think this program is needed nor do they think he is the right person to do it.

Ray Nasher asked us about the creation of the same type of position a couple of years ago. We told him that we did not see a need. I will tell Dick that the idea is opposed by the State Department and given this fact, it cannot be done.

Kenneth Bartels

Ken is in General Counsel vetting for the Corporation for National and Community Service. If Harris Wofford leaves later this year, you may want to consider Ken Bartels for Director of the corporation.

Outcome of Hoppe Meeting

Chuck Brain and I met with Senator Lott's staff regarding confirmations Feb 24. Podesta sent you a copy of my recommendations on nominations and confirmations for the rest of the Administration. I will continue to recommend and nominate our people for vacancies and let the Senate do whatever they want to do.

1988 Senate Confirmations by the Democratic Senate

Podesta asked me to look up the record of the confirmations for the last year of the Reagan Administration. They are as follows:

Total Nominations for 1988:	523*
Total Confirmations for 1988:	347
Percentage is 66%.	

*112 of these were carryovers from 1987. 72 of the carryovers were confirmed.

We do not have a breakdown between Democrats and Republicans confirmed. The overwhelming majority of ones confirmed in 1988 were Republicans. If they hold with their plan to restrict our confirmations this year, we will get about 25% of our nominations done this year. They think we are pushovers. This is an estimated 41% drop in what the Democratic Senate did for President Reagan.

Status of Senate Confirmed Candidates Now in Counsel Vetting and Status of Senate Confirmed Candidates Nominated before the Senate

One hundred ninety-four (194) candidates are currently nominated and pending before the Senate.

Ninety-five (95) candidates are currently in the General Counsel vetting process and once they are cleared they will be nominated.

THE PRESIDENT HAS SEEN

3-18-00

Statistics on *Confirmations and Recess Appointments*

Chart 1: Recent Record of Confirmations

Year	Percentage Confirmed
1995	71%
1996	45%
1997	75%
1998	71%
1999	66%

Chart 2: Recent History of Recess Appointments

Administration	Recess Appointments Done	Years in Office
Carter	69	4 yrs
Reagan	239	8 yrs
Bush	78	4 yrs
Clinton	68	7 yrs

CC: John Podesta
Maria Echaveste
Beth Nolan

THE PRESIDENT HAS SEEN

3-18-00

Copied
Johnson
Podesta

MAR 17 - 2:38

THE WHITE HOUSE

WASHINGTON

March 17, 2000

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

SUBJECT: OFFICE ON THE PRESIDENT'S INITIATIVE FOR ONE AMERICA
WEEKLY REPORT

ACTIONS

Entertainment Industry Diversity Meeting: We met in Los Angeles with the Screen Actors Guild (SAG) and the Writers Guild of America (WGA) to discuss ways to increase diversity in television and film. We had a very productive meeting. We discussed diversity initiatives currently underway with each organization, and learned of the remaining challenges to increased diversity in the film industry. They plan to request a meeting between you and representatives from SAG and the WGA and the key players in the industry.

We anticipate that only a small number of people would be involved, so if it's done, it could take place in the Roosevelt Room rather than a large East Room event. We have asked SAG and WGA for a list of deliverables that could be announced at such a meeting. If the deliverables are good, we will submit a scheduling request for you to meet with this group sometime in late June.

Warner Brothers: At their request, we met with Larry Naishut, the Vice President for Organizational Development, and other human resources officers at Warner Brothers, to discuss how he could make a business case for increased diversity. Although Warner Brothers has some diversity initiatives, it was clear from the discussion that Warner Brothers could do more and needed some guidance on the issue. We offered to be of assistance in the future.

The West Wing: We met with Lou Wells, a producer for the television show "The West Wing." We had a good discussion with Mr. Wells about how the show models itself on your administration, but we also pointed out to him that your administration is far more diverse than the one depicted on the show. Mr. Wells was very gracious and gave us the opportunity to meet the actors and watch a scene being taped on the set. We sent a follow-up thank you letter to Mr. Wells, and attached a copy of the picture you recently took with your African-American staff to give him an idea of the diversity that exists under your leadership.

CONSTITUENT OUTREACH

Circuit Court of Appeals Nominee Robert Galloway: We are receiving a number of calls from Mississippi urging that Robert Galloway not be nominated to the 5th Circuit. We first heard of this from Elaine Jones, but now it looks like there is a movement developing among minority lawyers across the nation against this nomination.

Police Recommendations from Hugh Price: In the aftermath of the exoneration of the New York policemen, Hugh Price has written you, imploring that you invoke all of your statutory and regulatory authority, to compel local police departments to reform their policies and practices regarding recruitment, training and supervision of police officers and the permissible use of firearms. See attached letter.

CABINET RACE INITIATIVE WEEKLY

Department of Agriculture

Audit of USDA Civil Rights Complaints Issued: On March 15, USDA's Inspector General (IG) reported dissatisfaction with Civil Rights Office (CR) attempts at implementing changes to increase the efficiency of complaint review. The report issues from Secretary Glickman's request that the IG evaluate CR efforts to implement efficiency improving recommendations made during six previous reviews of CR complaint handling. While noting that CR has reduced the large original backlog of program complaints to 35, the IG audit sees continuing problems with these remaining cases, is critical of CR complaint review restructuring, notes that 646 cases are stalled in CR's "intends-to-file" category, and states concern about the processing of 216 new cases, accepted after November 1997. On a related note, on March 20, a black farmers group will likely protest the lack of resolution of remaining civil rights complaints at USDA.

Department of Education

FL's State Colleges and Universities: On March 16, staff from DOE's Office for Civil Rights will meet in Tallahassee with the Chancellor of the FL state university system to discuss implementation of new rules that eliminate race and gender as factors in admission to the system's schools. OCR officials will describe the steps that need to be taken and the data that need to be collected for OCR to monitor implementation of the new rule.

Department of Energy

Native American Company Commercial Photovoltaic Array: A Native American owned and operated company, Diversified Systems Manufacturing, recently completed the largest commercial photovoltaic array in New Mexico. DOE's State Energy Program provided partial funding for the project through a grant to the State of New Mexico. Built

Agreed

as part of a carport at the Indian Pueblo Cultural Center in Albuquerque, the array produces 11,040 watts of direct current per hour at peak capacity. Its purpose is to inform 400,000 annual visitors about the benefits of solar energy, reduce the Cultural Center's energy bill, and conserve natural resources that would otherwise be used for power generation.

Department of Health and Human Services

Hispanic Congress on Mental Health: On March 20-21, Substance Abuse and Mental Health Services Administration's (SAMHSA) Center for Mental Health Services (CMHS) will convene a meeting of leaders from the Hispanic community to develop an agenda for the promotion of mental health and treatment of mental illness in the Hispanic community. Participants will formulate an agenda for policy recommendations and proposals for improved mental health services for Hispanics and develop an implementation plan for the areas identified. SAMHSA Administrator Dr. Nelba Chavez and Surgeon General David Satcher will address the congress participants in Tysons Corner, VA.

Department of Housing and Urban Development

Housing For All Through Justice For All: HUD's plans to commemorate National Fair Housing Month 2000 are in full swing, with activities planned to touch all segments of the population. Under this year's theme, "Housing For All Through Justice For All," these activities will address such issues as fair lending, under-served communities and increased enforcement efforts. Eva Plaza, Assistant Secretary for Fair Housing and Equal Opportunity has several speaking roles throughout the month including a Fair Housing Summit will be held in Easton, Maryland and Predatory Lending Practices Conference in Philadelphia, Pennsylvania.

Department of Interior

First Land Transfer at Fort Wingate: withdrawing public lands for military purposes created Fort Wingate, an army base in NM. During the next 10-20 years, all lands at the Fort will return to the jurisdiction of DOI. After 5 years of work, the first parcel is nearing transfer from the Army to DOI. When the military reservation is revoked, the lands will return to the jurisdiction of DOI and will be reserved for BIA for the benefit of the Navajo Nation and Pueblo of Zuni. DOI is expected to sign the Public Land Order in early May.

Federal-Tribal Southwest Water Resource Conference: On April 18-20, BOR will host a Water Resource Conference in Phoenix for federal agencies and Tribal governments, in cooperation with Arizona State University. The conference is an opportunity for Tribes and agencies from AZ, CA, and NV to meet and share information about programs, partnership opportunities, experiences, and to create opportunities for greater Tribal participation in federal water resource programs. Several federal agencies will make presentations on their water resource programs and a panel session

will highlight current water issues, various proposed water policies and a legislative update.

Civil War Interpretation: "Rallying on the High Ground: Strengthening Interpretation of the Civil War Era," will be the focus of a symposium offered by the NPS, in partnership with the National Park Foundation and Eastern National Association. The symposium will take place May 8-9 at Ford's Theater National Historic Site and is free to the public. Sessions will focus on the institution of slavery, the home front, the persistence of the Civil War in American public memory, the Civil War as a continuing presence in American cultural life, and the place of the war in the context of global military history.

World War II Internment Camps: NPS recently released the most comprehensive report ever on the history and status of World War II internment camps. The report describes the history and current condition of 35 relocation centers and other facilities where approximately 120,000 Japanese Americans were interned during World War II.

Department of Labor

Rhode Island One Stop Centers: On April 7, Gov. Lincoln Almond officially will announce a new state initiative to use Rhode Island One Stops as both an intake and screening point for state jobs. Previously, this could only be done at the State Personnel Department central office at the State Capitol Building. State personnel staff were impressed with the capabilities of the Rhode Island One Stops (referred to as "netWORKKI") that they plan to rely on the centers in a new Cultural Diversity Initiative in State Government, which is designed to take advantage of the diverse populations that One Stops are attracting and use those offices to "pre-screen" for available state jobs. By the end of June, Rhode Island will have opened all of its 6 One Stop Centers.

Native American Grants: DOL expects to announce 166 Workforce Investment Act grants totaling \$53,800,000 that are being awarded to 189 Native American organizations to serve the employment and training needs of Native Americans nationwide.

3-18-00

THE WHITE HOUSE
WASHINGTON

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March 17, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
SUBJECT: NEC WEEKLY REPORT

IMF Managing Director Candidate Horst Koehler Meets With NEC: I met with Koehler for an hour Friday. I found him basically likeable, Rubin-like in his philosophy – financially orthodox and conservative, yet not unsympathetic. The only negative I saw was that he acted like someone who might react poorly to criticism and is probably more conservative than you on poverty and debt reduction. Most of his views, however, were quite mainstream: he underscored the importance of transparency and said he thought the Meltzer Commission recommendations went overboard, although he did say that he agreed that the IMF may need to re-focus its efforts on fewer cases and do them better. He also said he thought the IMF should remain engaged with Russia, although he said it had to be much more careful than in the past. I told him that I was meeting with him at your special request because you personally wanted to let him know how much you wanted him to succeed. Geitner, from Treasury, told him that such a gesture was virtually unprecedented. He was visibly moved by the fact that you personally were signaling such support, especially because he said he knew his selection had not been handled well.

China PNTR - Levin Proposal on Enforcement and Other Issues: I have been coordinating an interagency group that has developed an Administration response to Rep. Levin's PNTR proposals. After having discussed this at the weekly Principals' Meeting on Thursday, Steve Ricchetti and I hope to sit down with him in the very near future and hammer out a package we can both support. We should be able to accept large numbers of his approximately 15 proposals, and for many that we cannot, we have developed alternatives. The major disagreement with Levin will be over reopening our trade laws. Changes to Section 201 and Section 301 are not only problematic policy-wise, but would also bog down passage of PNTR. We should be able to get Administration agreement regarding a Congressional mechanism to review human rights, labor rights and religious rights -- but this mechanism would not have power to issue sanctions.

China PNTR – Release of Agreement: On Tuesday, we released publicly our bilateral agreement. We have distributed the agreement to Members of Congress, along with a comprehensive summary of the Agreement and sector-by-sector analysis. The response has been very positive. It is customary not to release bilateral accession agreements until the bilateral accession process of all nations is complete, and the Chinese, as you will recall, were particularly sensitive about release of details of our tentative agreement last April. Last week, however, the **Chinese agreed to our releasing it.**

Asbestos: On Thursday, the House Judiciary Committee marked up legislation that would create a national system to review and resolve the claims of persons injured by asbestos exposure. Asbestos defendants, led by the GAF Company, argue the bill will speed resolution of the "elephantine mass of asbestos cases." Labor, trial lawyers, and Public Citizen all strongly oppose the bill, arguing it would simply eliminate claims with restrictive medical criteria and reduce settlement values. The Republican leadership had to lean hard on their members to ensure that they had a one vote margin of victory. The NEC led an interagency process over six months, culminating in a Justice Department letter opposing the bill. We argued that the bill would deprive injured victims of fair compensation, transfer costs now borne by defendant companies - who have been found legally responsible for the harm caused - to asbestos victims and the taxpayers; and delay -- rather than accelerate -- compensation to the sick. Federal and state courts have adopted procedures that have improved management of asbestos claims. Further improvements are possible, but this legislation would hinder progress, not build on it. Chairman Hyde indicated plans to bring the bill to the floor, but many are skeptical. Congressman Vento returned to the House this week after an operation to remove his lung because of mesothelioma, caused by asbestos exposure. With his stated opposition to the bill, floor debate would be emotional and divisive.

Hushkit Dispute: The U.S. filed its dispute settlement case against the European members of the International Civil Aviation Organization (ICAO) on Tuesday (March 14), claiming that the EU's hushkit regulation discriminates against U.S. aircraft. We announced simultaneously that we are prepared to suspend our case as soon as the EU initiates legislation to indefinitely suspend the regulation. Three weeks ago, the EU agreed to suspend the regulation if we would refrain from filing our case altogether. However, industry and labor groups rejected other elements of the EU proposal and urged us to file our case immediately. An NEC deputies group continued to seek a negotiated settlement, and deputies spent last weekend consulting with US airline CEOs and others to get their (reluctant) acquiescence. However, when Ambassadors Aaron and Morningstar presented our counterproposal to the EU Transport Commissioner, Loyola de Palacio, last Monday (March 13), she flatly rejected it, and we had no choice but to proceed with our case--an action that US industry and labor groups enthusiastically endorsed. The president of ICAO is now working behind the scenes to get the EU to suspend its regulation before it takes effect on May 4, in exchange for the US suspending its case, and there is a reasonable chance that will happen.

FAA Bill: On Wednesday (March 15), the House approved 319-to-101 a three-year, \$40 billion FAA reauthorization bill. Despite its overwhelming support, NEC and OMB are troubled by its basic structure. Specifically, the bill authorizes large increases for airports and other capital programs, and uses points of order to require appropriators to fund these capital programs at the authorized levels using aviation trust fund receipts. By contrast, funding for FAA operations is not guaranteed, and remaining trust fund receipts will cover only two-thirds of the total; thus, about a third of the funding for FAA operations (\$2 billion/year) must come from the general fund. It is a clever scheme to require appropriators to spend a large amount of GF dollars on FAA operations, which (unlike FAA's capital programs) are essential. However, there are two problems. First, as has happened in recent years, appropriators may not fund FAA operations at the full amount of your budget requests, because of competition from other, more popular transportation programs (e.g., Coast Guard). Second, as Rep. Schuster's TEA-21 bill did for highways, this bill puts airports automatically at the head of the line for appropriations, even before education, law enforcement and other priorities.

Reactions to the Meltzer Commission Report: When Congress approved the \$18 billion increase in IMF funding in the autumn of 1998, it stipulated that a commission be set up to study the international financial institutions. The Meltzer Commission (named for its chairman, Allan Meltzer) released its report a week ago, and it called for IMF and World Bank lending operations to be pruned back significantly. The Commission suggested that the IMF focus only on emergency "lender of last resort" loans (maybe lending to just 3-4 countries at any given time compared with the 50 or so countries with IMF programs today). It further suggested that the World Bank not make any loans to countries that have access to private capital markets (judged to be countries with per capita income over \$4000), and instead concentrate on giving grants and technical assistance to the world's poorest countries. The NEC has been running an interagency process to develop strategies to react to this report. You should be aware that Secretary Summers will give a speech on Monday in which he will lay out our proposals for reforming the World Bank. The Secretary will propose that fighting poverty be put at center stage at the institution and that it focus more on global public goods, like health initiatives and vaccine development.

JP
Can we change this into a way to ensure safety?

THE WHITE HOUSE
WASHINGTON

March 17, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY**Climate Change**Press, Science and Industry

An environmental study released by the Union of Concerned Scientists (3/16) ranked DaimlerChrysler, Ford and General Motors second, third and fourth "worst" in the pollution performance of their 1998 model-year vehicles, following pollution leader Isuzu Motors of Japan (49% of which is owned by GM). The study blamed the poor ratings on Detroit's reliance on light trucks and SUVs. Additionally, General Motors withdrew from the anti-Kyoto Global Climate Coalition (GCC) March 13, making it the last of the big 3 automakers to leave the group. AP, Dow Jones and other wire services reported.

Environmental advocates from around the world unveiled an "Earth Charter" March 14, designed to be a new code of conduct for government, business and private citizens. The organizers, who include former Soviet President Mikhail Gorbachev and former Dutch Prime Minister Ruud Lubbers, said their 16 principles reflect a growing global need for moral and ethical values in business and public affairs. The Earth Charter aims to be a long-term basis for environmental policies modeled after the Universal Declaration of Human Rights.

Legislative

EPA Administrator Carol Browner testified Thursday, March 16 before the House Appropriations Subcommittee on VA-HUD and Independent Agencies. Congressman Joe Knollenberg (R-MI) continued his campaign of claiming that Administration activities related to climate change are in violation of the Knollenberg provision attached to six FY2000 appropriations bills. Congressman Knollenberg announced at the hearing that he had a list of at least ten activities EPA was engaged in that he considered to be in violation of the rider, although he did not disclose any new allegations.

Ranking Member Joe Lieberman (D-CT) and Chairman Fred Thompson (R-TN) will hold a Senate Governmental Affairs Committee hearing next Friday on the topic of increasing oil prices and the need for a strong, long-term Federal strategy to reduce U.S. dependence on foreign oil imports. Lieberman will call for support of your energy efficiency and renewables budget as part of a responsible, environmentally-friendly energy policy.

Democratic House and Senate members, led by Congressman Pallone (D-NJ) and Senator John Kerry (D-MA) will host an Earth Day kick-off event in the Capitol on April 4. They intend to highlight climate change and your related budget programs.

Initiatives

We are completing the final details on two new initiatives. We have in final OMB clearance an Executive Order that would instruct federal agencies to achieve significant improvements in their transportation efficiency. We have also reached an agreement in principle with the heavy truck industry on a "21st Century Truck Initiative", which would be a public-private partnership designed to produce heavy trucks and buses with 2X and 3X improvements in efficiency.

Lands Legacy

As the House moves closer to possible floor consideration of OCS-revenue sharing legislation, two new bills were introduced in the Senate. Senators Lott, Murkowski, Landrieu and Breaux introduced a bill identical to the Miller (D-CA)-Young (R-AK) bill in the House; Senator Bingaman, on behalf of several Democrats, introduced an OCS revenue-sharing bill that more closely reflects the priorities represented by your Lands Legacy budget.

cc: The Vice President
John Podesta
Martin Baily
Maria Echaveste
Steve Ricchetti
Chuck Brain
Charles Burson
George Frampton
Neal Lane
Gene Sperling
Jim Steinberg

3-18-00

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

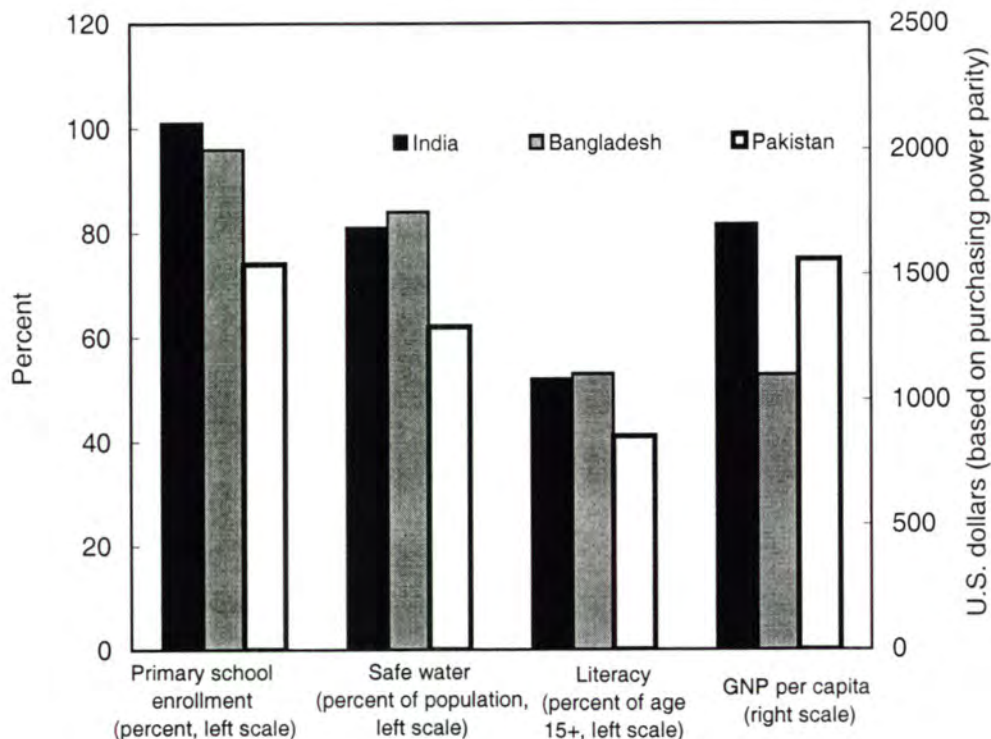
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

March 17, 2000

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Economic Report
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CHART OF THE WEEK

South Asia Social and Economic Indicators



Bangladesh, India, and Pakistan have similar levels of economic development, typical of low-income countries. Bangladesh is the poorest of the three in terms of GNP per capita, but Pakistan lags behind in other social and economic indicators.

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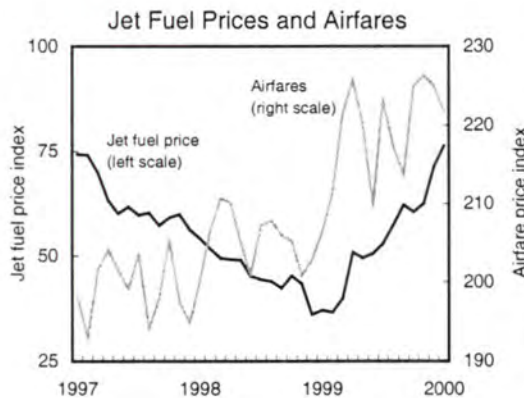


SPECIAL ANALYSIS

Supply and Demand for Air Travel

Airfares have risen 7 percent over the last year, while jet fuel costs have soared. High demand for air travel and tight capacity have also contributed to rising airfares. Looking forward, competition from low-fare carriers should help reduce average airfares as these airlines enter more routes.

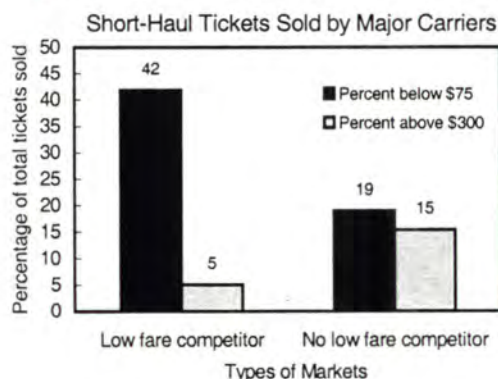
Fuel prices and airfares. Fuel accounts for about 10 percent of airlines' total operating expenses, so that the doubling in the price of fuel over the last year



implies a 10 percent increase in airlines' operating costs. The price of jet fuel is expected to fall back to its December 1999 level over the second half of this year. Although fuel prices and airfares have risen together over the last year (see upper chart), changes in fuel prices are not always a good predictor of changes in airfares. For example, between January 1997 and January 1999, fuel prices declined by 50 percent, yet airfares rose 4 percent.

Surging demand. A second explanation for the rise in airfares over the last several years is that surging demand has lead airlines to increase fares. Load factors (which represent a weighted average of seats filled) on domestic flights increased from about 65 percent in 1995 to over 70 percent in 1998 and 1999. With load factors running at record highs compared to the past two decades, airlines have less to gain from lowering fares. Although a recent attempt to raise fares faltered last weekend, rising fuel prices may provide an additional incentive for an oligopolistic industry to raise fares when demand is high.

Competition from low-fare carriers. Low-fare competitors force major airlines to be more generous in allocating seats to low-fare categories. With a low-fare competitor present, major carriers allocate 42 percent of short-haul seats to tickets



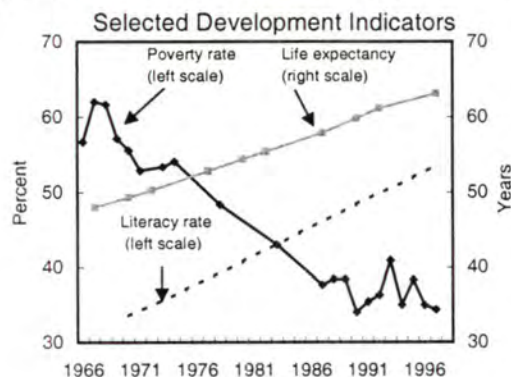
selling below \$75 each way, but if no low-fare carrier is present, the majors allocate only 19 percent of capacity to these low fares (see lower chart). By contrast, major airlines sell barely 5 percent of their capacity to travelers paying above \$300 each way in markets where low-fare carriers are present, compared to 15 percent of capacity otherwise.

ARTICLE

Poverty and Development in India

India has made substantial strides in reducing poverty since Independence in 1947. Its development strategy has helped expand the economy at a strong 6 percent annual rate for the past 2 decades, as well as eliminate famines, bring down high illiteracy and fertility rates, and establish a diversified industrial base with a relatively sophisticated financial sector. Nevertheless, growing inequality across states and large fiscal deficits, resulting in part from inefficient subsidies, remain pressing challenges.

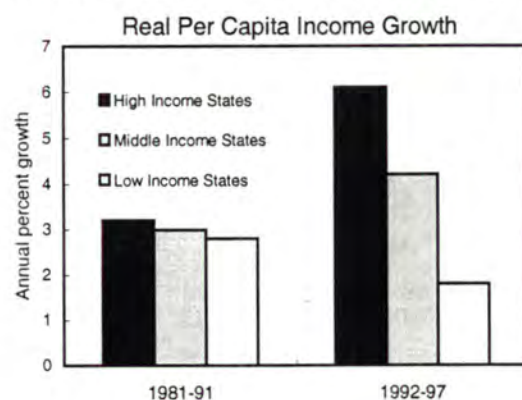
Progress, crisis, and reform. The poverty rate in India has declined significantly since the late 1960s and other social indicators have improved substantially as well (see upper chart). In the 1980s, real per capita GDP grew nearly 4 percent per year. However, the development strategy of the 1970s and 1980s was rooted



in an extensive system of trade protection and government regulation, which proved unsustainable and resulted in the 1991 balance of payments and fiscal crisis. Subsequent stabilization and reforms moved in the direction of opening up the economy, reducing the public sector's role, and liberalizing and strengthening the financial sector. These policies generated a quick recovery and

unprecedented GDP growth, led by productivity increases and a booming private sector. The apparent stagnation of the poverty rate in the 1990s may well be a statistical artifact resulting from a change in poverty survey methodology, as income per capita has grown nearly 5 percent each year. Nevertheless, with over 200 million people still undernourished, further reforms and liberalization are essential.

Differential growth and widening disparities among states. Recent growth has been uneven across India's 25 states (see lower chart). While poverty declined in



all states, progress was generally slower in low-income states, which constitute about 40 percent of India's total population. For example, although both states had around two-thirds of the population living below the poverty line in 1978, the poverty rate fell only 4 percentage points by 1994 in Bihar, India's poorest state, while it fell 24 percentage points in Maharashtra, a rich state containing

Mumbai (Bombay). More broadly, the gap in poverty rates between a group of low-income and other large states reached nearly 18 percentage points in 1997, more than twice as large as the gap in the 1980s.

Fiscal reform. The combined central and state government fiscal deficit is approaching 10 percent of GDP, posing another concern for sustainable development. In addition to crowding out private sector investment and raising risks of macroeconomic instability (such as inflation), high deficits and public debts constrain social and infrastructure spending that is critical to poverty reduction. Reducing the implicit and explicit subsidies, which are especially large in the power and irrigation sectors, would help contain fiscal deficits, increase efficiency, encourage private investment, and also free up resources for much-needed development spending.

Conclusion. The series of reforms carried out by the Indian government have had a profound effect on India's one billion people. Nevertheless, India remains an extremely poor country—with national per capita income less than a third of the world average—and much work remains to be done.

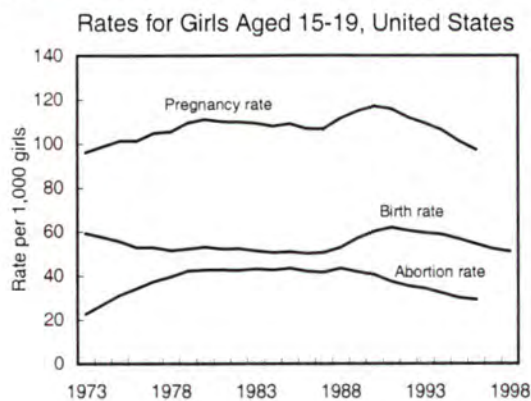
*But has it of
down? And look teen birth rate*

ARTICLE

Adolescent Pregnancy: Trends and Comparisons

Rates of adolescent childbearing, abortion, and pregnancy have declined in the United States in the 1990s. A new study shows that these trends have also occurred in many other developed countries. Nevertheless, the levels in the United States remain relatively high and are similar to those in transition economies like Ukraine and Bulgaria.

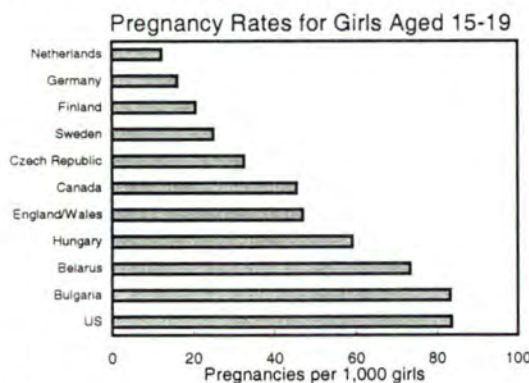
Trends for America's teenagers. Preliminary data for 1998 from the National Center for Health Statistics show a continued decline in the birth rate for American teens (see upper chart). The 1998 rate of 51 births per 1,000 females



15-19 is nearly 18 percent lower than the recent peak of 62 reached in 1991. The birth rate for black teenagers showed an even sharper decline, while that of Hispanic teenagers declined more modestly. The current rates for African Americans and Hispanics are about 2.5 times that of non-Hispanic whites. Other data show recent declines in teen pregnancy and abortion rates. The teen pregnancy rate decreased by approximately 16 percent

between 1991 and 1996 (the latest year available). The abortion rate declined by 22 percent over the same period, and the share of pregnancies ending in abortion fell.

International comparison. A recently published study compiled data on adolescent birthrates for 46 developed countries over recent decades, and gathered abortion and pregnancy rates for a subset of these countries. The range in the



pregnancy rates across these countries in the mid-1990s is very wide, from a low of 12 births per 1,000 adolescents females in the Netherlands to a high of about 83 per 1,000 in Bulgaria and the United States (see lower chart). Western European and other developing countries generally have lower teen pregnancy rates than eastern European countries and the United States. Over the early 1990s

adolescent pregnancy rates declined in nearly all of the reporting countries. International comparisons of adolescent birth and abortion rate data reveal a similar pattern.

Conclusion. Adolescent childbearing has been tied to a number of negative outcomes for both the mother and the child. Recent declines in teen pregnancy rates are clearly good news. The pervasive decline seen across countries suggests the causes behind this trend are not limited to any one country.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Effects of Welfare Reform. A follow-up study to the 1997 and 1999 CEA reports on welfare caseloads examines the effects of welfare waivers and TANF on women without high school diplomas. The study found declines in welfare participation and poverty and increases in employment in waiver states. Effects on earnings and incomes were ambiguous. Waivers were associated with a modest increase in these women's probability of being married and a reduction in their probability of being the head of their household. TANF had a similar effect on poverty, and had twice as large an effect on welfare participation. The study found no effects of TANF on employment, earnings, family income, or household makeup. The study also looks at the distributional effects of welfare reform, and finds income gains to be evenly distributed under waivers, but concentrated among the middle and upper parts of the distribution of these women since implementation of TANF.

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Stable, High-Quality Child Care Increases Work. The presence of a well-developed and stable child care market has a strong positive effect on the probability that current and former welfare recipients will work, according to a recent study of Massachusetts families that received child care vouchers. In addition, reductions in the cost of child care significantly increase the probability of work. Availability of pre-kindergarten and kindergarten programs are also important. Whereas full-day programs are more conducive to working full-time, the results suggest that part-day kindergarten, pre-K, and Head Start programs are more conducive to parents continuing their education, which is easier to do on a part-time basis.

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Income Redistribution under Social Security. While Social Security is highly progressive at the individual level—redistributing income from high- to low-earners—a recent study suggests that the progressivity is less pronounced when looking at family incomes. Much of the total redistribution occurs from primary to secondary earners (usually from husbands to wives) within families. In addition, the spousal and survivor benefits cause a sizable redistribution from families where both spouses work in the labor force to families where a spouse spent a significant number of years outside of the labor force. This implies that one-earner families benefit under the current system more than two-earner families with the same lifetime earnings.

INTERNATIONAL ROUNDUP

China Relaxes Rules on Encryption Technology. This week China backed away from restrictions on the use and sale of encryption technology that would have severely impeded the use of foreign software, mobile phones, e-mail and other communications products. In a statement released this week, the Chinese State Encryption Management Commission (SEMC) provided a "clarification" of regulations issued last year, stating that limits will only be placed on hardware and software for which encryption and decoding operations are core functions. The statement specifically stated that wireless telephones, browser software, and Microsoft Windows software are not included in this category and thus will not be restricted. The SEMC also stated that they will not carry out "encryption key trusteeship," allaying fears that the government would gain access to corporate secrets and undermine intellectual property rights by requiring companies to hand over their encryption codes.

IT and Communications Sectors Growing in OECD. Spending on Information and Communications Technology (ICT) in OECD countries rose from 6 percent of GDP in 1992 to nearly 7 percent in 1997, according to a new OECD report. ICT industries are R&D-intensive and account for more than 20 percent of total business R&D in eight major countries including the United States. Moreover, 10 of the world's top 15 corporate R&D spenders in 1998 were in the electronics and IT hardware sectors. Patent data suggest an increase in innovative activity within ICT industries. Computers, office machinery, and electronic equipment accounted for 25 percent of U.S. industrial patents granted to OECD country inventors in 1996, up from 13 percent in 1980. ICT businesses in the United States account for about 30 percent of world ICT production. These businesses have been on an investment spree of late and now absorb two-thirds of all venture capital in the United States.

Water, Water Everywhere, Not a Drop to Drink. The world's ability to feed itself is threatened by a water shortage, reports the World Commission on Water for the 21st Century. Currently, 1.4 billion people live without clean drinking water, and nearly 450 million people in 29 countries confront water shortage. Half the world's rivers and lakes are seriously polluted, and other water sources are being used at an unsustainable rate. India, for example, uses twice as much water from its aquifers as is being replenished naturally, potentially leading to a loss of a quarter of its food production over the next 25 years. With the global population projected to increase by 3 billion by 2025, some 20 percent more water will be needed than is now available. As most fresh water is used for agriculture, failure to bridge this water gap may imply higher food prices and expensive food imports for water scarce countries, which are predominantly poor. The Commission emphasized technology improvements, market pricing, and raising public awareness as key solutions.

RELEASES THIS WEEK

Consumer Price Index

****Embargoed until 8:30 a.m., Friday, March 17, 2000****

The consumer price index increased 0.5 percent in February. Excluding food and energy, consumer prices rose 0.2 percent.

Producer Price Index

The producer price index for finished goods increased 1.0 percent in February. Excluding food and energy, producer prices rose 0.3 percent.

Housing Starts

Housing starts increased 1 percent in February to 1.781 million units at an annual rate.

Industrial Production and Capacity Utilization

The Federal Reserve's index of industrial production increased 0.3 percent in February following an increase of 1.1 percent in January. Capacity utilization was unchanged at 81.7 percent.

Retail Sales

Advance estimates show that retail sales rose 1.1 percent in February following an increase of 0.4 percent in January. Excluding sales in the automotive group, retail sales rose 1.0 percent following a decrease of 0.5 percent.

MAJOR RELEASES NEXT WEEK

U.S. International Trade in Goods and Services (Tuesday)
Advance Durable Shipments and Orders (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1999	1999:2	1999:3	1999:4
Percent growth (annual rate)					
Real GDP (chain-type)	3.0	4.5	1.9	5.7	6.9
GDP chain-type price index	5.2	1.6	1.3	1.1	2.0
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.7	3.6	0.6	5.0	6.4
Real compensation per hour:					
Using CPI	1.0	1.7	1.4	2.1	0.8
Using NFB deflator	1.5	3.0	2.9	4.0	2.1
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	14.0
Personal saving	6.6	1.7	1.8	1.5	1.3
Federal surplus	-2.8	N.A.	1.3	1.4	N.A.

	1970- 1993	1999	December 1999	January 2000	February 2000
Unemployment Rate (percent)	6.7**	4.2**	4.1	4.0	4.1
Payroll employment (thousands)					
increase per month			309	384	43
increase since Jan. 1993					20823
Inflation (percent per period)					
CPI	5.8	2.7	0.2	0.2	0.5
PPI-Finished goods	5.0	3.0	0.1	0.0	1.0

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

New or revised data in **boldface**.

CPI data **embargoed until 8:30 a.m., Friday, March 17, 2000.**

FINANCIAL STATISTICS

	1998	1999	January 2000	February 2000	March 16, 2000
Dow-Jones Industrial Average	8626	10465	11281	10542	10631
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	5.32	5.55	5.70
10-year T-bond	5.26	5.65	6.66	6.52	6.26
Mortgage rate, 30-year fixed	6.94	7.43	8.21	8.33	8.24
Prime rate	8.35	8.00	8.50	8.73	8.75

INTERNATIONAL STATISTICS

Exchange Rates	Current level March 16, 2000	Percent Change from Week ago	Year ago
Euro (in U.S. dollars)	0.971	0.3	-11.0
Yen (per U.S. dollar)	105.6	-0.8	-10.3
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	95.53	0.1	0.7

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	4.5 (Q4)	4.1 (Feb)	3.2 (Feb)
Canada	4.7 (Q4)	6.8 (Jan)	2.3 (Jan)
Japan	0.0 (Q4)	4.7 (Dec)	-0.9 (Jan)
France	3.2 (Q4)	10.4 (Dec)	1.6 (Jan)
Germany	2.3 (Q4)	8.7 (Jan)	1.7 (Jan)
Italy	1.2 (Q3)	11.1 (Oct) ^{2/}	2.2 (Jan)
United Kingdom	2.9 (Q4)	5.9 (Nov)	1.9 (Jan)

U.S. CPI data **embargoed until 8:30 a.m., Friday, March 17, 2000.**

1/ For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics, except as noted in footnote 2.

2/ Data from OECD standardized unemployment rates.



3-18-00

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

March 17, 2000

SECRETARY OF THE TREASURY

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MEMORANDUM FOR THE PRESIDENT

FROM: Lawrence H. Summers *LS*

SUBJECT: Update on Global Markets
The Week Ending March 17, 2000

Financial markets this week were dominated by a strong reversal of recent equity trends, with the Dow up 7.1% and the Nasdaq down 6.6% for the week, lower oil prices, and official interest rate increases in Europe.

- The Bank of Japan intervened on a substantial scale this week in response to a renewed appreciation of the yen (up almost 1.5% at mid-week). The effects of the intervention were short-lived and the yen strengthened 0.8% on the week to ¥105.53/\$.
- Japanese GDP fell 1.4% in the 4th quarter last year, but most analysts thought the data exaggerated the economy's weakness, and focussed on the strong increase in business investment and consumption as harbingers of a coming rebound.
- The European Central Bank raised interest rates a quarter point on Thursday, quickly followed by the Danish and Swiss banks. The ECB cited upside risk to price stability as a "reason for vigilance." The euro strengthened 0.8% against the dollar on the week to \$0.9711/€.
- ✓ | • Spot crude oil fell \$1.35 this week to \$27.60 (Brent), and futures prices have come back down to mid-February levels, on rising expectations that OPEC would increase production. OPEC President Abdullah al-Attiyah, Qatar's oil minister, said that \$23-\$24 dollar a barrel would be a fair price for both producers and consumers.
- The April and December futures contracts are currently trading at \$30.25 and \$24.38 respectively. The amount of inversion in the futures contract curves has noticeably diminished suggesting that short-run supply concerns have eased somewhat in recent weeks.
- Taiwan's key stock index has been hit hard this week by investors' concerns about deteriorating cross-straits relations following warnings by Chinese Premier Zhu Rhonji and other Chinese officials about the adverse consequences of a victory by the Taiwanese opposition party candidate in Saturday's presidential election. After dropping 6 1/2% on Monday, March 13, the largest one-day drop in four years, and falling another 4 1/2% through mid-day Thursday, Taiwan authorities used a multi-billion dollar stock stabilization fund to shore-up confidence. Despite the government's intervention, and some late bargain

hunting by foreign portfolio investors, the index was down 8% for the week. While the NT dollar ended the week slightly higher, there were market rumors that the central bank intervened aggressively early in the week. Analysts disagree over whether the market has now discounted a ruling party loss, with some forecasting further declines next week if the opposition wins.

- Concerns are growing over Indonesia's failure to implement its reform agenda. IMF staff have now delayed Indonesia's next bimonthly review until at least end-April (originally scheduled for March 30). We support the delay and agree that Indonesia's efforts, particularly in financial and corporate restructuring, have been weak, and intend to signal to the GOI that it is time to start delivering. Specifically, the GOI is lagging in its commitments to sell assets held by its Bank Restructuring Agency and appears to be faltering in its prosecution of wrongdoers in the Bank Bali scandal.

Weekly Market Indicators for the Week Ending:
12:43 PM

March 17, 2000

Major International Markets							
<i>Changes are Friday to Friday</i>				Ten-Year Government			
	Exchange Rates		Index	Equities		Bond Yields	
	Level	% change		Level	change	%	BP change
Japan	106.16	-0.1%	<i>Nikkei</i>	18462	-0.9%	1.83	1
Euro	0.97	-0.9%					
Euro-yen	103.16	0.9%					
Germany			<i>Xetra-Dax</i>	7711	-3.3%	5.23	-14
U.K.			<i>FT-SE 100</i>	6558	-0.2%	5.12	-18
France			<i>CAC-40</i>	6304	-3.2%	5.35	-14
Italy			<i>MIB 30</i>	49347	-2.2%	5.53	-11

^ U.S. dollar depreciation/appreciation

Emerging Markets							
	Exchange Rates		Index	Equities		Emerging Market Sov. Bond Spread*	
	Level per USD	% change (local ccy)		Level	change	BP	BP change
Korea	1117.25	0.2%	<i>Kospi</i>	856	-4.0%	193	20
Indonesia	7450.00	-1.1%	<i>JSE</i>	591	-0.9%	488	30
Thailand	37.96	-0.3%	<i>SET</i>	400	-0.7%	161	21
Hong Kong	7.78	0.0%	<i>Hang Seng</i>	17083	-4.2%	166	19
Brazil	1.74	0.4%	<i>Bovespa</i>	17621	-3.6%	635	21
Argentina	1.00	0.0%	<i>Merval</i>	612	0.3%	440	-18
Mexico	9.32	0.0%	<i>Bolsa</i>	7996	-2.2%	344	21
Russia	28.70	-0.6%	<i>RTS</i>	219	-2.6%	952	-40
India	43.58	0.0%	<i>BSE 200</i>	620	-8.4%	n/a	n/a
Turkey	578575.00	0.1%	<i>ISE 100</i>	17841	0.0%	472	15
South Africa	6.47	-1.0%	<i>JSE</i>	7998	0.9%	259	34

* spread on U.S. dollar-denominated sovereign debt to 10-year U.S. Treasuries

Source: Reuters

3-18-00

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

'00 MAR 17 PM 5:03

March 17, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT Z. LAWRENCE *RZL*

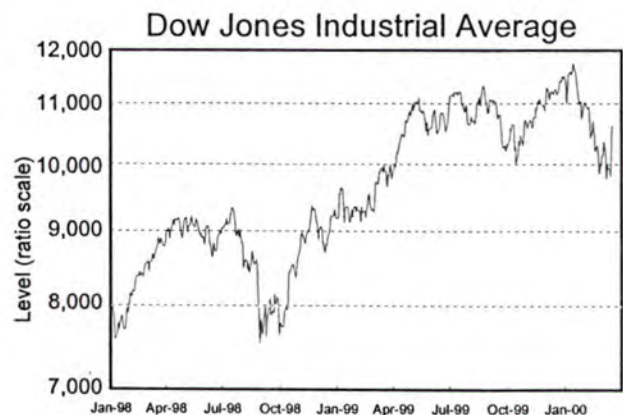
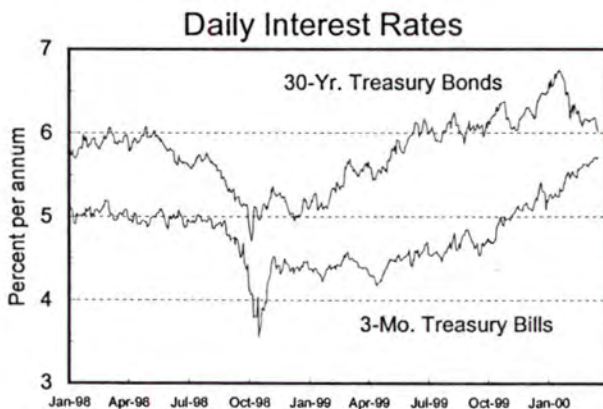
SUBJECT: Interest Rates and Stock Prices for the Week Ending Friday, March 17, 2000

Long-term bond rates fell sharply this week. The Treasury's second bond buyback and news of modest core inflation in February boosted long-term bond prices. Although investors apparently discounted the inflationary impact of rising energy prices, they continue to expect the Fed to increase interest rates by 25 basis points next week and another 25 basis points in May.

Treasury securities	Close 3/17/2000 (percent)	Change from 3/10/2000 (percentage points)	Change from 12/31/99
3-month bills	5.72	+0.02	+0.55
10-year notes	6.20	-0.19	-0.25
30-year bonds	6.01	-0.18	-0.47

The Dow and the S&P 500 soared this week, led by skyrocketing shares of financial institutions that got a boost from falling interest rates. In contrast, plummeting biotechnology stocks dragged the NASDAQ down 5 percent from last Friday's record close. The Dow has now retraced roughly a third of its steep decline since mid-January, and the S&P 500 is now just below its December peak.

Index	Change from 3/10/2000 (percent)	Change from 12/31/99 (percent)
Dow Jones Industrial Avg.	+6.7	-7.8
S&P 500	+5.0	-0.3
NASDAQ Composite	-5.0	+17.9



REPORT HAS SEEN
3-18-00

1 still sign
correct

3-18-00

Send to NSC for
reply?

Yes ☒

No ☐

Card

Conservative Is Decisively Re-elected in Spain

By SUZANNE DALEY

MADRID, March 12 — Spanish voters gave Prime Minister José María Aznar a decisive victory today, opting for another four years with a leader whose conservative fiscal policies have steered the country during a sustained period of economic growth and prosperity.

Mr. Aznar's win was far greater than had been predicted in polls last week and will give him majority control of the country's 350-seat Parliament without having to collaborate with any other party as he has had to for the last four years.

In giving Mr. Aznar such a mandate, Spanish voters appeared to be voting with their wallets and abandoning long-entrenched patterns. Polls show that most Spaniards are still left-leaning but that a significant number crossed over to vote for Mr. Aznar, apparently embracing his record and perhaps still disgusted with the numerous scandals during the 14-year rule of the Socialists who preceded him.

With 81 percent of the vote counted, Mr. Aznar's center-right Popular Party had captured 44 percent of the vote, or 183 seats. In 1996, when Mr. Aznar wrenched power from the Socialists, his party won only 156 seats.

"The Spanish people have deepened their confidence in us," Mr. Aznar said in his victory speech to hundreds of cheering supporters at his party headquarters.

But Mr. Aznar, who has worked hard to sell his party as a centrist organization, also reached out to mend fences. "The attitude of the government will be open to dialogue with all political and social groups," he said, "because everyone will need to see Spain progress."

The vote is a particularly sweet victory for Mr. Aznar, who was a virtual unknown when he took office four years ago. At the time many were doubtful that Mr. Aznar, a former tax collector and a colorless campaigner, would be able to last.

But Spain has flourished under his administration. One of the few conservatives in power in Europe, Mr.

Aznar successfully guided Spain into the European monetary union and set about privatizing state assets and lowering taxes.

In the last four years the country's unemployment rate has dropped from 23 percent to 15 percent. While the average Spaniard is still poorer than the average European, the gap is closing.

Mr. Aznar campaigned on the strength of this newfound prosperity,



Prime Minister José María Aznar of Spain during his victory speech.

promising that he would continue to trim the state's bloated bureaucracy, cut taxes and provide a pro-business environment.

The Socialists, who accused Mr. Aznar of "sleight of hand" and cynicism, were the major losers in the vote today. Small regional parties maintained their seats, but the Socialists won only 125 seats, down 16 seats from 1996.

Two hours after the polls closed, the Socialist candidate for prime minister, Joaquín Almunia, conceded defeat and resigned as head of the party, saying it was time for the left

to come up with new ideas.

"We were not able to motivate the leftist and progressive voters enough to win this election and take office," he said. "We were not able to get our message across."

The Socialists tried a French-style coalition with the Communist-led United Left bloc to try to bring out more leftist voters. But the attempt was a failure.

The Communists, who had 21 seats after the last elections, lost more than half of them.

"This shows that there is a clear conservative trend in Spain, economically socially, culturally and politically," said the head of the United Left, Francisco Frutos.

The campaign was hardly gripping. With Spain's economy predicted to grow at a healthy 3 percent this year, neither Mr. Aznar nor the Socialists proposed big changes. Instead, the candidates squabbled over marginal issues — a windfall tax and the rights of pensioners, for example. Many Spaniards complained of boredom.

Early evening figures indicated that turnout was slightly lower than that of 1996, when about 62 percent of voters cast ballots.

Overshadowing the campaign has been the recent resumption of violence by the Basque separatist group E.T.A., which has killed three people in car bombings since late January.

E.T.A.'s political allies urged Basques to boycott the polls to protest the government's refusal to negotiate demands for an independent Basque state carved out of northern Spain and southwestern France.

The presence of security officials was stepped up in anticipation of possible violence. But by late evening no major incidents had been reported. Some 3,000 police officers were guarding 2,600 voting stations in the Basque region.

Glue was poured into door locks at several polling places in the area, and gasoline bombs were thrown at a government office overnight in the Basque city of San Sebastián. But no injuries were reported.



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The Black Press of America

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CREDO

The Black Press believes that America can best lead the world away from racial and national antagonisms when it accords to every person, regardless of race, color or creed, full human and legal rights. Hating no person, fearing no person, the Black Press strives to help every person in the firm belief that all are hurt as long as anyone is held back.

16 March 2000

President William Jefferson Clinton
The White House
Washington, DC

Dear President Clinton:

On behalf of our 200 member Black community newspapers, I would like to thank you for your tireless efforts to move our nation beyond the politics of division that have besieged us for so long.

For one hundred and seventy-three years (to the day), the Black Press has waged a war of words against civic exclusion and social regression. If our "soldiers without swords" have ever had a general, it was the late John Sengstacke.

Sixty years ago, as America was entering World War II and the path of the nascent civil rights movement seemed unclear, a young Mr. Sengstacke founded the Negro Newspaper Publishers Association (now called the National Newspaper Publishers Association) and reorganized our country's Black Press in to a powerful force for social progress.

Along the way, Mr. Sengstacke helped to guide America out of the dark woods of *de jure* segregation. He worked with President Truman on desegregating the military. He assisted President Kennedy in integrating the judiciary. He provided the leadership for creation of NNPA news service, which ultimately desegregated the Congressional press corps.

Mr. Sengstacke was truly a great citizen and a fierce soldier in the ongoing battle to create one America. It is for this reason that we add our voices to the *Chicago Defender's* request for you to bestow the Presidential Medal of Freedom on him posthumously.

Thank you for taking the time to consider the enclosed request.

Yours sincerely,

John J. Oliver, Jr.
President

Lighting The Road To Freedom ...

3200 13th Street, NW • Washington, D.C. 20010 • (202) 588-8764 Tel. (202) 588-5029 Fax.
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CHICAGO DAILY DEFENDER

DEFENDER COURT: 2400 SOUTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60616



President William Jefferson Clinton
The White House
Washington D.C.

March 15, 2000

Dear President Clinton:

Allow me to personally commend you for your commitment to the African American community and the issues we face. It is your demonstrated understanding and willingness to act that has led me to submit this request to award the Presidential Medal of Freedom posthumously to Mr. John H. Sengstacke.

During my career with the *Chicago Defender* I have had the opportunity to work directly under the tutelage of the late John H. Sengstacke as assistant to the chairman of Sengstacke Enterprises. Although Mr. Sengstacke was highly regarded in his capacity as Publisher of the *Chicago Defender* and recognized for his pioneering work done in that capacity, his accomplishments extend above and beyond the job of a newspaper publisher.

Mr. Sengstacke demonstrated his dedication and commitment to his country and the principles upon which it was founded through his courageous stand on the desegregation of the Armed Forces. As a result, his continuing efforts helped to expose the negative effect on morale and efficiency of racially segregated armed forces. President Harry S. Truman appointed him to a commission headed by Charles Fahey, to investigate the utilization of blacks in the Armed Forces and make recommendations for future policy.

The Fahey Commission visited military bases, interviewed personnel and studied reports on race relations and troop performance in an atmosphere of apprehension and sometimes-undisguised hostility. Despite honest doubts of many senior officers and in the face of deep uncertainty over the effects of reversing a policy almost as old as the nation, John Sengstacke kept the vision of America free of legal segregation and accepted discrimination before his fellow members. In the end, the Fahey Commission proposed desegregation of the Armed Forces and President Truman accepted the recommendation.

The historic change in policy was an attitude not accomplished without strong opposition, both within and outside government. During World War II, John H. Sengstacke and indeed the majority of the African-American press, which he had organized as the Negro Newspaper Publishers Association, (now the National Newspaper Publishers Association) were threatened with federal prosecution for their unrelenting demands that African Americans be allowed to serve in combat.

Not the least beneficial effect of the new policy was the demonstrations of patriotism and valor by black men and women which represent an affirmation before all the world of American ideals of equal treatment and opportunity.

I am personally indebted to the vision and courage of Mr. Sengstacke as I entered the U. S. Army immediately after college as a lieutenant and served with honor retiring in 1990 as a colonel.

Mr. Sengstacke's influence and vision can be found throughout many of the significant acts of inclusion, which have now become historical milestones. Recommendation by Secretary of Interior Oscar L. Chapman to President Truman that Mr. Sengstacke be appointed membership on the board of directors of the Virgin Island Corporation where he served with distinction for a term of five years.

These historical events include: The organization of a meeting with Judge K. M. Landis and Branch Rickey, which led to the hiring of Jackie Robinson as the first African American to play baseball in the previously all-white leagues.

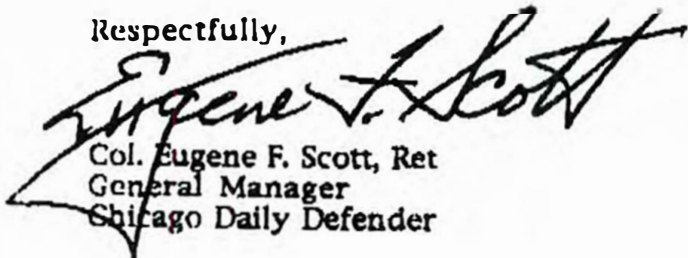
An arrangement to have the first meeting of his newly founded Negro Newspapers Publishers Association held at the White House, then occupied by President Roosevelt. Known today as the National Newspaper Publishers Association, the organization has become a major representation of the Black Press with a membership of more than 200 African-American newspapers.

Working closely with President Kennedy, eventually making a recommendation resulting in the nomination of James Benton Parsons as a candidate for the appointment of the first African American to serve on the federal bench.

In conclusion, Mr. President, I would like to quote your assessment of the life of Mr. Sengstacke in your highly treasured condolence letter written to his son, Robert A. Sengstacke: "Your father was a crusader for equality and justice, dedicating his skills and energy to make life better for millions of his fellow Americans. Throughout his life and career, both in the private sector and in public service, he strived to help America live up to its promise of freedom, justice and equal opportunity for all. His death is not only a great loss for you and your family, but for our nation as well."

As our beloved paper prepares to celebrate its 95th anniversary, it is my prayer that this award is bestowed upon the man who has helped shape the greatest nation in the world.

Respectfully,



Col. Eugene F. Scott, Ret
General Manager
Chicago Daily Defender

THE WHITE HOUSE
WASHINGTON

DATE: 3/21/00

NOTE FOR: Paul Begala

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒
Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

Paul Begala
1350 Beverly Road
Suite 115-311
McLean, VA 22101

Score one vote for 'none of the above'

— Perfun
— send signu sonu
— ce Lockhart
Begala
Sub B

The 22nd Amendment to the Constitution of the United States provides that: "No person shall be elected to the office of the president more than twice."

What a pity.

William Jefferson Clinton is only 53 years old. He is more clever by half than the four leading candidates out to replace him. And while he may not be wholly responsible for the era of peace and prosperity now upon us, he certainly has not done anything to screw it up.

That's why, on March 21, I'll be writing in "Bill Clinton" at the top of my primary ballot. Take that, Rush Limbaugh. Go scratch, Tom DeLay.

Unless, of course, the Illinois presidential primary becomes significant.

This is unlikely because it's so late in the season that the nominations almost certainly will be decided. But on the off chance that either party's choice still hangs in the balance, March 21 would be no time for meaningless, if satisfying, gestures. It would be time to choose among the four fortunate sons: George W. Bush, John McCain, Al Gore and Bill Bradley.

(No apology here to Steve Forbes, who, while a very fortunate son, is no more a credible candidate than he is a New Jersey cattle breeder. How can voters take seriously a tax reformer who uses such a dodge to avoid paying his own?)

Why call them the four fortunate sons?

Because none had to scratch and scramble, as Clinton did, to climb from a broken, blue-collar family to the halls of national power.

Clinton did it through native intelligence and force of personality. Sure, it's a personality that strikes many as patently phony. And there's no question his choice of issues and presentation-of-self have been very carefully contrived. But hey, didn't Clinton's harshest critics once have their agenda voiced by a glib B-movie actor?

Anyhow, here's the lineup in case we have to take this primary thing seriously:

On the Republican side there is George W.

John McCarron



Bush, the son of a millionaire ex-president, versus John McCain, the son and grandson of U.S. Navy admirals. Back when Bill Clinton was trying to keep his drunken stepfather from slugging his overworked mother, these guys were zooming around in sports cars and partying through schools they wouldn't have been admitted to if their names were Bill Clinton.

Some people judge Baby Boom candidates by what they did during the Vietnam War. I don't because it was an ignoble and ill-conceived war that a young man could oppose, or join, with equally good conscience. As a former naval officer, though, I wouldn't downplay the horrors endured by McCain during his captivity in Hanoi. Nor overplay them, since he got what every volunteer bargains for, whether we know it or not.

Gov. Bush's most significant proposal to date has been to throw gasoline, in the form of a \$483 billion tax cut that would mainly benefit the well-to-do, on an already overheated economy.

Sen. McCain, who stresses foreign policy to exploit Bush's inexperience there, says he'd take a harder line against Russia and China . . . even though he didn't vote to use force against marauding Bosnian Serbs.

On the Democratic side there is Vice President Al Gore, a famous senator's son who grew up in a Washington hotel suite, versus former Sen. Bill Bradley, the only son of a Missouri bank owner who has been revered as a basketball star since high school.

Gore seems never to have a spontaneous

moment, though he does have a penchant for loopy, New Age rhetoric about environmentalism and personal fulfillment.

Bradley is an aloof, go-it-alone type who somehow thinks he can convince Congress to order the registration of every handgun in America and at the same time appropriate enough money to buy health insurance for every child whose family earns less than \$49,200 a year. Clinton, who has twice Bradley's political skills, never proposed anything so radical.

Don't get me wrong. It's altogether possible that any of the fortunate sons could make a good president. Maybe even a great one . . . if the gods of history smile upon him and the economy continues to roll.

But after all is said and done this primary season, this voter still would punch for Clinton on March 21 if he had the choice.

Oh, I know the conventional media wisdom is that the president is a womanizer and a liar who will not be missed. That's because our business has pretty much succumbed, in our search for audience share, to the entertainment world's fetish for sex, sensationalism and personality politics. Spoon-fed sordid details by Clinton's political opponents, we joined the Republican fox hunt, hounding Clinton until he admitted his adulterous affair and perjurious denial. As though either mattered.

Meantime, almost no credit has been accorded Clinton for the General Agreement on Tariffs and Trade and North American Free Trade Agreement breakthroughs on trade; for the NATO victory against Slobodan Milosevic and Serbian genocide; for diplomatic breakthroughs in Northern Ireland and the Middle East; for a balanced federal budget, unemployment rates below 5 percent and an 11,000-plus Dow Jones industrial average.

Fortunately most Americans know better. That's why Bill Clinton's job approval ratings are above 60 percent.

Throw the bum out? I say repeal the 22nd Amendment.

copied
Lockhart
Begala
Blumenthal
Podesta