

CHROWS

FUL ORM

DATES

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*Ricchetti  
su nu n. 1111  
JAC*

THE WHITE HOUSE  
WASHINGTON

*Shoffner in  
4/27  
cleared by Kline/OMD  
sig for Nancy*

April 28, 2000

The Honorable Martha A. Shoffner  
State Representative  
Post Office Box 44  
Newport, Arkansas 72112-0044

Dear Martha:

Thank you for your letter regarding the U.S. Army Corps of Engineers' feasibility study on widening and deepening the White River in Arkansas. I understand your concerns, and I've shared your letter with George Frampton, Acting Director of the Council on Environmental Quality.

I know the White River is important to the people of Arkansas and recognize that the proposed navigation project could reduce transportation costs for farmers and others. But the project is controversial both locally and nationally. While proponents believe that the project would produce economic benefits without significantly harming the environment, opponents question whether the claimed economic benefits will materialize and are concerned about the potential environmental impact. That is why my fiscal 2001 budget request for the Army Corps of Engineers includes funding to initiate a broader study of the future requirements of the White River Basin, including the impacts of future development on water quality, wildlife zones, and compatibility of existing uses.

I'm grateful for your input on this important matter, and I send my best wishes.

Sincerely,

*Bill Clinton*

*Copied  
Ricchetti*



STATE OF ARKANSAS

# House of Representatives

*Value seen*

March 6, 2000

The Honorable Bill Clinton  
President of the United States  
The White House  
Washington, D.C. 20500-2000

Dear President Clinton:

Please accept this letter requesting your support in an effort to have Congress reinsert into the 2001 budget the \$700,000 required by the U.S. Army Corps of Engineers to complete the feasibility study on widening and deepening the White River in Arkansas.

To date, \$1.7 million has already been spent on this project. To many people in Arkansas, abandoning this study in favor of an expanded one to include the entire White River Basin seems to be a waste of taxpayer's money. The Corps of Engineers has derived that there would be no negative environmental impact to the White River Refuge or to any of the two hundred and fifty-five (255) miles of river downstream from Newport. I sincerely hope that Congress can be convinced that this original study is important enough to fund to completion.

In my hometown of Newport and the surrounding area I represent in the Arkansas House of Representatives, this project has tremendous economic potential. Year round barge service will benefit the strong agricultural and commodity market in this area. In addition, with the location of railroad lines running adjacent to the river, all types of consumer goods could be shipped in and out of this area, thus relieving a great deal of pressure on our highway system. As far as maintenance is concerned, the natural scouring action of the river created by the dike construction will virtually eliminate the need for the dredging operations that are currently required to maintain an adequate depth for barge traffic.

Again, this feasibility study is too important to Arkansas to let die before completion due to lack of funding. Your strongest support in this effort to reinsert the \$700,000 back into the 2001 budget will be greatly appreciated. Please contact me if I can be of assistance in any way.

3-7-00

Sincerely,

*Martha Shoffner*

Martha Shoffner  
State Representative, District 79

Cc: Congressman Marion Berry

*Send to Burkhardt?*

*Yes* ☒

*Re card. w/om B/LEG*

*BC Sig per NH*

## REPRESENTATIVE

Martha A. Shoffner  
P. O. Box 44  
Newport, AR 72112-0044

Phone:  
870-523-6153 Business, Residence  
870-523-8089 FAX

## DISTRICT 79

Counties:  
Part of Cleburne County  
Part of Independence County  
Part of Jackson County  
Part of White County

## COMMITTEES

Public Transportation  
Waterways and Aeronautics  
Subcommittee

Chairperson,  
State Agencies and Governmental  
Affairs

Joint Performance Review

Joint Budget

E. J. Dionne Jr.

# Crusader's End

① Do a New letter to Lipton  
5.1.00

② cc Ben Johnson  
should applaud him for

These are the days of miracles and wonders.

When the president of Wheaton College in Illinois, Duane Litfin, announced last month he was dumping the college's 70-year-old mascot, the Crusader, he did not act under pressure. And he emphatically denies that his decision was "driven by fears of what is or is not PC." He said the college, where political correctness is not a big issue, had to get rid of the Crusader as "a simple matter of faithfulness to Christ."

You read that right, and to understand what's going on here, you have to understand that Wheaton is perhaps the nation's leading evangelical Christian college. It counts among its alums the Rev. Billy Graham, and its mission is explicitly Christian. It boasts of high academic and admissions standards, and a commitment to serious scholarship. If traditional values are alive on any campus in the United States, Wheaton's the place.

The Crusader mascot would seem a natural for such an institution, and for many years it was. But students at the college began to ponder what the Crusades meant, and thus what message they were sending with that Crusad-

er marching across their Wheaton T-shirts.

In January of last year, the student newspaper ran an editorial under the headline: "Crusader mascot should make us shudder." The students argued that the Crusades "were marked with unspeakable acts of violence and treachery" and that "hordes of innocent people were robbed, raped or murdered in the name of Christ." The italics were in the paper.

"The fighting between the Europeans and the Muslims inflicted horrible losses and suffering on both sides," the students wrote. "What does proudly dubbing a Wheaton student as a Crusader communicate to Jews (the land the Europeans invaded and looted belonged to the Jews as well) and Arabs? It certainly does not communicate love, gentleness and sensitivity."

The paper concluded that "the Crusades were dramatically inconsistent with every tenet that Christianity is built upon."

Litfin, who has been president of Wheaton for seven years, said in an interview he had "put off" thinking about the mascot issue until the students wrote what they did. He was impressed. "This is exactly the kind of Christian

thinking—thinking about things from a Christian point of view—that we're trying to build into our students," he said.

In his remarkable statement explaining his decision to abandon the Crusader (available at [www.wheaton.edu](http://www.wheaton.edu)), Litfin said his view of the Crusades had once been "fairly idealized."

"It was not until I became aware of how offensive the image of the Crusades is to large segments of the world that I was forced to take another look at these historical events, and what I discovered was anything but ideal," he said. "Christians massacring Muslims; Muslims massacring Christians; Western Christians killing Eastern Christians and vice versa. We are hard-pressed to find anything in these disastrous waves of fighting that Our Lord might have approved, despite the fact that the fighting was carried out in His Name."

"We cannot legislate what symbols mean," Litfin wrote. "It is in the nature of symbols that they are defined by usage, and there can be little doubt that for large numbers of people, particularly overseas, the symbol of a Crusader is an unrelievedly negative one, one that clouds in their minds what Wheaton College

stands for." Reinterpreting the past and apologizing for past errors is on the verge of becoming a trend among Christians. Litfin said there was no direct link between his actions and an evangelical Protestant college and Pope John Paul II's recent expressions of sorrow for the Catholic Church's past failures. But there is, Litfin insists, an "underlying connection."

In a "globalized environment," it is impossible to remain "oblivious" to the views and feelings of others. "We live in a world vastly more aware of itself than ever before," he said. "No longer do the world's peoples live in isolated enclaves."

But prejudices work in many directions, and Wheaton's move may help explode some prejudices that work against evangelicals. Litfin doesn't think his mascot decision should be seen as a "big ticket item" and says he'd prefer that it had gotten little publicity outside Wheaton's circles. The humility is becoming, yet what Litfin did deserves notice. It shows that those who are truly serious about tradition, far from being narrow and closed in, are often forced by faithfulness to think and act anew.

copied  
Podesta  
Ben Johnson  
Burkhardt  
for reply

THE PRESIDENT HAS SEEN  
5-2-00

Maybe this should be an AD! This is so clear about who he is....

My best to you and Tipper, Barbra

The great state of Texas, under the leadership of Governor George W. Bush, is ranked:

50th  
in spending for teachers' salaries  
49th  
in spending on the environment  
48th  
in per-capita funding for public health  
47th  
in delivery of social services  
42nd  
in child-support collections  
41st  
in per-capita spending on public education.....  
5th  
in percentage of population living in poverty  
1st  
in air and water pollution  
1st  
in percentage of poor working parents without insurance  
1st  
in percentage of children without health insurance

  
copied  
Ricchetti  
Moore  
Podesta

Just think of what he could do for the country if he were president.

----- Headers -----  
Return-Path: <Paul\_J.\_Cusack@ovp.eop.gov>

Ricchetti / cc Muirson  
fr. Stinson  
BSC

## MEMO

5-2-00

TO: Senator Lincoln  
 FROM: Staff  
 DATE: 4/27/2000  
 RE: **Conversation with President Clinton**

Richie  
See Mr. Podesta  
Boe  
Archie

During your flight home, we suggest you discuss the following with the President:

Copied  
 Ricchetti  
 Podesta

**Meth Labs**

After learning of OMB's denial of the COPS reprogramming request from Sen. Hutchinson (and other Republicans), you sent a letter to Attorney Gen. Reno asking her to consider other accounts from which to reprogram funding in FY2000. OMB indicated in its denial that it would be more receptive to a request for the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs or the Local Law Enforcement Block Grants Program. We have sent a letter to Atty Gen. Reno asking her to formally resubmit such a request to OMB to reprogram \$8 million in funding from either or both of these accounts.

According to news reports, Sen. Hutchinson sent a letter to President Clinton asking him to override OMB (Jack Lew) on its denial of reprogramming of COPS funding.

**Fort Smith Weather Service**

You met last week with the Fort Smith Weather Service and local officials including Mitch Llewellyn and Billy Dooley to discuss the Weather Service's planned closure of the Fort Smith. You also met with Jack Kelly, Director of the Weather Service, and talked with Bill Daley, Secretary of Commerce, about keeping the Fort Smith Weather station open. WH staff has told us "It's over." Ask the President to please weigh in and tell Jack Kelly to keep the office open.

**Targeting Agriculture Resources**

Senator Daschle seems to have quite a bit of access to the President with regards to agricultural policy. You may want to remind him that cotton and rice (very capital intensive) are abundant in the state he served as Governor for over 12 years. The Administration's farm proposal included a \$30,000 payment limitation that has sent our guys into an uproar. This has further fueled Harkin, Dorgan, and Wellstone's fire to fight for the "family farmer". It might not hurt to remind the President that 80% of the food in this country is produced by less than 20% of the farmers. To ensure we maintain a safe, DOMESTICALLY grown food supply we must support our farmers adequately. Getting into the big farmer vs. small farmer argument is not productive. We need to be fighting to ensure that farmers stay in business.....period.

**Quick stat:**

|                    |                    |                |
|--------------------|--------------------|----------------|
| Cost of production | Rice in Arkansas   | \$606 per acre |
|                    | Cotton in Arkansas | \$550 per acre |
|                    | Wheat in Midwest   | \$159 per acre |
|                    | Corn in Midwest    | \$359 per acre |

Attached is a Pro Farmer article regarding esteemed economist J.B. Penn's view of the state of ag policy. President Clinton may want to read it as well.

1 up letter  
 Per. by H. on  
 4/27/00  
 J. B. Penn

★ **Delta Heritage Area**

President Clinton seems poised to press for creating a Delta Heritage Area in Arkansas. Remind him that we need to have local support from private landowners, Farm Bureau, local Chamber of Commerce before he gets out front on the idea.

★ **S. 1622, Delta Regional Authority Act**

DOT staff and Ray Bryant have told us Cochran is withholding support of the bill because: 1) he doesn't want to help the President accomplish anything during his last year and 2) Mississippians want money for the Greenville Bridge. Although President Clinton provided \$25 million for the Great River Bridge in his budget, that didn't satisfy the Mississippi Delta Council. They want TWO bridges. If Secretary Slater can move money administratively for the Greenville Bridge, we might get Cochran on board S. 1622.

*Chap*  
★ **Delta Research Center**

*(X)* We are trying to get the proposed USDA-ARS research center included in the Agriculture Appropriations Bill. It was NOT included in the President's Budget. Secretary Glickman did include it in USDA's supplemental request, but Jack Lew at OMB took it out. Bottom line, we need his help. His people that are around the table during appropriations negotiations need to fight for this. It's in the Delta for goodness sake.

*A one pager signed by Wilbur Peer and Carl Whillock is **attached** for you to hand to him.*

★ **TMDL and the EPA Agenda**

Is Carol Browner trying to ensure Gore doesn't get any votes in the South or in timber states? TMDL is a HUGE issue in Arkansas and Louisiana, with public meetings drawing thousands. Is she controverting the will of Congress at President Clinton's direction or is she on her own agenda?

★ **Mid-South Community College Transportation Training Center**

- The normal sources of funding for a project such as this would be EDA or USDA Rural Development. However, the dollar amount needed for such an ambitious project would drain those agencies if we relied ONLY on the regular sources for grants and loans allocated for Arkansas.

*What other avenues can the President suggest, such as discretionary funds from Cabinet members? By using other sources which you and the White House could work together to secure, we would preserve a larger part of the Arkansas allocation in EDA and USDA Rural Development for important, yet smaller projects.*

**Background**

- The meeting in West Memphis on December 10, 1999 at Mid South Community College included: Kirk Thompson (J.B. Hunt Transportation), Chris Ashley (Family Dollar)

Transportation), J.B. Speed (USA Truck) Leo Suggs (Overnight Transportation Company) Fred Smith (Fed Ex), and Mike Reeves (M.S. Carriers) as well as Lane Kidd, Secretary Slater, Secretary Riley, Secretary Echaveste, Lt. Gov. Rockefeller, Don Melton(Gov. Huckabee's office), Lu Hardin (Ark. Higher Ed), Congressman Berry, President Clinton, Senator Lincoln, and Glen Fenter.

- DKM's notes reflect that the President said he would commit program money but no money to build buildings; that Fred Smith was the first of the private industry people to speak and supported the plan but made no mention of a dollar amount. All industry supported and pledged to help with the exception of Kirk Thompson with J.B. Hunt who talked about "retention" as a problem along with the need for training.
- *Your follow-up letter is attached.*



Wednesday, April 19, 2000

for BEN NOBLE



Noon CT

## **Not exactly.... a look at farm policy misconceptions**

The 1996 Farm Act runs through the 2002 crop year, but that hasn't stopped the start of the debate on farm policy. As we look ahead to this continued debate, Sparks Companies, Inc., has released a new study which addresses some of the misconceptions which continue to be prevalent in this debate.

**SCI Sr. Vice President J.B. Penn** unveiled the results at a policy conference sponsored by the firm this week in Washington. Some of the results may surprise you, others may be painfully obvious. But they will make you think... *guaranteed!*

**"The economic landscape has shifted dramatically** in recent years, and the debate should not continue to focus on perceptions that no longer represent reality. In fact, the debate must focus on a prosperous, growing sector if it is not to lead to policies that stifle innovation, flexibility and change," Penn states.

*Today's dispatch takes a look at highlights from this study.*

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**Myth: Corporations are taking over America's farms.**

**Reality:** Only 0.4% of all farms are owned by non-family corporations. That's little changed in two decades.

**"The reality is that the vast proportion of today's food and fiber comes from family**

farms that are large, highly efficient, well-managed and for the most part financially sound," Penn notes.

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**Myth: Farmers are getting older with no replacements in sight.**

**Reality:** Current Census data show a relatively even distribution of farmers by age and sales class. Young farmers predominate on commercial farms -- 50% are age 49 or under -- with the average age on commercial farms at 50 and 62% of non-commercial farmers are 50 or older. The national average: 54.

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**Myth: Farm consolidation threatens the food supply.**

**Reality:** Farmers sell primarily to other farmers, who continue to invest in efficient farming operations. Production has grown while farm numbers have declined.

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**Myth: Commodity market prices are key indicators of farm profitability and farm financial health.**

**Reality:** Reported market prices often are far below returns commercial farms receive. Remember, price is only one component of revenue. Price x quantity = Revenue.

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**Continued high levels of prospective plantings for 2000 indicate positive returns on investment.**

*"When you throw in scheduled federal transition payments, loan deficiency payments, marketing loan gains, Conservation Reserve Program payments, and emergency payments, farm income for the past two years turns out to be higher than in the early to mid-1990s when many crop prices were higher," Penn stated.*

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**Myth: Farm productivity is not a major factor in farm profitability.**

**Reality:** National average corn yield is up more than 13% in the 1990s. Commercial farms also produce 14% more bushels per acre than non-commercial farms.

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**Myth: U.S. products do not have to compete to expand markets.**

**Reality:** There are many highly efficient international competitors for today's world markets. History has shown the results of holding prices *above* competitive levels. To expand future markets, U.S. products must be available, high quality and priced right.

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**Myth: There exists an average family farm.**

**Reality:** Family farms, as a concept, differ widely in type, size, efficiency, financial health, geography, etc. The "average farm" or "typical farm" is a poor concept for policy prescriptions. The "one-size-fits-all" policy approach fails from the start.

**"The definition of a farm is highly political,** widely used to distribute farm program benefits. It includes literally millions of places that are not commercial operating units by any stretch of the imagination," says Penn. "More than 90% of the 'farms' are too small to be commercial, are retirement or other rural residences, or are operations that depend primarily on non-farm incomes. Policies intended to make the sector more competitive or efficient have little application for these operations."

**The ag sector's 157,000 commercial operations** -- those selling more than \$250,000 per year -- are entirely different than the image one gets from the term 'average' farm," Penn continues. "They highly efficient, generally modest sized businesses."

*Policy needs for this sector are ones that "help them gain access to markets and continue to boost competitiveness," Penn states. These "family farms" are doing well and keep investing in agriculture.*

---

**Myth: Small farms represent the efficiency ideal.**

**Reality:** Commercial, full-time farms are the world's most efficient producers. Smaller farmers have higher

costs-per-unit of output and realize lower prices than their commercial competitors. Farms grow larger to achieve production and marketing efficiencies.

**Commercial farmers' yields are far higher**, their costs are lower and they are generally better marketers than smaller farmers, Penn notes.

**For example**, Penn detailed that the smallest farms (sales less than \$25,000) average \$1.34 in expenses for every \$1 in sales. By contrast, commercial farms' costs average 73 to 83 cents per dollar of sales.

*"These data indicate that nearly 65% of the nation's operations are 'hobby' farms," Penn stated.*

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**Myth: The "safety net" was removed via the 1996 Farm Act.**

**Reality:** The marketing loan program is a safety net with all production eligible -- and support is countercyclical:

*Farmers received \$1.8 billion in 1998; \$6.9 billion in 1999 and are projected to receive \$7.9 billion in 2000.*

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**Myth: A key goal of farm policy is to revitalize rural areas.**

**Reality:** Agriculture is not the central economic activity for most of rural America. And, where it is, the rural areas are already among the most affluent. Focusing on farm policy neglects the need for a coherent policy for rural America.

**Rural areas falling behind the rest of America economically** is something that's happening "irrespective of the prices of wheat or cotton, or the amount of money Congress provides through federal farm programs," Penn noted.

**There are now very few counties in the country where agriculture contributes even 20% of total income.** Penn detailed that in 1995, just over 300 counties -- less than 10% -- fell into this category, according to U.S. Census data, and these are not poor

counties.

*"A more effective rural revitalization likely would result from support for infrastructure -- roads, bridges, telecommunications, sewer and water services," Penn reasons.*

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**Penn's conclusion:** "The food and agriculture sector contributes more than a trillion dollars to U.S. gross domestic product, a share nearly as large as the health care sector and larger than housing or transportation. We expect well-informed national debates on each of those areas, while agricultural issues are thought to be of little interest for urban or suburban voters. We hope this project will serve as a first step in moving that debate closer to the center-stage spotlight."

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Back to the Pro Farmer home page  
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Iowa 50613

## **Delta Center for Agriculture and the Environment**

**Vision:** A *research program* that enhances the health and longevity of Mississippi Delta citizens through collaborative research between the Agricultural Research Service and the public and private institutions of the Delta. A *technology transfer and rural development program* that emanates from this research and builds wealth, creates jobs, and improves education and the standard-of-living in the Delta. An *outreach program* that assures farm workers and all citizens of an opportunity to participate in improved local economies as well as local, State, and federal programs to enhance the health and wellness of all Americans.

### **Proposed Research Program for the Center**

The Delta Center for Agriculture and the Environment will conduct research to :

- Determine the transport and fate of chemicals and natural substances in the air, soil, and water of the Mississippi Delta;
- Assess the exposure of citizens to risk factors through the soil, air and water;
- Assess the medical status of Delta citizens related to risk exposures;
- Assess the exposure of citizens to risk factors through food consumption;
- Develop agricultural practices to minimize risk factors associated with agricultural chemical usage and natural products;
- Develop nutritional interventions to improve the dietary status of Mississippi Delta citizens;
- Develop new agricultural products that sustain agricultural productivity and enhance the economic status of Mississippi Delta small farmers.

The research program of the Delta Center for Agriculture and the Environment will be managed by the Agricultural Research Service of the USDA. However, success would be dependent on collaboration with the public and private institutions of the Delta that have specialized expertise and a mandate to conduct agricultural, nutritional, environmental, and biomedical research.

### **Capital Needs for the Center**

The program described above to meet the communities needs will require:

- Building of approximately 48,000 square feet
- 10 acres of land in proximity to required infrastructure
- Estimated cost of building and land: \$ 17.35 million

### **Program Needs for the Center**

- Permanent funding for 20 ARS SY's (\$6,000,000/yr)
- Funding to collaborators for programs on technology transfer and community outreach

*Carl Whillock*  
*Wilbur J. Peer*

December 15, 1999

Mr. Lane Kidd, President  
Arkansas Motor Carriers Association, Inc.  
P.O. Box 3476  
Little Rock, Arkansas 72203

Dear Lane:

It was a pleasure to be with you at the Mid South Community College in West Memphis. It was an exciting day for the Mississippi Delta region.

I believe in Dr. Fenter's proposal and am pleased at the prospect that it can now become a reality with your help. The college is ideally suited as a site to attract and train new transportation workers and it has clearly generated enthusiasm within the Administration and the trucking industry. With such a degree of cooperation among private industry, state and local governments, and the federal agencies, I am convinced the project will succeed and that the transportation industry will continue to prosper.

Again, it was good to be with you and I look forward to working with you in the future. Please do not hesitate to call on me if I can be of service to you.

Sincerely,

Blanche L. Lincoln

BLL:dkm

5/1/00

BL / Memoirs

Sue Bonyas Thiller  
we should consider  
denial of any political  
person a couple of yrs  
ago - strongly feels  
against punishment -  
apparently she carried  
drug to her husband  
who sold them - she's  
been in 9 1/2 yrs (longer  
than most mandatory  
minimums - he got  
out in 2 1/2)  
Pls look into, advise

✓  
Copied  
Lindsey  
Cabe  
Podesta

5-2-00

PR

copied  
Podesta

5-2-00

THE WHITE HOUSE  
WASHINGTON

April 14, 2000

Podesta

00 APR 14 PM 6:30

Is this worked  
out now -  
is conflict between  
Treasury, Fannie Mae  
PSE

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING *GS*

RE: SECRETARY SUMMERS' MEMORANDUM REGARDING THE  
HOUSING GOVERNMENT SPONSORED ENTERPRISES

Attached is a memorandum from Larry Summers describing issues that have concerned your economic team regarding systemic risk posed by the Housing Government Sponsored Enterprises (GSEs) (Fannie Mae, Freddie Mac, and the Federal Home Loan Banks). It also describes some market events and disagreements between the Administration and the GSEs. Let me just add a few points:

- (1) I personally started from the assumption that tangling with Fannie Mae and Freddie Mac was not a priority for your final year; however, after discussing these issues with Treasury, CEA, OMB, and John Podesta, I am strongly convinced that serious questions of systemic risk to the economy are raised by GSE growth. We would have been irresponsible if we had ignored the invitation to address the issue.
- (2) Because there is no prospect for legislation to be enacted this year, our position will not drain any of the legislative capital that we need to fight for your key priorities.
- (3) The political downside of our position is that Fannie Mae will argue that we have raised the cost of homeownership, by raising the cost of GSE borrowing, by raising questions about the market's perception that the government will stand behind GSE obligations. In fact, your sound economic policies have produced low mortgage interest rates, expanding access to homeownership for millions. Similarly, expressing reasonable concern about systemic risk to our financial system is in the long-term interest of American homeowners.
- (4) As Larry notes, there now appears to be a constructive, private dialogue on these issues ongoing.
- (5) Andrew Cuomo is somewhat concerned about the extent to which Fannie Mae and Freddie Mac are sufficiently using their privileged status to fulfill their mission of expanding access to homeownership for low income and minority communities. Andrew recently proposed raising the regulatory bar for the GSEs and continues to study the issue.



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

April 14, 2000

00 APR 14 PM 10:21

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

FROM: Lawrence H. Summers *LHA*  
SUBJECT: Government Sponsored Enterprises

I wanted to update you on recent events concerning the housing GSEs (Fannie Mae, Freddie Mac and the Federal Home Loan Banks.) These events have attracted some press and market attention and additional stories are expected.

Background

For some time, we have been concerned with the increasing systemic risk posed by the housing GSEs. The GSEs are rapidly growing and now control a central position in the mortgage market and an increasing share of the US debt markets. Congress has mandated explicitly that the US government does not guarantee GSE debt. The GSEs benefit, however, from a market perception that their debt has an implicit government guarantee. This perception may become self-fulfilling as the GSEs use their various benefits to grow ever larger. We are also concerned about the effects on market competition as the GSEs use their subsidy to penetrate new markets. Alan Greenspan shares these concerns. These concerns are not related to the separate issue that HUD has raised regarding the adequacy of GSE efforts to promote affordable housing.

*Size.* The housing GSEs' debt at year-end 1999 totaled around \$1.4 trillion, over 5 times as large as it was in 1990 and more than half as much as all privately held marketable Treasury debt. Fannie and Freddie own or guarantee around \$2 trillion of mortgages, 63 percent of mortgages in their principal market (basically mortgages up to \$252,700 that aren't guaranteed by FHA or VA) and 41 percent of all residential mortgages. With the growth of their retained mortgage portfolios, the GSEs are increasingly taking on the look of very large S&Ls. The GSEs, however, do have broader access to funding than the thrifts of the 1980s, and thus should be less prone to the asset/liability mismatches that helped doom the thrifts.

*Growth.* Recent trends and growth forecasts suggest that GSE debt may double to some \$3 trillion by 2005. With the federal government's budget surpluses, GSE debt is expected to surpass privately held Treasury debt in the next three years.

*Leverage.* The GSEs are highly leveraged institutions. Fannie and Freddie have roughly \$32 of debt for each dollar of capital. The average for large banks and thrifts is about \$12. The average for the largest securities firms is around \$25.

*Subsidy.* CBO, GAO and Treasury have consistently identified three advantages that the GSEs derive from their statutory benefits and the market perceptions those benefits create. First, they enjoy a funding advantage as compared to private companies in equal or better financial condition of around 20-40 basis points. Second, the GSEs operate with greater leverage than other financial institutions. Third, they receive direct cost savings as a result of exemption from SEC registration fees and state and local taxes.

\* While the GSEs pass along some of the subsidy by lowering mortgage rates, a significant portion is retained for shareholders. By lowering rates, the GSEs also gain market share and grow ever larger, potentially increasing their systemic risk.

*The Baker bill.* Congressman Richard Baker (R-La.) has introduced legislation that would change the regulatory structure governing GSEs. The bill would, among other things, consolidate regulation of the GSEs into a new independent board; remove a conditional statutory line of credit the GSEs have with the Treasury; and impose a new approval process when GSEs wish to enter new lines of business. Although the bill has no serious chance of moving this year, Baker is holding a series of hearings, the first of which was March 22.

#### Recent Events

Under Secretary for Domestic Finance Gary Gensler and HUD Assistant Secretary Bill Apgar testified for the Administration at the March 22 hearing. Treasury's testimony described GSE growth, leverage, subsidy and systemic risk. It also reviewed Treasury's long-standing approach to mitigating systemic risk in the capital markets. It neither endorsed nor opposed the Baker bill, but did express support for removing the line of credit and for considering a phase out of the GSEs' exemption from bank exposure limits.

Fannie responded with a sharp attack on Treasury for making their debt more expensive and thereby allegedly hurting American homeowners. The debt markets have been very interested in these events. While mortgage rates have actually declined since the testimony, GSE funding costs have increased when compared to Treasury debt. The Congressional Black Caucus also sent a letter expressing concerns for which we have prepared a response.

In response to press questions, we pointed out that (1) our testimony was consistent with longstanding Treasury principles, (2) there had been no change in the government's relationship with the GSEs, but that (3) it was perfectly appropriate to review relevant issues, given the importance of the GSEs for the housing and capital markets. There was some further by-play between Fannie and Treasury over the following two weeks, but this activity has now been channeled into the discussions described below. We also understand that the *New York Times* and the *Wall Street Journal* are working on stories likely to be critical of the GSEs, but we have not worked with either paper on their stories.

On April 3, Alan Greenspan joined me for a generally constructive meeting with Frank Raines to discuss the issues of systemic risk that concern both Alan and me. The upshot was an agreement that Fannie, Treasury and the Fed would undertake a series of private meetings at the staff level to consider an agreed agenda of issues relating to systemic risk including subsidy, procedures to apply in a liquidation scenario, and the adequacy of GSE regulation. It was also agreed that we would all endeavor to work on these issues in a private, collegial manner. On April 13, we had a similar meeting with the CEO of Freddie Mac.

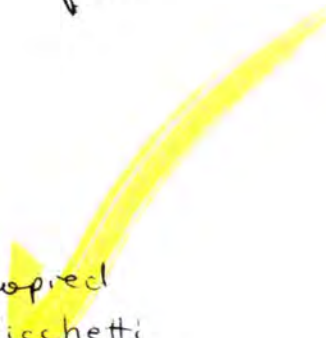
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# Lowly creatures from the deep may help cure cancer and warn of pollution

BY MARK SHWARTZ

**T**hey are slimy, wormlike and sometimes brainless creatures, but the strange organisms that inhabit our oceans, lakes and streams may one day provide a cure for cancer — or serve as an early-warning system for the subtle effects of toxic pollution.

That was the message delivered by two Stanford scientists at the recent international meeting of the American Chemical Society (ACS) in San Francisco.

Paul A. Wender, who holds the Bergstrom Professorship in Chemistry, presented his remarks during an ACS symposium on "New Prospects in Anti-cancer Agents for the 21st Century."

Researchers are scouring rainforests, deserts and ocean bottoms in search of wild plants and animals that produce regulators of enzymes capable of fighting diseases in humans.

Wender told his colleagues that isolating and synthesizing these exotic biochemicals has been a difficult yet exciting challenge.

"It's an absolutely fantastic time to be a chemist," he said, pointing to the large number of promising anti-tumor compounds recently discovered in ocean-dwelling invertebrates, such as sponges, sea hares, marine worms and bryozoa.

Of particular interest, he said, is a species of bryozoa called *Bugula neritina* found off the California coast (see illustration).

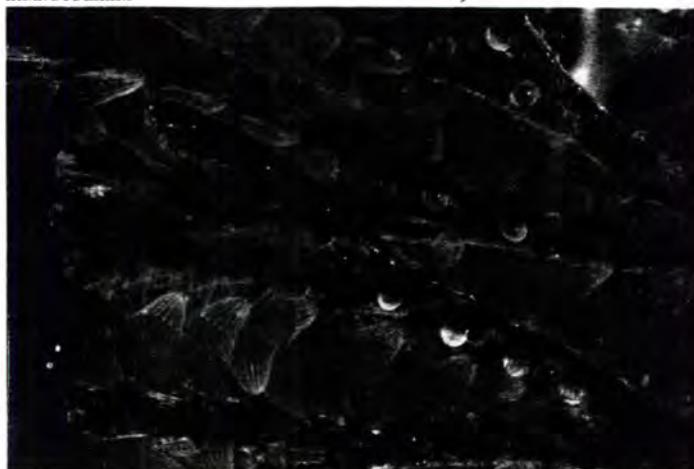
This tiny, plantlike animal produces a remarkably potent chemical called bryostatin that appears to prevent the growth of tumors in a variety of human cancers, including melanoma, non-Hodgkin's lymphoma and renal cancer.

Bryostatin is being tested in more than 40 clinical trials in the United States, and so far, many cancer patients have shown marked improvement with relatively minor side effects.

But if bryostatin is eventually approved by the Food and Drug Administration, pharmaceutical companies will face another problem: a lack of supply.

It takes 14 tons of *Bugula neritina* harvested from the sea to produce less than one ounce of bryostatin, Wender noted, which has led to the creation of bryozoa farms in California.

COURTESY L. & L. LANGRISH



**BUGULA NERITINA**, a species of bryozoa found in the Pacific, produces the chemical bryostatin now being used in human cancer trials. Dozens of other bryozoan species are found in the world's oceans.

A more practical solution than aquaculture, Wender said, would be to synthesize bryostatin in the laboratory — currently a long and expensive process requiring 60 to 70 chemical steps.

The ultimate answer, he argued, is for chemists to create a simplified version of the bryostatin molecule that would be easier to manufacture in bulk and would perform better in the clinic.

"Maybe we can do better than bryostatin and get around some of the supply issues," Wender suggested.

The goal, he said, is to redesign bryostatin by removing segments of the molecule that have nothing to do with blocking tumors.

"Perhaps we can delete these unnecessary features in order to simplify the target and thereby streamline synthesis," he noted.

And that's exactly what he and his Stanford colleagues have begun doing.

First, they teach computers to create "bryologs" — less complicated versions of the bryostatin molecule designed to maximize its cancer-blocking ability.

Then, a team of chemists use the 3-D, computer-generated models to synthesize actual bryolog molecules in the lab.

The results have been outstanding, according to Wender. He pointed to studies with the National Cancer Institute

showing that designed, synthetic bryologs are significantly more effective than natural bryostatin in reducing tumors.

Wender predicted that the ocean will continue to be a rich source of disease-fighting agents, especially in coral reefs, which contain thousands of marine species.

And when a new compound is discovered, chemists now are prepared to make it therapeutically more effective.

"We can now take the wonderful inspirations nature has provided and engineer better molecules," he concluded. "We are able to design compounds that have not been on this planet before."

## Toxic warning

Many scientists who attended the ACS meeting agreed that if we hope to extract new medical cures from the sea, then we must learn to protect the health of the oceans and their inhabitants.

Unfortunately, many synthetic compounds that are beneficial to humans end up harming aquatic organisms, said David Epel of Stanford's Hopkins Marine Station.

Epel, the Jane and Marshall Steel Jr. Professor of Marine Sciences, discussed his findings during an ACS panel on pharmaceutical and personal care products in the environment.

"You're probably glad that the person

sitting next to you is wearing a deo ant," Epel told reporters. "And I know I am grateful for the cholesterol-lowering drug that I take every morning."

"But I'm not certain that the inhabitants of our lakes, oceans and rivers are cheering these inventions."

Epel warned that when people excrete drugs or throw away old cosmetics, toxic compounds end up in the environment in amounts that may threaten the delicate immune systems of freshwater and ocean-dwelling creatures.

"These organisms use a protection strategy that is basically a preventive medicine approach," Epel said.

"Instead of detoxifying any poisons that happen to get into the cells, they instead use a 'first line of defense' strategy, which is to keep the toxins out of the cell in the first place."

Epel and graduate student Nancy Eufemia study aquatic animals such as the mud-dwelling fat innkeeper worm found along California's Monterey Bay.

These animals have a relatively simple defense mechanism that consists of proteins called "efflux transporters" imbedded in the outer surface of their cells.

Transporters work by kicking out toxins before they can enter the cell and cause damage.

Unfortunately, Epel noted, efflux transporters can be easily overwhelmed by minute levels of synthetic chemicals like those found in drugs and perfumes.

As a result, toxic compounds can enter the cell and eventually cause genetic or structural damage to the entire organism.

Little research has been done to determine how much pollution is being generated each year from discarded deodorants, cough syrups and medications.

But according to Epel, "It is urgent that we study these pharmaceuticals that are now appearing in the environment and determine whether they can affect this first line of defense."

He noted that while we may not observe large numbers of animals dying today, careless disposal of drugs and cosmetics might be having subtle and "profound consequences on reproduction and the long-term health of aquatic ecosystems."

Epel pointed out, however, that his laboratory at Hopkins Marine Station is one of the few trying to assess this "potential danger to the aquatic environment." SM

# New field of astrobiology has scientists pondering extraterrestrial origin of life

BY MARK SHWARTZ

**T**he question of whether life exists elsewhere in the universe left the realm of science fiction this week, as NASA hosted the galaxy's first Astrobiology Science Conference.

The event was held April 3-5 at the NASA Ames Research Center in Mountain View, Calif.

The conference brought together researchers from Stanford and dozens of other institutions to discuss new developments in the burgeoning field of astrobiology, which NASA defines as "the study of the origin, evolution, distribution and destiny of life in the universe."

While several authors submitted

energy," wrote Chyba and Elisabetta Pierazzo of the University of Arizona.

"Few places in the solar system appear to satisfy these requirements," they noted, except Earth, Mars and Jupiter's moon, Europa.

Previous studies showed that comets contain organic compounds such as amino acids, the building blocks of proteins.

Using computer simulations, Chyba and Pierazzo concluded that certain amino acids could have survived "large cometary impacts" billions of years ago, becoming part of a primordial soup that eventually gave rise to single-celled organisms on Earth — and perhaps on Mars and Europa.

But is it possible that tiny creatures from another world somehow hitched a ride on

One NASA Ames researcher pointed to recent experiments with a species of worm called *C. elegans* that is only a millimeter long. Miniature worms were placed in a centrifuge then spun at 10 Gs, or 10 times the gravitational force felt on Earth.

The little creatures survived four days of spinning — no surprise to Stuart Kim, associate professor of developmental biology at Stanford.

"These worms will live at 100,000 Gs," said Kim, who is conducting additional studies with NASA Ames to see if extreme gravitational forces affect a worm's ability to regulate cell growth, metabolism and other genetic functions.

To find out how quickly invasive species adapt on Earth, conference orga-

duced into San Francisco Bay every week in the ballast water of cargo ships from Asia and other continents.

"That's just a blip in geologic time," Mooney noted, adding that even Earth-bound ecologists "can't predict which organisms will become successful invaders."

Stanford geophysicist Norman H. Sleep presented a paper arguing that the Earth's oceans contain just the right amount of water to sustain oxygen-breathing organisms.

According to Sleep, if the oceans were twice as deep as they are today, the continents would be submerged, exposing only a small amount of granite to the atmosphere.

When granite weathers, it turns into clay, which then absorbs gases rather

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"This should not be seen as a gesture that may have some symbolic meaning as to the revision of our legislation on displaced art. Nothing of the kind will happen," said Emina Kuzmina, a longtime member of Russia's state committee on restitution, referring to the return of the drawings.

Overall, Russia and Germany enjoy warm relations, but the trophy art issue has been a persistent irritant. Both countries maintain justice is on their side.

Russian Culture Minister Mikhail Shvydkoi insisted that last week's reciprocal gestures do not represent a change in Russian policy.

"We are not talking about an exchange," he said. "What we are talking about is ... the mutual return of items that were juridically incorrectly taken out of the two countries."

It might seem like hair-splitting, but that distinction is important to Russian officials. All the artworks returned last week were turned over by private individuals who held them illegally; none was released from an official state collection.

In the case of the drawings, they were delivered anonymously to the German Embassy in Moscow in 1993 by a guilty retired Russian army officer who said he had stolen them from a castle in Germany where they had been placed for safekeeping.

The Amber Room's marble mosaic was recovered last year when the son of a former German officer put it up for sale in Bremen, apparently unaware of its origin. Known as one of the Florentine mosaics, it is among four that decorated the walls of the chamber. The chest one of two originally installed in the room was identified in 1997 by a German furniture restorer who read a description of the missing furniture and recognized it as an item he had once restored. The owner was located and agreed to return it.

Of all the art damage wrought by the Nazis in Russia, the loss of the Amber Room is perhaps felt most keenly.

After their 1941 invasion, the Nazis shipped it to the port city of Königsberg, the former Prussian capital, then occupied by Germany. Most of the room was installed in a castle there, but it was packed up again in 1944 as the Nazis retreated and secreted somewhere outside the city, now the Russian port of Kaliningrad.

The Amber Room has not been seen since. Some people believe that it was broken up and dispersed; others, that it is still largely intact, hidden in a mine or bunker. It is considered a prime goal of treasure hunters.

Not content to wait for the discovery and return of the real thing, Soviet officials decided in 1979 to re-create it. Since then, Soviet and Russian artists painstakingly have been collecting, polishing and building new panels, guided by archival and photographic records. The expensive work has been slowed by a lack of funds, but it was given a boost last year when the German gas company Ruhrgas pledged \$3.5 million to the project, which is about half done.

The Amber Room has enormous symbolic meaning for Russians and tops the list of national treasures they want restored. For Germany's part, among the thousands of items held by Russian museums, perhaps most important are 260 pieces of gold, believed to have come from the ancient city of Troy, that were discovered by German explorer Heinrich Schliemann in 1873. Russian officials have said they have no intention of relinquishing the gold.

Under the new trophy art legislation, which is likely to be signed by Putin, "nonaggressor" nations plundered by Germany, like France, could apply for repatriation of artworks that later made their way to Russia. But artworks seized from "aggressor" nations, such as Germany, Austria and Hungary, would be considered legitimate spoils of war.

Still, the law would leave some room for flexibility in the case of "exchanges," which would permit Russians leaders to trade articles they hold for articles they want back from Germany.

In that sense, because Russian law does not require the government to return any of the loot, the atmosphere of bonhomie and goodwill displayed in St. Petersburg could be critical to future progress on trophy art disputes.

"The fact that our German friends brought a fragment of the Amber Room to St. Petersburg today ... means a lot to us," Putin said. "We think that very complex issues, including national cultural treasures, can be resolved if approached constructively, calmly and with a feeling of full responsibility and goodwill."

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#### A Misdirected Missile Defense Plan

The following editorial appeared in Sunday's Los Angeles Times

The limited National Missile Defense system that Congress last year ordered deployed "as soon as technologically possible" is looking less limited all the time.

In a new study, the nonpartisan Congressional Budget Office projects that NMD's first phase will cost just under \$30 billion through 2015, billions more than the Pentagon's estimate. That price would double, and the system would greatly expand, if two projected additional phases are added. It could be argued that \$60 billion is a small price to pay for protecting the whole of the United States against missiles armed with nuclear, chemical or biological warheads. The price is reasonable, however, only if it buys a system that works. The CBO, along with others, including Phillip E. Coyle, the Defense Department's chief testing analyst, cautions that NMD's effectiveness is far from proven.

The Pentagon's Ballistic Missile Defense Organization says the first phase of NMD is designed to defend against attack by "a few simple" warheads. For that, 100 interceptors would be based in Alaska, a sophisticated new radar system would have to be built, and older early-warning radar would have to be upgraded.

Phase 2 would aim at defending against "a few complex" warheads, mainly by expanding the radar system. Phase 3 looks to dealing with "many complex" warheads by adding 150 interceptors, most to be based in North Dakota, and further expanding necessary radar and communications systems. Proceeding only with NMD's first phase would require Russia's agreement to amend the 1972 Anti-Ballistic Missile Treaty, or a U.S. decision to abrogate the pact.

So far, only two test interceptor missiles have been fired. One failed, and the other hit an incoming warhead. A third test is scheduled for June 26, after which the Pentagon is to recommend to President Clinton whether to proceed with deployment. But even a successful test would leave crucial technical problems unresolved.

Example one: The system can't differentiate between real and decoy warheads. As the CBO rightly points out, a country that knows how to launch an intercontinental missile with a warhead capable of killing hundreds of thousands of people also knows about decoys.

Example two: The interceptor used in the test firings won't be the interceptor actually deployed. The eventual booster will subject the warhead to 10 times more high-frequency vibrations than the test flight rocket. That, the CBO says, could "distort or damage the kill vehicle's optics or electronics, rendering the interceptor impotent."

**This all adds up to an overwhelming case for moving cautiously with this unproven and expensive venture. More time is needed, as the CBO says, to develop the technology needed to discriminate between real warheads and decoys. And certainly a more thoughtful examination of the strategic and political consequences of NMD deployment has to be undertaken.**

Russia has hinted that it might abandon all strategic arms agreements if NMD goes ahead. The great danger in that event is not so much from Russia's thousands of remaining missiles and warheads but from the risk that Moscow would peddle its missile and weapons technology to others, including North Korea, Iran and Iraq. In that event, the security threats to the United States would be multiplied many times over. That contingency should give pause even to those who so heedlessly dismiss Russia's response to NMD as of no consequence.

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# Embryonic Promise, Pitfalls

## Stem Cell Studies Fuel Ethics Debate

By RICK WEISS  
Washington Post Staff Writer **A1**

In a laboratory in Baltimore, tangles of healthy neurons are sprouting from the spinal cords of mice stricken with a rodent version of Lou Gehrig's disease, a nerve-withering ailment for which there is no cure.

In Boston, mice that normally die in their first six months from the same disease are living a year and a half or longer.

And in a nearby Boston lab, monkeys whose motor neurons have been experimentally destroyed are growing new ones.

In all three cases, the animals were treated with embryonic stem cells, a class of cells found in human embryos and fetuses that can nourish ailing cells and

grow into virtually every kind of tissue. Discovered just 18 months ago, the cells appear to have remarkable regenerative powers useful against a host of conditions, including Parkinson's disease, diabetes and, perhaps, even cancer.

But equally remarkable is the speed with which privately funded researchers leading these and other studies are moving to test their stem cells in patients. Meanwhile, publicly funded scientists remain banned from the field because federal guidelines for the ethical conduct of stem cell research languish unfinished, the victim of political warring over abortion.

At least one team of privately financed scientists has already met with Food and Drug Administration officials to outline strategies for starting human tests next year. And in Wisconsin, an entire stem cell research facility has just been built without a single federal dollar, to distribute human embryo cells to scientists who hope to test them in volunteers here and abroad.

The accelerating private push is thrilling patients who hope to see medical benefits in their lifetimes. But it's worrisome to some ethicists and others who believe the public would be served better if Clinton administration officials would finalize and release their long-awaited rules for how the embryonic cells should be obtained and used.

Among the concerns are that parents may not be told that their embryos are being used in research; scientists may start creating human embryos from scratch just to destroy them for their stem cells; and someone may even try to use the versatile cells to clone human adults.

The rules, which would be designed to prevent these and other abuses, would be binding only on federally funded researchers. But they would serve as the gold standard for everyone in the field. If federal officials don't promulgate them soon, some say, the field of stem cell research could end up a lot like the fertility business, another area of medicine that federal regulators avoided because of abortion politics. That field has long suffered from a reputation as a "Wild West" branch of medicine in which oversight is scarce and abuses common.

"Without rules in place, you're dealing with a black box where nobody knows what's really happening," said John Fletther, a professor emeritus of biomedical ethics at the University of Virginia in Charlottesville. "The FDA has no oversight mechanisms to look at where these embryos are coming from. You could have a runaway situation where you have embryos being created for research and the worst nightmare of liberals and conservatives coming true."

Human embryonic stem cells nestle inside every human embryo and are the cells from which all

kinds of adult tissue grow. In December 1998, James Thomson and colleagues at the University of Wisconsin announced that they had teased them from leftover embryos obtained from a local fertility clinic. Almost simultaneously, John Gearhart and coworkers at Johns Hopkins University in Baltimore announced that they had retrieved similar cells, called embryonic germ cells, from human fetuses.

The long-sought discoveries electrified biomedical researchers, and federally funded scientists have been clamoring to conduct experiments on the cells. But a five-year congressional ban on federal support for human embryo research has kept publicly financed researchers and ethics overseers out of the field.

That situation started to shift last year when National Institutes of Health lawyers decided that Congress's embryo research ban did not apply to most stem cell studies. NIH said it would fund the sensitive work as soon as it created pertinent ethics guidelines. But 15 months after that decision, the guidelines are still not in place.

Draft guidelines were completed on Dec. 2, proposing that scientists should use only leftover frozen embryos made for fertility treatments that are going to be discarded anyway and that have been freely donated by the mothers. But NIH officials,

saying they've been swamped with comments from the public, have not sent a final version to the Department of Health and Human Services, and are not expected to until at least June. Even then, some insiders say, HHS may not release the rules until after the federal appropriations process this fall, or even after the presidential election, since many in Congress—including some with a grip on that department's purse strings—are strongly opposed to any kind of human embryo research.

In many respects, the NIH plan is moderate. It would allow federally funded scientists to conduct experiments on stem cells that others had obtained by destroying human embryos, but it would not allow them to destroy embryos themselves.

That is in contrast to the recommendations made last year by the presidentially appointed National Bioethics Advisory Commission, which concluded that federally funded scientists seeking stem cells should be allowed to destroy embryos if the mothers consent. President Clinton thanked the commission and never mentioned the report

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again.

Now, Congress is gearing up for a fight.

One side is led by Sen. Arlen Specter (R-Pa.), who in January introduced a bill that would essentially codify the bioethics commission's guidelines and has scheduled a hearing for April 26 at which paralyzed movie star Christopher Reeve and others will sing the praises of stem cell research.

The other side features Sen. Sam Brownback (R-Kan.), Rep. Jay Dickey (R-Ariz.) and others who say the government should not support embryo research. They want scientists to focus on stem cells obtained from adult donors, an option that many scientists believe has less medical potential.

Brownback says he can pull together enough votes to kill even the NIH's more modest draft guidelines. Administration officials say he'll come up short, but neither are they anxious for a congressional battle over embryos on the eve of a presidential election.

Into the void left by that stalemate, millions of dollars of private money are rushing.

With backing from Geron Corp., a California biotechnology company, as well as donations from patient groups and private benefactors, Gearhart's lab has been working furiously to move his cells toward clinical trials.

With collaborators at Hopkins, Gearhart is starting a host of animal studies to test the cells' usefulness for Parkinson's disease, Lou Gehrig's (amyotrophic lateral sclerosis, or ALS), Down syndrome, degeneration of the retina of the eye, and diseases of the pancreas and liver.

In a separate collaboration between Johns Hopkins neurologist Jeffrey Rothstein and Harvard neurobiologist Evan Snyder funded by a private nonprofit patients' group, human fetal stem cells are being injected into ALS mice in Boston. In one recent experiment, Snyder conducted muscle function studies on ALS mice with a "rotorod" machine that tests how long a mouse can

stay balanced like a log roller on a rotating axle. The mice that had human stem cells injected into their spines early in the disease retained their agility much longer in life, and ultimately lived three to four times longer than the short-lived control mice.

In another Boston study led by Snyder and others, a few human stem cells injected into the spines of monkeys whose motor neurons had been destroyed developed into new motor nerve cells.

Inspired by the studies, Gearhart, Rothstein, Snyder and others met with FDA officials in February to start mapping a path to human clinical trials. ALS may be the first target for a stem cell treatment, partly because the work has shown promise and partly because ALS patients with connections to Hollywood and Wall Street have helped funnel millions of dollars in research money to the cause.

Similar research is speeding ahead elsewhere. Researchers at Menlo Park-based Geron have at least six different stem cell lines that they hope to turn into medical treatments for the brain, heart and liver. Geron President Tom Okarma told a scientific meeting in February. (Company officials contacted last week could not say how soon they might seek FDA permission to begin clinical trials because Geron is now in a "quiet period" imposed by the Securities and Exchange Commission in preparation for a public stock offering.)

In Madison, the University of Wisconsin's nonprofit Alumni Research Foundation recently created the WiCell Research Institute, a private, nonprofit laboratory that, because it receives no federal funding or equipment, is a safe haven for scientists wishing to conduct stem cell research. The institute plans to distribute Thomson's stem cells to scientists at U.S. pharmaceutical companies and elsewhere within the next six weeks.

"The requests have been numerous," said Carl Gulbrandsen, the foundation's managing director.

Gulbrandsen said the institute will insist that researchers who get the Wisconsin cells agree to certain ethical guidelines for their use, such as not using them to clone a person. Ironically, however, the cells being offered are themselves in violation of the draft NIH guidelines. Some of them were derived from fresh fertility clinic embryos, while the draft guidelines insist that only frozen embryos be used as insurance against mothers feeling rushed to make a decision to donate.

Gulbrandsen said the university has asked the NIH to "grandfather" the Wisconsin cells into the guidelines. "We think we're close enough that it would be a shame not to be able to use these cells just because we haven't dotted every i and crossed every t," he said. "It's a shame, I think, that the process has been so politicized."

The FDA still has many questions about the science, including the safety of putting embryonic or fetal stem cells in people.

Among the concerns are that stem cells are quite mobile and could travel to distant reaches of the body where they may turn into the wrong type of tissue or become tumors. Also unknown is whether stem cells might trigger dangerous immune system reactions in recipients.

Many of those concerns are slated to be discussed at a July FDA meeting. But while that meeting will be open to the public, details of privately funded human stem cell experiments will be kept confidential, in keeping with FDA rules.

Moreover, say supporters of public research, the FDA does not have the authority to judge the ethics of an experiment, including consideration of the source of stem cells and whether they were obtained with proper consent.

"Unless some government oversight gets involved," Harvard's Snyder said, "there's going to be a burgeoning of disreputable entrepreneurs preying on vulnerable patients with cells from who knows where."

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## The Arms Control Knot

THE CLINTON administration envisions a "grand bargain" on arms control with Russia. For the United States, there would be changes in the 1972 Anti-Ballistic Missile Treaty to permit deployment of a missile defense system against possible attack from states such as North Korea. For Russia, there would be both a START III treaty with further deep cuts in strategic arsenals and assurances that the U.S. defense system is not intended to diminish Russia's ability to deter a U.S. attack. You could call it the "third way" approach to nuclear security.

So far, however, this effort to please everyone has pleased no one. Republican senators who advocate a much broader missile-defense shield want no part of a lame-duck president's deal. Any treaty President Clinton might bring home from his June summit with President Putin in Russia would be "dead on arrival," says Sen. Jesse Helms. Many arms control advocates argue that it is reckless to endanger the ABM treaty for the sake of a system that could be thwarted by an attacker's counter-measures—if it works at all. The Russians are reluctant to accept even a limited U.S. missile-defense, no matter what the inducements—and have suggested that any U.S. attempt to deploy one would jeopardize existing U.S.-Russian arms deals.

Both Congress and the Duma have imposed conditions relating to the START II treaty, which would reduce each side's strategic arsenal from 6,000 warheads to between 3,000 and 3,500 warheads by 2007. Back in 1996 when the Duma was dragging its feet on ratification,

Congress adopted a law forbidding the United States to reduce its arsenal below the 6,000 warheads permitted under START I until START II enters into force. Now that the Duma has ratified, you'd think Congress would reconsider this obstacle to arms reductions. However, the Duma's ratification of START II was made conditional upon a satisfactory (to Russia) resolution of the ABM issue—so the treaty can't yet enter into force, and the Pentagon can't formulate plans to get rid of weapons that the generals no longer want.

The pending U.S. election only heightens everyone's incentive to politicize the issues. Republican opposition is partly motivated by an effort to paint the Democrats as weak on defense. But there will certainly not be time this year for the Senate to consider a new treaty, even if Sen. Helms were so inclined. So the Republicans have a point when they say the administration is pursuing its grand bargain with Russia at least in part to tie the hands of the next president—or to set up a Democratic campaign attack on GOP arms policies.

Arms control specialists want presidents Clinton and Putin to start thinking outside this box. One idea: If they can't agree to destroy more weapons, the presidents could agree to remove a large number of warheads from their launch-readiness state. President Bush and then-Soviet leader Mikhail Gorbachev took such a "reciprocal unilateral" step in 1991 when START I ratification was pending. Today, it could help reduce the risk of accidental nuclear war—and restore momentum to the process of arms reduction.

## Evolution at the World Bank

ONE problem with the recent World Bank protests is that they were out of date. The bank was accused of funding environmentally destructive power projects. But since 1980 the percentage of the bank's loans going to the power sector has fallen from 21 percent to 2 percent, and most of the institution's projects now go through an environmental audit. Equally, the bank was accused of putting industrial development before people. But over the past two decades the share of bank loans going to education, health and nutrition has jumped from 5 percent to 25 percent.

At its spring meeting in Washington, the bank extended this shift by making a big new commitment to AIDS reduction. Last week it added fresh promises on education. James Wolfensohn, the bank's president, pledged that no developing country that comes up with a good plan for universal school enrollment will go unsupported by aid donors. The next

day the Clinton administration backed this commitment and promised to bring it up at the G-8 summit in the summer.

Around the world, 125 million children do not go to school. This cuts off hopes for development off at the knees: Gains in economic productivity, public health and even political pluralism are unlikely in countries where illiteracy remains widespread. In many parts of the world, girls are especially likely to be left out of school.

The World Bank is right to shift resources from old-style industrial loans, which are increasingly available in the private capital markets, toward investments in human capital. Skilled and healthy workers are the key ingredients of economic growth. If the bank can help to create them—a tough job rendered still tougher by the spread of AIDS—investors can be relied upon to create the factories and workshops that offer an escape from poverty.

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# Later Pub Hours? Europe Tells Britain It's Time

By SARAH LYALL

MANCHESTER, England — The clock struck 11 and Jenny Oldfield began the highly unpleasant but legally necessary ritual of kicking the customers out of her pub.

As she flashed the lights on and off in the universal "last orders" signal, Mark Mulligan, 32, seized his beer from the bar and began to drain it with the pleasure-free determination of a condemned man consuming his last meal.

"Why should we have to stop drinking," he said, "just because somebody says we do?"

The somebody in question is not Ms. Oldfield, the reluctant enforcer at the Old Wellington Inn in Shambles Square, but the British government. Since World War I, when it restricted pub hours to prevent munitions workers from getting drunk, using poor judgment on the assembly line and blowing up arms factories, Parliament has kept tight control of its citizens' drinking.

The regulations are complicated and deeply confusing, but the best known and most reviled is the law that requires the country's 60,000 pubs to close at 11 p.m. six days a week, and at 10:30 on Sunday.

Now, more than 80 years later, it looks as if change is at hand. In early April, the Home Office issued proposals intended to simplify the liquor licensing laws, allowing some pubs — subject to local circumstance — to serve alcohol for as much as 24 hours a day.

The proposals, which are not expected to be taken up by Parliament until at least next year, would bring Britain into line with the rest of Europe — whose tourists visiting this country tend to find the 11 p.m. closing time absurdly uncivilized — as well as acknowledging that the country is becoming, however reluctantly, a 24-hour society.

The government has been slow in responding to changes in people's work and leisure habits. Most stores were forbidden to open at all on Sundays until 1994, when the government finally enacted a law allowing Sunday trading, but only for six hours.

In big cities, where stores used to close at 6 p.m., many supermarkets and other retailers have begun leaving some of their busiest stores open until midnight, or even all night long (except on Sundays).

As far as pubs go, it is hard to find someone who is not pleased by the government's proposals. Pub owners support the change because they want the extra business and because they are tired of behaving like nan-

nies forced to discipline groups of drunken children. Customers support it because they want the right to drink into the wee hours of the morning if they feel like it.

And police departments around the country support it because of a notorious nightly phenomenon in which pub customers up and down

the country drink as much as possible between 11, when last orders are called, and about 11:25, when the last patron is pushed, sometimes staggering and cursing, into the night.

It is not unusual, Ms. Oldfield said, for people to order five pints of lager and then try to finish them off at the rate of one every five minutes, like undergraduates in a fraternity drinking competition.

"I really don't know how people can drink that much," she said, "but they do."

What happens when all those customers pour out into the streets?

"You get a huge glut of drunken people engaging in antisocial behavior," said Sgt. Tom McAndrew of the central Manchester police department, who runs an undercover team charged with keeping order in and around the city's pubs, bars and clubs at closing time.

In his area, he said, the worst problems are gang attacks, assaults, menacing behavior, people being sick in the street and people beating each other up while waiting at taxi stands.

National crime statistics show that as in Manchester, most street violence takes place in the middle of

the night, after 11:30, when the last stragglers leave the pubs, and again after 2 a.m., when wine bars and clubs, which hold different licenses and which would also be allowed to stay open longer under the proposals, are required to close.

"The law as it stands makes more difficult the problems and policing of public order," said the home secretary, Jack Straw. "Fixed closing times may encourage binge drinking around last orders, with people hitting the streets — and sometimes each other — at the same time."

The hours also seem to encourage the unhealthy attitude toward alcohol that many people seem to associate with Britain, whose public image in Europe is based partly on the drunken hooligans who brawl in soccer stadiums and the drunken vacationers — the so-called lager louts — who brawl in resorts.

To Sergeant McAndrew there's another reason to change the law. He and his team often finish work at 4 a.m. or so, a time when they are not necessarily ready to go directly home. But by then, he said, "there's nowhere for us to go to have a drink."

## After Visit, Congressman Wouldn't Halt Iraq Sanctions

By BARBARA CROSSETTE

UNITED NATIONS, April 28 — The first American member of Congress to go to Iraq to assess the impact of economic sanctions on the population has concluded that while some of the suffering he saw was "heartbreaking," he could not support lifting the embargo imposed by the United Nations after Iraq's invasion of Kuwait in 1990.

Representative Tony P. Hall, an Ohio Democrat, visited Iraq from April 16 to 20 and released a report this week that called for more attention to the Iraqi population's problems by the United States.

"I left Iraq convinced that a great deal more could be done to address its people's humanitarian needs, and I am determined to do all I can to persuade the U.S. government to take these steps," he said after being shown examples of daily life in Iraq by representatives of Unicef, the Red Cross and Red Crescent societies and the Iraqi Health Ministry.

But Mr. Hall said that Iraq continued to pose a military threat and that until the government of Saddam Hussein cooperates in eliminating weapons of mass destruction as required by the United Nations, "lifting sanctions would be irresponsible." American opponents of sanctions had hoped to enlist his support.

"If Iraq's government would show it is serious about easing its people's suffering — instead of using their problems to support its bid to end sanctions — it would be easier for me to see sanctions as the primary culprit," Mr. Hall said in his report.

He criticized Iraq for trying to import items that could have military uses under cover of the program that allows Iraq to sell unlimited quantities of its oil to meet civilian needs. That tactic has contributed to delays in the Security Council process of approving import contracts.

Mr. Hall, who has been active in international relief and development projects since he was a Peace Corps volunteer 30 years ago, has been sympathetic, he said, to calls from religious leaders and aid workers who contend that sanctions are causing suffering for civilians and who demand that the United Nations lift them. But he said he did not believe that ending the embargo would provide much comfort to Iraqis.

"That said," Mr. Hall wrote, "I also believe that the U.N.'s Sanctions Committee, and particularly its U.S. representatives, ought to use much better judgment." He said that too many Iraqi purchases were held up because of a very small percentage that raise security concerns.

He also recommends that to show its concern for ordinary Iraqis, the United States should support a proposed World Health Organization study on the effects of depleted uranium or other chemical pollutants used in ammunition during the Persian Gulf war against Iraq in 1991. Iraqis say those substances are contributing to high rates of leukemia.

Mr. Hall said such a study could also aid American veterans of that war who have lingering illnesses or questions about their exposure to possibly harmful materials.

Measures to build confidence are needed on both sides, Mr. Hall said in his report, in which he described the suffering of many Iraqis as terrible and said damage to health and morale was bound to last a long time. "Sanctions imposed by the United Nations are partly to blame," he said, "but it is the stalemate — and not the sanctions — that causes the Iraqis to suffer."

5-2-00

5-2-00

Sawyer

✓  
copied  
Berger  
Podesta

## U.S.-Russian Talks Revive Old Debates on Nuclear Warnings

By WILLIAM J. BROAD

American proposals to change a key arms control agreement have revived some of the more important, if arcane, debates over nuclear strategy that not long ago seemed consigned to the dustbin of the cold war.

One of those strategies is called "launch on warning" and is widely viewed as raising the risk of accidental nuclear war.

It was mentioned recently in documents that American negotiators gave Russian officials in an effort to persuade them to amend the 1972 Antiballistic Missile Treaty and let the United States build a limited missile defense.

The documents, presented to the Russians in January, were obtained by The New York Times, which published parts of them last week.

Opponents of changes to the ABM treaty are now charging that the Clinton administration is encouraging Russia to engage in a high-risk nuclear strategy. But American officials strongly deny that charge, saying they are simply acknowledging the reality of what Moscow might do in time of war.

The launch on warning strategy is essentially this: If a defender detected a nuclear launch, it would send up its own missiles and warheads even before its enemy's could hit the ground. That way, a country would not be left defenseless by having its missiles destroyed while they were still sitting in their submarines and silos.

Launch on warning was once seen as a way to reinforce the idea that all sides would lose in a nuclear exchange — and thus deter one — as modern arms became increasingly accurate.

The problem, most experts on strategy say, is that it also puts nuclear war on a hair trigger. And it increases the risks of an accidental nuclear exchange because early warning systems are notoriously faulty. In 1995, for instance, the Russians misread the launching of an American weather rocket from Norway as a surprise nuclear attack. If not caught by vigilant humans, such false alerts can start an accidental exchange of nuclear missiles.

Despite such dangers, the new American documents mention launch on warning in an approving context. They say it would help guarantee that the United States would not strike first in a disarming attack,

even if it had a missile defense, which strategists, as well as the Russians, see as destabilizing because in theory it can give one side a protective advantage.

A Russian policy of launch on warning would thus continue to insure that both sides would lose in any nuclear exchange.

"It is highly unlikely," the documents said, that an enemy with a shield would ever attack Russia because Moscow could launch its missiles on warning of attack, "which would neutralize the effectiveness of the assault."

The documents also say Russia is keeping its nuclear forces on "constant alert and apparently will do so" well into the future. High states of alert are a prerequisite for a policy of launch on warning, but they too can add to the risks of accidental war.

Critics of an missile defense system say statements like those in the American documents, coming in the context of reassuring Russia about its ability to penetrate any American shield, are encouraging risky strategies and undermining nuclear stability. "The U.S. position should seek

to reduce, not embrace, Russia's readiness to launch on warning," said Bruce Blair, president of the Center for Defense Information, a private Washington group.

John D. Steinbruner, a nuclear expert at the University of Maryland, said the Clinton administration's tacit endorsement of Russian launch on warning was "pretty bizarre" because "we know their warning system is full of holes."

Experts agree that Russia's network of early warning radars, satellites and computers is decaying and increasingly prone to false alerts.

Lisbeth Gronlund, a scientist at the Security Studies Program of the Massachusetts Institute of Technology, said the documents show that the United States, in exchange for what she characterized as an unworkable antimissile dream, was willing to pay an absurd price: "the continued threat of Russian unauthorized, accidental and erroneous launches."

Instead, the critics say, Moscow should be encouraged to take its nuclear forces off alert and to disavow launch on warning, and Washington should do likewise.

Federal officials, speaking on the condition of anonymity, denied that the arms negotiators were blessing dangerous practices and said the

critics were being naive. The references in the documents, they said, simply conceded military realities and what Russia might do in war.

"It's not our job to say it's a bad thing," a senior official who works intimately with the Russians on military matters said of launch on warning. He said that Washington, eager to lessen the odds of accidental war, is actively working with Moscow to help Russia improve its early-warning systems.

"We're into lowering the risk" of war, the official said, "not raising it." He added that in some cases that meant a nation would adopt arguments and strategies that might look risky, but over time would prove beneficial.

Williams - letter for death of aunt

From: Clyde Williams  
To: Anthony\_R.\_Bernal@ovp.eop.gov  
Date: Tue, May 2, 2000 11:21 AM  
Subject: letter for death of aunt

Please make the letter out to: Wilkinson & Barney Family  
3489 Mississippi Highway 48  
Liberty, Mississippi. 39645

First, thank you for agreeing to get me the letter.

My deceased aunt's name is Lula M. Wilkinson. She was Director of the Centerville, Miss. Head Start Program for 31 years; she retired from this job Jan. 30, 1998. As director of this program, she was responsible for the first educational experience most minority children had in this small rural community. Moreover, she was actively involved in the betterment of her community for more than 50 years, a member and officer of the NAACP for more than 45 years, and a beloved daughter, sister, mother, grandmother & aunt.

If possible, I would like to have (2) copies of the letter: one for the family and one for my 92 year grandmother. Again, thank you.



CHIEF OF STAFF TO THE PRESIDENT

Carol -

Clyde will come here to pick up the letter on Friday to take to the funeral on Sat. Thanks Michelle

6-1783

5-2-00

(Carol)

p's have Patrick deliver top 2 items to maureen.

(w)

5-2-00

Burhardt  
Candice

(Red dot)

Back to M. Ballantyne by Friday

(w)

5-2-00

Michelle Ballantyne has asked if we could do this (Clyde Williams is Glickman's deputy chief of staff)

Sent to Burhardt  
Carol

ie 1



PARRIS N. GLENDENING  
GOVERNOR

5-2-00

From Joe Lockhart (given to  
him by April Ryan (American Urban  
Radio). They would like a  
message by Friday -

Send to Burkhardt?

Yes ☒  
No ☐

cul

4-0118

Dear Friends:

As Governor, it is a great honor for me to extend my warmest greetings and welcome you to the Morgan State University Choir's Annual Benefit Concert, "Hailing The Millennium." For nearly three decades, this choir has set the standard of choral excellence and has remained at the forefront of choral artistry. Under the direction of the esteemed Dr. Nathan Carter, the MSU Choir continues to be a vital artistic force appealing to audiences across our State, throughout our nation and the world.

The citizens of the State of Maryland are extremely proud of the numerous accomplishments of Dr. Carter and the Morgan State University Choir. They provide music of the highest quality which lifts both hearts and spirits and incorporates a diversity of vibrant voices which blend together in a splendid harmony. I salute this fine group of artists for the many years of outstanding entertainment they have provided to us through their unique and exciting vocal style.

On behalf of everyone gathered here tonight, I offer my heartfelt appreciation for what promises to be another extraordinary concert. You have my best wishes for a joyous and memorable evening filled with wonderful music and inspiration. May you enjoy continued success in the years to come.

Sincerely,

*Parris N. Glendening*

Parris N. Glendening  
Governor

To Burkhardt/  
Hudson:

for message;  
event Sunday May 7  
would like by Friday  
if possible.

(W) 2-011

# MORGAN

STATE UNIVERSITY CHOR  
DEPARTMENT OF FINE ARTS  
NATHAN CARTER, CHAIRPERSON

## The Morgan State University Choir Annual Benefit Concert

### *Hailing The Millennium*

Sunday, May 7, 2000 at 7:00 p.m.

### **FOR IMMEDIATE RELEASE:**

The Morgan State University Choir under the direction of Dr. Nathan Carter returns to the Meyerhoff Symphony Hall for its Annual Benefit Concert on May 7, 2000 at 7:00 p.m. This year's concert under the theme "Hailing The Millennium" is being cosponsored by the President's Committee for the Morgan State University Choir and AFSME (Maryland Public Employees Council 67).

As usual, the Choir will be performing a wide arrange of choral music and will be assisted by members of the Baltimore Symphony Orchestra.

**For further information, call (443) 885-3286.**

THE Nathan Carter  
Conductor  
**MORGAN STATE  
UNIVERSITY CHOIR**  
ANNUAL BENEFIT CONCERT

*Hailing  
The  
Millennium*

Sunday, May 7th, 7:00 P.M.



*Meyerhoff Symphony Hall*

410-783-8000 or 443-885-3286

THE PRESIDENT'S  
COMMITTEE



**AFSCME**  
Maryland Public Employees Council 67



TO: The President

FROM: Nancy Hennreich  
Wendi Boxx

DATE: April 26, 2000

MEMO: Pleasure Heard survived a malicious attack and is now triumphing.

5-2-00

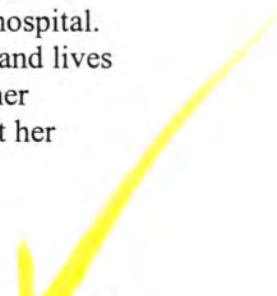
*Gregor has  
sent in -*

Pleasure Heard, valedictorian of the Class of 2000 at Englewood Technical Preparatory Academy, has been admitted to the University of Chicago. She plans to study political science and law.

Pleasure Heard thrives despite the scars she received from a 1997 attack in which Kevin Phelps doused her with alcohol, set her on fire, and forced her to rub iodine into her burn wounds. Phelps was sentenced to 45 years in prison last October. At the sentencing, Judge Mary Maxwell told Phelps, "her life and her body is ruined," but her life isn't ruined.

After the accident Heard could have curled up in a corner and no one would blame her, but instead Heard has managed to keep her No. 1 class ranking, despite the months in the hospital. She also mentors grade school children, was elected vice president of the senior class, and lives independently. In a neighborhood where gunfire and violence are numbingly routine her accomplishments are extraordinary. Furthermore, her teachers at Englewood marvel at her positive outlook.

Pleasure Heard provides an inspiring profile on courage and determination.

  
Copied  
Hennreich  
Scheduling  
Podesta  
Barkhardt  
(for reply)

*All should  
do a nice letter to her  
with her to meet me  
with him in  
Chicago —  
B*

# IGTH SU I GS attack, thrives despite scars

BY FRANK MAIN  
CHICAGO REPORTER

When Pleasure Heard walks into a room, the first thing you notice is her toothy smile and a backpack bursting with books. What you don't see are the scars that cover 40 percent of her body.

In 1997, a gang member held a gun on the teenager and doused her with alcohol. Then he set her on fire, asking her what it felt like to burn.

"Her life is ruined and her body is ruined," Cook County Judge Mary Maxwell Thomas lamented before sentencing her attacker to 45 years in prison last October.

Her body remains scarred, but her life isn't ruined.

Last month the 18-year-old Englewood Technical Preparatory Academy senior opened an envelope from the University of Chicago. Tops in her class, she was now being admitted to one of the nation's most prestigious schools.

"My heart was in my stomach," Heard said. "I had so many butterflies in my stomach. I couldn't wait to come to school and let them know."

After what happened to her, Heard could have curled up in a corner and no one would have blamed her. She didn't.

When she left the hospital in 1997, prosecutors and school officials offered to move her to a safer neighborhood in Indiana and enroll her in Homewood-Flossmoor High School, one of the region's better schools. Instead she decided to stay and return to Englewood Academy.

"That wasn't sounding good to me because nobody can cheat death," she said. "If it was going to happen, it was going to happen. I didn't want to live in fear and feel like I was hiding out from someone."

She's managed to keep her No. 1 class ranking, even though she spent months away from school last year while she helped prosecutors build their case against her attacker.

She tutored grade school children after becoming certified in a special Downstate

program. She was even elected vice president of the senior class.

In a neighborhood where gunfire and violence are numbingly routine, Heard's accomplishments are extraordinary, said Principal Samuel Williams Jr.

"She wants to lift the kids' spirits up," Williams said. "She is a little philosopher."

Heard summed up her philosophy in one word: independence.

A ward of the state since age 8, she lived first in foster care and then with an older sister before moving into her own apartment about a year ago.

"I know how to be on my own," Heard said. "I know how to survive."

The harrowing attack occurred Sept. 4, 1997, when her onetime friend, Kevin Phelps, sent two fellow gang members to pick her up at school.

Phelps used a wheelchair because of a 1996 bullet wound. Heard knew

Phelps because she was a friend of his brother. She and Phelps didn't date, but she did the laundry for him, picking up groceries for him and tidying his room.

Then Heard landed a job and stopped visiting Phelps, which made him angry. When his friends showed up at Englewood Academy, Heard refused to go with them and took a city bus home.

But Phelps' two friends were waiting for her when she got off the bus. They kidnapped her and took her to Phelps' home.

After his friends left, Phelps pulled a pistol on Heard, telling her to take off her clothes.

Dousing her with alcohol, he set her on fire and then asked "how it felt to be burned," according to court testimony. He even forced her to rub iodine into her burn wounds.

Phelps was convicted of heinous battery and aggravated kidnapping. His accomplices never were identified.

After the attack, Heard was taken to the University of Chicago Hospital, where she received skin grafts. Two weeks later, she was transferred to La Rabida Children's Hospital, where she stayed about six weeks,



BOB BLACK/SUN-TIMES

As soon as Pleasure Heard could sit up in the hospital, she asked for her schoolbooks. Last month, she was admitted to the University of Chicago.

undergoing rehabilitation.

When she was able to sit up, she asked for her schoolbooks.

"All my classes were honors," Heard said. "I didn't want to get behind."

For the last year, she has lived alone in a South Side apartment. A Chicago Public Schools security worker drives her to school every morning and picks her up in the afternoon, a service arranged by schools chief Paul Vallis.

Heard said she does not easily trust anyone now, but her relationship with her sisters, Princess and Precious, is stronger now, and she regularly visits her mother, who lost custody of Heard when she was 7.

When Heard turned 16 Tuesday, her sisters and her mother celebrated with cake and ice cream.

"My sisters are like counselors or advocates," she said. "I can tell my sisters anything to get it off my chest, so it won't be inside."

Teachers at Englewood Academy marvel at Heard's positive outlook.

"She does not walk around bitter, angry with anybody," said Academy teacher Valora Wade. "She came and continued with her classes."

Heard said she plans to pursue her interest in history and political science in college, and she'd like to become a lawyer. Those who know her say they wouldn't be surprised if she winds up as a politician.

That would be fine with one lawyer and politician, Cook County State's Attorney Richard Devine, who spoke of Heard's courage in a recent speech to the City Club of Chicago.

Devine, who was describing his own accomplishments in 1999, closed his remarks with the story of Heard's court case and her lack of fear in testifying against Phelps.

"That's why we care," Devine said, his voice cracking. "Pleasure Heard. That's why we do what we do."

116. 11.11. Sun Times, Sun. April 11, 2000

CHICAGO DEFENDER - Wednesday, April 19, 2000

# An inspiring profile on courage and determination

To paraphrase our late 35th President John F. Kennedy, some men (and women) are born great, some earn greatness and others have greatness thrust upon them.

Pleasure Heard, who turned 18 yesterday, seems to be one of those who was born great, with a determination not to bend or break down, despite the assumed odds against her.

You may remember that the youthful Miss Heard was an Englewood Academy sophomore who was the victim of a venally,

vicious 1997 attack by a jealous and apparently deranged gang member who held a gun on the teenager.

In a fit of anger and jealousy, he made her disrobe and then doused her with alcohol. She was later made to rub iodine in her burn wounds, before being spirited to the University of Chicago Hospitals with burns over 40 percent of her body.

A judge who sentenced her assailant to 45 years in prison last October, Cook County Judge

Mary Maxwell Thomas, said at the time, "her life is ruined and her body is ruined."

Not quite. The enterprising and determined Miss Heard not only did the unexpected and stood up to her attacker in court, sending him to prison, but she refused to be deterred from her life goals and went back to Englewood after a lengthy rehabilitative period, during which the first thing she asked for after being able to sit up were her schoolbooks.

She is now ranked #1 in her

senior class at Englewood and is set to return to the University of Chicago — the school, not the hospital — where she said she'd like to pursue her studies in political science and history and maybe become a lawyer one day.

Miss Heard — who has also been a ward of the state since age 8 — is commended not only for her fierce determination to succeed, but also for her admirable attitude not only toward her tragic ordeal but on life in general.

"She does not walk around bitter or angry with anybody," one of her teachers at Englewood said. That includes her mother, with whom she has long since reconciled since she lost custody of the girl when she was 7 years old.

"I know how to be on my own," Heard said last week. "I know how to survive."

The phrase "role model" may well be an overused one, but in this case, it applies perfectly to Pleasure Heard. We wish her the very best in her future endeavors.

**ENGLEWOOD TECHNICAL PREPARATORY ACADEMY****6201 SOUTH STEWART AVENUE - CHICAGO, ILLINOIS - 60621 - (773) 535-3600 - (773) 535-3586 (FAX)****SAMUEL WILLIAMS, JR.**  
PRINCIPAL**ASSISTANT PRINCIPALS**  
Diane L. Jackson  
Walter L. Jones, Jr.  
Paulette Kidd, Ed.D.**PRESS RELEASE**

APR

Pleasure Heard and Sharon Evans, valedictorian and salutatorian respectively of the Class of 2000 at Englewood Technical Preparatory Academy, have been admitted to the University of Chicago, Class of 2004. Principal Samuel Williams, Jr., his administrative team, staff, and student body are ecstatic over the historical accomplishments of these two young ladies.

Englewood Academy, located at 6201 S. Stewart, has vigorously battled the "63rd Street" and "Englewood community" stereotypes during the past three year leadership of the current administration. In addition to the two U of C admittances, many other positive things have begun to occur at Englewood. Steadily rising scores in reading and math, an increase in annual attendance rate, President Clinton, Speaker of the House Dennis Hastert, and Congressman Bobby Rush's visit to the school in November, Rev. Jesse Jackson's anti-violence rally in December, and the "Unveiling of Alumnac Patricia Roberts Harris Stamp" in January are some of the reinvigorating highlights of the school year thus far which have all helped to heal the wounded egos of students and staff who know the discomforts that accompany 'reconstituted' schools. The administration, faculty, staff and students are intensely engrossed in activities to help them get off probation this year.

The Englewood Academy family is extremely proud of Pleasure and Sharon's accomplishments and will continue to be supportive of them throughout their career at the U. of C. Pleasure plans to study political science and law; Sharon wants to pursue a career in economics and finance.

The Englewood Academy administration and Pleasure Heard again express their sincere gratitude to CEO Paul Vallas for his gestures of kindness and sensitivity granted to her during the summer of 1999 and throughout the 1999 - 2000 school year. Both Pleasure and Sharon are extremely appreciative of all the many well wishes and other acts of support that have come their way since they received their acceptance letters. They know they will need the support and prayers of all their well wishers as they begin their studies on the campus of the world renowned University of Chicago.

Graduation ceremonies will be held on Saturday, June 10, 2000, 10:00 a.m., at the First Baptist Church, 95th and Ashland. CPS administrators, alumni and members of the media are invited to attend.

5-2-00

*Maina  
Felt - should  
join on to Reno  
in case she missed  
letter - [initials]*

Taylor Branch  
1806 South Road  
Baltimore, Maryland 21209

April 28, 2000

✓  
Mr. President:

I sent the attached to Janet Reno by mail today mainly to draw her attention to what President Eisenhower told Attorney General Brownell when he decided to send the 101st Airborne to Central High in Little Rock: "Well, if we have to do this, and I don't see any alternative, then let's apply the best military principles to it and see that the force we send there is strong enough that it will not be challenged, and will not result in any clash."

Perhaps she can use Ike to take the offensive against the whiners on the enforcement issue.

I hope you can find a way to take the political offensive as well, against those who believe that hatred alone is a sufficient strategy for achieving freedom in Cuba.

Best to Hillary,

Jaylon

✓  
copied  
Echaveste  
Podesta.

Taylor Branch  
1806 South Road  
Baltimore, Maryland 21209

April 28, 2000

Janet Reno  
Attorney General  
United States Department of Justice  
Washington, DC 20530

Dear Attorney General Reno:

You are to be commended for courage and professional judgment in the difficult decisions last Saturday to remove Elian Gonzalez from Miami to be reunited with his father.

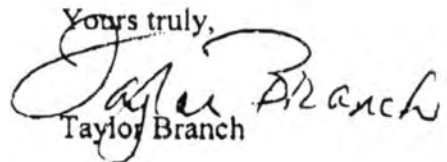
As to the harsh, ongoing public charges that you authorized the use of excessive force, I would offer two historical precedents from the U. S. civil rights movement.

In 1957, faced with persistent obstructions to federal court orders mandating the admission of the first nine African American students to Central High School in Little Rock, Arkansas, President Dwight D. Eisenhower made the decision to shift from negotiation to enforcement with the following words to his Attorney General, Herbert Brownell: "Well, if we have to do this, and I don't see any alternative, then let's apply the best military principles to it and see that the force we send there is strong enough that it will not be challenged, and will not result in any clash." Eisenhower and Brownell sent the Army's 101<sup>st</sup> Airborne Division into Little Rock. A temporary political outcry against the mass deployment of "jack-booted thugs," as one senator called the soldiers, has long since been superceded by the objective result: no serious violence and successful protection of the Little Rock Nine in a historical transition now regarded as a triumph for freedom as well as the rule of law.

In 1962, faced with similar resistance to court orders for the integration of the University of Mississippi, the Justice Department continued protracted negotiations for several weeks as local officials and activists whipped up popular resistance to federal enforcement. President Kennedy and his Attorney General did achieve a historic compliance with the law at Ole Miss. However, their attempts to placate those hostile to court order-ordered integration by sending unarmed civilian marshals backfired in student harassment that grew into a full-scale riot with three civilians killed and 160 U.S. Marshals injured, 28 by gunfire.

Of course, the Elian Gonzalez case is different from Little Rock and Ole Miss in many respects, but a common principle applies. The proper measure of a law enforcement decision is not the force deployed but the violence averted or incurred, balanced against the lawful result achieved. The enforcement you ordered was a signal success. Thank you.

Yours truly,

  
Taylor Branch

cc: President William J. Clinton (by facsimile)

5-2-00

Justin G. Cooper  
04/26/2000 07:33:04 AM

Record Type: Record

To: Betty W. Currie/WHO/EOP@EOP

cc:

Subject: Phone Call

| Date     | Caller                  | Message                                                                                                                                                                                                                                 | Contact #    | Status |
|----------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------|
| 04-25-00 | <del>John</del> Springs | <del>John</del> Springs, a high school<br>classmate of POTUS, wanted to<br>inform POTUS that his mother, Mrs.<br>Ed Springs, is very ill. If POTUS<br>would like to contact them while he<br>is in LR the Springs can be reached<br>at: | 501-623-1566 |        |

Do letter to her  
+ to him saying  
I'm sorry I didn't  
get to visit with him  
when I was in Ark →  
Be

5-2-00

11-2272-8101

# WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

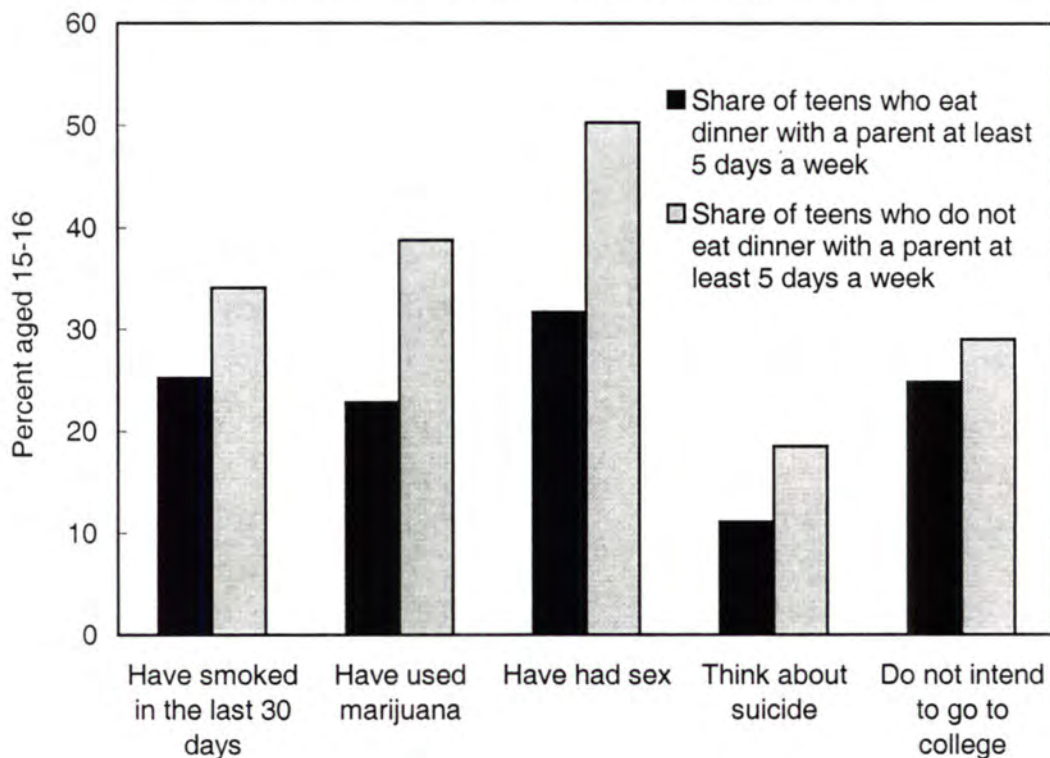
Prepared by the Council of Economic Advisers  
with the assistance of the Office of the Vice President

April 28, 2000

copied  
Bailey  
Podesta

## CHART OF THE WEEK

Parental Involvement and Teen Behavior



Teenagers who eat with a parent at least 5 times a week do better on a wide variety of indicators than those who do not. A CEA White Paper described in this *Weekly Economic Briefing* provides a range of evidence on the importance of parental involvement in influencing teens to make responsible decisions.

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*"O.K., guys, now let's go and earn that four hundred times our workers' salaries."*

5-2-00

CURRENT DEVELOPMENT**GDP Scorecard: First Quarter 2000**

Real GDP is estimated to have increased at a 5.4 percent annual rate in the first quarter of 2000, with strong growth in consumption, fixed investment, and state and local government spending. Final sales (GDP less the change in private inventories) increased at a 6.9 percent annual rate, the fastest rate in over 15 years. Inflation, as measured by the price index for GDP, increased at a 2.7 percent annual rate in the fourth quarter, but the core GDP price index, which excludes food and energy components, increased at only a 2.1 percent annual rate.

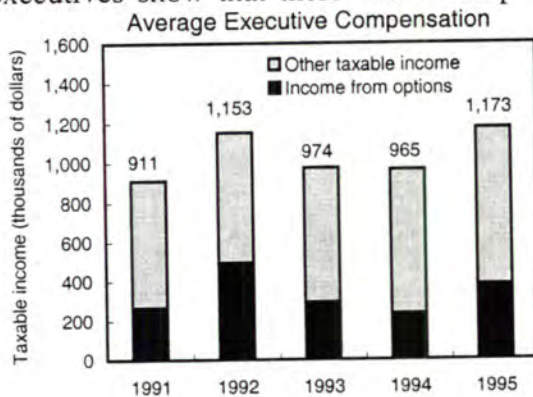
| Component                                                                                                                                                                                                                                          | Growth* | Comments                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total consumer expenditures                                                                                                                                                                                                                        | 8.3%    | First-quarter consumption surged, with durable goods purchases up nearly 27 percent at an annual rate. The saving rate fell to 0.7 percent.                                                                                                                   |
| Equipment and software                                                                                                                                                                                                                             | 23.7%   | Growth was the strongest it has been in 2 years, and solid gains were recorded in all major categories. Computer investment rebounded after briefly faltering late last year when businesses "locked down" computer systems purchases in preparation for Y2K. |
| Nonresidential structures                                                                                                                                                                                                                          | 13.4%   | Spending bounced back after declining 3.9 percent during 1999.                                                                                                                                                                                                |
| Residential investment                                                                                                                                                                                                                             | 6.7%    | Good weather contributed to solid growth, despite elevated mortgage rates. Housing indicators suggest some slowing in the second quarter.                                                                                                                     |
| Inventories (change, billions of 1996 dollars)                                                                                                                                                                                                     | \$31.1  | Inventory accumulation slowed in the retail trade sector following a sizable buildup in the fourth quarter of 1999. Robust final sales caused the inventory-to-sales ratio to decline further.                                                                |
| Federal purchases                                                                                                                                                                                                                                  | -15.5%  | Defense spending fell sharply, more than reversing a surge in the fourth quarter of 1999.                                                                                                                                                                     |
| State & local purchases                                                                                                                                                                                                                            | 7.4%    | Spending continued to accelerate.                                                                                                                                                                                                                             |
| Exports                                                                                                                                                                                                                                            | -0.2%   | First-quarter exports were held down by the Boeing strike, which has since been settled. Even after accounting for the effect of the strike, however, growth was relatively weak.                                                                             |
| Imports                                                                                                                                                                                                                                            | 9.5%    | Growth was down somewhat from the pace of the last few years.                                                                                                                                                                                                 |
| *Percent real growth in the first quarter at annual rates (except inventories). This advance estimate is subject to substantial revision—especially for exports, imports, and inventories, where the estimates are based on only 2 months of data. |         |                                                                                                                                                                                                                                                               |

## SPECIAL ANALYSIS

### The Effect of Taxes on Executive Compensation

The last two decades have seen major shifts in income tax policy toward the very wealthy, as marginal income tax rates were first lowered and then raised. Some studies of the Reagan-era tax cuts suggest that the lowering of the top marginal rate caused large increases in taxable income, which may have been caused by upper income taxpayers shifting compensation between taxable and nontaxable forms. Others have argued that these results are overstated, because other confounding changes occurred at that time. The responsiveness of taxable income to tax changes matters because attempts to get the wealthy to pay a greater share of the total tax burden are much more difficult if taxpayers alter their behavior substantially in response to higher marginal rates.

**Evidence from the rate increase in 1993.** To understand better how taxpayers respond to changes in top marginal rates, one study examined executive compensation data before and after the increase in top marginal tax rates in 1993. Data on salary and other types of compensation for high level company executives show that there was a sharp increase in taxable income reported by



these executives in 1992 (see chart). After the tax increase in 1993, total income dropped, which is consistent with the hypothesis that taxable income is sensitive to changes in the top marginal rates. A closer examination of the types of compensation received by executives, however, shows that this large swing in reported taxable income was caused by the stock options exercised

in 1992. Since the intent to raise tax rates on high income individuals was announced during the presidential campaign in 1992 before becoming law in 1993, executives apparently anticipated the rate increase and exercised their stock options before the increase became effective, causing a short-term boost in compensation.

**Analysis.** A statistical analysis confirms that the exercise of options explains between 90 and 95 percent of the changes in taxable income for high-level executives during the years surrounding the tax changes. Moreover, even though there was some increase in nontaxable forms of income, those increases do not explain the drop in taxable income between 1992 and 1993. More generally, other attempts (with other types of data) to examine previous changes in top marginal tax rates over the last 60 years suggest that the results from the mid-1980s tax cuts appear to be atypical, and that, more commonly, the responsiveness of taxable income to changes in the top marginal tax rate is relatively small.

## ARTICLE

### **Raising Responsible and Resourceful Youth**

In conjunction with the White House Conference on American Teenagers, the Council of Economic Advisers will release a White Paper analyzing trends in teen behavior and the role of parental involvement. The report outlines significant opportunities and challenges for teens in the 21st century and demonstrates that teens are more likely to take advantage of opportunities and avoid risks when their parents are involved in their lives.

**Trends in teenage behavior and outcomes.** The report analyzes a number of trends affecting teenagers. Many, such as teen pregnancy and birth rates, working while in school, and gun violence among teens, have been discussed in previous *Weekly Economic Briefings*. Additional findings include the following:

✓ Health and prosperity. Teenagers today live far healthier, more prosperous and promising lives than ever before. Life expectancy for 15-year olds today is 77 years compared with 62 at the beginning of the century. Such killers as typhoid, cholera, polio, and smallpox now pose only minimal threats to American teens' health. Per capita income has increased eight-fold over the course of the century, and girls and minorities now have vastly greater educational and occupational choices than ever before.

✓ • Educational attainment. Today's teens are taking more courses in core academic subjects and more challenging courses than their counterparts in the 1980s. African-Americans and whites now complete high school at virtually the same high rate: almost 90 percent. Most young people enroll in post-secondary school within 20 months of graduating high school. However, while 90 percent of children from the richest 25 percent of families pursue post-secondary education, just 60 percent of students from the poorest 25 percent do. And of those going on to post-secondary studies, nearly three quarters of children from the richest families attend 4-year colleges, while over half of those from the poorest families attend vocational, technical, or 2-year institutions.

• Community service. Evidence suggests positive effects. One study found, for example, that teens who participated in community service programs had a 75 percent lower rate of school dropout, and a 43 percent lower rate of pregnancy.

• Nutrition. According to one recent estimate, only 5.5 percent of American teens are faced with concern over where their next meal will come from. But poor food choices lead to significant nutrition deficiencies and imbalances among today's teens. For example, some 60 percent of teen boys and 80

percent of teen girls are calcium-deficient. Obesity also appears to be a problem.

- Smoking. White teens are more likely to smoke than African-American teens. Suburban teens and those with more highly educated parents are more likely to smoke than teens living in cities or rural areas. Research suggests that the decline in cigarette prices over the early 1990s led to about one-third of the increase in smoking among high-school seniors.

**The importance of the parent-teen relationship.** The study presents evidence showing that parental involvement is a major influence in helping teens avoid risks such as smoking, drinking, drug use, unwanted pregnancies, violence, and suicide attempts, while increasing educational achievement and expected attainment. Significant differences were noted between teens who eat dinner with their parents at least five times a week (61 percent of teens aged 15 or 16) and those who do not (see the Chart of the Week) and between those who reported feeling “close” to their mother and/or father (81 percent of 15-16 year olds) and those who did not. These results persist after taking account of differences in teens’ gender, poverty status, and family structure. The report includes data for other age ranges, but the following results for 15-16 year olds are representative:

- Smoking, drinking, and drug use. Forty-two percent who do not feel close to at least one of their parents smoke, compared with 26 percent who do feel close to at least one parent. Over 34 percent who do not regularly eat dinner with a parent smoke, compared with just 25 percent who do eat dinner regularly with a parent. The prevalence of drinking is nearly twice as high among those who do not feel close to a parent and among those who do not eat regularly with a parent, compared with those who do. Over 50 percent of 15-16 year olds who are not close to their parents have used marijuana, compared with just 24 percent of those who are close to their parents.
- Violence. Less than 30 percent of teens aged 15-16 who eat dinner with their parents have been in a serious fight, compared with more than 40 percent of those who do not regularly eat dinner with their parents.
- Sexual activity. Over 50 percent of those who do not eat dinner with their parents have had sex by age 15-16. By contrast, only 32 percent of teens who do eat dinner with their parents have ever had sex.
- Suicide. Those who do not feel close to their parents are more than three times as likely to think about suicide as those who feel close; those who do not dine with their parents regularly are twice as likely to have attempted suicide.
- Educational achievement. Teens of all ages who eat dinner regularly with their parents and feel close to their parents have higher grade point averages than those who do not. They are more likely to intend to go to college, and they are less likely to have been ever suspended from school.

## BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

**Internet Traffic May Be a Clue to Internet Stock Valuation.** A recent study confirms the common perception that traditional financial information appears to be of little use in explaining the value of Internet stocks. In particular, the study found that, for a sample of e-tailers and portal/content companies (including AOL and Yahoo), bottom-line financial information explained almost none of the variation in the market value of these stocks and that the relationship between net income and market value was actually negative. The study did, however, find that gross profits (which do not subtract marketing and R&D expenses from revenue) were positively related to stock prices, as were measures of Internet usage such as unique visitors to a web site or the number of pages viewed. The study concludes that usage data seem to capture some of the same information as gross profits but retain some independent explanatory power for how investors value Internet stocks. This suggests that information about revenue and customer base is more important than net income, at least in the fledgling stages of these companies.

**Keeping Fathers Involved.** Poor, urban, unmarried fathers are more likely to be involved in their children's lives if they are employed or have at least a high school education, according to a recent summary of research on fatherhood. Interviews with poor fathers in Philadelphia and Chicago suggest that mothers were often less supportive of a father's contact with his children when he could not support them, and fathers often separated themselves from their families out of shame. For instance, many fathers felt spending quality time with their children required money. Related findings showed that the level of fathers' involvement over time was closely related to the quality of their relationship with their children's mother. These findings suggest that providing job training and employment services to non-custodial fathers, as well as services designed to improve parents' relationships may be good ways to increase both child-support payments and fathers' involvement with their children.

**Generational Differences in Medicare.** A new study calls attention to differences in rates of return on Medicare for different generations and the impact of possible reforms. The study allocates payroll taxes, premiums, general revenue financing, and Medicare expenditures across cohorts and estimates future payments and expenditures based on the Trustees' assumptions. As with Social Security, rates of return are highest for generations born earliest, but Medicare rates of return are consistently higher than those of Social Security. Whereas the cohort born in 1910 earned a 27.6 percent rate of return (compared with 8.4 percent in Social Security), today's youngest workers can expect to earn a 2.2 percent rate of return (compared with 1.9 percent in Social Security). The study observes that this rate of return is above the steady-state return for a pay-as-you-go system (estimated to be about 1 percent), indicating that the burden on future generations is growing. Cutting benefits to achieve balance rather than raising payroll taxes would have a substantially larger negative effect on current middle-aged cohorts than on future generations, because the former have mostly already paid into the system. Raising payroll taxes would have the opposite effect.

## INTERNATIONAL ROUNDUP

**OECD Confirms Steel Market Recovery.** The OECD Steel Committee recently released a favorable market outlook for the year 2000, confirming the recovery of the global steel market. The latest OECD estimates show an increase in steel consumption of over 2 percent for the OECD area in 2000 and continued demand growth in China, the Asian crisis economies, and the Newly Independent States. Strong economic growth should boost demand in motor vehicles, construction, machinery, and other steel consuming sectors. Steel product prices, which had mostly stopped falling or had begun to recover in the second half of 1999, should continue to rise throughout the year 2000. These favorable trends are expected to reduce commercial conflicts, which peaked towards the end of 1998 and the beginning of 1999. U. S. steel imports are expected to fall by 8 percent in 2000, in part as a result of the anti-dumping and countervailing duty measures imposed in 1999, and as demand recovers in other steel consuming countries. In addition, crude steel production could hit 100 million tons for the first time since 1981. Increased production and higher prices should lead to improved performance in 2000 for the main steel enterprises after a difficult period in 1998-99.

**EU to Liberalize “Local Loops.”** The European Commission this week adopted a Recommendation calling on all member states to enact legal and regulatory measures to open competition in “local loops,” the physical circuits that connect homes and companies to telecommunications operators. Such measures would mean that incumbent telephone companies would have to allow new competitors to use the incumbents’ local loops. The objective of this proposal is to increase competition and technological innovation, stimulating the provision of services such as broadband multimedia and high-speed Internet. The adoption of this Recommendation marks the first step towards the goal set by the Lisbon European Council in March to bring about a substantial reduction in the cost of Internet access. The liberalization of local loops should take place by December 31, 2000, according to the Commission.

**ODA Fell in the 1990s but Became Better Allocated.** Net Official Development Assistance (ODA) from the Development Assistance Committee (DAC) countries fell from 0.33 percent of combined GNP in 1990 to 0.24 percent in 1998. Despite the decrease in total aid, however, the 1990s saw a significant shift in the allocation of aid in favor of countries with better economic policies, according to a recent World Bank study. The distribution of aid was much more sensitive to good country policies (measured by an index incorporating 20 indicators of economic policy) in 1997-98 than in 1990. Much of this improved allocation resulted from sharp cuts in aid to countries with poor policies with only modest cuts in aid to countries with good policies. For the one-third of countries with the worst economic policies, net ODA fell sharply from an average of \$44 per capita in 1990 to \$16 in 1997-98, whereas in the best one-third it fell from \$39 to \$28. Several countries, including Kenya, Nigeria, Pakistan, Togo, and Zaire (Congo) experienced cuts of at least 50 percent in their aid per capita.

## RELEASES THIS WEEK

### **Gross Domestic Product**

According to advance estimates, real gross domestic product grew at an annual rate of 5.4 percent in the first quarter of 2000.

### **Employment Cost Index**

The employment cost index for private industry workers increased 4.6 percent for the 12-month period ending in March.

### **Advance Durable Orders**

Advance estimates show that new orders for durable goods increased 2.6 percent in March, following a decrease of 2.0 percent in February.

### **Consumer Confidence**

Consumer confidence, as measured by The Conference Board, declined 0.2 index points in April, to 136.9 (1985=100).

## MAJOR RELEASES NEXT WEEK

NAPM Report on Business (Monday)  
Leading Indicators (Tuesday)  
Productivity (Thursday)  
Employment (Friday)

## U.S. ECONOMIC STATISTICS

|                                        | 1970-<br>1993 | 1999  | 1999:3          | 1999:4           | 2000:1        |
|----------------------------------------|---------------|-------|-----------------|------------------|---------------|
| <b>Percent growth</b> (annual rate)    |               |       |                 |                  |               |
| Real GDP (chain-type)                  | 2.9           | 4.6   | 5.7             | 7.3              | <b>5.4</b>    |
| GDP chain-type price index             | 5.2           | 1.6   | 1.1             | 2.0              | <b>2.7</b>    |
| <u>Nonfarm business (NFB) sector:</u>  |               |       |                 |                  |               |
| Productivity (chain-type)              | 1.7           | 3.6   | 5.0             | 6.4              | N.A.          |
| Real compensation per hour:            |               |       |                 |                  |               |
| Using CPI                              | 1.0           | 1.7   | 2.1             | 0.8              | N.A.          |
| Using NFB deflator                     | 1.5           | 3.0   | 4.0             | 2.1              | N.A.          |
| <b>Shares of Nominal GDP</b> (percent) |               |       |                 |                  |               |
| Business fixed investment              | 11.4          | 12.6  | 12.7            | 12.5             | <b>12.9</b>   |
| Residential investment                 | 4.5           | 4.4   | 4.4             | 4.4              | <b>4.4</b>    |
| Exports                                | 8.2           | 10.8  | 10.8            | 10.9             | <b>10.8</b>   |
| Imports                                | 9.2           | 13.5  | 13.8            | 14.0             | <b>14.2</b>   |
| Personal saving                        | 6.6           | 1.7   | 1.5             | 1.3              | <b>0.5</b>    |
| Federal surplus                        | -2.8          | 1.2   | 1.4             | 1.2              | N.A.          |
| <hr/>                                  |               |       |                 |                  |               |
|                                        | 1970-<br>1993 | 1999  | January<br>2000 | February<br>2000 | March<br>2000 |
| <b>Unemployment Rate</b> (percent)     | 6.7**         | 4.2** | 4.0             | 4.1              | 4.1           |
| <b>Payroll employment</b> (thousands)  |               |       |                 |                  |               |
| increase per month                     |               |       | 394             | 7                | 416           |
| increase since Jan. 1993               |               |       |                 |                  | 21213         |
| <b>Inflation</b> (percent per period)  |               |       |                 |                  |               |
| CPI                                    | 5.8           | 2.7   | 0.2             | 0.5              | 0.7           |
| PPI-Finished goods                     | 5.0           | 3.0   | 0.0             | 1.0              | 1.0           |

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

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New or revised data in **boldface**.

## FINANCIAL STATISTICS

|                                           | 1998 | 1999  | February<br>2000 | March<br>2000 | April 27,<br>2000 |
|-------------------------------------------|------|-------|------------------|---------------|-------------------|
| <b>Dow-Jones Industrial Average</b>       | 8626 | 10465 | 10542            | 10483         | 10888             |
| <b>Interest Rates</b> (percent per annum) |      |       |                  |               |                   |
| 3-month T-bill                            | 4.78 | 4.64  | 5.55             | 5.69          | 5.59              |
| 10-year T-bond                            | 5.26 | 5.65  | 6.52             | 6.26          | 6.23              |
| Mortgage rate, 30-year fixed              | 6.94 | 7.43  | 8.33             | 8.24          | 8.13              |
| Prime rate                                | 8.35 | 8.00  | 8.73             | 8.83          | 9.00              |

## INTERNATIONAL STATISTICS

| <b>Exchange Rates</b>                                                           | <b>Current level<br/>April 27, 2000</b> | <b>Percent Change from</b> |                 |
|---------------------------------------------------------------------------------|-----------------------------------------|----------------------------|-----------------|
|                                                                                 |                                         | <b>Week ago</b>            | <b>Year ago</b> |
| Euro (in U.S. dollars)                                                          | 0.908                                   | -3.1                       | -14.7           |
| Yen (per U.S. dollar)                                                           | 106.4                                   | 0.9                        | -11.5           |
| Major currencies index (Mar. 1973=100)<br>(trade-weighted value of the U.S. \$) | 98.08                                   | 1.5                        | 3.0             |

| <b>International Comparisons</b> <sup>1/</sup> | <b>Real GDP<br/>growth</b><br>(percent change last 4 quarters) | <b>Unemployment<br/>rate</b><br>(percent) | <b>CPI inflation</b><br>(percent change in index<br>last 12 months) |
|------------------------------------------------|----------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|
| United States                                  | 5.0 (Q1)                                                       | 4.1 (Mar)                                 | 3.7 (Mar)                                                           |
| Canada                                         | 4.7 (Q4)                                                       | 6.8 (Feb)                                 | 3.0 (Mar)                                                           |
| Japan                                          | 0.0 (Q4)                                                       | 4.9 (Feb)                                 | -0.6 (Feb)                                                          |
| France                                         | 3.1 (Q4)                                                       | 10.0 (Feb)                                | 1.5 (Mar)                                                           |
| Germany                                        | 2.3 (Q4)                                                       | 8.6 (Feb)                                 | 1.9 (Mar)                                                           |
| Italy                                          | 2.1 (Q4)                                                       | 11.2 (Jan) <sup>2/</sup>                  | 2.5 (Mar)                                                           |
| United Kingdom                                 | 3.0 (Q4)                                                       | 5.9 (Dec)                                 | 2.6 (Mar)                                                           |

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.

5-2-00

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THE WHITE HOUSE

WASHINGTON

April 28, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed  
Eric Liu

SUBJECT: DPC Weekly Report

**1. Crime – Gun Lawsuit.** This week, the National Shooting Sports Foundation and seven leading manufacturers of law enforcement firearms (Glock, Beretta, Browning, Sig Arms, Colt's, Taurus and Sturm Ruger) filed a lawsuit against Secretary Cuomo, New York Attorney General Eliot Spitzer, Connecticut Attorney General Richard Blumenthal and 19 mayors. The suit attacks new procurement policies giving preference to Smith & Wesson and any manufacturer that signs a code of conduct as unlawful attempts to regulate interstate commerce. The plaintiffs also allege that Secretary Cuomo is exceeding the limits of his statutory authority. So far, 190 community leaders have joined HUD's public housing authorities in adopting these new procurement policies. The Justice Department is representing HUD, and a preliminary review of the complaint reveals serious weaknesses in the gun industry's arguments.

**2. Health Care – Update on Assisted Suicide.** On Thursday, the Senate Judiciary Committee voted largely along party lines to report out the Hatch-Hyde legislation prohibiting assisted suicide. As you may recall, this legislation passed 271-156 in the House last October. (The Justice Department expressed qualified support). The bill would terminate the license of a physician who prescribes a controlled substance for use in a physician-assisted suicide and would create new criminal penalties for that activity. It also takes new steps to encourage the appropriate provision of palliative care, which helps explain the bill's endorsement by the AMA and the National Hospice Organization. Senate Democrats, however, argue that this legislation could actually deter the appropriate provision of palliative care. Although this bill is clearly a Republican priority, it is unclear when or whether Senator Lott will schedule a floor vote, due to a promised filibuster by Senators Wyden and Smith.

**3. Health Care – Update on Patients' Bill of Rights.** We will hold a White House meeting next week with the extraordinarily diverse group of consumer and provider advocates supporting Norwood-Dingell. Like us, they are becoming increasingly frustrated with the lack of progress and increasingly skeptical of Senator Nickles' intentions. This meeting, which John Podesta will run, will serve to unify the coalition, highlight public dissatisfaction with the conference, and develop a joint strategy to push for a strong bill. We will also release a letter from you inviting the bipartisan leaders of the conference to a May 8th meeting for a status report.

**4. Education – Gore's Education Accountability Agenda.** On Friday, Vice President Gore outlined a five-point education accountability agenda during a speech at the National Conference of Black Mayors meeting in Dallas. The Vice President's proposals build on the

standards and accountability provisions you put in place under Goals 2000 and the 1994 reauthorization of the Elementary and Secondary Education Act (ESEA), as well as your current ESEA reauthorization proposal. Gore's plan would more than triple the your Accountability Fund to \$500 million and offer incentives for high-quality principals and teachers who agree to take on a failing school. It would also triple the number of charter schools by 2005, and promote public school choice by creating a competitive grant program to help 100 low-performing school districts adopt comprehensive standards-based reforms, convert every public school into a school of choice, allow all parents to choose the right public school for their child, and give principals, advised by teams of teachers, greater freedom over their own resources and staffing. Gore would also require states that wish to be eligible for his proposed investments in smaller schools and smaller classes to consider reading and math exit exams as one of multiple measures to determine whether or not students graduate from high school. Finally, he proposes to withdraw funding from states that fail to boost achievement and close the achievement gap. He would convert significant federal education programs into achievement-based funds, with clear financial incentives for success and clear financial consequences for failure. States failing to meet their targets for improving student performance and closing the achievement gap based on performance on the National Assessment of Educational Progress would lose federal administrative funds under formula programs, including Title I. States making exceptional progress would be rewarded.

**5. Families – Raising Responsible Teenagers.** On Tuesday, May 2, the First Lady is hosting a White House conference on raising responsible teens. This conference is the bookend to the 1997 Early Childhood Conference, and the First Lady will highlight new research suggesting that a pivotal phase of brain development occurs around puberty. She will push businesses to support parents by calling for an expansion of the Family and Medical Leave Act and will announce a new public service campaign called "Time with Your Teens." In keeping with her call for a voluntary uniform ratings system, she will also announce that media and entertainment industry leaders have come together to create a single access point on the Internet for parents to learn about all the various rating systems. You will announce an executive order prohibiting discrimination against parents in the federal workplace, and you will unveil a report by the Council of Economic Advisors that offers a demographic snapshot of today's teens.

**6. Welfare Reform – Sanctions.** A recent GAO report shows that although state welfare reform sanction policies are strong, the number of families who actually lose benefits is relatively small. Based on data supplied by all states except New York and Hawaii, the report estimates that during an average month in 1998, less than 1 percent of the caseload (23,100 families) had their benefits terminated due to sanctions and about 4 percent (112,700 families) had benefits reduced, with considerable state variation. Thirty-six states have "conciliation" policies giving families at least one opportunity to resolve the noncompliance before imposing a sanction; 15 states do not. Conciliation may contribute to the relatively low sanctioning rates. About 10 states provided more in-depth data showing that sanctioned families appear more likely to be high school drop-outs or to have transportation, child care or health difficulties. About one-third of sanctioned families returned to welfare after complying, 41 percent went to work, and many of the others depended on friends or family for support. Over 50 percent of those who left TANF continued to get food stamps or Medicaid. A new study from Maryland shows comparable results. Despite a stringent policy of terminating benefits for first-time non-compliance after a 30-day conciliation period, only 7 percent of all case closures came as a result of sanctions. Sanctioned recipients, as compared with the non-sanctioned, were younger, more likely to be white, and less likely to have worked before leaving welfare. They were also twice as likely to come back on welfare within three months.

**Gore**  
**2000**

## **Gore Details Plan to Hold States, Schools and Students Accountable for Results**

### **Questions Bush Plans, Resolve and Record in Texas**

Dallas - April 28 - Addressing the national conference of Black Mayors, Al Gore today detailed a five-point plan to hold states, schools and students accountable for results. Gore also noted that Bush's education plan "skimps on needed investments, asks too little on accountability, and does almost nothing to ensure meaningful public school choice and competition."

"Investment without accountability is a waste of money," Gore said. "Accountability without investment is doomed to fail. And public school choice and competition are essential if we want to push our schools to the highest possible levels of excellent education."

Specifically, Gore's education accountability plan:

#### **\* TURNS AROUND FAILING SCHOOLS**

Gore's education accountability plan helps states and school districts identify failing schools, and turn them around. Under Gore's plan, failing schools that did not improve quickly could be shut down and reopened under a new principal. Gore would also require a full peer evaluation of every teacher, intensive training for those who need it, and fair ways to improve or remove low-performing teachers. Alternately, Gore would allow states to shut down failing schools and re-open them as charter schools with incentives to attract the best teachers and high-performing principals.

#### **\* EXPANDS PUBLIC SCHOOL CHOICE**

Gore believes in more choice and competition within the public school system. Gore would triple the number of Charter Schools and put forward a plan to bring public school choice to 100 of the lowest-performing school districts in America. Gore opposes private school vouchers, which funnel public money into private schools that are not accountable.

#### **\* PROMOTES HIGH SCHOOL EXIT EXAMS, HELPS REDUCE DROPOUT RATE**

Gore would call on states to establish high school exit exams and other measures to ensure that high school students can read and do math at high school levels before graduating. Participating states would be required to develop a plan for ensuring that all students, especially disadvantaged students, are prepared to graduate from high school. States would also develop aggressive strategies to ensure progress in reducing the dropout rate. Bonuses would be given to school districts and schools that make significant progress in reducing the dropout rate.

**\* REWARDS SUCCESS, INSISTS ON CONSEQUENCES FOR FAILURE**

Gore would provide clear financial incentives for states and school districts that successfully narrow the achievement gap. States that fail to substantially close the achievement gap between disadvantaged students and their peers based on performance on the National Assessment of Educational Progress would lose federal administrative funds under formula programs including Title I.

**\* FOCUSES ON DISCIPLINE, CHARACTER AND SAFETY**

Gore's plan calls for a renewed focus on discipline, character and safety in schools. Gore would create second-chance schools where children headed for trouble, and those caught with guns, could receive the strict discipline and intensive services they need. Under a Gore administration more children would have a place to learn in the afternoon hours when most juvenile crime, teen pregnancy, alcohol and drug use occur. Gore would also establish a School Responsibility Day in every school, at the beginning of every school year, to assure better communication between parents and teachers about what standards are appropriate and how they should be enforced.

Gore's comprehensive education plan offers universal pre-school to every four-year old child in America; reduces class size and creates smaller schools; requires testing of all new teachers; ensures that new and existing teachers are qualified to teach their subject area; raises standards and accountability; helps local communities modernize old schools; and help parents save for college, tax and interest free.

"The quality of our public schools is perhaps the greatest test of our responsibility to the next generation," Gore said. "My differences with George W. Bush on this issue are not personal. But when it comes to education reform, I have serious questions about his plans, about his resolve, and his record here in the State of Texas."

Under Bush, Texas has a pre-school participation rate 28 percent below the national average. The state also ranks 41st in standards for teacher quality. Bush opposed and now proposes eliminating a plan to help hire 100,000 new teachers to reduce class size.

Bush's education reform agenda drains money from public schools. Bush has proposed stripping failing schools of Title I money and giving the funds directly to parents in the form of a voucher that can be used for private schools. And though more than three-quarters of all Texas public schools need upgrades and repairs, Bush opposes giving local communities federal assistance for school construction and modernization. Bush has described school construction efforts as nothing more than 'bricks and mortar.'

###



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
WASHINGTON, D.C. 20502

100-44229-7008

April 28, 2000

Copied  
Lane  
Podesta

5-2-00

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *neal*  
CC: JOHN PODESTA  
SUBJECT: OSTP WEEKLY REPORT

**Community Technology Centers Imperiled by Congressional Allocations**

The House Appropriations Subcommittee allocations would deny funding for your request for up to 1,000 new Community Technology Centers that will make computers and Internet access available to economically distressed, high-poverty urban and rural communities. The new Centers are core elements of your National Call to Action to move children and adults impacted by the digital divide into the economic mainstream. With the Centers, lower-income families can seek employment, share learning experiences with their children, and have access to resources and opportunities that were previously not available to them. Among the services that could be provided are workforce development and employment information, pre-school and family programs, after-school activities, and adult education. I will testify before the Senate VA/HUD Appropriations Subcommittee next Thursday and will stress the importance of full funding for the new Centers.

**French Lab Reports First Successful Human Gene Therapy Results**

Researchers in Paris report in today's *Science* that they have successfully treated two infants suffering from Severe Combined Immunodeficiency (SCID). This disease effectively wipes out the immune system, leaving affected individuals totally susceptible to all infectious diseases. The only existing treatments are repeated bone marrow transplants or avoiding infections by living in a sterile environment in a plastic bubble. A defective retrovirus was used to deliver a healthy gene to the patients' bone marrow stem cells. Once the cells were returned, normal immune function began. The apparent success of this method is an indicator of scientific and technological progress in getting corrective genes into the appropriate cells so that a needed protein is produced. One limitation is that the amount of the protein is not controllable, making this technique useful only in cases in which the protein levels are not critical. Nevertheless, if replicable, this trial represents an important step in using genetic information to cure a life-threatening disease.

**U.S.-Japan Millennium S&T Study Completed**

A binational study of how U.S.-Japan cooperation in science and technology can better advance our common societal goals, which you called for with Prime Minister Obuchi one year ago, has been completed. Prime Minister Mori was briefed this week by his advisors in Japan. This report will be the heart of a high level S&T meeting with Japan that I am co-chairing on May 2 with Japanese Science and Education Minister Nakasone (son of the former Prime Minister). The report identifies many opportunities for expanded cooperation, from the challenges of aging, to science literacy and public awareness, to climate prediction, to agricultural biotechnology for developing countries. The study recommends that you and the Prime Minister of Japan hold an event focused on a common science and technology priority, such as education and workforce issues. I will forward a copy of the report to you.

*Murphy for the President*

### Fountain of Youth? At Least for Bovines

Corporate scientists reported in today's *Science* that they have produced six healthy cows cloned from cells kept in culture so long that they had nearly reached the end of their predicted life span. One of the questions raised by Dolly the sheep was whether or not her telomeres, structures at the ends of the chromosomes that shorten with age, would resemble those of a young sheep or the 6 year-old ewe from which she was cloned. Based on these studies, Dolly is actually a sheep in lambs clothing. The Advanced Cell Technology calves, on the other hand, appear to have telomeres even longer than those of non-cloned calves, raising the possibility that the cloning procedure actually reversed the clock. These studies will have to be replicated in other laboratories, but if they can be reproduced, this result will increase the attractiveness of cloned embryos as a source of stem cells for tissue and organ transplantation. Use of Federal funds for the creation of embryos for research purposes is prohibited under your 1994 ban, but may be allowed shortly in the U.K. An advisory committee in the U.K. has recently recommended prohibiting reproductive cloning, or the production of people via cloning, but supports allowing therapeutic cloning in which an embryo might be used as a source of stem cells.

### Stem Cell Hearing

On Wednesday (4/26) Senator Specter chaired a hearing of the Labor/HHS Appropriations Subcommittee on the issue of human stem cell research. Sen. Specter and ranking minority member Sen. Harkin have introduced S. 2015, the Stem Cell Research Act of 2000, which would allow Federal funding for research involving both use and derivation of human stem cells from embryos and fetuses. Other Senators at the hearing indicated their strong support for stem cell research, including use of cells derived from embryos. Sen. Specter has indicated that he has assurances from Sen. Lott to bring S. 2015 before the full Senate this year. Today's hearing should provide cover for moderates who might otherwise have been uneasy voting for stem cell research. Even if the bill does not pass, the hearing will have protected the status quo, in which NIH can fund the use of stem cells in research, but not derivation. Sen. Specter urged NIH to move quickly to finalize its stem cell guidelines (expected this summer) so that the research can proceed.

### Arizona Becomes First State To Require Solar Power

This week Arizona became the first state to order utilities to produce a certain percentage of their electricity from solar sources, a move that puts it at the forefront of the

clean-energy movement and could revive Arizona's lagging solar industry. Beginning next year, Arizona electric consumers will pay slightly higher bills to help

promote renewable energy resources after the Arizona Corporation Commission (ACC) unanimously approved requiring regulated utilities to generate at least 0.2 percent of their power from renewable resources next year, increasing to 0.8 percent by 2004. The requirement would increase again to 1.1 percent by 2007, but only if the cost of clean energy declines to a point the commission deems acceptable. Under the Solar and Environmentally Friendly Portfolio Standard, utilities must derive at least 50 percent of their renewable power from solar generating facilities. The rest may come from sources such as landfill gas, wind and biomass generators. The ACC permitted utilities to recover the higher cost of cleaner energy from consumers, but it capped the surcharges at 35 cents a month for homeowners and \$13 a month for all but the largest businesses (mainly mines). Environmental groups praised the deal, calling it one of the best things to ever happen to electricity generation in Arizona, and it is also being hailed by solar groups as a godsend that will jump-start their businesses.



5-2-00

THE WHITE HOUSE  
WASHINGTON

April 28, 2000

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports  
April 22 - 28, 2000

*Copied  
Marshall  
Balderston  
Podesta*

DEPARTMENT OF TREASURY

- **Budget:** On May 3, Secretary Summers will speak at the National Press Club on the impact of fiscal choices on the economy. He will explain that our current economic circumstances and the evolution of economic thinking about the role of fiscal policy show clearly that we should continue on the path of fiscal discipline. He will also explain that, compared to explosive tax cuts or spending increases, further debt reduction would boost the economy's productive potential, reduce the current account deficit, better prepare the U.S. for the retirement of the baby boomers, and lessen the risk to economic stability.
- **China PNTR:** Treasury's efforts to obtain PNTR have entered a new phase with Speaker Hastert's announcement of a vote the week of May 26. On April 19, Deputy Secretary Eizenstat addressed the Nixon Center's Workshop on the economic benefits of China PNTR. On April 21, while addressing a group of GA-based technology leaders, Eizenstat emphasized the benefits of obtaining PNTR for the high technology industry and, more generally, for GA's industry and agriculture. On April 25, Secretary Summers spoke at a White House PNTR event with Nobel Laureates. On April 26, Secretary Summers lunched with CEOs regarding the need for PNTR with China. On May 3, Secretary Summers is scheduled to testify with Secretary Daley and former Secretary Rubin before the House Ways and Means Committee. On May 9, Secretary Summers will attend a PNTR event with former Treasury Secretaries. On May 11, Secretary Summers will testify before the House Banking Committee regarding China PNTR.
- **Interest on Business Checking Accounts:** On May 3, Under Secretary Gensler will testify before the House Banking Committee on the Bank Reserves Modernization Act of 2000, which would authorize the Federal Reserve to pay interest on the reserves that

depository institutions maintain at Federal Reserve Banks. Treasury has opposed such proposals, on budgetary grounds, because it amounts to a transfer of funds from taxpayers to banks and will cost \$600-700M over five years.

- **Costa Rica:** On May 9, Secretary Summers will meet with Costa Rican President Rodriguez. They will discuss general economic relations between the two countries, Costa Rica's economic performance and challenges, its role in supporting HIPC debt relief for Nicaragua and Honduras, the Caribbean Basin Initiative, and possibly dollarization.
- **Ecuador:** On April 19, the IMF Executive Board approved a one-year \$300M standby arrangement for Ecuador. This is a prerequisite for receiving \$2B in loans from development banks over the next three years and for receiving a Paris Club debt rescheduling, expected in May. Although this program is an important step forward, Ecuador will face difficult challenges in its implementation.

#### DEPARTMENT OF JUSTICE

- **Organizers of Illegal Mexican Adoption Ring are Sentenced:** On April 17, three organizers of an illegal Mexican adoption ring were each sentenced on charges of conspiring to transport and shield from detection Mexican infants and children who were illegally present in the United States. The defendants were arrested in May 1999 pursuant to a criminal complaint alleging that they were part of a ring that smuggled at least 17 Mexican infants into the U.S. and, in exchange for large fees, offered the infants for adoption to Long Island parents, who believed the infants were legally in the U.S.
- **Indictment for Judicial Computer System Attack:** On April 19, a federal grand jury indicted an individual for interfering with a government-owned communication system. The indictment states that the defendant, who was the system administrator and computer security officer for the U.S. District Court for the District of AK, initiated at least one of five attacks on "Judsys", a private mail list server whose subscribers are restricted to U.S. Court computer system administrators. The indictment alleges that Judsys was the victim of approximately five computer attacks involving an electronic mail flood that overwhelmed the system and impaired access to it. The attacks came from computers identified by Internet Protocol addresses that were traced to the defendant.
- **Strengthening Police-Community Relationships:** On May 4, DOJ will host a meeting with leaders from law enforcement, civil rights, and community groups regarding police use of force. Entitled, "Examining Use of Force Policy and Practice," this event is one in a series of follow-up meetings from the Attorney General's June 1999 conference on strengthening police-community relationships.

- **Health Care Fraud Workshops:** The U.S. Attorney for UT and the AARP will host two-day workshops in April, May, and June for advocates and others who work with senior citizens. The workshops will focus on trends in health care fraud cases, reviewing provider bills and statements, and spotting the difference between mistakes and criminal conduct on the part of health care providers.

## DEPARTMENT OF INTERIOR

- **CA Watershed Mercury Levels:** DOI, other federal agencies, CA agencies, and local officials recently met to discuss preliminary findings of high mercury levels in northern CA and Sierra Nevada region watersheds. Ongoing studies by the cooperating agencies over the past eighteen months assessing mercury contamination on federal and private lands associated with abandoned mines have revealed potentially significant environmental impacts, including accumulation of methyl mercury in several species of fish and significant health risks to downstream recreational use. The agencies expect to establish a task force of federal, state and local officials to oversee public release of scientific findings within the next four to six weeks.
- **Oil and Gas Leasing:** By the end of April, BLM expects to issue the decision allowing oil and gas leasing on Army Corps of Engineers property at Mosquito Creek Lake in Trumbull County, OH. BLM has completed the Mosquito Creek Lake Planning Analysis/Environmental Assessment, which supports leasing of approximately 11K acres of federal lands for oil and gas development. The project raised local controversy due to concerns about surface and groundwater impacts. However, a USGS study found no measurable impact to surface or groundwater from current oil and gas activities. Rep. Traficant opposes leasing and introduced a bill to prohibit drilling at Mosquito Creek Lake. The bill passed the House but the Senate has not acted.
- **NM National Monument:** A coalition of eight conservation organizations has proposed creation of a new national monument for lands in the Carlsbad Caverns-Guadalupe Mountains area managed by BLM and the Lincoln National Forest. The proposed Capitan Reef National Monument would contain approximately 130K acres near Carlsbad Caverns and Guadalupe Mountains National Parks. Rep. Skeen and Eddy County Commissioner Laurie Kincaid have voiced their disapproval of the proposal. Local cavers are concerned that designation will mean increased fees and reduced access.
- **Eagle Permit:** The Hopi Tribe has asked FWS to renew the Tribe's federal permit to collect and possess live golden eagles and red-tailed hawks for religious purposes. FWS has requested eagle population data from the Hopi and Navajo Tribes and other sources to aid in determining whether to renew the permit.

- **HI Coral Reef Protection:** Sixteen environmental organizations recently sent a letter to Secretary Babbitt and Secretary Daley opposing a provision in proposed legislation for coral reef protection. DOI is providing information to the House Resources Committee on possible amendments to the bill, approved by the Fisheries Subcommittee in March. The provision would strip the authority of DOI and other federal agencies to manage coral reefs and associated fish and their habitats by providing that DOC has exclusive federal authority over those subjects. Reps. Saxton and Faleomavaega, the chairman and ranking minority member of the subcommittee, want to work with DOI to develop an amendment to preserve all existing department and agency authorities. Chairman Young, however, has developed an amendment to make DOC's authority "primary" over those subjects. DOI opposes this provision strongly and would recommend a veto.

#### UNITED STATES DEPARTMENT OF AGRICULTURE

- **Delegation to China:** From April 24–30, Secretary Glickman is leading a delegation of U.S. elected officials on a fact-finding mission to China. During the trip, which includes stops in Beijing, Shanghai, and Hong Kong, the delegation will hold meetings on trade issues with Chinese officials, inspect working conditions at U.S.-owned factories in China, meet with Chinese entrepreneurs and academics on trade and political liberalization issues, announce Chinese purchases of U.S. products, and conduct issue briefings for U.S. business representatives and media. Accompanying the Secretary are Governor Schafer, and Representatives Dicks, Hinojosa, Meeks, and Walden.
- **Convention on Biological Diversity:** From May 13-24, the fifth meeting of the Committee of the Parties on the Convention on Biological Diversity will be held in Kenya. Issues on the agenda include agricultural and forest biodiversity, drylands, invasive species, access to genetic resources, inland water, ecosystem approach, and coral reefs. In addition, the Biosafety Protocol will be presented to the COP during a Ministerial Session and will be open for signing; 50 signatures are needed for the Protocol to go into effect.
- **Reinvention Efforts:** On May 3, USDA will host a meeting of State, local, and industry representatives to solicit input on how best to pilot test national processing contracts for USDA commodities. Under the proposed test, food vendors would apply to USDA for approval to process commodities into more usable products for schools, saving States thousands of hours of work each year. The use of national processing contracts is one of the recommendations developed under a USDA initiative to reinvent the domestic commodity nutrition programs known as Food Distribution 2000.
- **Genetically Modified Organisms:** On April 26, the National Resources Defense Council, Center for Food Safety, Environmental Defense Fund, Greenpeace, Sierra Club, and the Union of Concerned Scientists petitioned USDA to withdraw current approvals

and prevent environmental releases of genetically modified organisms that are indigenous to the U.S., and would have interbreeding wild relatives, or the potential to harm non-target organisms, until the following steps are taken: 1) USDA rulemaking to establish requirements for field testing and supporting information that must be provided for such crops to be deregulated; 2) USDA initiates an independent research program to assess potential risks from such crops and the data necessary to ensure they do not pose an environmental risk; and 3) USDA prepares an Environmental Impact Statement of its data requirement regulations.

- **Sustainable Development:** From April 24-May 5, the 8<sup>th</sup> Meeting of the UN Commission on Sustainable Development is being held in NY. Deputy Secretary Rominger addressed the Commission on April 26. One of this year's featured topics is Sustainable Agriculture and Rural Development. In addition, there will be a two-day multi-stakeholder dialogue session on sustainable agriculture, including domestic and international non-governmental organizations, farmers, trade unions, agri-business, and environmental organizations.
- **Commodity Markets:** Wheat prices were down slightly, pressured by improving winter wheat conditions, rapid spring wheat planting progress, and widespread rains across the Great Plains. In contrast, corn prices edged up marginally because of moisture concerns and larger-than-expected weekly export sales. Likewise, soybean prices recorded a small increase despite recent rain in the Corn Belt. Cotton prices were stable as reports of tighter world supplies of good-quality cotton from the 1999 crop were offset by generally favorable new-crop prospects. Hog prices declined as narrower margins caused packers to reduce bids and stronger wholesale beef prices pushed cattle prices higher.
- **Food Stamps:** On April 27, under provisions of the Food Stamp Act, USDA released the FY1999 Food Stamp Program Quality Control error rates, and began collection action from States subject to liabilities for error rates above tolerance. Current analyses indicate that national combined error rates will fall by more than 0.75 percent, to about 9.88 percent; however, 16 States will be subject to about \$33M in liabilities. Four States with low error rates are expected to be eligible for enhanced funding totaling \$38M. USDA is currently resolving issues concerning error rates in IN; and error rates for improper denials of eligibility in SD, WY, and the Virgin Islands, whose rates would disqualify them from enhanced funding otherwise payable based on their rates for active cases.

#### DEPARTMENT OF COMMERCE

- **Secretary Advocates for Enron in Croatia:** On April 12, Secretary Daley wrote to Croatia's new Economic Minister on behalf of Enron's interest in constructing the Jertovec gas-fired thermal power plant. U.S. Ambassador to Croatia Montgomery recommended that Secretary Daley send a letter urging the Croatian cabinet to honor and

5-2-00

implement a June 1999 agreement between the Croatian Electric Utility and Enron to develop the plant. The project is valued at approximately \$175M with an estimated \$100M in U.S. content. The Croatian Economic Minister subsequently informed Ambassador Montgomery that he would recommend proceeding with the contract as negotiated, with one minor change.

- **Chad Investment and Trade Opportunities:** In his April 19 meeting with Chad's Prime Minister, Deputy Secretary Mallett encouraged stronger bilateral commercial ties and suggested that Chad's successful management of the massive inflow of petrodollars when the \$3.5B Chad-Cameroon pipeline is operational would be the most effective way to attract more U.S. trade and investment.
- **Encryption Discussions:** The Bureau of Export Administration (BXA) discussed two proposals to change controls on encryption technology during Wassenaar Arrangement meetings in Vienna, Austria. The U.S. proposed narrowing the definition of "in the public domain" to correspond to recent treatment of encryption source code that is "open source" without licensing fees or royalty restrictions. Much of the discussion surrounded the new U.S. encryption policy implemented in January and its effect on foreign competition. The next Wassenaar meeting will occur in September.
- **Chemical Weapons Convention Site Assistance Visit:** On April 19-20, BXA conducted their first site assistance visit at a company subject to inspection under the Chemical Weapons Convention. BXA assisted personnel from eight plant sites in the preparation of pre-inspection briefings, draft facility agreements, methods of identifying and handling confidential business information and other key elements of CWC industry inspections.

#### DEPARTMENT OF LABOR

- **Equal Pay Tour:** On May 1, the Women's Bureau will kick off the Equal Pay Tour in Oakland, CA that will consist of a series of hearings and town hall meetings across the country. The tour is part of a series of initiatives being undertaken to promote equal pay practices and to gather further information on national pay practices. The May 1-8 tour will include Oakland, CA; Chicago, IL; Kansas City, MO; Atlanta, GA, and Boston, MA.
- **Lockheed Martin Labor Dispute:** A labor dispute at the Lockheed Martin Aeronautics plant in Fort Worth, TX involves the International Association of Machinists Union, which has an estimated 2,150 members. Four other unions at this location have not supported the strike and continue to report to work. Rapid Response Specialists have been working with the company, the Union and the Unemployment Insurance Tele-Center in Fort Worth. In TX, Lockheed Martin has procured contracts in several Local Workforce Investment Areas, but does not have one in Tarrant County.

UP should  
do a brief visit  
to this

5-2-00

Should we send  
to the VP?

Yes

lly Report, April 22 - 28, page 6

- **NY Supreme Court Blocks Transfer of JTPA Funds:** On April 14, the NY State Supreme Court blocked the City from awarding \$104M in contracts to the Maximus Company. The problem relates back to June when the Mayor's Office transferred the Program Year 1999 JTPA Title II funds from the City's Department of Employment to the Human Resources Administration. HRA planned to revamp its contracting system by reducing the number of direct prime contractors from some 300 to 15-17 large organizations to "bundle" its several funding streams into a single contract with each of the selected agencies. The "bundle" totals some \$500M, including Temporary Assistance to Needy Families funds, Food Stamp E&T, and \$31M in JTPA IIA funds.
- **NY Summer Youth Program:** The NY State legislature has approved \$35M in Temporary Assistance to Needy Families funds to be used for the Summer Program. These funds will be included in the State Budget which is expected to be enacted within the next two weeks. The State has not determined the allocation methodology but is considering putting it through the Workforce Investment Act System rather than the social service system.

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Elian Gonzalez:** On April 22-23, the Health Resources and Services Administration's Division of Immigration Health Services' Dr. Carlos Quinones, a flight surgeon, and Dr. Gustavo Cadavid, a psychiatrist, participated in "Operation Reunite," by accompanying Elian Gonzalez during the flight to Washington, DC. The two doctors were responsible for maintaining the physical and social well-being of the boy prior to his reunion with his father. They were available for this duty through a standing agreement between HHS and INS for delivery of primary health care to persons under INS jurisdiction. Under this agreement, Quinones and Cadavid have worked closely with INS on medical and mental issues surrounding the case since its inception last November.
- **Asian Pacific American Heritage Month:** On May 1, the White House Initiative on Asian Americans and Pacific Islanders will sponsor an Asian Pacific American Heritage Month kick-off event, The Merging of Science and Humanity and the Future of Leadership. Deepak Chopra will speak about and celebrate the heritage and contributions of Asian Americans and Pacific Islanders.
- **Older Americans Month:** This May, during Older Americans Month, the Administration on Aging will convene the second of a two-part symposia series on longevity, and begin its commemoration of the 35<sup>th</sup> Anniversary of the enactment of the Older Americans Act.

- **National Melanoma/Skin Cancer Detection and Prevention Month:** May is also National Melanoma/Skin Cancer Detection and Prevention Month, which is dedicated to increasing public awareness of the importance of skin cancer prevention, early detection, and treatment. In response to the continuing prevalence of melanoma, national health objectives for 2010 include reducing the rate of melanoma deaths from 2.8 per 100,000 population in 1998 to 2.5 per 100,000. The CDC skin cancer prevention and education efforts, including the Choose Your Cover campaign aimed primarily at young people, encourage all people to protect themselves from the sun's UV rays year-round.

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Homeownership Rate Hits Record High:** Secretary Cuomo announced that America's homeownership rate rose to a record high in the first quarter of 2000, with 67.1 percent of all families owning their homes. A total of 70.7 million American families owned their homes in the first quarter of the year. In all, 8.9 million more families owned homes in the first quarter of 2000 than when you took office in 1993. The homeownership rate stood at 64 percent in early 1993, 3.1 percent below the first quarter of 2000. Because of the continued strong growth rate among minority homeowners, a total of 40 percent of the net new homeowners since 1994 are minorities – even though minorities account for just 23 percent of the population. In addition, all-time record quarterly homeownership rates were set in the first quarter of this year for African Americans (47.8 percent), and for the central cities (51.2 percent). Despite these gains, minority and urban homeownership rates still lagged far behind the white homeownership rate (73.4 per cent) and the suburban homeownership rate (73.8 percent).
- **Predatory Lending:** Secretary Andrew Cuomo co-chaired the first of five joint HUD-Treasury regional forums to be held across the country to address predatory lending. While expanded access to credit from both prime and subprime lenders has contributed to the highest homeownership rates in history, there is growing evidence that some lenders are engaging in predatory lending practices – excessive front-end fees, single premium credit life insurance, and exorbitant prepayment penalties – that make homeownership much more costly for families that can least afford it. At the forum, Secretary Cuomo released a study – Unequal Burden in Atlanta: Income and Racial Disparities in Subprime Lending in America. In addition to Atlanta, HUD and Treasury will hold joint hearings on predatory lending in New York City, Los Angeles, Chicago and Baltimore. Later this summer, Secretary Cuomo and Secretary Summers will issue a joint report with recommendations on how to address these problems.
- **Gun BuyBack:** The City of Detroit Housing Department will reprogram \$15,000 of its FY1999 Public and Indian Housing Drug Elimination Program grant funding (\$1,344,716) and will receive \$6,450 in matching funds from HUD for a total of \$21,450 for its Gun BuyBack Initiative. The goal is to take approximately 429 guns off the street.

The Detroit Housing Commission will provide gift certificates or \$50 cash for every weapon surrendered by participating public housing residents. This innovative program in concert with an ongoing aggressive community policing strategy of the Detroit Police Public Housing Support Unit will have a noticeable impact in reducing gun violence in and around public housing.

#### **DEPARTMENT OF TRANSPORTATION**

- **Pipeline Safety:** On April 24, Secretary Slater announced a proposal that would provide extra protection to pipelines in sensitive areas where a pipeline failure could pose the greatest threat to people and the environment. The proposed rule would require pipeline operators to develop and follow a safety program including continuous evaluation of pipelines through internal inspections and tests, including pressure testing.
- **NY Penn Station Redevelopment:** DOT's Inspector General reported that the Penn Station expansion has changed considerably in cost, scope, funding, and scheduled completion date. The estimated cost of the \$768M project is more than twice the original 1992 estimate. The project is now slated for completion in 2005, about six years later than originally planned. In addition, Amtrak and others have identified, as a separate project, about \$804M in life-safety requirements in tunnels and areas beneath Penn Station and the Farley Post Office Building.
- **Makah Native American Tribe Whaling Incident:** On April 20, a U.S. Coast Guard boat collided with a protestor using a personal watercraft interfering with the Makah Tribe's whale hunt. The woman suffered a broken shoulder and was medically evacuated by a Coast Guard helicopter. The Coast Guard was enforcing a Marine Exclusion Zone established to protect an authorized Makah gray whale hunt. The Coast Guard continues to monitor the situation while the whale hunt continues.
- **Truck Driver Rest Cycle:** On April 25, Secretary Slater proposed a revised rule for motor carriers that is designed to improve highway safety by ensuring that drivers of large trucks and buses have the opportunity to get adequate rest. This proposal would help assure that big rig operators and other truck and bus drivers have sufficient rest so that they can reduce fatigue-related crashes. The proposed rule is science-based, tied to a 24-hour clock as opposed to the 18-hour cycle in the current regulation.
- **Child Booster Seats:** On April 19, Secretary Slater praised Ford Motor Company for its new "Boost America!" campaign, which was announced at the New York International Auto Show. Ford, in partnership with DOT, will give away one million belt positioning booster seats and educate parents and caregivers on the importance of booster seats for children who have outgrown their child safety seats, yet are still too small to fit properly in adult seat belts.

DEPARTMENT OF ENERGY

- **Clean Cities Conference:** The Sixth National Clean Cities Conference will be held in San Diego, CA from May 7-10. Secretary Richardson will deliver the keynote address on May 9 and announce the 2000 transportation State Energy Program grants winners and the Clean Cities National Partner Award Winners.
- **APEC Energy Minister Conference:** From May 10-12 in San Diego, CA, Secretary Richardson will host energy ministers and senior government officials from 21 economies. The conference will focus on implementing commitments that APEC economies have made to reform their energy sectors, and on clean and sustainable energy development in the region.
- **Rocky Flats Wildlife Refuge:** Senator Allard has developed draft legislation to designate the Rocky Flats Environmental Technology Site, following the completion of site cleanup and closure, as a wildlife refuge under Federal management. According to the draft legislation, EPA will certify that cleanup activities have been successfully completed; the Secretary of Energy will transfer management responsibilities of the site to DOI by October 2007; and, within 30 days of the transfer, the site will be formally designated as a national wildlife refuge. The draft legislation has not yet been introduced to the Senate.
- **Hydroelectric Dams and Endangered Fish:** Bonneville Power Administration and the other federal hydro operators have reached agreement with federal agencies on revised spring and summer hydro operations to increase fish survival. Starting immediately, the U.S. Army Corps of Engineers, the Bureau of Reclamation, and Bonneville will change the volume and the duration of water spilled at four of the eight federal dams on the Columbia and Snake Rivers—Bonneville, The Dalles, John Day, and Lower Monumental. Most experts think spilling fish over the dams is the safest and most effective way to move migrating, threatened, and endangered fish through the hydro system. The spill plan will be incorporated into the National Marine Fisheries Service draft Biological Opinion on endangered salmon, due out in late May.

DEPARTMENT OF EDUCATION

**America-Goes-Back-To-School:** In response to your call to strengthen rural communities for the 21st century, Secretary Riley has committed DOE to promoting educational opportunities in rural schools. To highlight this commitment, the Secretary is planning his America-Goes-Back-to-School Bus trip from August 27- 31, through LA, MS, AR, TN, KY, MO, and IL. The Secretary's School Bus will follow the Mississippi River as closely as possible starting in LA and ending in IL, maintaining the theme that education is the express bus on the road to economic success.

- **TX Higher Education Desegregation:** On April 19, DOEd briefed White House staff on negotiations between DOEd and the TX Governor's office to develop a plan to enhance the state's historically black universities and increase minority participation at other public universities in TX. DOEd and TX are finalizing an agreement that would call for TX to submit an acceptable plan by November 10. In a letter to Rep. Jackson Lee, Secretary Riley reaffirmed DOEd commitment to work with TX on all issues affecting higher education desegregation and improving college access for minority students.
- **One America:** April 26-28, DOEd's Office for Civil Rights participated in the fourth annual conference on Improving Minority and At-Risk Student Achievement to take place in Greensboro, NC. The conference focused on closing the achievement gap between minority and majority students. OCR staff will meet with personnel from districts that are part of a high-school competency-testing complaint, collect information about best practices, and speak with leading educators, policymakers, and academics in the state.

#### DEPARTMENT OF VETERANS AFFAIRS

- **Little Rock Research Wing:** On April 19, VA opened a \$7.5M wing in the McClellan Memorial veterans Hospital in Little Rock, AR that will serve as a general clinical research center. One of 76 research clinics in the country, the center will allow researchers to study disorders and diseases such as obesity, sleep irregularities, cancer and diabetes. The facility will be shared with researchers from the University of Arkansas, the Central Arkansas Veterans Healthcare System and the Arkansas Children's Hospital.
- **New Dallas-Fort Worth National Cemetery:** On May 12, VA will dedicate the Dallas-Fort Worth National Cemetery, the 118<sup>th</sup> cemetery in the National Cemetery Administration.
- **Native American Veterans' Summit:** On May 2-4, VA will participate in the Native American Veterans' Summit on the Navajo Reservation in Window Rock, AZ. The Summit will focus on the needs of Native American veterans. Special emphasis will be placed on increasing awareness of the Direct Home Loan Program, which allows VA to provide loans to Native American veterans who reside on reservations and trust lands.

#### ENVIRONMENTAL PROTECTION AGENCY

- **Diesel Standards for Heavy-Duty Trucks and Buses:** EPA is putting the finishing touches on a proposal for tough new standards for heavy-duty diesel trucks and buses. EPA will also propose a reduction in the sulfur content of the diesel fuel these vehicles

use because high sulfur levels contaminate emission control devices and prevent them from functioning properly. Just as removing lead from gasoline in the 1970s enabled the widespread use of catalytic converters in cars, removing sulfur from diesel fuel will enable the use of advanced emission control technologies on diesel vehicles. EPA's proposal is in the final stages of inter-agency review. EPA expects to issue the proposal in the coming weeks.

- **Coal Burning Wastes:** On April 25, EPA announced that they plan to develop national standards to address wastes from coal burning plants that are presently either land-disposed or used as fill in mining. These wastes, commonly referred to as "fly ash," are the by-products from facilities that burn coal to generate power. These wastes are not being classified as hazardous waste. EPA acted after a federal court declined to grant an extension request so that the Agency could utilize upcoming major scientific analysis in making a more complete determination. EPA will continue to evaluate the new information it receives as it moves forward. Combustion waste is currently exempted from federal regulation. But these wastes contain toxic metals that, when improperly disposed, may pose a threat to public health and the environment. EPA's goal is to ensure that these wastes do not contaminate groundwater, rivers, lakes and streams.
- **CA Toxics Rule:** EPA is about to promulgate final numeric water quality criteria under the Clean Water Act for priority toxic pollutants for the State of CA. This action will fill a gap in California's water quality standards program that was created as a result of litigation against the State in 1991. CA is authorized to administer the National Pollution Discharge Elimination System program and will implement the resulting standards to establish water quality-based effluent limits in NPDES permits. The rule also includes a compliance schedule provision which authorizes the State to issue schedules of compliance for new or revised limits when certain conditions are met.

#### UNITED STATES TRADE REPRESENTATIVE

- **Africa Trade Ministers Meeting:** From May 3-5, Ambassador Barshefsky will convene 15 economic heads from sub-Saharan African nations and transnational organizations for the WTO Consultative and Technical Assistance Forum for African Trade Ministers. The Forum will focus on ways to strengthen African institutional capacity, so that African nations can fully exercise their rights, and fulfill their obligations, under the WTO. In addition to WTO issues, Ambassador Barshefsky, will discuss with Ministers progress on your Partnership Initiative for Growth and Opportunity in Africa, the Africa Trade Bill, and a broad range of US-Africa bilateral trade issues.

## SMALL BUSINESS ADMINISTRATION

- **Take Our Daughters to Work Day:** SBA coordinated events for Take Our Daughters to Work Day. The events featured information for young entrepreneurs and SBA senior staff who spoke at the events. Administrator Alvarez simultaneously launched the Young Entrepreneurs page on the Online Women's Business Center from the 3<sup>rd</sup> Annual Governor's Economic Summit on Business Development for Women in Columbia, MO.
- **Minority Business Summit:** On April 26, Administrator Alvarez traveled to Denver, CO to keynote a joint SBA/DOE National Minority Business Summit. The purpose of the summit is to increase small business contracts awarded through DOE. In addition, the Administrator met with Denver-area small businesses currently trading with small businesses in China.

## GENERAL SERVICES ADMINISTRATION

- **Electronic Government Services Kiosks:** Over 150 government services are now available to the community through interactive touch screen kiosks located in shopping facilities in three TX cities. Citizens have accessed 20,094 services including searching for HUD Homes, purchasing savings bonds, printing change of address forms for their driver's license, requesting Social Security Benefit Statements, printing IRS Tax Forms, finding jobs, finding children to adopt, locating city events and communicating with elected officials. Many more kiosks are being planned for placement around the country.
- **Buyouts:** Recently GSA briefed the staff of the Senate Treasury/Postal Appropriations Committee on the GSA plan for buyouts for the approximately 300 employees impacted by the announced closing of six GSA warehouse-depot facilities. GSA is currently awaiting OMB action on the specifics. GSA will brief the Senate Government Affairs staff on the same issue.

## SOCIAL SECURITY ADMINISTRATION

- **SSA Employee Who Holds Record for Longest Continuous Federal Service to Retire:** On May 3, Lillie Steinhorn, an SSA employee who holds the record for having the longest continuous Federal service in the history of the United States Government, will retire after 65 years of service. Miss Steinhorn's Federal service began on April 28, 1935, which predates by 3½ months President Roosevelt's signing of the original Social Security Act on August 14, 1935. Currently a Social Insurance Specialist in the Office of Finance and Management at SSA's Baltimore headquarters, Miss Steinhorn will celebrate her 89<sup>th</sup> birthday on May 26.

# Cabinet Travel

Monday, May 1 - Sunday, May 5, 2000

**Secretary Babbitt**  
Great Falls, MT 5/2  
Fort Benton, MT 5/3  
Lewistown, MT 5/3

**Director Lachance**  
Seattle, WA 5/3  
Portland, OR 5/4

**Secretary Babbitt**  
Grand Junction, CO 5/3  
Mesa Verde, CO 5/4

**Secretary Cuomo** 5/1  
**Secretary Richardson** 5/6  
Detroit, MI

**Secretary West**  
St. Louis, MO 5/1

**Secretary Riley**  
Owensboro, KY 5/3

**Secretary Daley**  
San Antonio, TX 5/5

**Secretary Daley**  
McAllen, TX 5/5

**Secretary Daley**  
Houston, TX 5/5

**Secretary Daley**  
New Orleans, LA 5/5

**Secretary Richardson**  
West Valley, NY 5/5

**Secretary Cuomo**  
Baltimore, MD 5/5

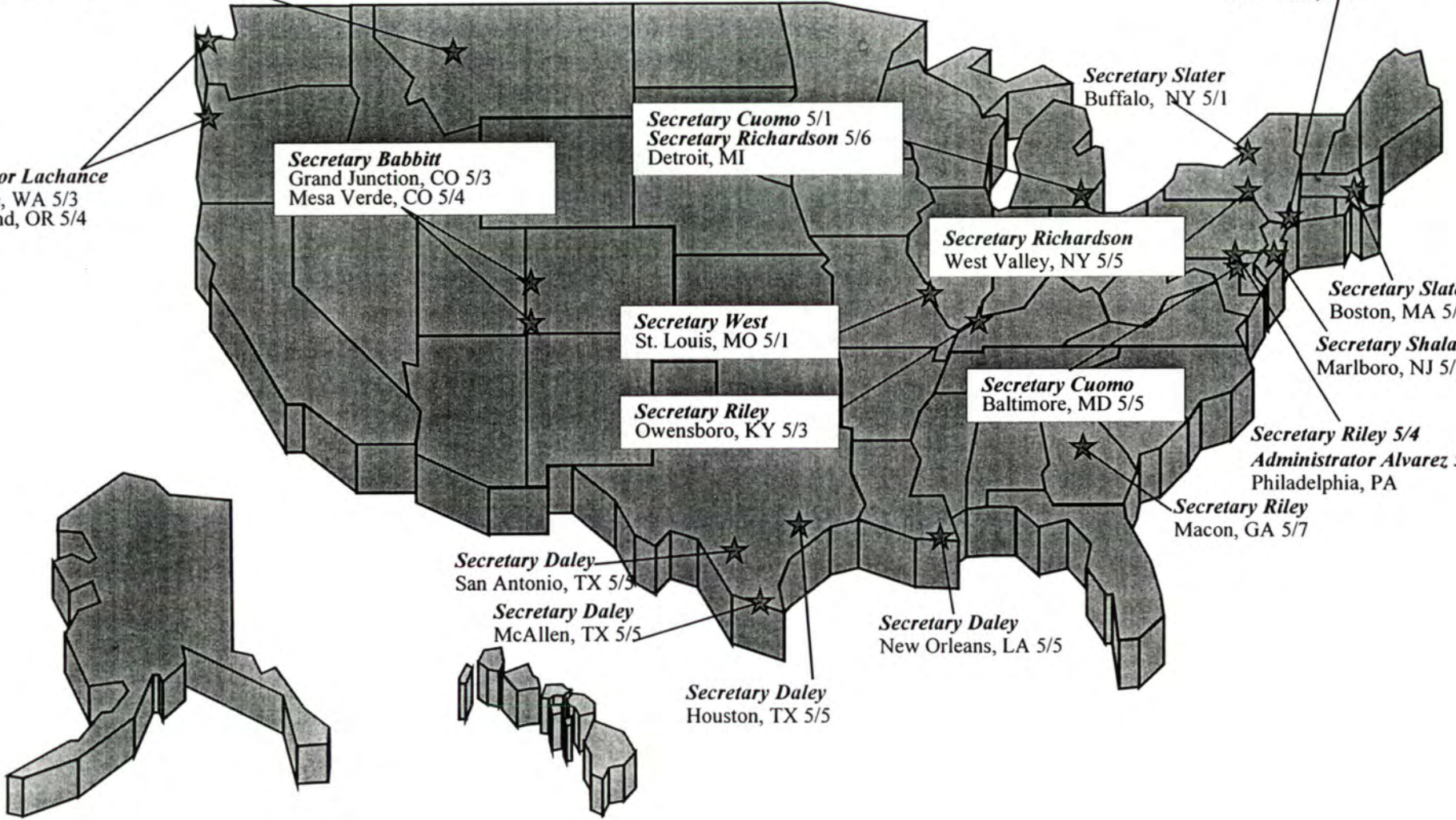
**Secretary Riley**  
Macon, GA 5/7

**Secretary Riley** 5/4  
**Administrator Alvarez** 5/4  
Philadelphia, PA

**Secretary Slater**  
Boston, MA 5/3  
**Secretary Shalala**  
Marlboro, NJ 5/1

**Secretary Slater**  
Buffalo, NY 5/1

**Secretary Summers** 5/1  
**Attorney General Reno** 5/1  
**Administrator Barram** 5/1-2  
New York, NY



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

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM

April 28, 2000

TO: THE PRESIDENT

FROM: LORETTA UCELLI  
STEPHANIE CUTTER

RE: Communications Weekly Report

5-2-00

copied  
Ucelli  
Cutter  
Podesta

**OVERVIEW:**

This week, we pushed out a strong message that you are continuing to take action on the issues important to the American people. Through message events, you continued to demonstrate your commitment to key issues by urging Congress to move forward on reforming Medicare to include a voluntary, affordable prescription drug benefit and passing hate crimes legislation that will support localities in prosecuting hate crime offenders. To highlight your continued efforts to reduce gun violence, you announced new federal assistance to the District of Columbia for a federal gun buyback program – one of the many federal tools to help cities get guns off the streets and out of the hands of criminals and children. At the final stop of your New Markets-Digital Divide Tour, we pushed out the message that you are committed to closing the digital divide by bringing technology and all of its benefits to rural America.

**Sunday, April 30 -- Eastern Michigan University Commencement Address:**

You will deliver the commencement address to the School of Arts & Sciences and the School of Technology at Eastern Michigan University. The address will center on how technological changes of our time are creating new and amazing opportunities for the lives of these young adults. You will also focus on the responsibilities that accompany those changes: the need to safeguard privacy in the high-tech age, spread the benefits of technology to all, and secure our environment and our economy for future generations to enjoy. You will announce your financial privacy initiative to protect consumers' financial data.

**Monday, May 1 -- Treasury Announcement on Debt Buyback:**

The Treasury Department will announce an estimate of how much debt the U.S. government will pay down this year -- an estimate that will be significantly larger than what we've said before. Although you are not participating in an event, we are using other message vehicles to push out this announcement and to emphasize that your policy of fiscal discipline has resulted in a historically strong economy, and that now is not the time to stray from this successful course of action.

**Tuesday, May 2 -- White House Conference on Raising Teenagers:**

We are working with the First Lady's Office, DPC, the Press Office and others to ensure extensive media attention for the White House Conference on Raising Teenagers. We are working to push out the message that you are committed to helping teens and parents by providing them with tools and information to deal with these serious challenges. You and the First Lady will make a series of announcements on

Administration and community-based efforts to give parents and teens the resources they need to support the positive development of America's youth.

### **Wednesday-Thursday, May 3-4 -- School Reform Tour:**

We are working with DPC, the Press Office, Scheduling and other offices to plan your School Reform Tour, which will highlight the success of your education agenda in improving the state of our nation's schools. You will travel to schools in Kentucky, Iowa, Minnesota, and Ohio to push out the message that through increased accountability, we are turning around failing schools, improving teacher quality, creating more charter schools and promoting overall school reform. At each stop, you will announce new executive orders and policy deliverables that demonstrate that you are continuing to take action for the American people by improving education for our nation's children. To demonstrate the power of technology in schools, you will host a webside chat, at the City Academy School in St. Paul, Minnesota, sponsored by Channel 1, with the students of the school and Internet users. This chat will give you the opportunity to talk to eight million junior high and high school students and 400,000 teachers in 12,000 schools across the country.

### **ADDITIONAL ISSUES**

#### **Million Mom March:**

The Million Mom March is scheduled for Mother's Day, May 14<sup>th</sup>. We are exploring different message vehicles to convey your continued call on Congress to pass common sense gun safety legislation and emphasize your record on reducing crime, taking guns off the street, and protecting our nation's children. This also will give you the opportunity to increase pressure on Congress to pass the gun safety bill. We are planning to showcase the efforts of the Million Mom March organizers in the radio address preceding the actual March, which will align you, once again, with the sentiment of the American people on gun control. We also are working to set up a meeting with organizers of the Million Mom March with John Podesta and others. Potentially, you may drop by this meeting.

#### **China PNTR Vote:**

In preparation for the vote during the week of May 22<sup>nd</sup> to grant Permanent Normal Trade Relations to China, we are working with the Chief of Staff's Office, the Press Office and others to build momentum and demonstrate broad support among business elites and others for China PNTR. We are planning an event with former presidents and former high-ranking government officials to convey the monumental importance of granting China PNTR. We will push out a message that granting China PNTR and bringing China into the WTO will promote democratic reform and accountability in China, while creating new economic opportunities for American businesses and workers by opening new markets.

#### **Delta Conference:**

We are working with the Press Office and the public affairs representatives from all agencies involved in your Delta Initiatives to create a communications plan that will ensure extensive national and regional media coverage of the Delta Conference, scheduled for May 10-11 in Crystal City, Virginia. Our efforts are concentrated on demonstrating that your Administration has worked diligently and successfully to provide needed investments and resources to the poverty-stricken Delta region and help the people of the Delta begin to participate in the nation's prosperity.

#### **Moment of Remembrance:**

We are working with the Chief of Staff's Office, the Millennium Council, the Press Office and others to develop a communications plan to raise awareness of the upcoming Moment of Remembrance on Memorial Day, 2000 at 3:00pm. The Moment of Remembrance encourages all Americans to pause and honor those who died in the line of service to the United States. We are working to enlist all potential

outreach vehicles to convey the significance to all Americans of this new national tradition. We are working to develop actualities, pitch interviews to news organizations and organize constituency groups.

**Budget:**

We are working with Karen Tramontano, NEC, OMB, Cabinet Affairs, the Press Office and others on a long-term budget strategy. We are distributing talking points, fact sheets and other materials that communicate that the Republican Budget requires deep reductions in key priorities, fails to add a single day to the life of Medicare or Social Security, and threatens our continued economic prosperity with risky tax cuts. We are mobilizing cabinet to brief national and regional constituency groups, and their national and regional press corps on the devastating effects the Republican Budget would have on various programs – including education, Head Start, national security and the environment.

00 APR 28 04:51:33

THE WHITE HOUSE

WASHINGTON

April 28, 2000

5-2-00

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Brain

Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: CHUCK BRAIN *OMB*

SUBJECT: LEGISLATIVE WEEKLY REPORT

House of Representatives

The House was not in session this week.

Week Ahead

The House will convene on Tuesday at 2:00 pm for legislative business with votes expected after 6:00 pm. In addition to a number of non-controversial suspension bills, the House is scheduled to consider:

- **HR 4055, IDEA Full Funding Act** (suspension): This bill authorizes funding to meet the federal goal of providing 40 percent of the national average per pupil expenditure to assist States with the costs of educating children with disabilities. If the funding levels authorized in the bill were actually appropriated, other Democratic education priorities could be seriously underfunded. Full funding for IDEA is a key political priority for the Republicans and is difficult for the Democrats to oppose. The bill was reported out of Committee by voice vote.
- **H.R. 2957, Lake Pontchartrain Basin Restoration Act of 1999**: This bill would amend the Federal Water Pollution Control Act to authorize funding for water quality restoration projects for Lake Pontchartrain Basin, Louisiana.
- **H.R. 673, Florida Keys Water Quality Improvements Act**: This bill would authorize the EPA Administrator to make grants to the Florida Keys Aqueduct Authority to improve water quality in the Florida Keys.
- **H.R. 1106, Authorizing Alternative Water Sources Act**: This bill would authorize the EPA Administrator to make grants to state agencies for the development of alternative water sources.

House Notes

- **Africa/CBI**: While the Speaker has instructed the committees involved with the bill to bring a conference report to the floor next week (the bill has been tentatively scheduled) it is not clear that sufficient progress has been made at the staff level to allow that schedule to be met. While the textile issues involving Africa and the CBI have been resolved, outstanding issues include HIV-AIDS, child labor, trade adjustment assistance for farmers, and carousel retaliation.

## United States Senate

### Floor Activity

After the weeklong Easter Recess, the Senate convened at 9:30 am on Tuesday, April 25<sup>th</sup>.

- **Victims Rights:** On Tuesday, the Senate invoked (82-12) cloture on the motion to proceed to S. J. Res. 3, an amendment to the Constitution sponsored by Senators Kyl (R-AZ) and Feinstein (D-CA) that would provide certain participatory rights to victims of violent crime. Although the majority of Senate Democrats oppose the measure, you and the Attorney General have long supported a victims' rights constitutional amendment. The Attorney General, however, had four serious concerns, with S.J. Res. 3. Chief among these concerns was that the amendment would necessarily diminish the constitutional rights afforded the accused. We attempted to reach a compromise with the amendment's sponsors, but ultimately reached an impasse on the rights of the accused issue. Seeing that they did not have the votes for passage, Senators Kyl and Feinstein voluntarily removed the amendment from consideration on Thursday. Senator Leahy (D-VT) has suggested that the issues voiced by the victims' amendment should now be addressed statutorily. However, the victims' rights groups are unlikely to support such an approach, preferring instead to continue to advocate for a Constitutional amendment.
- **Marriage Tax Penalty:** On Thursday, the Senate, for the second time, failed (51-44) to invoke cloture on H.R. 6, the Marriage Tax Penalty Relief Act of 2000.

### Week Ahead

The Senate will convene on Monday at 10:00 am with the first vote scheduled for Tuesday.

- **Rural Schools:** On Monday at 10:30 am, the Senate will take up S. 1608, a bill to increase and stabilize payments that states and counties use for local education and road maintenance. These payments stem from the federal government's ownership of a significant amount of land, which is not taxable. Historically, these funds have come from timber sale receipts. USDA has been working with the sponsors, Senators Craig (R-ID) and Wyden (D-OR), to address the Administration's concerns. Our concerns may be partially or fully resolved in a managers' amendment.
- **Education Savings:** On Monday at 1:00 pm, the Senate will take up S. 2, a bill reauthorizing the Elementary and Secondary Education Act. The Senate Democrats have not been able to agree on a substitute amendment but expect to unanimously support several message amendments, including one on accountability. Senator Lott (R-MS) wants to limit debate to two days. Senate Democrats will object.
- **Nuclear Waste:** On Tuesday at 9:30 am, the Senate will begin debate on overriding your veto of S. 1287, Nuclear Waste Policy Amendments Act of 2000, and will vote on the bill at 3:15 pm. We should be able to sustain your veto, although, as always, it will be a close vote.

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

5-2-00

THE WHITE HOUSE

WASHINGTON

April 27, 2000

00 APR 27 09:19

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER

CC: MARIA ECHAVESTE

SUBJECT: INDIAN COUNTRY

copied  
Cutler  
Echaveste  
Podesta

**Navajo Visit**

- The response to your visit has been just overwhelming. I've heard from people all over Indian country who are thrilled that you went to a reservation again and that you picked Navajo Nation. I know that your trip made a lasting difference in the lives of the people there and will be referred to by them for all time to come. I was so proud to be on your team.

**Civil Rights Report**

- As I reported to you, the US Civil Rights Commission issued a very critical report of relations between Indian country, law enforcement and other communities in South Dakota. Governor Janklow has reacted very negatively to the report, without having read it. I'm attaching the story for you to see. Obviously, that was not helpful.

**Delta Conference**

- I'm happy to report that we will have terrific deliverables for you and for the Vice President for the Delta Regional Conference on March 10th. The agencies are really coming through. There will be a satellite conference in each of the seven states for the whole day. Hundreds of people who wanted to be here in Washington have been told to go to the state conferences because this one is oversubscribed. There will be almost 600 people in Washington for the conference. You will address them at noon and receive them at the White House in the evening. This should give our legislative strategy a big boost as well.

**Personal**

- On a personal note, thank you for the wonderful note you sent--it meant a great deal to me. Also, my daughter Megan, who produced your response to the State of the Union in 1986, had a second son, Jonah, this week. This makes four for me--and very happy.

Indian Country Today, April 12 1990

# Janklow calls perceptions of civil rights violations 'garbage'

*Governor reacts to report he didn't read*

By David Melmer  
Today staff

PIERRE, S.D. — South Dakota Governor Bill Janklow's main criticism of the U.S. Commission on Civil Rights report was that the commission reached conclusions without gathering any real evidence.

The result was a report that bad-mouthed the state, he said, adding he was tired of having people bad-mouth his state. He repeated that theme frequently during a one-hour, statewide radio program. It was his response to a recently issued report on the status of the justice system in the state as it relates to the American Indian population. The report came out of a hearings in early December.

The governor agreed racial problems occurred in the state.

"They (the commission members) weren't interested in substance. They aren't interested in

racial harmony. They aren't interested in racial accord. What they are interested in is turmoil and finger pointing and name calling and I'm going to accommodate them," Janklow said on a live, April 4 radio program over South Dakota Public Radio. This is his first response since the report was released March 27.

Gov. Janklow said he had not read the entire report, only the conclusions. "I don't read garbage. I'm only reading the conclusions. Since they said the facts are only allegations and they agree that they haven't been documented and haven't been substantiated, that's like reading fiction as far as I'm concerned. I'll be glad to read the conclusions, but I'm not going to read the fiction."

During the program he took an offensive stand against the commission, the moderator Curt Nickisch and call-in guests. He apologized at program's end.

He referred to Mary Frances Berry, chairwoman of the U.S. Civil Rights Commission as "the lady." "Let me tell you the first thing that disturbs me. The lady that runs the U.S. Commission on Civil Rights ... let me give you a quote the lady said some time ago. 'Civil Rights laws were not passed to give civil rights protections to all Americans.' She doesn't think civil rights laws were passed to give civil rights protection to all Americans, as the majority of the commission seems to believe. Instead they were

passed out of a recognition that some Americans had protection because they belonged to favorite group," Janklow said.

"In other words. This lady doesn't believe, that I as a white man or

somebody else as an Asian American or somebody else as an elderly person or whatever are entitled to the same treatment under civil rights."

A major concern expressed in

the report was that American Indians living in the state lost confidence in the criminal justice system with the belief that justice is

Please See JANKLOW on page LT2



Santee, Neb., public school students Sheena Thomas, 14, (left) and Elvis LaPlante, 17, work on a project with the help of University of Nebraska at Kearney senior Lori Shelton on campus March 21. The Santee students were on a week-long education tour of the campus to help students increase effectiveness of Native American students in mathematics and science fields.

## Ogla coun critic of BL

By David Rooks  
Today staff

WANBLEE, S.D. — In a that began with shor recriminations over a le trict election, the Ogla Tribal Council met with cials here to discuss a ti audit of the tribe's 1999 fund records.

The audit has caused between the council and Council representatives, they were illegally b when the audit was und Officials from the Gra Area Office in Aberdeen tered, saying they act January resolution passe tribe's executive co requesting the audit. The tive committee is made n president, vice-president urer, secretary and a fif ber.

Voices were raised sides over fact the audit

High School senior won the second match against career  
Massachusetts came away with a win while senior

# Janklow on the offense and defense

from page LT1

administered under the cloak of racism on the federal and state levels.

The governor referred to the fact the commission recommended legislation at the state level that would prevent hate crimes. Janklow said if the commission had checked, it would have found legislation already in place, implemented in 1993.

Janklow read the context of a state statute to Nickisch (he called him sir throughout the program), to prove the state had passed hate crime legislation, "just to show you how phony these people are. South Dakota became one of the leading states in the nation at passing laws against hate crimes.

"These people were so busy on this commission, so anxious to badmouth South Dakota, badmouth South Dakota's people, badmouth our system, they didn't even bother to look up what the existing law is in the state of South Dakota.

"Now sir, are you beginning to understand why I'm sick and tired of people who come in and hold one-day hearings and badmouth the state?" he asked.

The governor then proceeded to quiz the radio moderator about the report and finally said "there was no evidence to prove the conclusion."

Another assessment from Janklow was that the commission spent one day in the state and then "brainwashed the media.

The commission spent two days in South Dakota. The first day, Dec. 5, 1999, they toured the Pine Ridge reservation and visited the location where two bodies were found in July 1999. The investigation by the FBI has not resulted in any arrests.

"Our office of Human Rights was never contacted by the commission or any of its members. It was never asked about its case load, never asked if it's ahead or



GOV. BILL JANKLOW

behind in its work. It was never asked if they need more help. It was never asked what kind of cases they handled in the last year or two. They were never asked anything at all - they were never contacted.

"It shows you they were far more interested in headlines than substance."

The commission report said data collection was insufficient to determine the amount of discrimination which exists. Janklow said since there were no facts in the report to warrant this statement in the conclusion, "Then certainly they shouldn't talk about improving it at the levels of the criminal justice system of the state, should they?"

Nickisch asked if the governor if the mistrust in the justice system by American Indians has reached crisis proportion.

"What do you mean, do I agree with that?" Janklow responded in elevated tones. "Are you asking me a leading question?" He then went on to quiz Nickisch.

He returned to the hate crime question and said he refuted that criticism. "This is what I'm fighting though. This is the problem. It's

people like you and the media, sir, that are feeding this kind of frenzy that these folks will come in and say these kinds of things. You and I have to deal in facts, because if we deviate from that sir, then we are misleading the public."

He said the report was sent to the media two days before it was released to the public. He received his copy two days later. His point was that members of the media called to get his response before the commission report was released. "They all knew I didn't have a copy to respond. That shows how illegitimate it is."

"What I'm complaining about is not that we have racial problems in South Dakota, because we do. And, to the extent anybody wants to discuss them, I would love to discuss." The governor went into his history as a legal-aid lawyer who represented people not adequately represented. He went on to say that it was because of his work, while a lawyer on the Rosebud reservation that American Indians were included on juries.

The governor listed his accomplishments and work in Indian country from his time as a lawyer on the reservation to his work on the Pine Ridge reservation at Oglala after the June 1999 tornado. A caller asked if the report was about Janklow or the racial situation in the state. He said he was only responding to an earlier caller who asked about reconciliation and what the state was doing.

"I appreciate you having me on today, and I realize it has been more controversial today. But I felt I had to speak out to defend South Dakota from allegations. Let's deal in substance. But more importantly, let's all wake up tomorrow morning and decide everybody's going to do one thing to bring racial harmony. I'm not asking everybody to do a lot, let's all do one thing for two days in a row."



THE UNDER SECRETARY OF THE NAVY  
WASHINGTON, D.C. 20350-1000

5-2-00

April 25, 2000

*Mr. Pres  
JPH**So nice  
WFO - call later*

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

Dear Mr. President,

Please accept my resignation from the position of Under Secretary of the Navy effective August 11, 2000. I am especially grateful for the honor and trust you expressed in me by this appointment and truly appreciate the opportunity to serve in your Administration and as a member of the Defense Department's leadership team, especially Secretaries Cohen, Hamre, DeLeon, Dalton and Danzig.

I have accepted the position as Dean and Professor of Management of the School of Technology Management at the Stevens Institute of Technology. This will be announced at a press conference on May 2<sup>nd</sup> in New Jersey and shortly thereafter at the Pentagon.

Thank you.

Sincerely,

  
Jerry MacArthur Hultin

5-2-00

Copy to:  
Secretary of Defense Bill Cohen  
Secretary of the Navy Richard Danzig  
Assistant to the President Bob Nash

*After you have seen,  
we will send to  
Barkhardt for reply*



**THE UNDER SECRETARY OF THE NAVY  
WASHINGTON**

April 25, 2000

The President and Mrs. Clinton  
The White House  
Washington, D.C. 20500

Dear Mr. President and Mrs. Clinton,

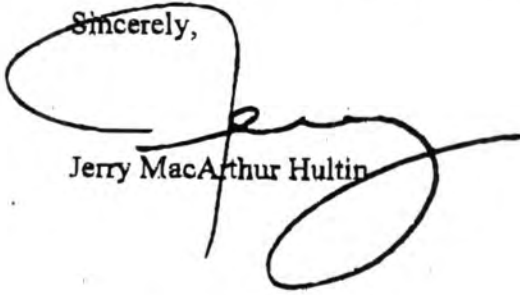
I have enclosed a formal letter of resignation as Under Secretary of the Navy for the record, but it seems inadequate to my feelings and the situation.

Most of all, I want you both to know how exciting and fulfilling these years as Under Secretary have been. Whether it was sitting down for Thanksgiving dinner with Seabees and Marines in Kosovo; meeting Sailors and Marines on flight decks and fan tails around the world; starting a Revolution in Business Affairs in the Department; undertaking a major study of "globalization and Naval concepts;" or working with Bill Cohen, John Hamre, Rudy DeLeon, John Dalton and Richard Danzig, all provided inspiring events, opportunities, and memories. Every day I had the privilege of working on the ways and means of global stability and growth, the very ideals that attracted me to your campaign and Presidency, starting in the first, cold nights of 1991.

However, the President of Stevens Institute of Technology recently, and unexpectedly, offered me the chance to serve as Dean and Professor of Management of the School of Technology Management. The location of Stevens alone -- overlooking Manhattan from the banks of the Hudson in New Jersey -- made this an enticing offer. But the substance of the opportunities and challenges posed by Stevens -- for instance, working with leading-edge technologies with global development potential and teaching young people from around the world about innovation and change -- were even more attractive. So, I have accepted the offer.

This new stage in life for Jill and me was made possible, in many ways, by the confidence and support both of you gave us. For all that, a very warm thank you. With good fortune, (and, next year, a short ferry ride across the Hudson), our paths are bound to cross again.

Sincerely,

  
Jerry MacArthur Hultin



THE UNDER SECRETARY OF THE NAVY  
WASHINGTON, D.C. 20350-1000

April 27

Dear Nancy,

Hope all is well with  
you. Here is a note  
for the President and  
Hillary.

Tell them I really  
enjoyed this engagement,  
and thanks! The new  
job is just as exciting  
& it's a Manhattan location!!

Best wishes and  
thanks for all your  
help. Terry

# FRANCISCO PARTNERS

One Maritime Plaza ♦ Suite 2500 ♦ San Francisco, CA 9411  
Voice: (415) 277-2900 ♦ Facsimile: (415) 986-1320

April 24, 2000

The Honorable William Jefferson Clinton  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20502-2000

'00 MAY 2 AM 9:37

Dear President Clinton,

Recently, over 40 organizations and individuals from the San Francisco Bay Area and the State of Utah nominated Mrs. Phyllis Wattis for the National Medal of Arts, Outstanding Patron Award. This is the third year in which there has been a groundswell of support from the West to have this great honor bestowed on one of the country's most outstanding arts patrons. We hope very much that the new century and new millennium will mark the success of this effort.

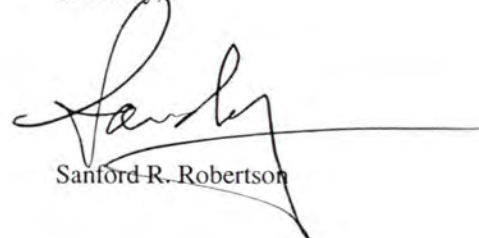
I am writing because I understand the identification of the National Medal of Arts recipients is ultimately a responsibility of your office, and on behalf of this truly exceptional

Mrs. Wattis has personally donated to the San Francisco Bay Area and her home state of Utah. She has supported a wide variety of organizations, projects and causes including television, opera companies and, most recently, the Street Journal, The New York Times, the San Francisco Museum of Modern Art, and the San Francisco Symphony. She has supported new buildings and the arts and culture for generations to come. Her pioneering spirit in her exceptional creation of new dances, new music, and new art has made her age of 95, Mrs. Wattis remains alive and active.

I know that there are many worthy individuals who could be recognized, but there can be few who's age, experience, and recent accomplishments combine in such an extraordinary individual. Given her maturity, it is unlikely we will have many more opportunities to recognize her. I urge you to select Phyllis Wattis for a National Medal of Arts, adding her to the august group who have been honored over the past fifteen years. I know that the Chairman of the National Endowment for the Arts, William Ivey, and his staff are very aware of Mrs. Wattis' credentials and can provide you further information if needed.

Thank you so much for your consideration of this matter. Mrs. Wattis' life's work has been advancing the arts and culture of our country. It would be most appropriate and timely if you choose to recognize her now with a National Medal of Arts. I look forward to the opportunity to celebrate her achievements with you and our nation in the coming months.

Sincerely,

  
Sanford R. Robertson

*It was great  
to see you at our  
house for the  
Feinstein event.*

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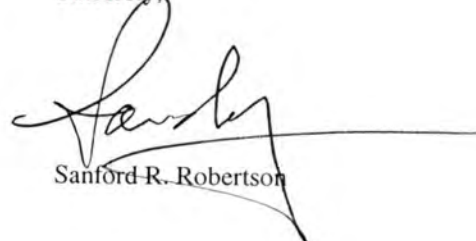
I am writing because I understand the identification of the National Medal of Arts recipients is ultimately a responsibility of your office, and of you personally. I would like to encourage you exercise your authority on behalf of this truly exceptional citizen, Phyllis Wattis.

Mrs. Wattis has personally donated over \$200 million dollars to arts and cultural organizations in the Bay Area and her home state of Utah. She has given selflessly and, at times, anonymously, preferring that the organizations, projects and causes she supports receive attention instead of her. She has contributed to an extraordinary variety of arts organizations including ballet companies, art schools, symphonies, public television, opera companies and, most significantly, museums (you may have seen articles in the Wall Street Journal, The New York Times, Worth and Fortune about the recent major acquisitions by the San Francisco Museum of Modern Art fueled by Mrs. Wattis' generosity). Her donations have frequently supported new buildings and the endowment of existing activities – in this way, she has assured access to art and culture for generations to come. As the great-granddaughter of Brigham Young, she continues his pioneering spirit in her exceptional commitment to new and contemporary art – her gifts have supported the creation of new dances, new music and opera, and new works of visual art at numerous institutions. At the age of 95, Mrs. Wattis remains alert and involved, and attends countless civic events in her wheelchair.

I know that there are many worthy individuals nominated for this prestigious award annually. However, there can be few who's age, exceptional generosity and commitment to the arts of our times (she has recently began making computer-aided drawings herself!) combine in such an extraordinary individual. Given her maturity, is it unlikely we will have many more opportunities to recognize her. I urge you to select Phyllis Wattis for a National Medal of Arts, adding her to the august group who have been honored over the past fifteen years. I know that the Chairman of the National Endowment for the Arts, William Ivey, and his staff are very aware of Mrs. Wattis' credentials and can provide you further information if needed.

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Sanford R. Robertson

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house for the  
Feinstein event.*



David Matter <DMatter@oxford-pgh.com>  
05/01/2000 02:23:54 PM

Record Type: Record

To: Betty W. Currie/WHO/EOP

cc:

Subject:

---

Betty,

I don't know the President's e-mail address, so I thought I'd send my message to you. I hope you don't mind passing it along to him. By the way, you were great in the video too!

Bill,

✓ I caught the video you made for the White House Correspondents' Dinner on CNN last night. It was a riot and you were terrific. And, I especially enjoyed seeing you wearing the blue Ping pullover from one of the early Caliguiri tournaments that you wore washing the limo, cutting the hedges and hitting the golf ball. The only thing I would have changed is that I wished you had put a little more spin on the ball, so that you could taken some paint off of Burton's car and not just put a dent in the hood. Great show!

Dave Matter

5/2/00

Send to Eugenie?

Yes ☒

No ☐

cul

(Ezekiel 37:26) וְכָרַתִּי לָהֶם בְּרִית שְׁלוֹם  
*Congregation Brith Shalom*

4610 Bellaire Blvd. Bellaire, Texas 77401  
 (713) 667-9201 Fax (713) 667 8268

Rabbi Howard Siegel

Tuesday, April 25, 2000

Cantor Steven Berke

President Bill Clinton  
 White House  
 1600 Pennsylvania Ave., NW  
 Washington, DC 20500

00 MAY 2 AM 9:37

Dear Mr. President,

I have brought groups of students and adults to Washington, DC each of the past eight years. Each time we were welcomed into the White House where we visited with Mark Gearon, Rahm Emanuel (5 times), and most recently with Mara Rudman. My good friend, Walter Mondale, was instrumental in making my first contact with your White House.

As you come to the end of your term, I want you to know how appreciative I am for your leadership and vision. David Gergen said it best in a recent *New York Times* op-ed piece when he wrote, "This president's vision will be missed."

You have always been a visible friend of the Jewish people through your undaunted support for the State of Israel and active interest in the American Jewish community. My colleague and friend, Rabbi Bob Fine, reports having enjoyed a wonderful Passover Seder with your wife and daughter as guests. A former student of mine from Vancouver, BC-Zoe Howard-speaks proudly of her friendship with your daughter at Stanford. No presidential family in the past century has been more approachable and accessible to the Jewish community than yours.

During each of my visits to Washington I've tried unsuccessfully to meet you (even for 5 minutes!). I'm not a head of state, nor leader of a major institution, just an American who has stood with you from my pulpit to the offices of my elected representatives. I will be in Washington, DC for a rabbinical meeting on Tuesday & Wednesday, June 20-21, 2000. I would appreciate just a few minutes of your time to share some of my thoughts, and those of my community, with you.

Thank you Mr. President for empowering my teenage students and adults to become active and concerned American Jews.

5-2-00

Send to Scheduler?

Most sincerely,

Rabbi Howard Siegel

Schedul

Yes ☒

No ☐

וכרתי להם ברית שלום (Ezekiel 37:26)  
*Congregation Brith Shalom*

4610 Bellaire Blvd. Bellaire, Texas 77401  
(713) 667-9201 Fax (713) 667 8268

*Rabbi Howard Siegel*

*Cantor Steven Berke*

Tuesday, April 25, 2000

Ms. Betty Curry  
White House  
1600 Pennsylvania Ave. NW  
Washington, DC 20500

Dear Betty,

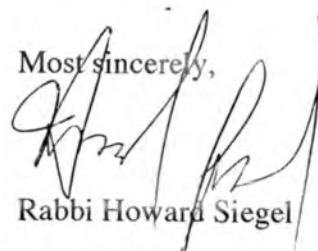
I want to thank you for meeting with my group of Jewish high school students on April 12<sup>th</sup>, and allowing them the opportunity to visit the Oval office.

I have brought teenagers to Washington each of the past eight years. We were welcomed into the Clinton White House and met with a number of people. Over these years I have had a number of occasions to speak with you on the phone. You have always been patient, understanding, and helpful (except the President still hasn't returned my phone call!). My students join me in wishing you all the best for your future.

One "last" favor: I am enclosing with this letter a personal letter for the President. I would be most appreciative if you would personally deliver this to him.

I believe you said you have a sister in Houston. If you have the occasion to visit our fine city, I would be honored to hear from you.

Most sincerely,



Rabbi Howard Siegel

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THE PRESIDENT HAS SEEN

5-2-00

THE WASHINGTON POST

Michael Kinsley

# The Real Power

Nominations are now open for the Symbolic Voter of the 2000 Election. The Soccer Mom, current occupant of this crucial position, is stepping down to spend more time with her family. She'll be doing some consulting, joining the boards of a few Internet start-ups, giving speeches and maybe writing a book. Or so she says. The truth, of course, is that the media—who decide such things—has used her up. She's still there grinning for cameras as she juggles kids, job and household chores like an act on the old Ed Sullivan show—but there are no cameras.

Soccer Mom's fate would be more poignant if she hadn't been so brutal in muscle aside her predecessor, the Reagan Democrat. One day you couldn't book a room in Macomb County, Mich., because all the reporters there in search of a beat union guy who was voting Republican for the first time in his life. The next day they decamped for a Toys R Us in the leafier suburbs.

Except for a few appearances together, Larry King, Soccer Mom and Reagan Democrat had little in common. He was a man; she was a woman. He was lower middle class with fears of sinking; she was closer to upper middle with hopes of rising. He was an economic liberal being driven away from the Democrats by social and cultural issues; she was an economic conservative being driven away from the Republicans by social and cultural issues.

Still, it wouldn't have killed her to share the *Zeitgeist* with him for an election cycle or two. Now he sits on the porch of the nursing home, rocking frenetically and inveigling to himself about "that damned woman and her damned errands. Who cares whether Junior's stupid harp fits into the stinking minivan?"

Richard Scammon and Ben Wattenberg probably started this tradition back in 1974 with their book "The Real Majority," in which they declared that the typical American voter was "un-young, un-poor, un-black and, specifically, a full-time housewife in Dayton, Ohio. The news hounds poured into Dayton in search of Mrs. Typical American and found her—many times, like the Princess Anastasia. But all these ladies were soon dethroned.

This repeated cycle of embrace and rejection may seem cruel, but a cardinal rule of journalism is: The story has to change. And over the years the process has served our democracy well. It gives the press a reason and a theme for beloved but otherwise pointless stories quoting the views of a half-dozen voters out of millions. Meanwhile, it also gives

a theme for beloved but otherwise pointless stories quoting the views of a half-dozen voters, out of millions. Meanwhile, it also gives press bashers and Beltway phobes an opportunity to contrast these despised elites with the real America.

So the chair recognizes Robin Toner of the New York Times. In Sunday's Times, she writes that "ground zero in the 2000 campaign" will be "a 65-year-old woman—in a Macomb County, Mich., suburb, with an affection for the Bush family, a concern for the country's values and mounting medication bills."

Hmmm. Not bad, Robin. It's nice to be back in Macomb County. But we need a name. "Pill Grannies?" "Bushois Barbaras"? You work on that, while I pass along some other nominees, in descending order of plausibility:

**"Portfolio Populists."** More people own stocks than ever before. Stocks are a bigger part of their nest eggs. And—possibly most important—they can now follow the value of their holdings with the click of a button on the Internet. And many do that, constantly. This has created an unprecedented obsession with the stock market. When every change in a voter's net worth is thrown in her face, non-economic issues loom smaller. Even worse, many small investors may be developing a nightmarish Social-Security-like sense of entitlement. This is our money! If stocks go down, they will be looking for a politician to blame.

**"Stem-cell McCainiacs."** These are people from across the political spectrum who fell in love with John McCain during the Republican primaries. Like stem cells, McCain appears to be a neutral entity with the miraculous ability to become whatever an individual patient needs. Right-to-life McCainiacs admire his hard-core antiabortion voting record; liberal McCainiacs are convinced he's secretly pro-choice. The McCainiac creed: Love him for what he says today, or wait for him to apologize for it. But with McCain out, will McCainiacs be willing to vote for politicians who openly share their views?

**"Middle Seat Road Warriors."** Six-figure proletarians of the New Economy, who fly coach and never manage to get an upgrade. Run ragged by capitalism at its most frenzied, they are for lower taxes but more regulation (requiring airlines to change the movie more than once a month, for example). They are basically Republican but may vote for Gore in the hope that he will shorten their commute by getting other people to give up their cars.

**"Oxymorons."** Gay Republicans, black Republicans. These are people who really, really want a capital gains tax cut. What other explanation could there be? Though few in number, they are disproportionately influential because every single one has been on TV.

**"Angry Appliances."** Threatened by imports, their sources of power under attack by environmentalists, their very aesthetic widely mocked as hopelessly 1970s, America's refrigerators, oven ranges and dishwashers are dismayed, disgusted and, at the moment, unfortunately, disenfranchised. But they have always been very plugged in, and if they do get the vote during the next four years, they could well be the deciding force in the election of 2004.

5-2-00

# U.S. Study Finds Terrorist Shift to South Asia

By JOHN LANCASTER  
Washington Post Staff Writer

Terrorist threats to American allies in the Middle East have waned as the locus of anti-Western extremism has shifted toward South Asia, especially Afghanistan, the State Department reported yesterday.

In its annual report on terrorism, the department noted a significant improvement in the security climate in Egypt, Israel and Jordan, all of which have been targeted by Islamic extremists bent on derailing the U.S.-backed Middle East peace process.

At the same time, the report said, the United States faces new threats from loosely orga-

nized terrorist networks operating out of lawless "swampy" spots as Afghanistan, whose ruling Taliban movement, while professing no grudge against the West, continues to harbor fugitive Saudi extremist Osama bin Laden.

"With the decrease of state funding, these loosely networked individuals and groups have turned increasingly to other sources of funding, including private sponsorship, narco-trafficking, crime, and illegal trade," the report said. "This shift parallels a change from primarily politically motivated terrorism to terrorism that is more religiously or ideologically motivated."

The 407-page document also faulted Pakistan, a longtime U.S. ally, for providing aid to

the Taliban and backing Muslim extremist groups from the disputed Himalayan province of Kashmir, although the State Department stopped short of designating the country as a sponsor of terrorism. Afghanistan, too, escaped designation because neither the United States nor the United Nations recognizes the Taliban as a government, said Michael A. Sheehan, the department's coordinator for counterterrorism.

The State Department continues to designate seven countries—Iran, Iraq, Libya, Syria, Sudan, North Korea and Cuba—as state sponsors of terrorism, a list that has not changed since 1993. Critics have long accused the department of weighing political

considerations in compiling the list, not for example, that Cuba is no longer accused of exporting terrorism but does have powerful enemies in Congress.

Pakistan, by contrast, managed to stay on the list despite its links to the Taliban "credible reports" of official support for Kashmiri militants, such as those who recently hijacked an Air India flight.

Sheehan disputed suggestions that the department had been inconsistent. Cuba, he said, was on the list because it fell into a category of countries that continue to harbor mer terrorists or maintain links to foreign terrorist organizations—in Cuba's case, the guerrilla groups fighting to topple the government of Colombia.

"It is very important to the United States government that a terrorist knows he can conduct a terrorist act and hunker down

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to Milosevic's rise to power. He would not give it up easily.

When it became clear the initial NATO bombing wasn't working, Clark pushed for every airplane he could get, much to the dismay of the U.S. Air Force. Indeed, one of the unsung accomplishments of Kosovo is how quickly Clark built up air power—far faster than was done in Desert Storm. Clark prodded and cajoled the Europeans



ASSOCIATED PRESS

we have to do more  
outside → B6

David A. Harris

## Peace and Poison in the Middle East

As Israeli and Palestinian negotiators move toward a much-awaited permanent settlement, there has been a shocking rise in vitriolic antisemitism across the Arab world. This extraordinary paradox of Israeli and Arab political leaders attempting to build peace while official Arab media, schools, religious leaders and intellectuals actively demonize the Jewish people is startling.

When the Islamic mufti of Jerusalem made deeply painful comments repudiating the facts of the Holocaust, they received wide attention in the Western world because they came during the remarkable visit to Israel of Pope John Paul II. Likewise, when the official Syrian government newspaper Tishreen recently asserted that "Zionists created the Holocaust myth to blackmail and terrorize the world's intellectuals and politicians," the editorial gained broad attention and condemnation because it appeared amid efforts to jump-start the stalled Israeli-Syrian peace talks. Less noted was the fact these two outrages are the rule, not the exception.

Across the Arab world the language of Holocaust denial has become common. Editorials and columns similar to the one in Tishreen can be found in Al-Ahram, Al-Akhbar and Al-Gumhuriya, three of the official daily newspapers in Egypt. In recent weeks, Arab papers have stepped up their attacks on Israel—and on the Jewish people—by labeling in vile words and in gross caricatures Israel's prime minister and foreign minister as Nazis, and accusing Israel of the most bizarre machinations.

The official newspaper in Qatar, one of two forward-looking gulf nations to open

commercial ties with Israel, has warned that Israel dispatches beautiful women to advance trade—and undermine the sheikdom. "Whether these women are from Israel or from Russia, they have one thing in common: the transmitting of disease and evil in order to cause the collapse of our economy," states Al-Sharq. The official Qatari paper goes on to quote from the notorious antisemitic forgery, "The Protocols of the Elders of Zion," which is widely available in the Arab world and is often cited by papers in other Arab countries.

While the Palestinian Authority is obligated through signed agreements with Israel to work against incitement, its official news organs do not hesitate to join in the vituperation of Israel and Jews.

Arab schools are in dutiful step with the editorial writers and columnists. For example, a new study by the Middle East Media Research Institute reveals that Syrian textbooks for grades 4 to 11 are replete with antisemitism, Holocaust denial, demonization of Israel and, most appalling, an open call to exterminate Jews from the earth. Arab media extol the skewed and widely repudiated views of Holocaust deniers.

While the United Nations has declared antisemitism a form of racism that must be condemned, Arab intellectuals are preaching it as gospel. As the noted Johns Hopkins University scholar Fouad Ajami has observed in "The Dream Palace of the Arabs," "the custodians of political power" in the Arab world determined some time ago that "diplomatic accommodation would be the order of the day, but the intellectual class was given a green light to agitate against

the peace." This has long been the situation in Egypt, where as recently as March 28 several Israeli diplomats invited to a conference at the University of Cairo were denied entry when they arrived.

But it also is true in Jordan, where, despite the Hashemite Kingdom's landmark peace with Israel, professional associations remain adamantly opposed to any interaction with Israelis.

When we raised our concerns about antisemitism in the Arab media during an American Jewish Committee mission to five Arab countries last month, our interlocutors proclaimed this the price of a "free" press and assured us that comprehensive peace would moderate the media.

At the same time, when pressed on improving their relations with Israel, government officials plead for patience because, after all, while the government is more than willing to deepen ties with the Jewish state, "public opinion" is not yet ready.

What a peculiar situation. Is there no acknowledgment of linkage between people's perception of Israel and the daily venom fed them through the Arab media and school curriculum—all sanctioned by the respective Arab governments?

Israel is prepared to take calculated risks to achieve peace. But the antagonistic posture of the Arab media, schools, religious leaders and intellectuals hardly contributes to the climate and culture that are desperately needed to turn the region from conflict to cooperation.

*The writer is executive director of the American Jewish Committee.*

tunnels, their sleeping quarters, meeting rooms, storage spaces, clinics, operating rooms and, here and there, booby traps for any GIs brave enough to come down. They had wells, a system for disposing of human waste and camouflaged entrances so that they could pop up almost anywhere, engage their enemy and then disappear into the ground.

The tunnels could not remain a secret for long. After a while, the United States and the South Vietnamese flooded them and pumped in chemical irritants to force out the Viet Cong. Sometimes, they were bombed to smithereens by B-52s. The massive craters still exist. All this took a toll. On the walls of a nearby war memorial, a guide said, are the names of some 16,000 dead from this region alone.

No debate about the Vietnam War ought to be held without a visit to these tunnels. Can any American imagine living under such conditions? Can you imagine the heat, the bugs, the vermin, the bats, the monotonous diet of vegetable roots, the terror of a B-52 raid, the percussive agony of a bomb striking overhead—blood coming out of your ears, your nose, even your eyes? Can you imagine believing so fervently in a cause that you would live—and likely die—under such conditions?

This was the reality of the Vietnam War. Near the tunnels we get a propaganda tape and photo exhibitions showing ever-happy Communist soldiers. I dismiss that. But I cannot dismiss the pictures of dead GIs, or the one of a smiling Viet Cong woman who is called a "hero" for killing 16 Americans, or the photo of an old, haggard woman, a "hero" for losing eight sons. Eight! We were never prepared for such sacrifice.

The infuriating slide presentation seems to have everything reversed: The hero is villain, the villain is hero, a dead Communist is a tragedy, a dead American a glorious triumph. Journalistic objectivity starts to crack. For a moment, I hate these people.

But I am awed by them, too. Strategic debates are fine and dandy, but the tunnels announce a truth some people seem to have forgotten. In the suffocating heat of the passageways, in a claustrophobia that drives me and three other Americans back into the sun, in the whizzing of the bats and the imagined lurking of snakes, in a black darkness that envelops you when the lights go out, the answers to all those policy questions are suddenly illuminated. We lost not because there was no light at the end of the tunnel, but because, both literally and metaphorically, there was no end to the tunnels.

Patrick B. Pexton

# The Unappreciated General

Nine years ago, Washington put on a lavish victory parade for the conquering troops of Desert Storm. The nation cheered the men and women who, in a six-week air campaign and 100-hour ground war, with only 148 combat deaths, defeated a ruthless dictator who had seized and pillaged a neighboring land. The generals who led an unwieldy multinational coalition to triumph were feted, toasted and mentioned as presidential material.

Not so for the general who won Kosovo, although he too ousted a murderous tyrant who burned and occupied a neighboring land. This general also led a cumbersome multinational coalition to victory in a short war—this time with zero combat deaths. But Gen. Wesley Clark, supreme allied commander Europe, will come home to no special welcome, no TV or book deals and no talk of the presidency. Clark's reward for victory is early retirement. Tomorrow, several months before his tour of duty would normally end, Clark will turn over the European command to an officer more to the liking of the ever-cautious White House and defense secretary.

Clark's problem was that he was a great general but not always a perfect soldier—at least when it came to saluting and saying, "Yes, sir." In fact, when he got orders he didn't like, he said so and pushed to change them.

Clark disapproved of the gradualism of the initial bombing campaign against Belgrade. He wanted to hit hard and massively. But NATO governments and diplomats in Washington felt Yugoslav President Slobodan Milosevic would yield after only a few bombs and cruise missiles, as he had in Bosnia. They were wrong. Clark, who was part of the delegation that negotiated the Dayton accords with Milosevic, knew Kosovo was integral to Serb identity and to Milosevic's rise to power. He would not give it up easily.

When it became clear the initial NATO bombing wasn't working, Clark pushed for every airplane he could get, much to the dismay of the U.S. Air Force. Indeed, one of the unsung accomplishments of Kosovo is how quickly Clark built up air power—far faster than was done in Desert Storm. Clark prodded and cajoled the Europeans

and the White House into accepting expanded, and riskier, target lists. He ordered 50 Apache attack helicopters to take the battle to the Serb ground troops, only to see the force reduced in size and then left to sit in Albania while the White House and Pentagon fretted about casualties. Clark also was right about readying troops for an invasion. The preparations for a ground war helped persuade Milosevic to surrender.

More presciently, Clark was right about the Russians. When fewer than 200 lightly armed Russian peacekeepers barnstormed from Bosnia to the Pristina airport in Kosovo to upstage the arrival of NATO peacekeepers, Clark was rightly outraged. Russians did not win the war, and he did not want them to win the peace.

Clark asked NATO helicopters and ground troops to seize the airport before the Russians could arrive. But a British general, absurdly saying he feared World War III (in truth the Russians had no cards to play), appealed to London and Washington to delay the order.

The result was a humiliation for NATO, a tonic for the Russian military and an important lesson for the then-obscure head of the Russian national security council, Vladimir Putin. As later Russian press reports showed, Putin knew far more about the Pristina operation than did the Russian defense or foreign ministers. It was no coincidence that a few weeks afterward, Russian bombers buzzed NATO member Iceland for the first time in a decade. A few

weeks after that, with Putin as prime minister, Russian troops invaded Chechnya. Putin learned the value of boldness in the face of Western hesitation. Clark learned that he had no backup in Washington.

Recent events in Kosovo show that Clark's bosses in the Pentagon and White House still don't get it. The chairman of the Joint Chiefs, Gen. Henry Shelton, rebuked Clark in February for using 330 American soldiers to reinforce French troops who were unable to quell violence between Albanians and Serbs. After the American reinforcements were pelted with rocks and bottles, Shelton and the White House, panicky about potential casualties, told Clark not to volunteer U.S. troops again.

But Clark was right to act. He understood the value of using force quickly and early to show who was in control, and to demonstrate to the European allies that the United States is willing to put lives at risk too.

Both Desert Storm and Kosovo were imperfect victories because the despots who caused them were left in power. But the military fought them well. The thousands of Air Force, Navy and Marine Corps pilots and support troops who quietly rejoined their squadrons when the Kosovo war ended deserve more than a historical footnote. And Clark deserves more than a pink slip.

The writer is a managing editor at National Journal.



ASSOCIATED PRESS

Richard Cohen

## Tunnel War

CU CHI, Vietnam—A debate grows in the United States about the Vietnam War: Was it really such a mistake? Didn't it show the Soviets, the Chinese and others that we were serious about fighting communism? Maybe the United States just didn't fight hard enough, long enough, smart enough. The answers to those questions can be found here—in a hole in the ground.

These are the famous Cu Chi tunnels, about an hour and a half in intermittent traffic up Provincial Highway 15 from what was once called Saigon. It is also hard by the Saigon River. Cu Chi was a strategic location during the war. The United States and its allies mostly controlled the ground. The Viet Cong mostly controlled what was under it.

On the day I visited, it was blazing hot—temperature and humidity up around 100. For some reason, it was no cooler under the ground than above it. In an accommodation to beefy Westerners, the tunnel's entrance has been widened. Other than that, and the occasional light bulb, not much has been changed since the war.

Once you are in, you proceed through the tunnel in a stoop. The passageways are dim, sometimes coal black. The air is heavy. Snakes and scorpions once infested the place, and bats, less blind than a human in the dark, dive-bomb at you, veering away at the last moment. The heat, the darkness and the narrowness of the passageway produce claustrophobia. I want to stand and bolt for the sun. I want only to get the hell out.

For years, the Viet Cong guerrillas lived in these tunnels, often for months at a time. They started digging them during the war against the French and continued through what they call the American War. By the time they finished, they had three levels, a kind of subway system—miles of tunnels, a maze that led to the river in one direction and under the jungle in another. One level was built so narrow only the slim Vietnamese could wiggle through. Americans were too big.

The Viet Cong had their kitchens in the tunnels, their sleeping quarters, meeting rooms, storage spaces, clinics, operating rooms and, here and there, booby traps for any GIs brave enough to come down. They had wells, a system for disposing of human waste and camouflaged entrances so that they could pop up almost anywhere, engage their enemy and then disappear into the ground.

The tunnels could not remain a secret for long. After a while, the United States and the South Vietnamese flooded them and pumped in chemical irritants to force out the Viet Cong. Sometimes, they were bombed to smithereens by B-52s. The massive craters still exist. All this took a toll. On the walls of a nearby war memorial, a guide said, are the names of some 16,000 dead from this region alone.

David A. Harris

## Deceit and Deception in the Middle East



Robert A. Leflar Law Center • Fayetteville, Arkansas 72701-1201 • (501) 575-5601 • (501) 575-2053 (FAX)

School of Law

April 26, 2000

President William Jefferson Clinton  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500-2000

Dear Mr. President:

My belated thanks for your very kind personal relationship last summer. It is now framed and occupies

I know that you are familiar with the tragic case of a journalist from New York City who has been confined to imprisonment under inhumane conditions, all in violation of the principles of human decency. Lori has clearly asserted her right to trial nor the right to her chosen counsel. She has

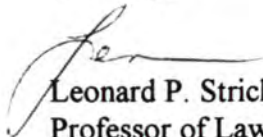
The case has particular poignance for me as a former classmate, Mark Berenson, and his wife, Rhoda, whose lives have been exceeded only by Lori's.

I do not know whether recent events in Peru create a diplomatic wedge for the United States that has not been present heretofore. But I do know that every day of Lori's continuing imprisonment compounds an unspeakable injustice of substance and process to which no American citizen ought to be subjected.

I would ask you to meet with Mark and Rhoda, who have now both retired from their professorial appointments to work full time for Lori's freedom. Even more important, I ask you in this last year of your presidency to work more forcefully to secure justice in this matter.

With high regard for you and your presidency,

Sincerely,

  
Leonard P. Strickman  
Professor of Law

LPS:tjy

cc: Hillary Rodham Clinton

5.2.00  
Send to Burkhardt  
coordinating  
NSC, Counsel, Schedul. rican  
Yes ✓ basic  
No \_\_\_\_\_ a public  
rs.  
cc: NSC, Counsel, Schedul. end and  
years is



Robert A. Leflar Law Center • Fayetteville, Arkansas 72701-1201 • (501) 575-5601 • (501) 575-2053 (FAX)

School of Law

April 26, 2000

President William Jefferson Clinton  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500-2000

Dear Mr. President:

My belated thanks for your very kind personal letter at the time I stepped down from the deanship last summer. It is now framed and occupies a special place in my home.

I know that you are familiar with the tragic situation of Lori Berenson, the young American journalist from New York City who has been convicted of treason in Peru and sentenced to life imprisonment under inhumane conditions, all in outrageous violation of international law and basic principles of human decency. Lori has clearly asserted her innocence, and has received neither a public trial nor the right to her chosen counsel. She has now been imprisoned for well over four years.

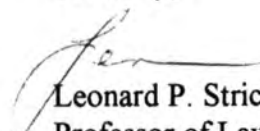
The case has particular poignance for me as Lori is the daughter of my high school friend and classmate, Mark Berenson, and his wife, Rhoda. Their unbelievable ordeal over the past four years is exceeded only by Lori's.

I do not know whether recent events in Peru create a diplomatic wedge for the United States that has not been present heretofore. But I do know that every day of Lori's continuing imprisonment compounds an unspeakable injustice of substance and process to which no American citizen ought be subjected.

I would ask you to meet with Mark and Rhoda, who have now both retired from their professorial appointments to work full time for Lori's freedom. Even more important, I ask you in this last year of your presidency to work more forcefully to secure justice in this matter.

With high regard for you and your presidency,

Sincerely,

  
Leonard P. Strickman  
Professor of Law

LPS:tjy

cc: Hillary Rodham Clinton



**BOE FONTAINE**  
SHERIFF OF JEFFERSON COUNTY  
P.O. BOX 7837  
PINE BLUFF, ARKANSAS 71611

|                                                                  |                                            |
|------------------------------------------------------------------|--------------------------------------------|
| CHIEF DEPUTY<br>Lloyd "Pete" Harrison                            | OPERATIONS COMMANDER<br>Major Noel Foster  |
| CRIMINAL INVESTIGATION DIVISION<br>Capt. Ken Slocum              | OFFICE MANAGER<br>J.B. Brown               |
| UNIFORM DIVISION<br>Capt. Greg Bolin                             | SERVICE DIVISION<br>Capt. Bernard C. Adams |
| ASST. UNIFORM DIVISION COMMANDER<br>Lt. Columbus Holmes          | RECORDS DIVISION<br>Capt. Tommy Baker      |
| OFFICE PHONE: 870-541-5351 • FAX 870-541-5348 • CID 870-541-5496 |                                            |

*Through  
Jag*



April 26, 2000

Mrs. Nancy Hernreich  
1600 Pennsylvania Avenue Northwest  
Washington, D.C. 20500

Dear Mrs. Hernreich:

Enclosed you will find correspondence to President Clinton. I have been advised you are the one person who can insure personal delivery of this letter. As you review the contents of the correspondence, you can obviously sense my grave concerns on the subject content. I humbly solicit your support in my objective as we are in desperate need of federal assistance.

Thanking you in advance for your assistance.

Sincerely,

*Boe Fontaine*  
Boe Fontaine  
Sheriff of Jefferson County

cc: Ms. Linda Dixon

5-2-00  
Send to Burkhardt?

Yes ☒  
No ☐



## BOE FONTAINE

SHERIFF OF JEFFERSON COUNTY  
P.O. BOX 7837  
PINE BLUFF, ARKANSAS 71611

|                                                         |                                            |
|---------------------------------------------------------|--------------------------------------------|
| CHIEF DEPUTY<br>Lloyd "Pete" Harrison                   | OPERATIONS COMMANDER<br>Major Noel Foster  |
| CRIMINAL INVESTIGATION DIVISION<br>Capt. Ken Slocum     | OFFICE MANAGER<br>J.B. Brown               |
| UNIFORM DIVISION<br>Capt. Greg Bolin                    | SERVICE DIVISION<br>Capt. Bernard C. Adams |
| ASST. UNIFORM DIVISION COMMANDER<br>Lt. Columbus Holmes | RECORDS DIVISION<br>Capt. Tommy Baker      |

OFFICE PHONE: 870-541-5351 • FAX 870-541-5348 • CID 870-541-5496



April 26, 2000

President Clinton  
1600 Pennsylvania Avenue Northwest  
Washington, D.C. 20502

Dear President Clinton:

I am in hope that this correspondence will reach you personally. As Sheriff of Jefferson County, Pine Bluff, Arkansas, I serve on the Tri-County Task Force. Recently, we were appraised the Drug Enforcement Administration (DEA) would no longer accept the responsibility for clean up cost of methamphetamine labs in Arkansas. Based on national television broadcasts, our Federal Government is fully aware that drug trafficking and production is on the rise; unfortunately, Arkansas was not excluded on the increase of drug trafficking and production. We were however, excluded from federal assistance in cleaning up methamphetamine labs, which has placed local law enforcement as well as citizens to this great state in danger.

Arkansas is ranked in the top three states within the United States in the number of methamphetamine laboratories seized. I have personally contacted every Representative and Senator from Arkansas regarding this issue. At this writing, I am confident they have earnestly tried to resolve this crisis only to be confronted with bureaucratic power struggle/bickering.

I have learned there appears to be some problem between the Department of Justice and the Office of Management and Budget agreeing on the needed appropriation to fund Arkansas, as well as other states in need of assistance in methamphetamine lab clean up. It concerns me when department heads flex their muscle to see who is the stronger. During their struggle for power, law enforcement and citizens are at the mercy of the criminal element. I humbly ask you to intervene and resolve this bickering. Your support in developing an acceptable reprogramming request is urgently requested in our fight against the drug dealers.

Thanking you in advance for your immediate attention and positive reaction.

Sincerely,

A handwritten signature in cursive script, appearing to read "Boe Fontaine".

Boe Fontaine  
Sheriff of Jefferson County

**Rudy Moore**

**From:** Barry Harper <bharper@fayar.net>  
**To:** <Rmoore@ipa.net>  
**Cc:** Barry Harper <bharper@fayar.net>  
**Sent:** Wednesday, April 12, 2000 3:13 PM  
**Subject:** Letter of recommendation

Hi Rudy, it's Barry Harper at Fayetteville High School. I am on a mission and I thought that I would see if you could possibly help us.

We try to travel with the high school band every three years. We are slated to travel again during the 2001-2002 school year. Believe it or not, we are already making plans.

I am applying for acceptance to the 2002 Rose Bowl Parade. After doing Macy's, this would be the next logical step for us. However, it is very political. We actually made it to the finals before but we were lacking parade experience. Now that we have marched in the Macy's parade, we are in a prime position for consideration. Since it is so political, I am trying to line up some letters of recommendation. Since we are from Arkansas, the best letter I could get would be from President Clinton. I know that you have worked with the President before but I did not know if this would be something that could be accomplished or even how to proceed. Any advice you could offer would be greatly appreciated. If this is a crazy idea, just let me know but I want to pull out all of the stops. If you think that we could contact the President, let me know and I will provide all of the information he could ever want. We were the first Arkansas band to ever march in the Macy's parade and I do not recall an Arkansas band ever marching in the Rose Parade. This would really be a great thing for our band, school, and the city of Fayetteville. The application has to be in to the Rose Parade Committee by June 1st so I would need to get on it as soon as possible.

Thanks for your time and advice.

Barry

TO BURKHARDT TO  
 HANDLE;  
 COORDINATE W/  
 COUNSEL IF NECESSARY,

00 MAY 2 PM 12:35

(u)

S. Z. W

How should we handle?

Send to Burkhardt

Probably wouldn't do unless

Nancy knows him/feels  
 strongly.

4/14/00



SOUTHERN ILLINOIS UNIVERSITY  
CARBONDALE

April 24, 2000  
Dictated 4/24/00

Mr. John Podesta  
Chief of Staff to the President  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

✓cc: Sean Maloney

00 MAY 24 11:11

Dear John:

If you can direct this letter to whoever handles the Medal of Freedom matters I would appreciate it.

I understand that Jack Dreyfus has been nominated for a Presidential Medal of Freedom. Jack at the age of 34 was one of the wealthiest Americans. His ideas, including having that lion appear with the Dreyfus mutual funds ads, have changed the face of the nation.

But at an early age he had a bout of severe depression and was cured through the use of a medicine, Dilantin, that is ordinarily used for prevention of seizures.

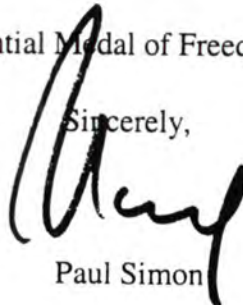
He has been devoting these past years to rectifying some imbalances in our procedures on approving the use of medicine. He says we have a good defensive team but not a good offensive team and he has the facts to bear up what he has to say.

My guess is he will be honored, as many people are, more after our lifetimes than during our lifetimes because of his understanding of our situation.

But his contributions to this nation's economy and his willingness to sacrifice himself through the Dreyfus Medical Foundation to change things for the better in our country is an inspiration to those of us who've had the chance to meet and work with Jack.

He richly deserves the Presidential Medal of Freedom.

Sincerely,



Paul Simon

5-2-00  
Send to Burkhardt  
Yes ☒  
to \_\_\_\_\_

PS/pg

Paul Simon, Director • Mike Lawrence, Ass

Carl



# United Church of Christ

Office of the President  
216 - 736-2101  
Office of the Secretary  
216 - 736-2110  
Office of the Treasurer  
216 - 736-2114  
700 Prospect Avenue  
Cleveland, Ohio 44115  
Fax 216 - 736-2120

May 3, 2000

President William J. Clinton  
The White House  
Washington, DC 20500

00 MAY 2 PM 12:35

Dear President Clinton:

On April 12 you received a letter from several of us requesting an opportunity to meet with you, along with leaders of the churches in Puerto Rico that are related to our communions, to discuss the concerns we share for the plans for the continued military use of Vieques. We continue to hope that you will be able to meet with us as soon as possible.

In recent days we have grown increasingly alarmed at news reports that the Navy and other United States law enforcement officials may be preparing to move against those who have established encampments in Vieques, encampments which seek to bear witness to the strong conviction of the churches and the people of Vieques that sixty years of bombing and devastation is enough. Unsubstantiated rumors that some of these persons are armed, rumors which those of us who have personally visited the encampments in Vieques strongly dispute, seem intended to inflame the situation and may have the result of increasing the potential for a violent confrontation. This must be avoided.

We strongly urge you to respect the desire of Protestant and Roman Catholic churches in Puerto Rico which have called for an end to the bombing immediately and which reject the proposed solution negotiated with the Governor of Puerto Rico. And we ask you to cancel any plans that may be underway to resolve this dispute through military and police force.

Thank you for your consideration of this urgent matter.

Sincerely,

*John H. Thomas*

John H. Thomas  
President

cc: Janet Reno  
Maria Echaveste fax 202-456-6703

5-2-00  
Send to Burkhardt  
~~\_\_\_\_\_~~  
Yes ☒  
No ☐

coordinate w/ NSC;  
scheduling CW



Office of the President  
216 - 736-2101  
Office of the Secretary  
216 - 736-2110  
Office of the Treasurer  
216 - 736-2114  
700 Prospect Avenue  
Cleveland, Ohio 44115  
Fax 216 - 736-2120

DATE: May 1, 2000

TO: The Rev. Richard L. Hamm  
The Rev. H. George Anderson  
Bishop William Boyd Grove  
The Rev. Clifton Kirkpatrick  
The Rt. Rev. Frank Griswold  
Bishop Nathaniel Linsey  
Ms. Ann Delorey  
The Rev. Dr. Robert Edgar

FROM: John H. Thomas  
President

I am writing to follow up an earlier letter to you regarding the situation on Vieques. Some of you also participated in a joint letter to President Clinton arranged by Dick Hamm asking for a meeting to discuss our concerns and the concerns of our colleagues in Puerto Rico. I am not aware that we have received a response.

Meanwhile, press reports in recent days suggest that the Navy and other US law enforcement agencies may be planning an assault against Vieques to destroy the encampments and arrest those who have participated over the past months in the peaceful protest. Particularly alarming is the circulation of unsubstantiated rumors by the media that some of these encampments are armed. Those of us who have visited these encampments vigorously dispute this and fear that this is merely an attempt to discredit the protestors, an attempt that may have the effect of making any eviction action very dangerous for all involved.

I have enclosed a draft letter to the President which I hope you might be willing to sign. Nozomi Ikuta from our staff will be following up with you to see if you are willing to join in this letter. I fear we may be very close to a deadline here and I hope that we may be able to send this communication while there may still be time to avert Navy action.

Thank you.

United Church of Christ

00 MAY 2 12:35

164 Lexington Ave  
Jersey City, N.J. 07304

President William Clinton  
The White House  
Washington, D.C. 20005

May 1, 2000

President Clinton:

You must not be dictated to by the Pentagon, those war mongering bullies, who know only violence. You are the president of this country. You must immediately call off the immoral actions of the Navy before they begin again their devastation and destruction on the island of Vieques.

The actions and behavior of the US Government and the Pentagon in particular is a travesty that brings shame to this nation. The U.S. Government is being looked at by the international community as an imperialistic bully that has decided to brutalize those who defend the Human Rights of the 9,400 people who live in Vieques. The people of the U.S. do not want the Navy to re-enter Vieques in their name and in the name of democracy.

I strongly demand that you use the power invested in you to choose peace over war.

Sincerely,



Diana Crowder

5-2-00

Send to Burkhardt?

Yes ☒

No ☐

cul

BARBARA BOXER  
CALIFORNIA

## United States Senate

HART SENATE OFFICE BUILDING  
SUITE 112  
WASHINGTON, DC 20510-0505  
(202) 224-3553  
senator@boxer.senate.gov  
http://boxer.senate.govCOMMITTEES  
BUDGET  
ENVIRONMENT  
AND PUBLIC WORKS  
FOREIGN RELATIONS

## Facsimile Transmission

From

**SENATOR BARBARA BOXER**

Washington, D.C. Office

Date: 5/2

To: The President

Fax #: 456-1210  
456-6221

From: Senator Barbara Boxer

Total number of pages including cover 4

Notes:

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dbm

5-2-00

Send to Leg Atty?

Yes ☒No ☐

Carl

☐ 1700 MONTGOMERY STREET  
SUITE 240  
SAN FRANCISCO, CA 94111  
(415) 403-0100☐ 312 N. SPRING STREET  
SUITE 1748  
LOS ANGELES, CA 90012  
(213) 894-5000☐ 501 "I" STREET  
SUITE 7-600  
SACRAMENTO, CA 95814  
(916) 448-2787

(599) 497-5109

(619) 239-3884

(916) 448-2787

STREET

IO, CA 92401

BARBARA BOXER  
CALIFORNIA

COMMITTEES  
BUDGET  
ENVIRONMENT  
AND PUBLIC WORKS  
FOREIGN RELATIONS

# United States Senate

HART SENATE OFFICE BUILDING  
SUITE 112  
WASHINGTON, DC 20510-0505  
(202) 224-3553

senator@boxer.senate.gov  
http://boxer.senate.gov

May 2, 2000

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

Dear Mr. President:

I am writing to urge you to support my legislation (S. 2080) to require the mandatory labeling of genetically engineered food, and to abandon the voluntary labeling guidelines now under Administration consideration. Voluntary labeling guidelines would not give Americans the information they are demanding and deserve to know about the food they eat.

Recent polls have demonstrated that Americans want to know if they are eating genetically engineered food. A March 17, 2000 *USA Today* poll found that 79% of respondents wanted genetically engineered food labeled. A January 1999 *Time* magazine poll revealed that 81% of respondents wanted such food labeled. The European Union, Australia, New Zealand and Japan already require genetically engineered food to be labeled.

Consumer demand for mandatory labels stems from the very real concerns about genetically engineered food raised by the many scientific, environmental, religious and consumer groups that support S. 2080. A list of these groups is attached. Specific health concerns include the risks of exposure to allergens, decreased nutritional value, increased toxicity and increased antibiotic resistance. Ecological concerns include the destruction of non-target species, cross-pollination that breeds new resistant weeds, and increases in pesticide use.

While the mandatory label called for in S. 2080 would not resolve these issues, it would give consumers the ability to choose whether or not to consume genetically engineered food given the safety and environmental uncertainty surrounding such food. S. 2080 also authorizes studies into the safety and environmental concerns raised by genetically engineered food.

By contrast, the voluntary labeling guidelines now under Administration consideration would be a hollow step because they would not give consumers the ability to avoid genetically engineered food if they so choose. As I understand it, the guidelines would suggest ways that food manufacturers who don't use genetically engineered material might adopt "genetically engineered free" labels. Food manufacturers, however, are today free to adopt such labels, yet generally have not done so.

Given this fact, it is difficult to see how the guidelines would significantly change the status quo.

☐ 1700 MONTGOMERY STREET  
SUITE 240  
SAN FRANCISCO, CA 94111  
(415) 403-0100

☐ 312 N. SPRING STREET  
SUITE 1748  
LOS ANGELES, CA 90012  
(213) 894-5000

☐ 501 'I' STREET  
SUITE 7-600  
SACRAMENTO, CA 95814  
(916) 448-2787

☐ 1130 'O' STREET  
SUITE 2450  
FRESNO, CA 93721  
(559) 497-5109

☐ 600 'B' STREET  
SUITE 2240  
SAN DIEGO, CA 92101  
(619) 239-3884

☐ 201 NORTH 'E' STREET  
SUITE 210  
SAN BERNARDINO, CA 92401  
(909) 888-8525

Further, even if the guidelines prompted some voluntary labeling, it is unrealistic to expect that such labels would become widespread enough to truly give Americans the information they are demanding about the food they eat.

The fact is, scientific consensus on the safety or harm of genetically engineered food has not yet been reached. Genetically engineered food could hold great promise or great problems. S. 2080 takes a cautious approach to this technology. It gives Americans the right to know if their food contains genetically engineered material, and it begins studies on the safety of genetically engineered food.

I hope you will abandon the voluntary labeling approach, and work with me to provide Americans with the right to know whether their food contains genetically engineered material by supporting S. 2080.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara Boxer", written over a large, stylized circular flourish.

Barbara Boxer  
United States Senator

CC: The Honorable Donna Shalala  
Secretary  
Department of Health and Human Services

The Honorable Dan Glickman  
Secretary  
Department of Agriculture

The Honorable Carol Browner  
Administrator  
Environmental Protection Agency

## **Organizations Endorsing the Boxer Genetically Engineered Food Right-to-Know Act (S. 2080)**

### **Food Safety Organizations**

The Campaign to Label Genetically Engineered Foods  
Center for Food Safety

### **Consumer Organizations**

Consumer's Choice Council  
Consumers Union  
Citizens for Health  
Organic Consumers Association  
Public Citizen

### **Agricultural Organizations**

American Corn Growers Association  
Sustainable Agriculture Coalition  
Institute for Agriculture and Trade Policy

### **Environmental Organizations**

Union of Concerned Scientists  
U.S. Public Interest Research Group  
Natural Resources Defense Council  
Friends of the Earth  
Sierra Club  
Greenpeace

### **Religious Organizations**

National Catholic Rural Life Conference

### **Medical Organizations**

Physicians for Social Responsibility

NANCY:

THIS MESSAGE-EMAIL WAS SENT TO:

Info  
C/L

MEL.MILLER@AMEDD.ARMY.MIL

00 MAY 2 PM 12:47

years of  
nior Prime  
tems in

ve can get

e Drop

COPY TO: JOHN GRIGG@LITTLE ROCK.AF.MIL

SUBJECT: DOD PAT COMMITTEE

DATED 04/28/2000

SORRY I MISSED YOU AT THE BILL BOWEN  
AFFAIR. I DID SEE YOU AND MARIA HALEY  
BUT COULD NOT GET TO YOU. I DID SPEAK  
TO THE PRESIDENT.

WOULD YOU SEE THAT THIS EMAIL MESSAGE  
GETS TO THE PROPER DEPARTMENT.

THANK YOU !! Love from Louise & Steve.

5-2-00

Send to Burkhardt?

Confirmation

Yes

No

Carl

Yesterday, 27 April I sent a message on your Web Page to the attention of DoD P&T committee on the use of the DoD National Mail Order Pharmacy Program. I am a retire from the USAF with over 20 years of active duty from 1940 to 1963, I am over 65 years (80 Years old) on medicare and not qualified BRAC program or Senior Prime Tricare program. We get very good service from Little Rock Air Force base, BUT at times they DO NOT have some items in stock or do not stock an item.

My question is- Does the DoD P&T committee plan to allow people such as myself to utilize the NMOP Program If we can get the Base Pharmacy to stamp our prescription NOT Available

I read an article in the Little Rock AFB newspaper that allows Tricare beneficiaries have the option to use off-base pharmaciesto fill prescriptions when the Base pharmacy is closed or out of specific medication Article appears in the Drop Zone paper dated Friday, April 28, 2000.

A copy of this Email is being mailed to The White House to the President's office.

Ms. Nancy Hernreich  
The White House  
West Wing-First Floor  
Washington, D.C. 20500

My Name and Address:

M. J. "Sarge" Lozano  
815 Midland St.  
Little Rock. AR. 72205-4129  
Tel (501) 663-4802 Email: mjlozano@aol.com

5-2-00

00 APR 23 1997

THE WHITE HOUSE  
WASHINGTON

April 28, 2000

## RECOMMENDED TELEPHONE CALL

**TO:** Senator Jack Reed (D-RI)

**DATE:** As soon as possible

**RECOMMENDED BY:** Chuck Brain *CMB*  
Joel Wiginton

**PURPOSE:** To return a call to Senator Jack Reed (D-RI) regarding, S. 656, "The Liberian Refugee Immigration Fairness Act."

**BACKGROUND:** Senator Reed (D-RI) is the chief sponsor of S. 656, "The Liberian Refugee Immigration Fairness Act," a bill that would allow certain Liberian nationals to adjust their immigration status to lawful permanent residence. Senators Kennedy (D-MA) and Wellstone (D-MN) are cosponsors, and Rep. Kennedy (D-RI) is the chief sponsor of the House companion bill, H.R. 919. Senator Reed called to ask for your support of his bill. Although INS provided Senator Reed with technical assistance on S. 656, your Administration has not yet taken a formal position on the measure.

Beginning in 1989, Liberia was engulfed in civil war. During this war, over 150,000 people were killed and over half the population of the country was displaced. By 1991, roughly 14,000 Liberians arrived in the United States, seeking refuge from the unrest in their home country. A large majority of these displaced Liberians settled in Rhode Island, the state with the largest Liberian-American population.

Since 1991, most of these displaced Liberians have resided in the United States under Temporary Protected Status (TPS). TSP is a form of immigration protection that allows a foreign national to remain in this country when the Attorney General finds that certain conditions in the home country (ongoing armed conflict, natural disasters, or other extraordinary circumstances) would make return too dangerous. Although TPS ended for Liberians on September 28<sup>th</sup>, 1999, you authorized Deferred Enforced Departure (DED) for qualified

*Copied  
Podesta  
Brain  
Wiginton*

*John Podesta  
[I think  
we should be further  
working to send them  
back after 10 years  
I think DOJ state should  
support too]*

Liberians until September 29<sup>th</sup>, 2000. Under your DED declaration, approximately 10,000 Liberian nationals will be protected from removal and be authorized to work in the United States.

Senator Reed argues that these Liberians arrived in the United States a decade ago seeking only temporary safety from the strife in their home country; they wanted to go home and intended to do so when the unrest had subsided. Unfortunately, the civil war continued to wage, and the Liberians were forced to remain in this country. Senator Reed notes that forcing these nationals to repatriate after they have established jobs, families, and friends in the United States would be unfair. Congress has in the past allowed migrant groups who have lived in this country for an extended period of time to adjust their status to permanent residence. In 1991, over 50,000 Chinese nationals who had been granted DED after the Tiananmen Square incident; in 1988, nearly 5,000 Poles, nearly 400 Ugandans, nearly 600 Afghans, and nearly 1,200 Ethiopians; and in 1998 [in "The Nicaraguan Adjustment and Central American Relief Act" (NACARA)], over 150,000 Nicaraguans and 5,000 Cubans were granted permanent residence.

Your Administration is a strong proponent of the "Central American and Haitian Parity Act," sponsored by Senators Durbin and Kennedy (the "Parity bill"). The Parity bill would amend NACARA to allow certain Salvadoran, Guatemalan, Honduran, and Haitian nationals to adjust their status to permanent residence.

#### **TALKING POINTS:**

- As you know, my Administration has been quite sensitive to the unfortunate situation of the Liberian nationals. That is why the Attorney General has provided Temporary Protected Status (TPS) and I have granted Deferred Enforced Departure (DED) for them.
- We have not yet taken a formal position on your bill. I recognize the importance of the measure, and I know it means a great deal to you personally. I will, therefore, direct my staff to review S. 656 and to report to you or your staff on our position.

**CONTACT PERSON:  
AND TELEPHONE  
NUMBER(S):**

Rosanne Haroian, scheduler (w) 202-224-4646  
Senator Jack Reed  
(h) 703-271-6115 (Senator Reed is moving today, and the  
phone might not work)  
(cell) 202-228-5678

**DATE OF SUBMISSION:**

April 28, 2000

# INFORMATION ABOUT COVERAGE OF ROUTINE PATIENT COSTS IN CLINICAL TRIALS

Prepared for Stephen J. Clooback by  
CaP CURE Government Research Initiatives Group & The National Prostate Cancer Coalition

## THE PROBLEM OF CANCER

In 2000, more than 1.2 million Americans will learn they have cancer, and more than 550,000 will die from these diseases. Cancer deaths *each year* are roughly the same as all the losses of American lives on all military battlefields *during this century*. In 1971, President Richard Nixon declared this nation's war on cancer. We are still fighting on too many cancer treatment-related battlefields thirty years later – struggling to accelerate the development of new treatments to beat the problem of cancer once and for all.

*C. Jennings*  
*Pls remain*  
*advised as*  
*to last*  
*paragraph*  
*I need to*  
*write*  
*Clooback*

## BACKGROUND ABOUT CLINICAL TRIALS

A three phase clinical trial protocol is most frequently required by the FDA to speed new treatments – including oncology drugs – to marketplace. Only about 3% of eligible adults with cancer participate in such clinical studies, compared to more than 75% of eligible children with cancer. That treatment advances have occurred in so many pediatric cancers, like leukemia, is testimony to the impact of patient participation. As NCI director, Dr. Richard Klausner, has stated: "... clinical trials are the only way to improve cancer treatments and have saved countless lives."

*copied*  
*Jennings*  
*Podesta*

## BARRIERS TO PARTICIPATION IN CLINICAL TRIALS

Barriers to adult participation in clinical trials are substantial. Allen S. Lichter, M.D., past-president of the American Society of Clinical Oncology, has cited the following as significant: overly stringent eligibility criteria, the burdens of excessive paperwork (especially around informed consent) and the restrictive nature of insurance, or third party, coverage.

Health care payers and providers have been reluctant to provide coverage for clinical trials. They cite a number of issues, including uncertainty of cost, lack of known benefit, poor quality control, potential liability for complications and lack of inclusion in contract language. Wagner, *et al.*, at the Mayo Clinic, have demonstrated that the patient-care costs for individuals participating in clinical research are similar to those costs incurred by patients receiving standard therapy. When cumulative costs over five years were compared, the costs for clinical trials patients were only slightly higher. In a similar study conducted by Fehrenbacher, *et al.*, at California Kaiser-Permanente, the average one-year cost for patients in clinical trials was about \$17,000, while the average one-year cost for patients receiving standard care was about \$16,500.

## THE HEALTH CARE FINANCE ADMINISTRATION (HCFA)

HCFA sets standards for reimbursements under Medicare. Except for testing of medical devices, HCFA does not specifically permit coverage for routine patient costs of investigational treatments.

In its recent analytical report, Extending Medicare Reimbursement in Clinical Trials, the Institute of Medicine specifically suggested that Medicare should reimburse routine care for patients in clinical trials in the same way it reimburses routine care for patients *not* in clinical trials.

Some of the proposed legislation for a patient's bill of rights calls for third party coverage of routine patient costs in clinical trials, which, when passed, would impact HCFA. However, there is **no requirement that HCFA policy be regulated through legislation**. The President or Secretary of HHS could equally well require that change.

The  
U.S. Russia   
Investment Fund

THE PRESIDENT HAS BEEN  
5-2-00

The U.S. Russia Investment Fund  
545 Fifth Avenue  
Suite 300  
New York, NY 10017  
212 818-0444  
Fax 212 818-0445

Patricia M. Cloherty  
Chairman

April 27, 2000

Ms. Nancy V. Hernreich  
Deputy Assistant to the President and  
Director of Oval Office Operations  
The White House  
Washington, D.C. 20500

Dear Ms. Hernreich:

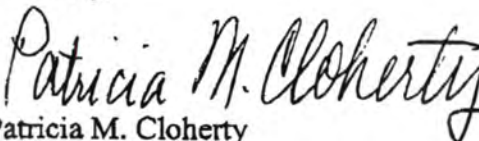
My friend and business colleague Bob Hormats of Goldman Sachs and I are longtime friends and supporters of the President and Mrs. Clinton, both nationally and in New York State; we had the pleasure of chatting with the President earlier this week at lunch, and Bob saw him again at dinner while he was in New York.

While my business career has been in venture capital, I also have the honor of serving as President Clinton's appointee as the pro bono Chairman of The U.S. Russia Investment Fund, where Bob Hormats also serves as a Director. ~~We were~~ discussing with the President this week an unnecessary and correctable problem with respect to the Fund, and it was suggested that it might be wise to follow up by providing you with the attached paper which the President might then find helpful with respect to any follow-up he wished to undertake.

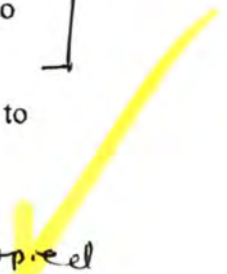
Naturally, it goes without saying that I am readily available to respond to inquiries anyone on the White House staff might have. My office telephone number during the day is (212) 508-6576; home is (212) 974-6408.

With best wishes,

Sincerely,



Patricia M. Cloherty  
Chairman

  
Copied  
Berger  
NSC WWDesk  
Podesta

Attachment

cc: The Honorable Samuel R. Berger  
The Honorable Mark Medish

## FACT SHEET

### The U.S. Russia Investment Fund (TUSRIF)

- created by President Clinton in June, 1995, by merger of two other USG-financed, privately-managed Enterprise Funds (see attached White House announcement)
- *pro bono* Board of Directors appointed by President Clinton
- Patricia Cloherty succeeded Mike Blumenthal as Chairman in 1998; Board members include Bob Hormats and Jeff Hirschberg
- capitalized at \$440 million in USG funds

### Provision of the \$440 Million

- Like other Enterprise Funds, TUSRIF draws down funding each fiscal year from USAID. Thus far, TUSRIF has drawn down about \$180 million of the \$440 million
- Congress appropriated \$835 million for the former Soviet Union in FY 2000, but of this amount, State and USAID planned to give TUSRIF only \$5 million because of "defense threat reduction priorities"
- in order to avoid shutting down programs, TUSRIF needs a bare minimum of an additional \$26 million in FY 2000 (this is less than half of what TUSRIF could effectively invest in FY 2000)
- in recent days USAID has suggested it may be able to come up to \$15 million of the \$26 million in FY 2000; this is still not enough
- **TUSRIF must have the full \$26 million in addition to the \$5 million and funds already obligated in FY 1999 in order to avoid shutting down programs**

### Contacts

- Pat Cloherty, (212) 508-6576; (212) 974-6408
- Bob Hormats, (212) 902-5347; (212) 794-2535
- Jeff Hirschberg, (202) 327-8343; (301) 229-6760

April 24, 2000



Essar House, Mahalaxmi,  
Mumbai-400 034, India.  
Phone : (91-22) 495 0606  
Fax : (91-22) 495 4728 37

April 17, 2000

Mr. Sean Patrick Maloney  
Assistant to the President and  
Staff Secretary  
The White House  
1600 Pennysylvania Ave. NW  
WASHINGTON D.C. 20500  
U.S.A.

5-2-00  
Send to Scheduling?  
Yes ☒  
No ☐

Dear Sean,

My Chairman, Mr. Shashi Ruia and  
and your goodself at the lunch  
Vajpayee, at the Ashoka Hotel, New  
to my Chairman that whenever he  
he would be delighted to spend a  
honoured to receive this invitation.

cc: USC?

Yes ☒  
No ☐  
cal

President  
Minister  
to mention  
I and that  
extremely

The Essar Group is India's fourth  
activities cover Steel, Shipping, Power  
employ 3000 people and our annual  
Chairman of the Essar Group is also  
BUSINESS COUNCIL, which is the  
Council, Washington D.C. A corporate  
kind perusal.

ORIGINAL  
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I am delighted to inform you that Mr. Shashi Ruia is leading  
industrialist/businessmen from India to the U.S. during middle of June 2000. This  
delegation from India will be participating in the Annual General Meeting of the U.S.  
India Business Council, which is scheduled to be held in San Francisco on June 12-13,  
2000. Thereafter, the delegation has planned to visit Chicago, Wash. D.C. and New  
York.



April 17, 2000

Essar House, Mahalaxmi,  
Mumbai-400 034, India.  
Phone : (91-22) 495 0606  
Fax : (91-22) 495 47287

Mr. Sean Patrick Maloney  
Assistant to the President and  
Staff Secretary  
The White House  
1600 Pennsylvania Ave. NW  
WASHINGTON D.C. 20500  
U.S.A.

Dear Sean,

My Chairman, Mr. Shashi Ruia and myself had the pleasure of meeting the President and your goodself at the luncheon meeting hosted by the Indian Prime Minister Vajpayee, at the Ashoka Hotel, New Delhi. The President was kind enough to mention to my Chairman that whenever he visits Washington he should give him a call and that he would be delighted to spend a few minutes. We in the Essar Group were extremely honoured to receive this invitation.

The Essar Group is India's fourth largest industrial house. Our diverse business activities cover Steel, Shipping, Power Plant, Oil & Gas and Petroleum Refining. We employ 3000 people and our annual sales exceeds US\$.4.00 Billion. Mr. Shashi Ruia, Chairman of the Essar Group is also the Chairman for the prestigious INDO U.S. JOINT BUSINESS COUNCIL, which is the Indian counterpart of the U.S. India Business Council, Washington D.C. A corporate profile of the Essar Group is enclosed for your kind perusal.

I am delighted to inform you that Mr. Ruia will be leading a delegation of 20 leading industrialist/businessmen from India to the U.S. during middle of June 2000. This delegation from India will be participating in the Annual General Meeting of the U.S. India Business Council, which is scheduled to be held in San Francisco on June 12-13, 2000. Thereafter, the delegation has planned to visit Chicago, Wash. D.C. and New York.



: 2 :

We shall very much appreciate if you could explore the possibility of arranging a meeting between the President and the members of the high powered delegation during their visit to U.S. in the middle of June 2000. We shall be guided by your advise and counsel.

The U.S. Presidential visit to India was an historic event and it has created tremendous impact in the minds of ordinary citizens and influential opinion makers. I strongly believe that the future for Indo U.S. co-operation in a wide range of fields is very bright and this augurs well at a critical time in our both countries' history. If we can do anything for you from Mumbai, kindly let us know.

I worked for almost 17 years with the U.S. Foreign Commercial Service before joining the Private Sector in India.

Sincere regards,

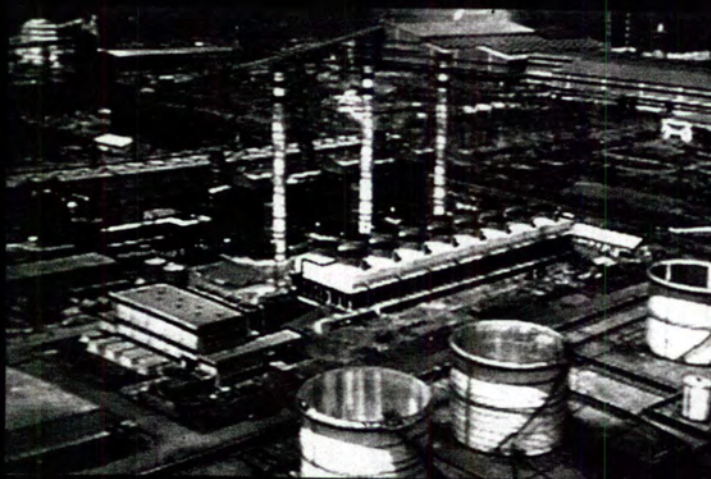
Very truly yours,

A handwritten signature in dark ink, appearing to read "V. Rangaraj", with a stylized flourish extending from the end of the name.

**V. Rangaraj**

Encl: Brochure

**ESSAR**



May 1, 2000

President William J. Clinton  
White House  
Washington, D.C.

Dear Mr. President,

Per your request at the meeting with the YPO dele  
business ideas for you to consider using in your up  
leadership.

I went on a trade mission to Russia a few years ago  
help the Moscow region with conversion of their c  
access to defense plants not before seen by Americans, as well as given wonderful treatment by  
the leadership, including the head of their parliament.

Unfortunately, as it is in the United States, defe  
unsuccessful. The vertically integrated manufa  
them too spread out in operations to gain specia  
marketing and production economy of scale.

I did come away with some ideas of what other  
manner consistent with U.S. interests. The main  
under Communist rule with a top down control  
is similar to a farm with rows of crops planted b  
quite different. We have a capitalist system like  
appear with little or no control. Our large busin  
ago that grew and adapted to markets. We cont  
such as capital, management and a trained work

I suggest we start working with nurturing their  
large ones. I also see the necessity for major int.  
are like a giant tax, which make them uncompetitive in the world market. Helping build their  
structure will help all sizes of businesses as well as improve their quality of life.

From Mary Beth Cahill -

Send to Burkhardt  
Coordinate w/ NSC  
Yes

hs

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know)

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May 1, 2000

President William J. Clinton  
White House  
Washington, D.C.

Dear Mr. President,

Per your request at the meeting with the YPO delegation today, I am sending some of my business ideas for you to consider using in your upcoming trade meetings with the Russian leadership.

I went on a trade mission to Russia a few years ago as a guest of the President of the Duma to help the Moscow region with conversion of their defense plants to commercial uses. I was given access to defense plants not before seen by Americans, as well as given wonderful treatment by the leadership, including the head of their parliament.

Unfortunately, as it is in the United States, defense conversion is a difficult task, usually unsuccessful. The vertically integrated manufacturing process at Russian defense plants make them too spread out in operations to gain specialized expertise in manufacturing or gain marketing and production economy of scale.

I did come away with some ideas of what other things could be done to help their situation in a manner consistent with U.S. interests. The main problem is that the Russian economy was set up under Communist rule with a top down control system, mainly producing a lot of a few items. It is similar to a farm with rows of crops planted by farmers. The U.S. free market economy is quite different. We have a capitalist system like a jungle with plants filling in niches as they appear with little or no control. Our large businesses were once small ones started a long time ago that grew and adapted to markets. We control our economy by the conditions of growth such as capital, management and a trained work force.

I suggest we start working with nurturing their smaller businesses that may someday turn into large ones. I also see the necessity for major infrastructure improvement. Their inefficiencies are like a giant tax, which make them uncompetitive in the world market. Helping build their infrastructure will help all sizes of businesses as well as improve their quality of life.

For a foreign aid program to help their small businesses grow, I suggest a subsidy plan for their goods sold here. It is necessary because it is otherwise too late to begin building their basic industries by exporting, as their foreign competitors are already large and efficient.

The Plan:

(A) Give tax credits or cash grants to U.S. importers of certain Russian items as matching funds to make Russian exports competitive.

(B) The items available for the program would be chosen from those that will not hurt U.S. business interests and will not create security issues. Give a premium to U.S. importers who are already domestic manufacturers as their cooperation is essential.

(C) The products in grant program can have different matching rates but should decline slowly over time to wean the companies of U.S. dependence.

(D) These exported items should be products that could also be used by their domestic market as well as their regional trading partners.

(E) Give the program a good name and tell them how grateful the American people are for their enormous sacrifices in defeating Hitler. Time moves slowly there and they remember World War II like it was yesterday.

Benefits:

(A) We get goods instead of bad loans.

(B) We have a stable trading relationship that increases points of interaction between the countries.

(C) The money can't be diverted because it stays in America. Jobs have to be created, factories have to be built, and management has to function to make shipments on a consistent basis.

(D) We are planting the seeds for their eventual independence from our foreign aid.

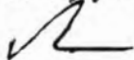
(E) The program would be very visible helping our popularity in Russia.

(F) We will be building their middle class who are necessary for their stability and who have a stake in maintaining a capitalistic economy.

As an example, let's use a consumer product such as cookware (i.e., silverware, pots, pans, and cooking utensils). The Russians are very competent in stainless steel, aluminum and ceramics and should be able to make high quality goods. The problem is their designs are based on Russian culture and are not salable overseas. Partnering American companies would take their designs to Russia so the new Russian products would be marketable in America and other countries. The very U.S. manufacturing companies that would be hurt by the competition would be encouraged to be the importers of the product. They already have a distribution channel to sell a lower cost product line that they would market to compete with existing imports. This would increase the U.S. companies' marketing and distribution economy of scale that would make their American made high end products more affordable.

Doing something innovative like this will send a message that we care and are willing to help them. They are very emotionally driven and relationship oriented. The greatest risk to American relations would not be to fail in the economic aid programs, but to be perceived as not making a genuine effort to help them.

Sincerely yours,



Alan K. Uke  
President