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Into Africa

Makers of AIDS Drugs Agree to Slash Prices For Developing World

Five Firms' Pact With U.N. Will Still Leave Medicine Unaffordable for Millions

Black Markets and Generics

A

By MICHAEL WALDHOLZ

Staff Reporter of THE WALL STREET JOURNAL

In a landmark response to the AIDS crisis in Africa, five of the world's largest pharmaceutical companies are offering to slash the prices of HIV drugs for people living in poor nations.

The companies' unprecedented joint agreement, which is expected to be announced by the United Nations today, should make it possible for considerably more people in the devastated continent to gain access to the life-saving but extremely costly drugs that have revolutionized treatment in the U.S. and Europe.

Following delicate discussions with United Nations officials on ways to mount

Assault on Drug Costs

The drug industry faces more political and legal attacks over drug prices and profits. Article on page B1.

a broad attack on AIDS in developing lands, several companies are pledging to sell their drugs there for as little as pennies above manufacturing costs. Some are considering prices as much as 85% or 90% below the prices Americans pay, or about one-fifth of the already-discounted prices now charged in some African nations.

"It's the first time the companies are collectively willing to discuss a truly significant decline in prices," says Peter Piot, director of the United Nations AIDS Program, who has been negotiating the agreement since early April. "It is something many of us have long hoped for."

Groundbreaking as the agreement is, it falls far short of a solution to the AIDS catastrophe in Africa, and it contains problems of its own. The pact may make it possible for tens of thousands of Africans, and someday maybe hundreds of thousands, to afford the drugs, yet the continent has an estimated 23 million people infected with HIV, the virus that causes AIDS. For most, even the new prices will remain too high.

Moreover, Africa has nowhere near enough of the trained medical people needed for the complex drug regimen, a failing the agreement says must be remedied. The AIDS therapy is a taxing program that must be followed to the letter; lapses risk not only a worsening of the disease in individual cases, but also the development of AIDS strains resistant to the drugs, with potentially deadly consequences for the whole world.

'Long Overdue'

"The companies' initiative is an excellent idea, long overdue," says Jose Zuniga, executive director of the International Association of Physicians In AIDS Care. But he adds: "If the offer isn't well thought-out and combined with funding to educate people about how to use the drugs or build health services to provide and monitor their use, the drugs' availability in Africa could be disastrous. These are potentially dangerous medicines."

For the companies, the initiative holds big risks. Cutting prices so deeply will expose closely guarded secrets about manufacturing costs and profit margins. This is likely to feed a clamor in the U.S. for curbs on drug prices. At the same time, companies fear that if they don't sharply cut prices for poor nations, those nations will turn en masse to generic AIDS drugs that are being produced in several countries in violation of corporate patents. Finally, the initiative holds the risk of spurring a black market in AIDS drugs.

The participants in the breakthrough drug-cost agreement are Bristol-Myers Squibb Co., Glaxo Wellcome PLC, Merck & Co., Boehringer Ingelheim GmbH and Roche Holding AG. Mindful of antitrust law, they haven't discussed specific prices among themselves but only in individual negotiations with U.N. officials.

Broad Effort Sought

Exact prices aren't likely to be settled upon for several more weeks. But Glaxo, for instance, has made clear it is willing to offer its Combivir for \$2 a day. This is a mixture of AZT and 3TC, two drugs that form the backbone of AIDS therapy. Two dollars is about one-third of Combivir's current daily cost in Uganda and one-fifth of its price in the U.S. People close to the negotiators say the company might be willing to go even lower in price. Long-term AIDS therapy often requires the addition of at least one other drug, such as a protease inhibitor, which could drive the price up to between \$5 and \$7 a day.

A "joint statement of intent" being released by the U.N. today makes clear that pricing is only one piece of the puzzle. It calls as well for new efforts in prevention, health-care infrastructure, international funding and political commitment by afflicted nations. A major obstacle to combating AIDS in sub-Saharan Africa is that many nations have been slow to acknowledge the extent of the epidemic, which has left millions of children orphaned, slashed life expectancies, swamped health-care services and crippled already-enfeebled economies.

As things stand, only the fortunate few in many developing countries have had access to modern AIDS therapy. Richard Constant Okou, 36 years old and infected

since 1988, has been able to keep working at a bank in Uganda, and thereby keep paying for his children's education, because he takes daily doses of three anti-HIV medicines. "I can't afford the drugs," he says, noting his monthly salary of about \$500.

Mr. Okou, who wears loose-fitting sandals because one of the drugs produces a painful nerve condition in his feet, says he regularly receives a "care package" of the drugs from a doctor in Europe he once met. Several weeks ago, he had just enough drugs on hand to last a few more days. "I just got an e-mail saying a friend will be bringing me more drugs soon," he says. "It's not very reliable."

Mindful of the tremendous need, the U.N.'s Dr. Piot and others have implored the drug industry for more than three years to cut prices. Responses before today have been spotty and individual. Pfizer Inc. recently agreed to give away Diflucan, its costly drug for AIDS-related fungal infections, in South Africa. Bristol-Myers Squibb last year said it would donate \$100 million over five years to bolster health-care services in Africa. Other drug makers have made somewhat similar commitments, but the companies haven't previously worked together on the acute affordability problem.



Richard Constant Okou

What sparked today's five-company response was an impassioned plea by U.N. Secretary General Kofi Annan at a special session on AIDS in December. At the meeting, Glaxo Chairman Sir Richard Sykes said his company was committed to a policy of offering "preferential" prices to poorer nations. Afterward, Bristol-Myers Vice Chairman Kenneth Weg suggested that he and Sir Richard encourage a trade group to convene a series of private talks with executives from their companies plus Merck, Roche and Boehringer Ingelheim. Following a meeting in London in early March, the five agreed on a new system of preferential pricing, and on April 3, Mr. Weg presented the idea to Dr. Piot.

Even with the new prices, the combination of three or more drugs needed to quell the virus will cost perhaps \$150 or \$200 a month. That's far below the \$800 or so a month the combo now costs in Africa (or \$1,000 a month in the U.S.). But per-capita income in Africa is less than \$50 a month, and few African countries or employers pay for any health care. Even much-cheaper drugs for ills such as malaria, tuberculosis and sexually transmitted diseases other than AIDS aren't widely available outside Africa's urban areas.

The Patent Issue

Many in Africa will surely see the drug companies' proposal as laudable but late and insufficient. Skeptics, especially some African governments long antagonistic to multinational corporations, are sure to view it as a cynical public-relations effort to mute the thunder of criticism in the U.S. and in poor nations over high drug prices. The action comes two months before the World AIDS Conference in Durban, South Africa, where activists have been planning noisy demonstrations to demand drug-company concessions.

One of their demands is that companies allow wider use of generic copies of their AIDS drugs. Over the past year, several African governments have threatened to buy these inexpensive generic versions, which are being produced in Brazil, Thailand and India without regard to company patents. In one dramatic example, a day's supply of AZT that sells for \$10 in the U.S. is sold by generics makers in Brazil for \$1.08.

One indication of the rising generic threat: The Clinton administration yesterday reiterated a trade policy that would allow African nations facing health emergencies to authorize companies to make generic AIDS drugs, regardless of U.S. patents.

Enforcing patents, even in desperately poor nations, is an important component in the five companies' agreement. Several say they agreed to take part only after the director-general of the World Health Organization, Gro Harlem Brundtland, gave a January speech in which she, too, appealed to the drug companies. In an effort to "inspire" an industry response, she says, she pointedly stated that to "stimulate innovation," WHO believes drug makers' "intellectual property rights" should be protected.

"We saw her statement as a call to action," says Per Wold-Olsen, president of Merck's Europe, Middle East and Asia operations. The joint agreement contains the same sort of promise to protect intellectual property. Mr. Wold-Olsen has declined so far to tell the U.N. or WHO exactly how much Merck will cut prices. "We have signaled that we will be flexible," he says. "We will be very flexible."

Profit Margins

The companies are reluctant to say they will price drugs at cost because doing so would reveal a coveted industry secret: that profit for these and other drugs, once research costs have been covered, can equal 90% of the prices charged. The drug makers already fear that pressure for price controls would rise with certain legislative

proposals to have Medicare pay for outpatient prescription drugs. Offering much lower prices in other countries could also increase U.S. price-control pressures, they worry.

Within Africa, deep price cuts could set off a wave of other changes in health care. "With the prices so high, there was little incentive for the governments to build the health infrastructure to provide care," says James Wolfensohn, president of the World Bank, which is part of the new agreement. "The companies' offer may now stimulate that effort and inspire wealthy nations to help fund it." The World Bank has tentatively agreed to provide added grants and loans to help educate health providers and buy the medicines.

Mr. Wolfensohn says one of the biggest

obstacles in Africa is that less than 5% of its HIV-infected people know their status. "How can you treat people who aren't aware they are infected?" he says. Lowering prices "is a good step forward, but it doesn't solve the problem, not by any means."

Other concerns about an influx of somewhat-more-affordable AIDS drugs in developing countries are that this could tempt corruption among government employees or produce civil protest among those unable to get the medicines. And if the low-priced drugs fell into the wrong hands, the result could be black-market AIDS medicines showing up in developed nations where prices are much higher.

Pilot Program

The companies' price pledge is likely to startle many Africans battling AIDS. Just two weeks ago, Peter Mugenyi, who runs an AIDS clinic in Kampala, Uganda, went to Geneva to press Dr. Piot to organize an international effort to lower prices and improve services. "Can you even begin to imagine," Dr. Mugenyi says, "how a doctor feels when he knows there is treatment for a merciless disease but no way to get it to your patients simply because of its cost?"

Dr. Mugenyi has been involved in a pilot program set up by UNAIDS—which is linked to both the U.N. and WHO—to promote drug affordability. It is an effort by a small team of UNAIDS staffers who have struggled since 1997 to wrest significant price cuts from drug makers and prove that lower prices could blunt the African AIDS epidemic. Many believe this effort, led by a physician named Joseph Saba, helped lay the groundwork for the price promises now being made.

The idea actually came from a former Glaxo executive, Peter Young, who in 1996 was looking for a way to get Glaxo's AZT and 3TC into developing nations. He approached the U.N. in 1996 with a proposal: If it would make sure the drugs were used properly, Glaxo would offer them at reduced prices. Mr. Young sold the idea to his bosses at Glaxo by arguing that unless it cut prices, Africans would eventually buy large quantities of AIDS drugs from illegal generic producers, and then those patent violators, fattened by profits, might extend their sales to developed nations. That would threaten products generating about \$1 billion a year in revenue for Glaxo.

A U.N. group under Dr. Saba created test programs in Uganda and the Ivory Coast. Setting up a nonprofit company and wangling some funding from drug makers, Dr. Saba began bargaining for discounts on HIV drugs in return for making sure they didn't fall into black-market hands. The nonprofit company agreed to sell the drugs only to patients treated by doctors or clinics that could prove they knew how to use them.

Glitches Arise

Right off, the plan ran into problems. Doctors were flooded with requests for the drugs after UNAIDS announced the project at a news conference in Kampala in 1997. Doing so "was a very big mistake," says Dr. Mugenyi. "People came here saying they wanted the new medicines they'd read about in the papers and heard about on the radio. But we didn't have the medicines yet, and of course people didn't even understand how expensive they'd still be or that the drugs were going to have to be taken daily for the rest of their life."

It wasn't until mid-1998 that the nonprofit company got its first shipment of discounted AIDS drugs from Bristol-Myers, Glaxo, Roche and several other companies. And then, the price discounts were wiped out when Uganda devalued its currency by almost half. As a result, a three-drug combination needed to keep AIDS at bay still costs \$800 to \$1,000 a month in Uganda. In a country where 1.5 million people are infected, fewer than a thousand are buying the drugs from the nonprofit.

However, research by Axios, a Dublin-based drug-marketing consultant that helped Dr. Saba, suggests that thousands more could afford the combination therapy if its price fell to \$100 or so a month. It's a critical point, because Dr. Saba's pilot program has come under intense criticism from international public-health providers, who argue that focusing so much effort on the enormously costly medicines is an impractical, wealthy-nation response to a poor-nation problem.

Far more Africans would benefit, this argument goes, if the continent's limited resources were used to buy low-priced drugs for sexually transmitted diseases or malaria, to improve water sanitation and nutrition and to educate people in how to avoid HIV infection. This, the critics say, could be accomplished with an influx of money supporting local healers, religious groups or the thousands of grass-roots non-government organizations that provide much of the social and health-care service on the continent.

"I understand that argument," says Dr. Saba, a Lebanese-born, French-trained physician who once worked for WHO in Rwanda. "But why should those who could use the drugs suffer because the drugs aren't the solution for most everyone else?"

Subsidies Sought

The companies and the U.N. hope that with drugs' prices brought somewhat closer to affordability, subsidies to help pay for them may be forthcoming from employers, African governments and donor organizations such as the World Bank or U.S. and European governments. The argument that Axios, the marketing consultant, makes to drug companies is that by lowering prices dramatically, they can spur a market for their products where one doesn't now exist.

"We've been advising the drug companies they need to do two things," says the head of Axios, Brian Elliott. "Drop the price and provide some funding to underwrite the cost of expanding health services, such as HIV testing or counseling programs, that will assure the drugs are used correctly."

Before the creation of the UNAIDS program, the few hundred people receiving HIV therapy in Uganda were those well-off enough to buy the drug abroad or people such as Mr. Okou using a wide number of creative techniques. What the UNAIDS

program provides, at least in Kampala, is "reliability in access and price," says Sowed Musingo, who was hired by UNAIDS to be the general manager of the nonprofit company, Medical Access Ltd. "Even though the prices here are still too high for most people, the doctors who treat HIV patients know when they prescribe the drugs that we have a steady and secure supply at prices they can count on."

Indeed, the U.N. is using the Uganda project as an example of what can be done in Africa when the government, foreign-aid organizations and drug makers cooperate on a grass-roots level. And the drug companies make clear they won't offer the deeply discounted prices without assurances of a secure distribution system. To speed things along, the pharmaceutical coalition has hired McKinsey & Co. to design these types of programs for other African countries.

Skimping on the Drugs

Mr. Musingo—a 30-year-old with an M.B.A., an entrepreneurial instinct and a salesman's cunning—has turned UNAIDS' Uganda nonprofit company into an efficient, two-person operation that negotiates prices with the drug makers, imports the drugs and keeps track of every physician who prescribes and every patient who uses the medicines. He does all this out of a tiny one-room office on the second floor of a medical-supplies warehouse. One floor below, the country's entire cache of AIDS drugs sits in bins in a specially locked floor-to-ceiling steel-caged closet, its contents literally worth their weight in gold at the prices predating the coalition's new offer.

One person who already is benefiting from the UNAIDS drug-access program is a shy 20-year-old called Prudence. She be-

lieves she became HIV-positive through rape two years ago by a fellow student, her only sexual encounter. In November, she learned she was infected after she began feeling weak and developed a severe rash. Prudence visited Gideon Rukundo, a 27-year-old physician at the publicly funded Mulago Hospital who only recently learned how to administer HIV drugs.

Dr. Rukundo says he would like to study in the U.S. someday to become better adept at helping his patients. Right now he treats about 21 patients with the drugs, buying directly from Medical Access, but only with cash given to him each month by his patients. Prudence began taking a three-drug combination in December, but her mother, who pays for the therapy out of her salary and savings, has said she is having trouble keeping up the payments.

"I don't want to be a burden to my mother, but I don't want to get sick," Prudence says.

Already, she has cut back to two medicines from three, reducing her mother's monthly bill by half to about \$300. To stretch out the drugs, Prudence says she often takes the drugs every other day instead of daily, behavior that concerns Dr. Rukundo because it could cause the virus inside her to mutate into a dangerous, drug-resistant form. "If my patients can afford the three drugs, that's what I give them, but I have to believe two drugs are better than none," he says.

So far, the drugs Prudence takes are keeping her infection in remission, but Dr. Rukundo frets that she can't pay for a \$150 test to detect if the virus is re-emerging. "Without the test, it's impossible for me to tell if the drugs are still working," Dr. Rukundo says.

5/2

Clinton Tries To Expedite AIDS Drugs Into Africa

By NEIL A. LEWIS

WASHINGTON, May 10 — President Clinton, in the face of strong opposition from the United States pharmaceutical industry, issued an executive order today to make AIDS drugs available far more cheaply throughout sub-Saharan Africa.

The order declares that the United States government will not seek to interfere with countries in that region that may violate American patent law in order to provide AIDS drugs at lower prices. The language of the executive order is nearly identical to an amendment that was deleted at the behest of the drug industry from an African trade bill that Congress is considering this week.

The order issued by President Clinton essentially extended to most of Africa a special arrangement provided last year to South Africa.

"This order is intended to help stop the spread of this devastating disease by making H.I.V./AIDS-related drugs and medical technologies more accessible and affordable in sub-Saharan African countries," Charlene Barshefsky, the United States trade representative, said today. She said she believed it struck a balance between fighting the disease and maintaining the integrity of patents.

In practice, officials said, that means that Washington will not object if African countries move to greatly reduce the price of AIDS drugs, either by licensing local companies to produce generic versions or importing the drugs from third countries where they are available at lower cost.

Both practices may be challenged under United States patent laws. But Senator Dianne Feinstein, the California Democrat who had co-sponsored the amendment that was deleted from the Africa trade bill, said the two practices were "fully consistent with World Trade Organization rules, which allow countries flexibility in addressing public health concerns." Senator Feinstein said that the deletion of the amendment she

sponsored with Senator Russell D. Feingold, a Wisconsin Democrat, threatened to impede the fight against AIDS in Africa.

She said that some 34 million people in sub-Saharan Africa have been infected with the disease since its onset and nearly 12 million have died. "The fatalities in sub-Saharan Africa represent 83 percent of the world's total H.I.V./AIDS-related deaths," she said.

Alan F. Holmer, the president of the Pharmaceutical Research and Manufacturers of America, the principal trade group for the drug industry, said the executive order set a troubling precedent.

Mr. Holmer said that he agreed there was a great need to fight the disease vigorously and he welcomed the sections of the executive order that call for increased education and improvement of public health services. "However, the approach taken by the President's executive order sets an undesirable and inappropriate precedent by adopting a discriminatory approach to intellectual property laws and focusing exclusively on pharmaceuticals," he said.

Industry officials said that they believed it was wrong to carve out an exception for one disease and one region. "If Africa today, why not Asia tomorrow or even the United States," said one official.

Jeff Jacobs, the director of government affairs of AIDS Action, a major lobbying group, today praised Mr. Clinton for his executive order. "The best medicines to fight AIDS are outrageously expensive," he said. "Almost nobody in the developing countries can afford these therapies, yet that is where the epidemic is raging. Americans can be proud of their president today."

The compromise version of the trade bill was approved by the House last week and is expected to win final passage in the Senate, possibly Thursday. It gives African and Caribbean countries broad new trading privileges by expanding duty-free access to American markets.

The Senate majority leader, Trent Lott, a Mississippi Republican, suggested to reporters on Tuesday that he disapproved of any plan to substitute the dropped Feinstein-Feingold amendment with an executive order.

"There seems to be a pattern now of him doing executive orders that exceed what he should be doing," Mr. Lott said. "That should be done legislatively. He doesn't make the laws. And so I would hope that he would be careful about doing that."

from the desk of
lydia martin

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CALIFORNIA 90012

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TELEPHONE
(213) 894-0764

April 20, 2000

Dear Sarah,

Sheila Joy thought you would be the person who can help me by delivering the enclosed letter and response card to the President.

We would appreciate it if the President could write a short congratulatory response on the card and return it to me by May 15, 2000. This card will be included with those from the Senators and hopefully the Vice-President who supported the Judge's confirmation and framed along with his Investiture announcement.

Thanks for your help. I can be reached at (213) 894-0764

April 20, 2000

Lydia's Office
Sarah Wilson
Counsel's Office
62144

lf of the staff of Judge Richard z was recently confirmed to the His confirmation was in large rt during the four years he moration of that event, his staff med copy of the invitation to his

investiture surrounded by notes/comments from the people who made his confirmation possible. We would greatly appreciate it if you would write a note of congratulations or best wishes to the Judge to be included in the display. Enclosed please find a small note card on which you may write your comment. Thank you for your help.

Very truly yours,

Lydia Martin

Lydia Martin
Judicial Assistant

5-12-00

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UNITED STATES DISTRICT COURT

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LOS ANGELES, CALIFORNIA 90012

CHAMBERS OF
RICHARD A. PAEZ
UNITED STATES DISTRICT JUDGE

TELEPHONE
(213) 894-0764

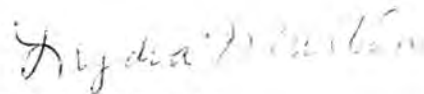
April 20, 2000

President Clinton
The White House

Dear Mr. President:

I am writing to you on behalf of the staff of Judge Richard A. Paez. As you know, Judge Paez was recently confirmed to the Ninth Circuit Court of Appeals. His confirmation was in large part due to your continued support during the four years he awaited Senate action. In commemoration of that event, his staff wishes to present him with a framed copy of the invitation to his investiture surrounded by notes/comments from the people who made his confirmation possible. We would greatly appreciate it if you would write a note of congratulations or best wishes to the Judge to be included in the display. Enclosed please find a small note card on which you may write your comment. Thank you for your help.

Very truly yours,



Lydia Martin
Judicial Assistant

Enclosure

5-18-00

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Good

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Economic Scene | Jeff Madrick

Government's role in the new economy is not a cheap or easy one. But it is crucial, à la Adam Smith.

COULD we be hearing right? The Treasury Secretary, Lawrence H. Summers, gave a speech in San Francisco yesterday that made some economic sense and did not focus solely on assuaging the financial markets.

Yes, Mr. Summers again pushed the lines that open markets around the world were essential to future growth and that fiscal discipline remained paramount. But he also broached a more sensitive subject: some of those Treasury surpluses should be used to pay down debt, but, as I read him, maybe they should also be used to buttress the so-called new economy. This may prove to be one of the more important economic speeches of the Clinton administration. Better late than never.

Behind Mr. Summers's point is that the new economy requires spending on education and research because it is based not on big factories and distribution systems but on ideas and innovation. He is essentially right, in my view. Maybe more right than he realizes or truly wants to concede.

This economy is not any more "new" than the economic transformations of the 1920's,

This column appears here every Thursday. Jeff Madrick is the editor of Challenge Magazine and adjunct professor of social sciences at Cooper Union. Four economic analysts — Mr. Madrick, Virginia Postrel, Alan B. Krueger and J. Bradford DeLong — rotate as contributors.

1950's and 1960's were in their day (and surely no more revolutionary than changes around the last turn of the century). In fact, for all the raves from Washington and Wall Street, economic growth even in the late 1990's was not equal to the fastest growth rates of those eras.

But an unmistakable rise in the rate of economic growth that began in the mid-1990's has just about confirmed that a similar transformation is under way. In my view, this transformation is less potent than those in the past, but potent it will be.

To maximize its potential, however, will require more effort than most Americans and even Mr. Summers generally acknowledge. Every such economic transformation in the past was accompanied by enormous increases in spending on education, transportation, communications and, ultimately, technological research. Much of this was undertaken or subsidized by the government.

Take education. In the 1800's, Americans developed a free, mandatory primary school system. In the early 1900's, high school education spread rapidly. And after World War II, aided by the G.I. Bill of Rights and the expansion of public universities, Americans went to college in droves.

Or take transportation. In the 1800's, first canals and then railroads were built. In the early 1900's, roads followed. And in the 1950's and 1960's, Washington, under the guise of national defense, paid to build the

Interstate highway system.

In communications, the telegraph gave the nation its first instantaneous connection and soon helped create a global economy. Then came the telephone, followed by television. Now, it's the Internet. And just as the telegraph reduced inefficient transportation requirements — after all, a person didn't have to get on a horse to deliver a message anymore — the Internet may reduce transportation needs as well by, among other things, encouraging more shopping from home.

But every economic transformation has unique characteristics as well. Enter Mr. Summers. He says the new economy requires more innovation. In fact, all such economic transformations were based principally on new ideas and exciting innovation, as Joseph Schumpeter, the economic exponent of creative destruction, so clearly pointed out.

I think Mr. Summers is right that the demand for innovation has increased drastically. This didn't start only a few years ago, however. The innovation economy began in the mid-1970's when Japanese manufacturers, led by Toyota and Honda, learned how to make varied and high-quality cars far more productively than their Detroit counterparts. Suddenly, many more types of cars were on the road, at affordable prices. Standardized markets were replaced by fragmented ones, and the rate of introduction of new products soared, not only for manufactured goods like packaged food and appliances but also for services like airline trips and cable television and financial products like mutual funds. None of this could have happened without the computer.

Thus, new products, marketing ideas, fi-



Associated Press

Treasury Secretary Lawrence H. Summers addressed a technology conference in San Francisco yesterday.

nancial strategies, innovative salesmanship and constant change became the keys to competitive success. As Mr. Summers says, a new product rushes in, captures the market and is quickly displaced by a still newer one. This is far from a new model, and Mr. Summers does accept too readily some of the exaggerations of the new-economy enthusiasts. But the pace of new-product introduction is faster.

The implication is that an educated and sophisticated work force and aggressive investment in technological research are now more important than ever before.

How does American society make the most of this? As in the past, it will require government funds. Not for everything, especially in the modern age, which has so many more capable people and developed private institutions than in the past. But it was New York State that first built the canals; the federal government that subsidized the railroads and paved the highways; local government that built the nation's schools; land-grant universities and the military that generated a lot of our technology.

Some will demur. Indeed, private industry built the communications infrastructure in this century and is now building the Internet. But the Pentagon, as every schoolchild apparently now knows, developed the Internet in the first place.

And there is strong economic theory to support a role for government. Let me quote from Adam Smith, no raving liberal:

"The third and last duty of the sovereign or commonwealth is that of erecting and maintaining those public institutions and those public works which, though they may be in the highest degree advantageous to a great society, are, however, of such a nature that the profit could never repay the expense to any individual or small number of individuals."

Most economists now recognize that some investments of crucial benefit to society as a whole will not be made by business because no single company, or even industry, will reap all the benefits.

The remarkably prescient Adam Smith had it right 225 years ago. The fear is that Mr. Summers will retreat into fiscal discipline. Only if he renews our faith in public investment, however, will he truly be following in Smith's footsteps.

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Utilities Secretly Lobbied Congress

Electric Firms Gave Millions to Right, Left-Wing Front Groups to Halt Deregulation

By JOHN MINTZ
Washington Post Staff Writer



Some of the nation's largest electric utilities have secretly funneled millions of dollars through two front groups—one headed by well-known conservative leaders to appeal to Republicans, the other affiliated with unions—to stop Congress from deregulating their industry.

The campaign, which at times was run out of the offices of the utilities' CEOs, was so secret that some

Washington lobbyists for these same companies were kept in the dark about many of its activities, according to documents stamped "confidential" by the effort's organizers.

The documents offer an inside view of the industry's clandestine efforts to wage its political battle through newly minted entities with innocuous-sounding names. While the use of such groups has become a common device in lobbying campaigns, it is rare to obtain a detailed operator's manual for such an effort,

complete with candid assessments of individual lawmakers' vulnerabilities and specific budgets for waging grass-roots campaigns in their districts.

Although the two groups—the conservative Citizens for State Power and the liberal Electric Utility Shareholders Alliance—have advertised heavily against deregulation, until now only those involved in the effort knew the organizations were the creation of the same network of utilities. This network believed using seemingly independent surrogates made their case more believable and shielded them from political risk.

A 1998 memo said the utilities ran the groups in an arm's-length way described as "discreet, guarded and highly confidential. . . . Fear of congressional reprisals conditioned this style. . . . It would be prudent to avoid rash openness."

Their ongoing "grass roots" lobbying campaign was designed to influence members of Congress by whipping up hometown ferment with radio ads directing listeners to call "1-800-BAD-BILL" and telephone banks wired to connect angry home district residents to congressional offices.

The goal of the operation, on which the utilities spent \$17 million over the last 3½ years, was to bottle up legislation in a single congressional panel, the House Commerce Committee's energy and power subcommittee.

The utilities' stealth campaign is one reason energy deregulation legislation has been stalled, although last fall one partial deregulation bill was reported to the full committee. Commerce Chairman Thomas J. Bliley Jr. (R-Va.) is a staunch industry critic determined to move a bill.

The documents describe meetings in Washington steakhouses such as Sam & Harry's where utility lobbyists and consultants shaped strategies for stopping Bliley. The dozen or so participants in the operation—who called their effort "The Project"—address each other in the memos with the kind of blunt talk that isn't often found in civics textbooks.

"The trendline is ominous in that a spirit of accommodation and compromise is definitely taking hold," said one document in 1998, when the utilities feared Bliley was winning over committee colleagues. "The number one goal of 'The Project' has always been to bottleneck legislation."

The participants speak of the need to "demonize" the federal agency that regulates utilities and to use debates about nuclear power as "a highly provocative wedge issue" to destabilize legislative adversaries.

The memos were given to The Washington Post by deregulation advocates, and participants in "The Project" confirmed their authenticity.

The effort has outraged some congressional advocates of power deregulation. Rep. Steve Largent (R-Okla.)—whom the conservative front group, Citizens for State Power, attacked in home district radio ads last year—said it is "bogus" for a group to claim the conservative mantle by protecting big utilities.

"They're wearing a conservative hat, but they ought to be wearing a profit-making hat," said Largent. "The best interest of conservatives is to create competition."

Citizens for State Power (CSP) is headed by two leading lights of the conservative movement—anti-tax and Republican activist Grover Nor-

quist, and David Keene, chairman of the American Conservative Union—and is run day-to-day by a veteran GOP operative, Craig Shirley. It denied for years that it took industry funds, but in recent years acknowledged taking some such money while offering no details.

The Electric Utility Shareholders Alliance (EUSA) also was created by utility funds, with the International Brotherhood of Electrical Workers kicking in small sums. It acknowledged some of its utility backers a few years ago but uses populist language to argue that federal deregulation would cause layoffs and hurt mom-and-pop utility shareholders.

The documents detail how the Washington political consultants who run "The Project" call into action one or another of these two groups depending on circumstances. They used the right-leaning CSP to broadcast ads criticizing Largent in his conservative Tulsa district and employed the more liberal EUSA to air commercials against Rep. Rick White (R-Wash.), who a year later lost his seat representing a more moderate Seattle district.

In its effort to stymie federal deregulation, "The Project" at times argued both sides of an issue before different audiences. Its participants told environmentally minded legislators that various deregulation bills weren't aggressive enough in reducing utility pollution but dispatched others to argue to pro-business members that Congress should not threaten deep emissions cuts.

While energy deregulation is an arcane concept to the public, it is an extraordinarily high-stakes struggle for the nation's \$300 billion-a-year power industry. The battle pits investor-owned utilities against large manufacturers that want cheap power and independent power companies, such as Enron Corp., that want to compete with utilities. For one House Commerce subcommittee markup last year, lobbying firms paid temp workers to wait in line outside the hearing room for two days so the firms would have seats at the markup.

Most investor-owned utilities don't want the federal government to deregulate their businesses and introduce competition. These utilities say that if need be, they prefer that state legislatures and state utilities commissions do the job because they are less heavy-handed than federal officials. So far 26 states have taken the step.

Deregulation advocates say that

the state efforts result in a confusing regulatory checkerboard and that federal action would lower energy prices and encourage investment in clean energy sources.

Many top GOP leaders were eager to deregulate utilities when they took over Congress in 1995, seeing it as a test of a bedrock conservative principle: opening the marketplace to competition.

Within months, a group of utilities sprang into action, organized by a law firm with a thriving utility practice. The firm, which now goes by the name Ryan, Phillips, Utrecht & MacKinnon, enlisted several existing clients and, later, numerous other firms.

Soon, the firm had brought in nine utilities that paid from \$300,000 to \$700,000 a year to fund "The Project" during the years they participated. The main corporate participants, the documents said, were Carolina Power & Light, Florida Power & Light, Texas Utilities, Illinois-based Commonwealth Edison, Reliant Energy (formerly called Houston Industries), Ohio-based First Energy, Michigan-based Consumers Energy, Florida-based TECO and Union Electric Co. in Missouri.

"The Project" was run by law firm partner Jeffrey MacKinnon, a former top aide to Rep. Joe Barton (R-Tex.), chairman of the House subcommittee; and Tim Ridley, a former Democratic staff member in Congress who now runs a firm specializing in "grass roots" lobbying campaigns.

They and the utilities ran the two front groups and supervised more than 50 "mobilizations" in congressional districts, in which radio ads were aired. Banks of trained telephone operators arranged for home district residents to send telegrams or place calls to congressional offices. The groups also arranged for influential citizens in the members' home towns to spread their message—including the car dealers who sold members their cars.

While most of the ads were not particularly negative, others used sarcasm or debatable statistics to attack their targets.

The one broadcast against Largent said he was favoring "Boston, bureaucrats and biomass" because the House member had joined with Rep. Ed Markey (D-Mass.) on a measure that industry officials said could have required utilities to use alternative energy sources. A memo from late 1998, six months before

the campaign, gave a taste of the utilities' displeasure with him, describing the firms as "highly alarmed by Largent's obtuseness" and noting they "could make Largent's life very uncomfortable."

Some congressional Republicans hold Citizens for State Power partially responsible for defeating White, who lost his swing seat to a Democrat, Jay Inslee. A year before the November 1998 election, the group aired an ad saying White wanted to raise utility rates by 35 percent, and it also circulated a poll and memo among political professionals showing that White would be beaten easily, in part because of his embrace of deregulation.

"For the first time in this debate there were palpable political consequences for appearing to support" deregulation, a June 1998 document said. "In the case of Rick White, those consequences were direct and career threatening."

White said he doubted the ads played much role in his defeat, but he recalls his unease at realizing a GOP group was targeting him.

"I was a loyal member of the Republican cause, and this was a case of shooting a friend in the foot," he said.

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Dissidents Back Normal Trade Status for China

By JOHN POMFRET
Washington Post Foreign Service

BEIJING, May 10—As one of China's most prominent dissidents—enduring tapped phones, police surveillance and restrictions on everyday freedoms—Bao Tong could be expected to urge a hard line against the government in Beijing.

But Bao has this message for the U.S. Congress: Pass permanent normal trade relations with China. Do not use it as a lever to try to improve China's human rights situation. Hasten China's entry into the World Trade Organization. Pull China as much as possible into international regimes that over time, Bao believes, will force it to adhere to standards that it has long finessed by arguing that China is exceptional.

And Bao is not alone. A broad array of dissidents, environmentalists and labor activists in China appear united in their support of congressional passage of the permanent normal trade relations act.

"It is obvious this is a good thing for China," Bao said in an interview.

As part of a landmark trade agreement ushering China into the World Trade Organization, the White House has urged Congress to do away with annual reviews and grant Beijing permanent normal trade status. Such status would guarantee Chinese goods the same low-tariff access to U.S. markets as products from nearly every other nation. But in the United States, the "Seattle coalition" of unions, human rights groups, environmentalists and church groups have combined their lobbying firepower to oppose the move.

From here in China, their intellectual counterparts are looking on in dismay.

"I appreciate the efforts of friends and colleagues to help our human rights situation," Bao said, "but it doesn't make sense to use trade as a lever. It just doesn't work."

"All of the fights—for a better environment, labor rights and human rights—these fights we will fight in China tomorrow," said Dai Qing, perhaps China's most prominent environmentalist and independent political thinker, who also served time because she opposed the 1989 crackdown on student protesters in Tiananmen Square. "But first we must break the monopoly of the state. To do that, we need a freer market and the competition mandated by the WTO."

To China's liberals, the arguments made in the United States about China appear simple and not really to the point. Some Chinese liberals interviewed said they believe American labor unions are using concerns about workers rights as a smoke screen to hide a protectionist agenda. Others said that in the boisterous battle in the United States, China's complexity has been lost. Still more expressed consternation that Chinese exiles such as Wei Jingsheng, who spent almost two decades in Chinese jails for supporting democracy, have come out against the trade status.

Wei, along with exiled dissidents Harry Wu and Wang Xizhe, have emerged as some of the most effective opponents of the trade status in recent weeks, lobbying undecided members of Congress to vote against the legislation. They argue that the increased presence of U.S. companies in China will not create conditions for higher standards for labor and human rights.

Chinese dissidents and liberals in China say a fundamental issue divides them and some exiles abroad.

"Some of these people want things in China to get as bad as possible, and denying [the trade status] and WTO accession would accomplish that goal," said Bao. "This is not a tactic that I approve of." They note that other prominent dissidents in the United States, such as Wang Dan, who has a better understanding of international economics, support the normal trade status.

The liberals who have remained in China agree that U.S. businesses and trade groups are exaggerating when they claim that free trade and Western capital naturally lead to a freer society. But, they say, opponents of China's accession to the WTO and the granting of permanent

normal trade relations are equally muddleheaded when they claim that denying China access to American capital will force China to improve working conditions and human rights.

"American consumers are a main catalyst for better worker rights in China," said Zhou Litai, one of China's most prominent labor lawyers who represents dozens of maimed workers in the booming southern metropolis of Shenzhen. "They are the ones who pressure Nike and Reebok to improve working conditions at Hong Kong- and Taiwan-run factories here. If Nike and Reebok go—and they could very well if [the trade status] is rejected—this pressure evaporates. This is obvious."

To them, the either-or argument in Washington over whether China's human rights situation has improved or deteriorated sounds bizarre. Yes, they say, Chinese people have more rights now than they have had since Com-

munist came to China in 1949. But the power of the police is still supreme and capricious. The party leadership views itself as extremely brittle so it lashes out—often violently—at any perceived threat.

Last Saturday, for instance, Bao went out with his wife and daughter for a meal. Instead of a nice dinner, they got a new demonstration of what life is like for a dissident figure in China.

When they arrived at the restaurant, Bao recalled, 10 men in plainclothes surrounded them and ordered Bao into an unmarked car. Bao, who was jailed for seven years for opposing the Tiananmen crackdown, refused to get in. So, he said, they picked him up by the head, waist and feet and shoved him into the vehicle. As his 68-year-old wife attempted to intercede, they pushed her to the ground.

"Who gave you the right to do this to me?" Bao said he asked the men, who forced him to return home but did not jail him. "The government," answered one man. "The party," replied another.

"I think that what Americans don't understand about China is that there is still a battle here between opening to the West and closing to the West. This fight is not over. The other battles are extremely important, but we have got to fight today's battle today," Dai said.

Like Bao, Dai is a nonperson in China. A writer of vigorous prose in Chinese, she has been banned from publishing here and from participating in any organizations and is not allowed to have a job. When she sought to lend her name to a tree-planting project, the organizers were informed that her name must be struck from the list. She is sometimes followed, and, like Bao, her phone is tapped.

Despite her troubles, and, Dai argued, because of her troubles, she feels permanent normal trade relations and China's WTO entry make obvious sense.

"One of the main economic and political problems in China today is our monopoly system, a monopoly on power and business monopolies. Both elements are mutually reinforcing. The WTO's rules would naturally encourage competition and that's bad for both monopolies," Dai said. "We have a time lag with the West right now. We've got to confront our most pressing problems first."

Obviously, Dai noted, WTO's effects in China will not be immediate. Western economists say, for example, that China will set up non-tariff barriers to American products, fudge on its legal obligations and dance around its market access pledges.

"The idea is to begin the process," she said. "This is a work in progress."

Dai, Bao and others also speak with concern about the potential downside of the trade status's rejection, bolstering what national security adviser Samuel R. "Sandy" Berger has called China's "dark forces." There is a growing strain of resentful nationalism in China today, something that President Jiang Zemin taps into from time to time. The balance between this strain, which is alternatively encouraged and reined in by the party, and people who want China to stay open to the West is fragile.

"Look," said Zhou, the labor lawyer in Shenzhen, "our situation here is different than in the United States. Here, Taiwanese businessmen will spend \$1,000 on their girlfriends but won't give their workers a buck. To me, WTO and [the trade status] at least mean that U.S. and other Western companies will continue to engage in China. That's a good thing, not a bad thing, for Chinese workers."

Staff writer Matthew Vita contributed to this report from Washington.

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AIDS Drug Discounts Offered to 3rd World

By DAVID BROWN
Washington Post Staff Writer

Five pharmaceutical companies have agreed to drastically lower the prices they will charge for AIDS drugs used in developing countries.

Although the agreement announced yesterday by the United Nations AIDS agency (UNAIDS) so far amounts to little more than a statement of principles, the goal appears to be to price AIDS drugs such that manufacturers get little or no profit from their sales in poor countries.

To take advantage of the rock-bottom prices, however, a country's medical system would have to be able to test for the AIDS virus, counsel people found to be carrying it, deliver the drugs in a timely fashion, and monitor the health of patients taking them. In many places, the cost of that medical "infrastructure" may be prohibitive, even if the drugs aren't.

Nevertheless, the announcement may turn out to be an epochal moment in the 20-year-old AIDS pandemic.

"It is a breakthrough in the sense that for the first time, a group of pharmaceutical companies are open to significantly decreasing the price of their products in poor markets," said Peter Piot, the head of UNAIDS, which is sponsored by U.N. agencies, the World Health Organization and the World Bank.

"Industry has taken a very big step in making pricing and profits no longer a major point of contention in the AIDS control discussion," said Nils Daulaire, president of the Global Health Council, a lobbying organization for international public health issues. "Now we can turn to issues of developing care programs, and better prevention programs."

The price of AIDS drugs has been a source of rancor ever since AZT, the first one, was introduced in 1987. With the rise of life-extending, health-restoring "combination therapy" in recent years, the cost of treatment has become a cruel symbol of the epidemic's inequities.

Of the 34 million people around the world infected with human immunodeficiency virus (HIV), 95 percent live in developing nations. Close to 70 percent live in sub-Saharan Africa, where few people are able to afford the \$10,000-a-year, three-drug combinations used in the United States and other industrialized nations.

Triple-combination therapy reduced AIDS mortality in the United States 42 percent in 1997, the first full year the drugs were introduced. In some clinics with highly experienced practitioners and patients able and willing to take the pill-heavy combinations, deaths dropped by two-thirds.

The drug companies agreeing in principle to lowering prices are Glaxo Wellcome (headquartered in England), F. Hoffmann-La Roche (Switzerland), Boehringer Ingelheim (Germany), and Bristol-Myers Squibb and Merck (both United States).

Representatives of the last two were present at the United Nations in early December when Secretary General Kofi Annan convened a meeting to establish an "international partnership" to address AIDS in Africa. Subsequently, the other three companies expressed interest in greatly improving access of their products to developing countries. Piot and Daniel Tarantola, the senior policy adviser to Gro-Harlem Brundtland, head of the World Health Organization (WHO), intensively negotiated with the companies over the last three weeks.

Both men warned against any feeling that yesterday's announcement, first reported in the Wall Street Journal, was the beginning of the end of AIDS in Africa.

"This is more than we've had before," Tarantola said. "But we have to be aware that there are risks attached to this opportunity, such as the risk of raising expectations unduly and the risk of draining resources from other high-priority health problems."

Piot said the commitment to very low drug prices "is only one step in a complex process. Frankly, it would be outright irresponsible to dump these drugs where they wouldn't be used properly. It would promote [drug] resistance, and wouldn't help the patients anyway."

One of the few hints at how low the prices might go was offered by Glaxo Wellcome, which said it would sell Combivir, which con-

tains the antiviral drugs AZT and 3TC in one pill, for about \$2 a daily dose. The current "average global price" for Combivir is \$16.50, said Ben Plumley, who manages the company's drug access programs for developing countries.

He wouldn't reveal how much it costs to manufacture the pills, or how much above cost the \$2 price is. However, he said the company's objective in setting that price "is really to try to help make a contribution to this public health crisis, rather than open up new markets."

Piot said no rules on pricing had been set. Setting strict guidelines that all five companies—and possibly more in the future—would follow probably would violate antitrust laws, he added. Nevertheless, the prices are expected to be very low.

"Our position is that the benchmark is manufacturing cost and what it takes to get the drugs there [to developing countries]. The actual negotiations are starting now. My expectation is that it will be really production costs, plus a few pennies for everything that is needed so that they won't lose money

on it."

UNAIDS in 1998 began a program testing the feasibility of delivering state-of-the-art AIDS treatment in four developing countries—Uganda, Ivory Coast, Chile and Vietnam. The numbers of people affected, however, are trivial. In Uganda, for example, 800 HIV-positive patients are in the program, out of more than 930,000 people infected. In Ivory Coast, 600 people are in the program.

Dismissed by some as ridiculous tokenism, this initiative now will

offer crucial lessons in what it takes to deliver triple therapy in resource-poor countries, said its head, Badara Samb.

"We come with the possibility of extending the lessons we have learned," he said.

One of the lessons is that the cost of the professional training, patient testing and equipment has been about \$2,500 per patient per year in Uganda and Ivory Coast. (This is about half the cost of the drugs, which with the discounts has been about \$5,000 per year for triple therapy.) Especially expen-

sive has been the cost of the "reagents"—chemicals and other items—necessary to run the equipment that measures bloodstream viral load.

Samb said he hopes that with drug companies committed to drastically reducing prices, the firms that sell laboratory stocks will soon follow.

"If we come to a situation where the drugs are much cheaper than the expense of following the patients, then it will be difficult for the companies to maintain those prices," he said.

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2 April 2000

We the People! I am so proud.

In 1864, when over two weeks of incessant fighting the Union armies lost in killed and wounded nearly 100,000 men, the country shuddering with a sickening revulsion at the slaughter, along came an election for President of the United States. Lincoln saw it as a test of the feasibility of democratic government. The will of the people was "the ultimate law for all. If the people supported the Union cause," he said, they would act "for the best interest of their country and the world, not only for the present, but for all future ages." If, on the other hand, "they should deliberately resolve to have immediate peace even at the loss of their country, and their liberty, I know not the power or the right to resist them. It is their own business, and they must do as they please with their own."

In the midst of those terrible times, We the People voted overwhelmingly for Lincoln and a second term.

In the April 13th edition of "The New York Review of Books," Anthony Lewis, lawyer, Harvard professor and a New York TIMES columnist, reviews Jeffrey Toobin's "A Vast Conspiracy: The Real Story of the Sex Scandal That Nearly Brought Down a President" and "The Hunting of the President: The Ten-Year Campaign to Destroy Bill and Hillary Clinton" by Joe Conason and Gene Lyons.

Again, We the People supported overwhelmingly our liberty and our political business. During the nefarious impeachment proceedings of President Clinton, We the People supported our President 65%! I am so proud.

Lewis warns that we should not forget "Kenneth Starr's attempt to drive Clinton from office was the climax of years of effort by others to destroy him, not through ordinary political means but by dubious legal action and tales of wrongdoing larded with fantastic lies. People on the political right set out to unseat a president, and they almost succeeded. In his folly, Clinton played into their hands. But that does not alter the fact that this country came close to a coup

d'etat."

A typical item. In 1988, Governor Bill Clinton fired Larry Nichols, a state employee, for making 642 unauthorized telephone calls from his state office to leaders and supporters of the Nicaraguan contras. Nichols filed a \$3 million libel suit against the governor, which went nowhere. In 1994, Nichols starred in an anti-Clinton video called CIRCLE OF POWER, which told of "countless people who mysteriously died" after opposing Clinton. It was followed by THE CLINTON CHRONICLES, a video that accused the President of having run drugs through an airport in Mena, Arkansas. Jerry Falwell's Liberty Alliance promoted the videos on his TV program, and churches showed them during services. Citizens for Honest Government claimed sales of 150,000 for the videos. A staunchly Republican paper investigated and found the videos were made of absurd fabrications.

Around that time, Val and I heard Molly Ivins give a talk. She's the clearest-eyed gal in Texas, probably the Lower 48. After her Inimitable dissection of the Bubbas in politics, I asked her about Alexander Cockburn, a journalist I had admired, who had reported the above nonsense in his column. I asked Molly whether Alex, a one-time devout Irish Catholic and perhaps vulnerable to moral mania, had gone off the deep end. She found him as puzzling as did I. Cockburn had transmogrified into a rabid anti-Clinton pundit. His loss of judgment was typical. Russell Baker summed up the press's performance in one sentence, "Hanging judges lurked behind every byline, every editorial, every TV reporter, every talking head." Anonymous sources were used to convict the Clintons by insinuation, in violation of the rules of decent journalism. And most of those unnamed accusers were in the office of Kenneth Starr. George Will, a big "pro-family" man with a Downs Syndrome son, at that time recently divorced and quickly re-married, wrote in NEWSWEEK, "Should this man, who is seen in Starr's report masturbating in the West Wing after an episode with the intern, be seen for twenty-eight more months in the presidency?"

Was it, then, as Hillary Clinton said, a "vast right-wing conspiracy." Toobin concludes that Mrs. Clinton's charge has "the

unmistakable ring of truth. The Paula Jones and Whitewater investigations existed only because of the efforts of Clinton's right-wing political enemies. People who hated the Clintons initiated these projects and sustained them through many years." (People like Richard Mellon Scaife gave millions in a relentless effort to find wrongdoing in President Clinton's past. A chief focus of these hunts involved the subject of sex.)

Whitewater, which became a media frenzy after Vincent Foster's suicide, had been competently investigated by an eminent Republican lawyer, Robert Fiske. Fiske and his staff concluded in six months that Foster had not been murdered, and Whitewater did not involve the Clintons. It took Starr and his staff three more years to come to the same conclusion on both items. Furthermore, Starr did not disclose that crucial judgment until months after he made it. He mentioned it offhandedly when he testified before the House Judiciary Committee to urge impeachment.

Starr's staff, originally consisting of experienced and respected lawyers, largely left him, leaving, in Toobin's words, " the unemployable and the obsessed." The abuses committed by Starr and his people boggle the mind - Susan McDougal in chains, Lewinsky threatened with 27 years in prison and not allowed to call her attorney, his urging the House to impeach Clinton which showed no respect for the most basic considerations of the separation of powers. Starr's staff illegally got hold of the Lewinsky betrayal by Linda Tripp and then used it to trap the President during the Paula Jones deposition. The Jones lawsuit became the chief instrument of the anti-Clinton forces. Jones had three secret attorneys - they called themselves 'the elves,' - and they wrote the Supreme Court brief for Jones when the justices considered whether Clinton was entitled to have the case postponed until after his term of office. They tried their arguments first in a moot court presided over by Robert Bork. The Jones' lawyers prevailed in the Supreme Court. The case could go ahead, the Court said, because it was "highly unlikely to occupy any substantial amount of the President's time" - a conclusion, Toobin comments, showed the justices "disengagement from the ways of the real world."

I remember that ruling. I was devastated. I don't subscribe to

conspiracy theories. Life is far too complicated for such a marshalling of forces, and paranoids are too mad to hang together very long. But I wanted to scream that May, feeling helpless at the utter madness of the Supreme Court. I feel that ruling, more than anything else, was responsible for the grave danger that came to threaten our country.

Let me quote from Anthony Lewis at length, "Looking back at the long story of the effort to drive Bill Clinton from the White House, one is hard put to find any heroes..." (EXCEPT WE THE PEOPLE! Dear Abraham, we did not fail you, nor did we fail Bill.) "...Clinton was certainly not one. He lied to his lawyers. He lied to the American public. He may have reasoned, consciously or unconsciously, that the political right was out to get him with questions about consensual sex that had nothing to do with the Jones charge of harassment - a charge that was dubious and that the judge eventually found to be worthless. If so, he was correct. But that cannot excuse the folly of the lies, or, for that matter, of his entanglement with Monica Lewinsky. His enemies wove the strands of the rope with which they hoped to hang him, Conson and Lyons say, but Clinton pulled the noose over his own head. HE WAS SAVED BY A PUBLIC WISER THAN THE ATTACKERS EXPECTED. MOST AMERICANS UNDERSTOOD THAT WHAT WAS INVOLVED HERE WAS LYING ABOUT SEX - WHICH GOES WITH THE TERRITORY AND IS NOT A REASON TO REMOVE A PRESIDENT. There is something profoundly disturbing about the way the haters were able to use the power of money and modern communications, in secret, to undo - nearly - our electoral process."

I subscribe to Lewis's judgment on Clinton. However, after the Lewinsky foolishness went public, then I think that Clinton acted with a Lincolnesque reality sense. Lincoln once cried out, "Doesn't it seem strange to you that I should be here? Doesn't it strike you as queer that I, who couldn't cut the head off of a chicken, and who was sick at the sight of blood, should be cast into the middle of a great war, with blood flowing all about me?" No man was kinder than Lincoln - and none more pragmatic. He trusted his judgment, not his sensibilities.

Even though he had been caught in an adulterous affair Clinton knew

his conduct wasn't illegal, wasn't harrassment, wasn't relevant in any way to his public duties; it was just a story about sex. Because he did not waver in his judgment on these facts of his behavior, he allowed the American people to prevent a coup d'etat.

I find his capacity to do that breathtaking. Sure, Lincoln saved the Union. It doesn't get grander than that. But our Bill saved the Presidency. The central issue in every political system is the transfer of power. It's precisely that task which we have solved so brilliantly for over 200 years.

No man came to the presidency less trained than Lincoln. He had had exactly one year of formal schooling. He made huge mistakes early on, particularly in the management of his Cabinet. But he learned! Lord, how he learned. No doubt Clinton should have learned about adultery before entering The White House. But when the offense came, he did not buckle. He did not go Moral. He did not confess his sins. All that would have been politically fatal to our system of government.

In Beethoven's FIDELIO, Florestan, a political prisoner bound fast in a dungeon, sings a magnificent aria about his moral probity, his duties which he had carried out faithfully and all that these good works got him was dreadful punishment. "These chains are my reward." It's huffing and puffing glorious music. But then Beethoven changes the key and suddenly our hero is not spouting forth on righteousness, but he realizes that salvation comes from a different source entirely, in his case, the angel Leonore. It's the revelation of a great genius, Beethoven.

I don't know where Clinton learned about that sort of transcendence. My guess is from his wonderful mother. And I suspect also from Hillary. But he never gave in for a moment to the self-annointed priests and the innumerable purveyors of righteousness. Long live The Presidency!

I love We the People!

We supported Abe. We supported Bill.

A handwritten signature in black ink, appearing to be 'Fred' or 'Fred A.', written in a cursive style.



Tab A -	Baily/Podesta
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5-15-00

WEEKLY REPORTS

Week Ending May 13, 2000

5-15-00

THE WHITE HOUSE
WASHINGTON

May 13, 2000

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC**
- (E) **CEQ**
- (F) **Environmental Initiatives**
- (G) **OSTP**
- (H) **Intergovernmental**
- (I) **Cabinet Affairs**
- (J) **Communications**
- (K) **Legislative**
- (L) **Public Liaison**
- (M) **Race Initiative**
- (N) **Indian Country**
- (O) **Political Affairs**

Sean Maloney 

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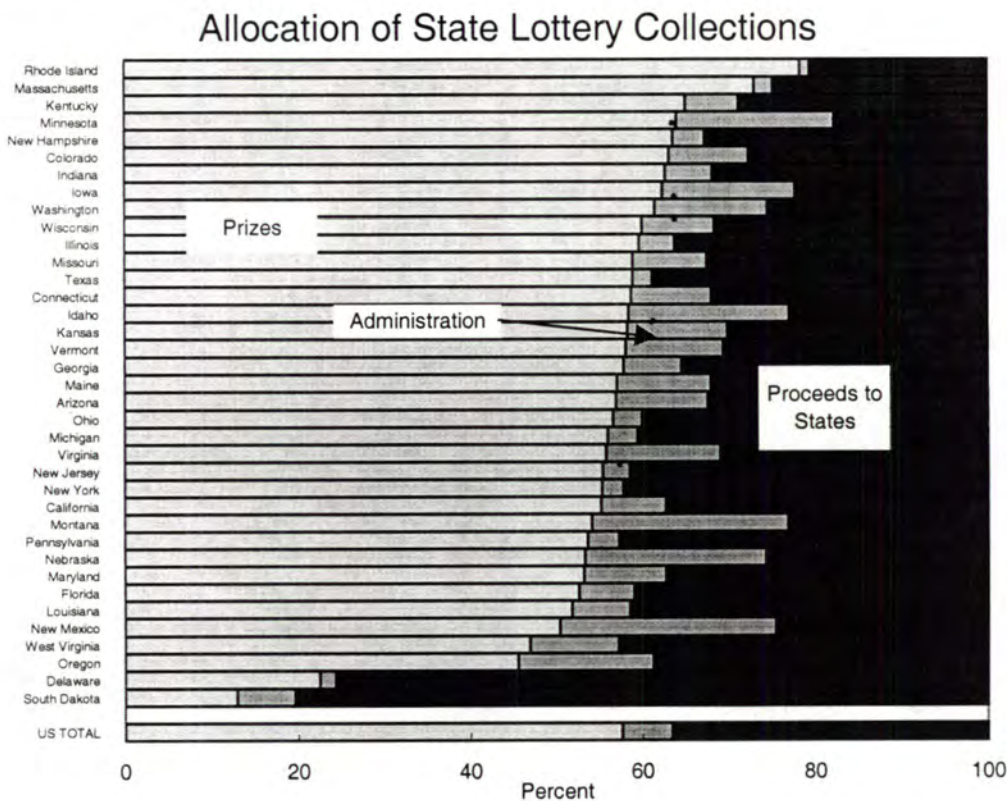
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

May 12, 2000

*Copied
Baily
Podesta*

CHART OF THE WEEK



Thirty-seven U.S. states have lotteries. In 1998, aggregate ticket sales were \$33.3 billion: 57.7 percent of this total was paid out in prizes, 5.8 percent went for administration, and 36.5 percent represented proceeds to the states. Rhode Island and Massachusetts paid out the largest percentage of ticket sales in prizes; South Dakota and Delaware paid out the least.

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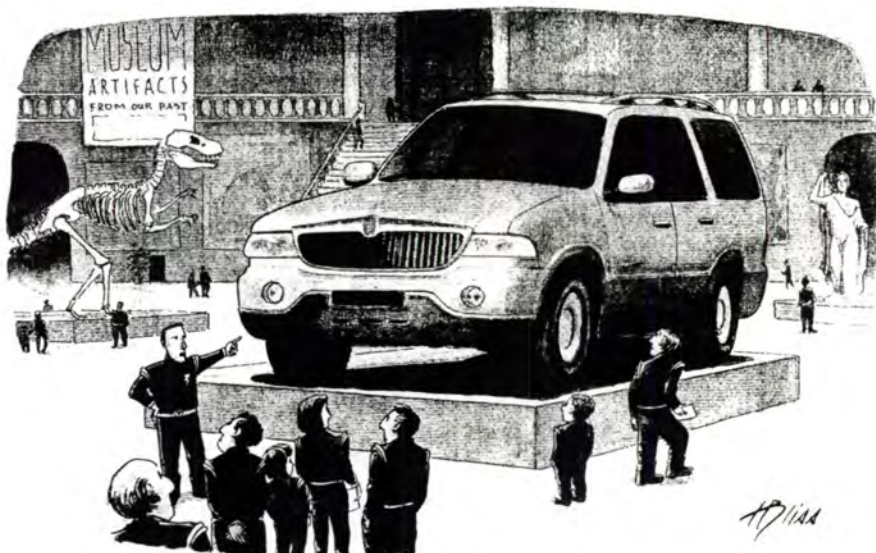
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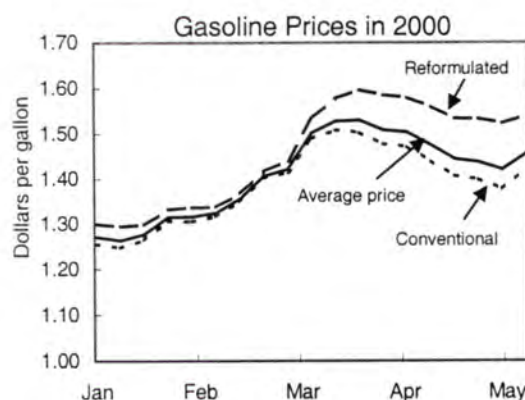
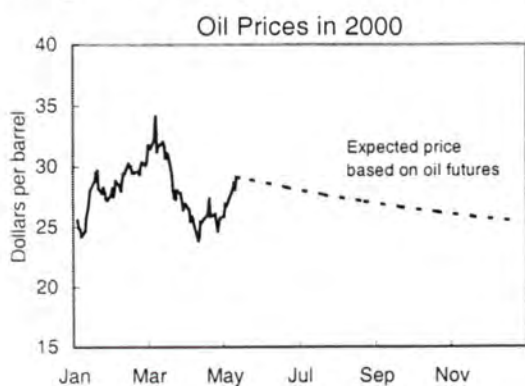


"We're not certain why they disappeared, but archeologists speculate that it may have had something to do with their size."

CURRENT DEVELOPMENT

Over the Hill on Oil and Gasoline Prices?

After falling nearly \$10 per barrel from its early March peak, the price of crude oil has moved up some. Gasoline prices also rose last week after declining for 6 straight weeks. Nevertheless, further large increases are not expected this year.



Oil. West Texas Intermediate crude closed Thursday at \$29.13 per barrel, 15 percent below its 2000 peak on March 7, but 22 percent above its 2000 trough on April 11 (see upper chart). The market expects prices to fall slightly over the next few months, but low stocks in the United States and other OECD countries, and increased demand from refiners after the spring maintenance season may support or pull prices up. Some OPEC ministers' comments suggest that the cartel may not increase production at its June meeting.

Gasoline. After falling 11 cents per gallon between March 20 and May 1, the average cost of gasoline rose 3½ cents last week to \$1.46 per gallon (see lower chart). The Energy Information Agency's forecast projects gasoline

prices to stay between \$1.40 and \$1.45 through the summer. Gasoline inventories remain lean, however, as we approach the zenith of the summer driving season—a combination that could support higher prices.

Regulatory impacts. Average gasoline prices mask the difference between conventional and reformulated gasoline (RFG). The latter, which has been required since 1995 in areas with severe smog problems, has averaged 2.5 cents more per gallon than conventional gasoline. More stringent RFG standards effective this year were expected to increase this spread to 4 cents per gallon. However, this gap had widened to as much as 14 cents before narrowing to 11 cents in the past week. Transient refinery problems could have caused the spread, but analysts also may have underestimated refining costs, especially since royalties might be required on an RFG patent that was recently upheld in court.

Conclusion. Oil and gasoline prices are expected to remain stable through the summer, but OPEC decisions, lean stocks, and strong demand in the upcoming driving season are risk factors for higher prices.

SPECIAL ANALYSIS

Is Steel Still in Trouble?

November 1998 marked a nadir for the U.S. steel industry; imports accounted for 37 percent of the domestic market while nearly a quarter of domestic production capacity lay idle. Fortunately, the industry has recovered substantially since then.

Fewer imports. Imports now meet just over a quarter of domestic steel demand, up slightly from the 1997 average of 24 percent (see upper chart). Imports in



recent months have been led by semi-finished products, which are then processed further by domestic firms. In part, the scaling back of imports reflects the anti-dumping and countervailing measures imposed in 1999, and also the recovery of demand in other steel consuming countries. Declines in imports from Japan and Russia were particularly sizable.

More domestic production. While production and employment dropped sharply in tandem during the 1998 crisis, the booming U.S. economy has facilitated a swift recovery in production since then (see lower chart). Domestic raw steel

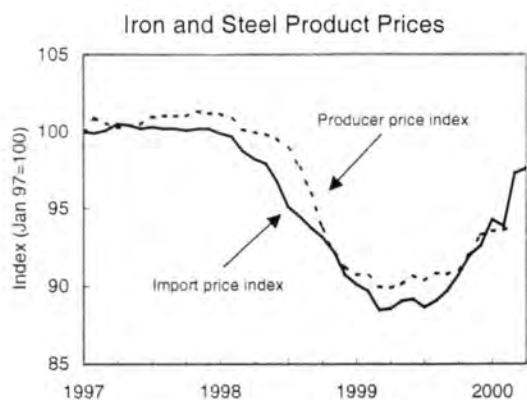


production in April approached a high annual rate of 110 million metric tons, with demand growth especially strong in the construction sector and in the oil and gas drilling and transportation sector. U.S. steel producers are now operating at over 90 percent of capacity, and the inventory buildup during the crisis has been reversed as new orders and shipments have picked back up.

Employment and productivity. The increase in production has not been accompanied by an increase in employment. The number of employees in the blast furnaces and basic steel products sector remains around 220,000, with increased productivity accounting for the increased output. This pattern is consistent with longer-term trends: steel industry employment has declined steadily since the 1980s to less than half its level then, while greater production efficiency has allowed output to grow.

Prices, profits, and prospects. Prices have also begun to climb back to earlier levels (see chart on next page). Available (but incomplete) earnings results confirm that a recovery is underway. They also show that mini-mills have

5-15-00



weathered the crisis far better than integrated mills. The OECD Steel Committee predicts that in 2000, imports to the United States should fall by 8 percent, as demand continues to recover in other steel consuming countries. Increased production, along with higher prices, should lead to improved performance in 2000 for the main steel enterprises after a difficult period in 1998-99.

Conclusion. The steel industry appears to have bounced back from its 1998 crisis. Nevertheless, longer-term trends of declining employment and the importance of mini-mills are likely to continue.

ARTICLE

Is Japan Becoming More Open?

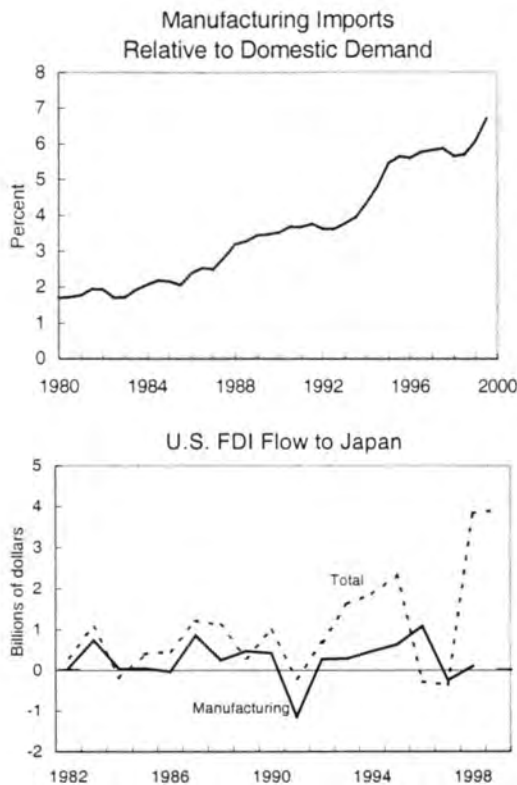
Japan has long appeared relatively closed to foreign goods and investment. Although official barriers to goods, such as tariffs, are low, observers have pointed to a wide range of potential “invisible” barriers. Foreign investors have also faced numerous hurdles. Recent reforms are helping to ease these barriers, and quantitative indicators show some signs of increasing openness. Nevertheless, Japan remains much more closed than other industrial countries.

Structural reforms should ease barriers to foreign access. In the 1990s, Japan began a program of structural reforms to create a more efficient and competitive domestic economy. Financial liberalization is creating a more competitive and open financial environment. New accounting standards are improving corporate governance and transparency by making it easier to evaluate the performance of Japanese companies. These standards could also make foreign firms more willing to merge or acquire Japanese companies because they can better evaluate what they are buying. Japan has made some (albeit incomplete) progress at reducing regulation in areas such as telecommunications, energy, distribution, and auto repair. Japan itself is the major beneficiary of these reforms, but foreign providers of goods and capital are also likely to benefit.

Challenges to the *keiretsu*. One indicator of structural change in Japan is that the *keiretsu* system of affiliated firms (often centered around a lead bank that provides financial support to the group) is now under attack. Cross-shareholding appears to be falling; mergers of weak Japanese lead banks may also attenuate the sometimes cozy ties between banks and companies. A breakdown of the *keiretsu* system should benefit foreign firms. In the past, members of a *keiretsu* may have preferred to purchase inputs from affiliated suppliers, even if foreign suppliers were cheaper; *keiretsu* members may even have colluded to keep potential competitors (including foreign firms) out of the market.

Auto alliances. A second indicator of structural change is that foreign auto companies have now taken major ownership stakes in Japanese auto companies. Renault, for example, is allied with Nissan; Ford is allied with Mazda; General Motors has alliances with Isuzu, Subaru, and Suzuki; Daimler-Chrysler has announced an alliance with Mitsubishi. The president of Nissan was born in Brazil and educated in France, and the president of Mazda is American. These alliances may help further the breakdown in the traditional *keiretsu* system.

Trade and FDI flows. In addition to these qualitative indicators, quantitative evidence suggests some progress. Manufacturing imports showed particularly sharp gains relative to domestic demand in the early 1990s (see upper chart on next page). Nevertheless, the Japanese figure remains about half that of the United States and about a quarter that of the EU.



Inflows of foreign direct investment have also risen, driven in part by surging mergers and acquisitions (M&A) related to restructuring. U.S. direct investment in Japan, for example, reached record levels of about \$4 billion per year in 1998 and 1999, after essentially no investment in 1997 (see lower chart). Cross-border M&A in Japan rose from \$4 billion in 1998 to \$16 billion in 1999. While these changes are dramatic, for both FDI inflows and cross-border M&A activity, Japan accounted for only about 2 percent of developed-country totals in 1999, up from less than 1 percent in 1998. By contrast, the roughly similar U.S. and EU shares together accounted for around 90 percent of direct investment inflows and cross-border M&A activity to developed countries in 1998 and 1999.

Progress may be slow. Even after Japan fully implements reforms, it will take time for the full quantitative effects to be apparent. In addition, Japan's prolonged recession and the relative strength of the dollar tend to restrain Japan's imports of U.S. goods. For example, despite some steps taken under the 1995 U.S.-Japan Agreement on Autos and Auto Parts that opened up the Japanese distribution system and auto-repair regime—and despite the ownership stakes of U.S. auto companies in Japanese firms—sales of U.S. autos and auto parts have plummeted in recent years, largely reflecting the adverse macroeconomic environment.

Conclusion. Despite nascent signs of increasing openness, import penetration and inflows of foreign direct investment relative to GDP in Japan remain well below the rates in other industrial countries, which have also been making substantial changes to open their economies. To the extent that structural reforms continue, Japan is likely to open further in the future. Nevertheless, reforms still have a long way to go, and they face domestic political opposition, so that continued progress is not assured.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

The Power of Suggestion in Saving Behavior. How a company presents its savings plan to employees affects their enrollment decision. A recent study examined data from a large U.S. corporation that changed its 401(k) plan from one requiring employees to affirmatively opt into the plan to one automatically enrolling employees unless they made a negative election to opt out of the plan. Although none of the economic features of the plan changed, this switch to automatic enrollment dramatically changed the saving behavior of employees. When they were automatically enrolled, 401(k) participation was significantly higher. Additionally, the default contribution rate and investment allocation chosen by the company under automatic enrollment had a strong influence on the saving behavior of 401(k) participants. This "default" behavior appears to result both from participant inertia and from many employees interpreting the default as investment advice from the company. Automatic enrollment in 401(k) plans also appears to even out differences that previously existed between men and women and between racial and ethnic groups.

Deterrence or Vengeance? The economic approach to optimal punishment suggests that differences in sentence length should be related to their effect on incapacitating criminals and deterring crime. A new paper analyzing sentences for murders finds some support for this hypothesis: sentences are higher when the expected apprehension rate for murderers is lower, for types of murder that respond less to deterrence, and for murderers with higher expected recidivism rates. Victim characteristics also play a role. Consistent with other studies, murderers were found to receive shorter sentences if the victim was black or male. This pattern was observed even in the case of vehicular homicides, where the victim was most likely random and different sentences would be unlikely to have deterrence effects: drivers who killed women got 56 percent longer sentences, while those who killed blacks got 53 percent shorter sentences. These striking effects lead the authors to conclude that sentence lengths may also be driven, in part, by a taste for vengeance.

Just the Facts, Mom. The nation has 35 million mothers aged 15 to 44 to honor this Mother's Day. About a third of these mothers have one child, 40 percent have two, and 9 percent have four or more. Alabama, Alaska, Idaho, Mississippi, and Wyoming have the highest percent of women who are mothers (about 64 percent of women aged 15-44). In contrast, only 38 percent of women in the District of Columbia have ever given birth. In June 1998, nearly 120,000 (3 percent) of women who had given birth during the previous year were in their 40s, compared with fewer than 60,000 (2 percent) in 1980. Mothers are working more and returning to work sooner after giving birth. In 1998, the majority (59 percent) of women aged 15-44 who had given birth in the previous year had returned to the labor force, a 50 percent increase since 1980. As more mothers enter the workforce to help support their families, we are also paying them greater tribute: in 1997, the nation's greeting card publishers shipped \$212 million worth of Mother's Day cards, up from \$148 million in 1992.

33-1
40-2
18-3
9-4

INTERNATIONAL ROUNDUP

Internet Prices Falling in the OECD. The cost of accessing the Internet is falling in OECD countries, and a trend toward “unmetered” access bodes well for electronic commerce, according to a new OECD study. The average cost of 20 hours per month of Internet access fell by 15 percent between October 1999 and March 2000. The United States, Australia, Canada, New Zealand, and Mexico have unmetered plans in which the Internet access charge does not vary with connection time. For peak-time, the monthly access charge averages \$44 in these five unmetered countries, compared with an average of \$256 for 150 hours in metered countries. Since countries with unmetered access have six times as many servers designed for e-commerce, unmetered access appears to facilitate e-commerce. The study also reports that the Internet Service Provider fee has fallen as a share of Internet access costs from 63 percent in 1995 to 23 percent in March 2000 (while the share of telephone service costs has increased).

East Asian Nations Coordinate to Defend Currencies. The governments of East Asian nations have decided to move forward with a proposal to establish a regional financing arrangement to supplement the existing international facilities. This “Chiang Mai Initiative” was launched last weekend by the finance ministers of Japan, China, and the Republic of Korea, along with the ten finance ministers of the Association of South East Asian Nations. The proposal is meant to strengthen the economic defenses of these nations against the sort of speculation that instigated the 1997 Asian economic crisis. Specifically, the proposal involves a network of bilateral currency swaps and repurchasing agreements. The Ministers expressed general agreement over the course of the meetings on the importance of further cooperation among Asian nations in response to the region’s growing interdependence.

Growth Does Not Worsen Inequality. Using data for 80 countries covering four decades, a new study by World Bank researchers finds evidence that when a country grows, the income of the poor grows as well. Analyzing growth in per capita GDP and in the average income of the poorest 20 percent of the population the study found that the two tended to grow approximately one-for-one, suggesting that the poor share proportionally in overall growth. The study also investigated whether different sources of economic growth might have differential impacts on the poor. For instance, it found that openness to trade had no effect on the incomes of the poor after controlling for the effect of growth in overall per capita GDP, suggesting that trade does not have negative effects on the poor. The results do indicate that inflation has a disproportionately higher negative effect on the income of the poor, suggesting that measures to control inflation are in fact “super pro-poor” policies. Additionally, the study found that public spending on health and education did not have systematic effects on the incomes of the poor, which might suggest that such spending has been poorly targeted.

RELEASES THIS WEEK

Producer Price Index

****Embargoed until 8:30 a.m., Friday, May 12, 2000****

The producer price index for finished goods fell 0.3 percent in April. Excluding food and energy, producer prices rose 0.1 percent.

Retail Sales

Advance estimates show that retail sales decreased 0.2 percent in April following an increase of 0.5 percent in March. Excluding sales in the automotive group, retail sales were unchanged, following an increase of 1.2 percent.

MAJOR RELEASES NEXT WEEK

Consumer Prices (Tuesday)

Housing Starts (Tuesday)

Industrial Production and Capacity Utilization (Tuesday)

U.S. International Trade in Goods and Services (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1999	1999:3	1999:4	2000:1
Percent growth (annual rate)					
Real GDP (chain-type)	2.9	4.6	5.7	7.3	5.4
GDP chain-type price index	5.2	1.6	1.1	2.0	2.7
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.7	3.7	5.0	6.9	2.4
Real compensation per hour:					
Using CPI	1.0	1.7	2.0	0.9	0.3
Using NFB deflator	1.5	2.9	4.0	1.8	1.8
Shares of Nominal GDP (percent)					
Business fixed investment	11.4	12.6	12.7	12.5	12.9
Residential investment	4.5	4.4	4.4	4.4	4.4
Exports	8.2	10.8	10.8	10.9	10.8
Imports	9.2	13.5	13.8	14.0	14.2
Personal saving	6.6	1.7	1.5	1.3	0.5
Federal surplus	-2.8	1.2	1.4	1.2	N.A.
	1970- 1993	1999	February 2000	March 2000	April 2000
Unemployment Rate (percent)	6.7**	4.2**	4.1	4.1	3.9
Payroll employment (thousands)					
increase per month			27	458	340
increase since Jan. 1993					21615
Inflation (percent per period)					
CPI	5.8	2.7	0.5	0.7	N.A.
PPI-Finished goods	5.0	2.9	1.0	1.0	-0.3

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

New or revised data in **boldface**.

PPI data **embargoed until 8:30 a.m., Friday, May 12, 2000.**

FINANCIAL STATISTICS

	1998	1999	March 2000	April 2000	May 11, 2000
Dow-Jones Industrial Average	8626	10465	10483	10944	10546
Interest Rates (percent per annum)					
3-month T-bill	4.78	4.64	5.69	5.66	5.96
10-year T-bond	5.26	5.65	6.26	5.99	6.43
Mortgage rate, 30-year fixed	6.94	7.43	8.24	8.15	8.52
Prime rate	8.35	8.00	8.83	9.00	9.00

INTERNATIONAL STATISTICS

Exchange Rates	Current level May 11, 2000	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	0.902	1.3	-15.8
Yen (per U.S. dollar)	108.5	0.3	-10.3
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	99.42	-0.2	5.1

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	5.0 (Q1)	3.9 (Apr)	3.7 (Mar)
Canada	4.7 (Q4)	6.8 (Mar)	3.0 (Mar)
Japan	0.0 (Q4)	5.0 (Mar)	-0.5 (Mar)
France	3.1 (Q4)	9.8 (Mar)	1.5 (Mar)
Germany	2.3 (Q4)	8.4 (Mar)	1.9 (Mar)
Italy	2.1 (Q4)	11.3 (Jan)	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.

THE WHITE HOUSE
WASHINGTON

'00 MAY 13 AM 11:45

May 13, 2000

5-15-00

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORT

Copied
Sperling
Podesta

Africa/CBI Trade Bill: The House and Senate passed the conference report to the Trade and Development Act of 2000 by votes of 309-110 and 77-19, respectively. The bill represents the first major piece of trade legislation to clear the Congress since the Uruguay Round Agreements Act of 1994. The conference agreement included a compromise on the African and CBI textile provisions that have generally been well received. It does not include the Feinstein amendment codifying USTR's policy of administering intellectual property rights rules more flexibly in cases of public health emergencies such as the HIV/AIDS crisis in sub-Saharan Africa; however, you issued an executive order to this effect this week which has also been well received.

The final bill did include a compromise version of Senator Harkin's amendment that would have required countries to implement and effectively enforce the recent ILO Convention barring the worst forms of child labor in order to qualify for the African Growth and Opportunity Act and CBI as well as the underlying Generalized System of Preferences program. This compromise adds implementation of the ILO Convention to the list of factors countries must satisfy to be eligible for these trade preference programs, unless the President determines that enforcement of such a requirement would not be in the national economic interest. The final bill also requires that the Labor Department report annually on beneficiary countries' implementation of the Convention.

Bankruptcy: Last week, TIME magazine published a piece highly critical of the bankruptcy bill with the caption: "Soaked by Congress: Lavished with campaign cash, lawmakers are "reforming" bankruptcy -- punishing the downtrodden to catch a few cheats." NBC Nightly News ran a story on how medical illness is often a primary reason why debtors are forced into bankruptcy (46% of debtors cite illness as a cause). Consumer groups and Senator Kennedy are hopeful that media attention will shift the dynamics, although we have yet to see any movement from the "yes" to "no" columns. Kennedy wrote you to ask that you consider: (1) a radio address on bankruptcy; (2) expressing your concern to key Senators (i.e., Daschle); and (3) a strong views letter critiquing the bills. After these entreaties, your senior advisors decided to add to the views letter that you previously reviewed stronger language about the impact on real people who turn to bankruptcy as a last resort in hard times -- divorce, unemployment, illness and uninsured medical expenses, for example. We did not change the bottom line: a threatened veto on the

House bill; preference for the Senate bill, while raising some serious concerns. The letter was sent on Friday. On Thursday, the House negotiators sent the Senate negotiators a counter-offer and Lott and Hastert have said they want to complete the bill by the middle of next week, perhaps to attach to crop insurance. The House offer retreats from the Senate bill in a number of areas that are important to us. Senate Democrats are pretty confident that Senate Republicans will continue to insist on the better Senate provisions, but we are skeptical. It seems likely the Senate will have to make a number of further concessions to the House. We expect heated negotiations early next week.

*See Memo
made it as
strong as pos.
on conclusion
turn*

H-1B Visas: Two bills regarding the H-1B issue (visas for high-skilled temporary workers) were marked up in the House this week, and another is expected to go to the floor of the Senate next week. However, no single proposal has emerged which represents a comprehensive, bipartisan compromise that members of Congress and the Administration can all support. On Wednesday, the Administration offered such a compromise. Our proposal 1) offers a reasonable increase in the number of H-1B visas available for the next 3 years; 2) targets additional visas to workers with the highest education levels; 3) increases user fees in order to expand job training and enhance INS and DoL administration and enforcement; and 4) includes the Administration's proposals to provide parity to Central Americans and Haitians under NACARA and legalize long-term immigrants.

Our proposal has been well received as balanced across the board. Indeed, both Peggy Taylor at the AFL-CIO and Roberta Katz of TechNet felt it was a reasonable proposal. Conyers and Gephardt both issued positive statements. Congresswoman Roybal-Allard and the Hispanic Caucus were particularly pleased we called for the two additional immigration provisions and Henry Cisneros wanted me to tell you how excited he was by your decision to include them. Lofgren feels our proposal was constructive—though she would have preferred we work behind the scenes a little longer—a view everyone else felt would leave us highly vulnerable. Jackson-Lee has temporarily isolated herself by supporting Lamar Smith in committee but I am meeting with her next week to try to get us back on the same page. On the Senate side, Kennedy thought our proposal was helpful in his efforts to get Spencer Abraham to modify his bill.

Meetings on Developing Our Mid-session Review Budget Proposals / Strategy: We have been chairing regular meetings of your economic team for the last several weeks to revise our budget proposals and budget strategy in light of the Mid-session Review. CEA, Treasury, and OMB have finalized the budget forecast which reflects the strong economy. It is likely to be the largest upward revision of the surplus under your Administration. We are developing options for your review that use the additional surplus to improve the prescription drug benefit with a catastrophic benefit, expand health insurance coverage, revise our tax proposals, create a trust fund for children or research, and substantially increase the dedication for debt reduction/Social Security/Medicare.

We have also been discussing potential strategies for after the Mid-session Review to pass our priorities while resisting the Republicans' strategy of incremental tax cuts. We are hoping to meet with you soon to discuss.

*Need to
meet
with you
a week or
two*

Internet Taxes: This week, the House passed a 5-year extension of the moratorium on "multiple and discriminatory" taxes on the Internet and electronic commerce. The final bill passed by a vote of 352-75. The Administration had supported an amendment to reduce the extension of the moratorium to 2 years (which means that it would expire in 2003), but this was defeated 208-219. The Administration argued that a longer moratorium would reduce the incentives of states and localities to move towards simplification of their sales and use taxes by delaying Congressional consideration of the application of e-commerce to sales and use taxes. There are a number of Senate Republicans (e.g. Enzi, Hutchinson) who are opposed to a 5-year extension of the moratorium.

Yushchenko's Visit and Ukraine's Economic Challenges: Last Monday, we met with Prime Minister Yushchenko of Ukraine. Yushchenko tried to put a positive spin on prospects for his still a largely unreformed economy. He pointed out that after 9 straight years of declines, the economy has recently been posting positive GDP growth. He stressed, however, that the country needs international assistance, including an unlocking of IMF funds. As you know, IMF funds were cut off last autumn after it was revealed that the country purposefully misled the IMF about the true value of its international reserves (about a \$700 million overstatement). Yushchenko admitted that "all the hard work on reforms is ahead," but said that "reforms are now in our blood—we know we must do them for our own good." We noted that when a country's international credibility is suspect, it probably needs to "go the extra mile" with reforms to win back the confidence of international investors. Meanwhile, on Thursday, the Germans finally set the dates (July 5-6) for a Chernobyl Shelter pledging conference to raise \$300 million to cover the costs of a second plant closing effort. This makes it more likely that President Kuchma will finally give a date certain when the Chernobyl #4 reactor will be permanently shut down.

Boeing-Airbus: Dorothy Robyn of our staff met last Tuesday with Boeing's VP for Government Affairs to discuss the Administration's strategy on Airbus subsidies. As you know, at Boeing's request, USTR for months has been preparing a WTO subsidies case, in an effort to discourage the Airbus partner governments from providing massive subsidies to the planned super jumbo plane (550-800) seats, the A3XX. The WTO's ruling on Foreign Sales Corporations (FSC), however, creates a tactical dilemma for the Administration. Our major concern is that if we file our subsidies case against Airbus in the near term, the EU will make dismissal of the case part of its price for settling FSC.

If we delay the Airbus case, though, we may be too late to stop subsidies to the A3XX, which will likely be launched later this year. As an interim step, Boeing CEO Phil Condit wants to try to talk with the CEOs of the British and German Airbus partner companies, using the threat of a US trade action as leverage. Condit believes the A3XX is being driven more by the partner governments than by the partner companies. We will be giving careful consideration to what you should say to President Prodi in Lisbon about this issue.

San Francisco-Oakland Bay Bridge: NEC staff is making significant headway in the long-running dispute between Mayor Willie Brown and Gov. Gray Davis over the eastern span of the Bay Bridge, which was damaged in the 1989 earthquake. Mayor Brown is concerned that the State's plan to replace the span would interfere (very slightly) with redevelopment of the former

Navy base on Yerba Buena and Treasure Islands. In an effort to "bridge" the divide between the Mayor and Governor, we have asked the Army Corps of Engineers to review (a) the State's decision to replace rather than retrofit the damaged span, and (b) the State's selection process for the proposed design of the replacement span, which a lone Berkeley engineering professor has criticized as seismically unsafe. After weeks of negotiation, we have reached agreement with all sides on a scope of work for the Corps study.

A related problem has been the Navy's odd partnership with Mayor Brown and its refusal to grant right-of-way to the State to begin construction on the replacement span. However, the Federal Highway Administration (FHWA) has finally identified a way that we think the Navy will accept to give the State right of way to the property. FHWA is prepared to act as soon as the Corps study is complete -- in about 3 months. We are extremely anxious to get the Navy out from the middle of this dispute, whether or not the Mayor and Governor reach agreement on how to proceed.

5-15-00

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THE WHITE HOUSE

WASHINGTON

May 12, 2000

Copied
Reed
Liu
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Crime – Peace Officers Memorial. On Monday, you will speak at the Peace Officers Memorial at the Capitol. This annual event is sponsored by the Fraternal Order of Police to honor slain police officers. In 1999, 50 police officers were killed in the line of duty and 84 lost their lives in accidents. To highlight our support for improving officer safety, you will announce that: 1) the police vest program you signed into law in 1998 has helped states and localities purchase 92,500 armor vests to date; and 2) you will support legislation, proposed by Senators Leahy and Campbell, to extend the vest program through FY 2004 and double funding to \$50 million per year. This will be well-received by the FOP and the other major police organizations who fought for passage of the original vest bill sponsored by Leahy. In addition, we have been working with the Justice Department on a possible Presidential directive to create a "valor award" for public safety officers. We expect that the directive will be ready for your signature on Monday. Rep. McCollum has a bill to create a medal of valor, but the legislation has stalled in the Senate.

2. Guns – Follow up on Good Morning America. To clarify a few points that you raised in relation to Friday's Good Morning America forum, the Justice Department provided revised information showing that 14 of the 36 cities with populations of 100,000 or more that experienced an increase in crime in 1999 were located in Texas. Regarding the gun show issue, gun safety advocates believe that Governor Bush holds the same position as the NRA. Both Bush and the NRA purport to "support instant background checks at gun shows." But Bush has never expressed support for the Lautenberg gun show measure or its equivalent. Furthermore, gun safety advocates frequently accuse Bush of facilitating the defeat gun show legislation in Texas. Bush publicly announced his support for closing the gun show loophole only after the state bill failed.

3. Guns – Gun Legislation Compromise. On Friday, Chairman Henry Hyde sent a letter responding to yours and to Representative Conyers with a new compromise on stalled gun legislation. His latest offer appears to make some substantive concessions by agreeing to drop the provision to allow interstate shipments of firearms and to broaden his definition of "gun show" to cover more events. Hyde also appears open to clarifying the provision to allow law enforcement up to 3 business days to verify unofficial records (e.g., non-finalized restraining orders) which may lead to a prohibited purchase determination. While this suggests some progress, some outstanding concerns remain, including provisions which would hinder crime gun tracing at gun shows and require the immediate destruction of NICS records. Hyde's unwillingness to budge on the destruction of records runs counter to comments he made earlier this week to the Chicago Sun-Times where he was quoted as supportive of the compromise you proposed to destroy NICS records within 90 days instead of 180 days. Rep. Conyers plans to release a new counteroffer in the form of a Conference Report signed by all of the

Democratic Conferees. This counteroffer would need only three Republican signatures and Conyers will encourage Hyde to enlist the support of one more House Republican and Chairman Hatch to move the package. Conyers' counteroffer will be very similar to his previous proposal.

4. Education – Appropriations Update. On Thursday, subcommittees in both the House and Senate passed appropriation bills for Labor, Health and Human Services, and Education. Neither bill provides funding for your class size initiative, your teacher quality proposal, your school construction grant and loan fund, or your proposal to support smaller high schools. Neither bill provides sufficient investment in your accountability provisions, after-school, or GEAR UP. We issued a statement from you decrying Congress's misguided priorities and threatening a veto.

5. Families – Toy Safety. Today, the First Lady announced several Administration initiatives to improve the safety of consumer products, particularly those that can be harmful to children. The initiatives respond to recent reports about manufacturers who repeatedly violate the law by failing to warn the government promptly about defective products that have injured children. The First Lady highlighted a legislative proposal you have sent to Congress to stiffen penalties against violators. The legislation, sponsored by Senator Hollings and Representative Markey, would: 1) lift the cap on civil penalties assessed by the Consumer Product Safety Commission; 2) make criminal violations of consumer product safety laws a felony instead of a misdemeanor; and 3) give the CPSC authority to overrule the recall remedy proposed by a company if it is not in the public interest. The First Lady also announced a partnership between the CPSC and health care providers to increase reporting of dangerous products.

6. Health Care – Update on Home Health Care. You had asked whether and how we should respond to reports that reductions in home health care payments have decreased access to needed services. HHS is indeed beginning to recognize that there may be some real problems arising from the BBA 1997 home health payment changes, particularly in rural areas of the country. This is underscored by recent CBO data indicating that Medicare spending on home health care has dropped a startling 45 percent in the last two years – from \$17.5 billion in 1997 to \$9.7 billion in 1999. This decline, however, should be evaluated in the context of past overpayments and abuse in the early 1990s: the number of beneficiaries receiving home health care services increased by 11 percent during that time, while expenditures increased by more than 500 percent. Ultimately, we agree there may be a need to spend additional resources on home health care, but we believe any changes should be made as part of our ongoing review of payment changes for other providers. The promise of home health care payment restorations might also become necessary later to secure a broader agreement on Medicare reform that includes a new prescription drug benefit.

7. Welfare – Child-Only Caseloads. HHS recently released a report on child-only caseloads, including an in-depth analysis of three counties in California, Florida and Missouri. As you know, these cases include children who live with a non-parent caretaker (often a grandparent) or a parent who is ineligible for TANF (due to SSI receipt, immigration status, or adult sanctions) and not subject to work requirements and time limits. Between 1988 and 1996, child-only cases increased both in absolute terms and as a proportion of total cases – from 360,000 cases (11 percent of caseload) in 1988 to 968,000 cases (21 percent) in 1996. The HHS report attributes this rise to several factors, including: an increase in non-parental caregivers, increased use of SSI, use of adult-only sanctions beginning under the Family Support Act, and a greater number of non-qualified immigrants. Since the 1996 welfare reform law, and contrary to expectations, the number of child-only cases has declined – although less rapidly than overall caseloads. The most recent data show that child-only cases declined to about 724,000 in 1998, or 23 percent of the caseload.



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

00 MAY 12 PM 5:43

May 12, 2000

5-15-00

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR.

SUBJECT: CEQ WEEKLY REPORT

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WTF for

RESOURCE STEWARDSHIP

Conservation and Reinvestment Act

In a landslide vote yesterday, the House approved the Conservation and Reinvestment Act (CARA) in a vote of 315-102. The bill allocates nearly \$3 billion a year from offshore oil and gas drilling royalties for environmental programs, such as funding for land acquisition for parks and open spaces, wildlife protection and restoration of damaged coastal areas. The bill enjoys support from Senate leadership, but we anticipate strong opposition from western Senators. In addition, we have concerns about restrictions on federal land acquisition and on ensuring that the new funding is used for environmental purposes. We hope to address these issues in the Senate.

Roadless Protection

The Administration's release of a draft roadless proposal on Tuesday was greeted with positive editorial comment. However, environmental groups argued that it does not go far enough to protect wilderness, particularly in the Tongass, and western Members of Congress joined industry to contend that the policy will result in significant job losses and that it represents a "federal land grab." The Forest Service recommendation would ban road construction on 43 million acres of federal land, but does not prohibit logging, mining or off-road vehicle use, leaving those decisions to local forest officials. The public comment period is scheduled to close on July 17.

Hanford Reach of the Columbia River

Following up on your announcement last fall to protect 57,000 acres of land at DOE's Hanford site in Washington State, Secretary Babbitt plans to tour the Hanford Reach of the Columbia River next week to decide whether to recommend additional administrative protections. Because the Hanford Reach features the last free-flowing section of the Columbia River and outstanding salmon habitat, Senator Murray strongly supports prompt executive action by the Administration, including the possible establishment of a National Monument. Governor Locke, Democrats in

the Washington delegation, environmentalists and tribal leaders support permanent protection, while Senator Gorton, Representative Hastings and local counties are opposed to an administrative approach and prefer local control and development of this ecologically unique area.

PROTECTING COMMUNITIES FROM TOXICS

1998 Toxics Release Inventory Data

This week, EPA announced the Toxics Release Inventory data for 1998. For the first time, EPA made public toxic emissions figures for seven additional industrial sectors, including metal mining (the highest sector at 48%), electrical utilities (the third highest sector at 15%), coal mining, chemical wholesalers, petroleum bulk plants and terminals, solvent recovery, and hazardous waste treatment, storage, and disposal. The new data for the seven industrial sectors are the result of a directive you signed in 1997. With these additions, the number of facilities reporting under the program has increased by about nine percent -- from 21,000 to 23,000. The new categories nearly triple the total amount of reported releases.

With the new industrial sectors, the states with the highest releases are: 1- Nevada (metal mining), 2- Arizona (metal mining), 3- Utah (metal mining), 4- Ohio (electric utilities), and 5- Texas (manufacturers, petroleum bulk terminals, and chemical wholesalers). Under the traditional sectors (manufacturers), the states with the highest releases are: 1-Texas, 2- Louisiana, 3- Ohio, 4- Pennsylvania, and 5- Indiana.

5-15-00

THE WHITE HOUSE
WASHINGTON

00 MAY 12 PM 5:20

Copied
Ballentine
Podesta

May 12, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE 
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

Climate Change

Press, Science and Industry

Businesses worldwide are increasing action to address greenhouse gas emissions and global warming, according to an article in *Business Week* magazine (5/15). The article cited the rise of carbon emissions trading, and actions by the World Bank, BP Amoco, United Technologies, Mitsubishi and other firms: "In anticipation of a global deal (to reduce greenhouse gas emissions), many companies are pledging to reduce emissions, figuring that they can't afford not to be on board."

New Jersey became the first state to set its own greenhouse gas emissions reduction goal. Through a mix of voluntary efforts by industry and through state initiatives, New Jersey officials hope to reduce emissions 3.5 percent from 1990 levels by 2005. One initiative will be to switch some New Jersey transit buses to a new "bio-fuel" that would be 80 percent diesel and 20 percent soy vegetable oil.

X { A new study by the Rand Corporation shows that energy conservation efforts have saved Californians \$34 billion, or approximately \$1,000 per resident, since 1977. The study illustrates how energy-saving efforts have played a significant role in helping the state's economy expand, and comes as the state legislature is considering extending a 'public benefits charge' on utility bills, which funds energy saving efforts.

~ { A DoE sponsored process with industry has resulted in a consensus agreement on new heightened efficiency standards for clothes washers (the third largest household energy use after heating/cooling and refrigeration). The new standard, to be achieved by 2007, will represent about a 40% improvement over the current standards.

Legislative

As expected, Republicans added anti-climate change rider language to the House Agriculture Appropriations Act. On a party-line vote in subcommittee, the Members added language prohibiting any funds to be used "on the Kyoto Protocol." The intent of the language is to limit our ability to work on things such as carbon trading markets and developing country climate change efforts. As written, the language raises clear constitutional questions, as it appears to restrict your authority to conduct international negotiations.

Senator Sam Brownback (R-KS), with cosponsors Bob Kerrey (D-NE) and Frank Murkowski (R-AK) introduced S.2540, a domestic soil carbon sequestration bill, on Wednesday, May 10. The bill would amend the Food Security Act of 1985 to establish, through USDA, a program similar to the Conservation Reserve Program (CRP), but with the expressed intent of increasing soil carbon sequestration.

International

Last week, governments and scientists concluded the annual meeting of the Intergovernmental Panel on Climate Change (IPCC) in Montreal. This year's meeting was of particular importance because it adopted a major report on the extent to which land use change and forestry practices can lower atmospheric concentrations of carbon dioxide. This issue is of considerable importance to agricultural constituencies (who could benefit from broad inclusion of sinks) and certain environmental constituencies (who are concerned that a broad definition of sinks could divert attention away from reduction of industrial and transportation emissions in particular).

Lands Legacy

On Thursday, the House passed H.R. 701, the Conservation and Reinvestment Act, 315-102. Western property rights advocates and Members who opposed permanent funding were able to combine forces in passing an amendment by John Shadegg (R-AZ) which prohibited funds being expended under the bill unless numerous "certifications" are first made by the Congressional Budget Office. The certifications required include that there is no on-budget deficit, that Social Security is not scheduled to run a deficit, that Medicare is not scheduled to run a deficit, and that the Federal Government is on schedule to eliminate all debt by 2013.

cc: The Vice President
John Podesta
Martin Baily
Steve Ricchetti
Chuck Brain
Lael Brainard
Charles Burson
George Frampton
Neal Lane
Jim Steinberg



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

00 MAY 12 PM 5:14

5-15-00

May 12, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *Neal/Lane*
CC: JOHN PODESTA
SUBJECT: OSTP WEEKLY REPORT

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Agriculture Appropriations Rider Kills Climate Change and Biomass Funding

A provision in House Agriculture Appropriations bill would effectively prohibit funding for your climate change and biomass initiatives contained in the bill. Even as the World's leading scientists agree that we need to understand how carbon is stored in soils and vegetation, the House has, at the very least, attempted to kill your request for \$12 million to study the Earth's carbon inventory, and the language may encompass additional USDA programs as well. We will continue to work with other WH offices to have this language removed.

Additionally the Subcommittee blocked funding for important biotechnology risk assessment research, and severely underfunded your requested \$29 million increase for food safety at USDA. This cut would imperil the implementation of your Egg Safety Action Plan, which was endorsed by your Council on Food Safety. Impeding these efforts to reduce needless deaths and illness from eggs contaminated with *Salmonella* is simply reckless, and we will continue to work to have this funding restored.

NMD Testing Falls "Far Short" Says Physicists

On April 29 the Council of the American Physical Society (APS) – the professional organization of the nation's physicists – stated that the United States should not decide to deploy an NMD system unless that system can be shown, through both analysis and intercept tests, to be "effective against the types of offensive countermeasures that an attacker could reasonably be expected to deploy." According to the APS statement, the tests scheduled before the deployment decision fall "far short" of what would be required to provide confidence in the system's technical feasibility.

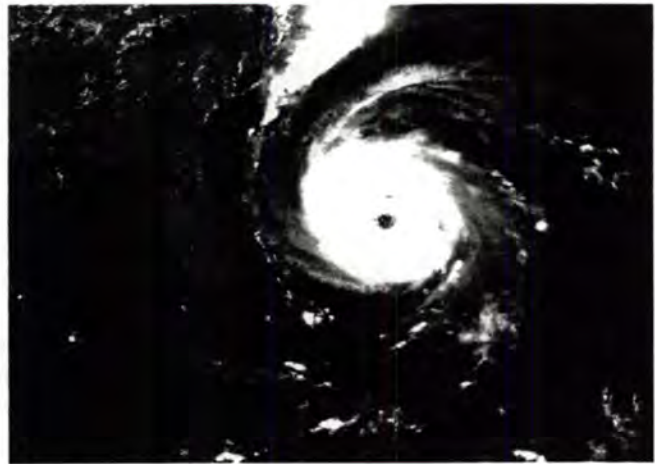
Chromosome 21 Deciphered

Scientists announced Monday that they had finished the sequencing of chromosome 21, which will improve our knowledge of a range of disorders. Chromosome 21 is the smallest of the 23 pairs of human chromosomes, with an estimated 225 protein-coding genes, and only the second to be completely deciphered. The DNA sequence of chromosome 21 will help scientists develop more precise diagnostic tests and new treatments for diseases linked to the chromosome. The achievement is particularly significant for the study of Down Syndrome, which affects one in 700 live births, and is caused by an extra copy of the chromosome. In addition, chromosome 21 is also linked to the early onset of Alzheimer's disease, a particular type of epilepsy, autoimmune diseases, a form of manic depression, congenital heart disease, and an increased susceptibility to leukemia.

Forecast: New Era of Active Storms

Researchers anticipate an active 2000 hurricane season. The National Oceanic and Atmospheric Administration (NOAA) predicts at least three intense hurricanes this season, citing the continuance of La Niña – cooler than normal sea-surface temperatures in the central and eastern tropical Pacific – as one key influence on this year's outlook. One research team suggests that changing patterns in ocean circulation will mean more activity in the next few years – and more hurricanes that travel farther up the East Coast. According to

NOAA, forecasters' ability to predict the track of such storms has improved by as much as 31 percent due to your modernization program. Further improvements in weather forecasting are a principle driver of NOAA's participation in your Information Technology Initiative.



Aerosols Prove to be Complex Pollutants

An article in this week's *Science* reports that aerosol pollution (from fossil fuel combustion, biomass burning, etc.) can reduce tropical cloudiness. The new data came from the Indian Ocean Experiment (INDOEX), an international project sponsored by the United States and several foreign governments. Aerosols in this heavily polluted region are dark and strongly absorb sunlight. Their heat evaporates low-level clouds that would normally reflect sunlight back to space, warming the climate. However, it is also well accepted that aerosols also interact in several ways that cool the climate. The *Science* paper makes no statement about the net effect of aerosols on the climate. Unfortunately, several press stories today oversimplified the science and reported that aerosols will warm the climate. I will comment on this study and other important ongoing research in a hearing before the Senate Commerce Committee next week.

Achievements in S&T Recognized

This week Secretary Summers credited investments in education and research with the continued strength of the overall economy. He stated that "If investments in factories were the most important investments in the industrial age, the most important investments in an information age are surely investments in the human brain." I couldn't agree more with his sentiments, and am pleased to inform you that two of OSTP's "brains" were recognized this week for their outstanding commitment to improving the nation's investments in these areas.

OSTP's Associate Director for Technology, Duncan Moore, received the prestigious National Engineering Award conferred by the American Association of Engineering Societies. This annual award is given in recognition of exceptional leadership in advancing technology and outstanding contributions to the field of engineering. Past recipients have included Neil Armstrong, and Norm Augustine. On June 2, OSTP's Associate Director for Environment, Rosina Bierbaum, will receive the Waldo E. Smith medal from the American Geophysical Union. This medal, for extraordinary service to geophysics, is being given awarded in recognition of her leadership in the environmental science community and her accomplishments in climate change science and assessment.

5-15-00

THE WHITE HOUSE
WASHINGTON

May 12, 2000

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MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
May 6 - 12, 2000

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **Los Alamos Wildfire:** On May 4, the National Park Service (NPS) initiated a prescribed burn at the Bandelier National Monument in northwestern NM. The procedure was undertaken in order to reduce the future potential of a significant fire. By the end of the week, the fire burned out of control and spread to approximately 20,000 acres -- destroying between 200-400 homes, five commercial buildings, and five outbuildings in Los Alamos, NM. The towns of Los Alamos and White Rock are under mandatory evacuation. Currently, 780 personnel are battling the fire along with eight helicopters, 23 fire engines, five air tankers, and two lead planes. The National Guard is providing security and traffic control. The Red Cross has received food and clothing donations. On May 11, you declared a State of Emergency for NM. Secretaries Glickman and Babbitt announced the suspension of prescribed burns for the next 30 days, pending the investigation of this fire. Governor Johnson, Secretary Babbitt, FEMA Director Witt, Forest Chief Dombeck, NPS Director Stanton, Senators Domenici and Bingaman, and Representative Tom Udall have visited the site of the fire and provided press briefings. Daily press briefings are scheduled every day until the fire is contained

DEPARTMENT OF TREASURY

- **Vaccines:** The Millennium Vaccines Initiative includes four elements: a contribution to the international vaccine purchase fund, an increase in NIH funding for research on the targeted diseases, a call on the World Bank to shift funding toward basic health care, and tax credits to encourage the development of new vaccines. Treasury is most concerned about winning Congressional approval of the tax credits, which we believe critical to persuading other governments to increase their efforts to fight infectious diseases around the world. Working with the White House, Treasury was hoping to attach the credits to

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the Africa-CBI trade bill, but was ultimately unsuccessful. The best hope may now be to link the credits to the New Markets plan; Treasury is making this approach a top priority. If this effort also fails, Treasury will try to include the tax credits in a broader reconciliation package that may emerge later in the session or any other bill with tax provisions.

- **Community Reinvestment Act:** On May 10, as required by the financial modernization legislation, bank regulatory agencies released the proposed Community Reinvestment Act regulations defining the types of agreements between banks and community groups which will be required to be made public. Treasury believes that the text of the proposed rule is overly broad in scope, but is pleased that the preamble includes alternatives that, if adopted, would narrow the rule's scope. Treasury is also pleased that the rule permits parties to aggregate relevant information and to submit existing reports, such as annual tax returns, that contain the required information. Treasury has reached out to Community groups, financial institutions, industry organizations, and Hill staff. The comment period ends at the end of July.
- **EXIM Bank:** On May 16, Secretary Summers will address the Export-Import Bank's 65th Anniversary Conference. He will lay out the Administration's policy agenda for official trade financing and call for urgent OECD negotiations on important finance issues that disadvantage U.S. exporters. He will also press for urgent action to ensure that export credit agencies follow environmental guidelines per the G-8 Heads Communique and for an OECD agreement to have export credit agencies adopt specific anti-bribery policies to support implementation of the OECD anti-bribery convention.
- **G-7 Summit:** On May 19-20, Under Secretary for International Affairs Geithner will participate in a G-7 Deputies meeting in Kyoto, Japan. The Deputies will discuss key language that Finance Ministries are preparing for the July 21-23 Kyushu-Okinawa G-7 Summit, including financial architecture, money laundering, and economic development.
- **China PNTR:** On May 11, Secretary Summers testified before the House Banking Committee regarding PNTR with China. On May 15, Deputy Secretary Eizenstat will speak with business representatives from the Business Coalition for US-China Trade. He will discuss the legislative prospects for the legislation and emphasize the Administration's strong commitment to the legislation. On May 17, Secretary Summers will meet with approximately 20 heads of agriculture-related associations. These association heads are in town as part of a "fly-in" organized to promote PNTR. Secretary Summers will address the importance of PNTR to the agricultural sector and Treasury's views on reform of the international financial institutions.

DEPARTMENT OF JUSTICE

- **Lockerbie Trial:** On May 3, the trial began in the Pan Am 103 case in the Netherlands. Two Libyan defendants are being tried by a three-judge court on a Scottish indictment charging them with the December 21, 1988, bombing of Pan Am Flight 103 over Lockerbie Scotland. The indictment charges conspiracy, murder, and contravention of the Aviation Security Act of 1982. DOJ Special Litigation Counsel Dana Biehl is detailed to the Netherlands to provide assistance to the Scottish Crown Office during the duration of the trial which is expected to last one year.
- **Computer Virus:** On May 4, Chairman Hatch and Senator Schumer, the sponsors of the Internet Integrity and Critical Infrastructure Protection Act, announced in response to recent computer virus attacks that hearings would be held soon to move legislation which gives law enforcement the tools to crack down on cyber crime. DOJ is currently reviewing this legislation and preparing a views letter.

DEPARTMENT OF INTERIOR

- **Gettysburg Tower:** The U.S. Attorney's Office in PA is planning to file a declaration of taking for the tower at the Gettysburg battlefield on May 12. DOI filed a condemnation case in December 1999. The latter leaves ownership in the interim period with the original owner; the declaration of taking will change ownership to the federal government. DOI notified the appropriate Hill committees of its intention in March. To date, DOI has received the concurrence of three of the four committees and is seeking the final concurrence of House Resources prior to filing, though concurrence is not required.
- **Hudson River Park Project:** The Corps of Engineers is preparing to issue a permit for the Hudson River Park Project in NY. The purpose of this project is to convert five miles of dilapidated pier and waterfront area into a multi-use park along the Hudson River on Manhattan Island. The plan includes removing 6.7 acres of shading from dilapidated piers and care is being taken to maintain or enhance fish habitat. FWS, NMFS, and EPA have been working with the Corps to reduce potential impacts of the proposal and have withdrawn earlier objections to the project. The project remains controversial and environmental groups are divided in their opinions.
- **Watercraft and Snowmobile Use:** GAO has begun a review of personal watercraft and snowmobile use on lands and waters administered by NPS, USFS, and BLM. GAO will investigate the extent to which personal watercraft and snowmobiles are allowed and used on federal lands and waters, how the use of personal watercraft and snowmobiles is regulated and how applicable laws and regulations are enforced, and the nature of information available on the impact of these vehicles on natural resources and environment.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **New Food Safety Mascot:** The week of May 22, USDA will kick-off a thermometer education campaign, encouraging consumers to use food thermometers and cook meats to appropriate temperatures. The kick-off will introduce the "Thermy the Thermometer" food safety mascot nationwide message: "It's Safe to Bite When the Temperature is Right."
- **Appropriations:** The House and Senate moved forward this week with subcommittee and full committee markups of USDA's FY2001 appropriations bill. In general, the Senate has much less objectionable funding levels than the House bill, which is \$1B below your request and \$230M below the 2000 enacted levels. The Senate included a number of FY2000 supplemental appropriations in its markup, including salaries and expenses for USDA's Farm Service Agency, additional funds for conservation technical assistance, and additional funds for certain supplemental payments to producers. Both bills contain a number of objectionable riders, including restrictions on the Administration's egg safety action plan, limits on the environmental quality incentives program, and prohibitions against establishing a support services bureau. Senate floor debate may begin as early as next week.
- **Commodity Markets:** Wheat prices rose last week, supported by concern over disease problems in the soft red winter wheat crop, dry conditions in a number of countries, and sharply higher corn prices. Forecasts for hot, dry conditions in the Western Corn Belt sent soybean and corn prices up strongly. Rice cash prices held steady, but old-crop futures fell with a drop in world prices and new-crop futures moved slightly higher, mostly due to a weather premium. Dry conditions in West Texas sent cotton prices sharply higher. Declining boxed beef prices sent cattle prices lower. Hog prices were up for the week, despite some erosion by week's end. Higher production and light retail demand sent broiler prices down. Cheese prices remained near the support price; CCC continues to purchase both block and process cheese. Butter prices were up for the second consecutive week as ice cream production accelerates.

DEPARTMENT OF COMMERCE

- **FCC Merger Review Legislation:** On May 4, Secretary Daley wrote to the House and Senate Commerce and Judiciary Committees setting forth Administration concerns regarding pending legislation that would limit FCC authority to review mergers of telecommunications companies. The Secretary noted Administration opposition to arbitrary time limits for review and to restrictions on the FCC's public interest analysis. The National Telecommunications and Information Administration drafted the letter at the request of the NEC-led merger review working group.

- **U.S.-EU Summit:** On May 3, Secretary Daley met with the NEC Principals to lay the groundwork for the upcoming U.S.-EU Summit, review deliverables, and develop an agenda for your participation. Secretary Daley reviewed the status of completing the data privacy safe harbor discussions in time for the Summit, and he emphasized the importance of achieving commitments on improved market access for U.S. genetically modified food and other biotech products as part of any approval of the creation of a private sector consultative forum. Among the items discussed were the status of the WTO Foreign Sales Corporation case and a response to the EU's desire to have a dialog on the "New Economy."
- **Hurricane Season Forecast:** On May 10, Oceans and Atmosphere Under Secretary Baker and FEMA Director Witt held a press briefing to announce predictions that America's East and Gulf Coasts and the Caribbean can expect an above average number of storms in the hurricane season beginning June 1. Baker said that the persistence of a La Niña weather pattern is mostly to blame, as well as unusually cold ocean temperatures in the equatorial Pacific creating hurricanes that are stronger and longer-lasting. An above average hurricane season consists of 11 or more tropical storms, with seven or more reaching hurricane intensity, and usually including three or more with winds in excess of 110 miles per hour.
- **Russia Summit:** DOC participated in an NSC Principals meeting on May 8 to prepare for your meeting with President Putin. Given that there is now expected to be a real opportunity to make progress on the commercial agenda, DOC will propose that the Summit include a commercial dialogue highlighting issues that are priorities for the private sector, including tax reform and rule of law for business.
- **Welfare-to-Work Effort to Receive Hammer Award:** The National Partnership for Reinventing Government has selected the Welfare-to-Work Decennial Census Project for a Hammer Award. Census has hired more than 15,000 Welfare-to-Work trainees, which represents 141 percent of the government-wide goal of 10,638. The program is being recognized for forging creative partnerships with non-profit agencies, state and local governments, and educational institutions. Recipients include Census personnel from regional and headquarters offices, DOC's program staff, Goodwill Industries, and DOL.

DEPARTMENT OF LABOR

- **Northern Maine Logging Study:** On May 2, DOL, the ME Department of Labor, and Pan Atlantic Consultants, of Portland, ME, met with protesting loggers and the public in Presque Island, ME., to discuss the Northern Maine Logging Study conducted by Pan Atlantic Consultants and funded by DOL. Project leaders from Pan Atlantic defended their methods and analysis of information garnered during the study despite attacks on the report. The loggers, whose blockages of private woods roads along the Maine-Quebec

border started the first examination of the industry in 20 years, believe that the study was skewed. DOL and Pan Atlantic consultants have decided to create additional subcommittees to examine issues of setting heavy equipment rates, possible changes in regulations, the difference in wage rates in the woods in the St. John Valley area of northern ME, and possible legislative changes.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **FDA Advisory Panel to Discuss Rezulin:** On May 19, an FDA panel of outside experts will discuss data and the rationale for the regulatory action resulting in the withdrawal from the U.S. market of Parke-Davis's Rezulin. Rezulin was used to treat adult-onset diabetes. It had been associated with adverse reactions affecting the liver, including liver failure, which lead to liver transplants and even deaths.
- **Children in Mental Health Services Program Show Improvement:** On May 22, the Substance Abuse and Mental Health Services Administration's Center for Mental Health Services will issue a Report to Congress on the *Comprehensive Community Mental Health Services for Children and Their Families Program*. The report's findings reveal that children and adolescents with serious mental or emotional problems participating in the program show marked improvement in their behavior, and school performance, and have fewer brushes with the law, when they receive comprehensive mental health services in their own communities.
- **National Sexual Violence Prevention Conference:** From May 16-19, the first National Sexual Violence Prevention Conference will be held in Dallas, TX. The theme for this year's conference is "Coming Together to End Sexual Assault." The Conference goals include forging work partnerships, increasing awareness of issues on sexual assault, bringing together representatives from the public and private sector, and providing a broad focus expertise on programs, prevention, direct services, surveillance, research, and evaluation.
- **Medicare Proposal to Standardize Coverage Decisions:** During the week of May 15, HCFA plans to publish a *Federal Register* notice proposing to develop national standards to help guide coverage decisions for Medicare beneficiaries. This is the first step in the rulemaking process.
- **AIDS and Other Immune Deficiencies Conference:** From May 16-18, the National Cancer Institute is presenting the fourth conference on malignancies in AIDS and other immune deficiencies. The objectives are to showcase progress and to stimulate research across diverse disciplines.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **BuyBack America Initiative:** HUD's BuyBack America initiative has removed more than 10,000 guns off the nation's streets in just a matter of weeks. In the first wave of HUD-funded gun buybacks, 43 cities have purchased guns under the Department's BuyBack America initiative. A total of 85 cities are participating in the first round of gun buybacks. Communities are now able to apply for the second round of buyback funding, and an additional 22 communities have sent letters of inquiry stating their interest in applying.
- **Gun BuyBack:** Rockford, IL will reprogram \$14,000 of its FY1999 Public and Indian Housing Drug Elimination Grant (\$441,640) and received \$6,020 in matching funds from HUD for a total of \$20,020 for its Gun BuyBack Initiative. The goal of this program is to take approximately 400 guns off the street. The BuyBack was held on April 28 and was successful in pulling 431 weapons from the street.

*new wave
\$ for cities!!*

DEPARTMENT OF TRANSPORTATION

- **National Transportation Week:** On May 15, Secretary Slater will host a roundtable with former Transportation Secretaries to discuss transportation in the 21st Century at the National Press Club to kick off National Transportation Week. The roundtable is a part of series of 2025 Visioning Sessions hosted by Secretary Slater with transportation experts, state and local government officials, and labor and business leaders to explore the future of transportation.
- **Vieques:** On May 4, the U.S. Coast Guard established a security zone around Vieques, PR, in support of DOJ and the U.S. Navy. To date, there have been no significant incidents within the maritime security zone. The Coast Guard intercepted 21 vessels in the security zone with no arrests or seizures.
- **Advanced Air Bag Rule:** On May 5, Secretary Slater and NHTSA Acting Administrator Millman announced a final rule amending the agency's occupant crash protection standard. The amendments require air bags to be designed to create less risk of serious injuries, particularly for small women and young children; and provide improved crash protection for all occupants, by means that include advanced air bag technology. The final rule adds a variety of requirements, test procedures, and injury criteria, using an assortment of new dummies. DOT is planning a multi-year effort to obtain additional data on maximum test speeds, and will issue a final decision regarding that subject after giving notice and seeking public comment.

- **Nigeria Transportation:** During mid-to-late May, a DOT technical transportation team will travel to Nigeria to begin work on the Nigerian Transportation Project. The project is a result of a proposal made following DOT's participation in an NSC/USAID interagency team in 1999. DOT will receive \$4M in funding from DOS/USAID to carry out the project to assist Nigeria in rehabilitating its transportation infrastructure.
- **Grade Crossing Hazard Elimination:** On May 12, Secretary Slater will announce financial assistance grants totaling \$5.3M to five federally-designated high-speed rail corridors to eliminate hazards at public and private highway-rail grade crossings. FY2000 apportionments to five designated corridors are the Pacific Northwest Corridor: WA, \$750,000; OR, \$500,000; Chicago Hub Corridor: WI, \$1M; Gulf Coast Corridor: LA, \$350,000; MS, \$320,000; AL, \$330,000; Southeast Corridor: NC, \$750,000; VA, \$750,000; and The Empire Corridor: NY, \$500,000. The funds will be used with other federal and state grade crossing funding to accelerate the implementation of high-speed rail in the designated high-speed rail corridors.
- **Seat Belt Grant Availability:** During the two-week period starting May 15, a *Federal Register* Notice will be published to announce the availability of \$25-30M in Section 157 Discretionary Incentive grants will be published in the next two weeks. These grants are for states that develop innovative projects designed to increase seat belt use. Nearly 57 percent of those killed in motor vehicle crashes, both children and adults, are unbelted. These grants work to prevent death and reduce injury on America's roads and highways. The grants are authorized by the Transportation Equity Act for the 21st Century, which provides \$500M over five years for states to increase seat belt use.

DEPARTMENT OF ENERGY

- **Alternative Fuel Vehicles:** On May 9, Secretary Richardson presented the National Partner and Clean Cities Coalition awards to two dozen industry partners and local coalitions from around the country. Each year, DOE honors cities and organizations that have made outstanding contributions in improving local air quality, reducing dependence on gasoline and diesel fuel, promoting the use of alternative fuel vehicles, and providing the resources to make these vehicles practical.
- **Fissile Material Transparency Technology:** DOE's Los Alamos National Laboratory will be hosting a Russian delegation the week of May 15 for a technology demonstration. The demonstration will focus on the use of information barriers to protect sensitive and classified information during measurement of a classified nuclear weapons component. This directly supports the weapons origin determination for the Mayak Fissile Material Storage Facility and the proposed Processing and Packaging Implementing Agreement. DOD's Cooperative Threat Reduction Program is funding the demonstration.

Have we
thought all we
can?

DEPARTMENT OF EDUCATION

- **MO School District:** On May 1, the State of MO stripped away the accreditation of all of the city's schools because of poor academic performance. The decision follows years of effort by the city to diversify and improve its schools. The District has two years to raise test scores, improve graduation rates, and make progress in the other areas or face the prospect of a takeover by the State.
- **PA Education Reform:** On May 3, the PA Legislature adopted Governor Ridge's sweeping Education Reform bill. The proposal empowers the state to take over ailing school districts. Philadelphia, among eleven districts identified in the bill, is currently working with the state Department of Education to draft an improvement plan.

DEPARTMENT OF VETERANS AFFAIRS

- **National Nurses Week:** From May 6-12, VA celebrated National Nurses Week by recognizing the care provided by more than 55,000 VA nursing staff. VA medical centers nationwide acknowledge the commitment of nursing personnel to new health care challenges and to improving patient care outcomes. At a ceremony on May 8, Secretary West presented four VA registered nurses with the Secretary's Awards for Excellence in Nursing and the Secretary's Award for the Advancement of Nursing Programs to the former Director of the Jackson, MS, VA Medical Center.

ENVIRONMENTAL PROTECTION AGENCY

- **Toxics Release Inventory (TRI):** On May 11, EPA will issue TRI data for the most recent reporting year, 1998. The data, which is reported annually, will include information on releases from the manufacturing sector which has been reporting since 1988. In addition, the TRI data will include, for the first time, data on toxic chemical releases from seven newly included sectors. These sectors are electrical utilities, coal mining, metal mining, chemical wholesalers, petroleum bulk plants and terminals, solvent recovery and hazardous waste treatment, storage, and disposal. The addition of these industry sectors significantly increases the public's right-to-know about releases of toxic chemicals. Finally, the TRI Explorer, an internet search tool, will be released simultaneously with the TRI data.
- **Preliminary Risk Assessment on Malathion:** On May 11, EPA will release the preliminary risk assessment for the organophosphate pesticide malathion for public comment. Malathion has generated substantial public interest by cities since its use last year to combat potential health threats associated with outbreaks of encephalitis. Based on preliminary findings, risks from malathion residues in food and drinking water are within acceptable limits for both short term and long term exposures to all groups,

including children. EPA has found that there is “suggestive evidence of carcinogenicity, but the evidence is not sufficient to assess carcinogenic potential.” This means that studies show tumors only at very high dose levels or that the number of tumors was so low that they could have occurred by chance rather than as a result of exposure to malathion. EPA assessed risks to bystanders from the use of malathion in both aerial and ground application. In all cases, the risks to bystanders from skin contact, inhalation, or incidental ingestion were below EPA’s level of concern. This is a preliminary risk assessment. EPA will accept public comment on this risk assessment until July 10. After the comment period closes, EPA will see whether any new information is available that would result in changes to the risk assessment. Once this review and refinement process is complete, EPA will release the revised risk assessment and open a public participation period inviting risk management ideas. Unless some information suggests the need to act more quickly, risk management decisions would be made following the close of the comment period.

- **Air Quality Index:** In most areas of the U.S., smog season began last week. From May 1 to September 30, the public health threat from ground-level ozone, or smog, is greatest. EPA has been working with the American Lung Association and *USA Today* to have the Air Quality Index printed daily on *USA Today*’s weather page throughout the ozone season.

UNITED STATES TRADE REPRESENTATIVE

- **Favorable WTO Ruling on Korean Beef Imports:** On May 10, the U.S. received the confidential preliminary report of a WTO panel that is examining the U.S. complaint against Korea regarding its import restrictions on beef. The panel intends to rule against Korea on virtually all claims. USTR expects to receive the final report in June, after both sides have had an opportunity to comment on the draft report.
- **Unfavorable WTO Ruling on DOC Action:** On May 10, the WTO Appellate Body released its ruling in a case that USTR appealed, involving a complaint by the EU about a countervailing duty order on leaded steel bars from the UK. DOC had determined that certain subsidies provided to the state-owned producer of leaded bars in the UK continued to benefit the producer after it was privatized. The EU claimed that this determination violated the WTO Subsidies Agreement, arguing that the arms-length privatization of the firm extinguished all prior subsidies. The panel and Appellate Body agreed.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Testimony before the House Government Reform Committee:** On May 16, Director McCaffrey will testify before the House Government Reform Committee's Subcommittee on Criminal Justice, Drug Policy and Human Resources. The hearing will focus on the evaluation of the National Youth Anti-Drug Media Campaign and whether it is making a difference in influencing attitudes and behavior.
- **U.S.-Mexico Binational Commission:** On May 18, Director McCaffrey will take part in the United States-Mexico Binational Commission meeting hosted by DOJ. The Binational Commission is a forum for American and Mexican officials to discuss a wide variety of law enforcement issues, including extradition, money laundering, law enforcement cooperation along the US-Mexico border and drug crop eradication. Attorney General Reno and Director McCaffrey will co-chair a meeting of the Commission's Legal Affairs and Anti-Narcotics Cooperation Working Group.

SMALL BUSINESS ADMINISTRATION

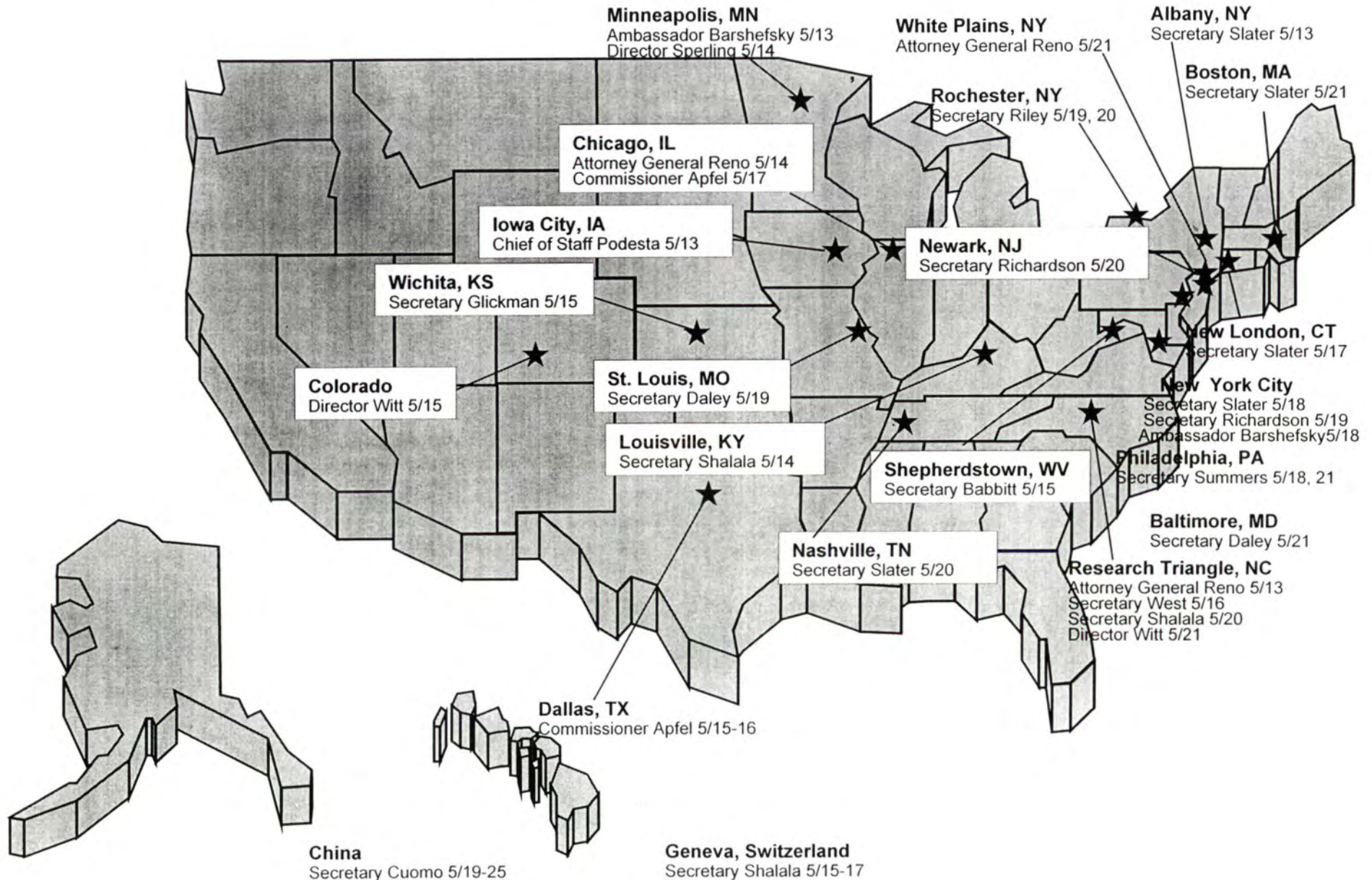
- **Small Business Week 2000:** From May 23-26, SBA will hold its annual Small Business Week celebration at the International Trade Center. This year's theme, A History of Success, a Millennium of Opportunity, will feature a "Best of Business 2000 Showcase" opening reception highlighting Small Businesses of the Year, corporate sponsors and other businesses. Among the highlights of the conference, SBA will inaugurate a new award program, the New Markets Lending Awards, where innovative lenders will be recognized and presented awards for their efforts to grow America's small businesses. The lenders will be recognized for their achievement in increasing access to capital to Americas New Markets -- minority- and women-owned businesses, businesses owned by veterans, and businesses located in low-and moderate-income urban and rural areas. The Global Economy Forum, which will explore issues related to the global reach of small business, such as how the WTO affects small business, and how SBA can help small businesses move into international markets.
- **Debt Collection:** The Treasury Department held its annual government debt collection conference during the first week of May. At the conference, SBA was recognized by Treasury as being the most active participant in its cross-servicing program of any federal agency. The Debt Collection Improvement Act of 1996 requires federal agencies to transfer all non-exempt debt over 180-days delinquent to Treasury for cross-servicing. SBA has transferred to Treasury over \$1B of loans on which the Agency has completed collection action, and this comprises about one-third of the total government debt in Treasury's cross-servicing program.

SOCIAL SECURITY ADMINISTRATION

- **Retirement Research Consortium Conference:** On May 17–18, SSA will host the second annual Retirement Research Consortium conference, “The Outlook for Retirement Income,” in Washington, DC. The conference will bring together many of the leading researchers in retirement policy whose research has been funded by SSA through the Retirement Research Consortium. Conference sessions will cover a broad range of topics including the future of pension systems, women in retirement, the progressivity of Social Security benefits, the future of pension systems, the importance of retirement savings, and the impact of spouses in the decision to retire.
- **National Identification Card Legislation:** On May 18, the House Government Reform Subcommittee on Government Management will hold a hearing on legislation that would prevent the Federal government from establishing national identification cards or any other universal system of identification. SSA has been invited to testify.

Cabinet Affairs Travel

Monday, May 13 - Sunday, May 21, 2000



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

MAY 12, 2000

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

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

SUBJECT: WEEKLY REPORT (May 6 to May 12)

*copied
Cahill
Podesta*

I. ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES:

CHINA PNTR

OPL Continues Meetings With Leadership from Trade Associations and Corporations.

This week OPL convened several meetings with Sec. Daley and Steve Ricchetti -- both at the White House and around Washington -- to share the Administration's legislative strategy with representatives from the corporate campaign. In addition, OPL organized meetings with representatives of the Los Angeles and New England Chambers of Commerce. Response from Tuesday's event and your trip on Friday has been very positive.

Heightened Interest in Religious Community on China PNTR. The five religious leaders who met with you on Tuesday are pursuing additional statements and signatures for a joint letter to be released next Tuesday. The Friends Committee has sent that letter to Dr. Billy Graham, but we are told he will take his cues from his son Ned. Ned, who has been supportive, has also been asked to sign the letter. The situation is delicate, however, because some doubt Ned's credibility among those we would like him to influence.

Asian American Organization Announces Support for China PNTR. The Committee of 100, an organization of prominent Chinese Americans, announced its support for China PNTR, stating that it will "increase U.S. exports and create at least 150,000 new jobs." OPL also hosted a conference call with prominent Asian American business leaders who reported on various activities they have been conducting in support of achieving PNTR for China.

OPL Hosts Briefing for the National Association of Farm Broadcasters. On Monday OPL hosted a briefing for nearly 40 members of the National Association of Farm Broadcasters, who were in town for their annual "Washington Week." John Podesta and Sec. Glickman updated the group on PNTR for China. Podesta also invited attendees to join Tuesday's East Room PNTR Event; nearly 30 of the Farm Broadcasters attended and participated in the meet-and-greet. The group was pleased with Monday's meeting, and especially grateful for being included in the Tuesday event: a strong show of Administration support.

PRESCRIPTION DRUGS

Aging and Disability Groups Pleased with Unveiling of Democratic Prescription Drug Legislation. Organizations, including AARP, issued positive press releases in support of your announcement. The large number of Members present sent a strong signal about the depth of Congressional support, and groups hope that can translate into steady momentum. Some groups remain concerned about the affordability for people with catastrophic prescription drug needs, while at the same time wanting to ensure that Medicare's long-term viability is sustained.

VIEQUES

OPL Continues Outreach for Presidential Directives Regarding Vieques. OPL, in conjunction with the CoS office, IGA, and Legislative Affairs, will work to generate additional support for your directives. Over the next two weeks, individual conference calls will be placed to key Members of the Congressional Hispanic Caucus, key state and local elected officials, and religious leaders. Moreover, we plan to schedule separate meetings with Puerto Rican Political Appointees, the seven National Latino organizations that have publicly announced their support of your directives, and key Puerto Rican community and grassroots leaders. An additional meeting will be scheduled with Minority Leader Gephardt and other House members to discuss defense reauthorization and your directive.

II. CONSTITUENT OUTREACH AND OTHER ISSUES:

AFRICAN AMERICAN OUTREACH

Black Farmer Bill Gets Little Backing From Black Farmers, CBC Congressional Leadership. National Black Farmer Organizations rallied on Monday in support of settling their discrimination claims, while issuing statements indicating their lack of support for the Black Farmer Bill sponsored by Reps. Dickey and Watts. Congressional Black Caucus (CBC) Members followed suit by voting against the bill on Monday, arguing in public that the bill would not make a substantial difference for black farmers. Some CBC Members are now attempting to schedule meetings with USDA to expedite the settlement process for discrimination claims against the Department of Agriculture brought by African-American farmers.

NAACP Commends South Carolina Flag Removal From Capitol Dome; Seeks Further Negotiations. NAACP President Mfume applauds the South Carolina Legislators for voting to have the flag removed from the Capitol Dome and Congressional Chambers. But he will continue the NAACP Boycott until the flag is removed from all official state buildings or grounds, such as the Confederate Soldiers Monument. Mfume and State NAACP Leaders will begin negotiations with the governor and legislature within two weeks.

ETHNIC OUTREACH

Serbian Orthodox Church Leaders Share Ideas on Relief, Opposition to Milosevic. As part of our ongoing dialogue, OPL hosted a meeting of over 50 leaders from the Serbian Orthodox Church in the USA to discuss Administration efforts in Serbia and Kosovo, including concerns about Milosevic's continued hold on power. Representatives from NSC and State explained that the U.S. has targeted millions of dollars to assist average Serbians and democratic forces. The Administration's message was clear: active U.S. support in assisting a more unified opposition; technical aid to strengthen civic society actors; and improved delivery of humanitarian assistance to municipalities with struggling democratic local governments. Following the briefing, the Administration officials met with break-out groups to identify potential local organizations and democratic leaders to work with U.S. assistance efforts.

HEALTH OUTREACH

Children's Health Advocates Displeased with Severe Cuts to the SCHIP Program. In Thursday's mark-up the Senate Labor/HHS appropriations committee proposed a \$1.9 billion cut to SCHIP. Advocates encourage the Administration to maintain its veto threat of an appropriations bill that includes such drastic cuts.

JEWISH OUTREACH

Press Inquires About Possible Pollard Meeting. Several offices received calls from a Jewish weekly in New York looking for confirmation of a conversation you had with Rep. Gary Ackerman concerning Jonathan Pollard. Ackerman told them you were surprised to hear Pollard was expressing remorse and that you were interested in having a meeting on this matter in the near future. They did not have a story this week in time for their Tuesday evening deadline. Of course, numerous Jewish individuals and organizations have written to you expressing their support for his release on humanitarian grounds so any notion that the review was moving forward in a positive manner would be well received.

LATINO OUTREACH

Hispanic Organizations Hold Press Conference Protesting Opposition to Moreno Nomination. On Thursday the National Hispanic Leadership Agenda, the Mexican American Legal Defense and Educational Fund, the National Association of Latin Elected and Appointed Officials, the Hispanic National Bar Association, and the League of United Latin American Citizens, joined by Reps. Reyes, Rodriguez, and Gonzalez, held a press conference to demand a rationale for opposition to your nomination of Enrique Moreno. The press has reportedly been inquiring about the make-up of the Texas Judicial Advisory Committee and the criteria the Committee used to justify its recommendation to Sens. Gramm and Hutchison. We will continue to raise the level of awareness within the national Latino community as well as in Texas, emphasizing the essential unfairness of the Senators' opposition to Moreno.

SENIORS OUTREACH

AFL-CIO Executive Council Creates Alliance for Retired Americans (ARA). The AFL-CIO created the ARA on May 4 to provide a new voice for working people regarding retirement security, health care, and other crucial issues. The ARA will extend the National Council of Senior Citizens' efforts to unite all the labor retiree groups under one umbrella of the AFL-CIO. We understand Steve Protulis will be up for election in June at their annual conference in Las Vegas; you are taping a video for their conference.

WOMEN'S OUTREACH

Women's Office Organizes Outreach for Equal Pay Initiative. To amplify your message and reinforce community support in preparation for Thursday's event, the Women's Office hosted meetings, conference calls, and individual outreach calls to the Equal Pay and Women's Labor communities. Advocacy groups continue to seek further discussion of "comparable worth," but remain strongly committed to your Equal Pay Initiative. Your Proclamation for National Equal Pay Day was widely distributed and warmly received throughout the women's community, which appreciates the Administration's repeated efforts to highlight the issue.

Women's Office Facilitates Meeting with Million Mom March (MMM) Organizers. The organizers were grateful for the opportunity to join you, A.G. Reno, Sec. Shalala, and John Podesta on Monday to share their personal stories of having been touched by gun violence, and to update you on MMM progress. MMM organizers appreciate your efforts to highlight the march and your willingness to host them again on Sunday.

Women's Groups Concerned About Progress of Violence Against Women Act (VAWA). Women's advocates encourage the Administration to push for passage of VAWA's reauthorization. We will be holding an internal meeting next week to discuss future strategy.

5-15-00

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Spesling
Podesta

Bill ~~XX~~
Report
for note
Pd

Alternative Levy Cuts Into Bush Tax Cut

'Minimum' Would Hit High Earners

By GLENN KESSLER
Washington Post Staff Writer

Attention, wealthy Americans: Don't dream too much about that Bush tax cut just yet.

The savings aren't as big as advertised, especially for taxpayers with annual incomes of \$130,000 to \$319,000.

In crafting Texas Gov. George W. Bush's tax plan, advisers for the Republican presidential candidate proposed to significantly reduce federal tax brackets but decided not to adjust the alternative minimum tax, which is designed to ensure that high-income households and companies don't escape paying taxes. The net result: millions of taxpayers would find any potential tax savings from the Bush plan eaten up by the minimum tax.

This little-noticed wrinkle in the plan also helps keep its cost down, making it at least \$400 billion less expensive over 10 years than the \$2.2 trillion that rival Vice President Gore has claimed on the campaign trail. But it has struck some experts as an odd decision because it undercuts Bush's argument that cutting top rates will "provide a powerful economic stimulus."

"They want to say they are giving these big tax cuts to people and then not pay for it," said Robert McIntyre, head of Citizens for Tax Justice, a group that analyzes tax plans and advocates a progressive system. McIntyre estimated that about 25 million taxpayers (more than 20 percent of those paying some tax) would be paying the minimum tax in 2008 under Bush's plan, up from about 800,000 currently.

Congress created the minimum tax because some wealthy taxpayers were able to use exemptions, credits and tax shelters to essentially pay no tax. The alternative tax forces all taxpayers to pay something.

Lawrence B. Lindsey, Bush's chief economic adviser, acknowledged that "there is no question upper-bracket people would become AMT taxpayers" under the candidate's plan. But he said the campaign chose not to adjust the alternative minimum tax to compensate for this effect because it would cost too much.

To some extent, by offering tax cuts that may turn out to be illusory, the Bush campaign is following recent political tradition. During the Clinton administration, Congress doled out a variety of popular education and family tax credits. These credits so significantly reduced people's taxes that an increasing number of middle-income taxpayers unexpectedly became subject to the alternative minimum tax, undermining the effect of the credits.

Congress temporarily fixed one problem by saying the \$500-per-child tax credit enacted in 1997 would not be used to calculate the alternative minimum tax until 2002.

Bush has proposed to double the child credit, to \$1,000, but also would make permanent exempting the child credit from minimum-tax rules. That, Lindsey said, should solve the minimum tax problem for 99 percent of taxpayers making less than \$100,000 if the Bush plan were enacted into law.

"Our concern, and the right political concern, will be the middle-class taxpayer," Lindsey said.

Doug Hattaway, a Gore spokesman, said: "Any way you look at it, it [the Bush plan] is still a tax cut for the rich that uses up the entire surplus." Hattaway said he wasn't sure whether Gore's proposed package of \$350 billion in tax credits takes account of the minimum-tax effect.

The complex alternative minimum tax has grown to become an important source of tax revenue in recent years. While much of the rest of the tax code is indexed to inflation, the minimum tax is not. So as incomes have risen, the number of taxpayers affected by the minimum tax has grown from 140,000 in 1987 to 823,000 in 1999. That number is estimated to balloon to 9 million by 2009 if no change is made in current law.

The minimum tax also has unusual quirks, such as treating state and local income taxes as tax shelters and thus penalizing taxpayers from high-tax states.

Politically, however, changing the alternative minimum tax appears to be a loser. Few people understand it, and it has none of the appeal of such popular issues as the marriage penalty, the estate tax or education credits. Any attempt to alter it would mostly benefit upper-income

taxpayers, so the issue doesn't captivate Democrats and scares off Republicans. And because about \$180 billion of the projected surplus in

the next decade stems from the minimum tax, it's an expensive item to alter.

"No one has been willing to deal with it," said Eugene Steuerle, a tax expert at the Urban Institute.

The 1993 Clinton budget plan boosted the AMT rate when it also increased rates for wealthy taxpayers. McIntyre, who produced the cost estimate for the Bush tax plan quoted by Gore, had assumed Bush would roll back alternative tax rates along with other tax rates, giving a potential boon to wealthy taxpayers.

But, after learning of Lindsey's comments yesterday, he adjusted his calculations. He said a taxpayer with income of \$130,000 to \$319,000 would receive an average tax cut of \$2,200, or 50 percent less than he previously estimated. Taxpayers making \$64,900 to \$130,000 would receive tax savings of \$1,400, or 26 percent less. The top 1 percent, those making more than \$319,000, would fare the best—receiving a tax cut of nearly \$47,000, compared with \$50,000.

Over 10 years, McIntyre said the Bush tax plan would cost \$1.5 trillion, or \$1.8 trillion including interest costs. This would bring it close to a nine-year estimate (without interest costs) of \$1.3 trillion by the congressional Joint Committee on Taxation. The five-year cost of Bush plan is about \$460 billion, not including interest.

Give see us in the

We need chart

Projected 10 year revenues?

— Inflation

— Bush tax cut

— "Deficit Reduction"

costs only

— greater interest

payments

— would cost

= what's left

Continental Societies, Inc. - Washington, D. C. Chapter
Golf Committee

2000 / Suite 1100 Alexandria, Virginia 22302 / Telephone (703) 575-1200 / Fax: (703) 575-1215

Scheduling

William J. Clinton
United States
se
nia Avenue
C. 20050

00 MAY 15 PM 5:02

ent:

Continental Societies, Incorporated, Washington, D.C. Chapter, will host its ANNUAL GOLF TOURNAMENT FOR YOUTH on Friday, August 11, 2000 at the Indian Spring Country Club in Silver Spring, Maryland. We invite you to tee off and/or participate in our tournament, should your schedule permit. The probability of your attendance for this event was discussed with you at the wedding of Secretary of Labor Alexis Herman and Dr. Charles Franklin.

The Continental Societies, Incorporated, Washington, D.C. Chapter, has a 48-year tradition of providing public service to children and youth in its Operation Awareness HEER Program: Health, Education, Employment, Recreation plus, Arts and Humanities. Our organization consists of professional women from business, academia, and government service throughout the Washington Metropolitan area. The Continental Societies, Incorporated consist of 46 chapters throughout the United States and Bermuda. Its programs are designed to encourage children and youth to become productive adults and fulfill their highest potential.

The tournament introduces girls in generate interest in math and science. Our goal is also to educate them in the range of benefits a year-long program of golf-related and educational traditional career opportunities. We are hoping to sustain their involvement and interest in high

The principal focus of the Golf Tournament from Washington, D.C. public schools whom a variety of educational activities, ranging from lectures. These activities encompass the national Bunker Hill Elementary School, Garnet-School.

LaRee Sugg is the only African-American woman selected for the Golf Trainees this year. Ms. Sugg is a role model to emulate. We are all very proud of her LPGA selection and wish her all the best.

We have enjoyed enormous success in past years because of the contributions of many, but specifically Robert Johnson, CEO of Black Entertainment Television. Mr. Johnson will again be a major sponsor of this year's Tournament. Last year, Dr. Dorothy I. Height, Chair and President Emeritus of the National Council of Negro Women, Inc. was Honorary Chairperson. Secretary Herman graciously addressed the Trainees and golfers during the dinner hour. Golfers included NBA legend Bill Russell, community leaders and other local and national athletes.

The initiatives of the Clinton administration and The Continental Societies endeavor to empower young people. We have read the details of one of your administration's initiatives to assist young people in the Youth Opportunity Movement. We consider our Tournament and other activities



1999

HONORARY
CHAIRPERSONS

MAUREEN BUNYAN

DR. DOROTHY I. HEIGHT

SHEILA C. JOHNSON

MEMBERS

EDNA L. LONG-GREEN
PRESIDENT

MARGO H. BRIGGS
CHAIRPERSON

ESSIE G. PAGE
VICE CHAIRPERSON

CARVELLA BEAVERS

LINDA H. BURKE

EUNICE M. CHERRY

JANETTE HOSTON HARRIS

DENISE S. HOLMES

VIOLA H. MCIVER

BARBARA M. MURRAY

ROMAINE W. NELSON

NORMA J. STEWART

5-15-00

Send to Scheduling?

Yes

No

all



1999

**HONORARY
CHAIRPERSONS**

MAUREEN BUNYAN

DR. DOROTHY I. HEIGHT

SHEILA C. JOHNSON

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ROMAINE W. NELSON

NORMA J. STEWART

Continental Societies, Inc. - Washington, D. C. Chapter Golf Committee

4501 Ford Avenue, / Suite 1100 Alexandria, Virginia 22302 / Telephone (703) 575-1200 / Fax: (703) 575-1215

May 8, 2000

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050

00 MAY 15 PM5:02

Dear Mr. President:

The Continental Societies, Incorporated, Washington, D.C. Chapter, will host its ANNUAL GOLF TOURNAMENT FOR YOUTH on Friday, August 11, 2000 at the Indian Spring Country Club in Silver Spring, Maryland. We invite you to tee off and/or participate in our tournament, should your schedule permit. The probability of your attendance for this event was discussed with you at the wedding of Secretary of Labor Alexis Herman and Dr. Charles Franklin.

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The tournament introduces girls in D.C. Public Schools to golf and serves as a strategy to generate interest in math and science. Our goal is not only to introduce the fundamentals of golf, but also to educate them in the range of benefits and opportunities related to the sport. We have planned a year-long program of golf-related and educational events to interest minority females in non-traditional career opportunities. We are hopeful that the combination of sports and academics will sustain their involvement and interest in higher education.

The principal focus of the Golf Tournament is to nurture young women in our Youth Golf Program from Washington, D.C. public schools whom we call our Golf Trainees. These students participate in a variety of educational activities, ranging from the Golf Tournament to technical training and lectures. These activities encompass the many facets of golf. This year's participants are from Bunker Hill Elementary School, Garnet-Patterson Middle School, and Garrison Elementary School.

LaRee Sugg is the only African-American woman on this year's LPGA tour will conduct workshops for the Golf Trainees this year. Ms. Sugg is a role model and example of a woman our Trainees should emulate. We are all very proud of her LPGA selection and wish her all the best.

We have enjoyed enormous success in past years because of the contributions of many, but specifically Robert Johnson, CEO of Black Entertainment Television. Mr. Johnson will again be a major sponsor of this year's Tournament. Last year, Dr. Dorothy I. Height, Chair and President Emeritus of the National Council of Negro Women, Inc. was Honorary Chairperson. Secretary Herman graciously addressed the Trainees and golfers during the dinner hour. Golfers included NBA legend Bill Russell, community leaders and other local and national athletes.

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The Honorable William J. Clinton
May 8, 2000
Page Two of Two

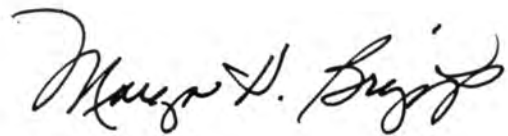
with the Golf Trainees a major component of our organization's strategy to give back to our community. We know we can help young women in the Washington, D.C. area who may not have the opportunity to be exposed to golf and its social interaction. We are empowering young African-American women to pursue careers in sports, management and entrepreneurship. We strive to make a difference in these young women's lives.

We will follow up this letter by contacting your scheduling office. It is hoped that you will be able to join us for this historic occasion.

Very truly yours,



Edna L. Long-Green
President



Margo H. Briggs
Chairperson

MHB/ELG/amc

bcc: Betty Currie
Minyon Moore



PETER YARROW
27 W. 67 ST.
NEW YORK, N.Y. 10023

00 MAY 15 PM 5:57

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

May 10, 2000

Dear Mr. President,

On July 26th or 27th, a Children's Parade of Summer Campers between the ages of six and sixteen will march to the White House singing "Puff The Magic Dragon" with me – as they proclaim their commitment to ending disrespect, intolerance, ridicule and bullying in their camps, schools, and communities. They will carry colorful, hand-made signs above their heads that say "No Dissing Here", "U Matter", "Ridicule Free Zone" and "Don't Laugh At Me" (see photo, attached).

Organized by the American Camping Association (ACA), this joyous parade will be the culmination of the "Don't Laugh At Me" Camp Program, involving some two million children from over 2,500 summer camps across the United States. From its inception the "Don't Laugh At Me" Program has received the encouragement and endorsement of many prominent advocates for children such as First Lady Hillary Rodham Clinton, Attorney General Janet Reno, the National Crime Prevention Council, Save the Children, Special Olympics, Children's Defense Fund and the Ad Council of America, among others (see attached letters and printed material).

Mr. President, this extraordinary launching of a program that provides a direct response to violence and disrespect among America's children includes a Children's Parade to the White House that will underscore, and unite with, your administration's powerful,

S-15-00

To Burkhardt for reply?

Yes ☒ No ☐

cc: w scheduling

cc: Scheduling?

Yes ☒ No ☐

card. w

B.

longstanding commitment to addressing the root causes of tragedies such as the one at Colombine and the recent painful occurrence at the National Zoo. We urge you, and the First Lady, to help us schedule this most meaningful celebrative event so that it can be put on your calendar for either July 26th or 27th. If you could greet the Children's Parade, and symbolically receive the two million plus Campers' "Constitution of Caring" Pledges, it would demonstrate your solidarity with the objectives of the "Don't Laugh At Me" Camp Program, honor the commitment of these children to put an end to violence, disrespect, and ridicule in their lives, and add a rich "note" to the powerful legacy of your Presidency.

I am contacting a number of prominent children's advocates to arrange for their possible participation in this celebratory march; among them are Secretaries Donna Shalala and Richard Riley, Attorney General Janet Reno, Dr. Marian Wright Edelman, Tim Shriver, the Hon. Max Cleland, the Hon. Tom Harkin, the Hon. Ted Kennedy, the Hon. John Kerry and the Hon. Harris Wofford.

The day's events will proceed as follows: first, we shall have a sing-in, perhaps on the steps of the Capitol, and then I shall lead the Children's Parade singing songs, such as "This Land Is Your Land," "If I Had a Hammer," and "Blowing in the Wind," all of which have been sung by Peter, Paul & Mary at events supporting your and the First Lady's causes over the last seven years.

The Parade participants, children of richly diverse backgrounds from the Washington, D.C., area, will deliver between one and two million campers' "Constitution of Caring" Pledges, hand-written and packaged in some 2,000 brightly colored boxes, stacked on hay wagons, as well as over 2,000 camp "Constitution of Caring" scrolls, signed by the campers, staff, and counselors of the participating camps of the American Camping Association. These pledges and "Constitutions of Caring" represent the culmination of a summer's work of sensitization, character education, and creative conflict resolution through experiential exercises and games. Each "Constitution of Caring" will list a particular camp's rules for declaring itself a "ridicule-free zone." It will describe the kinds of behavior and attitudes such as ridicule, "dissing", name-calling, and bullying that will no longer be allowed, as well as the kinds of behavior and attitudes that will be encouraged: respect, tolerance and compassion.

This "Don't Laugh At Me" Camp Program, involving almost half of the summer camps in our country, will precede a fall launch of a "Don't Laugh At Me" Program in

America's elementary schools, where it will reach over 100,000 classes in its first semester.

The Camping Guide and Teacher's Guide have been developed by a gifted group of experts in the field of children's social and emotional learning, character education, and conflict resolution, and guided by Linda Lantieri of Educators for Social Responsibility, founder of the Resolving Conflict Creatively Program.

I am attaching additional information plus a few advance packets like those being sent to 2,500 American Camping Association camps that are launching the "Don't Laugh At Me" Program this summer.

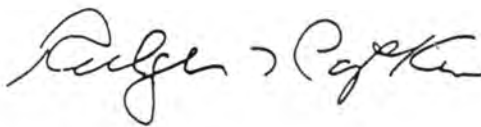
Thank you, again, Mr. President, for your attention to this issue. I am hoping that you will take time to personally review this material and ensure that the White House participates in the Children's Parade of Summer Campers, giving this noble effort your most meaningful and deeply appreciated Presidential "blessing." I, and Rodger Popkin, President of the American Camping Association, would like to meet with your staff as soon as possible to discuss the ways in which we might work together.

As always, I look forward to your help and participation in an effort that reemphasizes and links to the remarkable objectives and achievements of your presidency.

Sincerely,



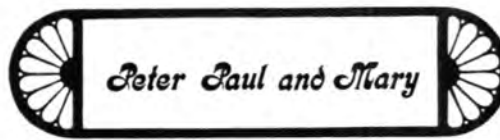
Peter Yarrow



Rodger Popkin
(President, American Camping Association)

PY/sb

(enclosures)



PETER YARROW
27 W. 67 ST.
NEW YORK, N.Y. 10023

Synopsis: “Don’t Laugh At Me” Project

April 24, 2000

Conception and Organizational Plan

In a nutshell, the “Don’t Laugh At Me” project utilizes music to sensitize children through transformational dialogues and other creative classroom activities that promote respect and encourage the elimination of ridicule, name-calling and bullying.

“The Packet”, containing a CD and music video of “Don’t Laugh At Me” and a 60-page teacher’s guide will be distributed free, primarily to schools throughout America but also to psychologists, social workers, Boys & Girls Clubs, etc. who will use it as a springboard to help create a “safe space” for children in classrooms, after school groups, or other settings.

As with early pilot studies using “The Packet”, such a group will make a commitment to declaring their classroom (or other) space a “Ridicule Free Zone” where, by mutual agreement, ridicule, bullying and disrespect are not allowed, and alternative ways of addressing conflict are encouraged. Thereafter, classes will incorporate well-tested, effective programs such as Resolving Conflict Creatively, Teaching Tolerance, and peer mediation to learn new habits of compassionate exchange.

The idea of using this approach to addressing young people’s problems like depression, teenage suicide and violence, has virtually “caught fire” among a variety of supporters of the “Don’t Laugh At Me” project including: the Justice Department and the National

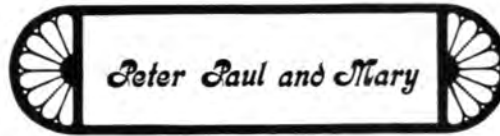
Crime Prevention Council (NCPC), the National Association of Elementary School Principals (NAESP), the National Association of Secondary School Principals (NASSP), the National PTA, the American School Counselor's Association (ASCA), the National Association of Great City Schools (NAGCS), Screen Vision that produced a 1 and a half minute film version of "Don't Laugh At Me" to raise money for Variety Clubs and raise awareness, which was in 6,000 movie theaters during the month of February, 2000. Such support gives a clear indication of the breadth of support for the program, as well as the opportunities for the "Don't Laugh At Me" project to establish important new cross-pollinating linkages with, and between, other similar programs.

Donations to launch the project include a \$60,000 grant for the year 2000 from the "Toys R Us" Children's Foundation and \$20,000 from the Norman Lear Family Fund. In total, promised donations now exceed \$200,000.

This letter is intended to give you a beginning sense of the objectives of the "Don't Laugh At Me" project. Additionally it is hoped that, upon viewing the video, you will be moved, as have so many of us who have been part of creating the project.

I send you all my warmest regards,

Peter Yarrow
(And the staff of the "Don't Laugh At Me" project)



PETER YARROW
27 W. 67 ST.
NEW YORK, N.Y. 10023

July 12, 1999

First Lady Hillary Rodham Clinton
The White House
Old Executive Office Building
Attn: Melanne Verveer

Dear Mrs. Clinton

Sometimes a song like "Blowing In The Wind" or "If I Had A Hammer" can strike a chord in the national consciousness that encourages a sea change in social awareness or political action. I believe that this can happen again and I'm writing to request your support to help make sure that it does.

I am sending on to you a remarkable three and one half minute video of a song, "Don't Laugh At Me" that, I believe, if distributed throughout America's schools accompanied by a teaching guide, can profoundly diminish the epidemic of ridicule, shaming and disrespect among our children that leads to depression, suicide (the #1 cause of death among teenagers) and violence, such as we've tragically witnessed in Littleton. The message of "Don't Laugh At Me" encourages some of the best traditions of America; compassion, generosity and respect. Please watch it and I think you'll understand.

You will note that the video includes the logos of Special Olympics, Save The Children, Children's Defense Fund and Variety Clubs, all of whom are honored to be named and connected to the song, it's message, the video and the advocacy it promotes.

I have contacted Linda Lantieri, the head of Resolving Conflict Creatively (you may be familiar with her book, "Waging Peace In Our Schools" with a preface by Marian Wright Edelman), who will help create a teacher's guide that will allow teachers to engage students in a several week-long project of discussion and sensitization, using the video as a point of departure. A

gifted elementary school teacher and friend of mine, Marna Biederman, has already done so on her own, and reports that it has been one of the most remarkable projects she's ever shared with her students. The response was amazing! Linda Lantieri feels, after showing the video to numerous colleagues in her field, that it's really important to have follow up by the teacher to channel and guide the emotional responses the video elicits in adults and children alike.

I am presently raising the money (approximately \$60,000) in the hopes of distributing the video to every school in the nation. To facilitate such distribution, I'll be contacting the National Associations of Elementary School Principals and Secondary School Principals, The National Education Association, Educators for Social Responsibility and the Southern Poverty Law Center, among others. I've had contact with all of these organizations in the past, or performed for them. In fact, Peter, Paul & Mary recently performed for the National Association of Elementary School Principals and when we sang "Don't Laugh At Me" they stopped the show with a prolonged standing ovation. Later we were inundated with requests for copies of the song for use in the classroom.

Please do watch the video and consider any and all of the following: could you please consider supporting this project by sending a letter encouraging our efforts, putting us in touch with various people or organizations who might advance or underwrite the effort and/or allow us to make a video of you speaking about the importance of the effort from your perspective, as you so wonderfully did with Representative Rosa DeLauro for the Connecticut Hospice, of which I am an Honorary (and very active) Board Member?

Thank you enormously in advance for your consideration of this worthy project. Your Chief of Staff, Melanne Verveer, and her associate Shirley Sigawa, have been particularly helpful. I'm most grateful to them.

I can be reached at 970-728-6284 until July 15, and through my office in New York at any time, at 212-580-5308.

Sincerely,

Peter Yarrow

PY/sb

THE WHITE HOUSE
WASHINGTON

August 17, 1999

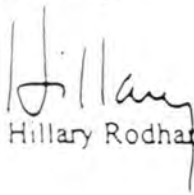
Peter Yarrow
PY Productions
27 West 67th Street
New York, NY 10023

Dear Peter

I had the opportunity to view your moving video, "Don't Laugh At Me," last weekend. What an effective way to reach into the hearts of young people and teach them the lessons of tolerance and kindness. I was pleased to hear of your plans to distribute the video through children's and education organizations, and hope that it will receive the wide audience that it deserves. If you send another copy, I will share it with the new nonprofit organization being formed to address the problem of youth violence which the President will announce August 27th.

As always, you have found a way to use music to teach us all important lessons about our times, and how we can make a difference. Thank you for this piece, and for all you have done and will continue to do.

Sincerely,



Hillary Rodham Clinton



PETER YARROW
27 W. 67 ST.
NEW YORK, N.Y. 10023

INTRODUCTORY LETTER BY PETER YARROW FOR "DON'T LAUGH AT ME" TEACHER'S / USER'S GUIDE

February 24, 2000

Dear Friends,

The whole "Don't Laugh At Me" project started with the song, discovered by my daughter, Bethany, and then played for Peter, Paul & Mary. It brought tears to our eyes when we first heard it, as it might to yours upon first listening.

Just as "We Shall Overcome," "Blowing in the Wind" and "If I Had a Hammer" reached the hearts of millions of Americans, galvanizing them to action, so, I believe, might "Don't Laugh At Me" provide a similar kind of "heart's connection" that will help educators, social workers and other children's caregivers create a more respectful, safe environment for our children.

First, please play the video and you'll be halfway there to understanding our objective. You will probably "get it" (almost) as quickly as the wonderful children in our focus groups who helped guide us with their comments, ideas and suggestions.

In a nutshell, the "Don't Laugh At Me" project is intended to serve as an introduction to, and enrichment of, ongoing efforts that nurture children's emotional, social and ethical development such as Character Education, Conflict Resolution and Teaching Tolerance programs.

When children begin this project, they have an opportunity to share the feelings they experienced when they, or others, were targeted by disrespect. Then, using the tools and activities in the enclosed guide book, and guided by skillful, caring teachers, children become sensitized to the hurtful effects of ridicule, scorn, name-calling, bullying, intolerance and other forms of disrespect that they encounter in the classroom and their lives beyond.

As you progress, the suggested activities, combined with the video and the CD, will lead you and the children on a path to successfully creating a “ridicule free zone”. Together, you will have the opportunity to declare your classroom (or other environment in which you work) a space in which ridicule and other forms of disrespect are, by mutual agreement, not allowed.

- The expressed desire to evolve the culture of the classroom, so that it becomes more respectful, peaceful and safe, is a necessary first step. Your classes’ enthusiasm for nurturing and maintaining a “ridicule free zone” is a good beginning, but only a beginning. After that, new skills need to be learned such as: recognizing one’s own feelings, other children’s feelings, expressing oneself in a non-threatening way, identifying prejudice and learning to think beyond intolerant messages from one’s past.
- Concurrently, the children will need to learn how to resolve controversy and disagreements respectfully, creatively and non-violently. As children acquire new, advanced socializing skills, heartfelt pledges to change can begin to become a reality.
- Additionally, to make this project part of your daily classroom activities, extension efforts need to be integrated with the regular academic curricula.

Your “classroom in transformation” can also begin to reach beyond the schools’ walls. Doctors, lawyers, law enforcement workers, business leaders, psychologists, athletes, governmental officials, artists and musicians can all be invited to the classroom to see what the class has achieved and discuss ways of extending the “ridicule free zone” to the larger community.

Most importantly, of course, parents need to be brought into the circle; by teachers, school staff and advisors, but primarily by the children themselves. Children’s homes can also become “ridicule free zones” as old habits of angry confrontation are replaced by new, more respectful ways of resolving conflict with compassionate exchange.

With the proposed “conscious acts of caring” being shared, dramatized or posted on the board (or on websites presently being planned), the spirit of your “Don’t Laugh At Me” project can intersect with the energies of other classrooms and schools committed to the same philosophy and goals.

Let “Don’t Laugh At Me” provide a point of inspiration, but do not fail to follow through on the exciting possibilities that will reveal themselves when you and the children first watch the video. The beginning activities in the enclosed Teacher’s/User’s Guide should serve as a powerful introduction to many other excellent character education and conflict

resolution programs that have proved to be highly effective in the classroom and other settings, particularly when embraced on a year-round basis.

In order to continue to move forward in your efforts to nourish children's emotional, social and ethical development, you may want to consider further training which is available now, but in most cases still needs to be financed by groups of teachers or individual schools that allocate special funds for this purpose. However, considering the recent national prioritization of character education and safe schools initiatives, we suspect that teacher training of this sort will soon be widely mandated and financed by state and local governments.

Finally, for those of you who have already embarked on a path to creating peaceful environment for children, this guide, CD and video, can add extra passion and new dimension, giving "song" and extra "heart" to your efforts.

Know that you are far from alone in this work. A virtual movement is gathering strength as more and more educators agree that children must not only acquire academic skills to become successful, thoughtful participants in a democracy, they must also acquire the tools to help them grow up to be ethical, compassionate citizens of strong character, healthy self- esteem and humane sensibilities.

With my warmest wishes for your success in the "Don't Laugh At Me" project,

Peter Yarrow

PY/sb

Kovner, Victor

From: david horowitz [horowitz@mediacoalition.org]
Sent: Tuesday, April 11, 2000 12:51 PM
To: mclist@mediacoalition.org
Subject: This report was released today

We are trying to get a copy of the report.

>Home life, peer harassment cause youth violence, new report says
>By PEGGY ANDERSEN
>Associated Press Writer

04/11/2000

Associated Press Newswires

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SEATTLE (AP) - Home life and "dissing" by their peers are the primary causes of youth violence, young people across the country told attorneys general gathering material for a national report, "Bruised Inside."

Media violence "puts the idea in your head," as the title of one chapter in the report by the National Association of Attorneys General expressed it.

But as far as the kids are concerned, it is not the problem.

Problems and attitudes in their homes and communities carry over into the schools, they said. Adults should set boundaries; provide guidance, respect and caring; and set an example showing violence is not a solution.

"I'm not looking for a buddy - I'm looking for a parent," one young person was quoted as saying by state Attorney General Christine Gregoire, who as president of the association released the report Monday.

The other factor - "the teasing or the 'dissing' that occurs in our schools" - is a problem teens themselves acknowledge a role in, she said, through a "code of silence that does not allow them to reach out for help."

A verbal attack can hurt "more than being stabbed," as a girl from a tough Tacoma neighborhood put it during Gregoire's visit to McIlvagh Middle School.

The problem of youth violence is escalating, Gregoire said in releasing the report compiled at her request.

Every day, 100,000 kids are assaulted in school, while 5,000 teachers are threatened and 200 are attacked.

Explosions of violence at schools - including the shootings at Columbine High School in Littleton, Colo., that claimed 15 lives on April 20, 1999 - have prompted reams of advice from experts.

"What was missing ... are what we consider to be the real experts on youth violence, the people on the front lines" - the children, teachers, administrators and parents, Gregoire said at a news conference.

So last fall, she asked attorneys general around the country to go to schools and "really listen to what our young people had to say."

She herself visited six schools - three high schools, two middle schools and an elementary school. Schools of all populations, ethnic mixes and settings - urban, suburban, inner city and small town - were tapped.

"We were told that the graphic violence in video games, music and movies - often

considered a leading cause of youth violence - in fact (is) not," Gregoire said.

The young people "unanimously agreed that home life and harassment by their peers are the No. 1 and No. 2 causes of youth violence in this country."

Gregoire was accompanied at the news conference by four students - ages 13, 14, 17 and 18 - and three school officials who reiterated the basic theme of the report.

Solutions? More parent and community involvement and more mental-health counselors at schools.

"Schools are not the problem," Gregoire said. "But you are part of the solution."

Kids can help by standing up to the tormenters - of themselves and others.

"Talk to them - don't just take it," said Amanda Powell, 14, from McIlvagh Junior High.

"We didn't get here overnight," Gregoire said. "There's no Band-Aid, no quick fix, no bumper-sticker solution ... We're not going to solve it overnight."

Lindsey Case, 17, a junior at Port Angeles High School, described the relentless teasing her boyfriend and other "Goths" - kids who tend to wear black and think dark thoughts - suffered at school.

Kids followed her boyfriend from class to class, "walking behind him, saying 'Faggot, faggot, faggot,'" she said - though he had a girlfriend and was not gay.

Of the 12 kids in that "Goths" group, she said, just one went on to graduate. The others withdrew from school rather than endure the hounding from their classmates or risk becoming attackers themselves.

Travis Horn, 18 and also at Port Angeles High, elaborated on the code of silence, urging parents to "talk to your children every day."

Learning how to treat people, how to communicate, has to happen at home before it can happen in school, he said.

"Talk to your kids. Let them know you care. ... It's important that you break the code of silence before it's too late."

Given time and tending, a knife wound will heal, said Shaunte Nance, 13. Verbal wounds leave people bruised inside, she said - "and being bruised is something that takes time to heal."

A lot of teasing is done by kids who "don't get respect at home," Nance said.

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The Advertising Council inc

S. Murray Gaylord
Executive Vice President and Chief Operating Officer
Direct Number (212) 984-1967
E-mail MGaylord@adccouncil.org

October 22, 1999

Mr. Peter Yarrow
PY Productions
27 West 67th Street
New York, NY 10023

Dear Peter:

I just wanted to tell you how pleased all of us at the Ad Council are to be working with you on the *Don't Laugh at Me* project, and to include it among our Ad Council endorsed campaigns. As such, a description of this campaign will be included in the January/February issue of the Ad Council Public Service Advertising Bulletin (PSAB) to be mailed to over 23,000 media outlets.

The 3 1/2 minute film is powerful, and deeply moving message, beautifully executed. I can't imagine anyone not being greatly touched by this film (and the :30 version clearly works as an effective Public Service message).

Thank you for your continued and passionate support of the Ad Council, and our efforts.

All the best,



Cc: Peggy Conlon



Hutchinson Public Schools

FARIS ELEMENTARY SCHOOL
300 EAST 9TH
HUTCHINSON, KANSAS 67501-1430
TELEPHONE (316) 665-4620
FAX NUMBER (316) 665-4620

JANIS L. BAIR
PRINCIPAL

February 8, 2000

Mr. Peter Yarrow
27 West 67th Street
New York, New York 10023

Dear Mr. Yarrow,

After seeing and hearing your performance of "Don't Laugh at Me" at the Symposium on Race last fall in Washington, D.C., I was so encouraged that, finally, a very powerful illustration of the damage and hurt caused by bullying was going to become available. My first thought was, "I must have a copy of the video as soon as possible." Bullying is at the very core of what drives some very gentle, loving, less fortunate souls to act in ways that cause marring for a lifetime. Peter, "Don't Laugh at Me" squarely hits the proverbial nail on the head!

In December, I shared my newly acquired copy of the video with my colleagues, nine other elementary principals. They were as equally impressed as I. Some had already heard the song and were using it with students. Imagine their encouragement when I shared that you were hoping to make the video plus a teacher's guide available to every school in the nation. Immediately I had two principals request to share the video as it was.

I have shared the video with my own staff, a group of twenty-five. There was not a dry eye in the house, so very powerful and moving is this video. Our country is fortunate to possess so many diverse populations. The video depicts a large number of them. For example, we, at Faris, are fortunate to have the classroom for the district severely multiply handicapped (SMH) children. Even handicapped little ones were remembered in this masterpiece.

News that we might be privileged to pilot the teacher's guide is truly exciting. I anticipate such a positive reaction from our students; such an opportunity to teach students how serious bullying can be. I have not shared with my colleagues that we might have this opportunity. I'll wait until it's definite.

Truly wonderful memories of Peter, Paul and Mary make this new encounter even more meaningful. I am grateful for the video and the prospect of the teacher's guide.

Most sincerely,

Janis Bair

November 15, 1999

Mr. Peter Yarrow
PY Productions
27 West 67th Street
New York, New York 10023



*A nonpartisan,
nonsectarian
coalition*

Dear Peter:

I apologize for the delay in writing to thank you for your presentation and mini-concert at the Character Education Partnership's national conference in Charlotte, North Carolina. I can only say that you were exceptional. Perhaps, in fact, the delay in writing is an extra bonus, because we are continuing to hear people sing your praises. You took what was apparently a good conference and made it a very memorable one for the participants. You deeply moved and energized everyone.

As you know, CEP is a coalition of individuals from across a very broad spectrum of beliefs and ideas, but who are united in the conviction that there are values – such as respect, responsibility, caring and integrity – that all of us share. You truly appealed to them all.

A number of people, including several Board members, came to me and said that we should ask you to come back to our conference next year, and I would like to do that right now. Our conference in 2000 will be in Philadelphia, Pennsylvania, and will take place from Thursday late afternoon or evening, October 19, through Saturday at 2pm, October 21. We are only now beginning to design the conference and would build you into the program based on your availability. We absolutely would like you to present to the full audience, but also could include you or others furthering your initiative in smaller concurrent sessions. For example, if the curricula will be available by next October, and you would like to have someone present it in a concurrent session, we could certainly accommodate that interest.

All of us at CEP look forward to continuing to work with you as "Don't Laugh At Me" unfolds. We will certainly publicize the curricula when it becomes available. For us, respect is the foundation on which society must be built.

When our winter newsletter comes out, I will send you a copy since it covers our Charlotte conference and your role.

Please let us know as soon as possible whether you can join us at our conference in October 2000.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Esther'.

Esther F. Schaeffer
Executive Director & CEO

Council of the Great City Schools

1301 Pennsylvania Avenue, N.W. ♦ Suite 702 ♦ Washington, D.C. ♦ 20004

(202) 393-2427 ♦ (202) 393-2400 (fax)

<http://www.cgcs.org>

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April 17, 2000

Mr. Peter Yarrow
27 W. 67 Street
New York, NY 10023

Dear Peter:

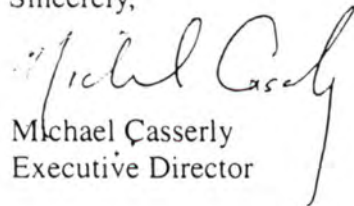
Thank you very much for traveling to Washington, D.C. recently to speak to the Council of the Great City Schools about the "Don't Laugh At Me" project. Your presentation was profound in its power and beauty.

Schools in America's Great Cities, like schools everywhere, are struggling with new ways to teach tolerance to our youth. We have made great strides in recent years instilling the value of resolving conflicts constructively. Nevertheless, we have a long way to go before tolerance is the norm. "Don't Laugh At Me" is unique in its promise to attain that goal.

Your presentation to our Superintendents and School Board members, which make up the Board of Directors of the Council of the Great City Schools, resulted in almost forty cities expressing interest in participating in your program when it is ready. I will follow this letter with a list of contacts in those communities. The Council stands ready to help distribute materials to the schools in our cities. We will need some 3,000 copies to cover grades 2-5 and 6-9.

Again, I want to thank you for your presentation and thank you for the leadership you are showing in solving one of this nation's most critical challenges.

Sincerely,



Michael Casserly
Executive Director

U
MATTER

**RIDICULE
FREE
ZONE**

**NO
DISSING
HERE**

PUT UPS

PEACE PLACE

RIDICULE

**DON'T
LAUGH
AT ME**



00 MAY 15 PM 4:11

*Speechwriting*ANT SECRETARY FOR FINANCIAL
MANAGEMENT

DEPARTMENT OF VETERANS AFFAIRS

FACSIMILE TRANSMITTAL SHEET

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Ms Betty Currie	Edward A. Powell
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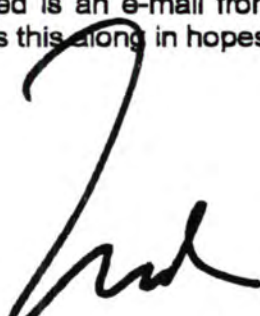
☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Betty,

You may recall my cousin, Mary Lewis Grow, has been instrumental in the Student Pledge Against Gun Violence and you helped her meet the President a few months ago. As it turns out, her husband, Roy, is head of the Political Science Department at Carlton College, where the President is giving a commencement address. Attached is an e-mail from Mary Lewis regarding potential topics for the President. I pass this along in hopes it proves helpful.

Thanks.



Send to

*Speechwriting?*Yes ☒No ☐*Cal*

Powell, Edward A

From: Mary Lewis Grow [marylewisgrow@yahoo.com]
Sent: Sunday, May 07, 2000 11:04 PM
To: eapjr@aol.com
Subject: White House request for ideas for Carleton speech

To: Ned Powell
Fr: MLG

Dear Ned,

Roy had to call the office of Carleton's president a few nights ago (to get a name of a Carleton contact in Shanghai), and he learned that the White House is soliciting ideas for Clinton's commencement address.

If I were the President, I'd be looking for bridges between some of his major issues and Carleton. There are two that I can think of. There may be more, but these, for obvious reasons, are the ones that we know about. I thought that the White House might be grateful for some ideas about what some of these bridges/links between the President's issues and Carleton might be.

1) China and WTO/PNTR: The Carleton Beijing political economy seminar, currently here in China for the academic term, divides the Chinese economy into seventeen sectors, with teams of two students assigned to each sector. In addition to the site visits and classes the whole group does, each team studies its sector in depth. For the last two weeks of the course, they do a simulation exercise, hammering out positions, with each of the seventeen teams of students representing the interests of its sector. This year the focus of the program is China and WTO.

This year's seminar is the fifth we have brought to China. The first was in 1990.

Because of a meeting I had with the US Embassy's Deputy Chief of Mission, four of our students -- corresponding to the states represented in the delegation -- were invited to meet with the recent congressional fact-finding delegation. Gene Martin, the DCM, was enthusiastic about having some of our students, who have been living, observing, and studying in China but represent no special interests, take part in the discussion.

At the very small breakfast, our students were seated next to the representative they were paired with and I believe were very effective in arguing for the need for China's PNTR and entry into WTO. Two representatives and Gov. Schafer of ND asked our students to write a summary of their arguments for them; one of the four representatives offered one of our students (a graduating senior) a job on the spot!

Two of the students who went to the congressional breakfast are now working on an op-ed piece which they plan to submit to Newsweek and several local papers such as the Minneapolis Star Tribune.

Walter Mondale, partly because of programs like the Beijing Seminar, has said a number of times -- publicly -- that he thinks Carleton does the best job

of preparing its students to understand Asia of any college in the country.

The Beijing Seminar has a website, which can be reached via Carleton's website: <www.carleton.edu>, then going to "Bald Spot," then going to "Academic Departments," then going to "Political Science Department," and then to "Beijing Seminar." The pictures of our students and the congressional delegation aren't up yet, but we'll be getting them up and/or we'll forward one or two of those pictures to you.

2) Gun Violence Prevention: The Day of National Concern about Young People and Gun Violence and the Student Pledge Against Gun Violence -- supported by bi-partisan Senate Resolution and Presidential Proclamation every year since 1996 -- is run out of Northfield, with the help of a number of Carleton students. Carleton students created a phone bank, inviting fellow students from all over the country to call their home school districts, asking them to observe the Day. A Carleton student created the Student Pledge website (<www.pledge.org>), and the site has been maintained by a succession of Carleton students. And a number of Carleton students have worked for the Student Pledge as interns and volunteers.

During the time that I've been here, a Carleton student, Zach Pruitt, has taken responsibility for the day-to-day operations of the Student Pledge.

Last year, more than 2,000,000 young people and many, many communities around the country took part in this national observance during which students unite their voices in a common commitment to end gun violence -- underscoring their power, individually and collectively -- to affect positive change.

This next year, with the strong commitment and coordinated partnership of national organizations such as the American Federation of Teachers, the National Association of Student Councils, the National Association of Secondary School Principals, the National School Board Association, the PTA and others, the year 2000 observance (which will take place on October 17) will reach millions more. And once again, Carleton students will be an important part of this national effort.

(The fact that I'm part of the Carleton community and also on the national board of Handgun Control and the Center to Prevent Handgun Violence with Sarah and Jim Brady -- and helped found our state's gun control coalition -- is probably less relevant since these activities don't involve Carleton students.)

Anyway, if you think it would be helpful for the White House to know these Carleton links to some of the President's key issues, do pass any of this information that you think relevant along.

With love,
ML

Do You Yahoo!?
Send instant messages & get email alerts with Yahoo! Messenger.
<http://im.yahoo.com/>

Do try to Tell

5-15-00

5-15-00

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



STATE OF MINNESOTA

OFFICE OF GOVERNOR JESSE VENTURA

130 State Capitol ♦ 75 Constitution Avenue ♦ Saint Paul, MN 55155

MEDIA ADVISORY

For immediate release:
Friday May 12, 2000

Contact: John Wodele
651-296-0001
Pager: 888-777-0082

STATEMENT OF GOVERNOR JESSE VENTURA

As Governor of Minnesota I am very proud to welcome President Clinton to Minnesota and thank him for his tireless efforts to secure permanent normal trade relations for China.

Considering how crucial exports are to Minnesota farmers, I believe that this is one of the most important agricultural issues we will consider this year.

I strongly believe that the Chinese people, American workers, and most importantly, farmers, both big and small, will benefit from expanding trade opportunities between China and the United States.

It is gratifying to me that the President of the United States and Congressmen like David Minge understand that in Minnesota we grow so much corn that we can't possibly eat it all and as a result like to sell the leftovers. They also understand that economists predict that after joining the WTO, China will go from being a net exporter of corn to a net importer. That means that fewer China corn exports will result in less competition for U.S. and Minnesota corn exports to other Asian markets.

As Governor of a state that relies heavily on agriculture to sustain our economy I regret not being a part of your rally today, but I am glad to be celebrating another important ingredient of our Minnesota economy—fishing.

While I am looking forward to hooking a big one this weekend, I know that in the long run, an even bigger catch would be permanent normal trade relations with China.

####



STATE OF ARKANSAS

House of Representatives

FAX COVER SHEET

SENTATIVE
Malone

Street
hia, AR 71923-6024

4141 Business
7177 Residence
6616 Fax

DISTRICT 36

of Clark County
of Nevada County

COMMITTEES

and Commerce

Committee on Energy

Committee on Advanced
Technologies and Information
Technology

SUBCOMMITTEES

and Criminal Law

TEL: (870) 246-4141
FAX: (870) 246-6616

'00 MAY 15 PM 1:52

No. of Pages
Including Cover: 3

DATE: 5/9/00

TO: Linda Dixon

FROM: Dan Palmer @ Rep. Percy Maloney

CC:

NOTES: I would appreciate any
assistance in this matter

5-15-00

Should we send this
to Linda Dixon? Dan B.
Agency Liaison
Yes ☒

No ☐

and

Universal Hiring Program Budget Information

Applicant Name: City of Arkadelphia ORI Code (Assigned by FBI): AR0100100 State: Arkansas

This worksheet will assist you in properly organizing and estimating your costs and providing the necessary details for financial review. Complete Part 1 if you are requesting funds for full-time officers, Part 2 if you are requesting part-time officers, and both parts if you are requesting full- and part-time officers. Everyone must complete a Budget Summary. If you plan to hire more than one part-time officer and they will be working a different number of hours, use average salary and benefit figures.

The budget information you provide will be used to calculate your grant amount. Assistance in completing this information is available from the U.S. Department of Justice Response Center at 1-800-421-6770, or by writing the COPS Office, 1100 Vermont Avenue, NW, Washington, DC 20530. OMB Approval #1103-0027, exp. 5/98

Part 1: Complete if You Are Requesting Full-Time Officers

1. Cost Per Full-Time Officer – Year 1

Current Annual Entry-Level Base Salary \$ 21,400.06 (a)

Annual Fringe Benefits:

*FICA/Social Security	\$ <u>1,637.10</u>
Health Insurance	\$ <u>3,120.00</u>
Life Insurance	\$ _____
Vacation	\$ <u>1,270.98</u>
Sick Leave	\$ _____
Retirement	\$ <u>2,144.29</u>
*Worker's Comp.	\$ <u>721.18</u>
*Unemployment Ins.	\$ <u>642.00</u>
Other Certificate pay	\$ <u>2,400.00</u>
(Please list others.)	
Uniform cleaning	800.00

Total Fringe Benefits \$ 12,735.55 (b)

Total Year 1 Salary and Benefits \$ 34,135.61 (c)

Instructions

Enter the base annual salary that your department currently pays a new, entry-level officer.

Department costs of FICA/SS (may not exceed 7.65%).
 Department costs toward health insurance coverage.
 Department costs toward life insurance coverage.
 Department vacation costs, if not included in base salary.
 Department sick leave costs, if not included in base salary.
 Department contribution to retirement benefits.
 Department costs of worker's compensation.
 Department costs of unemployment insurance.
 Costs of equipment, training, uniforms, vehicles and overtime are not permitted. Please do not include these costs.

Sum of department fringe benefit costs for Year 1.
 Year 1 base salary plus Year 1 fringe benefits (line a + line b).

Arkadelphia Police Department
610 Caddo Street
Arkadelphia, Arkansas 71923
(501) 246-4545

May 8, 2000

Representative Percy Malone
518 Clay St.
Arkadelphia, AR 71923

Dear Representative Malone,

Enclosed please find a copy of a Universal Hiring Program Budget Information Sheet outlining costs for a School Resource Officer in the Arkadelphia Public Schools System.

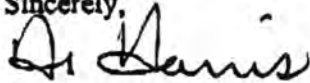
Two line items, Certificate Pay and Uniform Cleaning have been disallowed according to Department of Justice Representative Judy James.

Contained in the "instructions" section of the enclosed sheet is the statement that uniform costs are not permitted. Even though the line item "Uniform Cleaning" is not for uniform purchase we will not argue the point and are willing at this point to absorb that cost. Certificate pay is a regular part of the department salary system. Every officer in the department is eligible for up to \$200.00 additional salary per month based on their certificate level. This benefit is becoming more common across the state both in city and county law enforcement. I would ask that the Department of Justice reconsider the line item "certificate pay" and allow it to be included in our grant.

Presently we have three applications for the School Resource Officer position. These applications are from personnel within the department. If the Department of Justice will not reconsider and allow certificate pay to be included in our grant, I am sure these applications will be withdrawn since taking the Resource Officer Position at this time would result in a loss of pay for the individual selected.

I appreciate anything that you might do in assisting with an equitable solution to this problem.

Sincerely,



Chief Al Harris

Tab C - Page 1 of cover memo plus memo at tab:
Streett/Podesta

Tab D - Page 2 of cover memo plus note at tab:
Burkhardt (for reply)/Podesta

5-15-00

THE WHITE HOUSE

WASHINGTON

May 12, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: LISEL LOY *for*
JUSTIN COLEMAN

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Berger memo re: V-22 Ospreys** --In response to Larry Korb's *New York Times* article that recommended grounding the remaining 12 V-22 Osprey aircraft and canceling future production, you asked "shouldn't we seriously consider this?" Sandy writes that Korb's recommendation is premature without completing an accident analysis and technical review. Jim Jones has temporarily grounded the V-22 fleet pending the results of the analysis of the flight data recorder tapes that the Navy will conduct over the next several weeks. Jones responded to the article, stating the V-22: is a "must have" for our country; replaces aging helicopters; and has passed 7 cost and operational effectiveness analyses. There is no current alternative to the V-22 in development or inventory; Korb's argument that the Blackhawk could be used in its place belies fundamental range, speed, and capacity differences between the two. A *Washington Post* editorial's conclusion that a handful of Osprey would suffice is unrealistic because all H-46s will require replacement over the next decade.

(B) **Berger memo on DOD Security Clearance Program** --You asked Sandy if we can help DOD with the backlog of overdue security clearance cases, which now stands at 700,000 (500,000 periodic reinvestigations for individuals with clearance and 200,000 initial security clearance cases). Sandy reports that while the backlog will continue to grow until August, DOD is taking steps to reach its goal of limiting pending investigations to 150,000-175,000 by the end of 2001, including: contracting four outside firms that will process 1,000 case/day by next year; continuing to improve the internal procedures of the Defense Security Service; and working with OPM, which will handle lower level "secret" and "confidential" investigations (OPM will handle 350,000-400,000 investigations annually by next year).

(C) **Dawn Smalls memo re: Frederick Douglass House** --In response to your inquiry, Dawn provides information on Frederick Douglass' home in Anacostia, known as Cedar Hill, now a historic site open to the public. Douglass' purchase of the twenty-one room house in 1877 broke a "whites only" covenant; while living there, Douglass served in a number of positions, including as D.C.'s U.S. Marshall, as a Recorder of Deeds, and as the U.S. Minister to Haiti. After his death in 1895, Douglass' second wife established Cedar Hill as a historic site; it was entrusted to the National Park Service in 1962.

*5/15/00
1 shown
go by table
Sandy*

5-15-00

(D)

Note from Todd Stern --Todd forwards an article on the new Michael Jordan IMAX movie, directed by Todd's brother now showing at the Air and Space Museum. The movie chronicles the 1998 NBA playoffs and Jordan's attempt to capture a sixth championship. Todd would be happy to arrange a screening and sends his best wishes.

5-15-00

00 MAY 11 PM 10:54

THE WHITE HOUSE
WASHINGTON

May 11, 2000

Capred
Streett
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: DAWN SMALLS *DS*

SUBJECT: Frederick Douglass House

In response to your inquiry, I have prepared brief background information about the Frederick Douglass House.

Frederick Douglass broke the "whites only" covenant and purchased Cedar Hill in 1877 in what was one of Washington's earliest suburbs. The twenty-one room house overlooks the Anacostia Historic District and served as his home until his death in 1895.

Douglass served in many capacities while living at Cedar Hill. He served as U.S. Marshall of the District of Columbia under President Rutherford B. Hayes; the District of Columbia Recorder of Deeds under President James Garfield; U.S. Minister to Haiti under President Benjamin Harrison; and Secretary of the Commission of Santo Domingo under President Grant.

After Douglass' death in 1895, Douglass' second wife created the Frederick Douglass Memorial and Historical Association and worked vigorously to preserve the home as his memorial. The care of Cedar Hill was entrusted to the National Park Service in 1962.

The Frederick Douglass Historic Site attracts approximately 31,000 visitors a year, the second smallest number of visitors to any site maintained by the National Park Service in the District of Columbia. The surrounding neighborhood was ravaged by the 1968 riots following Martin Luther King's assassination and has been since left without tangible economic development.

Items on display include Abraham Lincoln's walking stick given to him by Mary Todd Lincoln after the President's assassination, Douglass' death mask, a leather rocking chair given to him by the people of Haiti, and selections from his many speeches and publications. The Frederick Douglass papers which include 3,000 speeches and letters, 2,000 miscellaneous receipts, and over 70 legal documents, were transferred to the Library of Congress in 1972. The site is open to the public 9:00-5:00 daily. Visitor activities include exhibits, a bookstore, guided tours, interpretive talks, and a film of Frederick Douglass' life.

I have attached an informational brochure of the Frederick Douglass Historical Site for your review.

brochure
not returned

TODD STERN

May 4, 2000

5-15-00

Mr. President -

I thought you'd be interested in this new review of the new IMAX Michael Jordan movie, directed by my brother Jim. If you'd like to see the movie, I'm sure I could help arrange a special viewing at the Air & Space Museum.

Hope all is well. You're doing great. I can't believe this 8 year run is winding down & I am morally certain

that this country is going to rise so
deeply after next January. Anyways,
eight or half more good months to go!

I'm well & having a good time
at Treasure

All the best,

Bob



FROM "MICHAEL JORDAN TO THE MAX"

Michael Jordan: The towering dynamo finds an appropriate forum in Imax.

Movies

'Michael Jordan': Imax's Slam Dunk

By KEVIN MERIDA
Washington Post Staff Writer

Even Michael Jordan haters—all six of them—will be on their feet applauding the latest pictorial homage to the Greatest Basketball Player Who Ever Lived.

"Michael Jordan to the Max," the stunning Imax film that opens tomorrow at the Air and Space Museum, soars like the man himself. It is 45 minutes of visual ecstasy. You can see Jordan's acrobatics captured in super slow motion on a screen five stories high. The fakes, the fade-aways, the scorched opponents are filmed from every camera angle imaginable—angles fans don't normally see when they're watching games on television. My favorite is the up-from-the-floor shot that makes it look like my 4-year-old is on the baseline with a camcorder. Jordan's footwork is isolated and you get to appreciate not just the size but the grace and fluidity of the world's tallest athletes.

Students of film will no doubt recognize that ultra-cool "bullet-time" technology used in "The Matrix." The special-effects technique is employed to freeze a Jordan slam-dunk flight in midair and give viewers the sensation of being with him as he defies gravity.

Wow!

And that's just the visual part of

the pic.

The story itself is, well, all warm and fuzzy. Jordan gets cut from his 10th-grade team but doesn't give up. Jordan has back spasms that make it difficult for him to walk, yet he plays in the big game anyway and scores 40.

Wow!

It's a wow kind of flick.

Produced by Giant Screen Sports, James D. Stern and NBA Entertainment, the film chronicles the 1998 NBA playoffs and Jordan's drive to win a sixth championship with the Chicago Bulls before retiring. Interspersed here and there are other glimpses into his life. We see Jordan conducting a camp for kids in North Carolina. We see adoring fans waiting outside arenas for their idol. We hear Jordan talking about the influence his slain father had on him. But mostly we hear from toasters—Coach Phil Jackson, NBA Commissioner David Stern, broadcaster Bob Costas—touting testimonials.

The most poignant of the bunch is Bob Greene, the Chicago Tribune columnist and author of two books on Jordan. When he left pro basketball the first time and then tried his hand at baseball, he wasn't very good at it. In fact, he stunk. Sports Illustrated, among other watchers of the game, wrote that he was embarrassing the national pastime. In soft tones, Greene recounts this and then recounts how hard Jordan worked at it, coming to the park early and staying late. And then Greene says: "If you ever have children, you ought to pray

that they grow up some day to embarrass you like this."

It's enough to make you cry.

But what Greene doesn't recount is that when Jordan retired from basketball the first time, he said he wanted to spend quality time with his family after all those years of hoop traveling, of being a marketing symbol on the international stage. And then he went off and played minor league baseball. It doesn't make Jordan a bad man. But it's a detail of the kind you never get in "Michael Jordan to the Max."

You will hear no mention of his gambling controversies or any introspection on what it felt like to deal with the scrutiny. Nothing about juggling celebrity and family responsibilities. Nothing about the distance he kept from social and political issues. No personal vulnerabilities exposed, discussed, even raised.

This movie is hero worship at its finest, but hero worship nonetheless. You wonder what kind of lessons we could teach our children if we didn't treat our icons as flawless, saintly creatures. It's not as though Jordan needed to be made any larger. His image could have filled an Imax screen long before this film was made. He is a 20th-century phenomenon, the most commercially successful athlete ever, a man whose appeal knows no demographic boundaries. For a whole lot of reasons, he is deserving of our admiration. But would Jordan be any less of a superstar, somehow not worth emulating for his marvelous work ethic, if even a few of his imperfections had made their way to the screen?

Of course not. Our children would still look up to him. He would, perhaps, seem more real. Less perfect. This film is an excellent promotional vehicle for the game of basketball, for the NBA and for Jordan himself. Check the credits and you will see his longtime agent David Falk listed as an executive producer. A documentary this is not.

As for Jordan milestones, this film represents another. It is the first large-format flick ever done on one individual. Imax films usually are about sharks or the Grand Canyon or the Amazon. The Jordan pic also represents the first time Air and Space has included a film on its daytime schedule that is about something other than space or aviation. The museum's director, Jack Dailey, explained that Jordan was in the same league as other role models featured there, meaning people like Gen. Benjamin O. Davis and John Glenn. With the Jordan film, Dailey said, perhaps the museum will attract a host of people who wouldn't otherwise visit its exhibits.

And that's probably as good a reason as any for this brand of hero worship.

Now if we can only get Jordan, who is shuttling between Washington and Chicago, to really focus on turning around the pitiful Wizards. If he can do that, he'll be worthy of an Imax sequel.

Michael Jordan to the Max (45 minutes) is playing at the National Air and Space Museum's Samuel P. Langley Theater. Visit <http://www.nasm.si.edu> for showtimes and ticket prices.

205 Yoakum Parkway #1611
Alexandria, VA. 22304
703-751-2478
April 20, 2000

President William Jefferson Clinton
1600 Pennsylvania Avenue
Washington D.C.

5-15
To Ann B.
for reply

Dear President Clinton,

For the past six years I have been privileged to serve as a White House Volunteer coming into read your mail on Mondays. We've had the same group of women over the years who work together and have become friends. Most of us are retired and we enjoy the stimulation of keeping our minds active with the issues of the day and figuring out how our government agencies can help with the numerous requests you receive. Sometimes even the handwriting is a challenge! I've also helped in children's letters, Comment Line, Hillary's mail and have helped in four egg rolls and five White House Holiday Open Houses. One year we had the exciting task of making Christmas decorations in the White House flower shop. It has been a wonderful experience over the years.

In March of this year I was diagnosed with ALS, Amyotrophic Lateral Sclerosis, commonly known as Lou Gehrig's disease. This is a progressive disease of the motor neurons, with the breakdown of the nerve impulses sent to the muscles. It is a fatal disease and there is no cure.

The ALS association has designated the month of May as ALS awareness month. There will be a meeting with Congressional Representatives and Senators on May 18 to urge the passage of two bills by Congress: HR 353 and S1074. I hope you will have an opportunity to urge passage of these bills by Congress. The bills would waive the Social Security disability waiting period for ALS patients to receive Medicare coverage. They would also provide Medicare coverage for FDA approved treatment for ALS.

In my case, I first noticed the symptoms of this disease on December 20, 1999, when I was working at the Old Executive Office Building. We had the fun job of wrapping some of the Christmas gifts you were giving to staff and friends. My fingers of the left hand were not coordinated well so I could not so I wrap. I was, however, able to cut ribbons. I also had trouble walking to the subway that day. I called my doctor when I got home. After many doctor visits and tests the diagnosis of ALS was confirmed by two outstanding neurologists. It has been difficult to suddenly become handicapped. I have no use of my left arm or hand, and I do not have much use of my left and right legs. I use a walker at home, but need a wheelchair outside my home.

I am fortunate in some aspects of this disease because I am 82 years of age and I am therefore receiving Medicare help. Plus I have a loving husband of 50 years who is

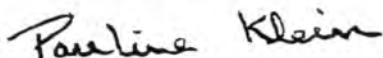
retired and is my caregiver. So far we are managing OK; but for those who are not yet eligible for Medicare the passage of these Congressional bills would help.

I recently read an article in the April 19th *Washington Post* about some embryo stem cell research projects that may eventually help in delaying symptoms of motor neuron diseases such as ALS. While it is somewhat controversial, I hope Congress will give thoughtful consideration to it, with your full support.

For your interest I am also a WWII veteran and a charter member of WIMSA, Women in Military Service for America. I was a volunteer for WIMSA until my illness. I had the privilege of hearing Hillary Rodham Clinton speak at one of the ceremonies at WIMSA. My husband and I have also enjoyed hearing you speak at several political banquets, and we danced at your inaugural ball.

We appreciate all the good you have done for our country. Thank you for any support you can give to research and treatment of ALS, and best wishes to you and your family.

Yours sincerely,



Pauline Klein

cc. Vice President Al Gore
Senator Tom Daschle, Senate Minority Leader
Robin Swope, ALS Patient Services Coordinator, Nation Capital Chapter

THE WHITE HOUSE
WASHINGTON

Cum gratias -

You should do a letter to Versailles
saying thanks for letter, we've
responded to that letter (our
shop is working in a room)

Sincerely

THE WHITE HOUSE

WASHINGTON

May 12, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: KAY CASSTEVENS

SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review is a letter from Sen. Thomas A. Daschle (D-SD), concerning Ms. Pauline Klein, a White House volunteer who was recently diagnosed with ALS (Lou Gehrig's Disease). Senator Daschle encloses a letter to you from Ms. Klein asking for your support in promoting research and treatment of ALS.

United States Senate
Office of the Democratic Leader
Washington, DC 20510-7020

May 4, 2000

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

Dear Mr. President:

I wanted to make you aware of a request I recently received from Pauline Klein, who has been a volunteer in the White House for the past six years. From her time working in your mail room, Pauline knows about the huge volumes of mail you receive on a given day and was hesitant to make any more demands on your already busy schedule by sending you another letter. However, her story illustrates perfectly how important our fight to reduce the cost of prescription drugs really is, and I knew you would be interested in seeing what she had to say.

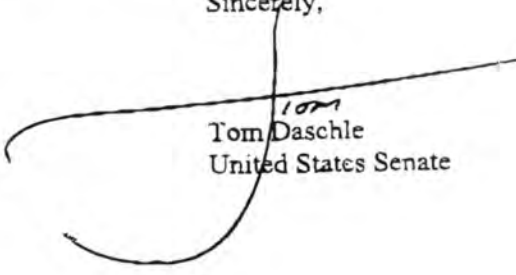
Pauline has been a loyal volunteer in the White House since she was 76 years old! In addition to working in your mail room, she has assisted your staff during special holiday events and even wrapped the Christmas gifts that you gave to your staff and friends. Earlier this year, however, this energetic and positive woman was diagnosed with ALS – or Lou Gehrig's disease – which, as you know, is a fatal condition affecting the nerve impulses sent to the body's muscles.

While there is no known cure for ALS, there is medication and treatment available to help control the symptoms of the disease. Sadly, the cost of the medication is often prohibitive. In Pauline's case, she cannot afford to pay the \$1000 dollars a month necessary to purchase the type of medication she needs, forcing her to go without what could prolong her life.

Knowing what I do about Pauline, it comes as no surprise that despite the challenges brought on by her disease, she exerts her energy looking for ways to help others rather than spending time feeling sorry for herself. In her letter to you, which I have enclosed, Pauline hopes you will support legislation that would bring some relief for other ALS patients who aren't as "fortunate" as she is. I know she would be thrilled to learn that you were aware of her situation and were working to help others who were suffering from ALS.

Thank you in advance for your consideration of this request.

Sincerely,

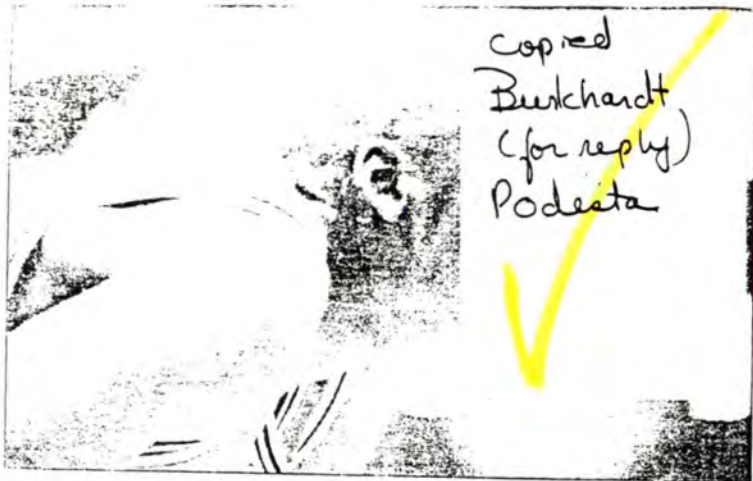

Tom Daschle
United States Senate

Enclosure

5-15-00

(D)

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FROM "MICHAEL JORDAN TO THE MAX"

Michael Jordan: The towering dynamo finds an appropriate forum in Imax.

Movies

'Michael Jordan': Imax's Slam Dunk

By KEVIN MERIDA
Washington Post Staff Writer

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Wow!

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the pic.

The story itself is, well, all warm and fuzzy. Jordan gets cut from his 10th-grade team but doesn't give up. Jordan has back spasms that make it difficult for him to walk, yet he plays in the big game anyway and scores 40.

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that they grow up some day to embarrass you like this."

It's enough to make you cry.

But what Greene doesn't recount is that when Jordan retired from basketball the first time, he said he wanted to spend quality time with his family after all those years of hoop traveling, of being a marketing symbol on the international stage. And then he went off and played minor league baseball. It doesn't make Jordan a bad man. But it's a detail of the kind you never get in "Michael Jordan to the Max."

You will hear no mention of his gambling controversies or any introspection on what it felt like to deal with the scrutiny. Nothing about juggling celebrity and family responsibilities. Nothing about the distance he kept from social and political issues. No personal vulnerabilities exposed, discussed, even raised.

This movie is hero worship at its finest, but hero worship nonetheless. You wonder what kind of lessons we could teach our children if we didn't treat our icons as flawless, saintly creatures. It's not as though Jordan needed to be made any larger. His image could have filled an Imax screen long before this film was made. He is a 20th-century phenomenon, the most commercially successful athlete ever, a man whose appeal knows no demographic boundaries. For a whole lot of reasons, he is deserving of our admiration. But would Jordan be any less of a superstar, somehow not worth emulating for his marvelous work ethic, if even a few of his imperfections had made their way to the screen?

Of course not. Our children would still look up to him. He would, perhaps, seem more real. Less perfect. This film is an excellent promotional vehicle for the game of basketball, for the NBA and for Jordan himself. Check the credits and you will see his long-time agent David Falk listed as an executive producer. A documentary this is not.

As for Jordan milestones, this film represents another. It is the first large-format flick ever done on one individual. Imax films usually are about sharks or the Grand Canyon or the Amazon. The Jordan pic also represents the first time Air and Space has included a film on its daytime schedule that is about something other than space or aviation. The museum's director, Jack Dailey, explained that Jordan was in the same league as other role models featured there, meaning people like Gen. Benjamin O. Davis and John Glenn. With the Jordan film, Dailey said, perhaps the museum will attract a host of people who wouldn't otherwise visit its exhibits.

And that's probably as good a reason as any for this brand of hero worship.

Now if we can only get Jordan, who is shuttling between Washington and Chicago, to really focus on turning around the pitiful Wizards. If he can do that, he'll be worthy of an Imax sequel.

Michael Jordan to the Max (45 minutes) is playing at the National Air and Space Museum's Samuel P. Langley Theater. Visit <http://www.nasm.si.edu> for showtimes and ticket prices.

TODD STERN

May 4, 2000

5-15-00

Mr. President -

I thought you'd be interested in this new review of the new IMAX Michael Jordan movie, directed by my brother Jim. If you'd like to see the movie, I'm sure I could help arrange a special viewing at the Air & Space Museum.

Hope all is well. You're doing great. I can't believe this 8 year run is winding down & I am morally certain

that this country is going to miss you
deeply after next January. Anyway,
eight & half more good months to go!

I'm well & having a good time
at Treasury.

All the best,

Bill

5-15-00

BIANS ABROAD - U.S. CHAPTER
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Spring, MD 20904

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ceesay_soffie@prc.com
301-681-1013

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in the United States salutes you with the utmost
The First Lady, and your daughter, Chelsea.

strength and leadership in ensuring economic
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We have planned a massive demonstration and march on May 27, 2000 in Washington, DC. Our
plans include marching to the Whitehouse. The objectives of the demonstration and march are

5-15-00

THE CONCERNED GAMBLANS ABROAD – U.S. CHAPTER
C/O 13830 Castle Boulevard #204
Silver Spring, MD 20904

ktouray@aol.com
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301-681-1013

His Excellency, William Jefferson Clinton
The President of the United States
The White House

Dear Mr. President:

The Concerned Gambian community residing in the United States salutes you with the utmost honor. We extend our greetings to your wife, The First Lady, and your daughter, Chelsea.

We thank you and commend your unwavering strength and leadership in ensuring economic stability for the people of the United States and most important to us, Gambian Americans. We also commend your efforts and interest in African Affairs; your visit to Africa and your efforts to provide financial assistance in the fight against malaria, tuberculosis, and HIV/AIDS that plague our continent. Your actions to disengage countries like Haiti and South Africa from the atrocities and dictatorship also exemplify your continued love and humane integrity for other peoples other than your own. We therefore, ardently solicit your assistance and support in restoring The Gambia to a peaceful, free, and democratic country.

The Gambia has deteriorated from a peaceful country with respect for human life, to a country tailored by Jammeh's capriciousness and infantile lust for power with constant kidnapping, harassment, violations, and vicious murders. The atrocities and carnage demonstrated by Jammeh and his administration in The Gambia since 1994 has resulted in blanket anger, frustration, and despondence in our country. The latest incidence was a carnage on April 10 and 11, 2000 in which security officers acting in direct response from Jammeh's administration maliciously gunned down over 14 innocent high school students and citizens and more than 128 critically wounded. One of those wounded may need kidney dialysis or transplant which of course, the Gambia cannot provide. The carnage was preceded by a demonstration set up by the Gambia Student Union (GAMSU) in response to the inhumane killing of a 19-year-old high school student by Fire Service Personnel and the brutal rape of a 13-year-old girl by a police officer. These officers are supposed to be protecting our people! President Jammeh fails to act to address the appalling incidences. Never in the whole history of The Gambia have human rights been so blatantly violated. These heinous crimes are a few of a series of human rights violations and murders on innocent Gambians with no inclination by Jammeh and his administration to hold himself and his people accountable for the atrocities through due process of the law. Jammeh's inert reaction to these atrocities indicates his full-fledged involvement and support in this reign of terror.

We have planned a massive demonstration and march on May 27, 2000 in Washington, DC. Our plans include marching to the Whitehouse. The objectives of the demonstration and march are

three fold. First, to publicly denounce and express our outrage and disgust of the abhorring human rights violations and unprovoked murders demonstrated by Jammeh's regime since 1994. Second, to appeal to the international community to acknowledge the presence of these atrocities in The Gambia and to initiate an independent judiciary commission of inquiry to thoroughly investigate all the heinous crimes by President Jammeh and his administration; and to prosecute them to the full extent of the law. Third, again to appeal to the international community to set up a group of representatives to ensure free and fair elections in 2001 by demanding that Jammeh unban all political parties so they can conduct election campaign, and to be physically present to monitor the campaign and elections until the winner has been determined. The presence of international representatives will also curb potential murdering of Gambians who have the courage to oppose Jammeh's regime, which occurred during the last elections.

We believe that if the human rights violations are not arrested and those responsible held accountable and brought to justice, The Gambia will evolve into another cataclysmic situation similar to the one in Sierra Leone. We must not allow this to happen! Our people in The Gambia are angry and frustrated because of the senseless atrocities and murders and their inability to protest or resist for fear of retribution. We in the diaspora are deeply saddened by the plague of unprovoked human rights violations and murders. This is not The Gambia, as we know it! We want our country back!

President Jammeh is an insidious military dictator in civilian clothes who hypocritically chants words of truth and wisdom in public, but privately continues to repress and brutally slaughter our people. We want him brought to justice to the full extent of the law. We want our peaceful, free, and democratic, Gambia back!

The United Nation posits to "confront human rights violations wherever they occur". We therefore stand firm with courage in our belief that the international community must respond immediately. The UN must send representatives of The Commission on Human Rights to investigate the human rights violations and slaughtering occurring in The Gambia imposed by Jammeh. We appeal to them to act NOW before it is too late!

We strongly believe that it is only through the demonstration of support of individuals in your prestigious status that the international community would respond to our ardent pleas for assistance. We would appreciate your support in publicly denouncing the Jammeh regime and calling on the international community to act accordingly, to grant us an interview in which specific cases of human rights violations and murders will be explicated, and finally to address this issue in your weekly radio broadcast if appropriate. We ardently appeal to you to support our cause and efforts to bring back a peaceful, free, and democratic Gambia.

Thank you.

Yours Sincerely,
The Concerned Gambians Abroad – US Chapter.

5-15-00



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NEWS RELEASE

5-15-00

State Representative Ted Winter

247 State Office Building, St. Paul, MN 55155
27750 110th St., Fulda, MN 56131

651/296-5505
507/425-2664

For Immediate Release

May 12, 2000

WINTER: CHINA TRADE IS 'PIE IN THE SKY' FOR MINNESOTA FARMERS

Wide-open trade with mainland China is a 'pie in the sky promise' to Minnesota farmers, Rep. Ted Winter said as President Clinton visited the state to tout the proposal today.

"There is absolutely no guarantee that China will buy one more pork chop or kernel of corn from us," Winter (DFL-Fulda) said. "China is already buying and eating all the food it can afford. It won't buy more food unless it becomes a richer country. But it can't become a richer country while its economy is based on ultra-low-wage manufacturing. All that open trade with China will do is flood the American market with more cheap goods, undercutting our own manufacturers and taking away American jobs." no more

Winter noted that China already exports about \$4 billion more food and live animals than it imports - meaning that there is no real market for American food.

At the same time, China is engaged in a domestic program aimed at moving 300,000,000 people from its own farming areas to urban centers. That means two things will happen, he said: Chinese agricultural production will stay steady as it modernizes and industrializes, but Chinese manufacturing costs will stay low.

"Like Mexico, they are trying to attract business with low-wage labor, and bringing people from the farms to the cities ensures a large supply of workers willing to work for a low wage," Winter said. "They have no commitment to improving the quality of life of their people. If they did, they would be seeking to raise wages, not depress them. Our trade deficit with China will explode if this proposal is adopted."

5-15-00

After you have seen,
we will send to Moore.

Carl

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Moore
(for reply)
Podesta

- Dr. T. J. M. G. G.
- CC: M. J. G. G.
to V. P. M. G. G.

3-15-00
The Carbyle
MADISON AVENUE AT 76TH STREET
NEW YORK, N.Y. 10021

4/18/00

dear Mr. President:

Esther thought that my
current description of
George W. Bush was so
humorous and on the
money, she asked me to
write it down ~~she~~ could
give it to you.

you know that Maureen
Doud refers to Gov. Bush
by his middle initial "W".
Well, I think she should
add ".com." to the "W", since

he is an over-subscribed
Initial Public offering that
when brought to the
market, no product
was found.

I am a big supporter of
yours and wish you
well in the last part
of your term and beyond.

WALLY TONER
2253 GILMAN DR. W.
SEATTLE, WA 98119
(206) 285-8639

5-15-00



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