

8-4-00

THE WHITE HOUSE

acc: [unclear] / [unclear] 8/6/00

Mr. President -

Very good! should do

Good op ed in LA Times on how ^{TY to them} we've transformed G.8. _{USCen.}

This is part of enterprise I have organized call "Accomplishments 2000" -- have brought together 20-30 former Clinton ~~Admin~~ foreign policy officials who have (readily) agreed to help tell our story over the next six months.

Sandy

copied
personal file
Branch
Blumenthal
Podesta
NSC WW Desk
(for reply)

G-8 Has Moved Beyond Photo-Ops of the Past

■ **Globalization:** The group's initiatives emphasize what democracies do best: turn the free flow of information to common advantage.

By WILLIAM ANTHOLIS
and DANIEL BENJAMIN

For the last few days, Washington has been fixated on the question of whether President Clinton would leave the Middle East peace talks in Camp David to attend the annual G-8 summit in Okinawa. Critics ask: What does the G-8 do anyway, aside from give world leaders a chance to bask in an aura of collective importance?

This question would have been fair a few years ago, but these annual meetings are no longer pompous photo-ops, thanks largely to U.S. leadership. At a time of increasing fears over globalization, the G-8—the world's seven leading industrialized democracies plus Russia—has positioned itself as the world forum for taming the forces of the global economy. The group is a democratic alternative to the United Nations Security Council, which is often hobbled by conflict.

The original G-7—Canada, France, Germany, Britain, Japan, Italy and the U.S.—has met since 1976, sharing economic ideas, coordinating financial policies and directing the International Monetary Fund and World Bank. But years before globalization became the obsession of the punditocracy, the G-7, led by President Clinton, began confronting the dangers emerging from an interdependent global economy.

The turning point came in Halifax in 1995, when two developments focused the talks being held there. The first, prompted by the financial meltdown in Mexico and the U.S.-led bailout, was the creation of an IMF fund for future such bailouts. This fund required recipients to open their finances to outside scrutiny and to combat corruption. Many criticized this focus on good governance, but it bore fruit in this month's successful Mexican election, which, in part, was made possible by a reform process begun in Halifax. An effort to relieve the debt of poor nations employing similar conditions was also begun. Some 20 countries may qualify for debt relief by the end of this year.

The second development was that the G-7 realized that governing the global economy was not simply about managing markets. In particular, it recognized how difficult it would be to tackle global problems if Russia rejected economic and politi-

cal reform. By inviting Boris N. Yeltsin to join the annual meetings, and thus creating the G-8, the leaders strengthened support for reform in Russia and laid the groundwork for a distinctly democratic approach to handling global security issues. This year's summit will be a useful reminder to Russia's Vladimir V. Putin, who is attending the G-8, of the democratic standards to which he will be held.

Subsequent summits have tried to tackle one or two political issues at a time. The new announcements expected in Okinawa—money to fight AIDS and efforts to bridge the digital divide between rich and poor nations—are the latest steps in this broader effort to deal with the challenges of global integration. The message is clear: These issues are too important to be held hostage by the U.N., with its fractious General Assembly and a Security Council that includes an undemocratic China. G-8 initiatives emphasize what democracies do best: turn the free flow of information to common advantage.

This theme has been consistent since Halifax. Moscow and Lyon (1996) developed action plans to promote nuclear security and fight terrorism. Denver (1997) produced agreements to tackle financial crimes and key environmental issues, including global warming. Birmingham (1998) and Cologne (1999) stepped up efforts to respond to the world financial crisis. All of these efforts stressed transparency, information exchange and accountability.

Where should the G-8 go from here? Three challenges stand out:

- **Demonstrate effectiveness.** The G-8 develops concrete action plans without a cumbersome bureaucracy, but the group needs to show that its initiatives are not spinning into oblivion, leaving behind only lengthy communiques. Public reviews of initiatives, such as the recent \$350-million effort to seal and shut down the Chernobyl reactors, would help.

- **Forge connections among global issues.** For example, how should global institutions for trade and finance be tied to fighting crime or protecting the environment? Environmentalists chastise the IMF for encouraging austerity measures in developing countries that gut resources for protecting forests or that promote short-sighted "least cost" energy policies. Most nations have cabinet meetings to address such policy linkages. The G-8 is the closest thing the world has in this regard. It needs to step up to the plate and work these issues out.

- **Build legitimacy through openness.** G-8 leaders should have learned two lessons from the failed World Trade Organi-

zation meeting in Seattle. First, managing globalization cannot be done behind closed doors. Opening up the IMF, World Bank and WTO to parliamentarians, non-governmental organizations and the media must be a responsibility, not an afterthought.

Second, developing countries cannot be overlooked, especially democracies such as Argentina, Brazil, India, Korea, Mexico, the Philippines, Thailand and South Africa. Encouraging them to be leaders in the developing world would underscore the rewards that can come from making the hard choices of pursuing reform.

The G-8 will neither supplant the U.N. nor deliver dictates to the world community. Yet it can produce sustained progress on compelling global issues and demonstrate the advantages that democracies have when they work together. That's what, in the end, will dispel the memories of photo-ops past.

William Antholis is a resident fellow at the German Marshall Fund. Daniel Benjamin is a senior fellow at the United States Institute of Peace. Both served on the National Security Council staff until last year.

8-4-00

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

August 3, 2000

MEMORANDUM FOR THE PRESIDENT

00 AUG 3 PM 8:55

FROM: KATHRYN L. SHAW KLS

SUBJECT: Employment and Unemployment in July, Labor
Department Release, Friday, 8:30 a.m.

copied
Shaw
Podesta

The unemployment rate in July was unchanged at 4.0 percent, in line with market expectations.

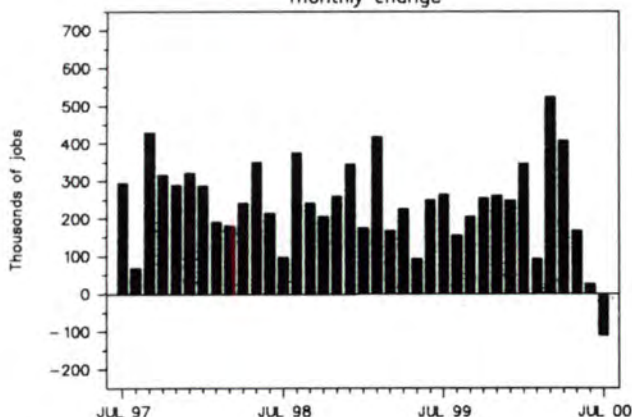
Private-sector payroll employment rose 138,000. A drop of 290,000 temporary Census workers offset the rise in private employment and so total nonfarm employment fell 108,000, which was well below market expectations. As of July, temporary Census employment was down to 190,000 from a peak of 618,000 in May. Nonfarm employment has increased 22.0 million since January 1993, with 92 percent of this growth in the private sector.

- Over the past 4 months, private-sector employment growth has averaged 124,000 per month, down from 209,000 per month during the previous 12 months.
- Manufacturing added 46,000 jobs in July—after little growth over the first 6 months of the year. About half the July gain was in the electrical equipment industry.

Average hourly earnings of production workers rose 0.4 percent in July, slightly above market expectations. This wage measure has increased 3.7 percent over the past 12 months—about the same as the year-earlier pace.

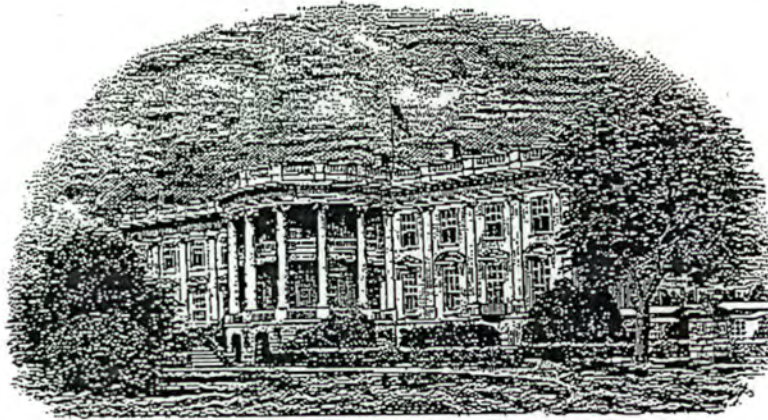
Aggregate hours appear to be on track to increase at about a 1 percent annual rate in the third quarter. These hours can be expected to support about 3 to 4 percent growth of real GDP.

NONFARM PAYROLL EMPLOYMENT
monthly change



CIVILIAN UNEMPLOYMENT RATE





'00 AUG 4 AM 11:32

cc: Jack Lew,
FYI

The White House
OFFICE OF CABINET AFFAIRS

Date:

8/4

To:

Lisel Loy

Fax:

x 62215

From:

Wendy Arends x67007

Pages:

(Including this cover sheet)

Comments:

Here we go again w/Huo...

~~concern~~Let me know how we
should proceed...

Wendy



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

August 1, 2000

Memorandum

To: Thurgood Marshall, Jr., Secretary to the Cabinet, Cabinet Affairs

cc: Wendy Arends, Cabinet Affairs
Donald Camp, NSC

From: Jacquie Lawing, Chief of Staff *JM Lawing*

Re: HUD travel to India; Memorandum from the President

I am writing regarding Secretary Cuomo's proposed visit to India in order to develop a cooperative relationship in the areas of housing and community development. It would be extremely helpful if we had a Memorandum from the President as a follow-up to the President's trip to India in March, 2000 for a HUD mission to India. The travel is tentatively scheduled to take place from August 28 - August 31.

As you know, there is precedence for this Memorandum: in June, 2000, President Clinton signed a Memorandum to the Secretary of State and the Secretary of Housing and Urban Development to establish a Binational Commission on Housing and Community Development in Israel to foster cooperation between the two countries. This follows on existing efforts with South Africa and China. The Israeli government has already sent a delegation to the U.S. to study housing, finance, and economic development. We are currently filling the positions for the Binational Commission to implement a substantive workplan with our counterparts in Israel.

Attached is a proposed Memorandum from the President that establishes a Binational Commission HUD could form with India to foster cooperation on affordable housing, poverty alleviation, and community development issues.

Please let me know what I can do to expedite the process needed to get the Memorandum signed by the President.

Thank you in advance for your help with this.

DRAFT**DRAFT**

THE WHITE HOUSE

DATE

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF HOUSING AND URBAN
DEVELOPMENT

SUBJECT: U.S.-INDIA COOPERATION ON AFFORDABLE HOUSING AND
COMMUNITY DEVELOPMENT

In order to carry out the vision of President Clinton's recent mission to India to deepen the Indian-American partnership in tangible ways, and to enhance the framework for policy research studies on affordable housing and related community development, one of our most pressing domestic problems, and to strengthen relations with the State of India for the mutual benefit of the citizens of both countries, I hereby direct the Secretary of Housing and Urban Development to begin discussions with the Government of India on issues pertaining to affordable housing and community development, with the aim of establishing a Binational Commission to structure a cooperative exchange program in this field. The membership of this Binational Commission would be composed of experts from both government and the private sector active in housing policy, mortgage markets, urban management information systems, residential construction technology, neighborhood revitalization, and related fields of research and practice vital to the health and well-being of towns and cities. The Secretary of Housing and Urban Development shall convene and chair the American side of this Commission. All activity undertaken pursuant to this Memorandum shall be coordinated with the U.S. Department of State.