THE PRESIDENT HAS SEEN
12-21-99

cc: S Berger

to Stephanie Streett

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cc: S. Berger

to Stephanie Streett

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La Roche College

The Pacem In Terris students of La Roche College from Bosnia-Herzigovina, Macedonia, Croatia, Rwanda, Uganda, Namibia, Equatorial Guinea, Ethiopia, Palestine, Jordan, Yemen, and Northern Ireland commend you on your untiring efforts to promote peace on earth and thank you for your dedication to the welfare of young women and men, not only in the United States, but throughout the world.

Please accept our invitation to you,

WILLIAM JEFFERSON CLINTON

PRESIDENT OF THE UNITED STATES OF AMERICA

to receive the formal expression of our gratitude and respect at the Pacem In Terris Dinner,

A Tribute To Peace

February 19, 2000 at 6 p.m.

DoubleTree Hotel in Pittsburgh, Pennsylvania

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Qs and As for Arab-Americans

Why hasn't United States condemned Israeli attacks on civilian infrastructure in Lebanon as violations of April 1996 understandings and as war crime?

- We don't think it is right for either side to target civilians or civilian installations and we regret Israel's attacks on power stations. They cannot solve the problem and can only lead to more suffering for principal victim of conflict: Lebanese people.

- But at same time, it is clear that recent escalation in Lebanon is direct result of Hezbollah's provocative actions, firing from civilian areas which puts civilians at risk.

- Hezbollah's actions are aimed at disrupting peace process and making any progress possible at a time when Israel is seeking to reach peace with its neighbors and has decided to withdraw from Lebanon by July.

- Need to restore calm in Lebanon and get back to the negotiating table. Only political solution can resolve these problems. Important for the region as whole, particularly for people of Lebanon. Working hard on it.

Israel has now announced that is will fire on Lebanese villages if they are the source of attacks against the IDFD. Do you approve of that?

- Believe all parties ought to abide by April 1996 Understandings, designed precisely to minimize harm to civilians. That means parties should not fire from or on civilian-populated areas.

- Hezbollah has engaged in cynical actions to direct fire from populated areas, putting civilians at risk. At same time, we do not believe that Israeli attacks against civilian infrastructure and populated areas will solve the problem; it will only lead to increased suffering by the Lebanese population.

- Way to resolve conflict is not to inflict more pain on Lebanese civilians, but to restore calm and move to the negotiating table.

Do you support Lebanon's right to recover its sovereignty and be free of Israeli and Syrian presence?

- U.S. position is clear: committed to Lebanon's full independence, sovereignty and territorial integrity, to a Lebanon free of all foreign forces.

- Lebanon's future and independence should not be sacrificed as part of a regional peace.

What's your view of Israel's decision to withdraw unilaterally from Lebanon by April if there's no agreement with Syria?

- PM Barak has stated he would withdraw by July. Clearly would prefer it to take place as part of a negotiated settlement.

Syrian and Palestinian Tracks

- Ups and downs are to be expected given historic decisions at stake for all sides.

- But trend moving in right direction; all parties are getting ready for momentous decisions. For first time in Israel's history comprehensive peace is within reach.

- We will do everything we can to help overcome current difficulties and reach agreements between Israelis, Syrians, Lebanese and Palestinians as soon as possible.

Barak has said that he would focus on the Syrian track and leave Palestinian track for later.

- Barak has made clear he wants to reach a comprehensive agreement. Has told me on many occasions that there can be no peace and security for Israel without peace with Palestinians, as well as with Syrians and Lebanese.

- That is our view as well, and we are working hard on all tracks to reach agreements as soon as possible.

The February 13 deadline has come and gone without a Framework Agreement. Isn't it clear that Israel has been delaying?

- Given the historic decisions parties are facing, comes as no surprise that there were difficulties meeting February 13 deadline.

- Issue now is to get negotiations back on track and doing everything we can to facilitate a permanent agreement by September 13.

There's been talk of a possible mutual defense treaty with Israel. Is that accurate?

- We are in the process of seeking to redefine relations in the Middle East by reaching comprehensive peace between Israel and all its neighbors.

- In that context, PM Barak and I have discussed ways to strengthen and deepen our bilateral relationship.

- But there is nothing concrete and no decisions have been made. Our focus right now needs to be on achieving peace.

IRAQ

What are you doing about the suffering of the people of Iraq?

- We have gone to great lengths to ensure that the sanctions are directed against the Iraqi regime and not the Iraqi people.

- Oil-for-food program is working. Iraq is exporting roughly as much oil today as it was before the Gulf War, but without the expense of buying weapons -- its main pre-Gulf War expenditure. According to the UN, over $5 billion worth of food has been delivered to Iraq under oil-for-food. Average caloric intake among Iraqis has increased by 50 percent and now exceeds the UN's minimum daily requirement.

- In short, it is not the sanctions that are causing the suffering of Iraqi people, it is the Iraqi regime.

- We have considerable evidence on this point, let me give one example: according to UNICEF, infant mortality rates have doubled in <u>southern and central Iraq</u>, where the Iraqi regime controls the distribution of food and medicine under the oil-for-food program. However, in northern Iraq, where the UN is responsible for the oil-for-food program, UNICEF reports that infant mortality rates are actually <u>lower</u> than their pre-Gulf War levels.

- If any of you have relatives in northern Iraq you know that this is true: the north is under the exact same sanctions as the south, but their economy is booming and their people are healthier and happier than they have ever been.

What more can be done?

- New UNSC Resolution 1284 will further improve functioning of oil-for-food by addressing problems identified by the UN in the original plan. Allows UN to buy supplies and services locally. Eliminates the oil ceiling, so Iraq can pump as much oil as it wants, and buy as much food, medicine, and other humanitarian goods as it needs. Will allow for the importation of more goods beyond food and medicine such as educational, water purification, and basic infrastructure supplies.

- Baghdad refuses to properly implement the oil-for-food program and instead claims that it is inadequate. Iraqi oil exports have more than doubled but they have only increased their purchases of food by less than 20 percent. They rarely spend all that they can on medicine, and the UN has caught them hoarding $200 million worth of medical supplies in warehouses around Baghdad (about 1/3 of all the medicine imported into Iraq under oil-for-food).

- When they do spend money on medical supplies they often use it to buy small numbers of very expensive, esoteric machines that go to the hospitals that serve Saddam and his cronies, rather than large amounts of basic medicines to alleviate general problems among the common people. Just one example among many: the Iraqis spent $6 million to buy a gamma knife which is used for the most complex neurosurgery, this same money could have been used to pay for vaccines and antibiotics for thousands of Iraqi children.

- They also use try to spend their money on anything other than feeding and caring for their people. They have submitted contracts for things like breast implants, condoms, liposuction machines, and Retin-A (used to prevent acne and wrinkles). Most recently they have been trying to use oil-for-food money to pay their UN dues -- anything to avoid buying food and medicine.

- As we continue to work to implement resolution 1284, we will be raising this issue with our Security Council colleagues to determine how best to see Iraq comply with these provisions.

Why do the sanctions prevent Iraq from importing pencils or chlorine for water purification?

- Those are myths put out by the Iraqis. There is no prohibition on pencils or chlorine.

What about your contract holds?

- Only about 10 percent of all the contracts submitted under oil-for-food are on hold. None of the contracts on hold involve food; they are on hold because they are coming from Yugoslavia.

- Most of those on hold are there because we did not receive adequate information from the company submitting the contract. In these instances we go back to the company for more information, in most cases they provide it and we release the hold.

- We generally hold contracts because they contain dual use items. Many times, the Iraqis will try to sneak a dual-use item in a much bigger contract. For example, you may have heard about a contract we held for bulls. That is the Iraqi version. In fact, the contract also included a serum that can be used to manufacture biological weapons. We told the company that we had no problem with the bulls, but the serum had to go. If they resubmit the contract without the serum we won't have any problem with it

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ATTACHMENT I

DESCRIPTIONS OF PARTICIPANTS

Maher Abdelqader (NY)
Mr. Abdelqader is co-founder and chairman of the Palestinian American Congress/USA. He also co-founded the General Union of Palestinian Students in the early 1980's. Under his direction, the Palestinian American Congress mobilizes the Palestinian community in the United States through political and cultural education. Recently, Mr. Abdelqader has initiated outreach to Palestinian Americans on immigration, secret evidence and hate crimes.

Mr. Ismael Ahmed (MI)
A co-founder of the Arab Community Center for Economic and Social Services (ACCESS) 29 years ago in Detroit, Ismael Ahmed currently serves as the executive director of this successful community organization. Recognizing a need in the growing Arab community to provide services to new immigrants, Ismael was one of the first volunteers to open a storefront operation to address a range of needs. ACCESS now offers 44 different programs for the Arab community in Detroit with an annual budget of $4 million. Amongst an impressive list of activities, Ismael's community involvement includes: founding and coordinating the Earth Island Orchestra, a multicultural community band; serving on the board of trustees of the New Detroit Race Relations Committee and the NAACP; founding the Arab American Voter's Registration and Education Committee; and contributing to the book, "Arabs in America: Myths and Reality."

Dr. Yahya Mossa-Basha (MI)
Dr. Mossa-Basha completed medical school in Christian Orthodox and Muslim schools in Syria. His record on defense of human rights in the face of discrimination and persecution precedes his life in the United States where he currently owns and runs a radiology center and is a husband and father of seven children. Dr. Mossa-Basha is a board member of the American Muslim Council. Stemming from his advocacy work on secret evidence and profiling – issues on which he has collaborated with Congressman David Bonior, and due to his reputation for promoting civil rights, in 1999 the governor of Michigan appointed him to the Michigan Civil Rights Commission.

Dr. Azizah Al-Hibri (VA)
Born in Lebanon and a law professor at the University of Richmond, Dr. Al-Hibri is the founder of the Muslim Women Lawyers for Human Rights organization and the Muslim American Bar Association. Dr. Al-Hibri attended the 7th Millennium Evening where she asked Elie Wiesel why, given the humanitarian tradition, is religion the cause of so much strife in the world.

Mr. Salam Al-Marayati (CA)
The executive director of the Muslim Public Affairs Council, Mr. Al-Marayati is married to Leila Al-Marayati, one of your appointments to the U.S. Commission on International Religious Freedom. They are expecting their third child momentarily. Despite a long history of interfaith efforts in the Los Angeles area, Salam made the news last year when Congressman Gephardt withdrew Salam's name for appointment to the Congressional Commission on Terrorism. Salam was four years old when his family fled Iraq.

Mr. Hani Masri (VA)
A long-time supporter of you and your Administration, Hani Masri is a successful investor in real estate and real estate related investments in the United States. As chairman of International Capital Advisors, Inc. Mr. Masri has spearheaded investment in two emerging market funds focused on private sector investment in the West Bank and Gaza. A further objective is to encourage joint ventures between Israeli or international companies and Palestinian companies. Mr. Masri is a close associate of Chairman Arafat and an active supporter of the Administration's peace process initiatives.

Ms. Samyah Jubran (TN)
As president of the Knoxville chapter of the American Federation of Ramallah, Palestine, Samyah Jubran is working at the community level to educate Arabs and non-Arabs alike as to Palestinian culture and traditions. Samyah has put in place outreach and training programs to assist Arab Americans understand U.S. tax laws and to register to vote. Professionally, Samyah is a prosecutor for the Knox County District Attorney's office.

Ms. Rima Nashashibi (CA)
Born in Jerusalem and educated at the American University of Beirut, Rima is a seasoned Democratic activist in the Los Angeles and Orange County area. Rima is involved in an exhaustive list of grassroots political activities promoting multi-ethnic relations and political participation. Amongst other positions, Rima is currently the vice chair of the Orange County Democratic Party, a member of the California Democratic Party's Resolution Committee and the vice chair of the CDP's Arab American Caucus. In 1998 she was an assembly candidate in California's 67th district.

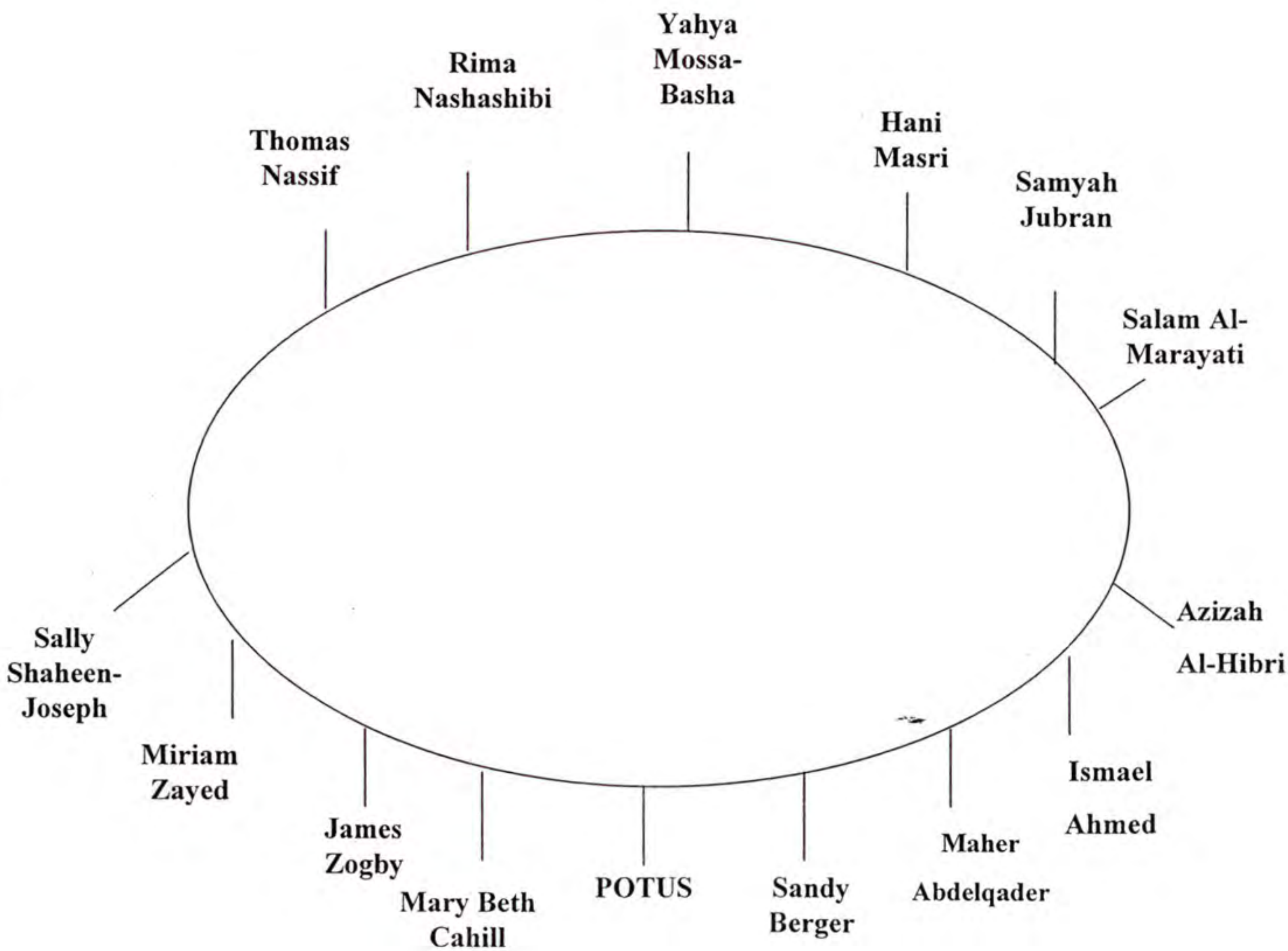
Honorable Thomas A. Nassif (CA)
Presently, Ambassador Nassif lives in San Diego, CA, where he is Chairman of the Board and Chief Executive Officer of Gulf International Consulting, Inc., and President of Los Alamos International, Inc. From 1985-88, he was U.S. Ambassador to the Kingdom of Morocco. Prior to that, he had been Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs and Deputy Chief and Acting Chief of Protocol for the White House. Before serving his posts with the Reagan Administration, he was a partner specializing in management, labor relations, and agriculture for the San Diego-based law firm of Gray, Cary, Ames and Frye. He is a former member of the Republican State Central Committee of California. He received a J.D. from California Western University Law School.

Ms. Sally Shaheen Joseph, J.D. (MI)
First elected in 1984 as a trustee of the Charter Township of Flint, MI, Ms. Shaheen Joseph went on to being elected supervisor of her city in 1992, a position she holds today. Possibly the only elected Arab American woman in the country, Ms. Shaheen serves 40,000 residents. After serving as an investigator for the Genesse County Prosecuting Attorney's Office, Ms. Shaheen returned to school to gain her J.D. in 1983. Ms. Shaheen's commitment to her community is extensive. Her activities range from the Girl Scouts of America and the YWCA to her local Arab American Heritage Council and membership on the national board of the Arab American Institute. She has received numerous awards recognizing her work in her community.

Ms. Miriam Zayed (IL)
An active member of the Arab American community since the age of 16, Miriam is a proud mother of four and grandmother of three. She has been a Chicago public school teacher for the past 29 years, currently teaching fifth grade at the Earle Elementary School in the Englewood area of Chicago – an area you visited this past November on your New Markets trip. Miriam was a candidate for school board in 1999, generating considerable enthusiasm amongst voters and Arab Americans in particular. Last year Illinois Governor Ryan appointed her to his Education Transition Team and more recently to the Illinois Humanities Council. Miriam is vice president of the Club of Beitunia, Palestine, and secretary of the American Arabian Ladies Society, one of the oldest Arab American organizations in Chicago. She also owns and operates a successful tax consultancy from her home.

Dr. James Zogby (DC)
A founder and current president of the Arab American Institute (AAI), Jim Zogby is a leading expert on domestic and international issues affecting Arab Americans. Since 1985, the Arab American Institute has served as a political and policy research arm for the Arab American community. Through voter registration, education and mobilization, AAI has moved Arab Americans into the U.S. political mainstream. In 1993, following the signing of the Israeli-Palestinian peace accord in Washington, Jim was asked by Vice President Gore to lead the Builders for Peace, a private sector initiative to promote U.S. business investment in the West Bank and Gaza. Jim is actively involved in Democratic politics from the state to national level. He also appears regularly on television and radio and currently hosts a weekly call-in program, "A Capital View," on the Arab Network of America.

American Arab Outreach Meeting Seating Chart



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January 31, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: GENE B. SPERLING

SUBJECT: BACKGROUND FOR PRESS INTERVIEWS ON LONGEST ECONOMIC EXPANSION

The economic expansion has now gone on for 106 consecutive months – making it tied with the 1961-69 expansion for the longest expansion ever. By the end of February, it will be the longest economic expansion ever. As you have seen, the media has already begun to write extensively about the current expansion and its causes. I believe that we should make a strong case for the role you have played in contributing to this historic achievement. Our tone, however, should not be overreaching. We do not want to be perceived as waging a campaign on this issue. Nor do we want to be seen as claiming total credit. Instead, our goal should be to ensure that the media is fair in reflecting your important contribution to the longest expansion.

Attached you will find some interesting statistics that help elaborate your message. The best four point message for you to hit is the following: Techn

- By 1992, American industry was going through a restructuring and becoming more competitive. But there was a "deficit premium" that kept interest rates high even at a time of low growth. High interest rates, high unemployment, high budget deficits, and shaky confidence about whether or not there would be a double-dip recession were discouraging investment and growth. Trade

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- In 1993, the commitment to fiscal discipline eliminated the "deficit premium" at a critical time, fundamentally changing expectations and the investment climate of the American economy. Invest

- ~~The bipartisan~~ 1997 Balanced Budget Act, the commitment to opening markets abroad, commonsense regulatory reform, and respecting the independence of the Federal Reserve have all helped maintain low interest rates and high confidence in the American economy. [illegible]

- X The key to understanding the contribution of the fiscal policy to this expansion is the magic of an investment-led recovery: low interest rates and high investment have built capacity and productivity, enabling the economy to grow strongly without inflation.

Attached also are responses to four different claims about who deserves credit for the longest expansion: (1) President Reagan, (2) President Bush, (3) Chairman Greenspan, and (4) new economy innovators like Steve Case and Bill Gates.

HOW THE CLINTON-GORE ADMINISTRATION'S ECONOMIC STRATEGY HAS CONTRIBUTED TO THE LONGEST ECONOMIC EXPANSION IN HISTORY

I – In 1992, the Nation Was Gripped By Worry About the Future and Continued Economic Distress. President Clinton's Emphasis on Fiscal Discipline Restored Confidence, Lowering Interest Rates and Boosting Investment. By 1992, American industry was going through a restructuring and becoming more competitive. A "deficit premium" kept interest rates high even in a time of low growth. High interest rates, high unemployment, high budget deficits, and shaky confidence about whether or not there would be a double-dip recession were discouraging investment and growth. In 1993, the commitment to fiscal discipline eliminated the "deficit premium" at a critical time, fundamentally changing expectations and the investment climate of the American economy.

- ***"Deficit premium".*** As Secretary Rubin often said, interest rates were high because of the "deficit premium." This reflected not just the substantial debt and deficit, but also the market's lack of confidence that government would do anything to tackle these problems.
    - The debt quadrupled from 1980 to 1992: growing from $712 billion in 1980 to $3.0 trillion in 1992.
    - The deficit was $290 billion in 1992 – the largest deficit in history.
    - In January 1993, CBO predicted that the deficit would grow to $404 billion in 1999. *This is even assuming the deficit reduction from OBRA 1990, including the reductions in military spending.* By turning this projected $404 deficit into a surplus of $124 billion, the President's commitment to fiscal discipline freed up half a trillion dollars for additional investment in one single year.
    - At the end of 1992, the Blue Chip was forecasting that interest rates would rise in 1993 and 1994. In December 1992, the 10-year rate was 6.8 percent. The Blue Chip predicted 6.9 percent in 1993 and 7.2 percent in 1994. [Numbers based on CBO analysis.]

- ***High interest rates.*** In the early 1990s, long-term interest rates were very high despite the fact that the economy was growing slowly:
    - The 30-year Treasury bond averaged 8.2 percent from 1989 to 1992. At the same time, the economy grew only 1.7 percent annually.
    - By contrast, in the last four years long-term rates have averaged 6.2 percent. At the same time, the economy has grown 4.3 percent annually.

- ***Weak investment and productivity.*** The two most important drivers of the economy are investment and productivity. Both of these were weak in the 1980s and early 1990s:
    - Real productive equipment and software investment grew 3.8 percent annually under Bush and 4.7 percent annually under Reagan and Bush. In contrast, real productive investment has grown 12.1 percent annually under President Clinton.
    - Productivity grew only 1.6 percent per year under Presidents Reagan and Bush; compared to 2.7 percent in the last four years.

- ***Rising unemployment.*** Even after the recovery technically began in March 1991, growth remained slow and unemployment was rising:

    - In March 1991, the unemployment rate was 6.8 percent. Though it had declined slightly from its high of 7.8 percent in June 1992, by December it was still at 7.4 percent.

- ***Worry about a double dip recession.*** Financial markets, economists, and American families were worried about the future, and especially worried about the possibility of a double-dip recession.

    - In the second half of 1992 there was widespread concern about a double-dip or triple-dip recession. For instance, Bruce Steinberg of Merrill Lynch was quoted as saying "The economy is comatose and shows only the faintest signs of life right now." [Quoted in the *Washington Post*, 9/26/92]
    - Growth forecasts worsened through 1992. The Blue Chip consensus forecast for 1993 GDP growth consistently worsened throughout 1992. The forecasts for 1993 only started to become more optimistic in December – after the election – and really took off in early 1993.

- ***Greater optimism about the economy – and praise for President Clinton's commitment to fiscal discipline.*** President Clinton's message of fiscal discipline garnered almost immediate praise from financial markets, leading economists, and the American people. The result was a quick turnaround in confidence.

    - The change in confidence was reflected almost immediately in the financial press. Some examples:
        - *Financial Times*, 1/26/93: "The market opened markedly higher as investors and dealers got their first chance to react to Sunday's comments by Mr. Lloyd Bentsen, the new Treasury Secretary, which suggested the White House views cutting the deficit as a top priority."
        - *Wall Street Journal*, 2/24/93: "The spectacular bond market rally accelerated yesterday, with long-term Treasury bond yields plunging to another record low as investors rushed to embrace President Clinton's economic package."
        - Similar stories appeared in the *New York Times, USA Today,* the *Los Angeles Times, the Boston Globe, Fortune,* the *National Journal,* and other leading periodicals.
    - Leading economic forecasters raised their growth predictions. In October 1992, the Blue Chip was predicting growth of 2.7 percent in 1993. Six months later, they had raised their forecast to 3.3 percent growth.

- ***Slashing the "deficit premium" and lowering interest rates.*** By convincing markets that he was serious, the President's emphasis on fiscal discipline translated almost immediately into falling interest rates:

    - In December 1992, the yield on 30-year Treasury bonds was 7.4 percent. In August 1993, when the President signed his economic plan into law, the yield had fallen to 6.3 percent. That is a reduction of over 1 percentage point in just 8 months.

- ***Investment-led recovery.*** Falling interest rates and rising confidence led to an investment boom:

    - Real productive investment grew 11.3 percent in 1993. In comparison, investment growth was only 3.8 percent in the previous 4 years.
    - Since then we have seen seven consecutive years of double digit investment growth – by far the longest and strongest investment boom ever. (The previous record was three consecutive years of double-digit investment growth in 1964-66.)
    - Under President Clinton, investment has accounted for 35 percent of GDP growth. In contrast, it only accounted for 12 percent of GDP growth under Presidents Reagan and Bush.
    - Without low interest rates and strong investment, the new economy could not have taken off. In 1999 our annual investment in information technology was more than 3 times what it was in 1992.

- ***Government spending has declined and deficits have turned into surpluses.*** The President's 1993 deficit reduction justified the confidence of the markets, reducing Federal spending and turning deficits into surpluses.

    - Federal spending as a share of the economy has not been lower since 1966. The spending restraint under President Clinton has brought spending down from 22.2 percent of GDP in 1992 to 18.7 percent of GDP in 1999 – the lowest in over thirty years. In contrast, Federal spending as a share of the economy was unchanged from the beginning to the end of the Reagan-Bush period.
    - Non-defense discretionary spending fell to 3.3 percent of GDP in 1999, the lowest on record (comparable data goes back to 1962).
    - Federal spending was responsible for 7 percent of GDP growth under Presidents Reagan and Bush. Under President Clinton it has actually fallen, and is responsible for -1 percent of GDP growth.
    - The largest deficit in history ($290 billion in 1992) has turned into the largest surplus in history ($124 billion in 1999). The United States has had two consecutive surpluses for the first time since 1956-57. This has paid down more than $140 billion in debt in the last two years. As a result, in 1999 the debt held by the public was $1.7 trillion lower than was predicted in 1993.

II – The Investment-led Expansion has Produced Strong and Sustainable Growth With Low Inflation. The key to understanding the contribution of the fiscal policy to this expansion is the magic of an investment-led recovery: low interest rates and high investment have built capacity and productivity, enabling the economy to grow strongly without inflation. In contrast, by five or six years into the 1960s and 1980s expansions, the United States had rising inflation, rising budget deficits, and slowing productivity. In the current expansion the American economy keeps getting stronger and stronger over time.

- ***Consistently strong economic growth.***

    - The economy has grown at a 4+ percent rate for four consecutive years. This is the longest period of strong, sustained economic growth since the mid-1960s.
    - The economy has expanded 3.9 percent annually under President Clinton – the strongest growth since President Johnson.

- ***Investment, not government spending, has led the expansion.*** The record investment of the past seven years has increased the productivity capacity of America, potentially boosting growth and productivity for years to come.

    - Under President Clinton, investment has accounted for 35 percent of GDP growth. In contrast, it only accounted for 12 percent of GDP growth under Presidents Reagan and Bush.
    - Strong investment has been the key to low inflation. In the 1960s and 1980s, strong growth strained the economy's capacity to produce, leading to rising inflation. In contrast, the strong investment since 1993 has kept industrial capacity growing strongly enough to meet the increased demands of the strong economy. This is shown by the fact that capacity utilization is essentially unchanged since 1993 (capacity utilization was 81.3 in January 1993 and 81.0 in December 1999).

- ***Fiscal policy has been sustainable.*** At the same time, fiscal policy is the soundest and most sustainable it has been in memory.

    - The debt quadrupled between 1980 and 1992.
    - From 1989-1992, the deficit grew. *This is true even if you look at the underlying structural deficit, which excludes the worsening of the deficit that was directly due to the weak economy.*
    - From 1993-1999, there have been seven consecutive years of fiscal improvement for the first time in American history. *This is true even if you look at the underlying structural deficit, which excludes the fiscal improvements that are directly due to the strong economy.*
    - We are on track to pay off the debt by 2013, making America debt free for the first time since 1835.

- ***Inflation has been low and stable.*** Rising inflation was one of the main factors in ending previous expansions. We saw this toward the end of the 1960s and toward the end of the 1980s. In contrast, inflation is now the lowest it has been in over three decades:

    - In 1999, the underlying core rate of inflation was 1.9 percent – the lowest rate since 1965.
    - In 1999, the GDP price index rose 1.4 percent. This follows 1.2 percent growth in 1998, which was the lowest rate since 1963.

- ***Productivity growth is rising.*** During previous expansions – like the 1960s and 1980s – productivity growth slowed down as the expansion continued. In contrast, productivity growth is currently rising:

    - Productivity growth fell to 0.9 percent from 1987-89 – this is less than half of what productivity growth had been earlier.
    - In contrast, productivity growth in the last four years was 2.7 percent – double the rate of productivity growth earlier in the expansion.

III – President Clinton Placed an Emphasis on Policies that Ensure that All Americans Share In the Benefits of This Growth. A key contrast between the economy under President Clinton and the economy in the 1980s is that the dividends of economic growth have been shared widely, instead of going entirely to the best off. Policies like expanding the Earned Income Tax Credit, raising the minimum wage, and investing in people have been important factors in our shared growth.

- ***Rising incomes for all groups under President Clinton.***

  - Between 1981 and 1993, the bottom quintile of the income distribution saw their inflation-adjusted incomes fall by 4.4 percent. From 1993-98, the inflation-adjusted incomes in the bottom quintile rose 10.3 percent.
  - At the same time, from 1981 to 1993, the top quintile of the income distribution saw its income rise by 26.4 percent. From 1993-98, the top quintile saw its income rise by 11.7 percent – virtually the same as the rise for each of the bottom four quintiles.

- ***Stopping the trend of rising inequality.***

  - Between 1981 and 1993, inequality increased sharply.
  - Between 1993 and 1998 inequality was unchanged. This is even true using measures that include both capital gains and taxes and transfers (like the EITC).

- ***Reducing poverty.***

  - From 1981 to 1993, the poverty rate rose from 14.0 percent to 15.1 percent – an additional 7.4 million people in poverty.
  - Since 1993, strong and balanced growth have reduced poverty:
    - 7.7 million people lifted out of poverty since 1993.
    - Poverty rate is the lowest since 1979.
    - African-American poverty is lowest on record.
    - Hispanic poverty is lowest since 1979.
    - Single mother poverty is lowest on record.

- ***Policies to ensure that everyone shares in the growth of the economy.***

  - The 1993 expansion of the EITC provided a tax break for 15 million working families. In 1998, 4.3 million people were lifted out of poverty by the EITC – double the number lifted out in 1993.
  - In 1996, the President signed a law raising the minimum wage from $4.25 to $5.15. This directly increased wages for 10 million workers.
  - Investing in people has helped ensure that the benefits of growth are widely shared.

<u>IV – Opening Markets Abroad, Commonsense Regulatory Reform, and Respecting the Independence of the Federal Reserve Have All Helped Maintain Low Interest Rates and High Confidence.</u> By emphasizing sound economic management – and showing the political courage to implement it – the President helped to spur investment and economic growth.

- ***Opening markets abroad, and willingness to take on Democrats when necessary to do so.*** The President sent a clear message about his pro-growth, pro-opportunity agenda through his strong support for NAFTA and the Uruguay Round which created the World Trade Organization. He showed that he was willing, when necessary, to take on his own party in order to do what was right for the economy and the American people.

  - NAFTA passed with only 102 Democratic votes, with 156 voting against.
  - Leading private-sector economists praised President Clinton's commitment to NAFTA and the GATT. In April 1993, a survey by the Blue Chip of 51 leading economists named it the most important part of President Clinton's economic plan. (The survey found that the second most important part of the President's plan was reducing spending by cutting the Federal workforce).
  - Since 1992, we have negotiated over 275 separate trade agreements, including NAFTA; the Uruguay Round, which created the World Trade Organization; a WTO accession agreement with China; and three recent multilateral agreements in financial services, information technology, and basic telecommunications.

- ***Commonsense Regulatory Reform.*** Regulatory reform in everything from telecommunications to the financial system to the environment has helped unleash the productive potential of the private sector.

- ***Respecting the independence of the Federal Reserve.*** Previous Administrations had undermined the confidence of markets by openly disagreeing with the Federal Reserve. From the very first day, the Clinton Administration adopted a policy of respecting the Federal Reserve's independence.

  - The Administration recognized that by doing its job well – especially fiscal policy – then the Administration would make the Federal Reserve look good. Similarly, by the Federal Reserve doing it's job, it would make the Administration look good.

- ***Appointing leading figures to key economic positions.*** A crucial part of the Clinton Administration's contribution to restoring confidence and producing strong economic growth has been appointing respected figures to key economic positions.

  - Secretary <u>Bensten</u> was one of the most experienced Senators and a bulwark of fiscal discipline.
  - Secretary <u>Rubin</u>'s financial background was essential to maintaining the confidence of markets, including bond markets and foreign exchange markets.
  - Chairman <u>Greenspan</u> is widely, and justifiably, acclaimed as one of the most effective Federal Reserve chairman ever. President Clinton re-nominated him Fed Chairman twice.

QUESTIONS AND ANSWERS ON THE LONGEST EXPANSION IN HISTORY

QUESTION: Aren't Reagan's tax cuts and deregulation responsible for the expansion?

ANSWER:

- Of course not. That was a period when the debt quadrupled, creating the conditions for a "deficit premium" – a situation where we had high interest rates even with slow growth. People were writing books with titles like *America: What Went Wrong?* Some of your newspapers were shaky about whether there would be a double dip recession.

  - *Washington Post*, Steven Mufson and **John Berry**, 9/10/92: "Americans have been unable to mount a convincing economic recovery… the economy is crawling forward so slowly that it appears to be standing still… In some statistical categories… there has even been a 'triple dip.'"

- When we came into office, one thing everyone agreed about our economic plan is that it would make a big difference. Some said it would turn around the economy. Others said it would be a job killer. I'm sure my staff can show you what different people were saying in that year. So to come around now and say 1993 was irrelevant, and everything good is due to President Reagan's tax cuts is not reasonable.

- President Reagan's tax cuts and mindless deregulation fueled a decade of unsustainable and unbalanced growth:

  - Reagan's tax cuts led to quadrupling the debt, culminating in the $290 billion deficit in 1992 – the largest deficit in American history.
  - Productivity growth declined over the course of the expansion.
  - The real estate bust and the savings and loan crisis were two of the results of the mindless deregulation under Reagan.

QUESTION: Didn't the expansion start under George Bush?

ANSWER:

- The official beginning of the expansion is March 1991. But 1991 and 1992 were years of weak economic performance and shaky confidence.

- Rising unemployment rate. In March 1991, the unemployment rate was 6.8 percent. Though it had declined slightly from its high of 7.8 percent in June 1992, by December it was still at 7.4 percent.

- No sustained growth. Although the economy grew strongly at the end of 1992, much of this was due to temporary and unsustainable factors. This is evidenced by the fact that the economy contracted 0.7 percent in first quarter of 1993.

- High interest rates. The 30-year Treasury bond averaged 7.67 percent in 1992 – not much lower than it was in 1991.

- Deficit projected to rise. In January 1993 CBO projected the deficit would rise from $290 billion in 1992 to $404 billion in 1999 and $653 billion in 2003. *This is even with the 1990 deficit reduction plan, and the associated military spending reductions, in place.*

- In the second half of 1992 there was widespread concern about a double-dip or triple-dip recession:

    - Bruce Steinberg at Merrill Lynch: "The economy is comatose and shows only the faintest signs of life right now." [Quoted in the *Washington Post*, 9/26/92]
    - Alan Sinai: "There are real signs here that the economy is sliding badly, surprisingly badly." [Quoted in the *Washington Post*, 9/26/92]
    - *Washington Post*, Steven Mufson and **John Berry**, 9/10/92: "Americans have been unable to mount a convincing economic recovery… the economy is crawling forward so slowly that it appears to be standing still… In some statistical categories… there has even been a 'triple dip.'"
    - *USA Today*, Mark Memmot, 7/23/92: "First came the recession, which began in July '90 and seemed to end in early '91. Then there was the disappointing stall the second half of last year – not another recession, but enough of a slowdown in sales and rise in unemployment to get people talking about a double-dip economy. Now there are rumblings about a triple dip. "
    - Charles Krauthammer: "The most recent economic news points to the possibility that the country may be heading for a triple-dip recession. Historians may look back on the Bush presidency as the beginning of a Great Recession, a period of prolonged economic stagnation." [*Chicago Sun Times*, 7/12/92]

<u>QUESTION: Isn't Alan Greenspan responsible for the expansion?</u>

ANSWER:

- I think everyone recognizes that you need both good fiscal policy and good monetary policy. Unsound fiscal policy can make monetary policy difficult if not impossible. We have seen how difficult it is for countries around the world use monetary policy to keep growth high and inflation low when the budget deficit is out of control. Fiscal discipline is a *necessary* ingredient to having strong growth and low inflation.

- I've always had the view that the better I do my job, the easier it is for Chairman Greenspan to do his job. And I believe Chairman Greenspan feels the same way.

<u>Background</u>

- When he was re-nominated Federal Reserve Chairman on January 4, 2000, Alan Greenspan said, "My colleagues and I have been very appreciative of your [President Clinton's] support of the Fed over the years, and your commitment to fiscal discipline, which… has been instrumental in achieving what in a few weeks… will be the longest economic expansion in the nation's history."

QUESTION: Isn't the new economy – and people like Steve Case and Bill Gates – responsible for the expansion?

ANSWER:

- I believe for a country to turn around its economic situation, everyone has to do their part. Clearly the information technology revolution – and the people that have made it – are remarkable.

- A lot of good things were going on in the private sector, restructuring to make it more competitive, in the early 1990s. But government was creating an unfavorable climate for innovators to invest and grow. By lowering the deficit, lowering interest rates, and creating conditions for an investment-led recovery, we didn't create the growth, but we did create a better fiscal situation for innovators to invest and grow in.

    - Annual investment in information technology in 1999 was more than 3 times higher than it was in 1992 (adjusting for inflation).

- Just as government investments in research and development in the past have helped lay the foundation for the Internet and the strong economy today, I have been strongly committed to increase support for research and development to ensure that productivity growth is strong for decades to come:

    - The FY 2001 budget includes a nearly $3 billion increase in the "Twenty-First Century Research Fund," including double the largest dollar increase for the National Science Foundation in its 50 year history.

Background

- Information technology only includes 8 percent of our employment, but it accounts for a third of our economic growth.

- Jobs in information technology pay wages 77 percent above the private sector average.

Copied
Marshall
Podesta

THE WHITE HOUSE

WASHINGTON

This is important

MEMORANDUM

TO: THE PRESIDENT
Ben Johnson

FROM: Capricia Penavic Marshall CPM

DATE: January 10, 2000

I thought you might like to see the attached response from Betty Monkman with regards to our question of having a portrait of an African American or a work depicting an African American hanging in the White House.

We will keep working on this possibility.

THE WHITE HOUSE

WASHINGTON

December 7, 1999

MEMORANDUM

TO: CAPRICIA MARSHALL

FROM: BETTY C. MONKMAN BCM

RE: Paintings of African Americans in White House

In response to your memorandum of November 29, I was contacted by Melinda Bates about this same subject and met with her and Bradley Kiley who works with Mark Lindsay and Gary Walters.

It would be wonderful to have an historical life portrait of a prominent African-American or a work depicting African Americans by an important artist for the White House collection, but they are very rare. Most are in museums that want to retain them on view in their institutions. I agreed to contact local museums to see if there is a painting or sculpture we could borrow. We will also investigate private collections for possible donations. There was a lengthy process involved in finding the painting by Henry O. Tanner, which was acquired in 1996, after a two year search for a painting appropriate for the White House.

The White House has a print of Frederick Douglass which hangs in the Lincoln Bedroom. As it is a print, we could not hang it in the state rooms. However, it could be placed on an easel during public tours for a short period of time. Another painting depicting African Americans waiting for the signing of the Emancipation Proclamation hangs in the Lincoln Bedroom and has hung on the state floor during Black History Month in February. African Americans are also depicted in the wallpaper in the Diplomatic Reception Room.

Copied
Podesta
Sperling

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
11-24-99

November 11, 1999

MEMORANDUM FOR JOHN PODESTA

FROM: GENE SPERLING Gene

We need to discuss —
There is a way to [illegible] the idea —
target bonds to areas with this type area —
[illegible] cities

SUBJECT: REP. KANJORSKI'S ENVIRONMENTAL BOND PROPOSAL

Representative Paul Kanjorski from the 11th district of Pennsylvania has a proposal to use Federal tax-credit bonds, similar to the President's proposed "Better America Bonds," to fund environmental restoration and economic development in twelve counties in Eastern Pennsylvania that have suffered environmental and economic degradation from anthracite coal mining. Kanjorski has discussed his proposal with the President on several occasions, most recently on the new markets trip. The President indicated enthusiasm for the proposal and briefly discussed it with Speaker Hastert.

Kanjorski claims the support of the three other Congressman with districts that would benefit from this proposal (one other Democrat and two Republicans). He has also met with Hastert who, according to Kanjorski, would be receptive to it if we were to propose it.

The way that Kanjorski describes his proposal makes it sound very appealing, in part because the Congressman claims that the costs to the Federal government would be minimal or nonexistent. But a closer analysis of this proposal makes it clear that it would involve a substantial, long-term commitment of Federal government resources for a proposal that suffers from some major design flaws. Secretary Summers and I both have severe reservations about the proposal and do not think that it will be fixable within the framework of the current budget endgame.

My staff and I have communicated some of these reservations to Kanjorski, but the Congressman is very insistent that the President is in favor of this proposal and that he will only take an answer of no from the President himself.

Description of the Kanjorski's Proposal

Like Better America Bonds, this proposal would allow qualified borrowers (State or local governments or other entities) to issue tax-credit bonds. The maturity of these bonds would be 30 years, as compared to 15 years for Better America Bonds. The Federal government would pay the interest on these bonds in the form of tax credits. The proposal limits the bond issuance to $1.2 billion with the specific borrowing proposals chosen by the Secretary of the Interior. This money can only be used for qualified borrowing in 12 specific counties in Pennsylvania. The money can be used for several purposes including: buying, restoring, and redeveloping abandoned mine land, cleaning up waterways, constructing infrastructure, and economic development. The cost would be approximately $60 million annually for the next thirty years.

Problems with the Proposal

Although it is modeled on the President's Better America Bonds, there are several problems with Congressman Kanjorski's proposal. These include:

- *No cost sharing for States or localities resulting in a "moral hazard" problem.* The design of the proposal would not involve any cost sharing on the part of States, localities or other qualified borrowers. They would be able to invest a fraction of their borrowing in a "sinking fund" that would be used to repay the principal, thus effectively transferring the entire cost – principal and interest – to the Federal government. This could create a "moral hazard" problem where borrowers would benefit from the upside but not pay the full cost of the downside, encouraging them to undertake risky and inefficient projects. The lack of cost sharing also could interfere with incentives to develop the best proposals on the part of States and localities. The design of the proposal also includes substantial risk of arbitrage, whereby States and localities could use their interest free loans to make money, with a potentially large fraction of the money invested outside their communities.

- *Earmarking.* Better America Bonds were designed as a nationwide competition. This has two benefits: (1) it ensures that the resources go to the most needy areas and (2) it stimulates innovation by applicants for the bonds. Given the serious environmental damage from coal mining in Eastern Pennsylvania, this area would be a good candidate for Better America Bonds. It is, however, hard to explain why Pennsylvania and not West Virginia or other similar places should get this assistance. Also, the $1.2 billion commitment to this area is substantial. (Our Better America bonds proposed allocating $1.9 billion worth of bonds each year for the next five years.) In making this earmark, it may undermine the Better America Bonds proposal.

- *Long-term commitment.* The proposal would commit approximately $60 million annually for 30 years to 12 counties in Eastern Pennsylvania. Kanjorski does not have any offsets in mind to pay for this cost. This commitment is probably longer than could be justified by the time necessary to complete reclamation projects, and could undermine the ability of the Federal government to ensure that the money is being used well and to set priorities in the future. (Better America Bonds have a proposed maturity of 15 years.)

- *Weak environmental safeguards.* The environmental safeguards in the proposal are weaker than those contained in Better America Bonds, including the fact that the Environmental Protection Agency has no role in the allocation of the bonds. The legislative language also stipulates relatively weak conditions on the acceptable use of the funds and even allows funds to be used for purposes unrelated to environmental remediation.

THE WHITE HOUSE
WASHINGTON

March 30, 2000

Mr. President,

I thought you'd find these two articles of interest.

[illegible]

THE PRESIDENT HAS SEEN
4-3-00

copied
Berger
NSC WWDesk
Podesta

THE PRESIDENT HAS SEEN
4-5-00

Sandy/NSC
Jim
RE

TO: Nancy Hernreich

FROM: Wendi Boxx

DATE: March 31, 2000

MEMO: Summary, *Syria's One Issue: The Border, by Eric Rouleau.* LA Times 3/30/00

President Clinton could not have restarted the Israeli-Syrian talks. He lacked the only card to unblock situation: Ehud Barak's explict commitment to return to Syria the entire territory Israel conquered during the June 1967 war. It is well known that Syria will even consider a settlement that falls short of a return to the Israeli-Syrian pre-war border.

The Syrians would not have agreed to the new round of talks in January 2000, if they had not been led to believe that Barak was prepared to make some commitment. The Syrians believe they were tricked at Shepherdstown. The Israeli delegates dragged their feet in the talks on the borders and forged ahead on other issues.

According to a member of the Syrian delegation, Assad resolved not to fall into the trap a second time. Another well-placed source said the Assad went to Geneva in the expectation that Clinton would bring, if not a positive, at least an encouraging response from the Israeli Prime Minister.

Faced with Assad's categorical refusal even to consider this proposal, the Syrians left Geneva convinced that Israel was unable to pay the price required for peace.

A settlement with Syria is neither vital nor urgent for Barak. The failure of Geneva meeting may turn out to be a victory, because Barak will buy time in the face of domestic resistance, strengthen his position and corner Syria – which gets all the blame. Still Barak will not achieve the peace that he promised his electorate.

EYES ON THE PRIZE

LA Times 3/30/00

Syria's One Issue: the Border

■ The failure to reach a settlement by not agreeing to pre-1967 borders works in Barak's favor.

By ERIC ROULEAU

PARIS—The skeptics were right. President Clinton could not have restarted the Israeli-Syrian talks. He lacked the only card that would have allowed him to unblock the situation: Ehud Barak's explicit commitment to return to Syria the entire territory Israel conquered during the June 1967 war.

It has been well-known for three decades that Syria would not even consider a settlement that falls short of a return to the Israeli-Syrian pre-war border. This was nothing less than a Syrian national objective, a solemn commitment by President Hafez Assad to the Syrian people. He refused to negotiate with former Israeli Prime Minister Yitzhak Rabin until Rabin gave in to this demand. Shimon Peres reiterated the commitment after Rabin's assassination in November 1995. The Syrians would not have agreed to the new round of talks in January 2000 if they had not been led to believe that Barak was prepared to make the same commitment.

The Syrians believe they were tricked at Shepherdstown. The agreement was that negotiations on all outstanding issues, including borders, would be held simultaneously within separate committees set up for the occasion. But in practice, the Israeli delegates dragged their feet in the talks on the borders and forged ahead on the other issues—security, dividing the water resources, full normalization, etc. Important progress was made in these areas, as was clear in the confidential "draft agreement" leaked to the Israeli press shortly after the Shepherdstown round ended in January. The Israeli leak was undoubtedly intended to reassure the Israeli public that Barak had skillfully extracted concessions without a territorial quid pro quo, but Assad was humiliated.

According to a member of the Syrian delegation, Assad resolved not to fall into the trap a second time. He did not want to run the risk of "an Oslo-like accord that would make him hostage to Israel." Hence his insistence that Barak publicly recognize the pre-war June 4, 1967, lines before the talks resumed.

According to well-placed Syrian sources, Assad went to Geneva in the expectation that Clinton would bring, if not a positive, at least an encouraging response from the Israeli prime minister. Instead, the American president showed him a map where the border ran between the June 4, 1967, lines and the international frontier established in 1923 by France and Britain, the colonial powers of the time. The most important border change in Clinton's draft, which had received the go-ahead from Barak, was to deprive Syria of the access it had enjoyed before 1967 to the Sea of Galilee, a vital source of water.

Faced with Assad's categorical refusal even to consider this proposal, according to the same Syrian source, Clinton tried to persuade him to be flexible in light of Barak's domestic constraints and the fragility of his coalition, where only a minority supports full withdrawal from the Golan. The Syrians left Geneva convinced that Israel was unable to pay the price required for peace.

In fact, a settlement with Syria is neither vital nor urgent for Barak. The absence of an agreement in no way threatens his government or Israel's security. Indeed, postponing negotiations until after the U.S. presidential elections would probably be in his interest: Whoever succeeds Clinton will have no reason to speed up the process and for that reason will surely be tougher on Syria than Clinton has been.

Meanwhile, Israel's withdrawal from south Lebanon, planned for July 7 at the latest, will deprive Syria of an important bargaining chip. Damascus will no longer be able to utilize Hezbollah, whose armed groups will lose their *raison d'etre* after the Israeli forces pull back to the international frontier. Attacks will be opposed by the Lebanese, anxious to protect themselves against Israel's inevitable reprisals, and by the international community led by the United States. Moreover, the end of the Israeli occupation of the south is bound to increase pressures on Syria to withdraw its own troops from Lebanon.

If such is Barak's calculation, the "failure" of the Geneva meeting may turn out to be a major political-diplomatic victory for him: He buys time in the face of domestic resistance, strengthens his own position and corners Syria—which gets all the blame.

What Barak would not achieve is the essential: the peace with the Arab world that he promised his electorate.

Eric Rouleau, a journalist and author of several books on Arab-Israeli relations, served as the French ambassador to Turkey from 1988 to 1991, ambassador-at-large for the French government from 1986 to 1988, and as French ambassador to Tunisia from 1985 to 1986.

ls to Get Its Act Together

leaders of the oppo- ia is such that they id energy fighting ing Milosevic. This e of the powerless alty of the house in factions of Kosovo o the Rambouillet a year ago to con- Belgrade would not

national community to lift sanctions. However, the one mass action announced in that document—a demonstration for the ninth anniversary of the first anti-Milosevic demonstration—was a nonevent. That day, March 9, came and went without anyone organizing anything. Then on March 22, the opposition parties decided that a demonstration under the slogan, "Stop the Terror—For Democratic Elec-

Pact conference could make their message clear: Either the Serbian opposition parties get together, present a common electoral strategy and common ballots for local polling and form an umbrella organization that could be a partner for discussions on assistance, or else all aid designated for Serbia will go not to the party machines but to other dissenters: journal-

Stanley K. Sheinbaum

Weekly Summary

Fax

To:	Nancy Hernreich	**From:**	Stanley K. Sheinbaum
Fax:		**Pages:**	2
Phone:		**Date:**	03/30/00

Nancy,

Please pass this on to The President with the comment from Stanley, "ditto".

345 *North Rockingham Avenue Los Angeles California* 90049-2635
Telephone (310) 472-9541 FAX (310) 476-9853 *e-mail:* sks345@aol.com

EVENT HOSTS

- **Ellen & Richard Richman** / Brooke; Scott (kids)

EVENT CO-CHAIRS

- **Ronni Ginott, WLF Connecticut Chair**
- **Braith Kelly**
- **Peter Kelly**
- **Bob Rose**

DNC LEADERSHIP

- **DNC Chairman Ed Rendell**
- **CT Democratic Party Chairman Ed Marcus**

ELECTED OFFICIALS

- ~~**Senator Chris Dodd (former DNC Chairman)**~~
- **Attorney General Dick Blumenthal**
- **Stamford Mayor Dan Malloy**
- **State Senator Brian McDermott**
- **Former Congresswoman Barbara Kennelly (now Counselor at SSA)**

5-19-00

From the Oval -

Send to RM?

Yes ✓

No ____

ael

THE PRESIDENT HAS SEEN
5-3-00

....
(Original Signature of Member)

106TH CONGRESS
2D SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. OBERSTAR introduced the following bill; which was referred to the Committee on ________________________

A BILL

To provide that, for purposes of determining eligibility for trade adjustment assistance under the Trade Act of 1974, semi-finished steel slabs shall be considered to be articles like or directly competitive with taconite pellets in the production of steel.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DETERMINATIONS OF ELIGIBILITY FOR TRADE ADJUSTMENT ASSISTANCE IN CASES INVOLVING TACONITE PELLETS.

For purposes of determining, under section 222 or 250 of the Trade Act of 1974 (19 U.S.C. 2272, 2331) the eligibility of a group of workers for adjustment assistance under chapter 2 of title II of the Trade Act of 1974, semi-finished steel slabs shall be considered to be articles like or directly competitive with taconite pellets.

SEC. 2. DEFINITIONS.

In this Act:

(1) SEMI-FINISHED STEEL SLAB.—The term "semi-finished steel slab" means a cold rectangular steel section having a minimum thickness of 1½ inches and a minimum width not less than twice the thickness, which is converted into finished steel products by reheating and further hot working.

(2) TACONITE PELLET.—The term "taconite pellet" means a pellet that is—

(A) made from very finely divided iron ore concentrates formed and hardened by firing;

(B) is larger than ¼ inch but smaller than ¾ inch in diameter; and

(C) contains 60 to 67 percent iron.

....
(Original Signature of Member)

106TH CONGRESS
2D SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mr. OBERSTAR introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To provide that, for purposes of making determinations for certain trade remedies, imported semi-finished steel slabs and taconite pellets produced in the United States shall be considered to be articles like or directly competitive with each other.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. POSITIVE ADJUSTMENT BY INDUSTRIES INJURED BY IMPORTS.

For purposes of making a determination under section 202(b) of the Trade Act of 1974 (19 U.S.C. 2252(b)) with respect to increased imports of semi-finished steel slabs, taconite pellets produced in the United States shall be considered to be an article like or directly competitive with such semi-finished steel slabs.

SEC. 2. COUNTERVAILING AND ANTIDUMPING DUTY DETERMINATIONS.

In any case in which semi-finished steel slabs are the subject of an investigation under title VII of the Tariff Act of 1930, taconite pellets produced in the United States shall be considered to be a domestic like product with respect to such semi-finished steel slabs.

SEC. 3. DEFINITIONS.

In this Act:

(1) SEMI-FINISHED STEEL SLAB.—The term "semi-finished steel slab" means a cold rectangular steel section having a minimum thickness of 1½ inches and a minimum width not less than twice the thickness, which is converted into finished steel products by reheating and further hot working.

(2) TACONITE PELLET.—The term "taconite pellet" means a pellet that is—

(A) made from very finely divided iron ore concentrates formed and hardened by firing;

(B) is larger than $1/4$ inch but smaller than $3/4$ inch in diameter; and

(C) contains 60 to 67 percent iron.

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515–2308

PUBLIC DOCUMENT

OFFICIAL BUSINESS

James L. Oberstar
M.C.

THE PRESIDENT HAS SEEN
5-3-00

Ricchetti

We should try
to meet Oberstar
1/2 way – can we
at least help on the
training issue?

BC

We should try
meet Oberstar
can we
help on
training issue?

copied
Ricchetti
Podesta

PHOTOCOPY
WJC HANDWRITING