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MEMORANDUM FOR THE PRESIDENT

FROM: J. TERRY EDMONDS 

CC: JOHN PODESTA
MARIA ECHAVESTE

SUBJECT: 2000 STATE OF THE UNION - FIRST DRAFT

Attached please find our first draft of your 2000 State of the Union. It follows our previously discussed outline, and reflects the work of all the speechwriters as well as input from your policy offices.

This draft is approximately 8,500 words, which puts you on track for about a 70 minute speech. We will continue to revise and shorten the remarks pursuant to your direction.

We look forward to working with you on this speech in the coming weeks.

Thank you.

EYES ONLY

OK
RESIDENCE



**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
WASHINGTON, DC
January 27, 2000**

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans. Tonight I have the honor of delivering to you the first State of the Union Address of a new century and a new millennium.

I think we can all agree that we are fortunate to be alive at this moment in history. Never has our nation enjoyed, at once, so much prosperity, social progress and national self-confidence with so little internal crisis or external threat. Never have our values – of peace, freedom and democracy – been more ascendant in the world. Never have we had such a blessed opportunity – and, therefore, such a profound responsibility – to build the more perfect union of our founders' dreams.

In the span of 100 years, we have raised the vast majority of our citizens from bare subsistence to considerable comfort and affluence. We have enshrined human rights, religious freedom and racial and gender equality as widely shared values to which we are collectively committed. At home and abroad, it has been our great privilege to advance the light of human liberty, to re-light the fires of freedom.

It is important to understand what brought us to this moment. Seven years ago, it was not clear to most Americans that there would be much to celebrate in the year 2000. America then was divided; in doubt; and asking itself, in a time of rising crime, mounting deficits, and high unemployment, "What went wrong?"

But I believed that there was nothing wrong with America that could not be fixed by what was right with America. In the last seven years, America has shown we could move beyond the old false political choices: between the economy and the environment; between being safe and being free; between a government that does too much and a government that does too little; between what makes us different as people and what makes us equal before the law and under God. We've met new conditions with new ideas – rooted in our oldest, deepest values – of opportunity for all, responsibility from all, and a community of all Americans.

In 1992, Vice President Gore and I had a roadmap. In the year 2000, we have results. Real, measurable, remarkable results: 20 million new jobs. The fastest economic growth in more than 30 years; the lowest unemployment rate and the smallest welfare rolls in 30 years; the lowest poverty rate in 20 years; the lowest crime rate in 25 years; the largest surplus in almost 40 years; the lowest African-American and Hispanic

unemployment rate ever; the highest home ownership ever. Next month, America will achieve the longest economic expansion in our nation's history.

My fellow Americans, I stand before you tonight to report that the state of our union is strong – the strongest it has ever been.

So the great question before us tonight is how to make the most of this magic moment, this time of profound promise and possibility. Many challenges greet us at the dawn of this new century: preparing for the aging of America; providing a world-class education to the largest, most diverse group of students in history; helping parents succeed at work and at home; protecting our environment; expanding opportunity to the people and places left behind; making America the safest big country in the world; competing in, and putting a human face on, the global economy; and leading the world toward greater peace, prosperity, and freedom.

These are the big challenges before us. I believe we will meet them as Americans always have: with new ideas, informed by our enduring values.

OPPORTUNITY

Tonight, I will propose a new agenda for this new era: a New Opportunity Agenda, rooted in responsibility, and designed to create a stronger and more inclusive community. At its core is a simple, powerful, fundamental principle: "Opportunity for all." The economic conditions we have created – the virtuous cycle we have set in motion – put us in a position to realize our nation's deepest dreams. We can expand the circle of opportunity wide enough to include the men and women at its margins, so that no one who's willing to work is left behind as America moves ahead.

The New Opportunity Agenda updates an old American value for the Information Age. Two centuries ago, at our nation's founding, opportunity meant, most of all, the freedom to carve a farm and an existence out of the forest frontier. Fifty years ago, opportunity meant a new textbook, a high school education, and a union card. Today, opportunity means something different. It means having a computer and knowing how to use it. It means higher education and a lifetime of learning. It means rewarding work and empowering people.

With all the progress we have achieved, we know that there are still too many Americans who have not felt the light of our nation's growing prosperity. If we can't, in this moment of unprecedented prosperity, take the responsibility for making sure every American who is willing to work hard, has an equal chance to share in the American Dream, then when will we ever get around to it?

Our first steps into the 21st Century must be guided first and foremost by our faith that all children can and must learn. For in the new information economy, education is the indispensable key to opportunity.

For seven years we have pursued a simple strategy on education: Invest more, and demand more in return. We have opened the doors of college to all with more Pell grants, more-affordable student loans, education IRAs, and our HOPE scholarship tax cut. We have helped nearly every state set higher academic standards for their schools. We are closing in on our goal of connecting every classroom and library in America to the Internet, with the help of the Vice President's E-rate program. And for two years in a row, Congress has supported our effort to hire 100,000 new, qualified teachers, to lower class sizes in the early grades. This Congress must continue that support.

With these and other efforts, our students are learning more. Scores on college entrance exams are going up, even as more students from more-diverse backgrounds are taking the test. And some of the most impressive academic gains are happening in schools in some of America's poorest neighborhoods.

I have visited such schools all across America that have turned themselves around with the same proven formula: more accountability, higher standards, help such as after school for children to meet those standards, and the conviction that all students can learn. Unfortunately, there are too many low-performing schools in this country that are not applying these lessons – schools where, year after year, children fail to get the knowledge and skills they need to escape poverty and make the most of their God-given talents.

Last year, from this podium, I proposed my Education Accountability Act, to fundamentally change the way the federal government invests in our schools – to support what we know works, and stop supporting what doesn't. This year, I challenge Congress to not only pass that measure, but to make dramatic new investments in what we know works.

We know that quality afterschool and summer school boost academic achievement. It also keeps children off the street in the hours before parents get home from work, when juvenile crime soars. Tonight, I propose that we double our investment for afterschool and summer school. If we do this, we can provide afterschool and summer school to give every child in every failing school in America the chance to meet high standards.

We know that our children will do best if they start learning early. And since 1993, we've put over 150,000 more children in the successful Head Start pre-school program, and improved the quality of Head Start. Tonight, I propose the largest funding increase for Head Start in history. With this increase, plus greater investment in early learning, we can take the first step toward providing universal pre-school for every four-year-old in America.

We know that if we want our children to learn, we need good teachers and principals. Tonight, I propose new efforts to help states and school districts recruit the

best and brightest people to teaching, train principals as leaders and get rid of bad ones. And we must finish the job of hiring 100,000 qualified teachers to reduce class size.

We know that antiquated classrooms get in the way of learning, and that a third of all schools in America are in serious disrepair – with leaky roofs and antiquated electrical wiring. Tonight, I propose new investments to make immediate, urgent repairs to our schools. I renew my call for a tax credit to help build or modernize 6,000 schools nationwide – so we can take our children out of trailers and put them in modern classrooms. And let's make our high schools safer and better by investing in making them smaller. If we want to keep kids out of trouble, let's make sure they go to a school where everybody knows their name.

We know that to make our schools the best on earth, we must turnaround our schools that are performing the worst. Last fall, Congress passed my plan to give districts the resources to turn around failing schools – or shut them down. This year, let's double that investment. Let's also increase our investment in charter schools, to give parents more choice. And let's give bonuses to states that succeed in making scores go up across the board.

We must also do more to help high school students prepare for, and succeed in, college. We must increase tutoring and mentoring efforts, bring advanced placement courses to schools in isolated rural areas via the Internet, and offer disadvantaged students the same test prep courses wealthier students use to boost their scores on college entrance exams.

Education is the key: as Dr. King said, it opens the doors to opportunity. But when our children walk through those doors they should be confident that they enter an economy that rewards work, and gives them the freedom to do the most important work of all: to raise strong families and happy, healthy children. [TK: Schumer/ college tax ideas]

Simply put: When you work hard and play by the rules, good things should follow. To your standard of living, to your savings, to your self-esteem. It's the private sector's responsibility to create jobs; but we all have a responsibility to reward work. That has been a basic goal of so much we have done – from reforming welfare to raising the minimum wage. My New Opportunity Agenda builds on our progress – doing more to ensure that work pays, and that hard-working people reap their rightful rewards.

We know that one of the most powerful incentives to work has been the Earned Income Tax Credit, a targeted tax cut for low-income working families. As one of my first actions as President, I asked the Congress to dramatically expand the EITC. In 1998, the EITC helped more than 4.3 million Americans work their way into the middle class – double the number in 1993. The “E” in “EITC” is about earning; about working; about taking responsibility and being rewarded for it.

Tonight I propose that we expand opportunity by substantially expanding the EITC. We should reduce the marriage penalty for the EITC, making sure that this tax credit rewards marriage, and family, just as it rewards work, and expand the tax credit for families with more than two children. Our plan would provide those families up to \$1,200 more in tax relief. That's enough for the average family to pay for 5 months of groceries or for 8 months of healthcare, and it's an added incentive to help them work their way into the middle class. They're working hard for it. We should help them to reach it.

For people who play by the rules, there's something else that should be within reach: their place of work. But two-thirds of new jobs are in the suburbs, far away from many low-income families. In the past two years, I have proposed and Congress has approved 110,000 new housing vouchers – to let more Americans live where opportunities abound. This year, let's more than double that number. If we want people to go to work, they have to be able to get to work.

Wherever they live, working parents need quality child care. Last year, we helped parents provide care for 1.25 million children. But child care should be better, safer, and more affordable. It's what our children deserve and what working parents need. My child care initiative would increase and improve care for 150,000 more children. And it's time we make the child care tax credit refundable to help families who need it most. Parents should be able to balance work and family – not have to choose between them.

We should also expand access to health care. In less than a year, enrollment in our Children's Health Insurance Program has doubled, to 2 million children. But we must do more. As Vice President Gore has been saying, if states are looking to insure more children, they should go where they are – schools, churches, child care-centers. And we should take the next step and enroll their parents, too. Nine million of them are eligible, but uninsured. And let's give a real, affordable option to the fastest growing group of uninsured: people between 55 and 65 who lose their coverage. We should allow them to buy into Medicare. My budget provides a new tax credit to make that choice possible and cut their premiums up to one quarter.

Affordable and available care must also be quality care. We know we have the finest health care system in the world, and professionals that work wonders; but we also know that their first obligation is to do no harm. When avoidable medical errors cause preventable tragedies, we must act. My budget makes the largest investment in history to eliminate medical errors and enhance patient safety. Because no American should ever fear that their health care will jeopardize their health.

For two years, I have called on Congress to pass a strong, enforceable patients' bill of rights for all Americans – to put the power of healthcare where it belongs: in the hands of patients and doctors, not insurance companies and accountants. Last fall, a bipartisan majority in the House did just that. For the sake of all American families, we must finish the job this year.

Last year, I also called on Congress to work with me to secure and modernize Medicare and add a voluntary prescription drug benefit. When I became President, Medicare was projected to go bankrupt by 1999. The steps we have taken have secured it until at least 2014. But we can and must do better. I call on this Congress to extend the life of Medicare – and do it this year.

We also know that about 75 percent of Medicare beneficiaries lack decent, dependable, private-sector prescription drug coverage. Last year, though we did not agree on a final plan, we did reach a bipartisan consensus on the need for voluntary drug coverage. We are moving in the right direction. Tonight, let us pledge to go the final mile. Let's give our seniors the life-saving medicines they need at prices they can afford.

I hope the Congress will complete another piece of unfinished business. Let's raise the minimum wage. And let's make sure that men and women get equal pay for equal work. Today, women earn 75 cents for every dollar men earn. That's just not good enough. My budget provides much needed resources to enforce equal pay laws, and to train women for high-paying, high-tech jobs. And we should pass the Paycheck Fairness Act. That will go a long way toward opportunity and dignity for working women.

This year, I am proposing a progressive savings initiative to help low- and moderate-income families work and save for retirement. [policy TK]

We have one final, fundamental obligation: to ensure that the guarantee of Social Security remains rock-solid, and that hard-working Americans have the retirement years they have earned. Last year, I sent Congress legislation to honor our commitment to older Americans and future generations by extending the life of the Social Security trust fund until the year 2050. This year, our budget outlook gives us an even better opportunity. So I say to this Congress, let's get this job done.

As we work to master the possibilities of the new economy at home, we must also lead in shaping a global economy that extends our prosperity – and expresses our values. Americans are right to ask hard questions about globalization. But those who say we ought to drop out of the international economy, or put the brakes on trade, are simply wrong.

Trade has been a major force behind our economic growth. Exports create stable, high-paying jobs. Imports bring us a wide variety of products – and keep them affordable. Growth from trade is vital not just for us, but for the 1.3 billion people around the world who still live on less than a dollar a day. In an era of globalization, we have a profound interest in making opportunity truly global.

We need to make sure trade is fair to Americans. First and foremost, that means enforcing our own trade rules, and protecting our workers, industries, and environment. But we don't want a world in which others cannot sell to us – because that means we cannot sell to them. We need to make the WTO more open and more responsive to real

people – and remember that a global economy based on rules is far preferable to one with no rules at all.

We need to make sure we benefit when China joins the WTO and agrees to live under the same trade rules we do. I ask Congress to pass Permanent Normal Trade Relations status for China. We must not miss this tremendous opportunity. This deal will not solve all our problems with China, or change the lives of its people overnight. But it is a step in the right direction. And it will give Americans great new opportunities in every sector of China's vast market.

Engagement in the global economy is an investment in our shared future. People here benefit most when people everywhere can look ahead with hope. That is why we pledged to do our part to reduce the debts that burden the world's poorest nations. I ask Congress to continue its support for this effort. I also ask you to finalize our trade initiatives for Africa and the Caribbean Basin – perhaps the most important effort ever to promote economic growth in those places. Building stronger trading partners will help America master the new economy is good for America. And it is the right thing to do.

Reforming education... rewarding work... mastering the new economy... all these elements work together to expand opportunity into nearly every corner of our country. But not yet every corner. During the last six months, I have traveled across America, shining a spotlight on the potential I see in places not yet blessed by our nation's prosperity. I have taken these trips because I want all of American business to see what enormous opportunities there are in America's new markets. I have been glad to have a number of you join me along the way.

Together, we have seen the power of public-private partnership from rural Appalachia to the Delta. We have seen the spark of investment, and the energy of community empowerment, in inner cities from Williamsburg, in Brooklyn, to Watts, in Los Angeles. We have seen that a sound infrastructure can bring opportunity even to the remote regions of Indian country. Now, more than ever, we have the means to do it: to tap the potential of new markets, to unlock the potential of new workers. For business, it's the smart thing to do. And for America, it's the right thing to do.

In this year's budget, I am calling on Congress to double our New Markets Tax Credit, to spur \$12 billion in new equity capital for our untapped markets. We should also greatly increase funding for America's Private Investment Companies, modeled on the Overseas Private Investment Corporation, to help large-scale businesses expand or relocate to our inner cities or rural areas. And we should increase the tax incentives that promote growth in our Empowerment Zones.

Speaker Hastert, it was a powerful moment last November when you joined me and Reverend Jesse Jackson on stage at Englewood High School, in your home state of Illinois, and pledged to work with my administration on common ground for New Markets legislation. So let's work together to finish the job.

When I visited Pine Ridge, South Dakota, last July, I became the first President to visit an Indian reservation since Franklin Roosevelt. That's far too long. In this new century, let's honor our historic responsibility to the first Americans. My budget increases by more than \$1 billion our commitment to meet the special challenges Native American communities face: from health to education, and from law enforcement to infrastructure. Indian Country is a new market America should not – and must not – ignore.

We must also fulfill our obligation to our farming communities, the lifeblood of our land. When I signed the farm bill in 1996, I was concerned it would work well in good times but not as well in bad times. In recent years, our family farms have endured droughts and floods and financial crises abroad. My budget rewards farmers who do the right thing for our environment; and, through our New Markets Initiative, helps them diversify their economic base. And it doesn't just mend the farm safety net – it strengthens it.

This spring, I will lead a New Markets tour to focus on another challenge: the growing "digital divide" between those who have access to the digital economy and those who don't. That gap exists along lines of education, income, region, and race. But the very technology that drives our new economy also creates the tools to ensure that everyone, from the city to the farm to the reservation, can join in building our nation. My balanced budget would create 1,000 new technology centers to connect poor communities to the economic mainstream. It also helps mobilize the combined force of public, private, and nonprofit sectors to increase Internet access in low-income areas. Because you can't get in the game unless you have the tools to play.

RESPONSIBILITY

To achieve our potential as a nation in the 21st Century, we must not only provide more opportunity for all – we must demand more responsibility from all. Franklin Roosevelt called responsibility "the discipline of a democracy."

America's first responsibility is to love and support their children. Yet nearly one child in three in America today grows up in a home without a father – and these children are five times more likely to live in poverty than children with both parents at home. I know many single mothers do a magnificent job of raising their children. But their task is made infinitely harder when there is no father to contribute income and love; to share the burdens and joys of parenthood; to teach the boys to be men and the girls to expect respect from men. Four years ago, we made an historic reform of welfare that has helped millions of mothers move from dependency on a welfare check to the dignity of a paycheck. Demanding and promoting responsible fatherhood is the critical next stage of welfare reform.

We have already begun, over the last seven years, to crack down on fathers who fail to pay child support by denying them drivers' licenses and creating a national database to track them across state lines. As a result, child support payments have doubled since 1993. The number of unwed fathers who legally acknowledge their paternity has tripled. And the percentage of children born into unwed homes, after skyrocketing for decades, has begun to level off, and the teenage birth rate is falling.

This is progress. But we must toughen child support enforcement even further. [details TK] We can give fathers even more incentive to contribute by allowing more of their child support payments to go directly to their families.

And to absent parents who owe child support, we should say: we'll help you do right by your children, but you have to go to work, and pay them what you owe.

We must do everything we can to find families for children who have none. Consider this: in the last four years, we have increased the number of children adopted out of the foster care system by 30 percent. Tens of thousands more children now enjoy the warmth and confidence that comes from having a permanent home. We are improving foster care for the children it serves, and supporting those who turn 18 and leave foster care without a permanent home. Tonight, I want to honor the person who led our Administration's efforts to achieve these goals, someone who has worked tirelessly for children as long as I have known her: our First Lady, Hillary Rodham Clinton.

Government's responsibility is to keep its citizens safe. The overall crime rate in America has dropped every year for the past seven years—the longest continuous decline in crime ever recorded. It happened because America at all levels took more responsibility for fighting crime. We passed the Brady Bill in 1993, and stopped over half-a-million felons, fugitives, and domestic abusers from buying guns. Gun crime has since fallen 35 percent. We passed an historic crime bill in 1994, and helped local communities fund 100,000 new community police officers. Last fall, Congress agreed to support my plan to hire up to 50,000 more police officers, with special help for high-crime neighborhoods. Congress must continue that support this year.

But while we are grateful that serious crime is at a 25 year low and the homicide rate is at its lowest point in 31 years, no one believes America is as safe as it should be. We ought to dedicate ourselves to making America the safest big country in the world.

We must begin by doing more to keep guns out of the hands of criminals and juveniles. Last year, Congress listened to the gun lobby, rather than the American people, and gave up a chance to require Brady background checks at gun shows and child safety locks for all new handguns. Passing this common-sense gun safety legislation should be the very next action of this Congress.

But we can and must do more. States require hunters and automobile drivers to have licenses. To reduce firearms accidents and keep guns out of the wrong hands, tonight I propose that states have licenses for gun purchasers as well.

To those who say that instead of strengthening gun laws, we should better enforce gun laws now on the books. I say, we already are. Federal gun crime prosecutions are higher today than in 1992, and are up 25 percent since 1998. But again, we should do more. We must hire more federal and local gun prosecutors, and more ATF agents to crack down on illegal gun traffickers and bad-apple dealers who supply guns to criminals and juveniles. We must supply law enforcement with the tools to trace the origin of every gun used in a crime in America. And we must create a national ballistics network capable of tracing almost any bullet left at a crime scene anywhere in America to the gun of the criminal who fired it.

Listen to this: the accidental gun death rate of children under 15 is nine times higher in the U.S. than in 25 other industrialized nations combined. Technologies now exist that could lead to guns that can only be fired by the adults who own them. It's time to help the gun industry accelerate development of these smart guns. It's time for the gun industry to take responsibility too, and reform the way it does business -- and help bring down gun violence in America.

Another vital measure we can take to reduce the crime rate is to provide more supervision, and demand more responsibility, from the hundreds of thousands of offenders who leave our prisons every year. We know that those on parole or probation who use drugs are [tk]-times more likely than others to commit another crime, but half as likely to do so if they get drug treatment. We must provide them that drug treatment, along with drug testing and a simple bargain: stay clean and you stay free; do drugs and you do more time.

The tragic school shootings in Littleton and elsewhere have been a terrible reminder of how vulnerable our children are to violence—and how much more we must do, at all levels of society, to protect them. Last year, I launched a national grassroots campaign to bring experts and local communities together to identify the most effective responses to youth violence. We also began funding efforts by local communities to develop comprehensive solutions to school violence, and this year we must increase our support of this vital endeavor.

Every parent I know worries about the amount of violence in the media. I believe the entertainment industry should respond to parents concerns. I give the industry credit for accepting my challenge to put voluntary ratings not just on movies but on TV programming and video and Internet games. This year, we must go farther. Let's do as the First Lady has suggested, and give parents what they most need: one rating system for all their children's entertainment—a system that is easy to understand and enforce.

We also have a responsibility to preserve and protect our environment for our children and for generations to come. As Theodore Roosevelt said, when it comes to our natural resources, we should “take the long look ahead.”

I am very grateful for the opportunities Vice President Gore and I have had to take that “long look ahead” – to show that a stronger economy and a cleaner environment can and must go hand-in-hand. We have rid hundreds of neighborhoods of toxic waste; ensured cleaner drinking water for millions of families; and taken the boldest steps in a generation to improve the air we breathe. Two weeks ago, I had the pleasure of standing on the north rim of the Grand Canyon where I announced the creation of three new national monuments -- preserving some of our nation’s most glorious natural treasures. With this new effort, our Administration has now safeguarded more land in the continental United States than any other since Theodore Roosevelt launched our nation on the path of conservation a century ago.

As we embark on a new century, we have an opportunity to bestow upon the American people a new conservation legacy. Tonight, I propose nearly \$1.5 billion a year in permanent funding to preserve precious places across America. This new Lands Legacy initiative will save threatened wild lands, restore salmon and other wildlife, protect our coasts, and help local communities preserve the farms, meadows, and parks that help keep nature a part of our daily lives.

We must also do more to help communities grow in ways that enhance every citizens’ quality of life. In the 1990s, the loss of farmland and other open space more than doubled, and Americans spent more time stuck in traffic than ever before. The Livable Communities initiative launched by Vice President Gore provides new tools for smarter growth. Tonight I propose to strengthen this program with new funding to help communities build light rail and other transit systems. It’s time we did more to save our precious green spaces.

As we cherish our own land, we must also help other nations that are struggling to protect theirs. As almost any schoolchild can tell you, the rain forests are the lungs of our planet. Yet these fragile sanctuaries of life, which harbor more species than any place else on earth, are still disappearing at a rate of [250] acres a minute. Tonight, I propose a new Greening the Globe initiative to help stem this devastating loss. This [\$150] million initiative will help developing countries from the Amazon ... to Asia ... to the rich Congo basin strengthen their economies by preserving, instead of destroying, their irreplaceable natural heritage.

The gravest environmental challenge of the new century is the threat of global warming. Last year was the second warmest year on record in the United States, just shy of the record set only a year before. All across the country, people are feeling the effects of our changing weather – more flooding, more droughts, more deadly heat waves.

Tonight, I announce three major new efforts to deal with this problem. First, I propose a [\$100 million] initiative to help developing countries adopt clean energy technologies, so they can grow and prosper without poisoning their air and further endangering our climate. Second, to strengthen our efforts here in the United States, I propose closing the loophole that allows for the continued operation of old power plants, which are the leading cause of greenhouse pollution. Third, I call on the auto industry to join us in the fight against global warming. Together, we have developed the technology to produce cars that are far more fuel-efficient. I challenge you now to move these cars from laboratory to the showroom floor.

Let us take the “long look ahead.” Let us put 21st century technology to work building a 21st century economy in harmony with our environment.

At a moment when American power is unprecedented, and the world is coming together around the ideals Americans have lived by and died for, we have a responsibility, to ourselves and to our partners around the world, to lead. Let’s never forget the Americans who have struggled to give us this chance. Let’s never forget that hundreds of millions of people live in peace today because of the Americans who rest in peace in graves marked and unmarked all across the world. We have come too far, sacrificed too much, to stop the world and get off now. We must continue to shape the world, doing our part to answer the big questions that will decide the character of the 21st century.

A central question is whether our security will be threatened by regional conflicts, especially those rooted in ethnic and religious tensions, that pose the risk of wider war. With all its amazing advances, our modern world is bedeviled by our oldest failing – fear of those who are different from us. In too many places, that fear is exploited by unscrupulous leaders trying to cling to power or make brutal war on their neighbors.

America cannot prevent every conflict or stop every outrage. But when our interests and our values are at stake and we can make a difference, we must be peacemakers. For history teaches that all big wars start small, and when human beings anywhere are singled out for destruction because of who they are, it is our common humanity that suffers.

We should be proud that we have helped bring the Middle East closer than ever to comprehensive peace. [Update on Israel-Syria; essential that America do its share].

We should be proud of the role America played in bringing peace to Northern Ireland ... in helping to end the bloodletting in East Timor ... in supporting efforts to end Africa’s cruel wars.

And we should be proud of the men and women of our armed forces who turned the tide against ethnic cleansing in Kosovo. Thanks to them, a million innocent people are home. And instead of struggling to defeat something evil, we can focus on building something good: a Europe undivided, democratic and at peace for the first time in history.

[Recognize Mitchell and Kosovo soldier in box; need to stay the course.]

A second question is whether our former adversaries, Russia and China, emerge in the coming century as stable, prosperous, democratic partners of the United States.

Today, we confront the risk of a Russia weakened by the legacy of communism, by economic crisis, by a cruel and futile war in Chechnya. But never forget how much else has changed: 5,000 former Soviet nuclear weapons dismantled; Russian troops serving with us in the Balkans; a peaceful, constitutional transfer of power from one leader to another for the first time in a 1000 years of Russian history. Russia's long journey to democracy is profoundly important to our future. A generation from now, let no one say that we did not do our part to help.

As for China, we must promote our interests with firmness, but not with fear. So let us say clearly that China cannot buy its stability and stature at the expense of freedom. But let us not isolate China from the global forces empowering its people to seek a better life. We want to see China on the inside, playing by the rules, not on the outside denying them.

A third question for the new century is whether terrorists and hostile nations will acquire the means to undermine our defenses, and force us to live in fear again.

Thanks in part to the biggest counter-terrorism operation in our history, the millennial celebrations passed without a violent attack. But this age-old threat, magnified by modern tools of destruction, remains real.

We must work with other nations to destroy terrorist and criminal networks and to target the havens that launder their money. This year, I will propose a law giving America new tools to protect our financial system from money laundering.

A bigger challenge is to prevent terrorists and potential adversaries from acquiring deadly weapons. We can do that by working with Russia to keep nuclear weapons secure and continuing to reduce our arsenals. By restraining North Korea's nuclear and missile programs and Iran's, and continuing to prevent Iraq from threatening its neighbors. And by strengthening global standards against proliferation. That is why I am committed to working with the Senate on a bipartisan basis to rebuild a consensus for the Comprehensive Test Ban Treaty.

We are also developing a system to defend America against missile attack, while working to preserve the Anti-Ballistic Missile Treaty with Russia. And my balanced budget devotes \$2 billion to defend America's cyberspace against hackers, criminals and potential adversaries.

A fourth question is whether the stability of the 21st century world will be threatened by a growing gap between rich and poor. We just cannot accept a future in which part of humanity lives on the cutting edge of a new economy, while another lives on the edge of survival. It isn't right. And it isn't in our interest.

A large part of the answer is freedom. With the hopeful transitions to democracy in Nigeria and Indonesia, more people won the right to choose their leaders in 1999 than in 1989, the year the Berlin Wall fell. Yet even countries making all the right choices must sometimes struggle to deliver for their people.

We must stand by democracies like Colombia fighting for their lives -- and for our lives -- against narcotics traffickers. I have proposed a two-year, \$1.6 billion package to help Colombia and I count on your support.

We must stand by impoverished nations held back by debt and fight the killer diseases that are stealing the future from developing nations. My budget calls for a new \$150 million investment in the global fight against AIDS and other diseases. And I will call on our partners in the G-7 and around the world to join us in supporting a Millennium Trust Fund that will say to private industry -- if you develop vaccines for diseases like malaria, AIDS and TB, we will help pay for them, and we will lift millions of lives together.

The final question is the most important of all: Will America continue to lead? How do we see ourselves and our role for next century?

In the 20th century, America was thrust into position of global leadership by circumstance. Now we have to choose whether to shape the world. But it's really no choice at all, not if we want our children to know peace and prosperity and the promise of a better day. We can choose to see our role as a burden. I choose to see it as a blessing.

That's why we have reversed the decline in defense spending that began in 1985. We must continue to work together to keep our military the best trained, best equipped in the world. My budget invests in readiness and in 21st century weapons. And it raises salaries for our men and women in uniform.

We must also continue to fund the 1 percent of our budget that supports our international engagement and keeps our soldiers out of war. Last year, you worked with me to support our top international priorities and to resume paying our UN dues and arrears. Let's do it again this year. And let's remember that building the right kind of global community is vital for a strong, secure American community.

As we cross the threshold of the new millennium, we have a responsibility to use the twin engines of digital information and biotechnology to usher in a new age of enlightenment. It is already clear that this will be a Millennium of medical miracles. Our

increasing knowledge of the physiology and genetics of the human body promise remarkable treatments for disabilities and disease.

In the last 100 years, the life expectancy of the average American has increased by almost 30 years, as a result of breakthroughs like penicillin and the polio vaccine. We are now on the brink of sequencing the human genome, which may allow us to cure diseases such as cancer, AIDS and Alzheimer's. And the new science of nanotechnology is giving us the ability to manipulate atoms and molecules in ways that could help us detect tumors the size of a single cell, or develop molecular computers that can store the Library of Congress on a sugar cube.

The intense global proliferation of Internet services portends a time when an increasing fraction of human knowledge will be literally at our finger tips. Our ability to share our thoughts, ideas, experiences and dreams across the boundaries of space and time, can bind our species together in a powerful web of wisdom and wealth.

Here in America, science and technology have fueled much of our growing prosperity. It has resulted in higher productivity without inflation. Information technology alone is responsible for fully one-third of our recent growth. And the high-tech jobs it is spawning pay nearly 80 percent more than the private sector average.

If we want our current prosperity to continue into the 21st century, we must continue to encourage the creation and spread of new technologies. That is why my budget will include a \$3 billion increase in the "Twenty-First Century Research Fund." These investments will increase support for biomedical research, nanotechnology, information technology, clean energy and university-based research. This is not only an investment in research and technology, it is an investment in America's future. And we can not move forward without it.

But, as we find more and more ways to take advantage of the wonders of science and technology, we must be certain they are rooted in our oldest values. In addition to ensuring that the benefits of technology are equally shared by all our citizens, we must take steps to make sure our financial and medical privacy are not invaded.

Last year, our Administration proposed rules that will protect some of Americans' most sensitive information, their medical records. This year, those rules will be put in final form. We also took a first step to protect citizens' financial records in the financial modernization bill. But, as I said when I signed that law, we need to do much more. I will be sending legislation to the Hill to complete that unfinished business.

I am also concerned and intend to take action to prevent genetic discrimination – the use of genetic information by employers in their hiring decisions. Finally, we will continue to build privacy protections into the actions of the government itself. And tonight I want to issue a strong challenge to on-line companies to do more to protect the privacy of their customers.

Nearly forty years ago, as we began our exploration of space, President Kennedy said, "We set sail on this new sea because there is knowledge to be gained ... for the progress of all people. Whether it will become a force for good or ill depends on man." Let us make our progress a force for good.

COMMUNITY

One of the best ways to be a force for good is to empower our citizens, strengthen our neighborhoods and build a community of all Americans. Together, let us build a new community agenda.

Alexis de Toqueville observed that in America, helping others is not just charity or compassion, it is a sign of good citizenship. Like our country itself, the face of the philanthropic tradition is changing--becoming more diverse and younger. To broaden the base of giving even more, I am proposing new tax incentives to promote charitable giving. Lower and middle income Americans who give deserve what wealthier Americans can get: a tax deduction for contributions to charity.

We can also do more to bring communities of faith into the circle of service. Faith-based organizations work tirelessly everyday to help Americans fight drug and alcohol abuse and to provide opportunities for young people to get back on the right track or to stay out of trouble in the first place. We can respect the line between church and state and still do more to support the good works of these groups.

We can do even more to elevate the cause of citizen service. When I first ran for this office, I had faith that if we gave our young people the opportunity to serve their communities, they would answer the call. Together, we created Americorps in 1994. More than five years and 150,000 Americorps volunteers later, a new generation of Americans has shown the way through service--teaching children, cleaning up the environment, helping the homeless and countless other ways.

Like returning Peace Corps volunteers and military veterans, Americorps graduates are an enormous pool of know-how and can-do. We need to tap that resource. Tonight, I propose the creation of the Americorps Reserves to activate former Americorps members in times of crisis including natural disasters.

The Americorps volunteer oath concludes with the words: I will get things done. Let us do the same. Let us build on the success of Americorps, fund it fully, and keep it strong for all time.

Of course, the most fundamental responsibility of citizenship begins in the voting booth. More than half of our children live in households where neither parent votes. Too many simply think politics doesn't matter. But it does. So I say to all Americans:

whatever your party, whatever your ideology, whatever you do, make your voice heard. Vote.

And this is the year of the census, so you have a unique opportunity to not only stand up and be counted, but to make your voice count.

One of the wonders of our time is that technology is making it possible to increase involvement in the democratic process. A few months ago, I held the first Presidential on-line town meeting. Starting next month, I will launch a series of what I call “Webside Chats”—on-line discussions focused on issues and ideas. We can give more Americans the opportunity to share their views and be a part of our national community.

From the beginning, that community has been one of immigrants. Like those before them, our new immigrants are enriching our national community and renewing the spirit of America. And just like those before them, learning English is the key to reaching their full potential.

Demand for English language classes is so high, some states have even resorted to a lottery system to pick students. We must be clear: learning English should be an opportunity available to all -- not a raffle. My budget boosts support for English as a second language and links classes with civics and lifeskills education. So as new immigrants learn English, they can also become fluent in the rights and responsibilities of American life.

We are more diverse than ever before. The face of America is changing. We all know that. The question ahead is not: how will we look? But, what will we be? What will we choose as a community to do with our diversity?

Two years ago, Hillary and I created the White House Millennium Council to help bring Americans together--to reflect on where we have been as a nation—who we are—what we want to be. This fall, the First Lady hosted one of America’s leading geneticists at a millennium evening discussion at the White House. He affirmed what faith has taught us. He said all humanity, genetically, is 99.9 percent the same. In large ways and small, it is easy to forget that truth. But honest and real differences can only be explored, confronted and worked through, and diversity can only be celebrated when we recognize that the most important fact of life is our common humanity.

We are more united than ever, but we have work to do. We cannot turn our backs on the climate of hate that spawned such recent incidents as the murder of young Matthew Shepard or the dragging death of James Byrd in Texas.

Let me say again, discrimination and violence against anyone because of race, religion, gender, sexual orientation, ancestry or disability is wrong. We must also make it illegal. I ask the Congress once more to pass, without further delay, the Hate Crimes Prevention Act and the Employment Non-Discrimination Act.

And finally, to make the most of our economic and social progress we have made together, we must continue our journey to building One America in the 21st century. That means rededicating ourselves to the ideals of justice and opportunity for all that are at the heart of our democracy. No American should be subjected to discrimination in housing, education, federal contracting or any other aspect of American life. My budget increases funding substantially for civil rights enforcement at the EEOC and the Justice Department's Civil Rights Division—to make sure that protections in law are protections in fact.

Last February, I created the White House Office on One America to coordinate our efforts and help build community partnerships for racial reconciliation. We are reaching out across our nation – from lawyers to religious leaders to corporate leaders to make sure every American can help build the One America of our dreams.

We know there is only one way to achieve that kind of nation—not through machines or money or might. Above all, it must flow from the human spirit. Let us take on the unfinished work of our time. Let us do our part to lift the burden of race and make the promise of America the practice of America.

My fellow Americans, this is the seventh time I have had the privilege of this high moment. Each time I have approached it with great hope and great expectations for our nation. But there is no escaping the fact that tonight is different. For tonight, we stand on the mountaintop of a new millennium. Behind us we see the great expanse of American achievement, and before us, vast frontiers of possibility yet to be explored.

The children of the future will see that this moment was earned through America's drive for discovery and our enduring quest for freedom and opportunity for all. Not even the most far-sighted of our forebears could have predicted that American ingenuity and spirit would lead the world to the unprecedented heights of peace and prosperity that we enjoy today.

And so, tonight, whether you are settling in the comfort of today's growing affluence or climbing out of the shadows of yesterday's despair, look up and see that the sun is rising on a new century of hope and possibility in America. Look up and take your place in the procession of Americans, great and small, whose gifts to the past have brought us to this moment of great promise. Now it is your time. You are our gifts to the future. Together, we can make the next 100 years, America's greatest century.

Thank you, God bless you, and God bless America.

THE WHITE HOUSE

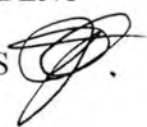
WASHINGTON

January 7, 2000

00 JAN 6 PM 2:29

MEMORANDUM FOR THE PRESIDENT

FROM: J. TERRY EDMONDS
JEFF SHESOL



CC: JOHN PODESTA
MARIA ECHAVESTE
GENE SPERLING
BRUCE REED

SUBJECT: STATE OF THE UNION EXPANDED OUTLINE

Based on our earlier meeting with you and further conversations with the policy shops and others, we are submitting this expanded outline for your review. We look forward to discussing this with you when we meet. Thank you.

**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
DRAFT OUTLINE**

I. Introduction

- a. *Brief historical context* – the century and the last seven years
- b. *Victory lap* – the state of our economy and society
- c. *How we got here* – opportunity, responsibility, community
- d. *How we're going to move ahead* – unfinished business and beyond (Social Security, Medicare, Patient's Bill of Rights, Guns, Hate Crimes, minimum wage)

II. New Opportunity Agenda: Preparing a New Generation for a New Millennium

a. *Education*

- universal pre-school – access to pre-school for every 4-year-old in America
-increase in Head Start; increase in Early Childhood Learning Fund
- school construction
-tax credit bonds over 2 years to modernize up to 6,000 schools
- universal after-school
-doubling resources for every student in failing schools
- closing the achievement gap
-improving teacher quality; choice; charter schools; turning around or shutting down failing schools

b. *Rewarding Work and Renewing Families*

- expanded EITC
- expanded housing vouchers
-new housing vouchers
- expanded child care
-resources to serve low-income children
-expanded Child and Dependent Tax Credit
- expanded access to health care coverage
-school-based CHIP and Medicaid enrollment

c. *Mastering the New Economy and the Promise of New Technology*

- promise and perils of new technology (Internet and biotechnology vs. privacy)
- closing the digital divide
-increased funding for Community Technology Centers
-public-private partnership to provide poor families access to Internet
- closing the opportunity gap for college
-test prep for poor children
-more funding for Youth Opportunity Grants, TRIO, GEAR UP & Youth Build

- d. *New Markets Initiative and Enterprise Zones*
 - doubled New Markets Tax Credit & expanded EZ Tax Credit
 - new home-ownership tax credit for low-income families
 - Native American initiatives (tribal colleges, health, law enforcement)
- e. *Equal Pay*
 - funding to train women for non-traditional, high-tech jobs

III. Responsibility Agenda

- a. *Responsibility in our Homes*
 - fatherhood initiative
 - focus welfare-to-work program on putting low-income fathers to work
 - new measures to collect more child support
 - challenge states to use welfare surpluses to require deadbeat dads to work and pay child support
- b. *Responsibility in our Neighborhoods*
 - crime/ guns
 - licensing
 - smart-gun technology
 - ex-offenders initiative/ zero tolerance drug supervision
 - new enforcement mechanisms
 - school violence
- b. *Responsibility to lead in the world: foreign policy*
 - containing ethnic and religious conflicts
 - making former adversaries into partners: Russia, China
 - containing terrorism and proliferation
 - shaping the new global economy: trade, debt relief
 - strengthening new democracies

IV. Community Agenda

- a. *Faith-based organizations*
- b. *Philanthropy*
- c. *Environment*
 - *Lands Legacy*
- d. *Service/ AmeriCorps*
- e. *Immigration/ citizenship*
- f. *Vote 2000*
- g. *Hate crimes*
- h. *One America*

V. Conclusion – Big Challenges for the New Century

- a. Making America the Safest Big Country in the World*
- b. Curing dread diseases*
- c. Space exploration*

99 DEC 23 4:35



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

December 23, 1999

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

FROM: Lawrence H. Summers 
SUBJECT: Thoughts on the State of the Union

Apart from its programmatic content, the upcoming State of the Union Address offers one of your final opportunities to frame for an enormous audience the basic themes and principles that have guided you as you have led the country to a period of unprecedented prosperity. You do this better than any of us. But let me suggest five rhetorical/analytical thrusts that I think you might consider in the context of the State of the Union.

1. American Exceptionalism

Few aspects of our current situation are as remarkable as the fact that we are now at least as strong a country as we were in what was then thought to be the unique global environment immediately following World War II. We have no real rival. Indeed, it is almost certainly the case that in the last five hundred years no country has been as strong relative to the second strongest power – either militarily or in terms of its gross purchasing power – than we are today.

This is something we can take pride in, that we must use wisely, both domestically and internationally, if we are to maintain the force of our example, and about which we must not be complacent. It is equally something that was in no way expected when you became president, and which any Republican would be wrapping himself completely in. While this thought needs to be balanced to avoid hubris, it is important to state in framing year 2000 election choices.

2. Global Economic Integration

I think we have made an over-mercantilist case for trade and open markets. Our emphasis on exports leaves us vulnerable to the popular animus surrounding imports, and ultimately, the kind of backlash that we saw in Seattle. There is a deeper, more enduring case for open markets:

- That trade promotes prosperity and by promoting prosperity, promotes peace. There may never have been so radical a change in the balance of global economic strength as there has been in the past 25 years – especially, in Asia. That this has taken place without major conflict is in no small part a tribute to the integration of nations through trade. By supporting liberalization abroad, we invest in our future security and in the spread of our core values.

- That trade affords all of our citizens a wider choice of consumer goods, at lower prices, and our producers a wider choice of inputs and lower costs, making them more competitive and able to hire more workers and raise their wages.
- That it provides more competition as a spur to productivity and new ideas – and as a result, lower inflation and lower costs of capital. It is no accident that possibly the world's most open economy is an economy almost 9 years into an expansion, with rapid growth, almost no inflation and long-term interest rates that are 2 percentage points lower than at the start.

Difficult though it has been to persuade the American public on these points, they need to be emphasized at the beginning of what will be a crucial period for global economic integration. And the arguments need to be made within a framework that recognizes that the worst labor practices in the developing world have little or nothing to do with exports or foreign investment.

3. The New Economic Case for Inclusion

It is vital to stress that the new economy is built on old virtues – such as budget surpluses, and high savings and investment. But it is equally important to stress, as you did so powerfully at the signing of the Work Incentives Improvement Act, that this is a moment to make sure that all of the economy's resources are fully employed, and to stress that increased inclusion in the productive enterprise of America benefits not just those who are newly included but all of us – in the form of higher incomes and reduced inflationary threats. Quite, simply, in an environment of high and continued demand the economy needs all the supply it can get.

This idea of harnessing all of our productive resources can unite diverse themes, ranging from new markets, to education, to welfare reform to child and dependent care and the EITC. I have found it helpful as a way to describe the benefits of a high-pressure economy to describe the economy as now being one in which jobs look for people as much as people look for jobs.

4. Core Public Investments

It is important to take advantage of an era of budget surplus – one that has crowded in so much private investment just as the years of deficits used to crowd that investment out – to highlight other crucial areas of investment. In this millennium moment, basic research seems to me to be a priority, both because of its value to the economy and because we know that it will be underprovided by the market. At a time of falling rather than rising government debt, we also can and should defend balanced increases in what the government invests in schools and in the development of more and more effective environment-protecting technologies.

5. Managing the Modern Economy

You have quite literally established a new paradigm for public policy in the 1990s: one based on supporting not supplanting the market; on maximizing the benefits of innovation while managing the risks. This was the guiding principle for the liberalization of telecommunications in your first Administration. And it has underpinned our approach to financial modernization, where we must

continue to enable the American financial services industry take advantage of new market opportunities but not in a way that leaves community investment or personal privacy behind.

We need to remind Americans of this basic mission and to underline important areas where the right kind of market-supporting framework has not yet been established: notably, the need to build a stronger international financial architecture that can prevent and certainly respond more effectively to the kind of crises we saw in Asia; and the need for a flexible yet durable approach to the regulation of electronic commerce.

WHITE HOUSE STAFFING MEMORANDUM

Date: 12/27/99 ACTION / CONCURRENCE/ COMMENT DUE BY: --Subject: SUMMERS MEMO ON SOTU

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	LOCKHART	☐	☐
PODESTA	☐	☒	MARSHALL	☐	☐
ECHAVESTE	☐	☒	MOORE	☐	☐
RICCHETTI	☐	☒	NASH	☐	☐
LEW	☐	☐	NOLAN	☐	☐
BAILY	☐	☐	REED	☐	☐
BERGER	☐	☐	SOSNIK	☒	☐
BLUMENTHAL	☐	☐	SPERLING	☐	☐
BURSON	☐	☐	STEIN	☐	☐
CAHILL	☐	☐	STREETT	☐	☐
EDMONDS	☐	☒	TRAMONTANO	☒	☐
FRAMPTON	☐	☐	UCELLI	☐	☐
IBARRA	☐	☐	VERVEER	☐	☐
JOHNSON, B.	☐	☐	_____	☐	☐
JOHNSON, J.	☐	☐	_____	☐	☐
LANE	☐	☐	_____	☐	☐
LEWIS	☐	☐	_____	☐	☐

REMARKS:

THIS HAS BEEN FORWARDED TO POTUS

RESPONSE:

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JOHNSON, B.	☐	☐	_____	☐	☐
JOHNSON, J.	☐	☐	_____	☐	☐
LANE	☐	☐	_____	☐	☐
LEWIS	☐	☐	_____	☐	☐

REMARKS:

THIS HAS BEEN FORWARDED TO POTUS

RESPONSE:



99 DEC 28 4:53

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

December 23, 1999

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

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405688

THE WHITE HOUSE

WASHINGTON

December 17, 1999

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA
DOUG SOSNIK

THROUGH: MARIA ECHAVESTE

FROM: TERRY EDMONDS
JEFF SHESOL
STATE OF THE UNION PLANNING GROUP

SUBJECT: 2000 STATE OF THE UNION ADDRESS:
GOALS, THEMES, AND STRUCTURE

'99 DEC 17 PM2:56

The purpose of this memorandum is to provide context and a thematic framework for your 2000 State of the Union Address. This memo reflects a series of discussions among Maria Echaveste, Doug Sosnik, Bruce Reed, Gene Sperling, Jack Lew, Mark Penn, Charles Burson, Melanne Verveer, Eric Liu, Tom Freedman and ourselves.

Only nine Presidents before you – Washington, Jefferson, Madison, Monroe, Jackson, Wilson, Truman, Eisenhower, and Reagan – have delivered an eighth and final year State of the Union Address. Only you will have done so at the turn of a century, let alone at the turn of a millennium. This gives you important, unprecedented opportunities: to define the promise and perils of the new era; to identify what you and your administration are doing in both regards; and to propose the ways we will move forward as a nation – not just in the year 2000 but in the decades to come.

The importance of this year's State of the Union to the rest of your term, to your legacy, and to the upcoming elections makes it different than any previous Address. It should therefore fulfill three main objectives.

First, the speech should reflect briefly on the past 7 years – the narrative of then-and-now that you have told often, particularly at Democratic functions, during this past year. As you put it just yesterday, at the DNC Luncheon, "I had an idea [in 1992] of what I wanted America to look like at the beginning of the new millennium. It is very important to have a vision and to pursue it." This is a story that bears re-telling – to remind all Americans how very far we have come since 1992, and how we got here. This should not be a valedictory address – it is much too early for that – but it is indeed instructive to glance backward before looking forward.

Second, you should press for action on the unfinished business of last year: the solvency of Social Security and Medicare; a prescription drug benefit; a patient's bill of rights; hate crime and gun legislation; and the minimum wage. The State of the Union should re-direct attention to these defining Democratic issues.

Third, and most important, it should assert an ambitious agenda for your final year in office: to prepare a new generation for a new millennium. Last year's State of the Union set out your plan to continue our prosperity; this year's should focus on expanding it into every corner of America. This is the essence of your successful New Markets message – that now is the time to expand opportunity for all our people; that doing so is not only right for our economy, it is the right thing to do.

As the centerpiece of the speech, this “New Opportunity Agenda” (below) should incorporate key elements of your agenda – from education to New Markets to work and family – but should be a tight package of policies that help close the opportunity gap.

While this opportunity agenda should comprise the centerpiece of the speech, it is of course only one element of your Third Way triad: opportunity, responsibility, community. These are not merely your defining principles; these are principles you yourself have defined, and so the rise of a so-called “compassionate conservatism” marks perhaps an appropriate moment for you to reassert your, and our party's, ownership of these ideals. We therefore propose to group all policies beneath the broad headings outlined below.

New Opportunity Agenda: Preparing a New Generation for a New Millennium

Education

- Universal pre-school
- Universal after-school
- Turning around every failing school

New Social Contract for the Working Poor

- Expanded EITC
- Child Care
- Expanding access to health care

Mastering the New Economy and Closing the Skills Gap

- Bridging the digital divide
- Helping low-income students enter and complete college

New Markets Initiative and EZs

Equal pay

Responsibility Agenda: Renewing America's Families for the New Millennium

Responsibility to older Americans: Aging of America

- Social Security
- Medicare

Responsible fatherhood

Responsible parenthood: Balancing work and family

Responsible behavior: Crime, guns, school violence

Responsible leadership in the world: Foreign policy and trade

Community Agenda: Rebuilding American Communities for the New Millennium

Faith-based organizations

Philanthropy

Environment

Service/ AmeriCorps

Immigration/ citizenship

One America

THE WHITE HOUSE

WASHINGTON

January 7, 2000

00 JAN 6 PM 2:25

MEMORANDUM FOR THE PRESIDENT

FROM: J. TERRY EDMONDS
JEFF SHESOL



CC: JOHN PODESTA
MARIA ECHAVESTE
GENE SPERLING
BRUCE REED

SUBJECT: STATE OF THE UNION EXPANDED OUTLINE

Based on our earlier meeting with you and further conversations with the policy shops and others, we are submitting this expanded outline for your review. We look forward to discussing this with you when we meet. Thank you.

**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
DRAFT OUTLINE**

I. Introduction

- a. *Brief historical context* – the century and the last seven years
- b. *Victory lap* – the state of our economy and society
- c. *How we got here* – opportunity, responsibility, community
- d. *How we're going to move ahead* – unfinished business and beyond (Social Security, Medicare, Patient's Bill of Rights, Guns, Hate Crimes, minimum wage)

II. New Opportunity Agenda: Preparing a New Generation for a New Millennium

a. *Education*

- universal pre-school – access to pre-school for every 4-year-old in America
 - increase in Head Start; increase in Early Childhood Learning Fund
- school construction
 - tax credit bonds over 2 years to modernize up to 6,000 schools
- universal after-school
 - doubling resources for every student in failing schools
- closing the achievement gap
 - improving teacher quality; choice; charter schools; turning around or shutting down failing schools

b. *Rewarding Work and Renewing Families*

- expanded EITC
- expanded housing vouchers
 - new housing vouchers
- expanded child care
 - resources to serve low-income children
 - expanded Child and Dependent Tax Credit
- expanded access to health care coverage
 - school-based CHIP and Medicaid enrollment

c. *Mastering the New Economy and the Promise of New Technology*

- promise and perils of new technology (Internet and biotechnology vs. privacy)
- closing the digital divide
 - increased funding for Community Technology Centers
 - public-private partnership to provide poor families access to Internet
- closing the opportunity gap for college
 - test prep for poor children
 - more funding for Youth Opportunity Grants, TRIO, GEAR UP & Youth Build

- d. *New Markets Initiative and Enterprise Zones*
 - doubled New Markets Tax Credit & expanded EZ Tax Credit
 - new home-ownership tax credit for low-income families
 - Native American initiatives (tribal colleges, health, law enforcement)
- e. *Equal Pay*
 - funding to train women for non-traditional, high-tech jobs

III. Responsibility Agenda

- a. *Responsibility in our Homes*
 - fatherhood initiative
 - focus welfare-to-work program on putting low-income fathers to work
 - new measures to collect more child support
 - challenge states to use welfare surpluses to require deadbeat dads to work and pay child support
- b. *Responsibility in our Neighborhoods*
 - crime/ guns
 - licensing
 - smart-gun technology
 - ex-offenders initiative/ zero tolerance drug supervision
 - new enforcement mechanisms
 - school violence
- b. *Responsibility to lead in the world: foreign policy*
 - containing ethnic and religious conflicts
 - making former adversaries into partners: Russia, China
 - containing terrorism and proliferation
 - shaping the new global economy: trade, debt relief
 - strengthening new democracies

IV. Community Agenda

- a. *Faith-based organizations*
- b. *Philanthropy*
- c. *Environment*
 - *Lands Legacy*
- d. *Service/ AmeriCorps*
- e. *Immigration/ citizenship*
- f. *Vote 2000*
- g. *Hate crimes*
- h. *One America*

V. Conclusion – Big Challenges for the New Century

- a. *Making America the Safest Big Country in the World*
- b. *Curing dread diseases*
- c. *Space exploration*

THE SECRETARY OF EDUCATION
WASHINGTON

Sent to Edmonds

1-5-2000

Dear Mr. President -

This is a new report by 2
credible groups which can be very
helpful in preparation of your State
of the Union Address -

It is a great source showing
the progress we've made during your
years as President. Thanks from our Budget
Dick

SOU File

Do You Know...

THE
GOOD NEWS
ABOUT
AMERICAN
EDUCATION?

cc: Terry?
YES
B

CENTER ON EDUCATION POLICY
and
AMERICAN YOUTH POLICY FORUM

Center on Education Policy

The Center on Education Policy is the national independent advocate for public education and for more effective public schools. The Center works to help Americans better understand the role of public education in a democracy and the need to improve the academic quality of public schools. We do not represent any special interests. Instead, we help citizens make sense of the conflicting opinions and perceptions about public education and create conditions that will lead to better public schools.

Working at the national, state and local levels, the Center achieves its mission by producing publications, writing articles, convening meetings, making presentations and, upon request, providing expert advice. The Center also works jointly with many other education, business, state and civic organizations.

Based in Washington, D.C., and founded in January 1995, the Center receives nearly all of its funding from charitable foundations. To learn more about our work, please visit our web site: www.ctredpol.org.

American Youth Policy Forum

The American Youth Policy Forum is a nonpartisan professional development organization providing learning opportunities for policymakers and practitioners working on youth issues at the local, state and national levels. AYPF's goal is to provide participants with information, insights and networks on issues related to the development of healthy and successful young people, productive workers and participating citizens in a democratic society, including: schooling, transition to careers and career development, training and preparation for employment, postsecondary education, national and community service and related forms of youth development.

Since 1993, AYPF has conducted an average of 40 events each year for over 2,000 participants, including lunchtime meetings and out-of-town field trips and foreign study missions with a thematic focus. Forum participants include Congressional staff, officials of various federal agencies, state and local government officials, policymakers from national non-profit and advocacy associations and members of the media who report on youth issues. AYPF also publishes, for the benefit of policymakers, practitioners and scholars, a wide variety of inexpensive and brief policy reports and background materials on youth issues. These may be consulted on our web site: www.aypf.org.

Credits

This publication was researched and written by Nancy Kober, a freelance writer and consultant to the Center on Education Policy, and Diane Stark Rentner, the Center's associate director. They received assistance and advice from Jack Jennings, the Center's director, and from Samuel Halperin, Betsy Brand, Glenda Partee and Donna Walker James of the American Youth Policy Forum. Cutting Edge Graphics of Washington, D.C., designed the publication.

The Center on Education Policy and the American Youth Policy Forum thank our respective funders who support this report and the other activities of our two organizations.

Do You Know...
THE
GOOD NEWS
ABOUT
**AMERICAN
EDUCATION?**

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By featuring objectively good news in this brief report, we hope to restore public confidence that school reform *can* make a difference and to encourage everyone to keep working to make public schools better for *all* students.

DATA USED IN THIS REPORT

This report includes a variety of statistics showing positive trends in education. These statistics are grouped into five broad categories:

- **School Participation and Curriculum.** Trends in school dropout rates, student course-taking patterns, and participation of students with disabilities.
- **Student Achievement.** Trends in student performance on the National Assessment of Educational Progress, various college entrance exams and other nationwide measures.
- **Educational Climate.** Data on school safety and crime and other environmental factors that affect student learning.
- **Teachers.** Statistics on the qualifications and experience of K-12 teachers.
- **Higher Education.** Trends in postsecondary enrollment and completion of degrees.

The higher education data and a few of the K-12 indicators include data for students in both public and private institutions. Since 89% of K-12 students and 76% of postsecondary students attend public institutions, these indicators still reflect improvements in public education.

To the extent possible, we have compared baseline data from the early 1980s with the most recent year available. The specific years vary depending on which data are available for a particular indicator. In some cases, we also include data earlier than the 1980s to show longer-term trends. For several indicators, reliable data on trends over time are not available, but we include current data showing positive aspects of public education.

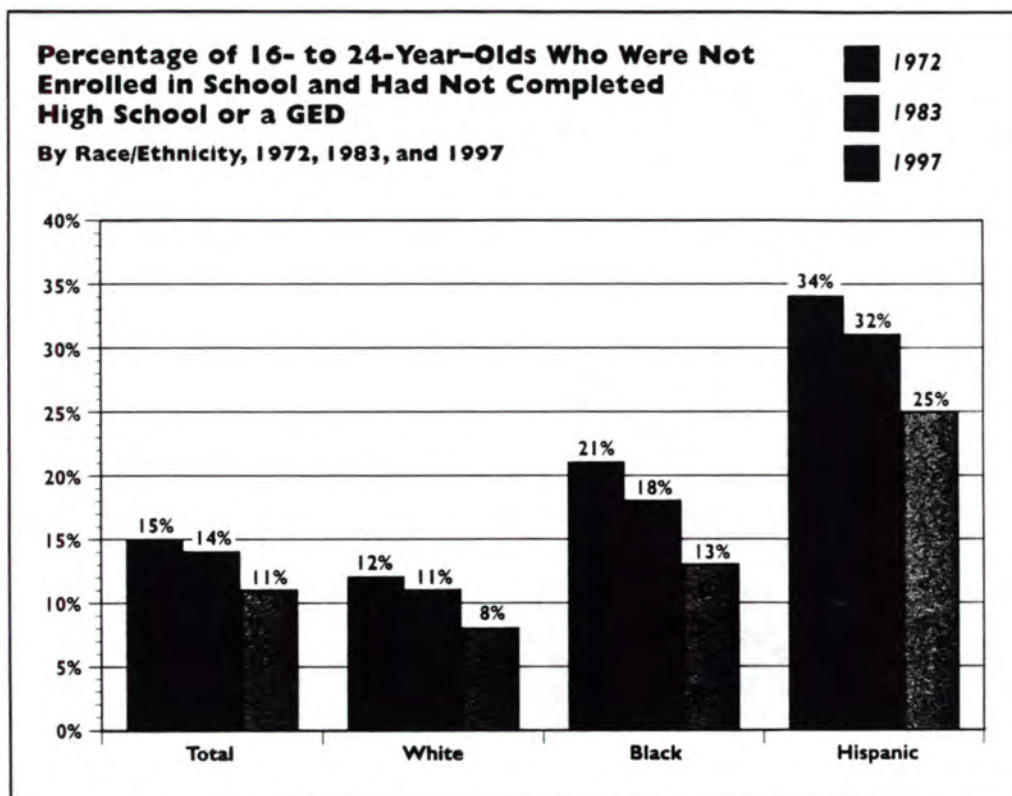
We chose the early 1980s as our primary baseline because that's when school reform became a major national issue. Since then, educational improvement has remained a high priority at the local, state and national levels, although the specific strategies have changed as the school reform movement has matured. Most recently, nearly all states have adopted standards to define what students should know and be able to do by the time they finish high school, along with new state tests to measure student progress. Most of these standards-based reforms are too new to have influenced the trends discussed in this report, but their effects on student learning should soon begin to appear.

Do You Know?

FEWER STUDENTS ARE DROPPING OUT OF SCHOOL

THE FACTS

Two-thirds of citizens surveyed mistakenly believe that high school dropout rates are going up and are higher than they were 25 years ago (1997 *Phi Delta Kappa-Gallup Poll*). In fact, dropout rates are lower today than they were in the 1970s and 1980s. Especially noteworthy is the sharp decline in the dropout rate of black youth.



Note: This chart shows the "status dropout rate," the percentage of the U.S. population ages 16–24 who were not enrolled in school, had not completed high school, and did not possess a general education development (GED) certificate.

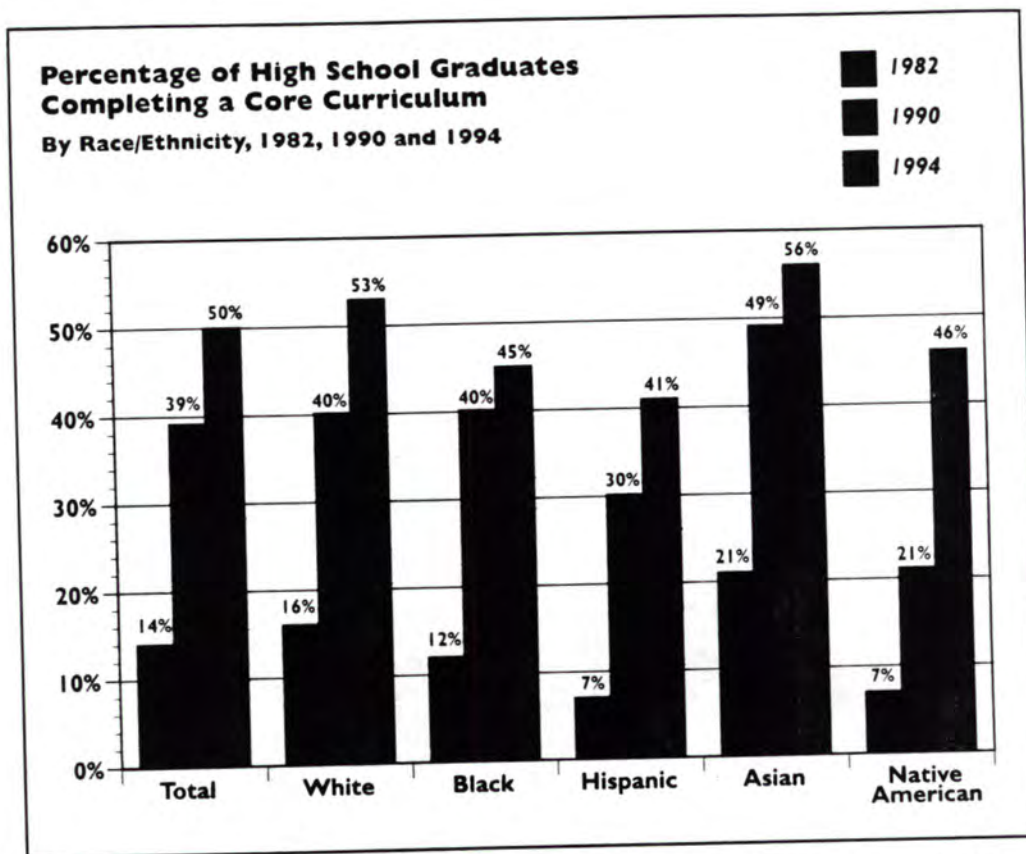
Source: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1998*, Table 105.

Do You Know?

HIGH SCHOOL STUDENTS ARE TAKING MORE CHALLENGING COURSES

THE FACTS

The education reforms of the 1980s focused on raising the coursework requirements for high school students. As a result, more students today are taking tougher courses than their predecessors did in the early 1980s. The percentage of students completing a core academic curriculum that includes 4 years of English and 3 years each of social studies, science and mathematics more than *tripled* between 1982 and 1994, with large increases across all racial and ethnic groups.



Note: The "core curriculum" consists of 4 years of English and 3 years each of social studies, science and mathematics.

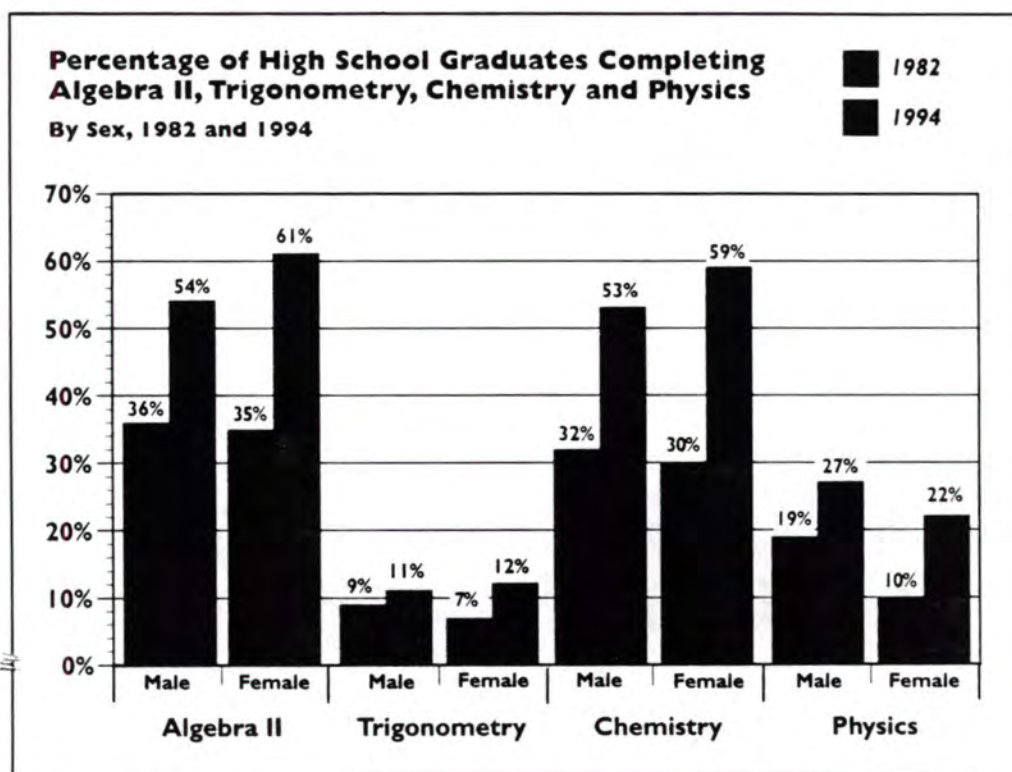
Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates* Revised, 1998.

Do You Know?

MORE GIRLS ARE TAKING HIGH-LEVEL MATHEMATICS AND SCIENCE COURSES

THE FACTS

The gender gap in mathematics and science that had limited educational and career opportunities for girls and women is disappearing. The percentage of girls taking rigorous high school mathematics and science courses, such as algebra II, trigonometry, chemistry and physics, has gone up significantly since 1982. For example, 59% of the girls who graduated in 1994 had completed a chemistry course, compared with only 30% of the girls in the class of 1982. In fact, gender patterns have reversed for some courses, with girls enrolled at higher rates than boys in courses like algebra II and chemistry. Boys still had slightly higher rates of enrollment in physics and calculus in 1994.



Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates Revised*, 1998.

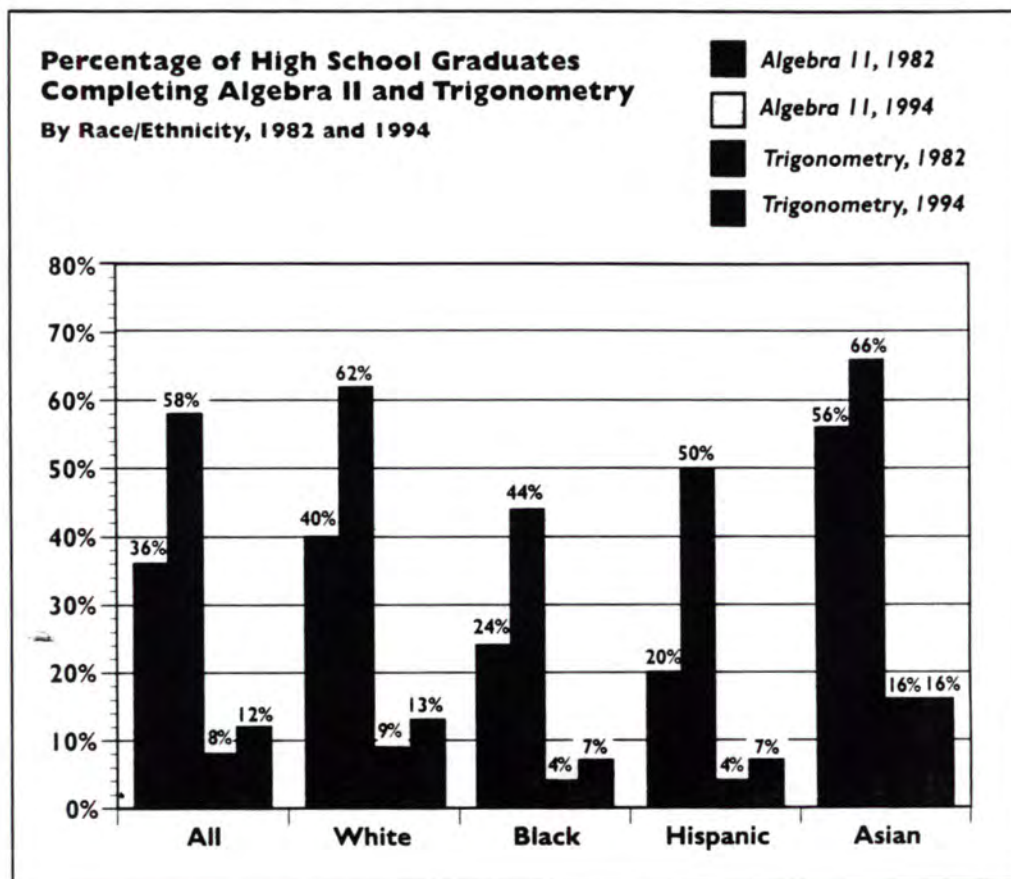
Do You Know?

HIGH SCHOOL STUDENTS ARE TAKING TOUGHER MATHEMATICS AND SCIENCE COURSES

THE FACTS

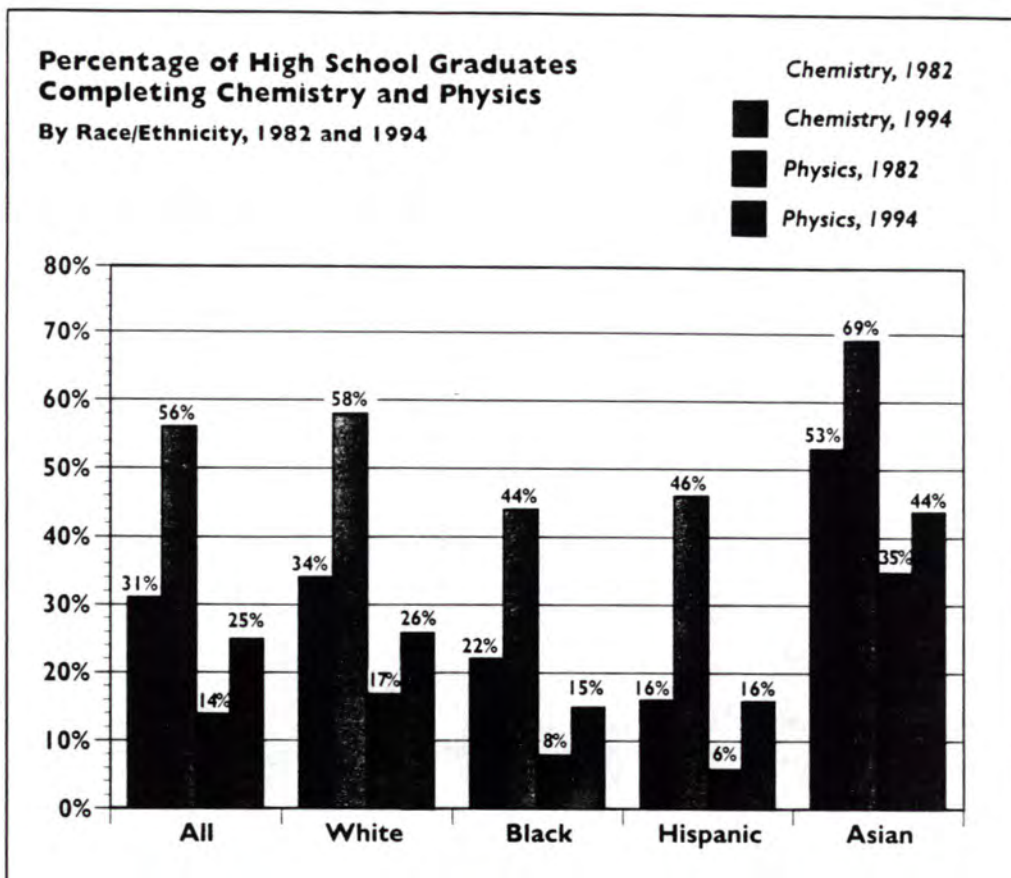
Recent education reforms emphasize the need for students to take more rigorous mathematics and science courses. Since 1982, the percentages of students taking higher-level courses, such as algebra II, trigonometry, chemistry and physics, have gone up significantly. (Enrollments have also gone up for other courses not shown here, from algebra I to calculus, and from biology to astronomy.)

These increases in higher-level course-taking occurred across all racial and ethnic groups. Especially impressive is the growth in the numbers of black and Hispanic students taking courses like algebra II and chemistry.



Note: These percentages do not include students who took these courses before they entered high school.

Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates Revised, 1998.*



Note: These percentages do not include students who took these courses before they entered high school.

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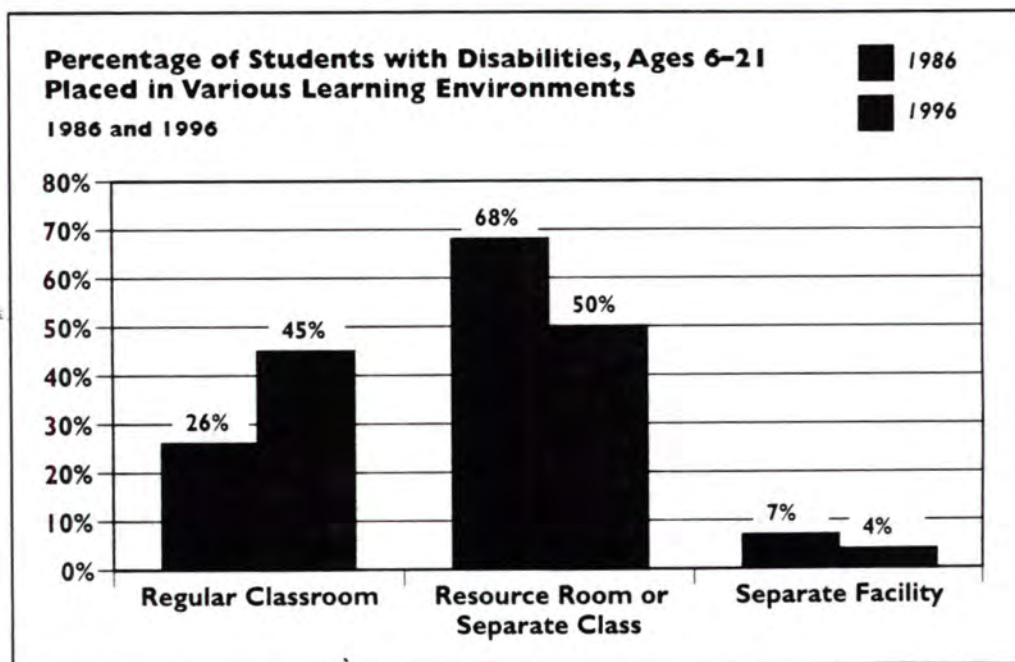
Do You Know?

MORE STUDENTS WITH DISABILITIES ARE BEING EDUCATED IN REGULAR CLASSROOMS

THE FACTS

The federal Individuals with Disabilities Education Act requires children with disabilities to be educated in the "least restrictive environment" and encourages them to be educated in general classroom settings, with appropriate services and supports. When students with disabilities are educated alongside other children in regular classrooms, they have increased opportunities to study the same curriculum as their peers, meet higher performance expectations, and learn the knowledge and skills necessary for independent adult life. This approach also helps children without disabilities avoid damaging stereotypes and understand how much people have in common.

Between 1986 and 1996, the percentage of children with disabilities who were educated in regular classrooms increased from 26% to 45%. The proportion of children with disabilities served in resource rooms or separate classes decreased, except for students with certain severe disabilities, such as autism. The percentage educated in separate facilities, such as state institutions for the disabled, dropped from 7% to 4%. These trends represent significant progress from 25 years ago, when 90% of developmentally disabled children were housed in state institutions and approximately 1 million children with disabilities were shut out of schools altogether (U.S. Department of Education, Office of Special Education and Rehabilitative Services, *IDEA General Information: Overview*, 1997).



Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator 20. Percentages do not total 100% due to rounding.

THE WORK AHEAD: SCHOOL PARTICIPATION AND CURRICULUM

The U.S. job market has changed considerably since the early 1970s. Young people without a high school diploma are limited mostly to low-paying jobs with little chance for advancement. Indeed, some economists predict that the only way to get a well-paying job and have a secure career will be to complete additional study beyond high school. So the first step of the work ahead is for states and school districts to ensure that all students earn at least a high school diploma.

Students need more than a credential, however, to be ready for the workplace or higher education. They also must have high-level knowledge and skills, which are best learned by pursuing a rigorous high school curriculum. In a technology-dependent workforce, a strong mathematics and science background is especially important.

The growth in the number of students taking challenging coursework is a promising trend. The work ahead should include aggressive efforts to encourage *all* students to complete four years of English and three years each of social studies, science and mathematics before they graduate. These efforts should begin in middle school, with strategies that encourage students to take gateway courses like algebra before 9th grade. At the high school level, states and school districts should eliminate the "general track" of courses that do not adequately prepare students for either the workplace or higher education. High schools should also offer advanced courses like calculus and physics, so that students are not hindered from progressing because these key courses are not available.

Some students will need extra help to meet graduation requirements and succeed in a rigorous curriculum. States and school districts should adopt strategies that have proved to be effective with students who are struggling to keep pace or who learn in different ways. These strategies include:

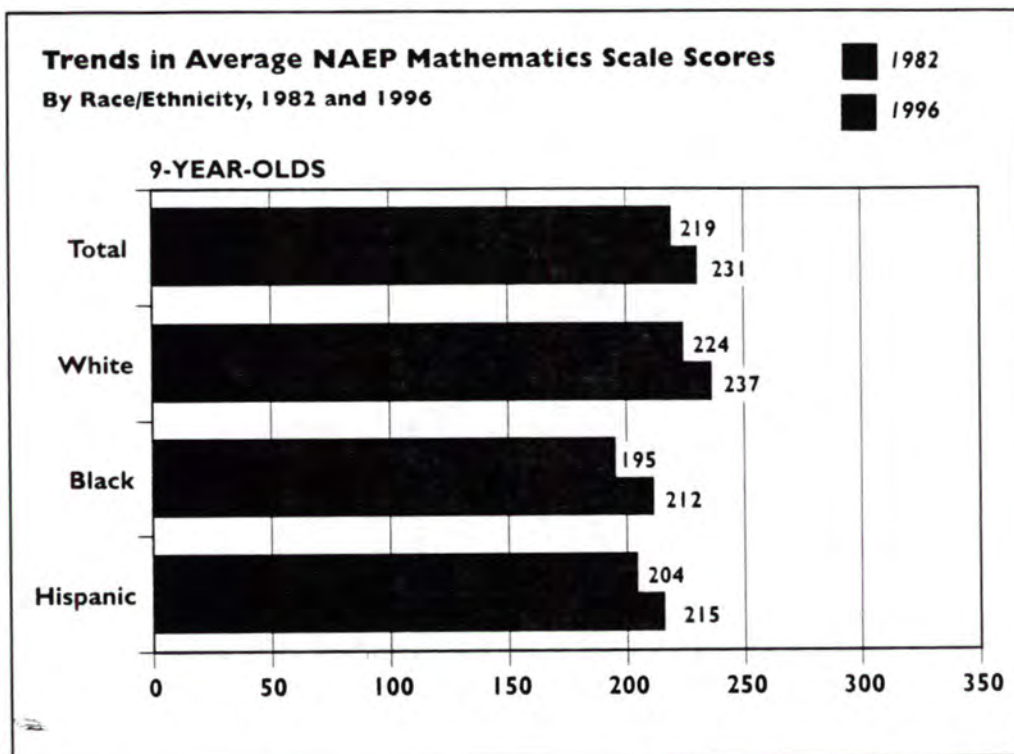
- counseling and mentoring programs that connect students with caring adults who can guide their academic progress;
- teaching methods that emphasize how academic knowledge applies in real-world contexts;
- "tech-prep" programs that integrate academic and technical education and lead directly into a two-year college or technical certificate program; and
- "career academies" that teach high-level academic skills through a curriculum centered around particular employment sectors, such as health care, hospitality, or finance.

The work ahead must also include continuing attention to students with disabilities. Although these students have benefitted from inclusion in regular classrooms and are graduating at higher rates than 15 years ago, they still drop out at twice the rate of their peers (*OSERS, IDEA General Information: Overview, 1997*). States and school districts should hold students with disabilities to high standards, while recognizing that they often need intensive assistance to graduate and make the transition from school to work or further education. Effective strategies include building relationships between students and caring adults, teaching problem-solving strategies and monitoring student behavior.

STUDENT MATHEMATICS ACHIEVEMENT IS IMPROVING

THE FACTS

Between 1982 and 1996, students improved their achievement in mathematics, as measured by the National Assessment of Educational Progress. (NAEP is the only national testing program that measures trends in student achievement in key subject areas.) Average NAEP mathematics scores rose for all three age groups tested, with 9-year-old students making the most progress. Black and Hispanic students have made significant gains so that racial/ethnic differences in achievement have narrowed since 1982.



Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP mathematics scale can add and subtract two-digit numbers and recognize relationships among coins. Those who score at or above 250 can add, subtract, multiply and divide using whole numbers and solve one-step problems. Those who score at or above 300 can compute with decimals, fractions and percents; recognize geometric figures; solve simple equations; and use moderately complex reasoning.

Source: U.S. Department of Education, National Center for Education Statistics, *NAEP 1996 Trends in Academic Progress and The Condition of Education 1998*, Indicator 18.

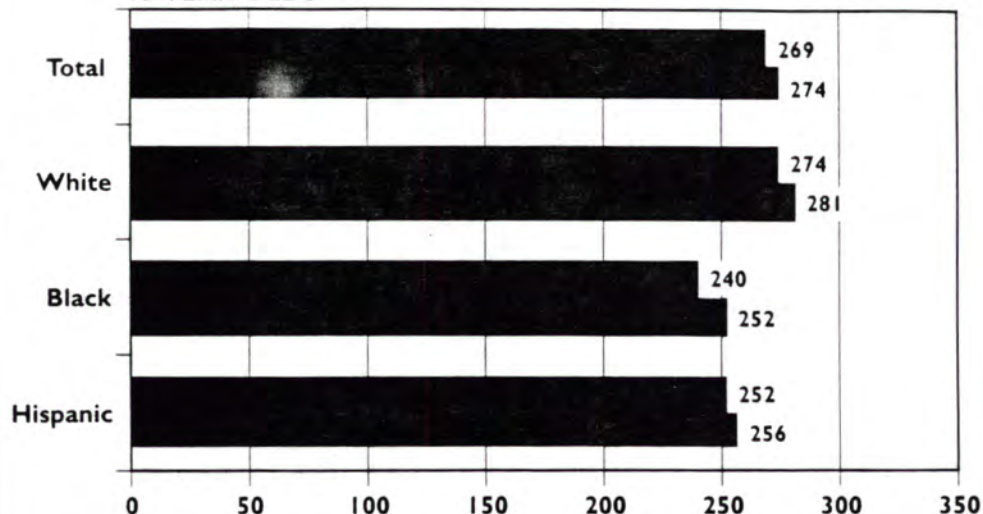
Trends in Average NAEP Mathematics Scale Scores

By Race/Ethnicity, 1982 and 1996

1982

1996

13-YEAR-OLDS



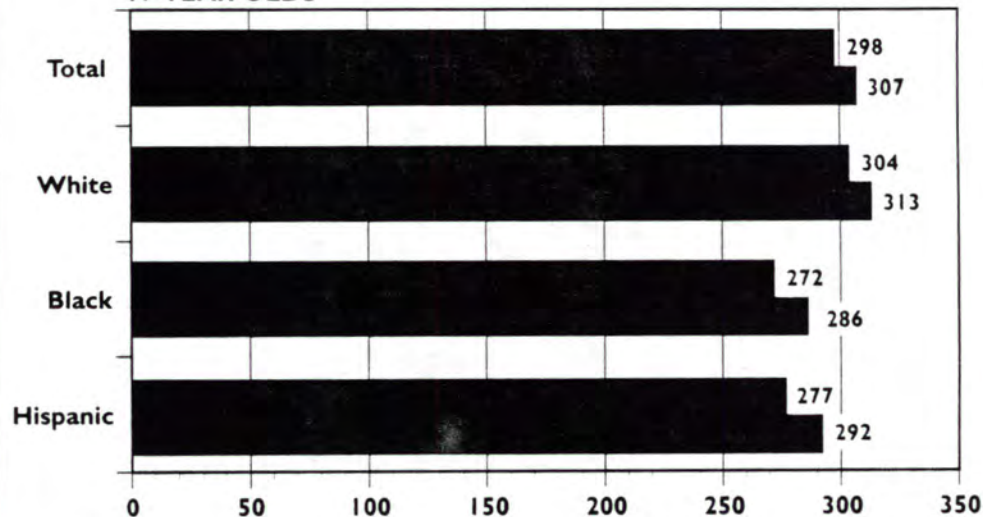
Trends in Average NAEP Mathematics Scale Scores

By Race/Ethnicity, 1982 and 1996

1982

1996

17-YEAR-OLDS



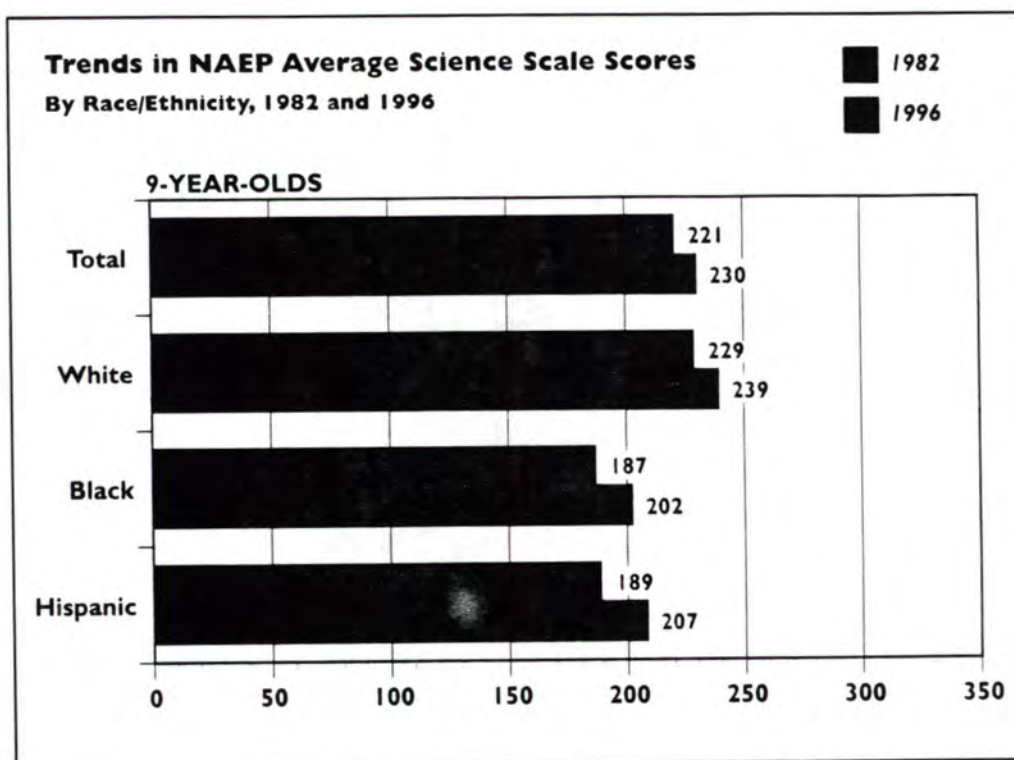
Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP mathematics scale can add and subtract two-digit numbers and recognize relationships among coins. Those who score at or above 250 can add, subtract, multiply and divide using whole numbers and solve one-step problems. Those who score at or above 300 can compute with decimals, fractions and percents; recognize geometric figures; solve simple equations; and use moderately complex reasoning.

Source: U.S. Department of Education, National Center for Education Statistics, *NAEP 1996 Trends in Academic Progress* and *The Condition of Education 1998*, Indicator 18.

STUDENT SCIENCE ACHIEVEMENT IS IMPROVING

THE FACTS

Between 1982 and 1996, science achievement increased for all three age groups tested by NAEP, with the greatest gains among black and Hispanic students. (NAEP is the only national testing program that measures trends in student achievement in key subject areas.)



Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP science scale understand simple scientific principles; for example, they show some knowledge of the structure and functions of plants and animals. Those who score at or above 250 can apply general scientific information; for example, they can interpret data from simple tables and make inferences about the outcomes of experiments. Those who score at or above 300 can analyze scientific procedures and data.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator 1.

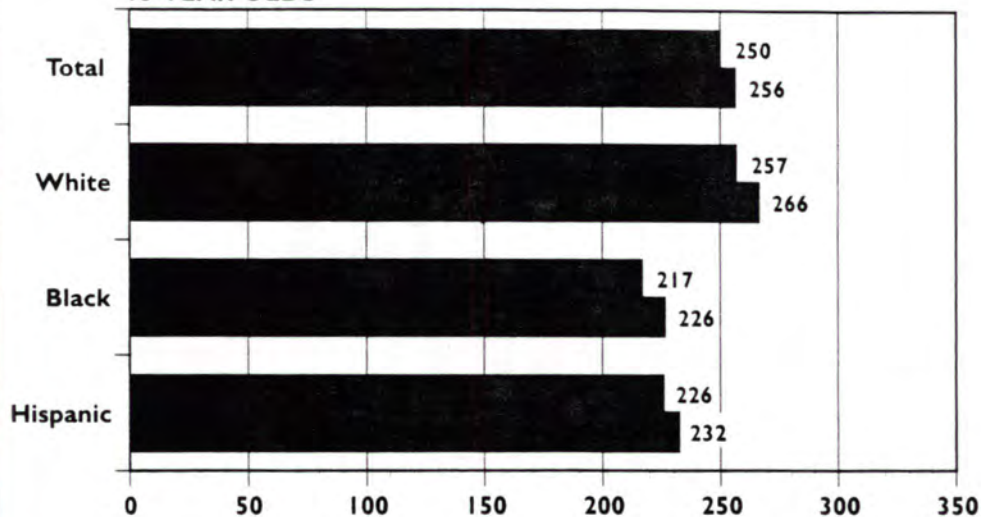
Trends in NAEP Average Science Scale Scores

By Race/Ethnicity, 1982 and 1996

1982

1996

13-YEAR-OLDS



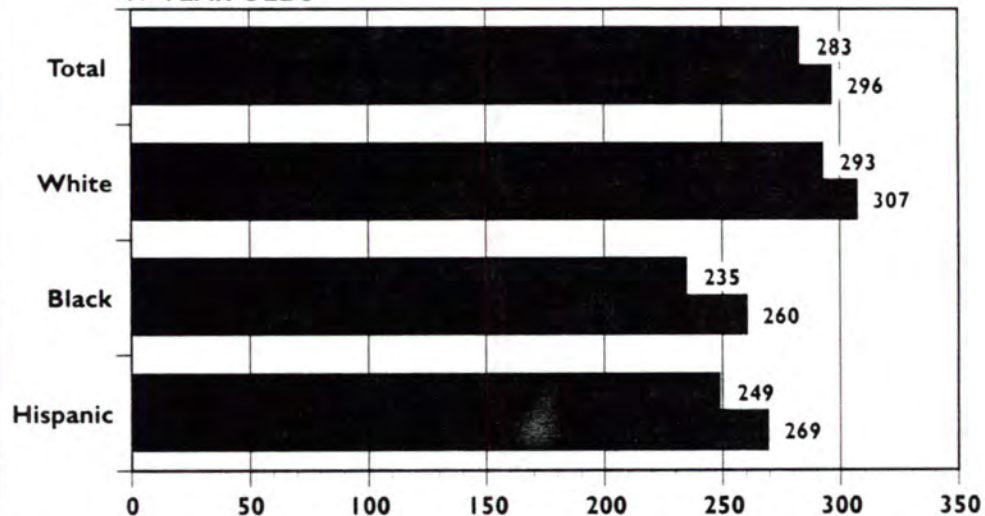
Trends in NAEP Average Science Scale Scores

By Race/Ethnicity, 1982 and 1996

1982

1996

17-YEAR-OLDS



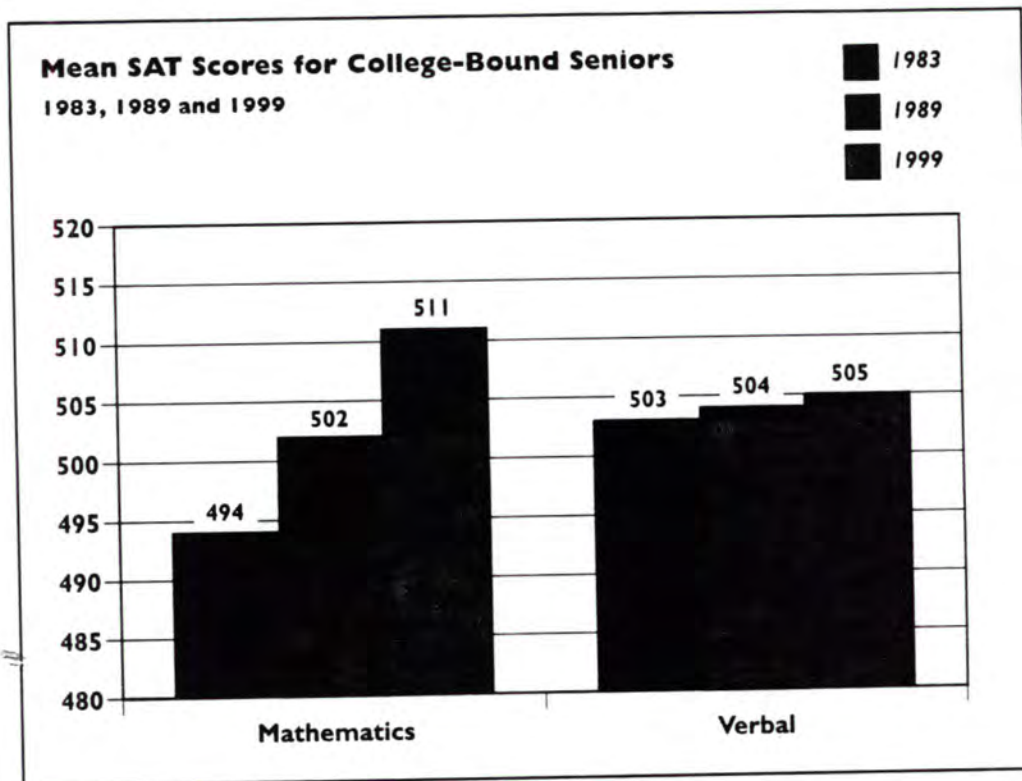
Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP science scale understand simple scientific principles; for example, they show some knowledge of the structure and functions of plants and animals. Those who score at or above 250 can apply general scientific information; for example, they can interpret data from simple tables and make inferences about the outcomes of experiments. Those who score at or above 300 can analyze scientific procedures and data.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator I.

SAT SCORES INCREASED DURING THE 1990s

THE FACTS

High school students who plan to apply to college often take the college entrance examination known as the SAT, or Scholastic Assessment Test. Although some people are under the impression that SAT scores are falling, scores actually went up during the 1990s. The 1999 SAT mathematics average is markedly higher than the average for either 1983 or 1989. The 1999 verbal average is 1 point higher than it was in 1989 and has remained the same for the past four years. This is good news, since the proportion of test-takers who did not speak English as a first language increased from 6% in 1989 to 8% in 1999. It is also encouraging that mathematics and verbal scores have increased even as the population of test-takers has grown much larger and more racially and ethnically diverse.



Caution: College entrance exams, such as the SAT and ACT, are designed only to be predictors of college success and should not be used as indicators of how well American schools and students are doing. Further, since students voluntarily choose to take these tests, the results are not based on a representative sample.

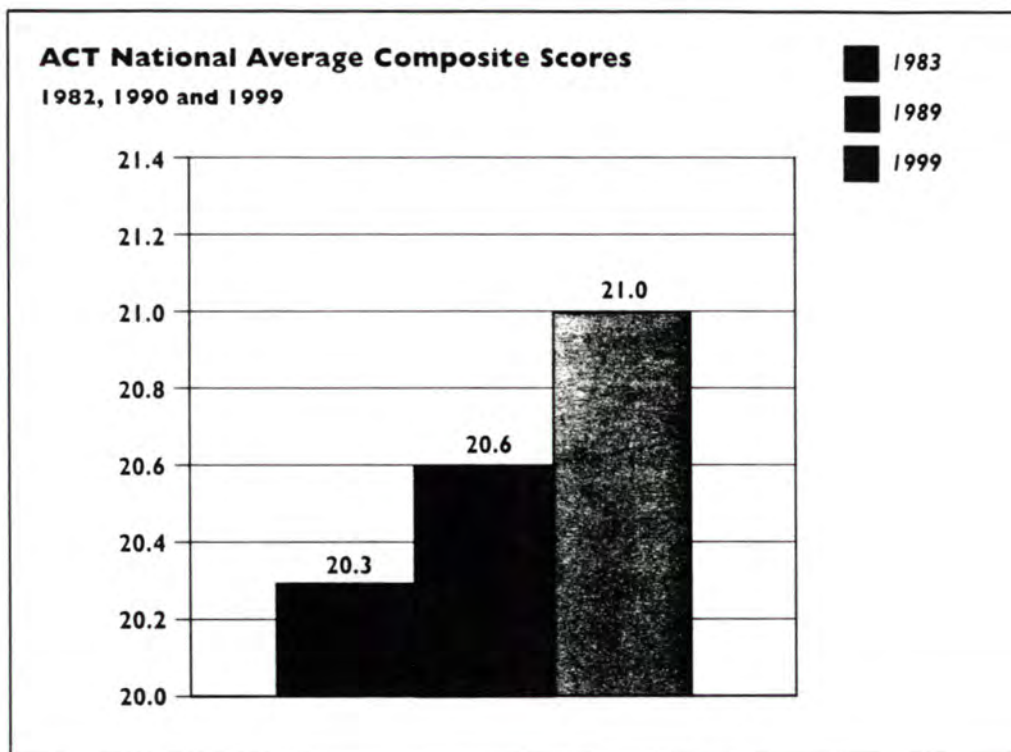
Note: The SAT uses a scale of 200–800.

Source: The College Board, *News From the College Board*, "College Board Reports 'Decade of Promise' for America's College-Bound Students As Record Numbers Take the SAT and Advanced Placement Courses," August 31, 1999.

ACT TEST SCORES ARE UP

THE FACTS

The ACT is another popular college entrance examination taken by high school students who want to go to college. In 1999, the national average composite score on the ACT remained the same as in 1998, continuing a 10-year trend of stable or increasing scores. These results have occurred at a time when record numbers of students are taking the exam—a factor that normally would cause scores to drop. The ACT program has concluded that the students taking the exam today must be at least as well prepared as those tested in the past.



Caution: College entrance exams, such as the ACT and SAT, are designed only to be predictors of college success and should not be used as indicators of how well American schools and students are doing. Further, since students voluntarily choose to take these tests, the results are not based on a representative sample.

Note: The ACT uses a scale of 0–36.

Sources: ACT August 17, 1999 press release; and U.S. Department of Education, *Digest of Education Statistics* 1997.

STUDENTS ARE TAKING MORE AP EXAMS

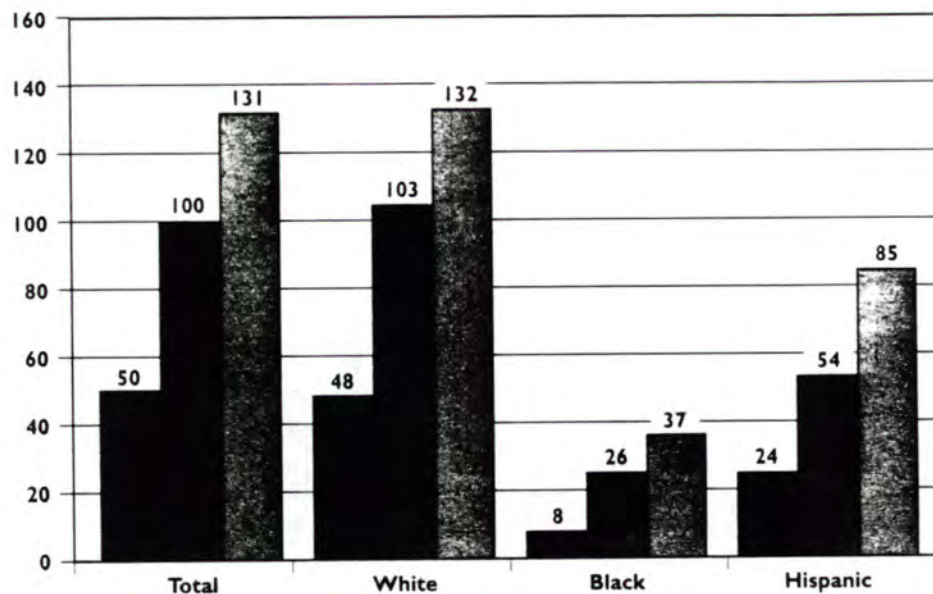
THE FACTS

Between 1984 and 1997, the number of Advanced Placement (AP) exams taken by high school students nearly *tripled*, growing from 50 exams per 1,000 twelfth-grade students to 131. Since then, the numbers have continued to rise. Minority students now comprise 30% of all AP test-takers, up from 22% a decade ago (The College Board, press release, August 31, 1999). AP exams are annual tests offered in many different subject areas that give students an opportunity to demonstrate college-level achievement. Many institutions of higher education offer college credits to students who score at least a 3 on a scale of 0 to 5.

**Number of AP Exams Taken Per 1,000
Twelfth-Grade Students**

By Race/Ethnicity, 1984, 1990 and 1997

■ 1984
■ 1990
■ 1997



Note: Includes exams taken by both 11th and 12th graders.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator 14.

THE WORK AHEAD: STUDENT ACHIEVEMENT

Although U.S. students have made promising achievement gains during the past 15 years, the nation still has a way to go before all young people are academically well prepared. This is especially apparent at the secondary level. In a recent international achievement study, U.S. 4th graders performed above average in math, but our 8th and 12th graders lagged behind students from many other countries. In science, U.S. 4th graders performed in the top tier of nations, and our 8th graders achieved above the international average, but our 12th graders performed below average (U.S. Department of Education, *Third International Mathematics and Science Study*, 1998).

States and school districts should persist in their efforts to raise achievement in all core subjects. Students who take rigorous academic courses have higher test scores than other students. All students, whether headed for the workplace or higher education, should be encouraged to take challenging academic courses. Other critical steps for states and school districts include:

- setting high standards for student learning;
- strengthening the secondary school curriculum to provide more focus and depth;
- ensuring that subject-matter courses are taught by qualified teachers with credentials in the field they are teaching;
- encouraging all students to take college entrance examinations and providing extra help to prepare them for these tests; and
- making AP courses available in the 44% of high schools that do not offer them.

Strategies to raise achievement should also include extra assistance or different teaching methods for students who are struggling to meet high academic standards. In science and math, for example, many students do better when teachers make clear how the content and skills being taught apply to real-life problems and careers.

Closing the gap between white and Asian students and their black and Hispanic counterparts should be a major thrust of the work ahead. Although minority students have made considerable gains, a gap still remains. Socioeconomic factors, such as racial-ethnic differences in family income and parents' educational levels, play a role in this gap. Poverty has a negative correlation with school achievement, and black and Hispanic children are more than twice as likely to live in poverty as white children (NCES, *The Condition of Education 1997*). Yet teachers in schools with high minority enrollments or high poverty are somewhat less likely to have a master's degree or a college major or minor in their main field of assignment than teachers in schools with few minority children or low poverty (NCES, *Teacher Quality: A Report on the Preparation and Qualifications of Public School Teachers*, 1999).

To close achievement gaps, states and school districts should make special efforts to:

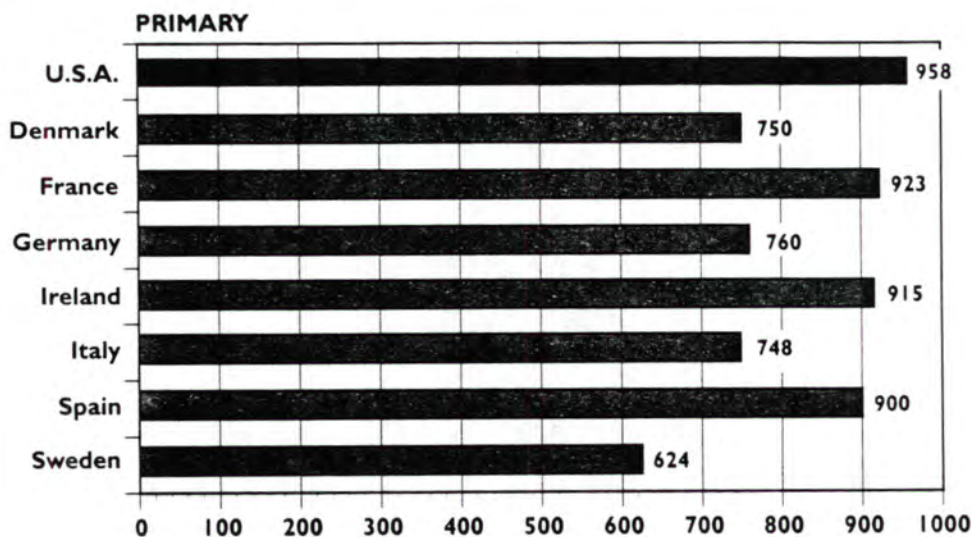
- recruit and hire teachers for high-poverty and high-minority schools who have academic backgrounds and full certification in the fields they are teaching;
- encourage all middle school students to take rigorous coursework; and
- make low-income students aware of programs to help finance the costs of AP exams, as well as the costs of postsecondary education.

U.S. STUDENTS RECEIVE MORE INSTRUCTIONAL TIME THAN EUROPEAN STUDENTS

THE FACTS

Students in the United States receive more instructional time than students in the seven European countries studied by the Organization for Economic Cooperation and Development. In 1994, U.S. primary schools provided an average of 958 teaching hours per year, compared with 923 in France and 760 hours in Germany. The U.S. secondary school averages were also higher.

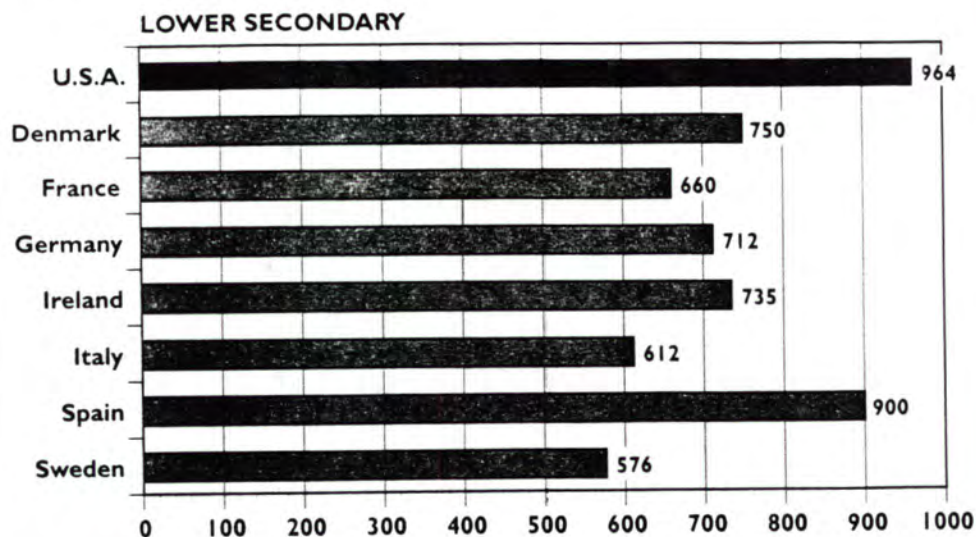
**Number of Teaching Hours Per Year in Public Schools
Primary Level, 1994**



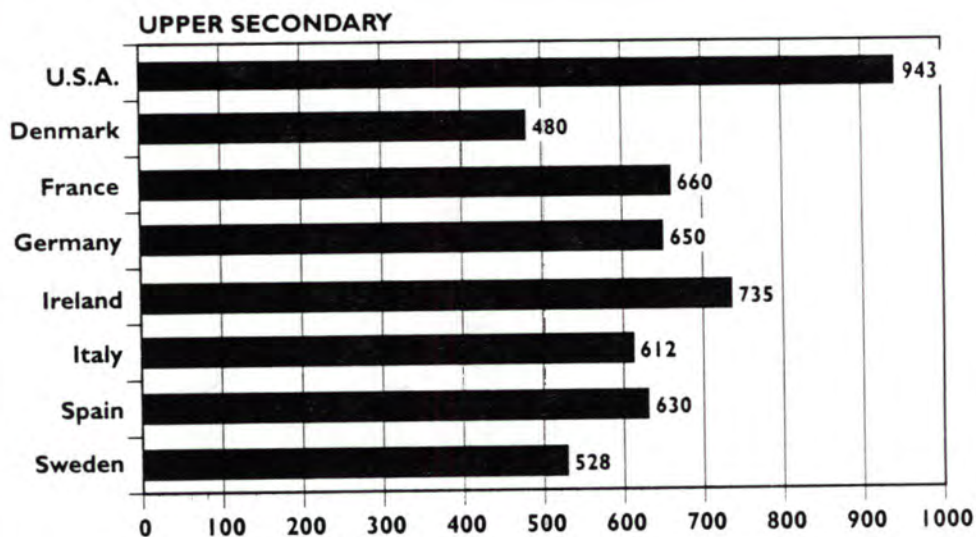
Note: Number of teaching hours is the total number of hours per year during which a full-time classroom teacher is responsible for teaching a group of students.

Source: Organization for Economic Cooperation and Development, *Education at a Glance: OECD Indicators*, 1996; and U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1998*, Indicator 38.

**Number of Teaching Hours Per Year in Public Schools
Lower Secondary Level, 1994**



**Number of Teaching Hours Per Year in Public Schools
Upper Secondary Level, 1994**



Note: Number of teaching hours is the total number of hours per year during which a full-time classroom teacher is responsible for teaching a group of students.

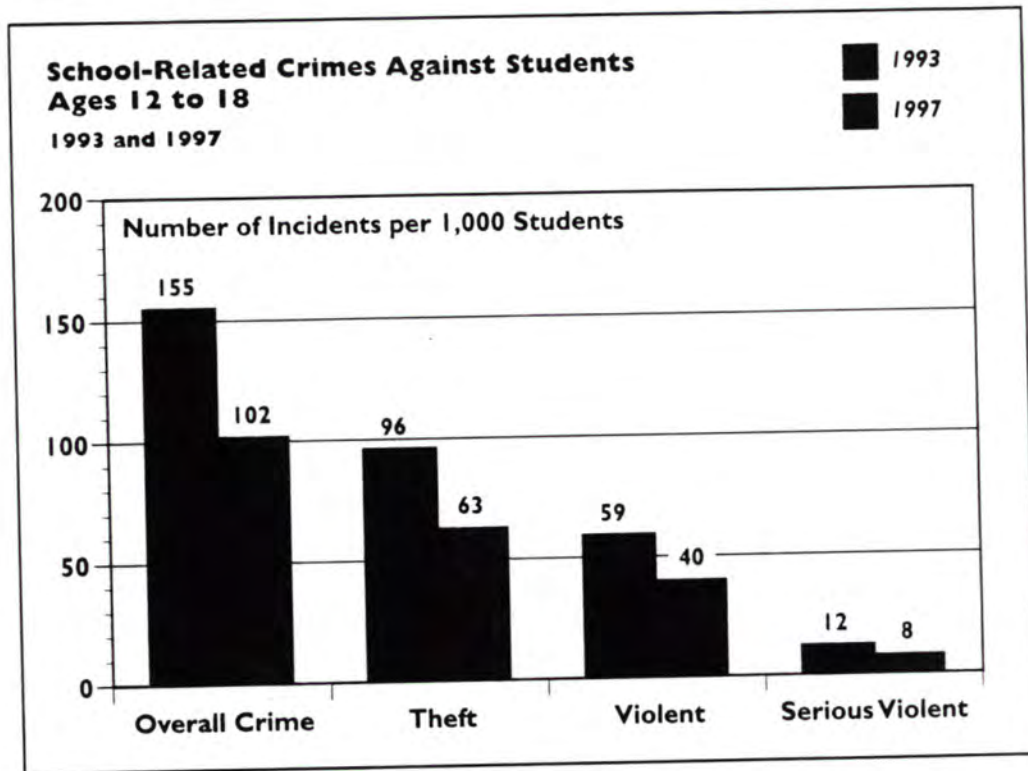
Source: Organization for Economic Cooperation and Development, *Education at a Glance: OECD Indicators*, 1996; and U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1998*, Indicator 38.

SCHOOL CRIME IS DECLINING

THE FACTS

The overall school crime rate decreased between 1993 and 1997. In 1993, there were 155 school-related crimes for every 1,000 students ages 12 to 18, while in 1997 there were 102 such incidents. The most common crime at school is theft, rather than violent crime.

Although recent, tragic school shootings have reminded the nation that violent death at school is intolerable no matter how rare an event, children are safer in schools than in the community or at home. Less than 1% of the 2,500 child homicides and suicides during the last 6 months of 1997 took place at school or on the way to and from school. There were also significant decreases between 1993 and 1997 in the percentages of high school students who carried a weapon on school property or were involved in a physical fight at school (U.S. Department of Education, *1999 Annual Report on School Safety*).



Note: Serious violent crimes are defined as rape, sexual assault, robbery and aggravated assault. Violent crimes include serious violent crimes and simple assault.

Source: U.S. Departments of Education and Justice, *Indicators of School Crime and Safety 1999*.

THE WORK AHEAD: EDUCATIONAL CLIMATE

Creating a safe climate that promotes learning is a joint responsibility of the community, schools, educators, parents and students. Continuing steps to reduce crime and violence at home and school should be part of the work ahead. Even though serious crime is down, students seem to feel less safe at school than they did a few years ago. In 1989, 6% of students ages 12 to 19 feared being harmed at school, but by 1995, this figure had risen to 9%. Street gangs and drugs on school property continue to be a problem at some schools. In 1995, 28% of students reported that there were gangs at their school, and almost one-third said they had been offered, sold, or given an illegal drug on school property (U.S. Departments of Education and Justice, *Indicators of School Crime and Safety, 1999*).

Parents and families need to teach children respect for others and help them to resolve conflicts through non-violent means. States, communities and schools should ensure that schools have and enforce strict codes of student behavior and have in place preventive approaches, such as conflict resolution strategies, counseling for troubled students and character education. States, communities and schools also should develop special strategies to improve the safety of children in urban areas, who are more vulnerable to serious violent crime than suburban or rural children.

Time devoted to teaching and learning is another factor that both educators and parents can influence. Recently many schools have sought to boost the amount of time spent on instruction, and the international data cited above suggest these efforts may be paying off. Whether added instructional time translates into higher achievement, however, depends on how well the time is used. To improve the educational climate, states, communities and school districts should:

- organize the school day so that students have adequate instructional time to learn core academic subjects;
- keep interruptions to a minimum;
- provide teachers with professional development in effective use of classroom time; and
- offer before- and after-school activities in a safe and structured environment.

Students themselves must also make a serious effort to stay focused and learn while in class.

Parents can shape the learning environment by setting clear guidelines for children about study, homework, television, and other recreational activities. Children who spend several hours a day watching TV or playing computer games obviously have less time to spend on homework, reading and other active pursuits. In addition, parents can help to create a learning climate at home by reading aloud to their young children and having their children read to them, and by talking with their children about the television programs they watch and the books they read.

PUBLIC SCHOOL TEACHERS ARE WELL-EDUCATED

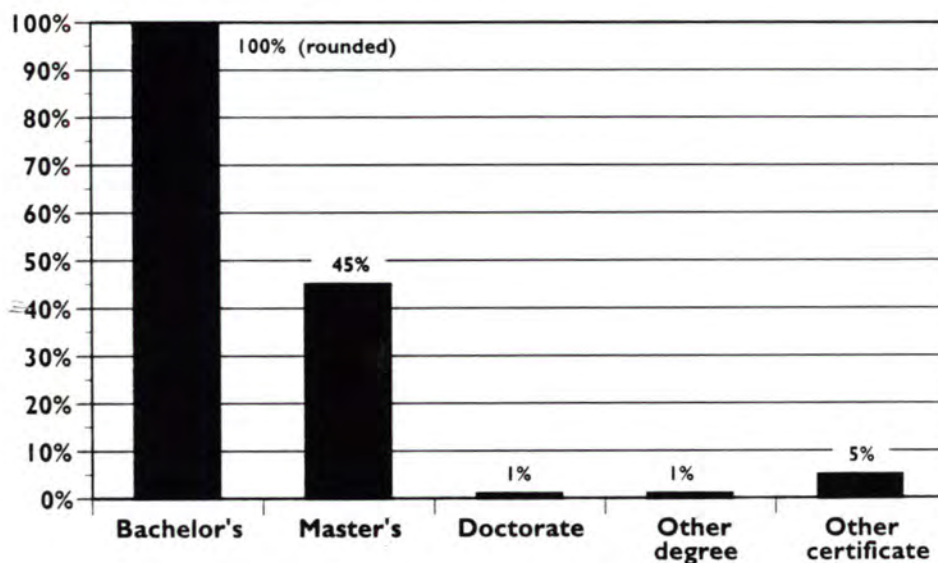
THE FACTS

Public school teachers are well-educated, according to a 1998 national survey by the National Center for Education Statistics. Virtually all public school teachers have a bachelor's degree, and nearly half (45%) hold a master's degree. One percent have doctorates. These percentages have remained much the same since 1993-94.

Other good news about teacher qualifications came out of this survey:

- Teachers have stronger backgrounds in academic disciplines than critics have asserted. Two-thirds of high school teachers, 44% of middle school teachers and 22% of elementary teachers have an undergraduate or graduate major in an academic field (such as English or mathematics), rather than a major in an education field (such as general education or mathematics education).
- Ninety-three percent of general elementary teachers and 92% of subject-matter teachers are fully certified in the field of their main teaching assignment (in other words, the field in which they taught most often).

**Percentage of Full-Time Public School Teachers
Who Hold Various Degrees, 1998**

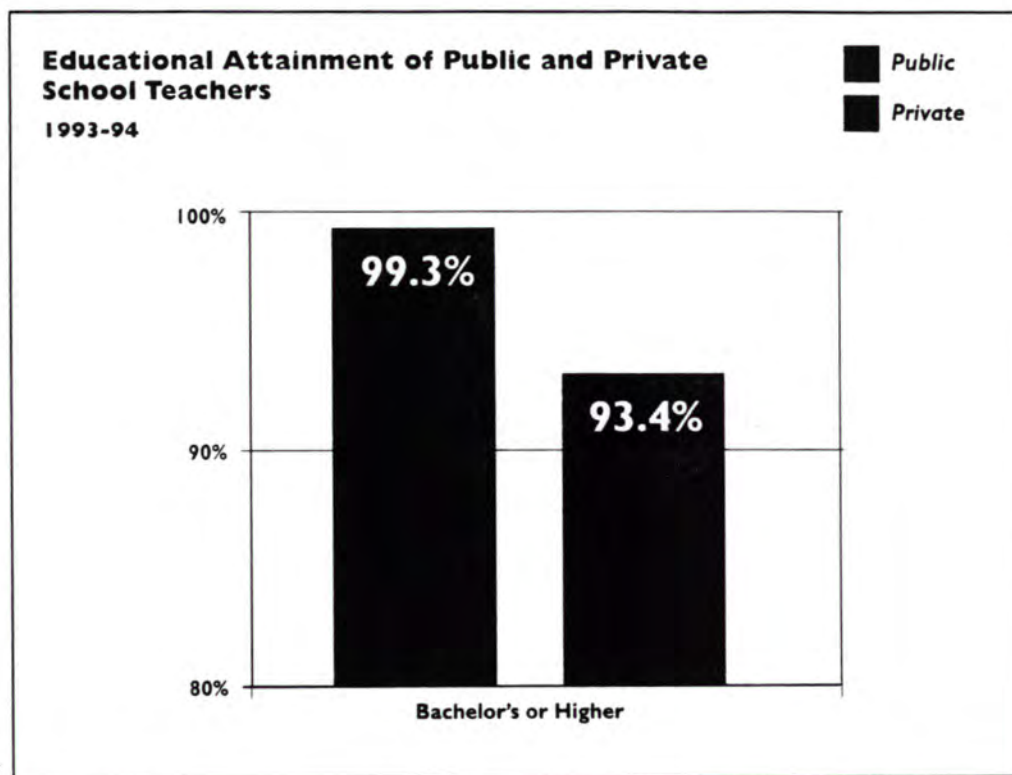


Source: U.S. Department of Education, National Center for Education Statistics, *Teacher Quality: A Report on the Preparation and Qualifications of Public School Teachers*, 1999.

PUBLIC SCHOOL TEACHERS ARE BETTER EDUCATED THAN PRIVATE SCHOOL TEACHERS

THE FACTS

In 1993-94, virtually all public school teachers (99.3%) had completed at least a bachelor's degree, compared with 93.4% of private school teachers. Public school teachers also had more experience on average: 14.8 years of experience for public school teachers versus 12.2 years of experience for private school teachers.



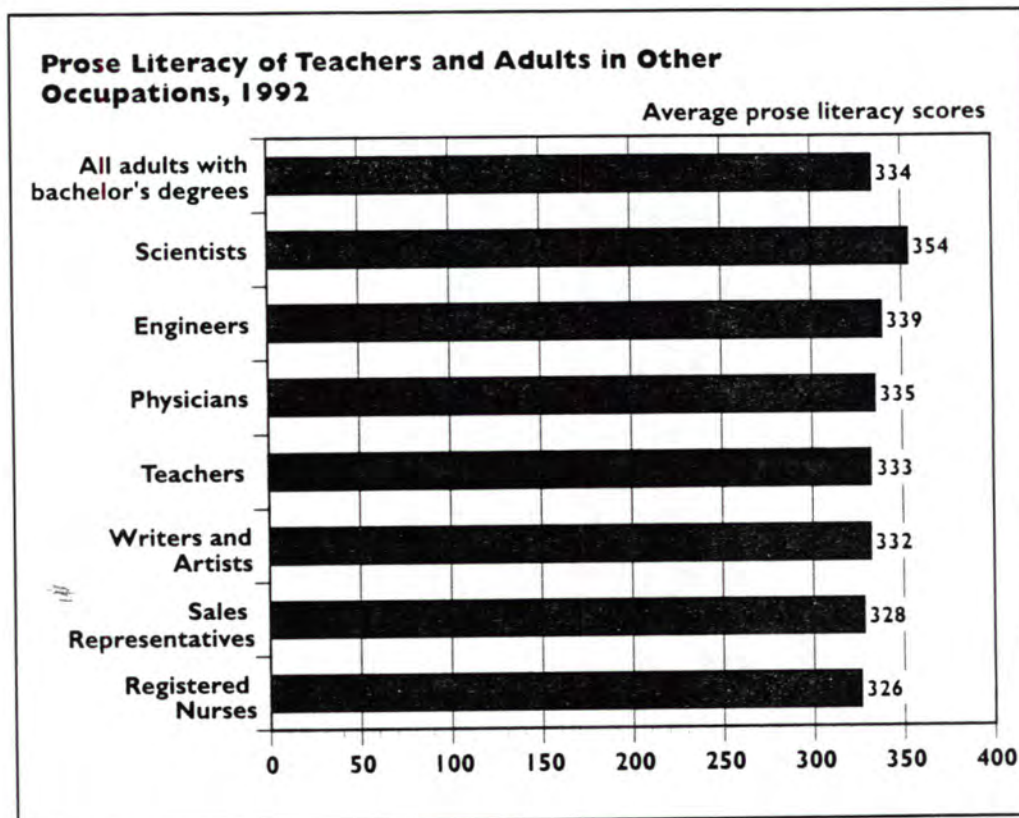
Source: U.S. Department of Education, National Center for Education Statistics, *Schools and Staffing in the United States: A Statistical Profile, 1993-94* and *The Condition of Education 1998*.

Note: Although data on teacher education were updated for public school teachers in 1998, comparable data were not collected that year for private school teachers.

TEACHERS HAVE LITERACY LEVELS COMPARABLE TO OTHER COLLEGE GRADUATES

THE FACTS

Some critics of public education contend that school teachers have low literacy skills, but this isn't the case. Data from a 1992 national study of adult literacy suggest that teachers have a level of literacy comparable to that of other college graduates. The prose literacy of teachers is not significantly different from that of engineers, physicians, writers, sales representatives, registered nurses and other college-educated professionals. ("Prose literacy" means the ability to understand, analyze and synthesize information from written texts.) Scientists were the only professionals who had measurably higher prose literacy skills than teachers.



Source: U.S. Department of Education, National Center for Education Statistics, *National Adult Literacy Survey 1992* and *The Condition of Education 1995*, Indicator 58.

THE WORK AHEAD: TEACHERS

Public school teachers have the education, certification and academic backgrounds necessary for teaching. States, school districts, colleges and universities must next address the issues of out-of-field teaching, recruitment and retention, competitive compensation, teacher preparation and professional development.

Although the vast majority of public secondary school teachers have an undergraduate or graduate major or minor in their main field of assignment, some still teach courses outside their field. In 1998, 18% of mathematics teachers, 14% of English teachers and 12% of science teachers in grades 7 through 12 did not have a major or minor in their main field of assignment (NCES, *Teacher Quality*, 1999). These figures probably understate the problem because they omit teachers who teach most of their courses in their major field but teach a few courses outside their field. Issues of teacher qualification are most acute in low-income areas, central cities, and schools with high minority enrollments; teachers in these settings are somewhat less likely than other teachers to have full (rather than provisional) certification, to have a master's degree, or to have a major or minor in their assigned field. States, higher education institutions and school districts should work together to ensure that all teachers—especially in schools with the greatest needs—have at least a major in the subject they are teaching.

Large cohorts of experienced teachers are approaching retirement age at the same time that secondary school enrollments are about to surge—a combination that could intensify existing teacher shortages. College graduates with good literacy skills can choose from a wide range of occupations, including many that pay better than teaching. In 1992, for example, teachers who scored at prose literacy level 3, the middle range of the National Adult Literacy Survey, had median weekly wages of \$475, compared with \$603 for other college graduates scoring at level 3 (U.S. Department of Education, *National Adult Literacy Survey 1992*). School districts should raise teacher salaries and offer other incentives to attract and keep highly qualified candidates. States and higher education institutions should develop incentives, such as alternative certification, to encourage knowledgeable, experienced people from other fields to become teachers.

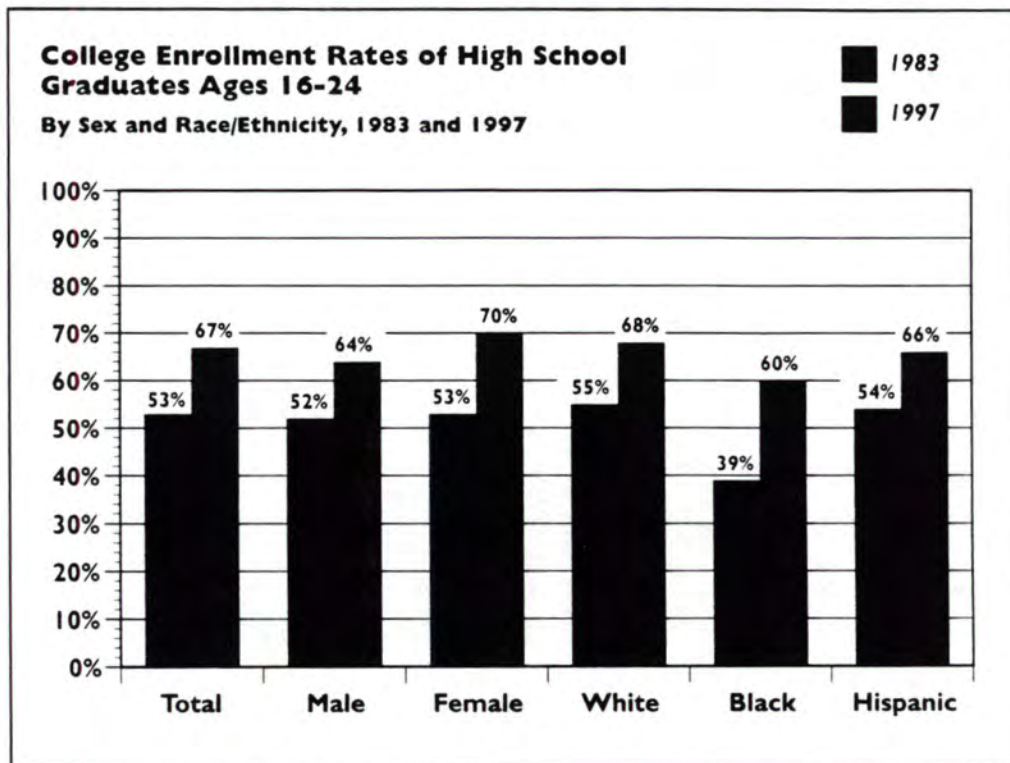
State and local reform initiatives have raised the bar for student learning, which places greater demands on teachers. To prepare new cohorts of teachers for these heightened expectations will require reforms in teacher education programs. Colleges and universities should strengthen the academic course requirements for prospective teachers and should provide them with high-quality education and practice in effective teaching methods. School districts should provide supports for new teachers, such as mentoring and sustained professional development.

School districts should also provide all teachers with more sustained professional development, rather than short-term workshops. Teachers need professional development in such areas as teaching to high standards, integrating the use of technology into their teaching, acquiring deeper content knowledge in their field, teaching students with limited English proficiency, and teaching students with disabilities in the regular classroom. Currently, 37% of teachers said they felt only somewhat well prepared or not at all prepared to address the needs of children with disabilities (NCES, *Teacher Quality*).

MORE STUDENTS ARE GOING ON TO HIGHER EDUCATION

THE FACTS

Compared with young people of the early 1980s, many more students today are going to college soon after they complete high school. Especially noteworthy are the increases among black students and women.



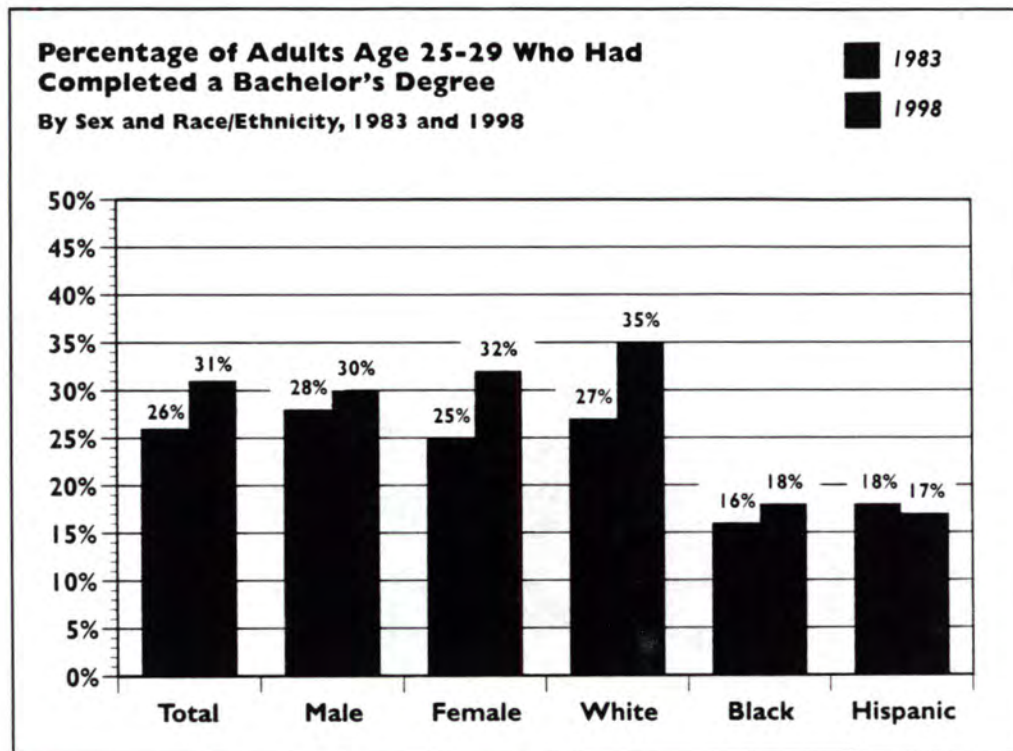
Note: Chart shows percentage of high school completers (including GED recipients) ages 16-24 who were enrolled in college during the October after they finished high school. Due to small sample sizes, the percentages shown for black and Hispanic students are subject to relatively large sampling errors.

Source: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1998*, Tables 183 and 184.

MORE YOUNG ADULTS ARE COMPLETING 4-YEAR COLLEGE DEGREES

THE FACTS

Between 1985 and 1998, there was an increase in the percentage of young adults who had completed a bachelor's degree or higher by age 29. The completion rates rose for white and black students, but decreased for Hispanic students. Particularly noteworthy is the rising rate among women, who are now more likely than men to complete a college degree.

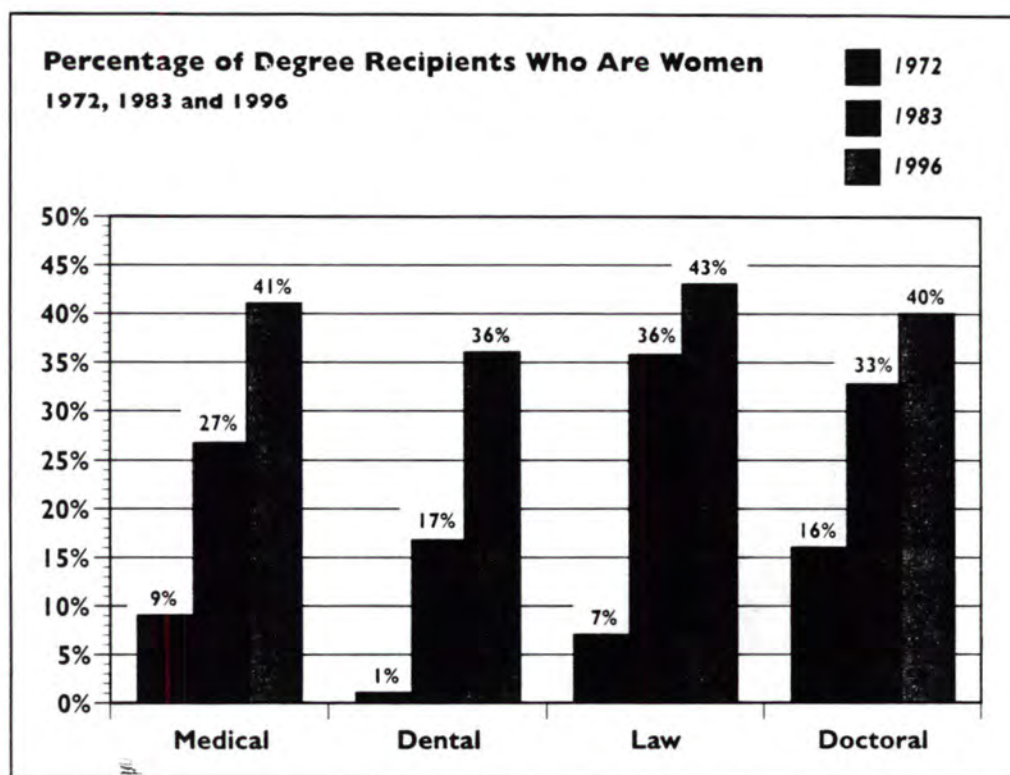


Source: U.S. Department of Education, National Center for Education Statistics, *Condition of Education 1999*, Table 59-3.

MORE WOMEN ARE EARNING GRADUATE AND PROFESSIONAL DEGREES

THE FACTS

Since passage of Title IX of the Education Amendments of 1972, which aimed to bring about equal educational opportunity by gender, the number of women earning graduate and professional degrees has gone up significantly. Women now constitute a larger share of medical, dental and law graduates, and of doctoral degree holders, than they did two decades ago. For example, women earned 43% of the law degrees granted in 1994, compared with only 7% in 1972.



Source: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1998*, Tables 244 and 259.

THE WORK AHEAD: HIGHER EDUCATION

More students are enrolling in college than ever before, but only about 31% of high school graduates ages 25 to 29 had completed a bachelor's degree or higher in 1998 (U.S. Department of Education, *Condition of Education 1999*). About 9% had completed an associate's degree (U.S. Department of Commerce, *Current Population Survey*, March 1998), although this figure does not include students who left higher education with a technical certificate or who transferred from a two-year to a four-college to pursue a bachelor's degree.

Higher education institutions and secondary schools must work together to ensure that more students who start college complete a technical certificate or an associate's or bachelor's degree. This is especially important for black and Hispanic students, who have lower college completion rates. States and school districts should implement programs in middle and high schools to:

- let students know early on which courses they need to take—particularly mathematics, science and language courses—to prepare for success in postsecondary education;
- provide more intensive academic help for students who are struggling; and
- strengthen counseling programs to help students better understand the kinds of preparation required for various jobs, make wise choices about courses of study and types of institutions, and be well-informed about access to financial aid.

Although gender and racial-ethnic gaps have narrowed in higher education, women and minorities are still underrepresented in mathematics, engineering and the physical sciences. A mathematics or science degree often leads to a high-paying career and is good preparation for a job in fast-growing technological fields. Schools and higher education institutions should take steps to:

- kindle early interest in mathematics and science among girls and boys, and particularly students of color;
- be aware of and address gender and racial differences in attitudes about mathematics and science;
- provide better counseling about course decisions and career options related to mathematics and science; and
- provide supports so that students can persist in a challenging curriculum all the way through high school and postsecondary education.

CONCLUSION

The statistics highlighted in this brief report are a sample of the many benefits emerging from a decade and a half of school reform and sustained investment in our schools and our teachers. What is perhaps most remarkable is that our nation has made these improvements with a very diverse population, a strong tradition of local control of education, and enormous variation among states and school districts in their student population, policies and practices.

Americans should give credit to public education for the progress made thus far in course-taking, school completion, student achievement, school safety, teacher quality and access to higher education. But this is just a beginning. There are still many areas where our nation should improve or fine-tune education reforms. Examples of needed improvements include:

- closing racial and ethnic gaps in achievement, high school graduation and completion of postsecondary degrees;
- encouraging more students to take harder courses at an earlier age;
- improving student achievement in reading, writing and other key subjects and accelerating the gains already made in mathematics and science;
- continuing the drop in school crime and eliminating violent crime; and
- strengthening the preparation of new teachers and ensuring that all courses are taught by teachers with a certification or major in that field.

As the data in this report demonstrate, educational improvement is an achievable goal. Public education is moving in the right direction. Continued support from citizens and political leaders will maintain this welcome momentum.

W

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REVISED

DRAFT 8
As of 12/16/99

THIS IS A DRAFT. ALL TIMES ARE TENTATIVE

SCENARIO FOR THE TRIPARTITE RESTRICTED AND EXPANDED MEETING
OF THE U.S.-EU SUMMIT
December 17, 1999

10:30 a.m. Briefing for event:

Participants

President

John Podesta
Sandy Berger
Gene Sperling
Leon Fuerth
Tony Blinken
Rob Wescott

'99 DEC 17 AM 10:06

10:50 a.m. President Ahtisaari, Prime Minister Lipponen, President Prodi and their delegations arrive at the West Lobby, are greeted by David Pryor, Deputy Chief of Protocol, who escorts the party in the Cabinet Room and invites President Ahtisaari to sign the Guest Book.

11:00 a.m. David Pryor escorts President Ahtisaari in the Oval Office and makes introductions (allowing time for a brief pull-aside). Then the remaining delegations are escorted in the Oval Office and introduced. Official photos and stills enter the Oval for brief photos, then depart.

Tripartite Restricted Session begins.

U.S. Participants

The President
Strobe Talbott
John Podesta
Samuel Berger
Gene Sperling
Leon Fuerth
Richard Morningstar
U.S. Amb. to EU
Antony Blinken
NSC Notetaker

EU Participants

President Martti Ahtisaari
Prime Minister Paavo Lipponen
Amb. Laajava
Timo Pesonen, Special Adviser
Romano Prodi, President of the
EU
John Richardson
Armando Varricchio

11:45 a.m. Restricted Session ends. The President, President Ahtisaari, Prime Minister Lipponen and President Prodi hold briefly, while others exit the Oval Office and proceed to the Cabinet Room.

11:50 p.m. The President, President Ahtisaari, Prime Minister Lipponen and President Prodi exit the Oval Office and proceed to the Cabinet Room, taking their positions at the table.

11:55 a.m. Expanded meeting begins.

U.S. Participants

The President
 Larry Summers
 Janet Reno
 Dan Glickman
 William Daley
 Charlene Barshefsky
 Strobe Talbott
 John Podesta
 Samuel Berger
 Gene Sperling
 Susan Esserman, Deputy
 USTR
 Al Larson, State
 David Aaron, Commerce
 Eric Edelman, U.S.
 Ambassador to Finland
 Richard Morningstar,
 U.S. Ambassador to EU
 Dr. Isi Siddiqui, USDA
 Tony Wayne
 Antony Blinken, NSC
 Rob Wescott, NEC
 Holly Hammonds, NSC
 Hoyt Yee, NSC
 Notetaker

E.U. Participants

President Ahtisaari
 Prime Minister Lipponen
 Kimmo Sasi, Minister of
 Foreign Trade
 Jukka Valtasaari, State
 Secretary
 Jaakko Laajava, Finnish
 Ambassador to the U.S.
 Leif Fagernas, Under Secre-
 tary of State
 Alec Aalto, State Secretary
 of EU Affairs
 Jorma Julin, Director
 General
 Matti Kalliokoski, Adviser
 Romano Prodi, President of
 the Commission
 Pascal Lamy, Commissioner
 for Trade
 John Richardson, Acting Head
 of Delegation
 Hans-Friedrich Beseler,
 Director General, Trade
 Gerard Depayre, Adviser
 Percy Westerlund, Director
 Matthew Baldwin, Deputy
 Timo Pesonen, Special Adviser
 Eric Hayes, Head of Unit for
 USA
 Ricardo Levi
 Armando Varricchio
 Sabine Ehmke-Gendron

12:25 p.m. Meeting ends. The President, President Ahtisaari and President Prodi exit the Cabinet Room and proceed to the Roosevelt Room to shake hands and have photo ops with two Transatlantic Dialogue Leaders. (Other members of the delegation are escorted thru the West Lobby outside to their vehicles.)

Transatlantic Environmental Dialogue:

U.S. Rep: Mark Van Putten, President and
CEO of the National Wildlife Federation

E.U. Rep: John Hontelz, Secretary General of
the European Environmental Bureau

Transatlantic Consumer Dialogue:

U.S. Rep: Rhoda Karpatkin, President of
Consumers Union

E.U. Rep: Jim Murray, Director, BEUC (in French
but translates to European Consumers
Organization)

12:30 p.m. The President escorts President Ahtisaari and
President Prodi to the West Lobby and bids them
farewell.

12:35 p.m. The President returns to the Oval Office.

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