

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Larry Stein to President Clinton re: Recommended Telephone Calls [partial] (1 page)	04/30/1998	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Caplan, Phil (Chron Files)
OA/Box Number: 12054

FOLDER TITLE:

Friday, May 1, 1998

2019-0803-S

rs3528

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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THE WHITE HOUSE HAS SEEN
5-1-98

THE WHITE HOUSE
WASHINGTON

98 APR 30 PM 7:05

April 30, 1998

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MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT

SUBJECT: SCHEDULING DECISIONS

CC: JOHN PODESTA & SYLVIA MATHEWS

See notes on
City year Convention
I need want to go
come in low cost in our

ACCEPT:

<u>Date of Event:</u>	<u>Description of Event:</u>
5/4/98	Announce Launch of the Partnership for Advanced Technology in Housing (PATH) Los Angeles, CA Staff Contact: Todd Stern, Katie McGinty
5/7/98	Address the Arab American Institute's Annual Leadership Conference Dinner Grand Hyatt Hotel, Washington, D.C. Staff Contact: Maria Echaveste
5/8/98	Visit U.S. Air Force Personnel and Families at Dover Air Force Base Dover, DE Staff Contact: Samuel Berger
5/9/98	DNC Dinners (2) Boston, MA Staff Contact: Craig Smith

You will travel to Boston, MA for these dinners following your participation in the Senate Democratic Caucus Conference in Williamsburg, VA.

5/25/98	Memorial Day Events The White House and Arlington National Cemetery <i>Staff Contact: Thurgood Marshall, Jr.</i>
5/27/98	Welfare-to-Work Partnership One Year Anniversary Event Site TBD, Washington, D.C. <i>Staff Contact: Bruce Reed</i>
6/4/98	Democratic Leadership Council's Annual Conference Site TBD, Washington, D.C. <i>Staff Contact: Craig Smith</i>
6/4/98	Dinner for Sen. Tom Daschle Site TBD, Washington, D.C. <i>Staff Contact: Craig Smith</i>
6/5/98	Grand Opening of Thoreau Institute at Walden Pond Lincoln, MA <i>Staff Contact: Ellen McCulloch-Lovell</i>
	You will attend this event with the First Lady after the M.I.T. Commencement address in the morning.
6/8/98	U.N. General Assembly Special Session on International Drug Control New York, NY <i>Staff Contact: Samuel Berger, Mack McLarty</i>
6/11/98	White House Congressional Picnic <i>Staff Contact: Larry Stein, Capricia Marshall</i>
6/12/98	National Conference on Ocean Policy Monterey, CA <i>Staff Contact: Thurgood Marshall, Jr.</i>
6/19/98	White House Press Picnic <i>Staff Contact: Mike McCurry, Capricia Marshall</i>
7/23/98 (T)	Receive Volume IV of General George Marshall's <u>Papers</u> from Albert Beveridge, General Goodpaster and other representatives of the Marshall Foundation <i>Staff Contact: Bobbie Greene</i>

OPTION:Date of Event:Description of Event:

5/5/98

Drop-by Mrs. Gore's Cinco de Mayo Party
Mrs. Gore's Office, OEOB 200

5/5/98

Drop-by Cinco de Mayo Event
Mexican Cultural Center, Washington, D.C.
Staff Contact: Maria Echaveste, Mickey Ibarra

6/19/98

Drop-by Meeting of the French-American Business Council
Indian Treaty Room
*Staff Contact: Erskine Bowles***PENDING:**Date of Event:Description of Event:

5/5/98 - 5/7/98

Interview with *CBS This Morning*
Staff Contact: Mike McCurry

CBS This Morning is producing a weeklong series about famous sons and their mothers to air leading up to Mother's Day. This would be a 5 minute interview, and the topic would be limited to discussing your memories of your mother. The senior staff thought that this would be a good thing to do. *Is this something you would like us to schedule for next week?*

Yes ☒No ☐

5/7/98

Meeting to Recognize the National Day of Prayer
The White House
Staff Contact: Maria Echaveste

As in past years, the National Children's Prayer Congress has requested a meeting with you on the National Day of Prayer (May 7). The Senior Staff has recommended that this is not necessary for you to do, and you should note that your schedule that day is already very full.

*Meeting
Comm -
Included to QA*

5/21/98

10th Annual National Education and Leadership Awards Gala for
the Sons of Italy Foundation
National Building Museum, Washington, D.C.
Staff Contact: Maria Echaveste

We are waiting for your return date from Europe to be determined before accepting or regretting this invitation. You are currently scheduled to participate in the Naval Academy Commencement early the next morning. Sec. Cuomo is seriously considering attending this dinner.

5/28/98

White House Event for the Children's Miracle Network

The First Lady will be hosting an event at the White House on May 28 for the Children's Miracle Network. The event will be attended by a child from every state and their families. Joseph Lake, Executive Vice President of the Children's Miracle Network, has indicated to the First Lady's office that during their visit here in 1996 you participated in an unscheduled drop-by to their event. *Is this something you would like to have the option to drop-by this year?*

Yes ☒ No ☐

May TBD

Present the Commander in Chief's Trophy to the U.S. Air Force Academy Football Team
Staff Contact: Virginia Apuzzo, Alan Sullivan

We are working to find a date for this presentation, but are waiting for your Europe travel schedule to be finalized.

7/25/98

Commissioning Ceremony for the U.S.S. Harry S. Truman
U.S. Naval Station, Norfolk, VA
Staff Contact: Samuel Berger

In February 1995 you approved naming the eighth Nimitz-class aircraft carrier USS *Harry S. Truman*. This will be the only aircraft carrier commissioning during the remainder of your second term. *Is this something you would like to attend?*

Yes ☒ No ☐ Discuss ☐

REGRET:Date of Event:Description of Event:

5/5/98 - 5/12/98

White House Event for Buckle Up America Week
Staff Contact: Thurgood Marshall, Jr.

Sec. Slater is seriously considering participating in an event for Buckle Up America Week.

5/30/98

White House News Photographers' Awards Dinner
 National Building Museum, Washington, D.C.
Staff Contact: Mike McCurry

You are currently scheduled to attend the Georgetown 30th Reunion Gala at the White House on this evening. You met with the award winners on March 12, 1998.

6/2/98 - 6/5/98

City Year Annual Convention
 Cleveland, OH
Staff Contact: Thurgood Marshall, Jr.

You are currently scheduled to participate in the following events during this conference: travel to Houston and Dallas, Texas on June 2; the WETA In-Performance at the White House on June 3; the SAVER Summit, the DLC National Conversation, and a dinner for Sen. Daschle on June 4; and the M.I.T. Commencement and visit to Walden Pond on June 5. This proposal has been forwarded to the other principals and the Cabinet for consideration.

6/7/98

Orthodox Union's National Centennial Dinner
 Grand Hyatt Hotel, New York City, NY
Staff Contact: Maria Echaveste

This proposal has been forwarded to the other principals and the Cabinet for consideration.

6/22/98

World Congress on Information Technology
 George Mason University, Fairfax, VA
Staff Contact: Craig Smith

It is likely that you will not be in town this day. Therefore, we are exploring the possibility of having you tape a video greeting for this conference and sending a surrogate.

On the 30th (Tuesday) would mean a lot to me - any chance of attending? I'll be there. Don't - BC

Use should be represented

~~XXXXXX~~
~~6/2/98 - 6/5/98~~
~~HPG~~
~~Good morning~~
~~to all~~

THE PRESIDENT HAS SEEN
5-1-98

THE WHITE HOUSE
WASHINGTON

April 30, 1998

MR. PRESIDENT:

We understand you wish to telephone key Senators immediately following this evening's NATO vote, which is expected around 10:00 p.m.

Larry Stein will notify you this evening as soon as it is appropriate for you to make these calls.

Sean Maloney

SM

[Handwritten signature]

Copied
Stein
COS

Withdrawal/Redaction Marker

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5-1-98

98 APR 30 PM 8:49

THE WHITE HOUSE

WASHINGTON

April 30, 1998

RECOMMENDED TELEPHONE CALLS

TO: Senator Trent Lott (R-MS)
Senator Thomas Daschle (D-SD)
Senator Jesse Helms (R-NC)
Senator Joseph Biden (D-DE)

DATE: April 30, 1998

RECOMMENDED BY: Larry Stein *JS*

PURPOSE: To thank them for their leadership and support for the resolution endorsing the NATO Expansion Treaty.
(Vote scheduled to occur at 9:00 PM)

CONTACT PERSON AND TELEPHONE NUMBER(S):

Senator Trent Lott
Republican Cloakroom: (202) 224-6191
DC Residence: (202) 547-0762

Senator Thomas Daschle
Democratic Cloakroom: (202) 224-4791
Dem. Leader's office: (202) 224-5556
DC Residence: (202) 537-1354

Senator Jesse Helms
Republican Cloakroom: (202) 224-6191
VA Residence: (703) 684-1255

Senator Joseph Biden
Democratic Cloakroom: (202) 224-4791
Hill office: (202) 224-0122
DE Residence: (b)(6)

DATE OF SUBMISSION: April 30, 1998

ACTION: _____



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

5-1-98

April 28, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Franklin D. Raines *[Signature]*
SUBJECT: Delegate Norton's Concerns Regarding the D.C. Financial Authority

*Pls do reply for me
Don't forget to call*

On April 17, Delegate Norton sent you the attached memorandum -- which she has also released to the public -- outlining her concerns with the appointment process for the D.C. Financial Authority, whose members' terms expire on June 1, 1998. Norton proposes that the Administration consider a broad array of policy, political and operational issues before appointing a new Authority. Norton's premise is that the Financial Authority must balance two complex tasks -- running the city in the short term while engineering a transition of power back to elected officials.

Norton believes that the current Authority has been successful in reigning in spending, improving the city's credit, assuring borrowing, and imposing fiscal discipline and financial management improvements that helped produce a nearly \$200 million surplus in 1997. However, the Authority has yet to accomplish its most complicated task -- wholesale restructuring of the District government. The statute that created the Financial Authority charges it with revamping District operations by 2001, when the required financial audit must show four years of balanced budgets and the elimination of the accumulated deficit as a prerequisite to termination of the Authority.

Status of Financial Authority Nominations

We are moving forward to identify Authority nominees for your review. However, the nomination process for the second term is not attracting the number of qualified applicants we expected. Many potential candidates are reluctant to serve because of the contentious relations that the first Authority had with appointed and elected City officials, the press, and others. I expect to submit a list of nominations to you within a week.

Summary of the Norton Memo

The following is a summary of Norton's nine-point plan to ensure that the City meets the balanced budget goal:

*copied
Raines
COS
original to
Burkhardt*

DAN BURKHARDT:

please coordinate the
reply.

5/1/98

After you have seen,
we will send original
to Burkhardt -

C.

1. Action Plan

Substantial reform and restructuring of city government operations should be the major goals of the Financial Authority before the final audit. A rigorous strategic plan has broad appeal on several levels -- it could be a format for drawing the support and participation of elected officials; satisfy longstanding Congressional pressure for such a document; increase confidence from Wall Street; and, through public comment and hearings, give residents an opportunity to participate in concrete plans for change.

2. Financial Authority Staff

Although the D.C. Authority is much larger than comparable bodies in other cities and although it has major management and financial mandates, the Authority has not required its staff to have backgrounds that reflect operational or management experience. The new Authority also needs a leaner staff since it has delegated its operational functions to the new Chief Management Officer. Her conclusion is that volunteer Authority will need a small staff with financial and management skill, and a rapid response, deployable capacity to assist agencies.

3. Co-Locating the Authority and City Government

Norton thinks that the Authority should move to the seat of the District government at One Judiciary Square and then to the John Wilson Building (after it is renovated), when the entire city government is moved there. She believes that consolidation would enhance efficiency, cooperation and communication.

4. Full Involvement of Elected Officials

Norton proposes that the Authority and elected officials should work more closely together; however, she does not offer a process or plan for achieving this goal. Her intent may be that the Administration select prospective board appointees that support the notion of working collegially with elected officials.

5. Transition Process

Norton believes that a careful process of transition to elected government is an essential task of the Authority during this period. The Congress, Wall Street, the Administration, and residents need to be assured not only that the District's finances and operations have been fixed, but that the requisite infrastructure is in place for its continued success. Norton sees value in the Authority interacting with the Mayor in an *ex officio* capacity and using the knowledge, insights, and experience of members of the Council, the Mayor and their appointees.

6. Resident Participation

Norton proposes that the Authority hold joint meetings with D.C. elected officials and let them serve as the "eyes and ears" of the Authority. This model would reduce time pressures on Authority members and promote cooperation with elected officials.

7. Regional Business, Union, Nonprofit and Local Community Organizational Involvement

Unlike Cleveland, New York and Philadelphia, the District's non-governmental sectors have not participated fully in the reform process. Norton proposes that given the rich background and talent of the business, union and private sector, extensive effort should be extended to capture these resources.

8. Continuing Federal Responsibility

Norton believes the Administration's Revitalization Plan, in part, accomplished the goal of restructuring the relationship between the federal government and the nation's capital by more fairly apportioning financial responsibility and rescuing the city from the prospect of continuing instability and recurring insolvency. The Revitalization Plan, coupled with the earlier creation of the White House D.C. Task Force, offered a variety of assistance and leadership from the Federal government that is working well.

Norton proposes that continued Federal financial assistance to the District is necessary for several reasons: (1) because the Federal government did not assume responsibility for all state functions and (2) because that there is no guarantee that population loss and big city problems will not at some point require a Federal payment.

9. Self-Government

Norton makes a strong plea for the Administration to continue its support of full democracy for D.C. and its residents.

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE

SUBCOMMITTEES
SURFACE TRANSPORTATION
PUBLIC BUILDINGS AND
ECONOMIC DEVELOPMENT



Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON
GOVERNMENT REFORM AND
OVERSIGHT

SUBCOMMITTEE
RANKING MINORITY MEMBER,
DISTRICT OF COLUMBIA

CIVIL SERVICE

CO-CHAIR
CONGRESSIONAL CAUCUS FOR
WOMEN'S ISSUES

MEMORANDUM

TO: The President

CC: Franklin Raines, Director, Office of Management and Budget

FROM: Congresswoman Eleanor Holmes Norton *EHN*

RE: The Control Board in the Sunset Period

DATE: April 17, 1998

The President is faced with an unusual task in making his next appointments (whenever used, appointments include reappointments) to the District of Columbia Financial Responsibility and Management Assistance Authority (control board). This memo looks specifically at the challenges facing the control board and then at the steps that might be taken to meet these challenges. I write as the District's Member of Congress to share some of what I have learned as ranking member of the D.C. Subcommittee during extensive oversight hearings, investigations, and meetings. I write also because the control board statute could sunset in as few as two fiscal years; because the board has new and unprecedented responsibilities; and because home rule is at stake.

Unavoidably, the condition of the District will rank as a visible and important part of the President's legacy. The city's crisis, probably the worst in more than a century, was well underway when the President took office. The President has already made an historic contribution with his Revitalization Package few thought possible to enact. The Package removed the pension liability that was destroying the District as well as the city's most costly state functions. These functions, especially pensions and Medicaid, virtually guaranteed that a city rapidly losing population and quickly gaining mandated costs would not attain permanent solvency. Without unusually strong and persistent Presidential priority and leadership, the Package could not have been enacted.

The Revitalization Package is probably the most significant contribution of any President in the city's history, considering that improvements in the District's finances and in home rule

have usually emanated from the Congress, and unlike the Rescue Package, did not depend so singularly on Presidential leadership. Even so, following this achievement, the President, at a meeting with city officials at the White House on December 2, 1997, indicated that before leaving office, he wanted the city to be significantly better off than when he took office. To achieve this result, the President must leave in place a fully empowered, elected city government able to run the city's operations and finances with the confidence of the Administration, the Congress, Wall Street, and District residents. The President's appointments to the control board will be critical to achieving this goal.

This memorandum does not suggest appointments or evaluate present or future board members. I do not believe that the President should approach the unprecedented task before him with names first. In making his appointments to the control board, the President faces a situation unprecedented in our democracy: An unelected body runs an American city and must lead it back to democracy. Suitable names for membership arise from this unprecedented mission, not the other way around. The mission should define the names; the names cannot define the mission.

The President's initial excellent appointments were necessarily based on their outstanding professional records and their great integrity because so little was known about the city beyond its financial and operational disrepair. Today, in addition to professional and personal characteristics, appointments also should take account of the role and function of the board in light of what has been achieved, what is yet to be accomplished, and the unprecedented lead role the board recently has been assigned in the city's revival.

In 1995, the President appointed five distinguished Washingtonians to a control board that did not differ substantially from similar entities in other cities that had similarly lost their credit on Wall Street. Philadelphia, New York and Cleveland, like the District, earlier had required similar board intermediaries in order for essential borrowings to continue. The District of Columbia Financial Responsibility and Management Assistance Authority Act left city officials in charge of the government. On most matters affecting city operations, the control board was mandated to take action to assist the government but not to act unilaterally except in the event of resistance by elected officials on pivotal matters. By 1997, this situation had been reversed. Congressional action now essentially has left the control board in charge of most city operations. These changes occurred initially following disagreements between the Mayor and the control board and later when Congress grew frustrated with the pace of management reform. The power of the City Council remains significantly intact with some changes. However, administrative authority to run the District government lies largely in the executive branch. Congressional action therefore has been directed at executive authority, first through attachments from appropriators and later through an attachment to the Revitalization Act by Senator Lauch Faircloth. At the same time, Congress has been satisfied that the District's finances have been largely harnessed from overspending and deficit growth under the control board. Nevertheless, appropriation riders in 1996 and 1997, after the original control board statute was enacted, reflected concerns about the pace of management and operational reform and sometimes were directed against the control board as well as city officials. However, whatever concerns

Congress has had with the board's work on city operations has not kept Congress from moving power from city officials to the control board. The control board has become the entity of last resort for achieving necessary changes.

As a result, board members will be faced with two difficult tasks -- running the city while simultaneously engineering a transition of power back to elected officials. Failure at the operational mission could jeopardize the return of self-government. Failure in preparing and executing a transition to fully elected government could result in unpracticed and perhaps resentful local officials lacking the necessary experience to accept a repaired government; keep it in repair, and improve it. Both Wall Street and the Congress will be watching the transition closely. One bond analyst indicated in press reports that Wall Street wanted, "to see how involved the city's elected officials are in making decisions since eventually they will regain power over spending from the control board."

Equally important is assuring the Congress that the control board can pass credibility and systemic change to elected officials. Congress is likely to return control to the city after four years of balanced budgets, as promised, but it is not inconceivable that Congress could renege on that promise. This result would be at odds with the President's support of home rule. Encouraging involvement of elected officials in a smoothly running city is the best way to restore the confidence of the Congress and Wall Street in the city and to prevent attempts to delay the return of home rule.

I. Board Challenges

The President's goal to leave the city significantly improved over how he found it can be achieved if the President ensures that the next board is aware of the challenges it must face and offers continuous assistance to the board in meeting these challenges. This goal will require a goal-focused and energetic board aided by a superior staff that insists on first rate management and rapid, systemic reform.

A. Finances

The board has focused on reigning in spending, improving the city's credit, and assuring borrowings. The hard evidence of financial progress, by which control boards most often are judged, is clear. The worst financial problems, including overspending and the failure to pay vendors, have mostly been eliminated. The city ran an operational surplus of nearly \$200 million in 1997, as reported in a unqualified or "clean" audit by an independent accounting firm. About \$65 million of the nearly \$200 million net surplus is due to the splendid economy, about \$35 million to aggressive tax collection through improvements established by the Chief Financial Officer (CFO), and about \$20 million to operational failures to spend appropriated money for necessary programs. The fiscal discipline and financial management improvements that helped produce the surplus appear rooted in systems and therefore to be permanent. For example, the city now cashes checks within days, not weeks or months, and a new Financial Management System is being put in place. Both Standard and Poor's and Moody's recently raised the District's

bond rating to one grade below investment grade status. This achievement will probably be followed by further upgrading if Wall Street is convinced that the financial improvements are rooted and will survive the sunset of the control board.

B. Management

The most complicated part of the control board's mandate has yet to be accomplished -- wholesale restructuring of the District government, including top to bottom reengineering of each agency and reform of the cross-cutting systems essential to reform. The most important goal for the coming period is much more rapid reform, restructuring, and streamlining of the city government itself.

The condition of city operations contrasts sharply with the state of its finances. The results that the board, working with the CFO has achieved, could be undercut by two related factors: (1) the lagging pace of improvement of city services, and (2) the accelerated flight of residents even during the period when there has been a control board. It follows that the board will want to change its emphasis to regard service, operational, and management problems as equal to or greater in importance than the financial issues on which progress already has been made.

Further financial improvement in the condition of the government now depends largely on management improvements. Full financial recovery cannot be separated from operational reform. The District government is still the largest per capita of comparable cities. Elimination of waste and redundancy could release significant amounts for improved service delivery. The city must find a way to pay for operational reforms and for a major installation of the technology necessary to make new operations function effectively. Part of the funding for both these prime necessities must come from continued streamlining of the unnecessary layers and offshoots of the District's redundant bureaucracy, as promised by the control board.

Indicative of the evidence of the link between financial and management reform is the fact that nearly half of the District's \$41 million "local surplus" was unspent city funds that should have been spent on programs for residents. The District also shows a continuing inability to spend federal funds, some of which are permanently lost, and to capture many new federal grants, which would help relax financial pressure on the city. Several agencies and functions continue as before to operate under receiverships, court orders, and other court mandates. Almost all of these court-directed agencies, outside of the authority of the board as well as the city, are far more costly than they would be if subjected to the reform and restructuring they need and eventually must obtain.

The control board has initiated reforms in two important functions -- education and public safety. In concentrating on education and public safety first, the board recognized the areas of greatest priority to District residents. Congressional concern as well has been largely with the District of Columbia Public School System (DCPS) and the Metropolitan Police Department (MPD), and Congress is likely to judge the city's management recovery disproportionately by

progress made in these two agencies. Although these critical functions must receive continuing high priority, other agencies must now receive equal attention. Many D.C. government agencies have a significant effect on the quality of life of D.C. residents, and considerable wasteful spending is tied up in these agencies. For example, the Department of Human Services has a budget more than the combined budgets of DCPS and MPD, and, if totally revamped, substantial amounts could probably be saved in this agency and returned to the city's poorest and neediest residents, whom it serves. Moreover, because many parents with children have already moved from the city, the infrastructure missions of the Department of Public Works, for example, rather than the schools will be used by many residents to judge whether the city is improving at all.

The difficulty in achieving management reform and restructuring is not to be underestimated, judging by the two agencies in which reform has been undertaken and progress made. School reform, undertaken with bold and dramatic inroads into electoral democracy, has been modest. Many urgently needed infrastructure and roof replacements have been accomplished, eliminating the need to close schools, and critical academic reforms have begun, including a promising and ambitious revamping of the academic program, featuring a mandatory summer program to quickly eliminate social promotion by reversing poor skills and test results. At the same time, a three week delay in opening the schools, a turnover in top staff, large management bonuses, and a recently discovered deficit have undercut support for beleaguered school officials and taken focus away from their efforts and accomplishments.

The Police Department has achieved a significant reduction in crime. This success came as a result of the decision of the control board, the Mayor and the City Council to work with state-of-the-art knowledge of police work. Deploying more police officers to the streets and initiating community policing have contributed to this success. At the same time, the MPD remains the largest Police Department per capita among large and medium sized American cities; many officers still must be transferred from behind desks to the streets; some federal as well as city funds have gone unspent; and a major corruption investigation is underway concerning unlimited overtime in the homicide division while homicide closures were at an all time low. A new police chief with a notable record has just been appointed. He will be challenged to assure systemic operational reform.

Until an attachment by Senator Faircloth mandated outside management consultant teams for all the agencies, similar to the one that brought change to the Police Department, the board had not used this approach to jumpstart the management reform of other agencies. Then, with an unnecessary strike against democracy, the Faircloth provision forced the beginning of management reform in nine other agencies, including the Department of Human Services, the Department of Public Works and the Department of Consumer and Regulatory Affairs. However, even given congressional concern with the management of city services, the board could have been compelled to take action without eliminating democracy altogether if Senator Faircloth had not insisted upon total transfer of authority or, of course, if the control board and city officials earlier had used the collegial working group model and consultants to make up for the thinning of management reform capacity in the D.C. government itself.

Underlying many of the city's operational difficulties has been the inherent difficulty in achieving personnel and procurement reform in such a large and complicated network. Although the control board gave DCPS and MPD authority to override existing procurement and personnel regulations, these agencies often have been unable to quickly contract for goods and services or to change personnel practices significantly, perhaps because of the need still significantly to rely on parts of the overall government that have not yet been reformed. Comprehensive City Council personnel as well as procurement legislation recently have been passed, but a totally revamped procurement and personnel system that is central to the reform of all agencies is not yet fully in place. In addition, it will take several years and considerable expense to strengthen the District's technology, another vital cross-cutting system. Pending this costly and time consuming change, management must make improvements without new technical systems, using what is at hand, as the CFO had to do and succeeded in doing in revamping the financial systems. At the same time, the goal of installing basic technology and the provision of information across agency lines must be a top priority if agency reform efforts are to bear full fruit.

Restructuring has not yet played a large role in the District's financial recovery. Beginning when the financial crisis emerged in 1993 and continuing until today, the government has been partially downsized, but it has not been restructured and revitalized. As a result of downsizing without restructuring and reform, some services and operations have worsened. The decline in services has not been lost on residents. Since 1995, when the board was established, the District has lost as many residents as it lost during the entire decade of the 1980s. The District is currently on track in the 1990s to lose three times as many people as it lost in the 1980s.

Since the President's Revitalization Package relieved the District of its most costly state functions, the city's most pressing problems are largely internal. The most difficult part of the board's mandate -- the revamping of District operations -- must be accomplished by the year 2001, when the financial audit showing four years of balanced budgets and the elimination of the accumulated deficit will be completed. Although considerable work necessarily will remain then, significant improvement in the operation of District government agencies will be expected and is fully possible to achieve. Unlike its first term, the board and only the board will be held responsible for the revitalization of city services because the Congress has transferred operational responsibility from city officials to the board for most functions.

II. Steps Necessary to Meet Goals by the Sunset of the Board

A. Necessity for a Rigorous Action Plan

The control board is due to sunset shortly following FY 2000, when the audit certifies that the District has experienced four years of balanced budgets, including elimination of an accumulated deficit. Substantial reform and restructuring of city government operations should be the major goal of the control board by the time of the final audit.

Congressional pressure for a strategic plan dominated the control board's early months, and a document was finally received. However, that document was not an action plan or a guide to subsequent board activity. The complicated task of significantly overhauling the District government within the brief control board period cannot be easily achieved without rigorous goal setting, including realistic time frames monitored and updated as necessary when unforeseen problems occur. A plan might be quickly drawn with the participation of elected officials from existing models and tailored to D.C.'s special circumstances rather than reinvented abstractly and laboriously. Further, if a plan received public comment and a hearing, it might serve more than the obvious purpose to focus all concerned on what needs to be done and to monitor implementation. The process of working from an agreed upon plan itself would increase confidence in the city from Wall Street and the Congress. Most importantly, residents, seeing and participating in concrete plans for change, might well be less inclined to flee.

B. Control Board Staff

When the Congress insisted on faster movement and transferred entire agencies to the control board, the board hired a Chief Management Officer (CMO). She has a strong background but only recently has come on board. However, she will find it difficult to meet expectations without the disciplined direction of an action plan that will operate as more than a piece of paper and that all agree upon.

The control board staff differed from that of the boards of other cities in size and type. The District's board staff is larger than that of any of the other boards. For example, Philadelphia's board decided to have only six positions (an executive director, a deputy executive director, a financial analyst, two administrative assistants and a general counsel) and to make skillful use of consultants on a short term basis instead of building a larger staff that might not fit rapidly arising needs. The D.C. board, unlike control boards in other cities, has an explicit and major management, in addition to a financial mandate, but most of its staff has not had operational or management backgrounds. The board now will require little staff because it has delegated its operational functions to the CMO. Because the members are volunteers, however, the board may need a small, deployable, multi-talented staff with financial and management skills, almost all of whom should be shared with the CMO. This staff will be most useful if it has rapid response, deployable capacity to assist agencies as needed.

C. The Board and City Government in the Same Location

The control board should move to the seat of the District government, One Judiciary Square and then to the John Wilson Building when it is renovated and the entire government is relocated there. The distance between the control board and the District government has been an issue. Consolidation would reduce communication issues and costs and would enhance efficiency and cooperation. There is space at One Judiciary Square, and the Council, the Mayor, the CMO, and the CFO already are there.

Moreover, finding that city participants in the cumbersome budget process worked in strict sequential statutory order when writing the budget (rather than waiving that order and working more collegially), I wrote a new section of the law specifically encouraging a unitary budget process if the parties desired. The FY 1999 budget participants are now using this approach well. Location of all in the same place will facilitate this process, save time, and encourage other cooperative decision making.

D. Full Involvement of Elected Officials

Neither the control board nor elected officials are fully satisfied with their relationship, although both have tried and often succeeded in improving it. Early resistance by the Mayor and his administration led to take-backs of power in the congressional appropriations process. The Authority statute had been carefully negotiated to preserve home rule, but even before the Faircloth provision, appropriation riders had given the control board the power to exercise the full authority of the Mayor. (See attached *Washington Post* Op-Ed article). In recent months, the City Council rather than the Mayor more often has criticized relations with the control board. In a recent speech, Dr. Alice Rivlin said that, "communication between elected officials and the control board broke down (blame lies on both sides, but it doesn't matter now)." She warned that the city should, "not fall back into disastrous bickering, recriminations and name calling."

Further, the board will want to make greater use of negotiation rather than resort to litigation or other adversarial approaches. Because the board has such substantial power it is in a commanding position to negotiate difficult issues and to work to achieve cooperation. Staff with negotiation skills would save the time and energy of volunteer board members and could do much to avoid polarization. Anything less than a close working relationship between the board and elected officials could torpedo much of the work that the control board must accomplish and could imperil the transition to home rule.

E. Transition Process

A careful process of transition to elected government is an essential task of the control board during this period. Without an explicit transition process to transfer knowledge and credibility from the control board to elected officials, the control board period will come down to a period of caretaker government, without necessary carryover or permanent reform assured. The Congress, Wall Street, the Administration, and residents all need to be assured not only that the District's finances and operations have been fixed, but that chances are good that they will stay that way. Moreover, members of the Council and the Mayor and their appointees have unique knowledge, insights, and experience. The contribution that elected officials can make to the revitalization of the city should not underestimated.

The statute requires that board officials be non-elected officials. Some control boards have had the mayor as an *ex officio* member, but Congress shows no inclination to make any but unwelcome change in the control board statute at this time. However, the President will make appointments in future years as well, and as the District improves and the cooperation now

underway continues, changes in the law itself to accommodate elected officials may be possible. Meanwhile, there is every reason for the board to treat the elected Mayor as an *ex officio* member, given the experience of other boards. Moreover, the District's experience with the collegial executive working group involving the Mayor and the City Council chair suggests that the transition would be assisted if both officials were in the room.

Ultimately, even the best systems and reforms will require an elected government that is committed to managing them well. The challenge here lies with District voters to elect people who have demonstrated that they will continue to reform the government. However, the quality of elected officials never has been or can be guaranteed anywhere. Close involvement of elected officials now is the best way to ensure that there will not be retrogression when the board sunsets. A control board that brings elected officials into all its work sends the appropriate message to residents, Congress and Wall Street that not only the board but elected officials are meeting and agreeing upon high standards.

F. Resident Participation

Resident involvement is essential to the success of the board's work. Reform cannot be successful without residents' real life contributions and unique insights into operations, particularly whether reforms are working and how residents feel they can be improved. However, a volunteer board of individuals, who have their own often major professional responsibilities, does not have the time nor is it suited to act like an elected body that continually meets with the community, as elected officials do and are still paid to do. D.C. elected officials should be the primary link to the community and should be the eyes and ears of the board. The present board has never held a joint public meeting with elected officials, for example. Such joint meetings involving some of the board members might well replace the board-only public hearings that are now held. This mode would at once reduce time pressures on board members and increase board and elected official cooperation.

It will be important to avoid the perception that the board and only the board has any power or any responsibility. If voters know that elected officials can be held accountable because these officials have been drawn into the government reform process, atrophy of responsibility for the tough decision-making that must come with political office will be avoided. Elected officials and the board should decide the proper mix of exposure for the control board (where power is) and elected officials (where power must go).

G. Regional, Business, Union, Non-profit and Local Community Organizational Involvement

Non-governmental and regional sources have been underutilized during the fiscal crisis. In Cleveland, for example, the business community came forward and almost single-handedly took leadership in rescuing the city. In New York, the business and union sectors along with the federal government played the critical role in saving the city. In Philadelphia, Mayor Ed Rendell, elected near the beginning of that city's insolvency, was the preeminent leader of the quick

turnaround of the city, with the assistance of a financial oversight board.

The District's non-governmental sectors are usually rich in background and resources that could be helpful to the District government. From the business, union, and private sectors are individuals, including many D.C. residents, who have served in high leadership positions in the federal government and others who have helped make this region among the most prosperous in the country. The non-profit sector is extensive and sophisticated. The network of civic organizations and neighborhood groups is widespread and diverse and has remained thoroughly engaged, even during periods of demoralization during the crisis.

The regional congressional Members, county executives, and other officials in the region as well as the Council of Governments all could help identify structures and programs that could be transferred and tailored for District purposes. The region has many effective government structures and programs. Particularly given the relatively brief period of time the control board has to accomplish much of its work, the board needs to find short cuts rather than to attempt to reinvent the wheel for every needed reform. It will require some effort to capture these resources, but the benefit to the District should make that effort well worth it.

H. Continuing Federal Responsibility

The President's Revitalization Package was a high water mark of federal assistance to the District. Beyond its financial value (especially as mandated cost increases in future years), the Revitalization package is of historic importance for two reasons. First, for the first time since the District was established, the Package restructured the relationship between the federal government and the nation's capital to more fairly apportion financial responsibility. Second, the timing of the package rescued the city from the prospect of continuing instability and recurring insolvency. However, both before and after the package was proposed, the President has seen his relationship with the District as a process of assistance rather than of episodic grants or responses to specific needs. The idea of approaching assistance to the District as a process, offering a variety of assistance and leadership that the federal government is in a unique position to provide, is working well and should continue.

The process began when the President established the President's Task Force on the District of Columbia. The work of the Task Force in raising the attention level and coordinating assistance from federal agencies has been invaluable. The District has received continuous technical assistance and financial aid from federal agencies that have helped ameliorate the crisis. Among many critical examples that would be cited are the work of the GSA in executing capital projects, including roof replacements at ten schools, and \$5 million from the Department of Education of the \$10 million needed for a summer program to replace social promotion. Maximizing the contribution of the federal agencies will require the continuing attention of the President's D.C. Task Force.

The board can facilitate many more opportunities for federal assistance by identifying

where federal assistance can be most useful. Early on, the Office of Management and Budget (OMB) indicated a willingness to provide critical management assistance to the city administration, but city officials never identified where OMB might be useful. Yet, there are a number of federal agencies and services that are parallel to District functions. Federal agency assistance perhaps could reduce some reliance on consultants. One of the most important forms of federal assistance would be the immediate transfer of many of the innovations from the proven improvements of the Clinton Administration's Reinventing Government. Many are cost-saving and easy to implement, such as the use of credit cards rather than costly, traditional, bureaucratic procurement approaches for ordering supplies.

Notwithstanding the Revitalization Package, continued financial assistance to the District is necessary. The President has already taken steps that make clear that federal assistance is part of his process of continuing assistance to the District. He included in his FY 1999 budget request \$120 million targeted to specific District needs that could not be met in other ways. Among the items included are funds for expansion of a Metro station to accommodate the District's most important new economic development project, the erection of a new convention center to attract larger conventions. The need for such targeted funding should not be underestimated. The District is scheduled to run surpluses in the next several years. However, the federal government must encourage the city in the prudence it has adopted, by ensuring that surplus funds go to paying down the accumulated deficit, without which the control board cannot sunset; investing in urgently need technology, without which agency renovation cannot be completed; financing management reform without which full financial recovery cannot occur; and making inroads into the billions of dollars of delayed improvements.

Continuing federal assistance is necessary also because the District still carries state and county functions other cities do not and could not carry. The difficulty in the House and Senate in achieving the elements of the President's Revitalization package perhaps indicates why not all state functions were part of the President's proposal. The organizing theory of the Package was that the federal government should take functions that parallel its own functions (Medicaid, courts and prisons) or for which it had responsibility (pensions). This principle was important to gaining congressional acceptance of the package, but it does not necessarily take full account of the objective needs of the District. As critical as the Revitalization Package has been, it leaves the District with some state and county costs but without a state or county that could help pay these costs in the face of accelerated and acute population loss. My attempts to get a large tax cut incentive for residents that most analysts believe would reduce the population loss have not yet borne fruit. A commuter tax to help make up for population loss seems even further removed. Assumption by the federal government of the cost of the remaining state and county functions would help make up for the prohibition on a commuter tax and help ensure against the effects of population loss in the absence of a state to come to the aid of the District.

The need to trade in the federal payment in order to get the Revitalization Package underscores the problematic costs associated with the remaining state and county functions. The District and the control board justifiably did not want to give up the payment, despite Congressional reluctance to take on costly state functions, even with the trade. The

Administration justified the trade because the Package ultimately is worth a good deal more than the stagnant federal payment. Congress had seldom increased the federal payment, there was no prospect that it would do so, and the real value had decreased from its face value of \$660 million to about \$500 million. Although there is no real prospect of reversing the Congressional decision on the federal payment, there also is no guarantee that population loss and big city problems will not necessitate a payment. If the District is treated like other cities and does not have responsibility for state and county costs, there will be greater assurance of continuing financial stability for the nation's capital.

Some board members have favored the assumption by the federal government of all state and county costs, a continuing federal payment, and a commuter tax. Before the board sunsets, it should work with all concerned to assess the revenue prospects of the District and whether these or others can realistically be pursued.

I. Self-Government

The significant devolution of democracy from city officials to the control board has left the District in a uniquely disabled position in the United States. This change has heightened divisions in the city between those most concerned with the city crisis and others for whom longstanding concerns for democratic self government have been primary. This is a false division. Residents who want better services have the same democratic impulses as other Americans, and those who have stressed democratic self-government fully recognize that city services must be dramatically improved and that home rule itself hinges on these improvements.

The President's support of full democracy for D.C. residents has been clear since he testified before Congress for statehood, when the bill was pending, even before he was elected. Since then, the destruction of democratic rights in the city, as well as the loss of the Delegate vote in the Committee of the Whole House, have left the District disempowered as was never foreseen in the beginning of the President's term.

The President's legacy is manifestly tied to the city's self-government fortunes. His appointed board is the key ingredient to the return of home rule. However, inevitably during the final years of his Presidency, his leadership on principled self-government principles will be critical. Throughout his career, whether as governor of a southern state or as the President insisting upon democratic principles abroad, this President has always strongly advocated full democracy. As President, his strong voice for maximum empowerment for the residents of the city where he will have lived for eight years would have unique force. Beyond the nuts and bolts of improving the government, there could be no greater legacy than to leave the people of the capital of the United States with their full rights.

Eleanor Holmes Norton

Home Rule: Ours to Lose

The school board takeover exposes a division in this city that needs healing. Some care more about democracy, others about services. Shall it be improved education and police services or more home rule and democracy? Are we, alone in this country, condemned to this zero sum game? How did it come to a trade-off between democracy and education? Can we get through this crisis and preserve home rule?

Profoundly troublesome questions are raised when the performance of elected officials leaves many citizens ready to accept the overthrow of their own elections. After the scandals of Boss Shepherd's time, Congress took back home rule in 1874. Our generation may be remembered for giving it back.

Despite the fact that a control board—or Authority, as it is called—cannot be avoided, because insolvent cities can't borrow on their own, residents at meetings continually ask to get rid of this one. But in fact, even after the Authority has taken down an elected body, the larger threat to self-government lies deeper within.

Until the school board takeover, the Authority largely respected home rule, waiting for the District before moving. The members worked for 19

months before finally tackling the congressional mandate for agency management reform, and moved then only after the school crisis occurred. Nor has there been any sign of anyone, even in the Republican Congress, sponsoring a bill to repeal home rule. Following laborious negotiations, the Authority legislation left elected officials, including the school board, with the same power to take action they have had for decades. The difference was that considering the insolvency of the city, if officials did not act, the Authority could take necessary action.

But the danger to self-government is now clear, even if it is incremental. Except for the elimination of the school board's status, the accretion of the Authority's powers has been not by seizure but by a virtually voluntary transfer to the Authority or the chief financial officer (CFO). For example, because some in the financial cluster were in the mayor's cabinet, he originally shared control with the CFO. When the CFO and the mayor had difficulty deciding on staff allocations, however, Congress gave the entire financial operation to the CFO.

As similar stalemates or struggles emerged, new powers continued to gravitate to the Authority or the CFO. For example, Authority power to issue

binding orders, rules and regulations, a power previously reserved to the mayor or heads of departments and agencies; power to review rules and regulations issued or proposed by the mayor and agency heads (Authority review was previously confined to city contracts and legislation); power to fire District employees, contractors or consultants and to ensure that they are not rehired; and CFO control over financial personnel in independent agencies.

Further erosion of city power is clear in the increasing congressional tendency to give control of new funds to the Authority: \$15 million for the policy department, \$1 million to flush the District's water pipes, \$12 million for school building repairs—plus the \$40 million the District had already put in its budget for repairs.

Most of these changes did not result from imperialistic impulses from the Authority. Most undo powers negotiated with Congress to leave the maximum amount of home rule intact. Even now, however, most home rule remains. The challenge is to keep more of it from silently slipping away.

It is true, of course, that the removal of the school board, a locally elected body, by a federally appointed body, which then appoints another

school board, is a different matter. That was a breathtaking step away from the agreement to preserve self-government reached by those of us involved in writing the Authority bill. But the school board, by doing nothing even while the control board was at work on its plan, actually helped bring on its own demise. Until the bitter end there was but one consistent theme among members who presided over a system with one of the lowest student achievement levels and one of the highest per capita spending rates: They wanted more money.

Confronted with a failed and paralyzed body, the Authority was emboldened to take the school board out entirely, inflicting the greatest damage to home rule in this century. The Authority ignored a statutory option that would have more easily moved the school board out of the way. Under Section 31-107 of the D.C. Code, the school board has delegated most of its authority to the superintendent.

I asked the new and incoming members to delegate complete authority to Gen. Julius Becton and to accept a blue-ribbon panel just written into law by Sen. Jim Jeffords (R-Vt.). The school board agreed. Although this modification would have avoided a lawsuit and division, the Authority de-

clined, and showed less regard for home rule than the Republican Congress ever has. However, if the Authority's preemptory action was unnecessary to accomplish its purpose, so too have been the incremental, stealthy power losses that city officials have allowed to flow to the Authority and the CFO.

The school board probably has been the District's greatest home rule disappointment. Its 28-year history leaves me with the same view of elected school boards—at least in large, troubled cities—that I have long had concerning the inadvisability of electing judges. Political considerations mix poorly with law or with children.

But in America you don't wipe out an election or a democratic process, especially if there is another way. Notwithstanding the control board's actions, the danger is less from such direct, undemocratic eruptions than from delay and timid action or failed focus and follow through by those of us who are elected officials. Home rule is ours to lose.

The writer, a Democrat, represents the District of Columbia in the House of Representatives.

December 25, 1996

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COMMENTARY

By Tajudeen Abdul-Raheem

There is no doubt that President Bill Clinton's five-nation tour of Africa is going to be memorable and enjoyable.

Considering the hard times that his petty-minded compatriots have been putting him through in recent months, it could not have happened at a better time and to a nicer person.

Everything is being done everywhere to make sure that he has a Monica-Lewinsky-free trip. Hillary and Madeleine must have briefed him on their previous memorable visits that he is most welcome among us.

From all the advance publicity blitz on his visit, he is here to focus on the big picture in Africa-America relations, as defined by his administration, namely in trade and investment in place of aid. It is also to focus on resolution of conflicts and the muted African crisis response force, environment, and of course, promotion of human rights, democracy and good governance.

These issues are being debated hotly at the moment. While enthusiasts are jumping up and saying 'new dawn', critics are picking at the details and asking how the whole initiative will work out and if there is any substance to it at all. I think it is all sound with no fury.

It is amazing that in spite of the big talk about his initiative for Africa, there is no where on the agenda where Clinton will talk about the condition of our people in the diaspora in the U.S.A. Charity, as the saying goes, begins at home. There is also an African saying that "if someone promises you a dress, you must look at the one he or she is wearing before you begin to say thank you".

There is no better way of judging which dress Clinton is wearing than to ask after our brothers and sisters who are his compatriots? The majority of them when they vote (since the historic defection from the GOP) they vote for the Democratic Party. And in the last two elections which he won, they were solidly behind him.

His administration, especially in his second term, has made visible appointments of



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President Bill Clinton and First Lady, Hillary: Stepping out into the world together.

A query for President Clinton

People like the late Ron Brown.

Even the perpetual candidate, Jesse Jackson, is now a roving ambassador for Clinton's administration. Never since the administration of Jimmy Carter in the 1970s has African-Americans been appointed into promi-

and there has been no conclusive investigation by the combined security up to date? Is it true that the U.S. paid its Japanese citizens \$30,000 each as compensation for their internment during the Second World War? If so, why is he dragging his feet on slavery?

have the solutions since they have solved all problems in their societies. We need to correct this ideological mistake if the peoples of the world hope to move to a higher level of humanity.

I will be the first person to admit that Clinton did not create these problems; but we would like to know what he is doing about them. He cannot be keeping our brothers and sisters who are his citizens in structured violence, despondency, poverty and inequality while at the same time promising a new deal for Africa.

I remember that last year he apologised for the inhuman and racist Tuskegee experiment that used black men as guinea pigs to study the effects of syphilis if left untreated. They were denied treatment even though penicillin became available to other sufferers.

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there is any substance to it at all. I think it is all sound with no fury.

It is amazing that in spite of the big talk about his initiative for Africa, there is no where on the agenda where Clinton will talk about the condition of our people in the diaspora in the U.S.A. Charity, as the saying goes, begins at home. There is also an African saying that "if someone promises you a dress, you must look at the one he or she is wearing before you begin to say thank you".

There is no better way of judging which dress Clinton is wearing than to ask after our brothers and sisters who are his compatriots? The majority of them when they vote (since the historic defection from the GOP) they vote for the Democratic Party. And in the last two elections which he won, they were solidly behind him.

His administration, especially in his second term, has made visible appointments of African-Americans and other ethnic minorities into high office. One of them I am particularly happy about is Susan Rice, the Assistant Secretary of State for Africa. She was a fellow Rhodes scholar and contemporary up at Oxford. There is also Mzee Carson, the former U.S. Ambassador to Uganda who is now Deputy Undersecretary of State.

A query for President Clinton

People like the late Ron Brown.

Even the perpetual candidate, Jesse Jackson, is now a roving ambassador for Clinton's administration. Never since the administration of Jimmy Carter in the 1970s has African-Americans been appointed into prominent offices like these.

This is why I want to share with Clinton some parts of a letter from a brother, Kafele Alemayehu, who wrote from the U.S.A. asking:

Is it true that one out of every four African-American young men in the U.S. is in prison, probation by the court or parole from prison? Is it true that African churches were burned to the ground

and there has been no conclusive investigation by the combined security up to date? Is it true that the U.S. paid its Japanese citizens \$30,000 each as compensation for their internment during the Second World War? If so, why is he dragging his feet on slavery?

Is it true that people of African origin die more from common diseases than any other racial group? Is it true that the U.S.A. has more people in prison than any other country in the world and that a disproportionate percentage of these, especially those on the "death row" (like Mumia Abu Jamal) are of African origin?

Is it true that there are many African-American political prisoners in America whose political cases are criminalised in order to keep them in prison? What about the allegations that sections of the U.S. Security Services (as it came out in the Iran-Contra affair) are behind the drugs and violence in black communities?

There are so many other questions which one would like Clinton to address but a principled response to the above will provide a reasonable basis for a deepening engagement between our peoples.

Too often, western leaders and their brainwashed citizens take it upon themselves to lecture other people on how to solve their problems. The assumption is that they

have the solutions since they have solved all problems in their societies. We need to correct this ideological mistake if the peoples of the world hope to move to a higher level of humanity.

I will be the first person to admit that Clinton did not create these problems; but we would like to know what he is doing about them. He cannot be keeping our brothers and sisters who are his citizens in structured violence, despondency, poverty and inequality while at the same time promising a new deal for Africa.

I remember that last year he apologised for an inhuman and racist Tuskegee experiment that used black men as guinea pigs to study the effects of syphilis if left untreated. They were denied treatment even though penicillin became available to other sufferers.

Apologies cannot erase such wrongs. There are too many horrible scars from our linkage to the U.S. structure of power that we cannot take anything from his country at face value.

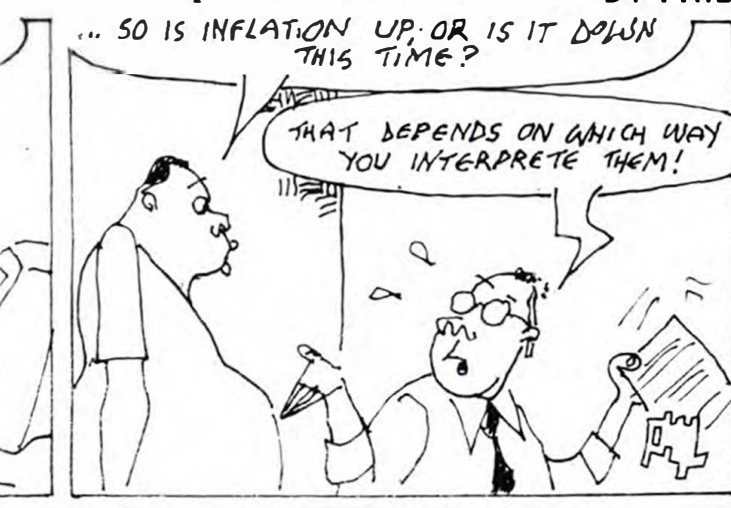
I understand he is still considering whether to apologise for the role of America in slavery or not. This is not a question of "sorry" alone. It demands remorse, compensation, atonement and reparation. Clinton needs to prioritise inner city projects to rejuvenate those blighted black communities.

He needs to make a renewed commitment to African-Americans trapped in the vicious circle of violence and poverty as a first step (at home). Then (abroad) issues like debt relief, cancellation of debt, a special recovery programme for Africa, etc, will become not just a tactical carrot thrown at a cluster of new client states in Africa but part of the general programme of reparation for the wrongs done to this continent and her peoples both at home and in the diaspora.

The writer is General Secretary of the Pan African Movement, Kampala office

The private life of a public servant

BY PHIL



April 24, 1998
Memorandum to the President
From: Al From
Subject: Invitation to the DLC's National Conversation

We have invited you to be the keynote speaker June 4 in Washington for a two-day DLC strategy session with 200 or more elected officials and party and civic leaders we are bringing in from around the country. This meeting is key to the new mission of the DLC: to identify the next generation of Democratic leaders and prepare them to carry on Clinton-New Democrat politics into the new century. It is very important to me that you keynote this meeting, which we are calling "The National Conversation".

I have refocused the mission of the DLC because I believe, as we discussed at our meeting with Tony Blair, it is very important that we build an infrastructure to carry on your politics after you leave office. If we don't, I'm afraid much of the incredible progress you and we have made in modernizing the Democratic Party will all too quickly dissipate.

While you haven't seen much of me during the past two months, I have been in eight states - some of them more than once - seeking out up and coming New Democrat leaders and meeting with editorial boards to make the case beneath the clutter of the accusations against you, you have brought about incredible change in our party and our country. (I've attached a copy of the speech I did earlier this week in Phoenix to give you a flavor of the message I've been delivering.)

The particular focus of The National Conversation will be how Democrats can replicate your political success at the Congressional and state and local levels. To me that is the most important question facing our party. The reality is that you have developed a powerful, winning political formula - the New Democrat philosophy - that has, temporarily, at least, put us on the ascendancy in Presidential politics. But we hold only 17 statehouses (and will likely hold fewer after November), only half of the state legislative houses (as opposed to three-quarters at the beginning of this decade), and neither House of Congress. And, our best governors are nearing the end, not the beginning, of their careers.

When we began our effort to rebuild our party during your DLC chairmanship, we knew the first step was to recapture the White House. You've done that. Now we need to rebuild the party at the sub-Presidential levels. We're going to focus all our efforts at the DLC toward that end. As you know, we're undertaking - with Bernard Schwartz's support - a major project, called Blueprint for a New Century, to shape an agenda for the year 2000. We're forming DLC-New Democrat Caucuses in a number of state legislatures (including California) so we can work with up and coming leaders. And, later this year we'll launch an intensive training program for the next generation of leaders.

copied
Bowles
Blumenthal
Emanuel
Begala
Speechwriters
Waldman
Lewis
McCurry
Penn.

discussion we had last fall at the White House after our meeting with the New Democrats on fast track. It is co-chaired by Kathleen Kennedy Townsend and Jill Docking, and we're making a real effort to bring in a diverse group of future leaders -- future preservers of your legacy. I really hope you can give us an hour of your time to get it off on the right foot.

REMARKS OF AL FROM
President, Democratic Leadership Council
Democratic Nucleus Club
Phoenix, Arizona
April 20, 1998

I'd like to take a few minutes to talk to you about the New Democrat movement -- about who we are and what we stand for -- about what we have accomplished -- about the new challenges we face and what we need to do to meet them -- and about why it is so important we succeed.

In 1985, a small band of New Democrats -- including a young Governor from Arkansas and a freshman Senator from Tennessee -- formed the Democratic Leadership Council to reverse our party's fortunes in Presidential elections and build a new Democratic majority in national politics.

Today, the Democratic Leadership Council is at the intellectual and political center of the New Democrat movement. We develop and promote policy ideas -- and we shape political strategies. We have a small affiliated think tank, a magazine, and a network of elected Democrats, party and civic leaders, and policy entrepreneurs across the country. Over the next two years, we will be developing policy ideas for the year 2000 and building a network of the next generation of Democratic leaders across the country. I hope you will help us shape that new agenda and build that network.

New Democrats are the modernizers of the progressive tradition in American politics. We believe in the traditional values that have always propelled the Democratic Party. But we're New Democrats because we think the best way to further those values in a new era is to modernize our policies and programs so they keep up with the changing times.

The core principles that animate the New Democrat movement are grounded in the most fundamental values of the Democratic Party. Here are our core beliefs.

We believe in equal opportunity for and special privilege for none. That has been the animating principle of the Democratic Party since the days of Andrew Jackson. We are the party of upward mobility. We believe that social and economic progress are built on the talents and efforts of all Americans, not just the wealthy elites. That's why we disagree with the Republicans.

We believe that economic growth is the prerequisite for opportunity for all and that the private sector, not government, is the primary engine for economic growth. That's why we support policies like fiscal discipline, expanded trade, and investment in research and development and human capital -- policies that foster private sector growth.

We believe in tolerance and inclusion. We are proud of our heritage as the Party that helped tens of millions of immigrants--including my father--work their way into the social and economic mainstream. We are the party of civil rights and equal rights.

We believe in the values that most Americans believe in -- work, family, responsibility, individual liberty, faith, and tolerance.

We believe in community--that we are all in this together, and that we can only achieve our individual destinies if we share a common commitment to our national destiny.

We believe in an ethic of mutual responsibility--that government should create opportunities for ordinary citizens and citizens should give something back to the commonwealth. We reject the right's ethic of every man for himself and the left's ethic of something for nothing. We are proudly the party of the GI Bill, the Peace Corps and Americorps.

We believe that America has a special responsibility to lead the world by example and by diplomacy towards political and economic freedom.

We believe that the most important challenge to our role in the world today is to continue and strengthen America's leadership in the global economy, showing the world that freedom can work to our mutual benefit-- and that peaceful competition can lift the standard of living in every corner of the globe.

We believe in activist government, that government can and should play a positive role in national life. We recognize that government is no alien institution--it is the agent of our collective will, and our instrument for helping Americans help themselves and each other.

We believe that government must equip people with the tools to solve their own problems. We believe government today must be modernized constantly to deal with the fast changing circumstances of the Information Age. We believe as Franklin Roosevelt did that "new conditions impose new requirements on government and those who conduct government."

In sum, New Democrats stand for an amalgam of traditional Democratic values and modern means. Our enduring purpose is equal opportunity for all, special privilege for none. Our public ethic is mutual responsibility. Our core value is community. And our modern means is an empowering government that equips people with the tools they need to get ahead. As you've heard President Clinton say many times, our formula is opportunity, responsibility, community and empowering government.

That New Democrat philosophy has brought us a long way.

In 1985, most political observers believed that a Democrat would not be elected President in this century, but new Democrat Bill Clinton not only won the White House, he became the first

Democrat to be re-elected to second term since Franklin Roosevelt, 60 years before -- and became the first Democrat to carry Arizona in 48 years.

That political success is no accident. It is the result of hard work in forums across the country to develop innovative ideas that earn public support -- because they are all grounded in New Democratic principles and because they work.

Ideas like fiscal discipline, expanded trade, the earned income tax credit, welfare reform, community policing, charter schools, market incentives for environmental protection, national service, re-inventing government, and so many more. Ideas that many Democrats once viewed heretical that now are at the core of what our party stands for.

As President Clinton has put those ideas into place, we are changing the perception of the Democratic Party, and by doing so, are laying the foundation for building a new Democratic majority for the 21st century.

Just think how much political turf we've occupied because of new Democrat ideas -- turf that throughout the past quarter century the Republicans often claimed as their own.

For more than a decade, Democrats were denied the White House, in large part, because the American people lost faith in our ability to manage the national economy. Now, under a New Democrat President, most Americans are enjoying the greatest prosperity of our lifetimes -- and our party's competency to manage the national economy is no longer in question.

Throughout the 1980s, Democrats were saddled with Ronald Reagan's label of tax and spend. But a New Democrat President has delivered the first balanced budget in three decades. New Democrats stand for fiscal discipline.

In the 1980s, Democrats were on the verge of becoming a protectionist party. The debate over expanded trade is not over -- the fast track debate showed that -- but a New Democrat President has made America the most competitive economy in the world. A New Democrat President put into place NAFTA, GATT, most favored nation status for China, and hundreds of trade agreements around the globe.

For a quarter century, Democrats have been accused of taking money from people who work to give it to people who don't. But a New Democrat President has ended welfare as we knew it and is going about replacing it with a work system. Under Democratic leadership, nearly four million Americans have moved from welfare to work.

Ever since 1968, Democrats were accused of being soft on crime. And, indeed, in our 1980 platform, we devoted more space to police brutality than to public safety. But now with sensible, progressive ideas like community policing, under the leadership of a New Democrat President,

crime has dropped in nearly every major city in our country. Now New Democrats stand for preventing crime and punishing criminals, not explaining away their behavior.

In that same 1980 platform, the word responsibility never appeared, not once. But with ideas like welfare reform and national service, a New Democrat President has made responsibility - both personal and civic responsibility - a core principle of the New Democrat message.

As long as I can remember Democrats have been pilloried as the party of big government. We never met a program we didn't like, our critics railed. But led by the Vice President's re-inventing government efforts, a New Democrat Administration has reduced the size of the federal workforce to the smallest it's been since the Kennedy Administration. And, as a percentage of all workers, the federal workforce is smaller today than at any time since before Franklin Roosevelt.

We have accomplished all that because New Democrat ideas work. But we cannot rest on our laurels. Now with that foundation in place, it's time to get on with our next challenge -- to build our new majority -- the second great goal the DLC set out to accomplish in 1985.

To do that, we need to meet two new challenges. First, we have to develop the next generation of New Democrat ideas -- ideas for meeting the biggest challenges our country faces at the dawn of a new century. And, second, we need to lift our new Democrat effort into a new phase -- a phase aimed at building a true new Democrat political movement.

I believe America faces four big national challenges.

First, we need to equip all Americans to succeed in the new economy. The new economy of the information age requires ever more educated and skilled workers. And, as our economy changes, we simply cannot afford to leave anyone behind. We need to expand the winner's circle. That means we need to redesign the social compact of the industrial era -- we need to build a world class education system, institute a system of lifetime learning, thoroughly revamp our training system with ideas like the GI Bill for America's workers, and assure benefits like health care and pensions are portable.

Second, we need to build that world class public education system. We need a public education system that is safe for students and teachers. We need a system that demands high standards and enforces those standards with testing and an end to social promotions. We need a system that offers parents a choice of where to send their kids in the public system, through charter schools, not vouchers. And, we need a system that holds everyone in it -- students, teachers, and administrators -- accountable for their performance.

Third, we need to modernize the big entitlement programs -- social security and medicare. We need to honor our commitment to provide retirement and health security to older Americans. But we cannot honor those commitments if we run those programs into bankruptcy -- or if we spend so much on preserving social security and medicare that we don't have the resources to invest in

improving education and making the public investments necessary to assure a growing economy. Simply put we need to bring social security and medicare into line with the demographic and resource realities of the 21st century.

Finally, we need to break the cycle of inner city poverty. Meeting that challenge is the key to our commitment to equal opportunity and upward mobility -- and it is at the moral core of what our party has always stood for. Now is a time for a new urban agenda -- that builds on welfare reform, empowerment zones and a host of other initiatives this Administration has initiated. We need to develop wealth creating capacities in our inner cities, and we need to increase the home ownership in poor neighborhoods. A successful empowerment agenda can also become an important weapon in dealing with America's persistent racial tension.

We don't have all the answers. We need your help in shaping practical solutions that work. That's why I hope many of you will become part of our network.

And, let me suggest a place we can start to work together. On June 4 and 5, in Washington, the DLC will sponsor our second national conversation. Elected Democrats and civic leaders from across America will discuss how to replicate the President's success at the Congressional and state and local levels and how to tackle the major challenges I just outlined. I hope many of you will join us.

Now a word about our second challenge -- building that network of the next generation of Democratic leaders.

We have defied the odds by electing a New Democrat president. We have shown that by governing as a New Democrat, a Democratic President can be re-elected. And we've established the new reality of American politics -- that New Democrats beat Republicans. The problem is that Republicans still usually beat old Democrats.

That's why we need to swell the ranks of new Democrats -- so that the Democratic Party is a new Democratic party from the courthouse to the Statehouse to the White House -- so when the American people go to the polls, they'll always have a new Democrat to vote for.

Not surprisingly, most rank and file Democrats already embrace the New Democrat point of view. Our polling makes that quite clear. But too much of the party's infrastructure -- including many of the organized interest groups who provide money and energy in so many campaigns -- would really like us to go back to the messages that the American people consistently rejected before the New Democrats came along. We can't do that if we hope to be a majority party again. Our candidates need to be free to deliver the New Democrat message -- the message that best connects with the political marketplace -- without having to fear repercussions from groups whose support they need to win.

The bottom line is this: we need to build a new 21st century political infrastructure -- a new information based political network, if you will -- that will help, not hinder, our candidates who run on the New Democrat message.

We can do that. And, the DLC, is expending considerable energy to find tomorrow's leaders in our party and to build that network. We want you to be part of that network.

Now let me conclude why I believe it is so important that we succeed.

The stakes are enormous. Control of American politics is up for grabs as never before. Neither party has a governing majority at any level of government. And, if we want progressive government to prevail at the beginning of the next century, we need to build a New Democrat majority that can assure it.

Because it has lost control of its fanatical extreme right wing, the Republican Party has been unable to convert its 1994 victory into a national governing majority. But they still have the momentum in the states and in Congress.

We need to be honest about the state of our party. We own the White House, but we don't control either House of Congress, and we occupy only 17 governorships and control only about half of the state legislative houses.

The next two elections will probably determine the shape of American politics well into the next century. While we need to remain optimistic, if historical trends hold, we cannot expect major changes this year. If, in the year 2000, Republicans retain control of Congress and win back the White House, then their drive to dismantle progressive government will gain new momentum -- and the Democrats won't be in a position to stop them.

At the state level, the next two elections are even more important. Today, there are 26 states in which a change of six seats would change control of a legislative chamber. These states will control apportionment of 301 Congressional districts after the census of 2000. And, how they are apportioned will say a lot about which party controls Congress in the first decade of the next century.

If we want to stop the Republican surge, we should take a long look at the one level of American politics in which Democrats are building a strong advantage: the presidential level, where the New Democratic philosophy is creating a new, growing coalition of Americans supporting progressive policies.

For the first time since the 1970s, the Democratic electorate in presidential elections is growing, not shrinking. We're once again the party of young people. We once again represent immigrants. We once again represent young families who don't look to government to solve their problems, but do ask that government help them become better parents and citizens.

If we want to become a majority party at the dawn of the 21st century, we simply need to replicate our success at the Presidential level at every other level of American politics.

You can help make that happen. Join with us, and together we will rebuild a Democratic Party that again unites those Americans struggling to stay in the middle class with those struggling to stay there --a broad-based Democratic Party united around President Clinton's core New Democrat principles of opportunity, responsibility, community, and empowering government.

Together, we can build such a party. And when we do, we will be back in our rightful places as America's majority party.

HONORARY PARTICIPATION REQUEST

Please return to Woyneab Wondwossen, Room 93

98 MAY 1 PM 1:37

Today's Date: April 30, 1998

Date of Request: 4/14/98

Request for: POTUS/FLOTUS

Type of Request: Honorary Patrons

Requestor Name: Mr. K. David Boyer, Jr.

Title: Chairman, Board of Directors

Address: Wolf Trap Foundation for the
Performing Arts
1624 Trap Road
Vienna, Virginia 22182

Contact Tel. #: 703/2551900

Event Date: 6/19/98

Event Description: 1998 Wolf Trap Gala

Notes: This event marks the Wolf Trap Foundation's 27th anniversary and features performances by Denyce Graves, Leonard Slatkin, George Gershwin and other artists. In 1995, the President accepted this request, and in 1996 and 1997, both the President and First Lady agreed to serve. The First Lady currently serves as the Honorary Chair of the Wolf Trap Board of Directors.

The President and First Lady should ACCEPT.

Recommendations:

MV _____ PC Accepted
(Unless otherwise noted, a yes answer
will automatically generate a message
as well as acceptance of the honorary
position).

Comments:

WOLF TRAP

Foundation for the Performing Arts

April 8, 1998

The President
and Mrs. Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President and Mrs. Clinton:

It was a pleasure to meet you both last December at the Renaissance Festival weekend. On behalf of the Board of Directors of the Wolf Trap Foundation, I would like to extend a very special invitation to you to again serve as the 1998 Wolf Trap Gala Honorary Patrons.

On June 19, 1998, Wolf Trap Foundation for the Performing Arts will hold its Twenty-Seventh Anniversary Gala featuring internationally acclaimed mezzo-soprano **Denyce Graves** performing **Opera to Broadway** with the National Symphony Orchestra. **Leonard Slatkin** will be conducting selections from *Carmen* and *Samson et Dalila*, George Gershwin, Jerome Kern and more!

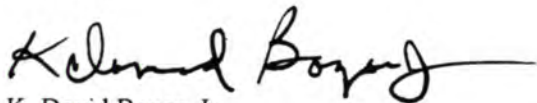
Denyce Graves was a member of the Wolf Trap Opera Company in the summer of 1989, and is a shining example of the success which may be achieved by alumna of the summer residency program for aspiring young opera singers.

The evening will begin with cocktails and dinner in the Lower Meadow of Wolf Trap Farm Park, and will be followed by the performance on Wolf Trap's world-renowned Filene Center stage. We expect over 1,000 guests to attend this exciting event, including key leaders from the political, business, arts and diplomatic communities. I feel certain you would enjoy this elegant event under the stars at Wolf Trap, America's Only National Park for the performing arts.

The Wolf Trap Foundation has been delighted to have Mrs. Clinton continue to serve as Honorary Chair of its Board of Directors. Mr. Terry McAuliffe and the other members of the Board join me in the hope that you and Chelsea will be able to join us for this very special evening at Wolf Trap.

I look forward to hearing from you soon.

Sincerely,



K. David Boyer, Jr.
Chairman, Board of Directors

c: The Honorable Robert G. Stanton
Secretary of the Interior
Member of the Wolf Trap Foundation Board of Directors

APR - 9 1998

THE PRESIDENT HAS SEEN
5-1-98

THE WHITE HOUSE

WASHINGTON

April 30, 1998

Copied
Sperling
Berger
COS

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN
SEAN MALONEY 

SUBJECT: WTO Strategy

New negotiations are being planned in the WTO. The attached Sperling/Berger memo concerns three issues: (1) our position on the structure and scope of future WTO negotiations; (2) whether to host the WTO's 1999 trade Ministerial; and (3) whether to attend the WTO's 50th anniversary celebration in Geneva on May 19 after the G-8. Your advisors agree on the first two decisions, but differ on the third.

Structure and Scope of WTO Negotiations. The "structure" issue is whether we should call for another round of WTO negotiations (i.e., the traditional approach, like the Uruguay Round, of bundling together a comprehensive set of negotiations as one agreement), or, instead, propose an alternative approach, a "new architecture," where negotiations would be structured to yield early agreements. The new approach would allow individual issues to be finalized sooner, when areas of agreement exist. The "scope" issue is whether to propose new areas for negotiation, such as electronic commerce, and making the WTO more accessible for labor/environmental groups. *NSC, State, NEC and your other economic advisers recommend the "new architecture" approach with an expanded scope. Only USDA supports the traditional approach.*

Approve New Approach ☒ Disapprove ☐ Discuss ☐

The Ministerial. The issue is whether we should seek to host the fall 1999 WTO Ministerial, where new WTO negotiations will commence. Hosting this ministers-level meeting would put the U.S. in a strong position of leadership, but could raise the stakes on fast track and expose the talks to early U.S. presidential politics. *Your advisers recommend seeking to host the meeting.*

Seek to Host the Ministerial ☒ Disapprove ☐ Discuss ☐

WTO 50th. The WTO has invited you to attend their 50th anniversary celebrations after the G-8. (We understand it's now unlikely you'll visit No. Ireland). PM's Blair, Hashimoto, and Chretien will participate. Proponents of attending believe the Geneva event offers you the best forum for articulating your vision for the world's trading system. Opponents feel your time could be better spent, and that a Geneva speech could backfire by highlighting your lack of fast track authority. An alternative would be to deliver a major trade speech to a domestic audience in the near future, and/or explore having the VP go to Geneva. *All of your economic advisers and Mack and Ira Magaziner think you should go. But Sandy, Erskine, and Sylvia do not support it. Erskine thinks the time would be better spent back home on the tobacco issue while Congress is in session. Sandy and Sylvia support a domestic speech.*

Attend WTO 50th ☐ Do Not Attend ☐ Discuss ☒

THE WHITE HOUSE
WASHINGTON

148-100000-100000
5-1-98

April 27, 1998

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
SAMUEL BERGER

SUBJECT: WTO Strategy

New global trade negotiations are now being planned in the WTO that will define much of the multilateral trade agenda in the coming years, making it imperative that we put our imprint on these negotiations as they take shape. The next set of negotiations are the historic successor to a series of three global trading "rounds" in the post-World War II period: the Kennedy Round (1960's); the Tokyo Round (1970's) and the Uruguay Round (1980-90's). Leaders, including Prime Ministers Blair, Hashimoto and Chretien and Presidents Menem and Cardoso will travel to the 50th Anniversary of the WTO in May to set forth their visions regarding the shape and structure of these negotiations. Their ideas and others will be debated over the next year, then the negotiations will be formally launched next year at a WTO ministerial, which the U.S. could offer to host.

This memorandum recommends a U.S. strategy for driving the future WTO agenda encompassing 1) the scope and structure of negotiations; 2) the U.S. role in next year's ministerial; and 3) U.S. participation in the 50th Anniversary of the WTO.

Strategy for the WTO

a. Structure: a New "Round" or a New Architecture?

New Round: A major issue is whether or not the United States should call for a new "round" of trade negotiations, which would entail taking the traditional approach of bundling together a comprehensive set of negotiations as one single agreement. There are two sets of considerations in calling for a new round:

- Substantive: Critics contend comprehensive negotiations with uniform start and finish dates for all issues tend to hold up concrete progress on all issues until the most difficult ones are fully resolved. The Uruguay Round, originally slated to conclude in four years, ultimately took eight. In recent years, we have concluded important agreements in three separate sectors (information technology, financial services, telecommunications) outside a

round structure. Proponents counter that rounds are necessary to achieve requisite trade-offs between sectors (e.g., developing countries give intellectual property protection in return for developed country textile tariff cuts) and that without a round the most difficult issues may never be resolved. In particular, domestic farm groups -- a critical pro-trade constituency -- fear that other countries will not be able to justify lowering farm barriers unless it is done as part of a broad, compelling package.

- Domestic: A call for a new round could elicit a backlash from the Hill and important constituencies, in part because we did not include a new "round" in our fast track agenda last year (even though we did highlight the negotiations themselves). In addition, although several trade partners (EU, Japan and Canada) are leaning in this direction, many nations are skeptical and are finding Uruguay Round implementation difficult in itself.

New Architecture: Most agencies recommend instead that we pursue an alternative approach that goes some distance in addressing the above concerns. Instead of launching a traditional comprehensive round, we would instead propose a new architecture for global negotiations in the 21st century. Negotiations would be structured to keep pace with rapid technological change, yielding early agreements when possible. The idea would be to start with sufficient breadth to permit tradeoffs, but allow individual issues or groups of issues to be finalized and implemented on their own timetables, in order to produce results more rapidly. We would not allow agriculture or any other area of importance to the United States to be isolated for delay under any strategy.

This is not a smaller proposal than a round, but a new vision that fits the times. We cannot afford to wait a decade or more between rounds when product cycles are now measured in months. Domestically, this approach is less likely than a traditional round to elicit a negative reaction from Congressional trade opponents and trade partners who are not ready. Secondly, because it is a new approach, it would preserve considerable flexibility, permitting us to wait until after any possible fast track bid and the elections to specify the full scope of the negotiations. On the other hand, U.S. farm groups may criticize anything short of a traditional round because of the fear that our leverage will be inadequate to address the toughest agricultural barriers. Consultations will be required before we lock in an approach at the WTO Ministerial at the end of 1999.

b. Scope of Negotiations

The Uruguay Round went far to reduce important trade barriers, but left much undone. We want to develop an ambitious WTO negotiating agenda that addresses key American priorities and values, including opening sectors where American producers are strong, building the electronic infrastructure of the 21st century, and addressing the concerns of stakeholders, including labor and environmental groups, in a more forthright and transparent manner. At the conclusion of the Uruguay Round, WTO members committed to start new negotiations in 1999 to address unresolved issues in several priority U.S. areas, including agriculture, services, and procurement.

Over the next year, WTO members will decide the precise scope of negotiations, specifying, for instance, which services sectors should be covered and which agricultural policies should be slated for reduction or elimination, and the time frame for concluding each negotiation. In addition, U.S. negotiators will propose new areas for negotiation, such as reducing industrial tariffs; developing a work program on electronic commerce, and making the WTO more accessible by establishing a formal consultation mechanism for labor and environmental groups and by opening to the public the dispute settlement system.

WTO Ministerial

We recommend that the United States should seek to host the next WTO trade ministerial (in October or November of 1999), where the new negotiations would be launched. Launching negotiations in the United States would put you in a strong position to be the chief architect of the multilateral trade system going into the next century, which has the potential to become a key part of your trade legacy. In addition, it would give U.S. negotiators greater control in developing negotiating objectives, scope and time frames.

Hosting the ministerial would also hold some risks. Failure to secure fast track by then could subject us to charges the U.S. cannot lead. Sovereignists and others could use the ministerial to launch demonstrations, and it could be further politicized as presidential politics begin in late 1999. It would also cost several million dollars, but these costs could be defrayed by private sector contributions, as with APEC in Seattle and the G-7 in Denver. In addition, we are hosting the NATO Summit, a major undertaking with over 40 heads of state, next year.

USTR informs us that Hong Kong is now beginning to consult with other WTO members about hosting the 1999 ministerial.

50th Anniversary

Renato Ruggiero, the Director General of the WTO, has invited you to stop in Geneva on your way home from Europe on May 19th to speak at the WTO's 50th Anniversary celebration. This presents an important opportunity but holds some risk:

- Opportunity: As you will see in the attachments, all of your international economic advisers and Ira Magaziner support your attendance. This venue provides the best opportunity to articulate the vision outlined above. The WTO 50th celebration uniquely presents a world stage for you to lay out your views on the 21st century economy and present your blueprint for the architecture of the world trading system. Moreover, with Prime Ministers Blair, Hashimoto and Chretien planning to participate in the celebration, along with various other leaders, your absence could be interpreted as a sign we are in retreat. Some of your advisors feel it is critical to take strong actions that show, even without fast track, we are still playing a leadership role on trade.

There is a risk that Blair, in his EU capacity, may call for a traditional round. We will work with UK and EU officials to discourage this. However, there are pressures within the EU favoring a round. Sir Leon Brittan is an active advocate, seeing it as his legacy. Some EU countries favor it as a way to postpone agricultural liberalization far in the future, and others see it as favorable to developing country interests.

- Risks: Several of your advisers recommend against your attendance at the WTO 50th. Some are concerned that a speech by you at the WTO could backfire, serving to highlight the absence of fast track authority rather than strengthening domestic support. Others, including notably your Chief of Staff, feel strongly that the time would be better used back home on the tobacco issue, especially with Congress still in session.

Speech: A WTO speech would permit you to demonstrate leadership by calling for the bold new approach on the structure and content of global trade negotiations that is outlined above. It would set forth your vision for the global economy of the 21st Century - and the role of WTO in making it reality. You would outline an ambitious international agenda that enhances prosperity, protects the environment, promotes worker rights and protects U.S. sovereignty. You could call for the WTO to pursue an Open Agenda including:

- Open Process: Giving stakeholders a greater voice in the WTO system by creating a consultative forum with labor and environmental groups and by increasing the accountability and transparency of WTO proceedings.
- Open Books: Complementing our efforts elsewhere to combat bribery and corruption by adopting WTO rules on good governance.
- Open Communications: Providing the foundations for an electronic marketplace spanning the globe, starting with a pledge to keep the Internet free of tariffs.
- Open Markets: Continue WTO progress in key U.S. sectors such as agriculture, industrial tariffs and services.

Simply put, the 50th Anniversary marks the first step in new global trade negotiations with historic importance. Your presence in Geneva would put an American imprint on this effort at its inception - and help ensure American leadership in the years ahead.

Alternatives: If you were unable to give a speech in Geneva at the 50th anniversary celebration, we could seek to identify alternative opportunities for you to articulate your vision for the WTO to a domestic audience either directly proceeding or following the Europe trip. We could also explore the possibility of the Vice President attending the WTO 50th.

RECOMMENDATIONS

Strategy: State, Commerce, Treasury, USTR, Labor, CEA, NEC and NSC recommend that you call for a new architecture for global negotiations covering key U.S. priorities, as outlined above. USDA recommends that we instead support a new round.

_____ New architecture _____ New round _____ Let's discuss

Ministerial: State, Commerce, Treasury, USTR, Labor, CEA, Agriculture and NEC recommend that we should seek to host the 1999 WTO ministerial.

_____ Agree _____ Disagree

50th Anniversary: State, Commerce, Treasury, USTR, Labor, USDA, CEA, Mack McLarty, Ira Magaziner and NEC recommend that you give a speech laying out your vision for the world trading system at the WTO 50th. Your Chief of Staff strongly opposes your attendance, on the grounds that the time would be better used back home on the tobacco issue. NSC is not opposed, but is concerned with the risk that the substance of your speech would be overshadowed by continuing focus on the lack of fast track and with scheduling conflicts. NSC supports a domestic speech on your trade agenda.

_____ Explore possibility of attending _____ Decline to attend