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THE WHITE HOUSE

WASHINGTON

May 14, 1998

5/15/98

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Burkhardt

MEMORANDUM FOR THE PRESIDENT

FROM: ERSKINE B. BOWLES

SUBJECT: Issues Update

This memo provides updates on some of the issues White House offices are tracking today.

TOBACCO NEGOTIATIONS REPORT

- We continued our discussions today with Senators McCain and Hollings, and believe we now have the outlines of an agreement; over the next few days, we will work with McCain's and Hollings' staff to incorporate it in a manager's amendment. As we described yesterday, we have improved the bill in key areas: strengthened lookback penalties, a tougher ETS provision, a higher liability cap and the elimination of other liability protections, and a narrowed antitrust exemption. Notwithstanding these improvements, some Senators have objected to our anticipated agreement with McCain, arguing that it will undermine their ability to pass strengthening amendments on the floor. Erskine spoke to the Caucus today and explained that we wanted to strengthen the bill as much as we could before it gets to the floor, given the fairly low probability of passing Democratic amendments there.

ISTEA NEGOTIATIONS REPORT

- The Republicans continue to push to spend more money on highways than they can offset with acceptable savings. Your ISTEA negotiating team met today with Representatives Gephardt, Spratt, and Oberstar to discuss the current Republican offsets, several of which are unnecessarily controversial and damaging to your policy agenda. Gephardt said that the only way to get the Administration to the negotiating table is to demonstrate that we can sustain a veto. Oberstar expressed the opinion that the Administration should weigh in with the Speaker to seek joint agreement on the offsets. In response, Gephardt asked Oberstar to let the Republican leadership know they would not have Democratic votes if they do not come up with an acceptable offset package. Oberstar went back to the Speaker's staff to say that they need to negotiate; a meeting is being set for tomorrow. Attached is a memo from Frank Raines seeking your guidance with regards to our ongoing ISTEA negotiations.

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BUDGET REPORT

- Kasich House Budget Resolution. House Budget Committee Chairman John Kasich released a detailed budget resolution late yesterday. His resolution funds a $50-100 billion tax cut by cutting $46 billion from discretionary programs and $54 billion from mandatory programs (all over 5 years). He also recycles cuts that the Administration has objected to strongly in the past (e.g., elimination of National Service, CDFI, and the Legal Services Corporation).

  Frank Raines responded to Kasich's budget in a joint press conference with Congressman Spratt, at which they highlighted Kasich's spending cuts in health care, public schools, and the environment and his tax increases on the working poor through cuts in the EITC. They also highlighted the purely political cuts in the Kasich plan, particularly his proposals to eliminate the Departments of Commerce and Energy and the Council of Economic Advisers. Some reports have suggested that the Republicans may set this detailed plan aside and instead move forward with a budget resolution that contains only aggregate numbers. However, we will continue to characterize their resolution as cutting your priority investments.

LEGISLATIVE REPORT

The House

- During the evening of Wednesday, May 13, the House considered the following:

  - **PASSED (214-213) the Financial Services Competition Act (H.R. 10):** The bill would eliminate many of the barriers between banking, securities, insurance, and other industries. Only the last-minute vote changes of several Republicans enabled the bill to pass; seventy-three Republicans joined 139 Democrats in opposing the measure. Secretary Rubin has recommended that you veto the bill because it would, among other things, unnecessarily limit the ability of national banks to conduct financial activity through a subsidiary and undercut the Administration's regulatory authority over banking activities. Having failed to move the legislation successfully last year, it is unlikely that the Senate will take up the measure in the relatively few remaining legislative days left.

- On Thursday, May 14, the House considered the following:

  - **Privileged Resolution:** The House voted 223-196 to table Democratic Leader Gephardt's privileged resolution calling for Dan Burton (R-IN) to step down as chairman of the House Government Reform campaign investigation. The action blocked consideration of Gephardt's resolution.

  - **PASSED (375-41, 1 present) the Freedom From Religious Persecution Act of 1998 (H.R. 2431):** The bill, which your senior advisers recommend you veto, would automatically impose sanctions on any nation engaging in religious persecution. The Administration objects to the measure because it could harm religious minorities and bilateral relations with allies, as well as limit your flexibility and raise questions regarding U.S. international obligations.

<u>**House Outlook**</u>

- The House will resume legislative business Tuesday, May 19. Next week the House may consider the New Wildlife Refuge Act (H.R. 512) and the Mandates Information Act (H.R. 3534), both opposed by the Administration. The House may also consider the Bankruptcy Reform Act (H.R. 3150) and the Campaign Integrity Act (H.R. 2183), which is the bi-partisan campaign finance reform bill sponsored by Rep. Hutchinson (R-AR) and Rep. Allen (D-ME). The Defense authorization bill (HR. 3616) is also expected to be considered. In addition, two conference reports may come to the floor: the Intermodal Surface Transportation Efficiency Act (H.R. 2400), known as ISTEA, and the Education Savings Act (H.R. 2646), known in the Senate as the Coverdell bill.

<u>**The Senate**</u>

- **Department of Defense Authorization Act for FY 1999 (S. 2057):** The Senate continued debate on S. 2057, sponsored by Senator Thurmond. The Administration supports prompt Congressional consideration of S. 2057, which authorizes $270.6 billion for national defense programs in FY 1999, the amount you requested; however, the Administration has serious budget and policy concerns which must be addressed. Of particular concern, S. 2057 would reallocate funds to the Department of Defense military programs by reducing funding for the Department of Energy's FY 1999 defense discretionary budget request and by significantly reducing the Administration's request for intelligence activities. The bill also includes your $950 million request for researching a national ballistic missile defense. Unlike the House legislation, the Senate version would delay consideration of sex-segregated training until after a Congressional commission issues its report next year. Senators Hutchison and Byrd plan to offer an amendment requiring a phased withdrawal of troops from Bosnia over the next three years.

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5-15-98

- **Digital Millennium Act (S. 2037):** The Senate passed (99-0) S. 2037, sponsored by Senator Hatch. The Administration-supported measure would enact the two new World Intellectual Property Organization (WIPO) treaties. This is crucial for promoting electronic commerce over the Internet and in other networking environments, and for protecting U.S. copyrighted works from international piracy.

Do ltr to Hatch

Senate Outlook

- On Friday, May 15, the Senate may continue debate on S. 2057, the Department of Defense Authorization Act for FY 1999.

- On Monday, May 18, the Senate will begin debate on S. 1723, the American Competitiveness Act, H-1B visa waivers, sponsored by Senator Abraham. The Senate is expected to vote on final passage on S. 1723 the same day. This measure is intended to r[illegible] shortage in the information technology industry by increasing the ann[illegible] temporary visas for foreign "specialty" workers under this program. [illegible] has recommended that you veto this bill because it emphasizes provi[illegible] foreign workers rather than providing opportunities for and protectin[illegible] addition, the bill does not help ensure that U.S. workers do not lose t[illegible] foreign workers. Nor does the bill ensure that employers have made [illegible] U.S. workers for open positions so that qualified U.S. workers have t[illegible] before temporary foreign worker is hired.

DAN BURKHARDT:

please coordinate the reply.

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DPC REPORT

- Drunk Driving -- .08 BAC: This morning, the Transportation Department rele[illegible] 1997 data indicating that while the overall number of traffic fatalities remained [illegible] from the previous year's total (42,000), the percentage of alcohol-related fatalit[illegible] lowest level (39.3%) since DOT began collecting the data in 1975. DOT representatives announced the data at an event commemorating the 10th anniversary of the worst drunk driving crash in U.S. history, and were joined by MADD in pushing for .08 legislation. In addition, the Vice President and a bipartisan group of Senators and House Members held a press event in the Roosevelt Room yesterday to spotlight the .08 issue, which remains unresolved in the transportation bill conference. It was reported today that the conference may not conclude prior to the Memorial Day recess.

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OSTP REPORT

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NSC REPORT

- Please see attached report from General Kerrick.

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DAN BURKHARDT:

please coordinate the reply.

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A Few Brave Firms

The Washington Post

THURSDAY, MAY 14, 1998

THE DEBATE about global warming has featured too much name-calling and too little attention to practical solutions. Many U.S. corporations and their lobbyists have devoted more effort to belittling the science than to soberly preparing for the consequences. So it's encouraging to welcome a new player to the debate, the Pew Center on Global Climate Change. Funded initially by a $5 million grant from the Pew Charitable Trusts and headed by a former Clinton administration official, Eileen Claussen, the center intends to focus on research, public education and—most of all—figuring out what can and can't be done about this very real problem.

What's most heartening about this effort is the list of major corporations that have signed on as advisers to the center. For many of them, it has taken some courage to step out from the crowd of stone-throwers and commit themselves to pragmatic consideration of climate change, and to how they may participate in—and perhaps profit from—solutions.

These companies are not contributing money to the center, it's important to note, and they're not mostly firms that obviously stand to gain if climate change is taken seriously. On the contrary, they include mostly companies that will have to adapt and change considerably: gas and oil firms Sunoco, British Petroleum and Enron; power generators American Electric Power Co., Intercontinental Energy Corp. and U.S. Generating Co.; giant aerospace firms Boeing and Lockheed Martin; appliance makers Maytag and Whirlpool Corp.; the Toyota car maker; United Technologies, which has aerospace, automotive and other interests; and the consumer and chemical giant 3M.

It's not that these companies, coming together as the Business Environmental Leadership Council, have endorsed anything you could call radical. But they "accept the views of most scientists that enough is known about the science and environmental impacts of climate change for us to take actions to address its consequences." That sensible statement alone is enough to set them apart, and even no doubt subject them to some abuse from their competitors; you'll note there's no American auto maker on the list. In the long run, these forward-looking companies' willingness to accept the inevitable and begin dealing with it will doubtless give them a competitive advantage. In the short run, they deserve some credit for forthrightness.

U.S. Generating Company

BP

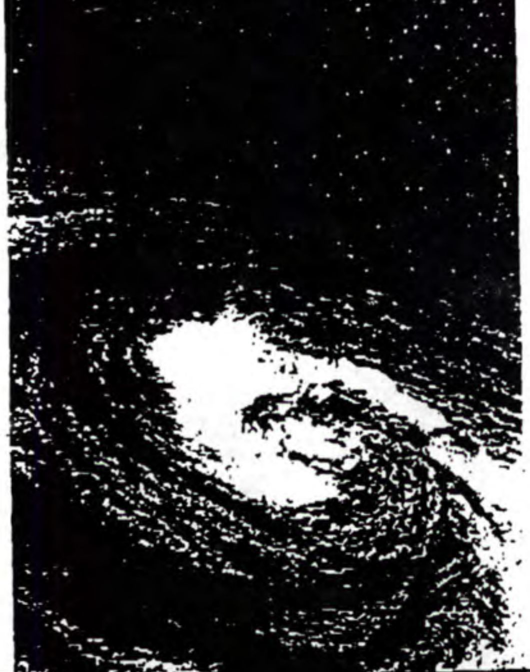
TOYOTA

IEC
INTERCONTINENTAL ENERGY CORPORATION

ENRON

MAYTAG

WHAT DO WE ALL AGREE ON?



LOCKHEED MARTIN

United Technologies

SUNOCO

3M

AEP
AMERICAN ELECTRIC POWER

We believe we must address one of the major challenges of the 21st Century: responding to global climate change while maintaining economic growth. We are working together through the Pew Center on Global Climate Change, as members of its Business Environmental Leadership Council to educate the public in the U.S. and abroad, conduct studies and policy analyses and increase international understanding.

We begin this effort united in several beliefs:

First, we accept the views of most scientists that enough is known about the science and environmental impacts of climate change for us to take actions to address its consequences.

ANSWER:

TAKING ON THE CHALLENGE OF GLOBAL CLIMATE CHANGE.

PEW CENTER ON Global CLIMATE CHANGE

Second, businesses can and should take concrete steps now in the U.S. and abroad to assess their opportunities for emission reductions, establish and meet their emission reduction objectives, and invest in new, more efficient products, practices and technologies.

Third, the Kyoto agreement represents a first step in the international process, but more must be done both to implement the market-based mechanisms that were adopted in principle in Kyoto and to more fully involve the rest of the world in the solution.

Fourth, we can make significant progress in addressing climate change and sustaining economic growth in the United States by adopting reasonable policies, programs and transition strategies.

The Washington Pos
WEDNESDAY, MAY 13, 19

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MEMORANDUM FOR THE PRESIDENT

From: Jacob J. Lew
Larry Stein

Subject: ISTEA Reauthorization

This memo seeks guidance on whether you are inclined to veto the latest Congressional offer on ISTEA reauthorization.

As you know, the House and Senate bills would have provided roughly $220 billion in budget resources during 1999-2003, with outlays roughly $34 billion more than your Budget. The latest Conference document would provide $197-200 billion in budget resources during 1999-2003, with outlays roughly $21-23 billion above your Budget. The attachment describes $23.5 billion in outlay offsets that the Leadership have identified to pay for the bill. About $3-5 billion of these offsets were in your Budget, and the Administration is relying on having access to those offsets later in the '99 appropriations process to pay for some of your key budget priorities. Another $4 billion or so of the offsets seem politically unachievable; if we agreed to the spending levels that those offsets support, and the offsets later were dropped, the Republicans might seek to retain the spending and pay for it with objectionable offsets, by lowering the discretionary caps, or by not fully financing the increased spending levels.

We are not sure if the principle goal of the Republican leadership is to pay for a transportation bill or instead to use up all of the offsets that the Administration needs to pursue our own objectives in the appropriations process. If the former, we believe that a deal is possible. In particular, we should be able to craft a package that includes most, and perhaps all, of the spending in the Congressional offer. By modestly changing the time path and composition of that spending, and by having Congress direct CBO to adopt OMB scoring on certain items (as they already appear ready to do on the VA tobacco offset) we should be able to pay for the bill solely through the VA tobacco offset in our offer. We have asked for a meeting with the leadership to discuss resolving the funding dispute. To date, however, the leadership has shown little eagerness to meet.

We believe that the leadership is unlikely to engage us in serious negotiations unless we make a credible threat that you will veto a bill that contains unacceptable offsets, that spends the surplus, or that skews transportation priorities. Earlier this week, we issued a letter to the conferees with a senior advisors veto threat on these grounds. At the moment, Gephardt and Oberstar appear ready to support a veto, but Oberstar's support seems tentative. There will be no reliable way to assess in advance our chances to sustain a veto. In the Senate, support for the bill is overwhelming, and Senator Daschle is unlikely to support a veto.

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Although we do not yet know how the Congressional offer addresses some of our core policy objectives (.08 BAC, environmental provisions, etc), your economic team is inclined to recommend that you veto the bill if it is paid for with the offsets noted at Tab A. John Podesta doubts the wisdom of a veto if it could not be sustained, and the Legislative Affairs staff has concerns about the long-term consequences of an override.

Tab A

Congressional Leadership Proposed Offsets

Offset	Savings over 1999-2003
• *VA tobacco*	$16 billion

CBO would be directed to use OMB scoring of roughly $!6 billion over five years. Congress appears ready to adopt the Administration's request that some funds be reserved for expanded veteran's benefits.

• *Social Services Block Grant* — $3.1 billion

Your budget used this offset to fund increases in other social services programs. Using this offset for highways would make it difficult to fund any program increases in the Labor/H appropriations bill or to pay for even a modest child care proposal.

• *Increase in GNMA fees* — $0.9 billion

This proposal would triple the fee increase proposed in your budget. Although not objectionable from a policy standpoint, an increase of this size could be difficult to achieve. Your budget uses this offset to pay for new housing initiatives.

• *FHA policy reforms* — $1.0 billion

Your budget proposed increasing the limit on FHA-insured loans to pay for a second round of Empowerment Zones. The offset noted above abandons that loan limit increase in favor of unspecified 'reforms.' It is unclear whether such reforms could be either identified or passed by Congress.

• *Fees on Fannie Mae and Freddie Mac* — $4.5 billion

This offset has been proposed and quickly shot down many times over the last ten years. No one believes this has a credible chance of passage.

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May 15, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN D. PODESTA JDP

SUBJECT: Issues Update

This memo provides updates on some of the issues White House offices are tracking today.

TOBACCO REPORT

- Erskine had a very productive meeting today with the ENACT Coalition, the largest coalition of public health groups on tobacco. They were very pleased with the Administration's improvements on the McCain Bill and will work to firm up bipartisan support for it.

- On Thursday, May 14, the Senate Finance Committee approved a revenue-related title which will be offered as an amendment to the McCain bill. The Committee adopted the following:

  - The Conrad amendment, which raises the excise tax from $1.10 to $1.50 per pack of cigarettes; with Democratic Senators Breaux, Kerrey (NE), and Moseley-Braun voting in opposition; and Republican Senators Chafee, D'Amato, Grassley, and Jeffords voting in favor.

  - The Breaux amendment, which removes all earmarks for the revenue that the measure will generate and left to the Senate the opportunity to decide how to spend the generated revenue.

  - Senator D'Amato's measure, S. 249, which requires health insurers to pay for a minimum hospital stay and reconstructive surgery for patients who undergo mastectomies. The action prompted Senator Kennedy to state that he will attempt to add his broader bill (S. 1890) to place federal regulations on managed-care health plans and establish patients' rights to specialty care and a coverage decision appeals process to the McCain bill.

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ISTEA NEGOTIATIONS REPORT

- Since last night, Larry Stein and Jack Lew met with the combined House and Senate leadership and committee staff. They laid out an alternative approach that would not require any unacceptable offsets. They also expressed clearly our concern about the use of the proposed offsets. The discussion is now aimed at closing a gap of roughly $7 billion over 6 years.

  It appears that the combination of our senior advisors veto threat, and bringing constructive alternatives to the table is having a positive impact. We have received signals from Gingrich's staff this afternoon that they may be willing to work with us to find acceptable offsets. Technical staff discussions will continue over the weekend. The bill is expected to come to the floor of the House towards the end of next week.

LEGISLATIVE REPORT

The House

On Friday, May 15, the House did not meet for legislative business. Next week, beginning on Tuesday, May 19, the House may consider the following:

- **New Wildlife Refuge Authorization Act (H.R. 512):** The bill would prohibit the use of funding from the Land and Water Conservation Fund to establish new refuges unless Congress passes a specific law authorizing the action. Congress currently approves, through annual appropriations, all acquisitions financed by the Fund. A manager's amendment may be offered to address many of the Administration's objections.

- **National Defense Authorization Act for Fiscal Year 1999 (H.R. 3616):** On Tuesday, May 19, the House is expected to consider H.R. 3616, the bill authorizing funds for national defense programs in FY99. While the Administration supports passage of the bill, there are still concerns regarding the gender segregated training provisions.

- **Bankruptcy Reform Act of 1998 (H.R. 3150):** The bill would limit access to Chapter 7 bankruptcy protection based on a debtor's income, and makes many other changes to consumer bankruptcy laws. The Department of Justice has expressed opposition to a strict "means test" approach, but has signaled the Administration's willingness to work with the Congress to develop an acceptable bill, particularly once it is assured that alimony and child support payments are in no way prejudiced vis a vis other debts.

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- **Campaign Integrity Act of 1997 (H.R. 2183):** Sponsored by Reps. Hutchinson (R-AR) and Allen (D-ME), this bill, which was drafted by a bipartisan task force of House freshmen, contains some moderate reform proposals, however it falls far short of the broader reforms in the Shays-Meehan bill (i.e., it bans national parties and federal candidates from raising soft money and requires greater disclosure of third party spending but it does not ban state and local soft money spending on federal elections nor does restrict issue advertising). The measure also contains certain provisions, such as removing the limits on the amount of hard money a party can spend in a Congressional race, that many House Democrats fear will give Republicans a greater electoral advantage.

- **Education Savings Act Conference Report (H.R. 2646):** The bill, known as the Coverdell bill in the Senate, is opposed by the Administration because it creates a tax break for private school K-12 education. While conferees have been appointed, they have yet to meet. Thus, it is questionable that the conference report will actually make it to the floor before the Memorial Day recess.

The Senate

On Friday, May 15, the Senate passed the following Administration-supported measures by voice vote:

- **Care for Police Survivors Act of 1998 (H.R. 3565):** The bill amends the Omnibus Crime Control and Safe Streets Act to authorize the Director to use no less than $150,000 to fund national programs for families of public safety officers who have died in the line of duty to maintain and enhance national peer support and counseling programs. It also authorizes the Bureau of Justice Assistance to use appropriated funds to conduct appeals of public safety officers' death and disability claims.

- **Bulletproof Vest Partnership Act of 1998 (S. 1605):** The bill authorizes the Director of the Bureau of Justice Assistance to (1) make grants to States, local governments, and Indian tribes to purchase armor vests for use by law enforcement officers and (2) gives preferential consideration to applications from jurisdictions that have a violent crime rate at or above the national average and that have not been providing each law enforcement officer assigned to patrol or other hazardous duties with body armor.

- **Public Safety Officers Educational Assistance Act of 1998 (S. 1525):** The legislation amends the Omnibus Crime Control and Safe Streets Act to provide financial assistance for higher education to the dependents of Federal, State, and local public safety officers who are killed or permanently and totally disabled as the result of a traumatic injury sustained in the line of duty. Currently, only the dependents of Federal public safety officers are eligible under the act.

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- **Mid-Atlantic Open Space and Farmland Preservation Act (H.R. 3566):** The bill authorizes the Secretary of the Interior to make grants to mid-Atlantic States (Delaware, Maryland, New Jersey, Pennsylvania) for open space and farmland preservation.

Senate Outlook

Next week the Senate is scheduled to consider the following:

- **American Competitiveness Act (S. 1723):** On Monday, May 18, the Senate will begin debate on S. 1723, the, H-1B visa waivers, sponsored by Spencer Abraham (R-MI). The Senate is expected to vote on final passage on S. 1723 the same day. This measure is designed to respond to a shortage of skilled labor in the information technology industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under this program. The Secretary of Labor has recommended that you veto this bill because it emphasizes providing opportunities for foreign workers rather than providing opportunities for and protecting U.S. workers. In addition, the bill does not help ensure that U.S. workers do not lose their jobs to temporary foreign workers, nor does it ensure that employers have made bona fide efforts to recruit U.S. workers.

***NOTE: Following the debate on S. 1723, the Senate is scheduled to proceed to consideration of S. 1415, the McCain Tobacco Settlement bill.

MEXICAN AND SOUTH AMERICAN FIRES

- About 10,000 fires have burned over 600,000 acres in Mexico and Central America. These fires have created large plumes of smoke which are flowing north and east over the Texas coast from Brownsville to the Louisiana border. This smoke and haze from the fires have significantly restricted visibility over the last several days across southern and southeast Texas (including Houston).

Are we going [illegible] showed up do anything on

The USAID Office of Foreign Disaster Assistance is sending an interagency team to Central America to determine their needs there. On the domestic front, EPA, FEMA, HHS and DOC are coordinating mitigation efforts in Texas (air quality issues). The National Weather Service is forecasting the wind trajectory over Mexico and into the US. The EPA's Region 6 office is installing five new fine particulate air monitors which will begin collecting samples tomorrow, May 16. Additional EPA staff will have been deployed to provide technical assistance and analyze this data. The personnel and analytical costs of this work will total approximately $140,000.

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NSC REPORT

- Please see attached report from General Kerrick.

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American Federation of Labor and Congress of Industrial Organizations

815 Sixteenth Street, N.W.
Washington, D.C 20006
(202) 637-5000

5/15/98

Send to Burkhardt

Yes ✓

No

The Honorable William J. Clinton
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

EU-US Summit, May 1998 - AFL

The AFL-CIO and ETUC continue to follow the progress which is being made on realizing the New Transatlantic Agenda, and are anxious to engage our governments and a broad range of our social partners in our efforts to assure that the social dimension of these issues is not ignored or set aside.

With regard to the May 1998 summit, our organizations have the following comments regarding key agenda items including continued trade liberalization; the MAI; the upcoming WTO ministerial, the Asian Financial Crisis and human and worker rights.

Trade Liberalization

The continued effort to pursue trade liberalization measures must be matched by measures to guarantee that the benefits of such liberalization are broadly shared and that careful attention is paid to the problems of those who find their jobs and communities disrupted by these large transformations. Harmonization of global rules and regulations for products and licenses continues as a part of this process. The progress toward harmonization of global rules for products should be matched by progress toward harmonization upwards of labor rights, worker protections and provision of social safety nets. The transatlantic labor dialogue will continue to follow the developments in the new transatlantic agenda and plans to develop specific recommendations. The AFL-CIO/ETUC will seek a consultation meeting with Sir Leon Brittan, Vice President of the European Commission.

Multilateral Agreement on Investment

We welcome the decision to suspend formal negotiations and to seek, on a national basis, broadly-based consultations with key partners before further steps are taken. Our views on the question of binding core labor rights and environmental standards are well-known as are our concerns as to the necessity for explicit requirements that domestic standards not be lowered and that they be enforced. We will not elaborate on them here but do expect that all of the parties to the negotiations will take the opportunity afforded by the suspension to consult with trade unionists and others as to specific mechanisms to address and make progress on these issues. We continue to believe that the opportunity for the United States and the European Union to mutually utilize the OECD negotiations to create an exemplary, high standards agreement on numerous difficult issues, ones that have proven intractable in broader fora, should be pursued.

WTO Ministerial

The international trade union movement firmly believes that efforts to achieve a more open trading system must explicitly emphasize that respect of core labor standards in all countries is a precondition to such efforts. Our organizations believe that the promotion and enforcement of internationally recognized core labor standards is an especially important obligation for consideration at the upcoming ministerial meeting of the World Trade Organization. We hope, on this fiftieth anniversary of the GATT and the Universal Declaration of Human Rights, that the WTO takes steps toward firmly linking efforts to assure universal observance of basic human and worker rights to our efforts to achieve a more open trading system.

Asian Financial Crisis

The Asian crisis has revealed deep structural flaws within the multilateral system. We are concerned that monetary authorities continue to be too optimistic about continued economic growth without a shift toward a more accommodative policy. We further reject the notion that social progress is an automatic phenomenon and therefore renew our call for governments to establish mechanisms of governance to make sure that global markets deliver growing and widely shared prosperity. This means ensuring that core labor standards are guaranteed in the global trade and investment system. We join with others in urging that an International Commission be established to develop the new financial architecture which is required to govern international capital markets and implementing a coordinated strategy which sustains global growth and supports balanced domestic demand. These recommendations are detailed in the trade union statement presented to the recent OECD ministerial and to the participants at the Go summit taking place this week.

Transatlantic Labor Dialogue

We are aware that the Transatlantic Business Dialogue (TABD) is highly developed, and has been successful, most recently, in preparing recommendations at the TABD Rome Conference which informed recent proposals regarding the reduction of trade barriers. We believe this activity needs to be balanced by a stronger Transatlantic Labor Dialogue, and by consideration of these same questions by labor representatives. The corresponding trade union recommendations for inclusion of core labor standards and harmonization of core labor standards must also be addressed. We urgently call upon the members of the EU and the US to redouble and closely coordinate activities in all available multilateral fora, as well as within ongoing discussions regarding the new N.A., in pressing for formal recognition of the need to recognize, adopt and enforce a comprehensive code of labor and human rights.

Human Rights

This is the 50th anniversary of the Universal Declaration of Human Rights. Trade union rights or worker rights are human rights. These worker rights are still under threat in many countries from governments and employers alike. The AFL-CIO/ETUC calls for the EU/US summit to continue to press for human rights.

Anniversary of Freedom of Association and the Right to Organize

We call on all governments to reaffirm their commitment to the ILO convention that covers the basic principles of trade union rights - ILO Convention No. 87 - the right of workers to form and join independent trade unions of their choice. We call on all governments that have not ratified Conventions 87 and 98 to do so as well as implementing effectively both conventions in practice. Our organizations also call on employers to respect the principles in countries where the conventions have not been ratified.

Sincerely,

John J. Sweeney

John J. Sweeney
President

United States Senate

WASHINGTON, DC 20510

May 13, 1998

5/15/98

The Honorable William J
President of the Unitec
The White House
Washington, D.C. 2050C

Send to Reg Affairs?

Yes ✓

No

Dear Mr. President:

We are writing prior tc
aware of our continuing
U.S./European Union (EU

Our concerns derive pri
with the EU in the Worl
important agricultural
implications. In both the banana and beef hormone cases (which are the two outstanding WTO rulings that have been rendered against the EU), the EU has thus far ignored both the WTO and the United States by making clear that it does not intend to come into conformity with these rulings.

C.

It is our view that the United States should not be seeking new trade agreements with Europe until we gain the necessary confidence from the banana and hormone cases that the EU is prepared to comply fully with its existing trade obligations, as the United States has done. If the EU cannot comply with these existing agreements, how can we trust it to implement faithfully any new trade agreements?

Since the inception of the European Union, the most contentious US-EU disputes have involved agricultural matters. No trade initiative should be undertaken with Europe that overshadows or in other ways undermines the United States' ability and commitment to eliminate EU agricultural barriers and distortions, the cause of all of our agricultural trade problems with Europe.

Please make clear during the Summit that the United States will use every tool at its disposal to ensure that the EU

The Honorable William J. Clinton
Page 2

complies with its WTO obligations with regard to bananas and beef hormones, and that agriculture remains a top US/EU trade priority.

Sincerely,

cc: The Honorable Charlene Barshefsky

To: Phil Caplan
From: Ted Widmer

Here's a first stab. Call (6-9375) if I can help further.

Thanks,

Ted

Swing Citation:

159 words

Through one of the gravest diplomatic challenges of this decade, Ambassador William Swing provided inspiring leadership and wise counsel. When he arrived in Haiti in 1993, the country was dominated by a cruel regime with little regard for democracy, human rights and the rule of law. His skill as a negotiator proved crucial to U.S. attempts to restore civil order and avert large-scale bloodshed. Following the peaceful intervention by U.S. troops in 1994 and the smooth transfer of power that followed, Ambassador Swing led efforts to rebuild the institutions of government in one of the western hemisphere's oldest nations. Over the course of a long and distinguished career, he has embodied the highest standards and aspirations of our foreign service. From Africa to Germany to the Caribbean, in peace and turmoil, he has constantly displayed a selfless interest in the well-being of others. Ambassador Swing is an example for all Americans who seek to build a better world.

certificate:

84 words

in recognition of his exceptional performance as Ambassador to Haiti, from his efforts leading to the success of our efforts to restore democracy in 1994 to his tireless work on behalf of Haiti since then. Whether searching for peaceful resolutions to crises or striving to rebuild the institutions of law and government, he has proven himself an envoy of rare ability. Americans and Haitians alike are grateful for his compassion and character, and the skill with which he has represented each nation to the other.

Dan-
The first one is better. Can you have someone try to get it down to 100 words or so.

Phil
5/15