

1

Chron

OK

THE WHITE HOUSE
WASHINGTON

To: Jack Lew
Larry Stein
From: The Staff Secretary
Date 6/1

FYI - Received this on
Friday from Jesse Brown.
Correspondence will work with
OMB on a reply.

Phil
cc: Dan Beckhardt

BROWN & ASSOCIATES
11 Canal Center Plaza, Suite 103
Alexandria, Virginia 22314
(703) 683 6990

*Heon Se
JTB*

May 29, 1998

'98 MAY 29 PM 1:10

The President
The White House
Washington, DC 20500

Dear Mr. President:

As your former Secretary of Veterans Affairs, I am compelled to convey my grave concerns about an extremely objectionable provision in H.R. 2400, the transportation bill, that would deprive disabled veterans and their survivors of richly deserved benefits. I respectfully urge you to use your veto power to keep it from becoming law.

As you know, your FY 1999 budget included a limited proposal to deny the payment of VA disability compensation where the claim is based on the veteran's smoking during service. That proposal was carefully drafted to preclude compensation only in cases where you and I believed payment would be inappropriate. It would have precluded compensation where the onset of disability was remote from military service and the veteran claimed that his addiction began during service. This proposal was necessary because of a VA General Counsel ruling that the current law permits the payment of compensation for disabilities occurring years after service if they were the result of nicotine addiction that began during service. Thus, the proposal in your budget was to prohibit compensation where the link between the disability and the veteran's service was tenuous and was never intended to prohibit compensation for disabilities that occur during service or any applicable presumptive period.

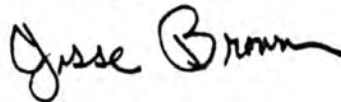
In stark contrast, the provision in H.R. 2400 is much more broadly worded. It could unfairly deny compensation to some of our most deserving disabled veterans whose claims are not based on smoking during their service. For example, the Vietnam veterans to whom we provided service connection for lung cancer based on exposure to Agent Orange could be denied compensation if they were shown to be smokers. Another example would be veterans with service-connected leg amputations who are granted compensation for heart disease because of the significantly increased incidence of heart disease among them. Under H.R. 2400, a veteran who lost his legs to a land mine or hand grenade might be denied service connection for the cardiac condition on the grounds that it is attributable in part to smoking. Likewise, former prisoners of war, if they smoked, might be denied compensation despite the fact that we granted them service connection for heart disease relating to beriberi they incurred as a result of the harsh deprivations they suffered during their captivity.

Your proposal was based on policy considerations as a shield for the VA compensation system. In H.R. 2400, the Congressional authors propose a sword to slash benefits for veterans (and their survivors) whose claims have nothing to do with smoking and put the money into pork-barrel spending. That sweeping prohibition is so unfair to veterans that I cannot believe that many of those who voted for the bill understood its implications.

To my knowledge, no proposals are being made to discontinue any other Federal health or disability benefits on the grounds of smoking. It is blatantly unfair to single out veterans for such harsh, inequitable treatment.

Your leadership would clearly prompt many members of Congress to reflect on and reverse their vote in light of the debt we owe veterans and their families. Thus, Mr. President, I earnestly urge you to veto this bill and send a strong protest to Congress in your veto message. In doing so, you will send a clear message that we still care about those to whom we owe our precious freedoms, our national security and prosperity, and so much else, and will not renege on our commitments to them.

Respectfully,

A handwritten signature in black ink that reads "Jesse Brown". The signature is written in a cursive, flowing style with a long horizontal stroke at the end of the name.

Jesse Brown

Burles
Robsta
Mathews
Lew
Maloney
Caplan - original

Copies have
been distributed
per Sean Maloney
5/30
-C. Maloney

To Dan B for
reply. Coord with
Nash, OMB &
Mignon Moore. Will

98 MAY 30 PM 2:38



GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE OF THE MAYOR
WASHINGTON, D.C. 20004

CHIEF OF STAFF

DATE: 5-29-98

TIME: _____

TO: President ClintonOFFICE: White House Communications Center

ADDRESS/ROOM NO.: _____

FAX NO.: () 757-1330

TELEPHONE NO.: () _____

Executive Office of the Mayor
Office of the Chief of Staff
One Judiciary Square - Room 1110
441 Fourth Street, N.W.
Washington, D.C. 20001
Telephone No.: (202) 727-2643
Fax No.: (202) 727-2975

TOTAL NUMBER OF PAGES, INCLUDING COVER SHEET: 2

EXPLANATION OF FAX:

IN CASE OF TRANSMISSION PROBLEMS, PLEASE CALL:

Sender: Jeanette Michael



THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20001

May 29, 1998

'98 MAY 30 PM3:00

MARION BARRY, JR.
Mayor

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

Dear Mr. President:

On behalf of the citizens of the District of Columbia, I must express my dismay and disappointment with your waiting until the eleventh hour to make appointments to the District of Columbia Financial Responsibility and Management Assistance Authority (the Financial Authority). Surely you and your advisors were aware that the current members' term would expire in early June. The reappointment of Dr. Andrew Brimmer, Constance Newman and Stephen Harlan for ninety days, until you can appoint three new members to take their place, indicates that the White House has not taken this process seriously.

These appointments should have been made months ago. If you had completed the process in a timely manner, the appointees would be working side by side with the current members, thus ensuring a true transition. The last minute appointments of these members again demonstrates the failure to give this process the high priority it deserves.

The Financial Authority has awesome powers and responsibilities that affect the operation of government, the lives of citizens and business persons in the District of Columbia. Consequently, it was important to the people of the District that the appointment process be completed in a timely manner.

It is imperative that persons selected for Financial Authority are committed to an early return of democracy to the local elected officials. In addition, they should have a philosophy of consultative and cooperative relationships with local elected officials, as evidenced by the recent successful budget process.

I commend Dr. Brimmer, Mrs. Newman and Mr. Harlan for agreeing to serve until the vacancies are filled. As Mayor, I urge you to expedite the process to remove the carryover three members from this precarious position.

Sincerely,

Marion Barry, Jr.
Mayor

SHIN HEUNG HIGH SCHOOL
WAN SAN GU, JUNG HWA SAN DONG
CHONJU CITY, REP. OF KOREA, 560-250
0652-232-7074
Fax: 0652-232-7083

'98 MAY 29 PM 1:10

April 9, 1998

President Clinton
c/o Betty Currie
The White House
1600 Pennsylvania Ave NW
Washington, D.C.
20500

5-29-98
To Burkhardt
for Reply.
OK

Dear Mr. President (or assistant to the President):

Hello. My name is Brandon Miller. I am a Canadian who is teaching English in the Republic of Korea. I am teaching in a Christian High School in the province of Chollabukdo (in southwest section of the country). The reason for this correspondence is as a result of an assignment that I have given to my 2nd grade classes.

The assignment is basically that the students are to write a letter to the Political leaders of Canada and the United States (Half the class writes to the US and the other half to Canada). Not to worry however you will not be flooded with 400 letters but only the best from each class will be sent. You should receive nine copies of this letter with nine original letters written from my students. As well I have asked them to request information about the White House (hopefully you have a press packet assembled for such instances) I hope that this will answer a number of questions that I have been confronted with regarding the US. I as a Canadian have a very limited knowledge of the United States and am confined as to what I can pass along to the students.

I hope that my assignment has not been too much of a burden on yourself /office. I trust that these requests are easily handled. I hope that everything is running smoothly for you. As well I wish the best to you and your family.

Respectfully yours,

Brandon Miller



Brandon Miller
Department of English

Please forward your response to the address above and affix the enclosed label beside or below the english address.

Thanks again
BCL

Dear President

Hello ! My name is Song - byöng suk

I go to Shin - hüng high school in JEon - Ju Korea. Now I'm introduce my family. There are four in my family. My Patients, younger brother and me. My younger brother is a middle school student. He is a sixteen years old. I like a listen to music when I come back home from School at night I listening to music. And I like a basketball. It's a my favorit sports. Usually I'm playing the game. three times for a week. I have a religion. I'm a christian. I believe in God. So I go to chutch every Sunday.

Frankly the reason why I write a letter. My English conversation teacher said to us in the class. You have to write a letter in English so I did

But the reason why I write a letter not home-work but I'm curious about America.

At first, I'd like to know about education system in America.

Education system is very hard in our country.

We have to study in the special classes. We must as well, at night until 10 o'clock.

I'm a very anxious about your country. How to study and How to teach.

Teacher who is our school said to us they have a classes 5 days a week. And they are for studying freely. Is that right? I'd like to know about it.

Second, I want to know which people are white house, and what do you do in the white house. As well why do people say white house, how long do you stay in that place.

Expect it, I want to know many thing. But I'd like to stop. Next time, If I have a chance I will write a letter. Good-bye

from Song-byöng suk.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 29, 1998

President's
Foreign Intelligence
Advisory Board

MEMORANDUM

FROM:

SUBJECT:

*Take stamp today
and turn to
Don / Della for
reply*

*Phil
6/1*

T

R

DRY LETTER FOR
RELL

98 JUN 1 12:01

Professor Sid [redacted], a member of this Board, will be retiring soon from his position as Professor and Deputy Director of the Stanford University Linear Accelerator Center, after almost a half century of scholarly achievement and public service to the United States Government. In addition to being a world renowned scientist and expert in theoretical physics, Professor Drell for decades has served as highly valued advisor on numerous arms control issues to the White House, the Department of Energy, the Department of Defense and numerous Congressional committees. He has been a very active and effective member of the President's Foreign Intelligence Advisory Board since 1993, with his most notable contribution to date being the co-authorship of a Board report to the President on the international threat of biological and chemical warfare.

We would very much appreciate a letter from the President to Professor Drell expressing his congratulations and appreciation for his professional accomplishments and fine service to the country. We would appreciate receiving the letter by July 15 so that it may be read at the retirement ceremony at Stanford University on July 31.

I am attaching to this memo a draft of the requested letter.

Thank you, in advance, for your assistance.

Attachment

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 29, 1998

President's
Foreign Intelligence
Advisory Board

MEMORANDUM FOR: PHILLIP M. CAPLAN
ASSISTANT TO THE PRESIDENT
AND STAFF SECRETARY
GRND FLR/WEST WING

FROM: RANDY DEITERING
ACTING EXECUTIVE DIRECTOR

SUBJECT: PRESIDENTIAL CONRATULATORY LETTER FOR
BOARD MEMBER SIDNEY D. DRELL

Professor Sidney D. Drell, **a member of this Board**, will be retiring soon from his position as Professor and Deputy Director of the Stanford University Linear Accelerator Center, after almost a half century of scholarly achievement and public service to the United States Government. In addition to being a world renowned scientist and expert in theoretical physics, Professor Drell for decades has served as highly valued advisor on numerous arms control issues to the White House, the Department of Energy, the Department of Defense and numerous Congressional committees. He has been a very active and effective member of the President's Foreign Intelligence Advisory Board since 1993, with his most notable contribution to date being the co-authorship of a Board report to the President on the international threat of biological and chemical warfare.

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I am attaching to this memo a draft of the requested letter.

Thank you, in advance, for your assistance.

Attachment

July 15, 1998

Dear Sid:

I want to extend to you my sincerest congratulations on the occasion of your retirement as Professor and Deputy Director of the Stanford Linear Accelerator Center.

As a world renowned theoretical physicist, you have achieved a level of professional acumen, international respect and scholarly accomplishment that serves as a superb model of excellence for all of your peers. As a public policy expert, particularly in the critical field of international arms control, your contributions to this country as an extremely valuable advisor to numerous high-level bodies and officials of the United States Government are immeasurable, and serve as an inspiration to all Americans.

My best wishes to you in all of your future endeavors.

Sincerely,

Professor Sidney D. Drell
Stanford Linear Accelerator Center
Stanford University
Stanford, CA 94309

THE WHITE HOUSE
WASHINGTON

President's
Foreign Intelligence
Advisory Board

Sorry, I forgot to
attach this Disk to
the Draft memo for
Dr. Sidney Drell.

Enclosed additional copy
of memo.

Barbara



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

THE DIRECTOR

May 29, 1998

6-1-98

copied
Lew
Bowles

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew
Acting Director

SUBJECT: Technical Corrections to the Transportation Equity Act (TEA)

Erskine asked us to give you a status report on the technical corrections we need in the highway bill. The enrolled bill includes several errors, primarily in the sections on penalties for drunk driving and the veterans tobacco provision.

Highway Safety Errors

Congress is already planning to pass a technical corrections bill for the TEA to correct two other important errors in the bill. In the highway safety area, they failed to include incentives for states to adopt both tougher repeat offenders laws and laws prohibiting the carrying of open alcohol containers in vehicles.

Veterans Tobacco

Our agreement with the Congress was to finance \$17 billion in new spending in the TEA bill with an Administration savings proposal to reverse a 1997 Veterans Affairs (VA) General Counsel opinion that veterans are entitled to disability benefits for smoking-related disabilities acquired **after** service, and due **solely** to nicotine dependence begun in the military.

The rationale for the proposal was as follows:

We would continue to compensate veterans for smoking-related illnesses that became manifest *during* military service. However, awarding compensation for tobacco-related illnesses acquired *after* military service -- frequently decades later -- and based *solely* on claims of nicotine addiction beginning during service goes well beyond the purposes of the veterans disability program. In addition, under your proposal, veterans *currently receiving* benefits and veterans *with claims in the pipeline* prior to enactment *would not* lose benefits by the change.

- **The payment of these tobacco claims threatens to put a severe strain on the system.** VA projects some 540,000 claims for tobacco benefits could be filed. The time to process a claim could more than double, and the total number of backlogged claims in the system would grow from less than a half million (currently) to over 2 million in FY 2000, *affecting all veteran claims regardless of the cause.*
- **These are not traditional VA benefits.** Veterans never had them before the VA General Counsel opinion. In 1990, Congress took a similar action regarding drug and alcohol use during military service.

However, instead of including the precise language proposed by the Administration, which had been drafted carefully to reverse the opinion and not affect any other veterans benefits, the Congress included different language at the last minute without consulting with us. This new language included several technical errors, including:

- denying disability benefits for tobacco-related diseases that become manifest in service;
- eliminating possible benefits for over 7,000 veterans with claims who filed for benefits before the law changed;
- pushing Persian Gulf, Agent Orange and indigent veterans out of the medical care system, by giving top-priority status to veterans who acquired tobacco-related illnesses long after leaving military service;
- requiring adjudicating 540,000 claims, which would double processing time for all disability claims regardless of cause -- creating a backlog of 2 million claims by FY 2000;
- grouping tobacco dependency with "wilful misconduct" similar to drug and alcohol abuse, potentially absolving the industry from further liability claims; and
- possibly allowing survivors to receive benefits not granted to the veterans themselves.

These combined errors make the bill save **more** money than originally intended, primarily by denying benefits that were not meant to be suspended. We estimate that they increase the savings in the bill from \$17.0 billion to \$17.8 billion.

6-1-98

✓ We have suggested that Congress pass a technical corrections bill that replaces the current, incorrect language with our original legislative proposal. We understand that the veterans committees support correcting the mistakes in the bill and may be willing to adopt our original language, although they are concerned about opposition from veterans groups if they try to cancel the benefits for survivors.

However, if Congress instead passes a technical corrections bill to reinstate the inadvertently canceled benefits *without* also canceling the benefits for survivors, the savings in the bill drop by \$1.9 billion from \$17.8 billion to \$15.9 billion -- \$1.1 billion less than the amount we need to finance the new highway programs. Such a technical corrections bill, which would pass overwhelmingly, would effectively spend \$1.1 billion of the surplus -- putting the surplus at risk for spending on other items and negating your policy to not spend the surplus until Social Security is fixed.

In the event that the Congress does not enact an adequate technical corrections bill, we are trying to develop an administrative option that would interpret the ambiguous language in TEA to eliminate these benefits. However, VA's General Counsel is not yet prepared to eliminate benefits for survivors administratively. We are working with VA to determine if an administrative option exists. However, we have told Congressional staff that it is not certain that we will be able to address the survivors issue administratively.

Conclusion

We should know more about the status of the technical corrections bill on Monday or Tuesday. They are most like to fix these problems with our language if they do it quickly.

A handwritten signature in dark ink, appearing to be "RE" or similar, with a large, sweeping flourish underneath.

6-1-98

Copied

In 1996, the Vice President announced a plan that ended gridlock over harbor dredging. This plan has been widely credited with reviving prospects for the Port. However, this success has been overshadowed by the regional economic benefits of ISTEA are now at risk of being overshadowed by the shortfall in our budget proposal. Congressman Menendez (D-NJ), who represents the district that has worked closely with us on the plan, urgently has asked us to find a solution so he can join the critics. I will meet with Larry Stein, Jack Lew and Gene Sperling early next week to work on a solution.

McGinty
Bowles
Burkhardt

Nuclear Waste Interim Storage Legislation

Senator Lott has filed a cloture petition and scheduled a floor vote for next Tuesday (June 3) on a bill requiring establishment of an interim storage facility for high level nuclear waste prior to completion of the scientific evaluation of Yucca Mountain. You have stated your intention to veto this bill.

Last year, different versions of the bill passed the House and Senate (in the House by a veto proof majority and in the Senate by two votes short of such a majority). We understand the House and Senate are working on a revised version of the bill in an effort to get a veto proof majority in the Senate. We are unlikely to see the revised bill until late Monday at the earliest. We do not expect that this version will address the Administration's environmental concerns, and the outcome of the vote is far from certain. We will be asking you and the Vice President to place calls to Members on this. The key vote is the first vote on cloture on Tuesday.

RESOURCE STEWARDSHIP

Everglades

On Thursday, Governor Chiles (D-FL) vetoed two bills that could have seriously impacted the Administration's Everglades restoration efforts. One bill would have required Florida to use state eminent domain procedures rather than federal procedures when it acquires land for Everglades restoration, increasing the financial burden on state taxpayers. The other bill would have given the State Legislature veto power over specific details of the restoration plan being submitted by the U.S. Army Corps of Engineers next year.

This is a huge win for the Administration's Everglades restoration plan. The Governor's actions further strengthen our partnership with the State and illustrate our combined commitment to preserving this endangered ecosystem. The vetoes are also a win for Lt. Governor Buddy MacKay who publicly denounced the bills when they were passed.

Notes
to
Chiles

SUSTAINABLE COMMUNITIES

Regional Congestion Summit

Yesterday, CEQ staff participated in a regional summit convened by Secretary Slater to identify measures to reduce traffic congestion in the Washington metropolitan region. The summit was

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

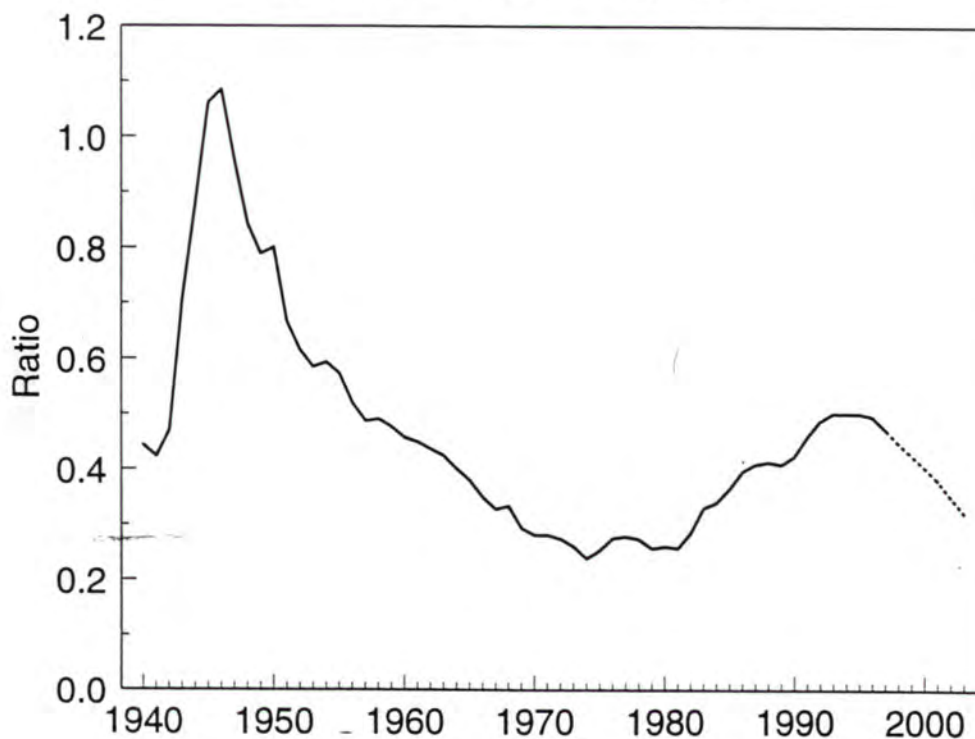
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

May 29, 1998

Copied
Yellen
Bowles

CHART OF THE WEEK

The Federal Debt-to-GDP Ratio



The latest budget surplus projections in the Mid-Session Review imply a dramatic decline in the ratio of Federal debt to GDP. The projected ratio of 0.321 in 2003 would be the lowest since 1982, when deficits began to explode. A Current Development in this *Weekly Economic Briefing* discusses the falling debt in more detail.

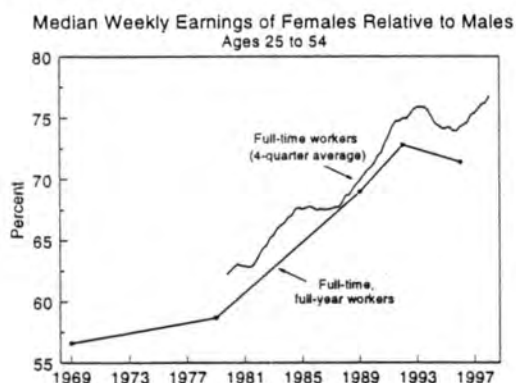
6-1-98

ARTICLE

The Gender Pay Gap 35 Years after the Equal Pay Act

After remaining nearly constant for three decades at about 60 percent, women's pay began to rise relative to men's pay in the late 1970s, surpassing 70 percent by 1990 (see chart, where two different series are needed to span the period of interest). After a pause in the mid-1990s, the gender pay ratio began to rise again. Nevertheless, the latest studies suggest that illegal pay discrimination—defined by the Equal Pay Act as different pay for substantially equal work—continues to contribute to the gender pay gap.

Explaining the pay gap and its decline. As of the late 1980s, the date of the most recent detailed longitudinal studies, gender differences in labor market skills and experience accounted for about one-third of the gender gap in pay. Job



characteristics measured by union status and broad occupation and industry accounted for another third. The narrowing of the gender gap over the 1980s was primarily the combined result of increases in women's relative labor market experience, their movement into higher-paying occupations, and decreases in the "unexplained" part of the gender gap.

The "unexplained" pay difference. The "unexplained" pay difference between men and women fell from about 22 to about 12 percent over the 1980s. This unexplained pay gap is often interpreted as the effect of pay discrimination. But it could also reflect differences between men and women in characteristics that are difficult to measure in surveys such as educational quality or continuity of work experience. However, other evidence suggests that gender-based pay discrimination is important.

Other evidence of discrimination in pay. Although no single piece of evidence proves that sex discrimination is important in the economy, several strands of research together make a strong case that it persists.

- **Discrimination in hiring.** Studies of discrimination in hiring offer powerful, albeit indirect evidence of pay discrimination. For example, in auditions for symphony orchestras, the introduction of "blinds" to conceal the identity of candidates from juries markedly increased female musicians' rate of success and hiring. Audit studies—in which male and female candidates submit essentially identical resumes to employers—reveal that women have a lower chance of being interviewed or hired. One striking audit study found that female applicants were less likely than their matched male counterparts to be interviewed or hired as

6-1-98

EYES ONLY

wait-staff in high-priced, but not lower-priced restaurants. Since earnings tend to be higher in high-priced restaurants, the difference in hiring could result in differences in pay.

- Job segregation. Although several studies have documented the importance to the pay gap of segregation of women into certain firms and narrowly defined “female” jobs, a new study finds that at least one-quarter of the pay gap results from differences in pay between men and women working in jobs and establishments with similar proportions of female workers.
- Productivity differences. A small set of studies compares productivity differences between men and women with differences in their wages. Pay differences between comparable women and men appear too large to be explained by differences in productivity such as sales or physical output per hour. For example, a recent study estimates that, at the margin, female employees were 85 to 96 percent as productive as comparable male employees, but were paid only 65 to 70 percent as much.

Conclusion. On average, women earn about 70 to 75 percent of what men earn. The best evidence available—based on data from the late 1980s—shows that adjusting for differences in labor market skills and job characteristics increases the ratio from 70 to about 88 percent. This remaining pay gap, along with other evidence, indicates that gender discrimination has not been eliminated. Still, gender differences in pay have narrowed over the past 35 years (and rapid narrowing appears to have resumed in the past 2 years). The dramatic decline in the gender pay gap likely results both from improvements in women’s relative skills and occupations, and from declining discrimination.

6-1-98

EYES ONLY

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

New Poll Shows Gaps in Knowledge about Social Security. Only 6 percent of Americans are aware that the Normal Retirement Age under Social Security is currently scheduled to rise to age 67 for people currently younger than 30, according to a recent poll. Another 8 percent believed that the retirement age would be 68 or higher for current under-30s. The poll also found that 60 percent of Americans say that they "have no idea" how much they are currently taxed for Social Security. Reflecting an air of pessimism found in some previous studies, this poll found that most people, especially younger generations, believe that the system needs either "major changes" or "a complete overhaul." Over 75 percent of respondents indicated they "need more information" about the issues involved with changing the system. The poll also found that strengthening the Social Security system was the highest rated agenda item, among 10 mentioned, for any budget surplus that might arise.

 **Telephone Slamming on the Rise.** A recent report from the General Accounting Office finds that the number of complaints registered with the Federal Communications Commission regarding telephone slamming—the unauthorized switching of a customer from one long-distance provider to another—increased 10-fold between 1993 and 1997, to over 20,000. Determining the prevalence of telephone slamming is very difficult, however, because no central repository for slamming complaints exists. One local telephone exchange (another general recipient of slamming complaints) reported receiving over 80,000 complaints in the first 9 months of 1997 alone. Telephone customers who are victims of intentional slamming—which may be accomplished by deceptive practices such as falsifying documents that authorize a switch and misleading customers into signing such a document—may be forced to pay higher, sometimes exorbitant, long-distance rates and may not be able to use the calling cards of their provider of choice. The Senate recently approved additional anti-slamming legislation that includes requirements that long-distance carriers provide further verification of change-orders.

USDA Revises upward Estimates of 1997 and 1998 Farm Income. Gross farm sales for 1998 are now forecast to be \$202.7 billion rather than the \$198.0 billion reported by the USDA in March (as reported in the *Weekly Economic Briefing*, April 17, 1998). Estimates for 1997 sales were also raised from \$201.5 billion to \$207.0 billion. The revisions reflect newly available data showing larger production of cattle, hogs, and poultry. Estimates of net farm income for 1998 were also raised from \$43.0 billion to \$45.5 billion. Nevertheless, these new estimates still show net farm income falling from a record high of \$52.2 billion in 1996. The lower forecast for 1998 is due mainly to lower commodity prices, resulting from declining demand for exports and increased supplies from competing exporting countries.

THE WHITE HOUSE
WASHINGTON

May 29, 1998

6-1-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Copied
Reed
Kagan
Bowles

1. Tobacco -- Senate Update: When the Senate returns from recess, it is scheduled to return to the McCain legislation and resume consideration of an amendment by Durbin to increase look back penalties and an amendment by Sen. Gramm to provide cut for married couples with income of less than \$50,000 per year. Other potential amendments include: two complete substitutes (one by Senator Nickles and one by Senators Hatch and Feinstein), additional tax proposals (possibly including a slimmed-down version of the Gramm amendment, as well as a Roth-Boxer proposal for health care tax cuts), several anti-drug measures (see our separate memo on Monday), an anti-smuggling provision authored by Senator Leahy, a provision on the deductibility of tobacco advertising costs by Senator Reed, and efforts to cut back on FDA jurisdiction. Senator McCain's strong preference is for an early cloture vote, which he believes he can win. Senator Lott opposes an early cloture vote, on the theory that his caucus will only harden if it feels jammed. Senator Daschle is still considering the question. We tend to agree with McCain, for fear that the bill will become weighed down with too many amendments and consideration of it will drag on forever. We and Larry will have further discussions of this question with the relevant Senate players this weekend.

2. Tobacco -- Farmers: The DPC and USDA are trying to ensure a favorable conclusion to the current dispute over providing assistance to tobacco farmers. As you know, the McCain bill now contains both Senator Lugar's and Senator Ford's proposals. The Ford measure, which we, public health groups, and most Democrats support, provides for an optional buy-out and preserves the price support program, at a cost of \$28.5 billion over 25 years. The Lugar measure, which most Republicans support, provides for a mandatory buy-out and ends the price support program (creating a free market in tobacco), at a cost of \$18 billion over three years. USDA calculates that Lugar would lead to an increase in the amount of tobacco grown in this country and a consequent decrease in its cost -- saving companies as much as \$20 billion over 25 years. In addition, OMB estimates that Lugar would displace 69 percent of the research and public health spending in the McCain bill in the first three years, assuming spending to the states were held constant. We have distributed this information widely, especially to moderate Republicans who should be concerned about the impact of Lugar on public health. We also have made clear to both sides our willingness to broker a compromise (for example, a phase-out of the price support

6-1-98

2

program over 10 or 15 years, or the creation of a commission to work out the best approach to this issue). As of now, however, both sides think they have the votes to defeat the other (which, in fact, they both might), and compromise discussions have not proved productive.

3. Tobacco -- Minority Caucus Concerns: DPC, OMB, and HHS will meet next week with members of the House Minority Caucuses to discuss their views of tobacco legislation -- especially the McCain bill's approach to public health spending. These members have concerns about the Senate bill's use of block grants to states for smoking prevention and cessation programs. They also are upset that the bill contains no direct grants to historically black and predominantly Hispanic colleges, universities, and medical schools. These members have sent us an alternative proposal for public health spending, but the agencies believe that it raises significant constitutional and administrative concerns. The proposal includes funding set-asides for minority groups that the Department of Justice believes run afoul of the Supreme Court's Adarand decision. In addition, the proposal's funding mechanism would create major administrative burdens for the Department of Health and Human Services. We anticipate holding several discussions with members of the Minority Caucuses to work out ways of making them more comfortable with the public health provisions of the legislation.

4. Welfare Reform -- State Use of TANF Funds: The NGA Fiscal Survey of States, released on May 27, contained some encouraging information about the way states are using welfare monies. The report showed that states are shifting funds from direct cash payments to work-related supports. Since 1996, spending for cash assistance has decreased 26 percent, while spending for child care has increased 85 percent and spending on work activities has increased 34 percent. Total welfare spending declined by 9 percent, but given caseload reductions, this figure represents increased spending per welfare recipient.

*Samuel
Mention
at UGA &
in Milwaukee*

5. Education -- GAO Report on National Testing: In response to a request from Rep. Goodling, the GAO will issue a report next week on the roles played by NAGB and the Department of Education in developing the national tests in 4th grade reading and 8th grade math. The report finds that NAGB has full control over development of the tests, as required by law; it finds not a single instance of improper interference by the Department. In addition, the report finds no reason to criticize the procedures NAGB has used to award test development contracts. Although we do not expect the report to mitigate Rep. Goodling's adamant opposition to the tests, it should prevent him from making the claim that test development somehow remains under the influence of the Administration.

6. Education -- Adult Education: You recently asked what the Administration had accomplished with respect to adult education and whether we need to take additional steps. The Senate and House workforce investment bills, which Congress is expected to pass by July 1, provide for the reauthorization of all federal adult education programs. Your FY 1999 budget requests a \$16 million increase in grants to states for adult education programs. It also includes a request for funds to develop model English-as-a-second-language programs

for adults, since 40 percent of adult education participants are in such programs. In addition, the Department of Education has funded a PBS series, called "Crossroads Cafe," which is a kind of "Sesame Street" for adults learning English. The program is now shown in 35 states (and 50 foreign countries) and will be expanded shortly. DPC will begin a working group with NEC and the Education Department to explore how we can best highlight the efforts we already have underway, and what additional steps would be appropriate.

7. Health -- Assisted Suicide: The Department of Justice plans on releasing a letter next week, in response to an inquiry from Senator Hatch and Congressman Hyde, concluding that the Controlled Substances Act does not give the Drug Enforcement Agency (DEA) authority to take action against physicians who assist their patients to commit suicide. Consistent with your directions, this letter will include a restatement of your longstanding position opposing assisted suicide and an indication of your willingness to consider workable legislation addressing this issue. As you know, we expect that Hatch and Hyde will respond to the Department's letter by introducing a bill authorizing the DEA to take action against physicians for assisting suicide -- a legislative approach that we believe is ill-advised. We will work closely with DOJ to roll-out its letter, and will keep you advised of legislative developments.

8. Health -- HCFA Letter to Ravenswood Hospital: The Health Care Financing Administration (HCFA) sent a letter yesterday to Ravenswood Hospital of Chicago threatening it with loss of Medicare funding for policies posing a grave threat to the health and safety of patients. The letter followed an incident in which a 15 year-old died of gunshot wounds just 35 feet from the hospital door after hospital workers refused to leave their posts or even to give police officers a stretcher to bring the young man into the hospital. The HCFA letter states that the hospital will lose funding in three weeks, unless it provides credible evidence within that time of having reformed its emergency room policies and practices. We issued a statement in your name highlighting HCFA's action, as well as urging all hospitals to follow recently released guidance by the American Hospital Association on appropriate emergency procedures.

9. Health -- Medicare Commission: The Medicare Commission will hold a meeting on Monday, most of which will be devoted to discussions among the members on the major issues of benefits, costs, eligibility, administration, and financing. (We have told our members that they should feel free to talk openly about controversial policy reforms such as benefit changes, eligibility age changes, and means-testing proposals, but should avoid at this time any serious discussion of new taxes.) In general, the Democratic members are becoming nervous that the Commission's staff is focusing exclusively on questions of program financing, while ignoring issues of program design. They will use this meeting to urge the Commission to address ways of making the Medicare program more responsive to the needs of beneficiaries, at the same time as the Commission takes up the program's financing challenges.

6-1-98

4

10. Health -- Long Term Care: Aging and disability advocates are placing increased pressure on us to address the issues surrounding long-term care. Demographic changes will heighten the demand for these services greatly in the coming years, but cost considerations have deterred both the public and the private sectors from taking up this challenge. Although truly comprehensive approaches are politically and financially unrealistic, we can develop targeted policies that will begin to address the problem. These policies might include: requiring the Federal Employee Health Benefit Plan to offer (but not pay for) long-term care policies; informing Medicare beneficiaries that Medicare does not cover long-term care and advising them of other coverage options; giving more flexibility to States to use home- and community-based care options for elderly and disable people on Medicaid; and providing tax incentives to increase the purchase of private long-term care policies. We are setting up a working group to explore these and other ideas so that you begin to address this important issue shortly.

*This with as
have a good to
win 2 mos*



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

May 29, 1998

6-1-98

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES

FROM: KATHLEEN A. MCGINTY

SUBJECT: CEQ WEEKLY REPORT

Copied
McGinty
Bowles

(Burkhardt
page 2)

PROTECTING COMMUNITIES FROM TOXICS

Pesticides Regulation

This week, EPA and USDA convened the first meetings of the Federal Advisory Committee addressing EPA's review of pesticide tolerances under the Food Quality Protection Act (FQPA). The FQPA set tough health standards and a unique tenfold safety factor to account for risks to children. These new standards augur the eventual cancellation of a number of significant pesticide uses.

After a broad range of constituents and Congressional Democrats raised unwarranted fears that EPA would make sweeping and disruptive decisions to cancel a host of critical pesticide uses, the Vice President issued a memorandum asking EPA and USDA to coordinate implementation of the law and to broadly consult with affected groups. The advisory committee process and the directive that initiated it have spawned criticism and press accounts this week suggesting that the Vice President's action was intended to delay implementation of the law to accommodate industry groups (see attached *Washington Post* editorial). Nevertheless, the process is a good one and, we believe, will lead to better, more informed decision making.

New York Harbor / Regional Economic Issue

The Administration is being strongly criticized in the press, by labor, and by New Jersey Republicans over the Administration's failure fully to fund dredging of the main artery in the Port of New York and New Jersey, known as the Kill Van Kull (KVK). The attack has been sharpened by an announcement in April by the major Port operator, Maersk-SeaLand, that it is considering a move to Norfolk, VA or Halifax, Nova Scotia, if it does not receive greater assurance concerning the KVK deepening. Such a move would mean an end to more than 50,000 jobs for the International Longshoremen's Association and other maritime unions, the loss of a major transportation hub, and severe economic impacts throughout the region.

6-1-98

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McGinty
Bowles
Burkhardt

In 1996, the Vice President announced a plan that ended gridlock over harbor dredging. This plan has been widely credited with reviving prospects for the Port. However, this success has been overshadowed by the regional economic benefits of ISTEA are now at risk of being overshadowed by the shortfall in our budget proposal. Congressman Menendez (D-NJ), who represents the district that has worked closely with us on the plan, urgently has asked us to find a solution so he can join the critics. I will meet with Larry Stein, Jack Lew and Gene Sperling early next week to work on a solution.

Nuclear Waste Interim Storage Legislation

Senator Lott has filed a cloture petition and scheduled a floor vote for next Tuesday (June 3) on a bill requiring establishment of an interim storage facility for high level nuclear waste prior to completion of the scientific evaluation of Yucca Mountain. You have stated your intention to veto this bill.

Last year, different versions of the bill passed the House and Senate (in the House by a veto proof majority and in the Senate by two votes short of such a majority). We understand the House and Senate are working on a revised version of the bill in an effort to get a veto proof majority in the Senate. We are unlikely to see the revised bill until late Monday at the earliest. We do not expect that this version will address the Administration's environmental concerns, and the outcome of the vote is far from certain. We will be asking you and the Vice President to place calls to Members on this. The key vote is the first vote on cloture on Tuesday.

RESOURCE STEWARDSHIP

Everglades

On Thursday, Governor Chiles (D-FL) vetoed two bills that could have seriously impacted the Administration's Everglades restoration efforts. One bill would have required Florida to use state eminent domain procedures rather than federal procedures when it acquires land for Everglades restoration, increasing the financial burden on state taxpayers. The other bill would have given the State Legislature veto power over specific details of the restoration plan being submitted by the U.S. Army Corps of Engineers next year.

This is a huge win for the Administration's Everglades restoration plan. The Governor's actions further strengthen our partnership with the State and illustrate our combined commitment to preserving this endangered ecosystem. The vetoes are also a win for Lt. Governor Buddy MacKay who publicly denounced the bills when they were passed.

Noted
for Chiles

SUSTAINABLE COMMUNITIES

Regional Congestion Summit

Yesterday, CEQ staff participated in a regional summit convened by Secretary Slater to identify measures to reduce traffic congestion in the Washington metropolitan region. The summit was

6-1-98

attended by Governors Gilmore and Glendenning, Senator Robb, several Members of Congress, and state and local officials from both states and the District of Columbia.

This region has the second-worst congestion in the nation -- second only to Los Angeles. This gridlock reduces economic productivity and threatens air quality. The federal government has the authority to offer tax-free transit benefits to its employees to provide an incentive for them to utilize public transit. Unfortunately, many agencies do not offer such benefits. Of the 300,000 federal employees in the region, about 10 percent participate in the program. CEQ will be working with DOT and other agencies to increase federal employee participation in the transit benefits program.

OTHER

Environmental Budget Prospects / Anti-Environmental Riders

CEQ has been working with Legislative Affairs, OMB and other offices to develop a strategy to respond to the increasingly negative prospects for the environmental initiatives in your budget on clean water, parks, toxic waste cleanup, and climate. An early Senate vote on a Lautenberg amendment reflecting your environmental budget priorities engendered Democratic solidarity and even attracted three Republican votes, but delays in the House budget resolution and the intervening Congressional recess have slowed our efforts to organize House Democrats with a similar message and so have put our priorities at even greater risk.

We are currently planning a clean water event in early June to build on your parks message on Earth Day and the Vice President's toxics budget event last week. However, our message and constituent support have been undermined by anti-environmental riders attached to recent bills. First, major environmental gains -- as in ISTEA -- have been largely ignored as reporters focused on the riders rather than the main event. Second, groups that otherwise would be working to support the budget have been diverted to criticizing the Administration and urging vetoes on must-sign bills like ISTEA and the supplemental appropriation. We anticipate that we will face further riders on a number of appropriations bills such as Interior and EPA, unless we send a clear message that anti-environmental riders on coming appropriations bills will result in a veto.

Attachment

CEQ
we have to
toughen up on
this - BK

How Tough on Pesticides?

PESTICIDE POLICY in this country is founded on a contradiction. The government says simultaneously that pesticide residues are dangerous and the food supply is safe. The contradiction has helped produce a 25-year string of broken promises. Crack-downs on pesticide use have frequently been promised but have never materialized.

A new report documents the latest example. In 1993, the new Clinton administration announced a pesticide initiative. The report, by the Environmental Working Group here, reprinted what officials said about it. "Very significant commitment," a "dramatic shift in the government's approach," said environmental protection Administrator Carol Browner. "Landmark in the history of food safety," "watershed in the history of pesticide use," said former Food and Drug Administration commissioner David Kessler.

But the results, the report says, on the strength of the government's own annual surveys of pesticide residues, together with the record of enforcement, have been slim to nil. The residue levels are essentially unchanged. The findings of the report were disputed when it was released last week, but

only on the margin. The report seems true.

It is also timely. In 1996 the last Congress surprised and to some extent confounded its critics by passing an important reform of pesticide legislation. The bill enacted a compromise that had eluded environmental groups on the one hand, the chemical industry and agriculture associations on the other, for years. An administration enforcement decision helped bring the industry to the table. The bill modernized the safety standard in the law, set still another enforcement timetable and included a special standard for children and other groups thought to be more vulnerable to the chemicals.

Now, however, the new law itself is facing a test—what to do about a certain set of chemicals—and the administration, in the person of Vice President Gore, has seemed to wobble a little. He issued a statement not long ago suggesting the administration might be prepared to accommodate the industry, which wants enforcement to go slow. Aides deny that's what he had in mind, and of course we'll see. The report is a reminder of the context in which the decision will be made.

THE WHITE HOUSE

WASHINGTON

May 29, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN *Jim on 5/29/98*
SUBJECT: LEGISLATIVE WEEKLY REPORT

6-1-98

*copied
Stein
Bowles*

House of Representatives

The House will resume legislative business following the Memorial Day recess on Wednesday, June 3. In addition to a number of bills expected under suspension of the rules on Wednesday, the House is scheduled to consider the following items on Thursday and Friday:

1. **ISTEA/BESTEA:** The transportation authorization conference report, passed (297-86) by the House on Friday, May 22, arrived at the White House for your signature on Thursday, May 28. A number of errors were made during the drafting of the bill. Items that were agreed to in conference, but which were not included in the final version of the conference report, include: two drunk driving provisions (open containers and repeat offenders), a number of projects of interest to the House Minority Whip, and four technical errors in the veterans' tobacco provisions. It is anticipated that a bill to make the necessary corrections will be considered in both the House and the Senate next week, possibly Wednesday. It is not clear if each of the errors in the veterans' provisions must be corrected statutorily. Additionally, Senator McCain, in a letter received May 28, recommended that you line item veto more than \$9 billion in Member projects that are included in the bill.
2. **School Prayer:** On Thursday, June 4, or Friday, June 5, the House is expected to consider H.J.Res. 78, an Amendment to the Constitution to Permit School-Sponsored Prayer. Rep. Chet Edwards (D-TX) has been leading the opposition to this proposed constitutional amendment. His efforts have solidified a healthy majority of Democrats and a number of moderate Republicans against the measure. It is expected that the measure will fall short of the necessary two-thirds it needs for passage.
3. **Campaign Finance Reform:** The House is expected to consider H.R. 2183, the freshman campaign finance reform bill, on Thursday, June 4. The rule, which was adopted on May 22, makes in order a number of substitutes (including the Shays-Meehan bill which is strongly backed by the Administration) and unlimited germane amendments to those bills. Should debate drag on, it is expected that an additional rule will be adopted to both limit the number of germane amendments and make in order certain non-germane amendments to the substitutes. When all substitutes have been considered, the one which passes with the greatest number of votes will be considered for final passage.
4. **Budget Resolution:** H.Con.Res. 284, the Budget Resolution sponsored by Chairman Kasich and opposed by the Administration, may be considered next week. Amendments to the bill,

must be filed at Rules Committee by the afternoon of Tuesday, June 2. One amendment expected is a Democratic alternative, which the House Budget Committee minority staff is currently discussing with Leadership staff. There is a slim possibility of the Democratic alternative attracting a few moderate Republican votes. Rules Committee will meet on Wednesday, June 3, with floor action possible on Thursday, though the bill may slip to the following week if Republicans need time to modify the Kasich plan in order to secure the votes necessary for passage.

United States Senate

1. **Tobacco Settlement Bill (S. 1415):** The pending business when the Senate returns to this measure will be an amendment by Senator Gramm (D-TX) to use the bill's proceeds to pay for a tax cut that would address the so-called "marriage penalty." The Senate is also expected to return to consideration of an amendment by Senator Durbin (D-IL) to stiffen the bill's "lookback" penalties. Additional action that may occur include: a motion by Senator Ford (D-KY) to strike Senator Lugar's (R-IN) provisions in the bill that would phase out the tobacco support program; an anti-drug amendment by Senators Coverdell (R-GA) and Craig (R-ID) that would add a number of anti-drug programs, including a ban on taxpayer financed needle exchanges, to the bill; and a substitute amendment by Senators Hatch (R-UT) and Nickles (R-OK) that would attempt to significantly scale back the comprehensive approach of Senator McCain's (R-AZ) underlying bill.
2. **Nuclear Waste Disposal bill (S. 104):** The Senate will begin consideration of S. 104, the Nuclear Waste Disposal bill [sponsored by Senator Mikulski (D-MD)]. This Administration-opposed measure amends the Nuclear Waste Policy Act of 1982 to develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste. S. 104 sets a deadline for you to designate a site for construction of an interim storage facility following a determination of unsuitability for the Yucca Mountain site. On Tuesday, June 2, the Senate will vote on the motion to proceed to S. 104. Majority Leader Lott (R-MS) indicated that he would not hold a cloture vote until he was confident he had sufficient votes to override a Presidential veto. Earlier in the week, Senator Bingaman (D-NM) indicated he would support the Administration's position; however, recent information leads us to believe that Lott is willing to meet Senator Bingaman's demands and thus, Bingaman may be persuaded to vote to override.
3. **Upcoming Senate Schedule:**
Majority Leader Lott announced his intent for the Senate's schedule for the remainder of the Congressional session. During the month of June, the Senate could consider: defense authorization; Higher Education Reauthorization; a constitutional amendment on flag desecration; credit union legislation; the House-passed legislation on religious persecution; and 2 to 3 appropriation bills a week. In addition, possible conference reports to be considered include: IRS Reform; the Coverdell Education bill; and the Budget Resolution.

cc: The Vice President
Erskine Bowles
John Podesta
Sylvia Mathews

THE WHITE HOUSE
WASHINGTON

May 30, 1998

6.1.98

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Ibarra
Bowles

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra *for m2*

SUBJECT: Office of Intergovernmental Affairs Weekly Report -- May 25 - 29, 1998

ISTEA

- We continue to receive calls of support from state and local officials who are pleased with the agreement reached on ISTEa. They are very interested in participating in a bill signing ceremony. We hosted a meeting with Communications, DPC, NEC, OMB, Political Affairs, Legislative Affairs, Cabinet Affairs, Scheduling, and the Press Office to discuss the mobilization of state and local officials, which we suggest include White House briefings on tobacco, the budget, food stamps, and other issues if they are invited to a signing ceremony.

Governors

- In coordination with Cabinet Affairs and CEQ, we continue to work with the governors of the seven affected Atlantic coastal states on developing a fully coordinated plan to deal with a pfiesteria outbreak should one occur this summer. We are preparing now to meet individually with each state's leadership in preparation for a "Second Governors' Summit on Pfiesteria" which Governor Parris Glendening (D-MD) is expected to host in late July or early August.
- Governor Lawton Chiles (D-FL) vetoed two very controversial bills this week which would have eroded restoration efforts in the Florida Everglades. The Vice President had urged this action and praised the decision.
- The states are expressing their strong opposition to the proposed HHS requirement that state Medicaid programs cover Viagra prescriptions.
- Governor John Kitzhaber (D-OR) is recovering from a very serious bacterial illness contracted on a trip last month to China. He has been in and out of the hospital over the past three weeks (aggravated by the pressures of attending to the tragic shooting in

6-1-98

Springfield, Oregon which stimulated a relapse). He is taking time off for treatment and recovery.

Mayors, Municipal, and County Officials

- We were pleased to include ten mayors and fifteen chiefs of police in the COPS announcement ceremony on Friday, May 29. Several of the mayors and chiefs participated in extensive regional press coverage following the event.
- Several representatives of cities and counties receiving welfare-to-work grants attended the anniversary event on Wednesday, May 27.

Indian Country

- There continues to be a great deal of concern about the provisions in the tobacco bill that would allow state taxation of cigarettes on Indian reservation land. A draft letter from the Secretary of Interior opposing such a move is under review.
- Lynn Cutler met with Rick West, the Director of the American Indian Museum, to share thoughts and ideas. The museum is progressing well. Lynn suggested they examine strategies to tie their efforts to the Millennium Program; Rick is going to meet with Ellen Lovell to pursue this idea.

Insular Affairs

*Unlabeled
to O'Brien
caution
clear with going
to Puerto Rico*

Governor Gutierrez (D-Guam) is pressing the Administration very hard for an announcement as soon as possible that you are planning to stop in Guam on one of your forthcoming Pacific trips. He would like to come to Washington for the announcement.

* Defense Secretary Cohen reaffirmed the decision to move the Army's Southern Command headquarters to Puerto Rico. It had been announced last year but other options have been explored because of cost questions raised by Pentagon budget officials and congressional appropriators. The move was strongly supported by the Commander-in-Chief of Southern forces, Puerto Rico Governor Pedro Rossello (D), Congressman Carlos Romero-Barcelo (D), and Senator Bob Graham (D-FL). We advised the Pentagon on the Puerto Rico aspects of the issue. The Army has been directed to reduce the costs of locating there.

- The Treasury Department has agreed to support the application of the Research and Experimentation tax credit to U.S. corporate income from Puerto Rico. We worked with Treasury on this. Governor Rossello and Congressman Romero had sought it in part because House Ways and Means Committee Chairman Bill Archer (R-TX) has continued to block restoring the eligibility of new investments for the tax credit for wages in the

6-5-98

Texas Attorney General Accused Of Making Improper Demands

By ANN DAVIS
And MARY FLOOD

Staff Reporters of THE WALL STREET JOURNAL

State legislators challenging billion-dollar fees for lawyers who won a huge settlement in Texas's suit against the tobacco industry say they have information that may show Texas Attorney General Dan Morales improperly solicited millions of dollars from lawyers he considered hiring for the job.

The allegations, immediately denied by a spokeswoman for Mr. Morales, were made on behalf of the legislators in a filing in federal court in Texarkana, Texas. The filing will likely fuel the controversy over the high fees of plaintiffs' lawyers representing states in lawsuits to recover the public health-care costs of treating sick smokers.



An attorney for the Texas legislators said in the filing that the information came from prominent plaintiffs' attorney Joseph D. Jamail, who the legislators say should give a deposition in the case. Last week, Mr. Jamail submitted an affidavit alleging that at a meeting he and other lawyers had with Mr. Morales, the attorney general imposed "legally questionable and suspect" conditions on lawyers he was asking to represent Texas in its tobacco suit. Mr. Jamail said he refused the terms and left the meeting.

Mr. Jamail said he stands by what was in the latest court papers but will not comment further except under oath. "I told the people who needed to know at the time this happened. I'm going to talk under oath," he said. "I think we need to get Morales and me before a judicial body — a grand jury or court — and under oath we can tell what happened."

Texas settled its tobacco suit for \$15.3 billion in January. Lawyers who represented the state say they are entitled to \$2.3 billion under their contingency fee contract. But issues surrounding the settlement are still up in the air, including challenges to attorneys' fees filed by legislators and Texas Gov. George W. Bush.

In yesterday's pleading, John J. McKetta III of Austin, Texas, a lawyer for the legislators, said he had reviewed memos from Mr. Jamail's files that indicate that Mr. Morales "solicited \$1 million from each of several lawyers in a meeting." The pleading further describes Mr. Jamail's files as indicating that "the money was purportedly for the purpose of defending [Attorney] General Morales against possible attacks from the tobacco companies."

Sonya Sanchez, a spokeswoman for Mr. Morales, called the allegations "totally false" and said Mr. Morales never received any money from any of the plaintiffs' lawyers. Charles Silver, a legal ethics professor who represents the Texas lawyers who took on the job, said Mr. Morales didn't ask the lawyers at the meeting to do

anything improper and said they merely discussed setting a budget for public relations in the controversial case.

"There certainly was a general conversation where they would have talked about what the expenses include," says Prof. Silver of the University of Texas School of Law. "Certainly it would have included a discussion of budgeting for public relations." He added that spending money for public relations "turned out to be unnecessary."

Tom Banning, a consultant to the private attorneys handling the Texas case, also says the attorneys were not asked to give Mr. Morales any money for a personal defense fund and the allegations or implications are "totally false." He says the papers filed by the legislators are simply a political and public-relations stunt.

"Joe Jamail has been spinning this story for 2½ years," Mr. Banning says. "He's an officer of the court and if something illegal did happen he was required to tell the court."

The legislators also contend that Mr. Morales improperly entered into a side deal with the lawyers, agreeing not to appeal any court ruling upholding a contingency fee of as much as 15%, according to Pete Schenkan, another lawyer for the legislators. Under the Texas settlement, fees to be paid by the tobacco companies were to be set by a panel of arbitrators. Mr. Morales agreed the state was obligated to make up any additional amount to reach the 15%. The judge overseeing the settlement found that the state was responsible for making sure the lawyers got paid their 15% fee.

According to the legislators' pleading, Mr. Jamail's files also show that one lawyer, Walter Umphrey, didn't walk out of the meeting with Mr. Morales. "Several lawyers refused to participate and left the meeting, but ... Mr. Umphrey remained," the filing says. Mr. Umphrey, of Beaumont, Texas, went on to become lead counsel in the case. He declined to comment on the allegations.

Mr. Schenkan declined to elaborate on Mr. Umphrey's actions. "The way this should be handled is by allowing us to take this [Mr. Jamail's] deposition so that what is known can be answered," he said.

William Slusser, a Houston lawyer who attended a different meeting in Austin with Messrs. Jamail and Morales, said the attorney general mentioned a fund for his personal defense but didn't specify an amount.

The attorney general has asked the court not to permit Mr. Jamail to give a deposition, arguing that the legislators seeking the information weren't a party in the tobacco case. This week, Mr. Morales also asked the court to sanction the legislators and the governor for improperly interfering with the settlement.

Mr. Morales, a Democrat, announced in December that he would leave public office to spend more time with his family and wouldn't seek re-election. A former state representative, he was elected attorney general in 1990 and re-elected in 1994.

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OPINION/ESSAYS

Irish Protestants' Crucial Leap of Faith

By David Stevens

It was a reluctant but crucial "yes" the majority Protestant-Unionist community gave to the peace agreement in Northern Ireland last Friday.

"On balance, I think in my conscience I must vote 'yes.' I hope I do not live to regret it. It is a leap of faith," said Anne Slaine, a Protestant whose son, Paul, a police officer, lost both legs in an Irish Republican Army (IRA) bombing.

Catholics, a minority in Northern Ireland, largely saw a "yes" vote on the peace agreement as a way of achieving political change, and strongly favored it. But it was an agonizing decision for Protestants. In the end, around 55 percent of them did vote "yes."

It's only the first of many daunting challenges ahead for the Protestant majority in Northern Ireland as it seeks to create a new future for itself in a context where new relationships are going to have to be forged with people who have been bitter enemies.

A man from the Protestant heartland of Belfast, Shankill Road, expressed the tentative, downbeat kind of hopefulness felt in the majority community: "There are lots of ifs and buts, but anyway it's a bit of a start."

The sticking point for many is the proposed quicker release of terrorist prisoners.

Mrs. Slaine summed it up this way: "I look upon 'yes' as somehow letting Paul down, and those people who have suffered at the hands of terrorists who will now be able to walk the streets."

She is unconvinced that British Prime Minister Tony Blair can deliver on his guarantee that Sinn Féin will be excluded from power-sharing if the IRA fails to hand in its weapons. (Sinn Féin is the political arm of the IRA, which has used violence to try to unify Northern Ireland with the Irish Republic.)

The "decommissioning" (turning over to authorities) of weapons held by terrorists was also a significant issue during the referendum campaign and will be a major focus of attention in the campaign leading to a vote June 25 to elect members of a new Northern Ireland Assembly.

Many Protestants were happy with the status quo and feared what change would bring. They wanted to be left alone to be British, just as anyone else in the United Kingdom. They found it difficult to accept that the status quo was not an option. They were bitter when they realized that a British government was not going to let them be as they wanted to be.

And then there were the total rejection-

In spite of them, another group of unionists were a significant factor in getting the agreement accepted. They were the two paramilitary-related parties - the Ulster Democratic Party and the Progressive Unionist Party. Many of their leaders were former prisoners who had learned in prison that violence was not the answer. They have played a significant and constructive role in Northern Ireland politics since the loyalist paramilitary cease-fire in the autumn of 1994. For them, it was a "good enough" agreement.

Some were motivated by weariness with

their children and grandchildren.

In the words of Mrs. Slaine:

"I took part in a radio show last week and spoke of my fears of betraying my son. A schoolboy was the last to speak. He told me to think about whether I would be betraying my grandchildren by voting 'no,' and that had an important effect on me."

As another schoolboy who was celebrating his 18th birthday and voting for the first time said, "This is the first chance for years to move things forward."

The action now moves to the selection of candidates and campaigning for the elections to the assembly.

The leader of the main Unionist Party, David Trimble, took an enormous risk when he accepted the agreement, known as the Good Friday Agreement because it was concluded on April 10, just before Easter. He scored a significant victory in the referendum; he has not, however, conclusively defeated his unionist opponents. A lot is still at stake. The unionist-rejectionists are hoping to wreck the assembly. Many difficult issues must be faced: the turning in of terrorist weapons, the setting up of a power-sharing executive in which Sinn Féin is likely to be entitled to have members; the reform of the police force, the Royal Ulster Constabulary.

Violence may continue for some time from republican paramilitaries who oppose the agreement and from some loyalist sources.

The Orange Order marching season will soon get under way, which will inevitably raise tensions as Protestant groups march through Catholic neighborhoods.

But "it is a bit of a start," "a leap of faith."

David Stevens, a Presbyterian layman, is general secretary of the Irish Council of Churches in Belfast, a group of 10 mainly Protestant churches. The council runs a peace education program in cooperation with the Roman Catholic Church.



ists, those who believe that no Irish Catholic can be trusted; those who believe that the peace agreement is an "open appeasement of terrorists," in the words of one pro-Union group; those whose view was represented by the man who said, "As far as I am concerned, the path is laid down to a united Ireland." Protestants' greatest fear; those who believe that the peace process was fundamentally flawed and twisted and the peace agreement was its inevitable fruit; those whose view was that the agreement corrupted democracy and the rule of law.

the conflict. Others by the prospect of a new partnership between Protestant and Catholic, unionist and nationalist, and between the people of the island, north and south.

One of the most memorable images of the referendum campaign came three days before the vote at a pop concert in Belfast's Waterfront Hall. Leaders of unionism and nationalism came together to the cheers of the young generation. Perhaps that could be the future.

For many people the argument was about what sort of future they wanted for

Wanting to Know the Unknowable Bibi

His closest associates say they don't know him. A former prime minister from his party says, "He is not a very trustworthy man. I don't believe he

But as David Remnick suggests in a brilliant profile movement. And it is all pent up within him. He has no real circle of trusted friends. His three marriages have

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w/desk
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WASHINGTON

cc: press for
 Charlene B / Gene S / → good
 → see us paper
 we want to see more
 entire

THE PRESIDENT HAS SEEN
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CLINTON'S TRADE CRUSADE

The Prez issues a bold call for freer markets and stiffer standards

It could turn out to be President Clinton's best and brightest economic move since his 1993 budget-balancing deal—even if few people noticed it. In May, while Americans mourned Frank Sinatra, caught the last *Seinfeld*, and watched trustbusters wrestle with Bill Gates, the White House unveiled a bold agenda for trade expansion that—if it succeeds—could provide a growth path for U.S. exports and the economy into the next century.

In a whirlwind swing through Europe, Clinton called for a new round of global trade talks that he would host next year. He renewed negotiations aimed at knocking down barriers to trade between the U.S. and the European Union. At the World Trade Organization headquarters in Geneva, Clinton chided bureaucrats to be less secretive and more accommodating of labor and environmental standards in negotiations. And finally, he hinted he'd launch a new legislative fight in 1999 to renew his fast-track trade negotiating authority from a reluctant Congress.

After three years of getting almost nowhere on trade issues, Clinton is ready to risk some political capital to go down in the



history books as the President who presided over the longest economic expansion since the end of World War II—and forged the deals to make sure it continues after he goes off to build his Presidential library. The initiatives are all the more striking given the timing: As Clinton rolls out his plans, the Asian economic meltdown is worsening—illustrating the potential volatility of the new global economy. Already, exports to Asia are down 10% compared with a year ago.

Once again, investors are worrying that U.S. companies won't ride out the storm but will see earnings suffer as a result of the Asian mess. As container ships carry ever larger cargoes of cheap Asian goods to U.S. shores but return empty, and the dollar continues its relentless climb, free trade looks increasingly like a one-way street—and the theory of a never-ending, trade-driven expansion seems more questionable.

BACKLASH. Especially in Washington. Last fall, labor-aligned Democrats blocked Clinton's push for fast-track trade negotiating authority because they say deals such as NAFTA harm U.S. workers and the environment. Now, there's backlash against free trade among Republicans. Angered by religious persecution and terrorism in nations that rely on exports to the U.S., they are turning increasingly to trade sanctions to punish transgressors. Example: On May 20, the House voted to bar high-tech exports to China because of allegations that Clinton let a top campaign donor export satellite knowhow to Beijing.

If the President can pull off even half of his new agenda, he might be remembered as the strongest Democratic advocate of free trade since John F. Kennedy. If not, he stands to be blamed for letting slip the greatest opportunity in years to create truly open global markets. Trade now contributes nearly \$1 trillion to the U.S. economy and has accounted for a third of its growth since 1992. With Asian markets drying up, the key to continuing export growth will be hammering out agreements to ensure that U.S.

goods can sell easily in Europe and Latin America.

But Clinton has his work cut out for him. His first challenge is convincing the public that America has more to gain than to lose from cracking open foreign markets. The growing trade gap—headed for a record \$155 billion this year—won't ease public anxiety. The fear: An ever larger current-account deficit will eventually reduce the value of the dollar. That could fuel inflation and drive up interest rates.

For now, there's little cause to worry. On May 26, the dollar hit its highest level in seven years—above 137 yen—thanks in part to the surge of money from Asian investors seeking safety. And, in the short run, the strong dollar is slashing the cost of imported goods and keeping inflation at bay.

But over time, the dollar could suffer whiplash. "A trade deficit that continues this path could eventually cause the dollar to turn around and come back down, and then the Goldilocks economy could come apart with it," warns C. Fred Bergsten, director of the Institute for International Economics.

Clinton's trade agenda is designed to halt that process by boosting exports. On his European trip, the President won agreement from the EU for a new round of bilateral talks, dubbed the "Transatlantic Economic Partnership." It is intended to speed up talks on a wide variety of old issues—agriculture, intellectual property rights, insurance, and telecommunications—and some new ones, such as electronic commerce. To get the Europeans to agree to the regional trade talks, Clinton pledged to water down sanctions in the Helms-Burton law that punish European companies doing business in Iran and Cuba.

In calling for a new round of global talks in Geneva, Clinton warned that trade negotiators must make their deal-making more public and include considerations other than commerce. "We must do more to ensure that spirited economic competition among nations never becomes a race to the bottom in environmental protections, consumer protections, or labor standards," he said.

WTO Director-General Renato Ruggiero

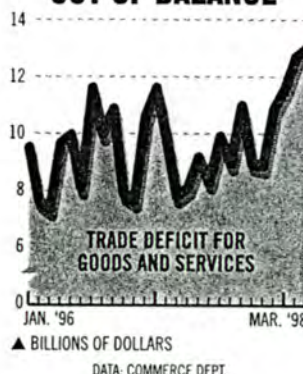
lauded Clinton's proposals as "historic." But the U.S. Congress will be a harder sell. After Clinton narrowly failed last November to secure fast-track trade negotiating authority from the House, he shelved the matter as too hot for this election year. In the meantime, however, Clinton can't expect progress in new trade talks: Negotiators in Latin America and Europe won't put their

best offers on the table unless the President has fast-track authority, which keeps Congress from undoing his deals.

This time, Clinton is going back to try to pick up the Democrats he couldn't convince—in part by reviving environmental and labor safeguards in fast-track bills that were approved for Presidents Reagan and Bush. One of last year's anti-fast track Democrats, Representative Nita M. Lowey of New York, applauded Clinton's pro-environment approach in Geneva and, according to her staff, "would be very supportive" if the green portions of the bill were restored.

Some CEOs like Clinton's plan. "We already have high environmental standards in the U.S.," says W. Douglas Ellis Jr., CEO of Southern Mills Inc. in Union City, Ga. "We want an even playing field." Yet, business is wary of burdening trade with too much regulation. "Penalizing countries that don't conform to our particular standards or ways of life, to use trade as

OUT OF BALANCE



TO RESTART INITIATIVES ON TRADE, CLINTON IS...

► **HINTING** at a new strategy to secure fast-track trade negotiating authority from Congress so the President can cut market-opening deals again.

► **INVITING** all members of the World Trade Organization to Washington in 1999 to begin a new round of global talks aimed at eliminating remaining barriers to free trade.

► **PROPOSING** reform to the secretive WTO to allow more public participation and greater attention to environmental and labor issues in future trade treaties.

► **REVIVING** trade talks between the U.S. and the European Union. The goal: a new North Atlantic trade partnership involving agriculture, electronic commerce, and other areas.

► **WAIVING** penalties against France's Total and two partners that violated U.S. prohibitions on investments in Iran by putting \$2 billion in that country's energy development.

a means of changing social policies—we think that's a bad policy," says Maytag Corp. international affairs Vice-President Douglas C. Horstman.

Will labor go along? The AFL-CIO won't reveal under what circumstances it will back more free-trade deals. But it is likely that the cost of securing labor's support—guarantees on foreign minimum wages, for example—will be more than

the Administration wants to pay. And U.S. unions are still unhappy with what they see in Mexico, where, despite NAFTA, *maquiladora* factories have kept most unions out. "Globalization is being threatened by a public attitude of fear, so Clinton's got to find ways of accommodating these issues," says Daniel C. Esty, a law professor at Yale University who was a Bush Administration trade negotiator.

Aware of the pitfalls, the White House will go slow on its fast-track campaign until after election day. But Clinton can wait very long. If he wants to go down as the Democrat who knew how to take care of business, he'll have to keep having America's exports.

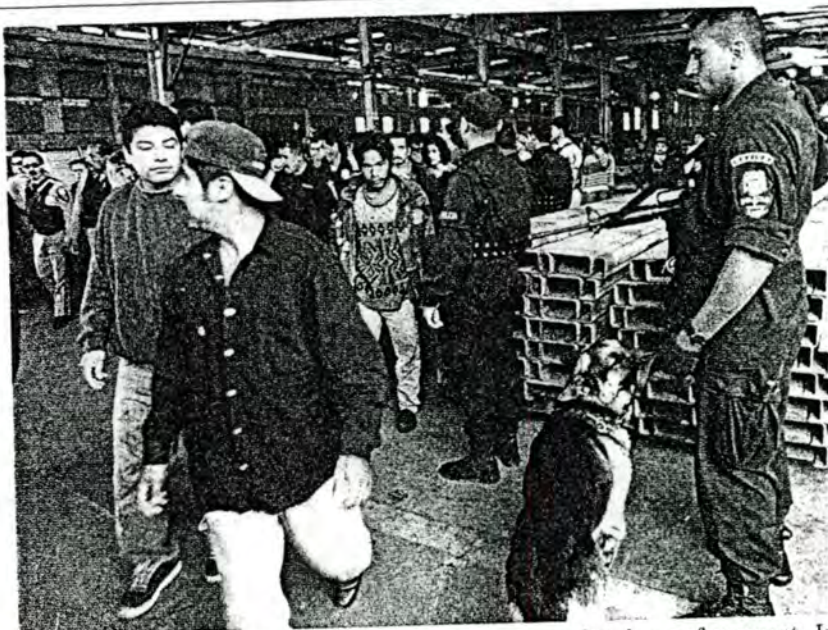
By Paul Magnusson in Washington
with De'Ann Weimer in Chicago
Nicole Harris in Atlanta

A MEXICAN STANDOFF JOLTS CAPITOL HILL

There's a nasty fight going on in Tijuana, and it's the last thing free-trade advocates in Washington need. A yearlong struggle by 120 welders at the Han Young *maquiladora* to form their own union turned into a full-fledged strike May 22, when workers shut down the plant after a scuffle, demanding new contract talks and a 35% pay hike.

The Han Young strike is sure to alarm labor advocates and sympathetic Democrats in Washington as the Administration once again tries to build support for fast-track trade negotiating authority. During the 1993 debate over the North American Free Trade Agreement, U.S. labor leaders argued the pact would speed the exodus of manufacturing jobs to low-wage plants with lax labor-law enforcement. Last year, citing jobs lost to *maquiladoras*, labor helped defeat President Clinton's bid for fast-track negotiating authority. "What happens at Han Young is not simply a statement about whether or not NAFTA is working," says Harley Shaiken, a professor of international labor issues at the University of California at Berkeley. "It will be an issue in any new fast track the President proposes."

The *maquiladora* industry, which employs more than one million Mexicans and last year exported \$41 billion in goods, remains fiercely resistant to independent unions. Julio Madrigal, a lawyer for Han Young, says the company will work with whichever union shows it has a majority, but he questions how much support the independent union truly carries. Meanwhile, a union linked to the Mexican government has been organizing and opposes the strike. A recount of the strike vote was taking place on May 27 and a new vote on union registration is slated for May 29. Mexican federal officials argue that labor law was properly



ly enforced at Han Young.

Han Young workers, who assemble tractor-trailer chassis for a Hyundai Corp. subsidiary, began organizing in 1997. They were blocked by the Baja California state labor board, which invalidated

their first pro-union vote. But the struggle caught the attention of congressional Democrats. When Mexican President Ernesto Zedillo Ponce de León visited Washington last November, Clinton brought up the Han Young case at the suggestion of Representative David Bonior (D-Mich.). **NO CONTRACT.** The Mexican federal government intervened, and the union won recognition in January after a second vote. But Han Young has not negotiated a new contract. The welders currently make about \$70 a week with benefits.

The Han Young case illustrates the weakness of NAFTA's side-accord on la-

TIJUANA TANGLE

The Han Young strike is roiling the *maquiladoras*—and highlighting NAFTA's weakness

bor law enforcement. In April, the U.S. Labor Dept. published a report on Han Young, charging that the local labor board had not enforced Mexican workplace law. Labor Secretary Alexis M. Herm asked for talks with the

Mexican counterpart—the furthest U.S. can go under NAFTA—but Mexico is waiting for a second report on health and safety issues at Han Young before responding, says Rafael Aranda, director of the Mexican federal office overseeing the NAFTA labor side agreement. He says the law was enforced. "The workers have the union they voted for."

The clamor over Han Young is loudest north of the border. But the decision on whether to keep opposing the union must come from the south. Whatever happens, the echoes will be strongest in Washington.

By Elisabeth Malkin in Mexico

THE WHITE HOUSE
WASHINGTON

DATE: 06/01/98

NOTE FOR: Charlene Barshefsky
United States Trade Representative

The President has reviewed the attached, and it is forwarded to you
for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

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MRS BETTY CURRIE
OFFICE OF THE PRESIDENT
THE WHITE HOUSE
WASHINGTON DC 20500

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ARTS & LEISURE

Movies to watch for from Cannes

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THE CHRISTIAN SCIENCE MONITOR

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BOSTON - FRIDAY, MAY 29, 1998

Internet address: www.csmonitor.com 75¢

The New Nuclear World Order

■ Yesterday's nuclear test by Pakistan, in response to India's, transforms the region.

By Jonathan S. Landay
Staff writer of The Christian Science Monitor

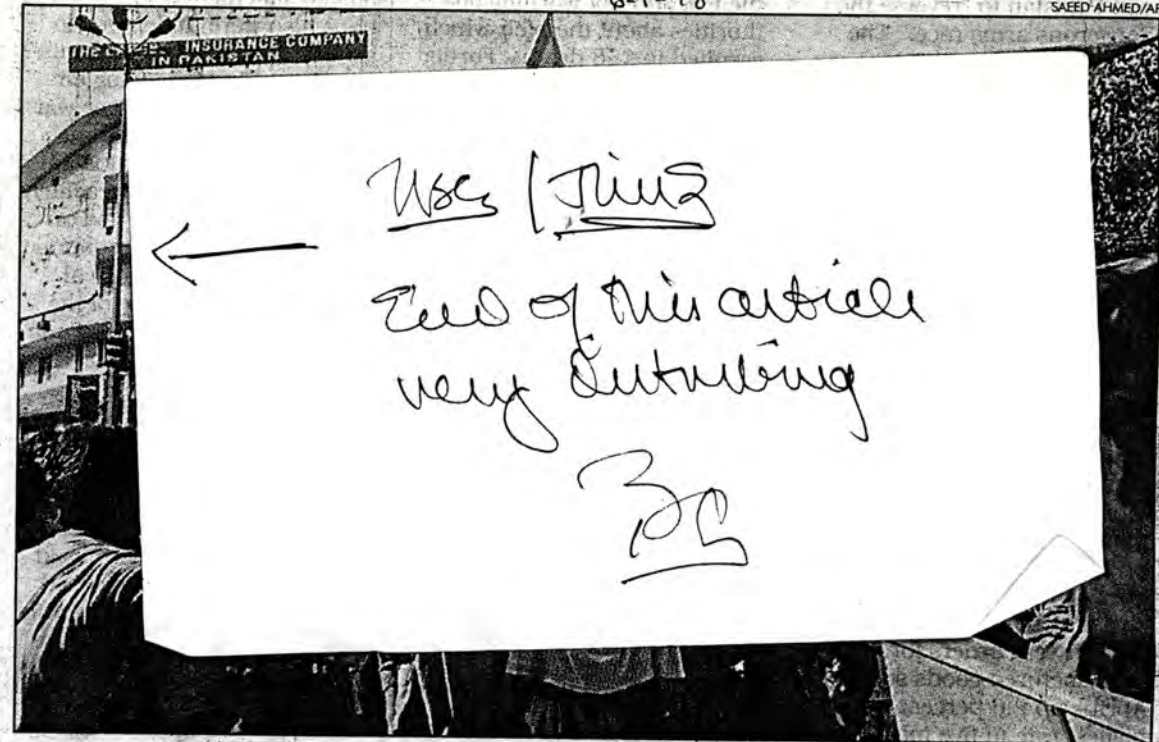
WASHINGTON

Peace in South Asia, home to the poorest one-sixth of humanity, and the future of global disarmament have been plunged into uncertainty by Pakistan's detonation of five nuclear devices in response to five by rival India.

In setting off the devices yesterday in an underground shaft at a site in the remote Chagai region, Pakistan ignored threats of economic sanctions and pleas for restraint by President Clinton.

In authorizing the blasts, Prime Minister Nawaz Sharif bowed to intense domestic pressure stoked by national pride and demands he ensure Pakistan's security. But he warned the 140 million Pakistanis that sanctions could create food shortages, restricting many to one meal a day.

These tests by India and Pakistan have transformed the global balance of power within 17 days.



PRESSURE FROM BELOW: Pakistani leaders responded to anti-India protests, such as this one Wednesday in Karachi, by approving five nuclear tests yesterday. Now Pakistanis face crushing economic sanctions.

The two have joined five other countries - the United States, Russia, China, Britain, and France - in acknowledging they have nuclear weapons.

By doing so, they have brought the threat of nuclear annihilation to hundreds of millions of people. And as they develop missiles capable of lofting atomic warheads,

they pose threats to other parts of Asia and portions of the Mideast.

But just how the new nuclear order will evolve remains unclear.

See **PAKISTAN** Page 11



COLLEGE MAN: At Georgetown University, Bill Clinton (seen here in his 1968 class photo) set course for the White House.

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By Fr
Staff wr

IN a rented white cottage on Potomac Avenue near Georgetown University, Bill Clinton and his four college roommates once grooved to '60s hits spinning on their record players.

Saturday night will be an amplified version of that past, as more than 1,000

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BOSTON - FRIDAY, MAY 29, 1998

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75¢

GEORGETOWN UNIVERSITY



COLLEGE MAN: At Georgetown University, Bill Clinton (seen here in his 1968 class photo) set course for the White House.

GRADUATIONS

Clinton: The Early Years

By Francine Kiefer

Staff writer of The Christian Science Monitor

WASHINGTON

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Saturday night will be an amplified version of that past, as more than 1,000 Georgetown alums and guests mellow out with the

The New Nuclear World Order

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See **PAKISTAN** Page 11

California Preview of Nation's Political Year

Two Nuclear Tests in 17 Days Remake the World Order

PAKISTAN from Page 1

The new Indian-Pakistan nuclear capability adds to the uncertainty that has marked international developments since the end of the US-Soviet rivalry.

Many experts fear the tests will fuel an upsurge in the rivalry between Pakistan, an overwhelmingly Muslim state, and predominantly Hindu India. The two nations have fought three wars since they won independence from Britain in 1947. They came close to a fourth conflict in 1990 over Kashmir, a divided Himalayan region where the foes engage in near-daily clashes that US officials say have intensified since India's tests.

A WAR of words has also escalated in recent days, reaching new heights yesterday when Pakistan accused India of preparing to attack its nuclear facilities. New Delhi denied the charge.

The Pakistani test "takes us yet another step ... up the ladder of increased tensions in the South Asia region," says a US official, speaking on condition of anonymity. "It makes the security situation in the region even less controllable."

Such concerns are being stoked by aggressive missile development programs on both sides. In addition, neither country has a strategy for employing nuclear weapons, command-and-control systems, or civil defense measures.

Both face other tough calculations. Aside from the certainty of retaliation for a nuclear attack, both must grapple with the reality that by using atomic arms within the narrow confines of the Indian subcontinent, they risk killing many of their own people from radioactive fallout blown back across their border by the winds.

"The real dangerous time will come as both countries put the command struc-

tures and strategic systems in place for an effective nuclear deterrence," warns Sandy Gordon, author of "India's Rise to Power in the 20th Century and Beyond."

In Washington, Clinton said he was invoking a US law requiring him to impose on Pakistan the same sanctions that he slapped on India after it tested. He deplored Pakistan's decision, saying it had wasted "a truly priceless opportunity to strengthen its own security and to improve its political standing in the eyes of the world."

The US had been scrambling since India's tests to compile a package of incentives to persuade Pakistan not to respond with its own, including economic assistance, a resumption of conventional arms sales suspended in 1990, and other security-boosting measures. Clinton himself sought to persuade Sharif to exercise restraint in four telephone calls, including one he made only hours before the Pakistani detonations.

The US sanctions require a cutoff of American private and government loans to Pakistan. The US will also oppose new multilateral loans on which Pakistan, which has only \$1 billion in hard cash reserves and massive debts, is critically dependent.

"History had placed us at a crossroad. One road took us toward challenges and the other towards slavery and subjugation" said Sharif in a television speech yesterday. "We chose to sacrifice and secure our freedom."



current situation in South Asia was created solely by India."

Some experts worry that India's tests may push Beijing's communist leadership toward renouncing its signature of the 1996 Comprehensive Test Ban Treaty (CTBT) and end a suspension of underground blasts as part of an ongoing nuclear-modernization program.

China battled India in a 1962 war in a border dispute that remains unresolved. It has played a critical role in aiding Pakistan's clandestine nuclear weapons program, according to US officials, who say it provided Islamabad with technology and know-how to develop warheads and missiles.

In the longer term, many experts fear that the failure of the world's powers, particularly the US, to preempt Indian and Pakistan tests with effective diplomacy could encourage other states with nuclear ambitions to pursue the development of atomic weapons.

Yan Xuetong, a scholar at the China Institute for Contemporary International Studies, said that "countries in the Mideast could see the latest tests as a window of opportunity to become a nuclear state." The only nation in the Middle East believed to have developed nuclear arms is Israel, and it has long feared the appearance of an "Islamic bomb" that Pakistan has now created.

And earlier this month, North Korea threatened to restart its nuclear program due to a dispute over the Geneva accord with the US, Japan, and South Korea that froze the North's feared moves toward becoming a nuclear power.

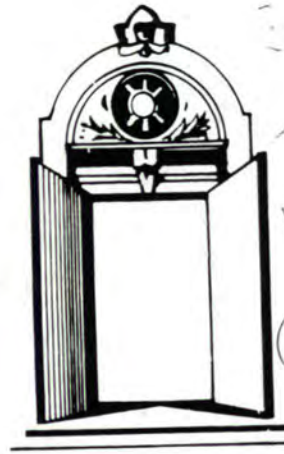
The US this week forced the World Bank to indefinitely delay \$865 million in loans to New Delhi. But India's economy is far stronger than that of Pakistan, leading some experts to conclude that one of India's calculations in testing was that its rival would be sucked into fiscal suicide by following suit.

"Pakistan has done exactly what India wants," says Dr. Gordon.

Another major unknown is how China, which for years has aligned with Pakistan to contain India, will respond to the new nuclear equation. It declined to condemn the Pakistani tests, contending that "the

Contributors John Zubrzycki in New Delhi and Farhan Bokhari in Islamabad, and staff writer Kevin Platt in Beijing, provided material for this report.

America Makes Headway in Reducing Attacks on Its Churches



Shit -

I thought
this was my
Amb. appointment.

But: I think
it is a request for an
appointment w/ Fatus.

B

I used my best
Spanish !!!

TO NSL
for reply



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(503) 654-0699

1 de Mayo de 1998.

Estimadísima

Sra. BETTY CURRIE
Secretaria Personal
del Excelentísimo señor Presidente Clinton
En su Despacho
The White House
1600 Pennsylvania Avenue
Washington D.C. 20500

Estimadísima Sra. CURRIE:

Le Saludo muy cordialmente desde mi País EL Salvador; y le hago
llegar mis altas muestras de aprecio y especial estima.

Espero no sorprenderla con mi carta. Supe que usted es la
Secretaría Personal del Presidente Bill Clinton, a través de una
publicación de un Diario Salvadoreño. Entonces decidí escribirle
para solicitarle ayuda a fin de que el Presidente Clinton pueda
recibirme en Octubre de 1998. en tal Propósito escribí una carta al
Presidente Bill Clinton y la despaché el 20 de Abril recién
pasado. En dicha carta le contaba al Presidente Clinton, entre
otras cosas, que estoy casado, que soy Licenciado en Ciencias
Jurídicas, que desempeño como asesor Jurídico de Empresarios. Le
contaba también que promuevo la creación de un Partido Político,
que en el camino que la constitución Salvadoreña establece para que

todo Salvadoreño que lo desee luce y pueda llegar a ser Presidente. Yo me estoy preparando para hacer carrera Política y buscar la Presidencia de mi país a mediano Plazo. Como parte de mi Preparación, quisiera conocer la Casa Presidencial y el Capitolio de los Estados Unidos de América, así mismo entrevistarme con el Excelentísimo señor Presidente Clinton, y con los senadores LUIS GUTIERREZ BOB MENENDEZ, XAVIER BECERRA, NIDIA VELASQUEZ Y CARRIE MEEK.

Esta carta tiene como propósito suplicarle que por favor, si no hubiere inconveniente, intervenga a fin de que yo pueda obtener una Audiencia con el Presidente Bill Clinton. Tengo la esperanza que el señor Presidente haya recibido mi carta.

Me sentiré orgulloso y Feliz si recibo respuesta a mi carta.

Sra BETTY CURRIE: Le agradezco infinitamente su atención y le reitero mis altas muestras de aprecio.

Atentamente.



Lic. CARLOS EDILBERTO RODRIGUEZ VIGIL.

May 31, 1998

President Bill Clinton
Georgetown Class of 1968 Class Reunion

Dear President Clinton,

Five years have passed and again you have been most gracious to invite us to our 30th reunion memorable. My wife and I, both being Georgetown graduates, express our appreciation for your kindness. We also want to take this opportunity to thank you, President. We both remember your undergraduate days and constantly find that it has been an inspiration! Although I studied business at GU, and I am still a person as a Presbyterian Minister. I have learned with age that sometimes the motivation to continue when things get difficult does not come from the inside; God has placed me in my position and only He can remove me. We are in such a thankless position, considering that many negative things have been said about a Christian Minister there is only one thing I know for certain about you, Mr. President, that if God did not will it to be so. May the fact that God is in the future. As and when you face really difficult days ahead, please be comforted and pray for you on a regular basis. In fact, we are praying for your whole family with children leaving the nest and will continue to pray for your adjustment.

It struck me recently that the teaching we received, as well as the social environment in the late 60's. The institution instilled in us an interest in mankind and more important to serve others than to live for ourselves. We not only graduated with a degree, but with the motivation to make this world a better place. We wanted to make a difference with our lives. We had real compassion for the concerns of our community and the world. Even the anti-Vietnam attitude of the school helped us to learn to speak out. (Yes, even with picketing.) We all learned early about the evil side of life from Vietnam to Father McSorley's stories of the Bataan Death March. It is to this end we appeal to you to hear our concerns about a great evil that has existed for many years in this world. We do this because we know first hand of the love you share with us for children, women, equality, the First Amendment and human rights. As a husband and wife who serve mankind we have heard things that have made us cry and pulled at our heart strings, but we have no power to change this great wrong. We can only share our burden with you, in the hope and prayer that you can find some way to help.

After serving in a church for over a decade, my wife and I decided that our local community as well as the Internationalists that live with racial reconciliation, the organization dedicated to Faith dialogues. Our opportunities of knowing was going on in the country eyewitness accounts. C

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- ◆ Slavery continues. cultural. Christian region have been north or from abroad few people from t bought these slave
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Arab masters in the north. One such unfortunate southern wife was beaten, raped, and made to be domestic

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To Burkhardt +
for Reply?

Coordinate w/
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F/Georgetown
Reunion

May 31, 1998

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Georgetown Class of 1968 Class Reunion

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It struck me recently that the teaching we received, as well as the social climate, influenced a lot of us at Georgetown in the late 60's. The institution instilled in us an interest in mankind and in social action. We learned that it was more important to serve others than to live for ourselves. We not only graduated with a degree, but with the motivation to make this world a better place. We wanted to make a difference with our lives. We had real compassion for the concerns of our community and the world. Even the anti-Vietnam attitude of the school helped us to learn to speak out. (Yes, even with picketing.) We all learned early about the evil side of life from Vietnam to Father McSorely's stories of the Bataan Death March. It is to this end we appeal to you to hear our concerns about a great evil that has existed for many years in this world. We do this because we know first hand of the love you share with us for children, women, equality, the First Amendment and human rights. As a husband and wife who serve mankind we have heard things that have made us cry and pulled at our heart strings, but we have no power to change this great wrong. We can only share our burden with you, in the hope and prayer that you can find some way to help.

After serving in a church for over a decade, my wife and I decided that our local community as well as the Internationals that live and go to school among us needed more service. On the local side, we became involved with racial reconciliation, the disadvantaged and philanthropy. For our International friends we were able to start an organization dedicated to showing Internationals practical examples of Christian love as well as sponsoring Inter-Faith dialogues. Our work in these fields has made us aware of the world beyond our shores as well as given us opportunities of knowing people all over the world. It is these contacts and friends who first started to tell us what was going on in the country of Sudan. Sudanese nationals, missionaries and human rights advocates have given us eyewitness accounts. One of our favorite eyewitnesses is Baroness Cox of Christian Solidarity.

Perhaps you know all of these things, but we would like to share with you some information, which has disturbed us:

- ◆ Since 1985, almost 2 million people in the Sudan have perished from war, famine, disease and genocide.
- ◆ Slavery continues. The victims are usually **women** and **children** and all are **black**. The crime is racial and cultural. Christian Solidarity International reports that more than 25,000 children from the Nuba Mountain region have been abducted and sold into slavery. There are special camps in the south in which people from the north or from abroad can go to purchase women and children. Some Americans are giving money to redeem a few people from the yoke of slavery, but buying back slaves is not the answer. We have met people that have bought these slaves and returned them to their families.
- ◆ The government has relocated entire villages into concentration camps called "peace villages".
- ◆ Women and girls in the South have been driven from their families and forcibly raped, and forced to be wives of Arab masters in the north. One such unfortunate southern wife was beaten, raped, and made to be domestic

May 31, 1998

help, while her newborn was left to die.

- ◆ Food, medicine, and aid to starving Christians, animists and moderate Muslims have been withheld until they convert to the fanatical Muslim point of view.
- ◆ There are government indoctrination camps set up to reculturalize the children. One 7 year old who refused to learn the Qu'ran was crucified. Police periodically patrol the streets of Khartoum and other major cities, taking children whom the police deem appropriate for these camps. Older children are often conscripted to the war zone.
- ◆ Baroness Cox and various other people have secretly gone in and given eyewitness accounts of the atrocities. Christian Solidarity as well as other groups have bought back slaves. The average price of a child was about \$300 worth of cattle, sometimes more for Westerners. We Americans are sickened over countries with no child labor laws, but this is far worse than child labor.
- ◆ "Ghost houses" still exist where security forces detain opponents of the regime and subject them to abusive measures.
- ◆ In the Nuba area, helicopter gunships are now being used to gun down innocent women and children not just the resistance forces. In March of 1997, a group of Christian missionaries was attacked by two Mi-24 gunships.

There are written and oral testimonies, eyewitness's accounts and even videos of these hideous human rights violations from those who have secretly gone in to observe. The government tries to cover it all up by making sure that any announced visitors stay in the north and are closely supervised. We must mention the United Nations Rapporteur on Human Rights whose Annual Reports have documented these and other cases.

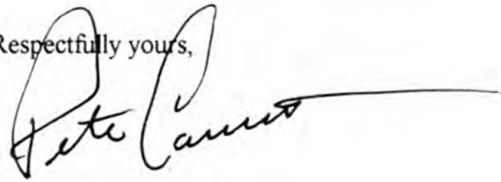
People of all religions both in and out of the United States are watching the developments in the Sudan closely. Many Jews have become involved because they remember what happened in Nazi Germany. The ethnic cleansing going on in the Sudan has been described by Jews as the Christian Holocaust of this century. Moderate Muslims in the United States and other countries in the world want us to know that Sudan's forced Islamization is offensive to them. They want the world to know that like Iraq these fanatics in the Sudan are thugs and criminals. Moderate Muslims around the world are being taunted by the terrorists telling them that their only hope is to join with them. They state that the U.S., a Christian nation, is allowing the murder and abuse of Christians in the Sudan. Therefore, there is no hope that we would rescue peace-loving Muslims. The Moderate Muslims are concerned that the fanatics might gain control in many countries unless they are stopped. Imam W. Deen Mohammed, one of the leaders of the Black Muslims in the United States, announced publicly here in Columbia that he would speak out against the enslavement of the Blacks in south Sudan. The Christians in the United States are learning more and more about the ongoing persecution in the Sudan, whereas a few years ago very few people seemed aware of the situation. There is now a large prayer movement directed toward the persecuted church, and this movement has grown tremendously due to the stories from the Sudan. Some accuse Christians of not being vocal enough. **We do not want history books to say that evil prevailed because the good people did nothing.**

My wife was looking under Sudan on the Internet and there was a link to the gum arabic sites. They have information from their lobbyist, representing some of our largest industries, about their campaign against any trade sanctions on gum arabic from the Sudan. They did note that it was one of the largest if not the largest export item. We are not writing to tell you how to run the country or whether or not to invoke sanctions, but it did make us remember the story our Jewish friends have told us. Did you know that before War II some Jews lobbied President Roosevelt not to invoke any penalties on Hitler because they were afraid it might cause hardships to the U.S.? Well the history books tell the rest of that story. I also remember being proud of Coca-Cola when their Cuban CEO, who recently died spoke at Yale in 1992 and said, "Business now shares in much of the responsibility for our global quality of life. Successful companies will handle this heightened sense of responsibility quite naturally." He understood that the industries in the US are entrepreneurs with a social conscience. On the same Internet sites with these lobbyists for gum arabic are people from Chad wanting our business and others prepared to sell gum arabic substitutes. I believe the CEO of Coca-Cola had it right with his belief that the responsibility for morals and ethics are all of our business. He probably understood this because of his Cuban heritage. Those who have paid the price for freedom seem to understand that there is a cost involved.

May 31, 1998

We appreciate sharing our concerns over the egregious violation of Human Rights on the great Continent of Africa. Our shared love for people and the fact that we both hate terrorism has compelled us to leave this at your feet. Mr. President, you have access to finding out the truth and gaining wisdom just as Solomon did as he stood for justice and fairness. We know you will do whatever you think is right. None of us would like to see the criminals and bullies in this world to win the battle. You have shown your sense of fairness, compassion and justice for the people of Bosnia and Kuwait. Our hearts are hurting and our eyes fill with tears at the accounts of brutality on black men, women and children, as well as the wholesale murder of so many from various minority ethnic groups in the South of Sudan. If we can help in anyway we would be more then willing to do anything within our power. Charles Jacobs with the Anti-Slavery Group at 617-629-2294 and Baroness Cox at 0181 204 7336 have been great contacts for credible information. We learn from our faith that God only allows evil for a time. He then uses His men to make it right once more. We will pray that together we can be those men and that you will be His instrument of bringing justice and mercy to that part of the world. Thank-you for listening and for caring.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Pete Cannon", with a long horizontal flourish extending to the right.

Pete and Pat Cannon
GU 1968 and GU 1969

pc

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P.S. We will be praying that God will help you to find a way to stop this great black cloud that looms over our world. If there is any first hand information you need please feel free for you staff to contact with us.