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6-15-98

THE WHITE HOUSE
WASHINGTON

June 10, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: JANET MURGUIA *JM*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review are letters from the following Members of Congress:

- 1) Sen. Richard H. Bryan (D-NV), thanking you for your involvement in preventing cloture on the nuclear waste legislation in the Senate;
- 2) Sen. William V. Roth, Jr. (R-DE), thanking you for sending him the *New York Times* crossword puzzle which included "Roth IRAs";
- 3) Rep. Amo Houghton (R-NY), and his wife, Priscilla, thanking you for inviting them to the June 3 WETA In Performance event at the White House; and,
- 4) Rep. Louis Stokes (D-OH), thanking you for visiting his district and for your friendship.

Stokes ltr:
to POTUS
for Personal
File
copy to
Greenberger
for reply

6-15-98

(D) **Congressional Correspondence forwarded by Janet Murgia -- (1) Note from Senator Bryan** -- greatly appreciates your personal involvement and help in preventing cloture on the nuclear waste legislation; the people of Nevada will always be appreciative; **(2) Note from Senator Roth** -- thanks you for sending him a copy of the *New York Times* crossword puzzle with the reference to the Roth IRA; was impressed that you, like his wife, do crossword puzzles in ink; **(3) Note from Rep. Amo Houghton** -- thanks you for a delightful evening of gospel signing; **(4) Note from Rep. Louis Stokes** -- thanks you for going to his district; your visit to the Stephen Howe Elementary School was something the students will always remember; says, "this part of our city, which is 99 percent black, has never in its history been accorded the honor of having a Presidential motorcade come through;" says he has served with six Presidents during his 30-year tenure; serving with you has been his "most enjoyable experience of any of those six Presidents."

Austin
8/15/98

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Greenberger
original
POTUS



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

LOUIS STOKES
ELEVENTH DISTRICT
OHIO

June 5, 1998

Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

Just a note to thank you for choosing, once again, to come to my Congressional District. Each of your visits here, prior to becoming President and during your presidency have been special to my constituents.

Your visit to the Stephen Howe Elementary School was something that these young people will remember for the rest of their lives. It is the biggest event they will ever experience throughout their education in the Cleveland Public Schools.

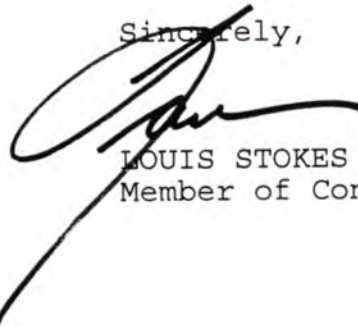
Moreover, as I mentioned during your visit, although you have visited other parts of my District, this part of our city, which is 99 percent black, has never in its history been accorded the honor of having a Presidential motorcade come through their neighborhood. The residents deemed your visit to their children's school as a great personal tribute to them.

Honorable William J. Clinton
June 5, 1998
Page 2

Since I will be retiring from Congress at the end of this term, I wanted to take a moment to express to you my appreciation for our friendship. During my thirty-year tenure I have now served with six Presidents. Serving with you has been my most enjoyable experience of any of those presidencies. In my opinion, you have been a great President.

Again, I thank you for all of the recognition you have given me during your presidency.

Sincerely,

A handwritten signature in black ink, appearing to be "Louis Stokes", written over the typed name.

LOUIS STOKES
Member of Congress

LS/pf

THE WHITE HOUSE
WASHINGTON

June 15, 1998

TO: Chuck Ruff
FROM: Sean Maloneysm

Nancy Hernreich has asked for our
recommendation on this. Can we
have your thoughts?



June 11, 1998

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

I want to express my deep concern about a valued friend and business associate, Mr. Wesley W. Masters of Amarillo, Texas, who is subject to a pending extradition request from the Government of Switzerland. I understand that the final decision on this request is within the purview of the Executive Branch, and that a decision is imminent.

Mr. Masters has been a friend for many years and a business associate of mine in the Texas General Land Office. I know him to be a man of extremely high character and integrity, and a tireless worker on behalf of community, civic and public interests. I was with Mr. Masters when he and his granddaughter presented the First Lady with a rose upon the occasion of her visit to Amarillo in 1992.

The allegations which have led to the extradition request of Mr. Masters are very weak, and I understand that no criminal charges have been filed against him by the Swiss Government. I cannot believe Mr. Masters could ever engage in criminal conduct, and I accept the representations of Mr. Masters and his counsel that there has been no illegal conduct on his part. I also am aware that Mr. Masters has considerable medical problems, including constant medical attention for follicular lymphoma which was first diagnosed in 1991. Extradition to Switzerland would mean an immediate incarceration there, which gives grave concern to Mr. Masters' medical team. For these reasons, I pray that your office will assure that Mr. Masters' case is given a complete and objective review.

I appreciate your giving consideration to this personal request. I would not bring this to your attention if I were not so concerned about this fine and honorable friend who appears to be facing a potential injustice from an overzealous Swiss prosecutor.

With my very best wishes,

Respectfully,

Garry Mauro
Garry Mauro

GM/ko

Garry Mauro
Commissioner
General Land Office

P.O. Box 13083
Austin, Texas 78711
(512) 476-1994

June 11, 1998



The Honorable Madeleine K. Albright
Secretary of State
2201 C Street, N.W.
Washington, DC 20520

Re: Extradition Proceeding for Wesley W. Masters

Dear Secretary Albright:

I write to express my personal support for Wesley W. Masters and to request your personal attention to his extradition proceeding.

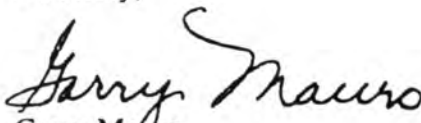
Mr. Masters has for many years been a close friend of mine and a business associate at the Texas General Land Office. I attest to his character and integrity, and for the excellent reputation he holds in his community and in Texas.

I am most concerned that extradition would be unfair to Mr. Masters in the circumstances that have been presented to your office. From my discussions with Mr. Masters and his attorney, it appears that the arrest issued by the Swiss authorities is not based on any activities personally engaged in by Mr. Masters. It also appears that an extradition would lead to his immediate incarceration in Switzerland which, I am told, would subject him to grave medical concerns.

I respect the immense burdens of your great office, and I do not lightly write to request your personal attention to this matter. But I also have great respect for Mr. Masters and his accomplishments, and do not believe him capable of a criminal endeavor. An extradition would be a tragedy for him and I deem it my duty to such an honorable man to support him in any way I can. I feel so strongly in this regard that I have also written to the President on the subject, a copy of which is enclosed.

I very much appreciate your consideration of this request. I wish you the very best in your continued able leadership of our country's foreign affairs.

Sincerely,


Garry Mauro

GM/ko

cc: attachment

Garry Mauro
Commissioner
General Land Office

P.O. Box 13083
Austin, Texas 78711
(512) 476-1994

6-15-98

EYES ONLY

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

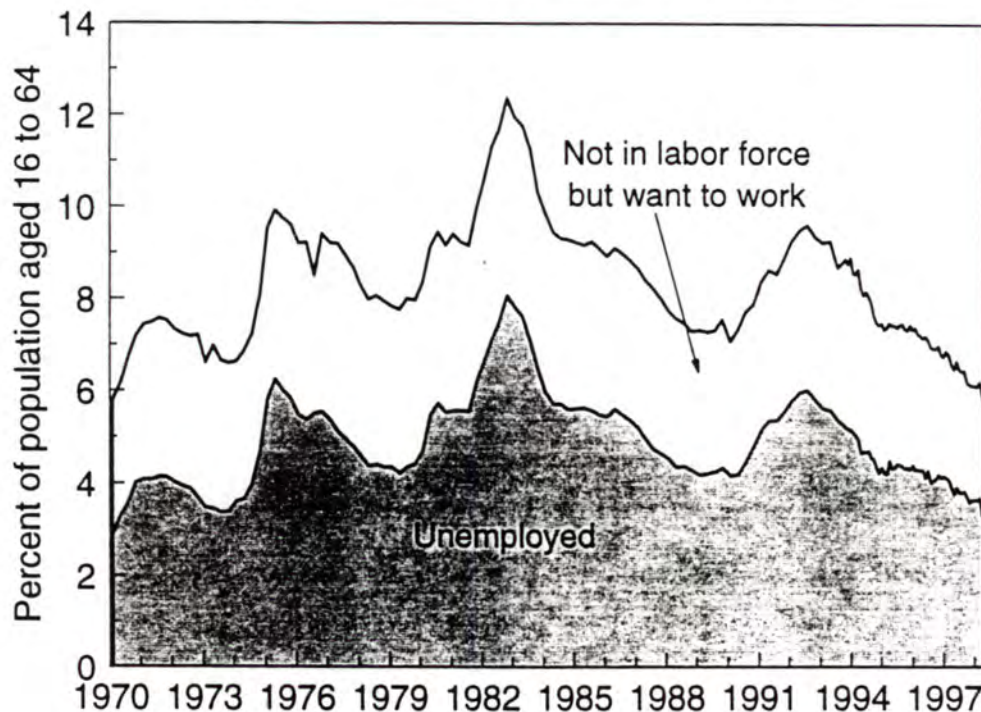
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

June 12, 1998

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page 8
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CHART OF THE WEEK

People Without Jobs Who Want to Work



In congressional testimony this week, Federal Reserve Chairman Greenspan noted that the percentage of persons aged 16 to 64 who wanted to work but did not have jobs had fallen to slightly more than 5½ percent—a record low for this series, which first became available in 1970. This statistic, which includes both the unemployed and those who wanted a job but had not looked for work (and were therefore treated as not in the labor force) is a measure of how tight labor markets have become.

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"All I'm saying is now is the time to develop the technology to deflect an asteroid."

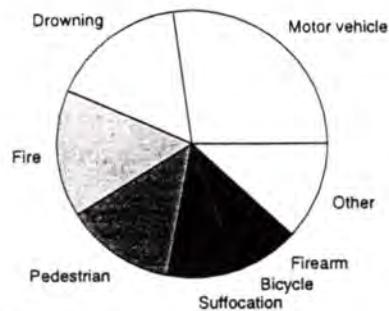
TREND

Growing-up Risks Are Going Down

Until about 1970, the main reason for reductions in child mortality was progress against infectious disease and other medical conditions. Since then, a large part has come from reductions in deaths due to injuries.

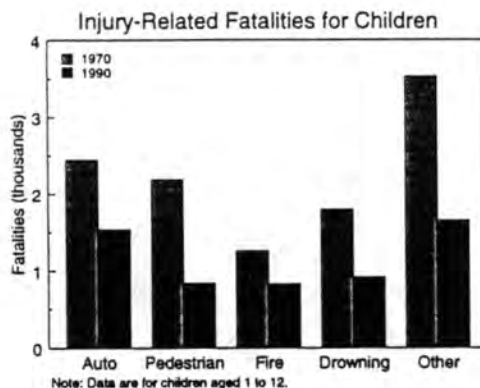
Current levels. Unintentional injuries represent the number-one cause of death for children aged 1 to 14. The major causes of these injuries are accidents affecting

Causes of Childhood Deaths Due to Unintentional Injury, 1995



Note: Data are for children aged 14 and under.

motor vehicle passengers, pedestrian accidents (which often involve collisions between cars and pedestrians), drowning, fires, suffocation, bicycle accidents, and firearm accidents (see upper chart). Causes of death vary by age; for example, while firearm accidents represent only 3 percent of injury-related deaths for all children under age 14, they represent 24 percent of all injury-related deaths for children aged 10 to 14.



Note: Data are for children aged 1 to 12.

Reasons for decline. The number of deaths due to unintentional injuries for children aged 1 to 14 declined by 53 percent from 1970 to 1995, accounting for half of the total reduction in child mortality over this period. The decline in child-injury fatalities in the 1970s and 1980s occurred across a broad range of injury categories (see lower chart). Hence, it is unlikely that it was driven by a small number of specific interventions.

Rather a combination of factors was probably responsible, including the following:

- **Increased regulation**, such as drug-packaging requirements, seat belt and automobile safety seat requirements, and safety standards for toys and other products likely to be encountered by children.
- **More information** due to increased research and development in child safety and greater coverage of child-safety issues in the press and in popular child-rearing books. For example, the number of pages devoted to child-safety issues in the best-selling child-rearing book by Dr. Spock more than quadrupled between the 1957 and the 1992 editions.

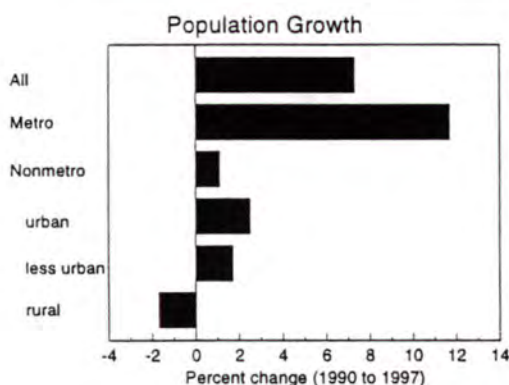
- Demographic/lifestyle factors probably had mixed effects on child safety. For example, the increase in the number of working mothers and single-parent families may have reduced the amount of parental time available for child supervision. But these effects may have been offset by decreases in the average number of children per family.
- Enhanced trauma care probably led to improvements in outcomes for accident victims, particularly for victims of burns and motor vehicle accidents.

Policy initiatives. Because unintentional injuries remain a major cause of death and disability for children, the Children's Environmental Health and Safety Task Force has made further reductions in unintentional injuries one of its main priority areas. It will consider a range of approaches to reducing unintentional injuries, including education and outreach, subsidies for safety devices such as fire alarms and bicycle helmets, and enhanced technical support to promote state and local interventions.

SPECIAL ANALYSIS

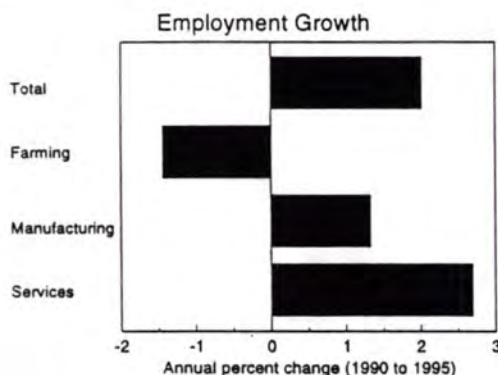
Economic Change in the Great Plains

The tough economic times currently facing farmers in the northern Great Plains may revive arguments that the region is losing population and is no longer economically viable. In fact, however, a recent study shows that population growth in the Great Plains has been roughly comparable to overall U.S. population growth. Farm jobs are disappearing, but the population is growing in metropolitan areas, and new job opportunities are opening up in manufacturing and services.



Population growth. Between 1990 and 1997, population in the Great Plains grew by 7.3 percent (see upper chart), compared with 7.5 percent for the United States as a whole. Almost all of this growth occurred in metro areas (cities of 50,000 or more). While the total population in nonmetro counties also grew slightly, over half of Great Plains counties lost population. Most of these are sparsely populated, isolated from urban centers, and highly dependent on agriculture.

Economic change. Total employment in the Great Plains grew by an average of 2.0 percent per year between 1990 and 1995 (see lower chart), compared with 1.0 percent for the nation as a whole.



Like the rest of the U.S. economy, most employment growth occurred in wholesale and retail trade and services. Jobs in manufacturing grew more rapidly than the U.S. average, although from a relatively small base. Employment in primary industries (farming and mining) declined, but total agricultural output from the 10 Great Plains states increased during this period due to productivity gains. Nevertheless, counties highly

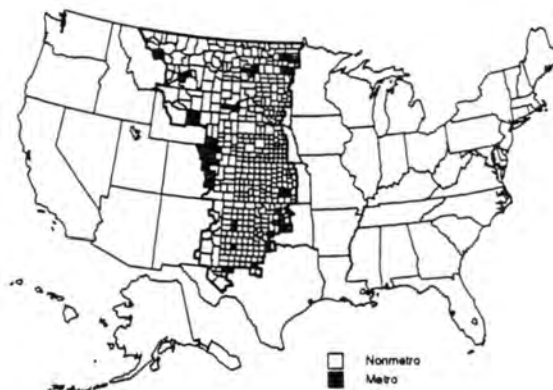
dependent on agriculture lost population. Rural communities that have been successful in maintaining population and jobs are those that have been able to diversify their economies, are connected to urban centers, or offer natural amenities that attract new residents or tourists.

Farming the Great Plains. Few crops are well-adapted to the Great Plains climate. Dryland agriculture emphasizes wheat and rangeland for cattle, while irrigation is

generally required to support corn and cotton. Farm numbers have been declining in the region, and many farmers rely on government farm program payments and off-farm jobs to supplement farm earnings. Further consolidation of farms is expected, and without growth in nonfarm job opportunities, continued population decline is likely in many rural, isolated counties.

What is the Great Plains?

The Great Plains is the continental slope of the west central United States, east of the Rocky Mountains. In general, the Plains have sparser population, lower and more erratic rainfall, and less forest land than areas to the east. The eastern boundary often lacks a sharp visible physical border. As defined here it includes 478 counties, about one-fifth of the land area of the continental United States.

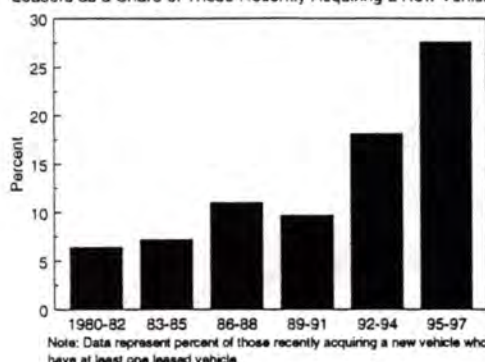


ARTICLE

Vehicle Leasing Takes Off

The popularity of leasing new cars and trucks has increased sharply since the early 1980s (see chart). Under a typical lease contract, the consumer puts up a modest

Leasers as a Share of Those Recently Acquiring a New Vehicle



down payment, then makes monthly payments for a fixed period (often 3 years), at the end of which the consumer can choose to purchase the vehicle for a price specified in the original lease contract or return the vehicle. Some might be concerned that leasing is diminishing one of the traditional channels of wealth accumulation in the United States: the “forced saving” imposed by a monthly car payment.

Leasing pros. Industry analysts cite several reasons consumers might prefer to lease rather than buy. For a given vehicle, leases entail a lower down payment and much lower monthly payments, making it possible for consumers to drive a nicer car than they could afford to buy. For high-income consumers who want a new car every few years, leasing can be a way to avoid the inconvenience and cost of repeatedly disposing of used vehicles. Leasing can also provide “lemon insurance,” because a consumer with a problem car probably will not choose to buy it when the lease ends. Similarly, leasing is a convenient way to experiment with an unfamiliar vehicle type, such as a sport utility vehicle, with the option to return the vehicle at the end of the lease if it turns out not to fit the consumer's needs.

Leasing cons. Because lease contracts are necessarily very complex, some consumers may not fully understand the terms of the deal to which they commit themselves when they agree to lease. Indeed, the upsurge in leasing in the early 1990s was accompanied by complaints from consumers charging that they had been misled in various ways about the terms of their leases. The worst abuses involved down payments, trade-in values, and rebates that were not credited to the consumer in the terms of the lease—effectively disappearing into the dealer's or lessor's pocket, in ways that unsophisticated consumers might find difficult or impossible to detect amid the complexity of the lease contract. Another problem was that some contracts did not contain enough information for consumers to be able to verify or understand how their monthly payment was calculated. Finally, many consumers reportedly did not understand that there are often hefty penalty charges for terminating a lease early.

The Fed to the rescue. In response to these problems, the Federal Reserve Board, which writes the regulations for the leasing industry, implemented an updated set of

guidelines in January 1998 that require lessors to specify clearly all terms of the lease in a standard format designed to make comprehension and comparison of lease contracts simpler.

Meet the leasers. So who is the typical leaser? Perhaps surprisingly, data from both 1992 and 1995 show that leasers of new vehicles tend to have considerably higher household incomes and greater liquid assets than consumers who choose to finance their new vehicle with a loan (and both owners and leasers of new vehicles are considerably more affluent than the average household). Furthermore, leasing is more prevalent at the luxury end of the auto market than in the middle or economy parts of the market.

Conclusions. Leasing rather than buying new vehicles can be attractive to consumers for a variety of reasons. Surveys have found higher levels of satisfaction among consumers who have leased vehicles than among those who have financed their purchase. Surveys also find that a large proportion of current leasers intend to lease their next vehicle as well. While leasers do not build equity in their vehicles over the course of the lease, they may simply prefer to pursue wealth accumulation more directly in such forms as tax-favored retirement accounts. So long as the recent changes in regulations and in leasing procedures succeed in making consumers informed purchasers, there appears to be little reason for concern about the remarkable rise in the proportion of vehicles that are leased.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Greenspan Calls Current Economic Performance "Impressive." In testimony to Congress on Wednesday, Federal Reserve Chairman Alan Greenspan stated, "The current economic performance, with its combination of strong growth and low inflation, is as impressive as any I have witnessed in my near half-century of daily observation of the American economy." However, Greenspan expressed his continuing concern that economic growth will run into constraints as the reservoir of unemployed people available to work is drawn down (see Chart of the Week). Greenspan said the Fed remains watchful for signs of potential inflationary imbalances, but his testimony appeared to ease many investors' concern that the Fed was likely to raise interest rates at its next meeting, and the bond market rallied.

Study Finds Differences by Race in Application of Death Penalty. A new study released by the Death Penalty Information Center (DPIC) finds evidence of significant racial disparities in the application of the death penalty. The study, conducted in Philadelphia, examined a large sample of the murders there between 1983 and 1993 in which the death penalty could be applied. Even after controlling for a variety of case differences such as multiple victims, the deliberate infliction of pain, and the background of the accused, blacks were almost four times as likely to receive a death sentence as whites. The racial combination most likely to result in a death sentence was a black defendant with a non-black victim, followed by a black defendant with a black victim and a non-black defendant with a non-black victim.

✓ Non-blacks who killed blacks were least likely to receive a death sentence. These findings accord with most previous research on the subject. Another recent study, also released by the DPIC, finds that nearly 98 percent of the chief District Attorneys in death penalty states are white, though the study offers no direct evidence on differences between white and non-white DAs in seeking the death penalty.

Behavior Alone Does Not Explain Socioeconomic Differences in Mortality. Differences in health along socioeconomic lines have been recognized as a persistent public health problem. A prominent hypothesis about these differences suggests that they arise from the higher prevalence of risky behaviors, such as smoking, drinking alcoholic beverages, and being overweight, among those with lower levels of education and income. However, a new study has found that socioeconomic differences in mortality would persist even with improved health behaviors among the disadvantaged. The study investigated the degree to which education, income, and four behavioral risk factors (cigarette smoking, alcohol drinking, sedentary lifestyle, and relative body weight) affected mortality risk over a period of seven and a half years. The study found that, although behavioral differences explained a modest portion of the mortality differences across socioeconomic groups, the risk of dying was still significantly greater for the lowest income groups even after these risky behaviors were taken into account.

INTERNATIONAL ROUNDUP

Sinking Yen Pulls Down Pacific Rim Currencies. On Monday the yen fell below 140 to the dollar for the first time in 7 years; it then fell further later in the week. Monday's drop helped trigger a fall in the Australian dollar the same day. Despite intervention by the central bank, Australia's currency fell to a 12-year low against the U.S. dollar. Trade links to Asia have contributed to weakening in both the Australian and the New Zealand dollars over the past 18 months, and each country faces a difficult choice between letting the currency fall (which would increase inflationary pressure) and raising interest rates (which would risk recession). New Zealand—which is experiencing rising unemployment, falling stock prices, and a current account deficit approaching 8 percent of GDP—has already eased monetary policy several times in recent months. In Japan, new data are likely to show that the economy contracted again in the first quarter, producing the two consecutive quarters of decline that conventionally signify a recession. On Wednesday, the Diet extended its session to June 18 to allow time to pass the supplementary budget, which is necessary for implementing the economic stimulus package announced April 24.

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Is Russian Tax Reform Finally on the Way? Despite long-standing recognition that effective tax reform is central to Russia's recovery from its current economic troubles, little progress has been realized. One response was the formation last week of Russia's newest political movement, the "Union of Russian Tax Payers," on the platform of rational and effective budget and tax policies for Russian citizens. Sensing, perhaps, the growing grass-roots pressure for movement on tax reform, the Russian government made the unprecedented move Monday night of arresting the head and several managers of Goskomstat, the state statistical agency, for systematically understating the actual production of large firms to facilitate tax evasion among Russian companies. The arrests raise questions about the accuracy of Russian economic accounting, which could contribute to the shaky confidence of international investors even though the implication is that true economic production is higher than officially declared. (In general, including black market activity would add an estimated 25 to 35 percent to Russian GDP.) Russian financial markets remained relatively stable early this week, despite defaults on several regional government agribonds. According to Russian news reports, legislation is now being drafted by the Finance Ministry that would prohibit borrowing at the regional level.

Repression of Union Activities Increasing. Repression of trade union activities is increasing around the world, according to the annual report on trade union rights published this week by the International Confederation of Free Trade Unions (ICFTU), which represents 125 million workers in 141 countries. In 1997, 299 trade unionists were killed, more than half of these in Colombia. In addition, 1,681 were tortured or ill-treated, 2,329 were detained, and there were 3,369 cases of intimidation. "Fifty years after the adoption of the ILO Convention on Freedom of Association...trade unionists are still having to fight for the right to organize," commented the ICFTU General Secretary, introducing the report.

CC Bureau
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RELEASES THIS WEEK

Producer Price Index

****Embargoed until 8:30 a.m., Friday, June 12, 1998****

The producer price index for finished goods increased 0.2 percent in May. Excluding food and energy, producer prices also increased 0.2 percent.

Retail Sales

Advance estimates show that retail sales rose 0.9 percent in May following an increase of 0.7 percent in April. Excluding sales in the automotive group, retail sales rose 0.4 percent in May following an increase of 0.5 percent in April.

MAJOR RELEASES NEXT WEEK

Consumer Prices (Tuesday)

Housing Starts (Tuesday)

Industrial Production and Capacity Utilization (Tuesday)

U.S. International Trade in Goods and Services (Thursday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1997	1997:3	1997:4	1998:1
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.7	3.1	3.7	4.8
GDP chain-type price index	5.4	1.8	1.4	1.4	1.0
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	2.1	3.6	1.4	1.1
Real compensation per hour:					
Using CPI	0.6	2.2	1.8	3.1	3.7
Using NFB deflator	1.3	2.5	2.7	3.9	3.5
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.5	10.7	10.6	10.7
Residential investment	4.5	4.1	4.1	4.1	4.2
Exports	8.2	11.8	11.9	11.9	11.5
Imports	9.2	13.1	13.3	13.2	13.1
Personal saving	5.3	2.8	2.6	2.9	2.7
Federal surplus	-2.7	-0.4	-0.1	-0.1	0.6
	1970- 1993	1997	March 1998	April 1998	May 1998
Unemployment Rate (percent)	6.7**	4.9**	4.7	4.3	4.3
Payroll employment (thousands)					
increase per month			82	302	296
increase since Jan. 1993					16010
Inflation (percent per period)					
CPI	5.8	1.7	0.0	0.2	N.A.
PPI-Finished goods	5.0	-1.2	-0.3	0.2	0.2

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.

PPI data **embargoed until 8:30 a.m., Friday, June 12, 1998.**

FINANCIAL STATISTICS

	1996	1997	April 1998	May 1998	June 11, 1998
Dow-Jones Industrial Average	5743	7441	9037	9080	8812
Interest Rates (percent per annum)					
3-month T-bill	5.01	5.06	4.95	5.00	4.97
10-year T-bond	6.44	6.35	5.64	5.65	5.44
Mortgage rate, 30-year fixed	7.80	7.60	7.14	7.14	7.04
Prime rate	8.27	8.44	8.50	8.50	8.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level June 11, 1998	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.804	2.2	5.1
Yen-Dollar	143.3	3.5	28.6
Multilateral \$ (Mar. 1973=100)	101.8	2.1	7.3

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	3.7 (Q1)	4.3 (May)	1.4 (Apr)
Canada	3.8 (Q1)	8.4 (Apr)	1.0 (Apr)
Japan	-0.2 (Q4)	4.2 (Apr)	0.3 (Apr)
France	3.4 (Q1)	12.0 (Apr)	1.0 (Apr)
Germany	3.0 (Q1)	^{2/} 7.6 (Mar)	1.3 (Apr)
Italy	2.8 (Q4)	12.1 (Jan)	1.8 (Apr)
United Kingdom	2.9 (Q1)	6.5 (Feb)	4.0 (Apr)

1/ For unemployment data, rates approximating U.S. concepts as calculated by the U.S. Department of Labor, Bureau of Labor Statistics.

2/ Rate for former West Germany. Using OECD standardized unemployment data, the unemployment rate for unified Germany for March 1998 is 10.0 percent.

INTERNATIONAL ROUNDUP

Sinking Yen Pulls Down Pacific Rim Currencies. On Monday the yen fell below 140 to the dollar for the first time in 7 years; it then fell further later in the week. Monday's drop helped trigger a fall in the Australian dollar the same day. Despite intervention by the central bank, Australia's currency fell to a 12-year low against the U.S. dollar. Trade links to Asia have contributed to weakening in both the Australian and the New Zealand dollars over the past 18 months, and each country faces a difficult choice between letting the currency fall (which would increase inflationary pressure) and raising interest rates (which would risk recession). New Zealand—which is experiencing rising unemployment, falling stock prices, and a current account deficit approaching 8 percent of GDP—has already eased monetary policy several times in recent months. In Japan, new data are likely to show that the economy contracted again in the first quarter, producing the two consecutive quarters of decline that conventionally signify a recession. On Wednesday, the Diet extended its session to June 18 to allow time to pass the supplementary budget, which is necessary for implementing the economic stimulus package announced April 24.

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Is Russian Tax Reform Finally on the Way? Despite long-standing recognition that effective tax reform is central to Russia's recovery from its current economic troubles, little progress has been realized. One response was the formation last week of Russia's newest political movement, the "Union of Russian Tax Payers," on the platform of rational and effective budget and tax policies for Russian citizens. Sensing, perhaps, the growing grass-roots pressure for movement on tax reform, the Russian government made the unprecedented move Monday night of arresting the head and several managers of Goskomstat, the state statistical agency, for systematically understating the actual production of large firms to facilitate tax evasion among Russian companies. The arrests raise questions about the accuracy of Russian economic accounting, which could contribute to the shaky confidence of international investors even though the implication is that true economic production is higher than officially declared. (In general, including black market activity would add an estimated 25 to 35 percent to Russian GDP.) Russian financial markets remained relatively stable early this week, despite defaults on several regional government agribonds. According to Russian news reports, legislation is now being drafted by the Finance Ministry that would prohibit borrowing at the regional level.

Repression of Union Activities Increasing. Repression of trade union activities is increasing around the world, according to the annual report on trade union rights published this week by the International Confederation of Free Trade Unions (ICFTU), which represents 125 million workers in 141 countries. In 1997, 299 trade unionists were killed, more than half of these in Colombia. In addition, 1,681 were tortured or ill-treated, 2,329 were detained, and there were 3,369 cases of intimidation. "Fifty years after the adoption of the ILO Convention on Freedom of Association...trade unionists are still having to fight for the right to organize," commented the ICFTU General Secretary, introducing the report.

C. Ralston
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6-15-98

THE WHITE HOUSE
WASHINGTON

June 11, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

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1. Tobacco -- Senate Update: The Senate passed several important amendments to the McCain bill this week. The Craig-Coverdell amendment, approved by a 52-46 vote, authorizes about \$2 billion per year for anti-drug efforts. Although we support most of these efforts, the money for them would come out of the funds previously reserved for public health programs: if the appropriators were to provide the full amounts authorized for these anti-drug efforts, funding for smoking cessation, education, and counteradvertising programs would decrease by about 80 percent. The amendment also prohibits the use of federal monies for needle exchange and allows states to give education vouchers to students who have been the victims of school violence.

The Senate also passed by a vote of 50-48 the Gramm tax-cut amendment. The Gramm amendment would cost \$16 billion over the first four years and an additional \$30 billion in the next five years; in these years, all the cost would come out of tobacco revenues. After 2008, the estimated cost of the proposal would increase dramatically to over \$10 billion each year; one-third of all tobacco revenues would go to pay for this tax cut, with other revenues (presumably the surplus) accounting for the rest. The amendment would provide all couples with annual incomes below \$50,000 a new tax deduction of \$825 this year, rising to \$3,300 in 2008, and would provide full deductibility of health insurance for the self-employed.

Finally, the Senate passed by a vote of 66-33 an amendment sponsored by Senators Kerry and Bond to require states to spend 25 percent of the funds they receive under the bill on child care subsidies. (States would have to spend another 25 percent of their funds on the menu of programs we negotiated with the NGA, which includes child care subsidies; states could do whatever they wished with the remaining 50 percent of their funds.)

As a result of these votes, key groups have expressed concern about the diminishing dollars available to them. The Governors have drafted a letter objecting to the state financing section of the bill because the funding level has dropped below the \$196.5 billion over 25 years originally provided in the bill (the same level contained in the June 20 settlement). The Governors also may object to the further restrictions placed on state spending by the passage of the Kerry-Bond amendment. At the same time, public health groups such as the Campaign for Tobacco Free Kids, the American Cancer Society, and the American Heart Association are

deeply concerned that sufficient funding will not be available for anti-smoking programs. Erskine, Secretary Shalala, and we met with them on Friday to explain that the bill would not move through the Senate without funding for tax cuts and anti-drug programs, and to urge them to work hard over the next few days to achieve final passage.

With the addition of a tax cut and anti-drug programs, Republicans should find it more difficult to oppose the bill. Many Republican Senators, however, harbor a very deep hostility to this legislation, and they read new polls to suggest that obstructing it will have little electoral consequence. Senator Lott sharply criticized the bill on this Sunday's talk shows and indicated that it would not pass the Senate. He noted that the Senate still had not dealt with the issues of tobacco farmers or attorneys' fees and that either issue could cause the legislation to explode. (Actually, the Senate has rejected two amendments to cap attorneys' fees -- one limiting fees to \$250 per hour and the other limiting fees to \$1,000 per hour -- but apparently Lott believes this issue remains open.) He also indicated that while there were not 50 votes in the Senate to defeat the legislation, there also were not the 60 votes necessary to pass it.

You will be speaking on Monday to 150 high school Presidential scholars and can use the event to urge swift passage of the tobacco legislation.

2. Education -- National Testing: The National Academy of Sciences (NAS) released an interim report last week, as required by last year's Labor-HHS-Education appropriations bill, on the feasibility of linking scores from existing commercial and state reading and math tests to each other and/or to NAEP. The NAS concluded that it is not technically feasible to compare student scores on different tests to each other and/or to the NAEP standards. This conclusion of course undermines Rep. Goodling's argument that existing tests could be used to accomplish the purpose of a national test in reading and math. We do not expect, however, that this report will dampen his opposition to our testing initiative. Indeed, earlier this week, he received assurances from the Republican leadership about supporting an anti-testing rider on this year's appropriations bill. (The leadership provided these assurances when they decided to remove an anti-testing provision, as well as a sweeping education block grant provision, from the conference report on the Craig-Coverdell education tax bill; as you know, they believe that removing these provisions will make it harder for you to veto the bill.)

3. Crime -- PRIDE Study: The National Parents' Resource Institute for Drug Education (PRIDE) will release on Thursday its annual survey on teen drug use and violence for the 1997-98 school year. We have not yet seen the data on drug use among teens, but PRIDE has shared with us some of its findings on school violence. The study finds that the percentage of students who reported carrying a gun to school decreased by over a third since the 1993-94 school year -- from 6 percent to 3.8 percent (or nearly 1 million students). Of those students who brought a gun to school, almost half did so six or more times, over half threatened to harm a teacher, and nearly two-thirds threatened to harm another student. Drug use was very high among students carrying guns: 30 percent used cocaine in the month prior

to carrying a gun to school; 32 percent used stimulants such as methamphetamine; and 31 percent used hallucinogens. Perhaps most important, the survey reaffirms the effectiveness of involving kids in after-school programs and school activities. Students who did not bring guns to school were 53 percent more likely to be involved in after-school programs and 34 percent more likely to be active in school activities (such as band and sports teams) than those who carried guns.

4. Child Care -- House Legislation: The First Lady and Secretary Shalala joined House Democrats last week as they unveiled a comprehensive child care bill that includes all the pieces of your child care initiative, plus a tax credit for families with a stay-at-home parent and children under four years of age. The \$20 billion package will be sponsored by more than 100 members. The proposal does not specify funding sources.

5. Child Care -- After-School Event: You are currently scheduled to announce on Wednesday \$40 million in grants for after-school programs. These grants, the first awarded under the new 21st Century Learning Centers Program, will allow 315 schools in 36 states to establish or expand after-school initiatives. You also will release a new report, titled *Safe and Smart: Making the After-School Hours Work for Kids* and jointly authored by the Departments of Justice and Education, which finds that quality after-school programs decrease juvenile crime and improve the academic performance of participating children. This event, also involving the First Lady and Vice President, will support our efforts to expand the 21st Century Learning Centers Program in this year's appropriations process.

6. Health -- Patients' Bill of Rights: Larry Stein and Chris Jennings met with Rep. Dingell last week to discuss patients' bill of rights legislation. Dingell said he would work closely with the Administration in the event that he and Rep. Norwood begin to talk seriously about developing a unified bill to be brought to the floor by way of a discharge petition. For the moment, Dingell believes (and we agree) that he should stand firmly behind his bill as written, including its state-court liability enforcement provisions, rather than signal any willingness to compromise. Dingell noted, however, that the CBO may soon issue a high estimate of the costs associated with his bill's enforcement provision. We have heard that the Republican leadership has insisted on reviewing the CBO's estimate before it is released and is subjecting the CBO staff to relentless pressure. We will talk with Dingell about an appropriate response when we learn more about the CBO's estimate.

7. Health -- Vice President's Announcement of the Quality Forum: The Vice President is scheduled to unveil on Wednesday a planning committee to establish a "Quality Forum," a private sector entity that will develop and disseminate uniform standards for high-quality health care. Your Quality Commission recommended establishing this Forum, and you asked the Vice President to oversee the process. In conjunction with this announcement, we are releasing a report that highlights the many shortcomings of the current system: the report will note, for example, one study's estimate

that preventable errors in hospital care lead to 180,000 needless deaths each year. Developing uniform measures of quality and encouraging health plans to adopt these measures has great potential to improve health outcomes, increase confidence in the health care system, and save costs. We will describe this effort as the natural complement to our patients' bill of rights proposal in the effort to promote health care quality.

8. Health -- FDA Commissioner: We plan to announce the nomination of the new FDA commissioner, Jane Henney, as soon as the Senate completes consideration of the McCain bill. (We do not think it would be helpful either to confirming Henney or to passing the tobacco bill to announce her nomination in the middle of the current debate in the Senate.) So far, advance word of her nomination has prompted neither major objections nor strong support. It is possible that Republicans will try to portray Henney as a David Kessler protégé essentially chosen by Senator Kennedy. One positive development is that Senator Domenici has agreed to accompany Henney on courtesy visits to Republican members of the Senate Labor Committee.

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9. Housing/Welfare Reform -- Welfare-to-Work Housing Vouchers: The Senate Appropriations Subcommittee for VA and HUD last week voted in favor of a demonstration program that would give \$40 million to seven cities or counties for 7,000 "self-sufficiency" housing vouchers targeted to people moving from welfare to work. The seven sites chosen were New York City, Los Angeles, Cleveland, Miami-Dade County, Anchorage, Charlotte, and Prince George's County. Although the Subcommittee provided substantially fewer welfare-to-work vouchers than the Administration requested -- 7,000 instead of 50,000 -- the vote is a good first step for the Administration's initiative. The Chair of the VA/HUD Subcommittee in the House (Jerry Lewis) has expressed interest in the program, and we are hopeful that he will support a greater number of vouchers.

10. Welfare Reform -- Portland Study: HHS is preparing to release an evaluation of Portland, Oregon's mandatory welfare reform program which shows that the program has led to increased employment and earnings and reduced welfare expenditures. The study, conducted by Manpower Demonstration Research Corporation as part of HHS's national evaluation of welfare-to-work strategies, tracked over 5,500 recipients from 1993 through mid-1996. The study found that after two years, participants in the program had earnings that were 35 percent higher and employment levels that were 11 percent higher than comparable individuals in the control group. Participants also received 17 percent less in welfare payments than people in the control group; 41 percent of program participants still received welfare after two years, as compared with 53 percent in the control group. The program had a measurable positive impact both for people with few barriers to employment and for people considered harder to place.

Portland required all welfare recipients with children older than one year to participate in its program and sanctioned 21 percent of recipients for failure to comply with program rules. (The sanction rate is in the mid-range for comparable programs.) The

program generally had a strong employment focus, but a significant number of participants also participated in short-term education and training activities. The staff emphasized child care arrangements in their case management, and the program had relatively high child care usage and costs. The program, however, did not increase overall welfare costs.

✓ **11. Welfare Reform -- New Jersey Family Cap Study:** Secretary Shalala has sent you a memo on the draft Rutgers University study issued last week which concluded that New Jersey's family cap policy has resulted in a "small but non-trivial" effect on abortion rates (an estimated additional 240 abortions per year). As the memo relates, both New Jersey and HHS have raised serious questions about the study's methodology and findings. Rutgers is currently revising the study in response to these criticisms. A total of 22 states have adopted a family cap policy since the passage of the welfare law (up from 15 states that had waivers to implement this policy).

✓ **12. Disabilities -- Bunning-Kennelly Legislation:** The House last week passed legislation, sponsored by Reps. Bunning and Kennelly and supported by both the Administration and the disability community, to move SSDI and SSI beneficiaries into the workforce by using a "pay for performance" approach. People on the SSDI and SSI rolls currently get rehabilitation services through state vocational rehabilitation agencies, which receive reimbursement for their costs. Under Bunning-Kennelly, beneficiaries could choose their own rehabilitation providers from among a number of public and private entities. Providers that successfully assist beneficiaries to leave the rolls and return to work would receive a percentage of the disability benefits saved. These payments would continue as long as the person remained off the rolls, up to a maximum of five years. The premise of the bill is that providers will have a greater interest in their clients' long-term success if they are rewarded for results rather than reimbursed for costs. Notwithstanding widespread support for this approach, the bill's fate in the Senate is uncertain. Senators Jeffords and Kennedy may not want to move the bill unless it is paired with their proposal to extend Medicare and Medicaid benefits to those leaving SSDI or SSI. We have a number of problems with the Jeffords-Kennedy bill, including its cost (estimated at over \$1 billion each year) and complexity. We are meeting this week with staff for the Senators to discuss these issues, as well as the possibility of moving the Bunning-Kennelly bill forward.

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THE WHITE HOUSE
WASHINGTON

June 12, 1998

6-15-98

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

RE: NEC WEEKLY REPORT

cc: ERSKINE BOWLES

Bankruptcy: As you know, on Wednesday (6/10) the House Bankruptcy bill passed by a veto-proof majority (306-118), despite the "strong opposition" of the Administration to the rigid form of the provisions that harm the collection of child support post-bankruptcy. Incidentally, the House added other provisions to enhance child support collection in other contexts, the outside groups are as yet uncertain if the benefits outweigh the harms from all of these provisions taken together. The NEC interagency process has produced a consensus proposal and strategy for the Administration as to how we best shape this Senate bill and work with Senator Durbin who has been a co-sponsor of a more moderate bankruptcy bill in the Senate. We met with the First Lady on Thursday (6/11) and will incorporate additional elements to the proposal that she suggested. We will send you a memorandum describing the proposal and strategy next week.

Child Labor: As you signed off on, we gave the Wall Street Journal an early account of your decision to champion a new International Labor Organization and to take a strong position on egregious forms of child labor. This led to a strong story in the Wall Street Journal that drew positive comments from Senator Harkin. Herman told the annual meeting of the International Labor Organization (ILO) that she had clear instructions directly from you "to underline the United States' strong support for the negotiation of a new convention on the worst forms of child labor." She took the same message to the convention drafting committee. She also announced the Administration's support for Senator Harkin's efforts to modernize the domestic agricultural child labor laws (although we were careful not to embrace the specific language of his bill, which has yet to be vetted, but some of which may be opposed by the farm lobby).

Product Liability: As you know, Senator Gorton this week announced his support for the agreement between the Administration and Senator Rockefeller. While we made only technical changes sought by Senator Gorton to our agreement with Rockefeller last fall, Ralph Nader and consumer advocates opposing any bill are claiming that we made substantive concessions to Gorton. Meanwhile, the House leadership is reportedly planning to advance quickly a more comprehensive (and unacceptable) bill. The key industry coalition is arguing that the House should take the incremental step offered in the Senate bill, which is important to small business, but big business argues that the bill offers too little to merit passage.

Securities Litigation: A House Commerce Subcommittee marked up Reps. Eshoo and White's securities litigation bill on Wednesday (6/10), making it very similar to the bill that we and the SEC supported in the Senate. The SEC has no problem with the changes; we are reviewing to see if it would alter our position. We expect the bill to move to the House floor quickly, because passage of a bill is now virtually assured. We remain on the lookout for adverse legislative history on the issue of recklessness and the meaning of the 1995 Act.

Mergers, Concentration and Competition: As part of the NEC's review of mergers and competition, I am preparing to hold a second principals' meeting to look at the international aspects of mergers and antitrust enforcement. Among other things, we will consider options for resolving differences among competition authorities -- such as the U.S.-EU clash last summer over the Boeing/McDonnell Douglas merger. As you know, EU Competition Commissioner Karel Van Miert was in town last week. Dorothy Robyn of my staff and Joel Klein represented the Administration at a small dinner in Van Miert's honor at the EU Embassy. She reports that he was eager to hear about the NEC's merger review and quick to tell the dinner guests that his son, a pilot for a Belgian airline, flies Boeing aircraft! Janet Yellen along with Alan Greenspan will testify before the Senate Judiciary Committee on June 16 on the subject of mergers.

Coverdell - Education Savings Accounts: The House and Senate conference has reached an agreement on the Coverdell education savings account bill. They tried to make a veto more uncomfortable, by dropping anti-testing language and their education block grant proposal, but including their version of the America Reads proposal. The House is expected to pass the conference report next Wednesday (6/17), while the Senate will likely pass it following consideration of the tobacco bill. As you did at the signing of the transportation bill, we should continue to advance our message on school construction in the Coverdell context especially.

America Reads: As noted above, the Republicans are trying to make veto of the Coverdell legislation more painful by including their version of your reading bill (it had been added as an amendment in the Senate). I am working with Erskine and Larry Stein to see if there any way we can get Sen. Lott to agree to move the reading bill separately.

Higher Education Act: Senate consideration of the reauthorization bill could begin at any time. Bob Shireman on my staff briefed the higher education and student associations today (6/12) on auction mechanisms for setting the bank subsidy, our pending decision on the July 1 rate for refinancing, concerns they have expressed on Hope Scholarship regulations, and other issues.

H-1B Visas: On Thursday (6/11) Sally Katzen met with Rep. Lamar Smith to discuss how to get his bill (that temporarily would increase the number of ("H-1B") visas for skilled temporary foreign workers) to the House floor while maintaining strong protections for U.S. workers and incorporating new funds to train U.S. workers. The meeting was constructive, with him urging us to work with House and Senate Democrats to make sure that adequate protections for U.S. workers survive; he is less genuine about the prospects for a training component. Next week I will brief the House "Blue Dogs" on our position on the legislation. As for timing, it appears

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that the House Republican leadership would like Rep. Smith to work out a deal with Senator Abraham before the bill reaches the House floor, which may delay action on this bill until next week, at the earliest. We'll need to monitor any such negotiations because we strongly oppose the Senate version of the bill which does not provide adequate protections or a guarantee of adequate additional training for U.S. workers.

IRS Reform: The House and Senate conference began this week but did not make substantial progress. Archer apparently is holding back somewhat, showing that he is in no hurry, in an effort to push Roth into making some concessions in line with where we would like to move the bill (i.e., to the extent that Roth moves towards Archer is in our favor). Secretary Rubin has been working to narrow some of the provisions in the Senate bill, such as those that deal with penalties and innocent spouses, both to improve the substance of the provisions and reduce the cost of the final bill. As you recall, under our scoring the Senate bill loses \$7 billion over five years. There has been some progress on a technical issue that is behind about half of this cost.

Budget Resolution: The House and Senate Republican conferees have yet to make any progress on reconciling their very different budget resolutions. Conservatives from both the House and Senate have been trying to put pressure on Senator Lott to defer to the House and accept the \$101 billion tax cut. Chairman Domenici has been resisting such calls and has raised the possibility of no agreement at all. Republicans face a difficult choice of which of the four potential pots to tap to pay for their tax cut: discretionary spending, tobacco, entitlements, or the surplus. None of these are easy choices. Senate Republicans, especially Senators Stevens and Domenici, have been extremely critical of the House's discretionary cut. As for entitlements, as each assumption became public, whether Medicare or TANF, the House Republicans quickly backed off. While many of them would like to tap the surplus, there are others who are opposed and many would be nervous that they would be vulnerable if they crossed your Save Social Security First position.

Sunsetting the Tax Code: The House has announced its intention to vote next Wednesday (6/17) on sunseting the tax code. We are updating our talking points on this and sending them up to the Hill. Your advisors are considering the best available way to reiterate our strong opposition to this reckless idea. Larry Stein and I are holding a meeting on Monday to devise our best strategy for publicly confronting this issue.

E-rate: The FCC voted late Friday to move forward with the e-rate at a level of funding of \$1.3 billion per year. This will require the FCC to stretch out funding for "inside wiring" (the wiring and equipment necessary to get Internet access to the classrooms) -- and target resources to the poor and rural schools that need it most. Educators expressed strong disappointment that not all applications will be funded. Given that a number of powerful members of Congress (chair and ranking minority of House and Senate Commerce Committees) were urging the FCC to suspend the program, we believe this outcome is a win for the Administration. NEC and OVP worked together to increase Congressional support for the program; the New Democratic Network, the Congressional Black Caucus and the Hispanic Caucus all held press conferences and sent letters in support of the program. However, the battle is not over yet. We can expect members of

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Congress to introduce legislation or attach riders to appropriations bills to terminate the e-rate.

Africa Trade Bill: Charlene Barshefsky, Larry Stein and I met with House co-sponsors of the Africa trade bill on Thursday (6/11) as a follow up to their request. We assured them that the Administration was strongly committed; to date we have called over 15 Senate Finance Committee Members on the bill's behalf. We recommended a bicameral task force and challenged them to match or surpass our efforts. They agreed to lobby their counterparts in the Senate. In addition, House members have scheduled a press conference for Wednesday, June 17, to generate (and gauge) enthusiasm following the Africa trade bill hearing.

International Agriculture: We are working on several issues. The NEC convened an interagency process to explore options to respond to the EU's restrictions on genetically modified corn products. As you know, despite an EU scientific review that certified their safety, France -- for domestic political reasons -- has held up the EU approval process. This decision will potentially cost the United States \$200 million in agricultural exports. Your meeting next week with Jospin provides an opportunity to make progress on the issue. Second, your decision to support the Murray/Nethercutt amendment exempting agricultural credits from the Glenn amendment sanctions was very well received in the agricultural community and among the Northwest congressional delegation. As you know, last year we exported \$250 million in wheat to Pakistan. The Glenn Amendment would effectively halt these exports. The Murray/Nethercutt amendments have been attached to the Agriculture appropriations bills. We also moved forward with a decision on Section 201 to impose a three-year quota on wheat from the EU. There was strong interagency consensus on this decision. Finally, at Secretary Glickman's request I will hold an NEC principals meeting next week on agricultural policies. The agriculture community perhaps the strongest domestic constituency of an international agenda will be closely watching every move on these issues.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

6-15-98

June 12, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: KERRI-ANN JONES *KAJones*
CC: ERSKINE BOWLES
SUBJECT: OSTP WEEKLY REPORT

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CLIMATE CHANGE INITIATIVE BELEAGUERED

Less than a week after \$92 million was cut from your Climate Change Technology Initiative (CCTI), the Senate VA/HUD/Independent Agencies Subcommittee carved out an additional \$91 million in EPA funding for the CCTI. The Subcommittee also adopted report language stipulating that no funds should be used in connection with the Kyoto Protocol on climate change. Both actions triggered moves by Sens. Jim Jeffords (R-Vt.) and William Roth (R-Del.) for an amendment to restore funding. The two have circulated a Dear Colleague letter seeking support for their amendment to raise funding for renewables closer to your requested level of \$437 million. So far, 42 senators have signed on. The Senate is expected to move to their appropriations bills once it wraps up debate on the tobacco legislation.

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NSF SHORTCHANGED; OTHER SCIENCE ACCOUNTS HOLDING THEIR OWN

In S&T areas other than climate change, Congressional appropriators seem fit to agree with your investment requests for science and technology. In the Energy & Water Appropriations Subcommittee, science programs scored well in both the House and Senate, nearly matching your FY 99 requests -- with both panels funding a priority program, the Spallation Neutron Source. Additionally, the Senate VA/HUD panel fully funded your NASA request, and provided a 6.3% (\$215 million) increase to the National Science Foundation, \$129 million less than your request. Of particular concern to NSF is the Committee's decision to freeze funding for NSF salaries and expenses -- severely hampering NSF's ability to manage its scientific portfolio.

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REPUBLICANS OUT TO CAPTURE S&T FLAG?

Rep. Vern Ehlers (R-MI), during this week's meeting with your Committee of Advisors on Science and Technology, stated that in a recent conversation he'd had with the Speaker, Gingrich told him that, other than defense, finding additional funding for science and technology would be his top priority this year.

Additionally, attached is an AP story highlighting Speaker Gingrich's plan to deliver three major speeches in the days ahead on the need to increase our investments in science. Most Republicans predicted your FY 99 R&D budget request would be flat or headed downward this year; and the Republican caucus had reportedly mapped out a plan to attack you for being "soft" on R&D support, all the while forging ahead with climate change commitments. When the GOP realized that your budget was the largest dollar request ever for civilian R&D, they were left with no plan B. To further strengthen your stance in the S&T community as the main champion of their issues, OSTP is compiling a list of message-event opportunities to further amplify your vision and leadership on science and technology.

NEW VISIONS FOR S&T WITH MEXICO

I joined the Mexican Presidential Science Advisor for the first-ever "Science Leaders" meeting between our two countries. The meeting was organized at the request of the Mexicans--and with the support of President Zedillo--to establish a strategic framework for our bilateral science and technology cooperation and to give the relationship greater visibility within the context of our overall relations. We discussed the fact that our shared languages provide excellent opportunities for joint efforts in science education and community outreach. The Mexicans deeply appreciate our bilateral S&T relationship and hope it could be an agenda topic in your next meeting with Zedillo.

DISCOVERY OF NEUTRINO MASS

As you mentioned in your speech at MIT, the discovery that neutrinos have mass have profound effect on our understanding of the origin of matter and the evolution and fate of the universe. The findings come from the first two years of data from a \$100M experiment that utilizes a 12.5 million-gallon stainless steel lined cavity filled with ultra-pure water, carved out beneath the Japanese mountainside. Funding for this experiment may be in jeopardy due to possible cutbacks in Japanese support.

The discovery team is led by University of Tokyo's Institute for Cosmic Ray Research and includes six U.S. university groups supported financially by the U.S. Department of Energy (Boston University; University of California, Irvine; University of Hawaii; Louisiana State University; State University of New York at Stony Brook; and the University of Washington) and eight universities from Japan.

PCAST GIVEN DIRECTION BY VICE PRESIDENT

Last Monday your Committee of Advisors on Science and Technology meet with the Vice President who offered suggestions about the direction for their new work on education and environmental issues. PCAST members discussed their continued work on the public understanding of science and technology, and expressed their intention to push Congress for full funding of your R&D budget request.

Gingrich Wants More Research Money

By Ron Fournier

AP Political Writer

Thursday, June 11, 1998; 1:20 p.m. EDT

WASHINGTON (AP) -- Predicting an "explosion of scientific knowledge," House Speaker Newt Gingrich said Thursday the country must spend more money on research in the 21st century and find better ways to teach science.

"Kids go off the cliff," he said, "because we bore them."

The Georgia Republican, previewing three weekend commencement addresses, also said public leaders like himself should explain to Americans why science is important in their everyday lives. But he suggested the media doesn't always get the message out.

"If it isn't sex and it's not a scandal, it's hard to get it covered," Gingrich said in a brief telephone interview.

He will address graduating seniors at the Georgia Institute of Technology on Saturday morning before flying to Ohio University for an afternoon speech. On Sunday, he speaks to students at the University of California, San Diego.

Gingrich, who is entertaining the prospect of running for president in 2000, is skipping a weekend gathering of GOP presidential hopefuls in Iowa to make the commencement speeches. Asked why he wasn't going to Iowa, Gingrich quipped, "I have a job."

His job this weekend, he said, will be to get college graduates excited about the prospect of living in a generation that will witness amazing achievements in science and technology -- from new uses for the Internet to advances in medicine.

"I want to talk about how science is the basis of progress in the 21st century, and the great opportunities these graduates have to create an extraordinary moment of new inventions, new quality of life, new discoveries -- and why they should view entering the next century as a great period of excitement," Gingrich said.

Each speech will build upon the other: The first address will be a call to arms for the new generation. The second will explain how improving science education will boost the economy and the third will be a thematic discussion about how science will define America's role in the next century's global makeup.

Gingrich said three things must happen to foster the explosion of scientific advances:

--Increase funding for basic research across the board, from NASA to the National Institutes of Health. Congress has already said it wants to double NIH funding.

--Make science classes more exciting to students, using the Internet to expose them to places and ideas they can't find in the classroom and working with zoos and laboratories. "We kill science learning in American throughout the fourth and eighth grades," Gingrich said. The longtime proponent of computer technology said Monday he would fight what he said is an unfair tax to pay for Internet hookups in schools and libraries.

--Get public officials to talk about science. An example: "Explain why the space station leads to breakthroughs in health and knowledge."

"We're at the edge of an extraordinary explosion of scientific knowledge that will lead to great breakthroughs," the speaker said.



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

June 12, 1998

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES
FROM: KATHLEEN A. MCGINTY
SUBJECT: CEQ WEEKLY REPORT

WPR for KVM

6-15-98

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PROTECTING COMMUNITIES FROM TOXICS

New York Harbor / Regional Economic Issue

The Administration was criticized recently over its failure to fully fund dredging of the main artery in the Port of New York and New Jersey known as the Kill Van Kull (KVK). In response, the Administration submitted a budget amendment to Congress on Monday that provided an additional \$22 million to fund fully the KVK project.

OK Wednesday, the House fully funded the KVK project in accordance with the budget amendment. The Senate, which had acted before the budget amendment was sent, underfunded the project by \$13 million. CEQ has been working with Senate offices on this issue and is hopeful that Senate appropriators will now support the Administration's revised funding.

RESOURCE STEWARDSHIP

King Cove Road Rider

We understand that Chairman Stevens intends to include a rider in the Interior Appropriations Bill that would remove land from the Izembek National Wildlife Refuge in Alaska for the purpose of building a road to the community of King Cove, Alaska. Stevens claims the road is necessary to provide access to health care and other services for this remote Alaskan village.

The Department of the Interior believes that there are alternative means to provide access for this village and is willing to work with the state and local community to solve this problem without building a road through a wilderness area. This rider closely resembles the one passed as part of the supplemental appropriations bill allowing a road to be built through the Petroglyphs National Monument.

6-15-98

This is yet another anti-environmental rider and a prime example of legislating the management of wilderness areas while ignoring the expertise of local resource managers. Next Tuesday, we are planning an event with Democratic Members of Congress and environmentalists to reinforce our opposition to such anti-environmental riders being adopted as part of the budget process.

Timber Report for National Forests

Earlier this week, the Forest Service released its annual report data for the 1997 timber sale program. The report documents a substantial decline in the amount of timber being offered, sold and harvested from the national forests, a shift in the type of timber sales being offered (from sales geared towards commercial production to sales designed to attain various stewardship objectives such as reduction of forest fuels), and a dramatic decline in the use of clear-cut harvesting.

Partly because of a new accounting standard for construction of roads and partly because of the shift to more ecologically-focused timber sales, the report shows that the timber program lost \$88.6 million in 1997. The report also stresses that the national forests have a very different mandate than private timber lands, as a matter of law and policy, and that the value of national forests should not be equated strictly to a profit or loss margin. The data will be interpreted by some to mean that we should eliminate all timber harvest on the national forests and use these areas for recreation, wildlife habitat and other non-development purposes. Others will point to the report and urge us to eliminate the national forests themselves and privatize them for the purpose of timber harvest.

This report illustrates the most honest accounting ever done on the timber sale program. Although we will be attacked by both Republicans and environmentalists for different reasons, we will also receive some praise for candor and believe it to be the right path at this time.

THE WHITE HOUSE
WASHINGTON

June 12, 1998

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MEMORANDUM TO THE PRESIDENT

FROM: ANN LEWIS AND STACIE SPECTOR

SUBJECT: COMMUNICATIONS WEEKLY REPORT

Amplification

- **Oceans.** We pitched early stories to California papers including the *Los Angeles Times*, *Sacramento Bee*, and the *San Francisco Chronicle*. The conference has received live television coverage, and we have been successful in hooking it up to Lisbon, Portugal via satellite. In addition, on Thursday an Oceans page was added to the White House web site, which provided a link to the cybercasting of both your and Vice President's remarks.
- **Equal Pay.** We distributed state-by-state figures on wage differentials between men and women to local newspapers in every state to give stories on your equal pay initiative a local anchor. CSPAN replayed their coverage three times in the 36 hours after the event.
- **ISTEA Bill Signing.** The over thirty-five Mayors that were here for the bill signing were given op-eds, press releases, and sample letters to the editor to use at home to promote the event locally.
- **Portland State.** We worked with the Press Office, Public Liaison, and other outreach offices to ensure maximum attention to the Portland State speech to targeting both ethnic and general audiences.

Next Week's Message Events

- Next week's message events include opportunities to call for Senate action on tobacco, Monday; two events relating to keeping our communities and children safe (bill signing and after school grants); and economic policy urging Congress to continue our path of economic expansion and reject the dangerous idea to sunset the tax code.

Web Site

- Portland State University will broadcast your commencement address live on the Internet. Thursday's foreign policy speech at the National Geographic Society was cybercast live.
- Building on the popularity of your Africa trip web site, the China trip web site will provide users with ability to follow along with your trip, while learning about the cities you are visiting. We are also planning a new feature, highlighting some of the people you will be meeting in round tables to tell the story of the changes in China.

A story in today's *Washington Times* (attached) talks about how quickly access to the Internet is growing in China.

Speaking Engagements

- Ann was the keynote speaker for the District of Columbia Public Information Officers and will be honored as the speaker at this Saturday's 39th annual dinner for the Park River Independent Democrats in New York city.

Y2K

- We have begun working with John Koskinen to raise the visibility of our Y2K efforts, including a mid-July speech to business leaders which shows commitment by you and your administration and calls for further action by the business community.

BRIEFING

Chinese make great electronic leap forward

Internet use rises, and government even promotes it

By Marcia Kunstel
and Joseph Albright
COK NEWS SERVICE

BEIJING — You can click on the Shanghai City Internet site and find up-to-the-minute prices on the Shanghai stock exchange.

Plus the beeper number of a "beautiful and available" Russian girl.

Plus Elvis Presley's birthday.

Probably nowhere in the world is the Internet evolving faster than in this behemoth of a nation, where the economy is hurtling into the future while free expression is stalled by security curbs from the past.

The Internet lives inside a strange cocoon of rules that threaten harsh punishments for anyone "spreading rumors," "promoting feudal superstitions," or "injuring the reputation of state organs." Penalties include fines, jail or confiscation of the offending computer.

Yet, in the name of economic progress, President Jiang Zemin's government is stimulating the Internet to expand at an astounding rate. It is China's great electronic leap forward, and nobody knows how long it will last.

China has designated information technology as a "national pillar industry" and is spending tens of millions of dollars to create Internet hubs across the country. Simultaneously, it is pushing Chinese industry to multiply the number of Chinese-language Web sites and to use the net for "e-commerce."

Though the Internet is still mainly accessible to a young, affluent urban elite, it is growing so fast that already the central government has effectively lost its monopoly on the flow of information — something all Chinese governments have guarded for centuries.

In just two years, the number of Chinese with Internet connections has jumped from 20,000 to 900,000. By December, users will hit 1.5 million, according to official projections. By 2000, some visionaries project 10 million users — possibly even 20 million. That compares with an estimated 25 million Americans currently with access to the Internet.

"This is like the Wild West," said Chinese businessman Edward Tian, 35, a Texas Tech-trained ecologist who in the last three years has become one of China's leading Internet entrepreneurs. "Our problem is that we cannot keep up with demand."

If you want to be mystified about where China is headed, check out what is already accessible from an Internet dial-up point in Beijing.

You can visit a "free-Tibet" Web site promoting an anti-China rally in Washington. But you cannot access the Human Rights in China Web site in Hong Kong. That one is blocked by a Chinese censor's electronic filters.

You can read all the news from Time magazine, the Wall Street



Personal computer sales in China have fueled the explosion of Web sites both in Chinese and in English.

CONNECTING WITH CHINA

Some English-language Web sites on China:

- www.aweto.com/china (links to 1,000 Web sites on China)
- www.leer.com (Far Eastern Economic Review magazine)
- www.sun.sino.uni-heidelberg.de/netguide/ngmain.htm (the China WWW Virtual Library, a European directory of Internet sources on China)
- www.coolchina.com (personals and other classified ads from China)
- www.redfish.com/U.S.Embassy-China (unclassified reports of the U.S. Embassy)
- www.pku.edu.cn (Beijing University information)
- www.scmp.com/news/index/idx? (news from Hong Kong-based South China Morning Post)
- www.amcham-china-org.cn (business information from the American Chamber of Commerce in Beijing)

Source: COK Newspapers

Journal and the British Broadcasting Corp. But on most days, the censor's filters won't let you connect with the news Web sites of CNN, The Washington Post, the New York Times and Reuters.

That is, unless you know how to set up your Netscape or Internet Explorer browsing software to bypass the Chinese filters. Many in Beijing can.

If you do set your browser to bypass the censor, you'll find that CNN and most of the other blocked Web sites pop on your screen just as quickly as they do in the United States. It doesn't take a hacker's ingenuity to evade the filters; it is a trick that appears in many users' guides.

In 1991, the population of personal computers in China was about 2,000, most of them locked inside closed scientific institutes. Now, about 4,000 new PCs are sold in China every day, of which 2,000 come equipped with a modem to make an Internet connection.

One factor fueling the blazing demand for PCs is China's one-child-per-family policy. Even though a \$1,000 Pentium II computer can cost affluent parents three months' salary, many are ea-

"This is like the Wild West. Our problem is that we cannot keep up with demand."

—Chinese businessman
Edward Tian

ger to spend the money to propel their child into the best university.

In Beijing, some Chinese students without wealthy parents slake their Net-surfing thirst by dropping by one of three Internet Cafes operated by Internet promoter Edward Zeng, 35, a former State Statistical Bureau employee.

"We have targeted a hundred locations," an optimistic Mr. Zeng said of his growth plans.

His cafe in north Beijing's university district suggests that the Internet has already gone far beyond the business-promotion uses the government originally had in mind for the Internet.

"I have very few friends, and so I go to the Internet to meet people. I used to just go home after work and that's all," said Su Ying, a frank 21-year-old.

Coaching her on her Net surfing techniques was her boyfriend, whom she met while cybertalking in Chinese characters in an Internet "chat room" she accessed from the Internet Cafe.

Miss Su, whose business is selling universal power sources for an electronics company, said she also finds customers through the chat room.

Biology student Ye Qing, 25, said he uses the Internet to pursue his studies on genes in archives outside China. He also hunts down e-mail addresses of American universities so he can apply to graduate school.

"A more important reason is to learn some news from abroad because here news, unfortunately, is very limited," he said. "Internet news is very fast. I use Yahoo search. I think it is very surprising and interesting."

The cafe manager, 23-year-old Zhang Donghai, said the predominance of the English language on the Net prevents many Chinese from using it.

"It's changing," said Mr. Zhang. "Now China is a big market for foreign companies like Microsoft. They are beginning to explore the Chinese market and establish Chinese sites."

Another constraint is expense, especially considering China's low wage scales. A Chinese computer owner who has a dial-up account pays about \$1.25 for an hour of Internet connect time. American-style, flat-rate, monthly Internet accounts are unavailable.

At the Internet Cafe, the computer and dial-up connection is provided and the cost is about \$3.75.

Miss Su, a young well-paid professional who still lives with her family, feels she can indulge. She said she spends two-thirds of her \$375 monthly paycheck at the Internet Cafe.

THE WHITE HOUSE

WASHINGTON

June 12, 1998

6-15-98

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MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL WALDMAN

SUBJECT: SPEECHES FOR THE UPCOMING WEEK

6/15 **Presidential Scholars**

The remarks will focus on the tobacco bill. They will depend upon the give-and-take that will occur on the Sunday talk shows, especially if Sen. Lott seeks to douse momentum. We will get you remarks late Sunday.

6/16 **Crime Event -- bulletproof vest (for local police) & police survivors bill signing**

This bill signing is the first of two events to focus on crime. The legislation helps local communities buy bulletproof vests, and supports the survivors of police who die in the line of duty. In your remarks, you can advance your anti-crime agenda by endorsing legislation allowing parents of children who kill with guns to be held liable, and/or challenging the gun manufacturers to make 'smart' guns that can only be fired by the owner. It is also a chance to continue to discuss the culture of violence and its impact on children.

6/17 **After School Event -- 21st Century Learning Grants**

In the week's second 'crime' event, you will announce the first "21st Century Learning Grants" to 100 cities.

Pritzker Dinner

These remarks, honoring architect Renzo Piano, will have a millennium theme (remembering the past, honoring the future).

6/18 **Meeting with religious leaders on China** (no public remarks -- possible pencil press)

6/19 **Economics event TBD**

We believe that there is an opportunity to appear with your economic team (either at the

beginning of a scheduled meeting in the Cabinet Room, or in the Rose Garden) to talk about the need to avoid risks to our economy -- e.g., legislation to sunset the tax code (to be voted on next week), failure to act on the IMF, etc.

Satellite to US Conference of Mayors

In these remarks, you will release the annual State of the Cities Report. It will be an opportunity to emphasize your 'third way' approach to urban issues.

6/20 **Radio address -- Prostate Cancer research grants.**

In your Father's Day radio address, you will announce the release of over \$50 million at the Department of Defense for prostate cancer research.

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THE WHITE HOUSE
WASHINGTON

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June 12, 1998

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARIA ECHAVESTE

SUBJECT: OPL WEEKLY REPORT June 6 - June 12

ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

- ✓ **China.** Your visit to the official church in Beijing will be watched closely with the hope that you will speak out strongly for religious liberty and against government control of churches.
- **Africa Trade Bill.** OPL and NEC/NSC met with TechnoServe to request their assistance in organizing NGO support for your Africa Trade Bill. They enthusiastically accepted the challenge and said they will help in any way they can. The African Growth and Opportunity Act Coalition, Inc., was formed to organize primarily corporate support for the Trade Bill. Mfume of the NAACP has endorsed the act and joined the coalition.
- **Hate Crimes Act and Jasper.** In response to Mr. James Byrd's murder in Jasper, Texas, Mfume of the NAACP held a press conference calling for Congress to expedite the passage of the Hate Crime Act of 1998. Mfume will represent the NAACP at the funeral of Mr. Byrd.

CONSTITUENT OUTREACH AND OTHER ISSUES

RELIGIOUS OUTREACH

- **Religious Liberty Protection Act.** The Act is the descendant of the Religious Freedom Restoration Act struck down by the US Supreme Court. With all the pressure from the religious right on Congress, it is expected to move this summer. Discussions are underway with the primary authors, the Justice Department, and our legal counsel's office to address some ambiguities in the legislation.

HISPANIC OUTREACH

- **Farmworker Advocates Seek Administration's Support in Improving H2A Program.** DPC and OPL met with the Farmworker Justice Fund, Inc., an organization which advocates on behalf of U.S. citizen farmworkers. This organization is concerned that the current H2A program exploits both U.S. farmworkers and also foreign farmworkers. Proposed legislation on the Hill, which the advocates believe will give growers more power and create further problems for U.S. citizen farmworkers, would allow more foreign farmworkers to enter the U.S. under the H2A program. They would like the Administration's help in defeating this bill and in improving the current H2A program.

AFRICAN AMERICAN OUTREACH

- **Black Farmers.** There is a growing group of civil rights activists getting involved in the black farmer issue. The National Black Farmers Association, the USDA Coalition of Minority Employees, and other organizations are beginning to have an impact and have expanded support for Black Farmers in the African American Community. On June 13, the Black Farmers and Agriculturists Association Tennessee Chapter will host a major farmer organizational meeting that will include Congressional remarks from several Congressional members.
- **Church Burning.** The Faith in Action Church, a nondenominational church with an overwhelmingly African American membership, in Manville, New Jersey was totally destroyed by fire on June 7. Church members believe that the fire was a result of a hate crime. In a written letter to you, they are requesting an immediate federal investigation of the circumstances surrounding the fire, in accordance with the criminal provisions of the Federal Civil Rights Acts. The church was 81 years old.

GAY AND LESBIAN ISSUES

- **Hormel nomination has 60+ votes.** Hormel met with Senators Hagel, Warner, Gram and Hutchison of Texas and won "yes" votes from Hagel and Hutchison, while Gram and Warner are undecided, but leaning "yes." Meanwhile, the Vice President swore-in **Fred Hochberg** as Deputy Administrator of the SBA.
- **The Southern Baptists passed a resolution this week calling on Congress to repeal your Non-Discrimination Executive Order of May 28th.**

ASIAN AMERICAN OUTREACH

- **Advocates Prepare for Bill Lan Lee Hearing.** DOJ, Hill, and WHO staff are preparing with civil rights groups for the upcoming July 14th hearing. It is understood that Hatch

will present many witnesses, but that he hopes to have a quick hearing. The groups agree that their rallying point should be Lee's unique ability to mediate, conciliate, and "get things done". To develop the public support necessary to win approval, they believe that Lee needs more press to highlight his solid record.

WOMEN'S OFFICE OUTREACH

- **Washington State.** The campaign manager for the "No! 200" campaign, Kelly Evans was here on Monday to talk about their efforts to defeat I-200, the Washington state anti-affirmative action initiative. The campaign is bipartisan, statewide coalition which has been organizing for about a year. The campaign needs to raise \$2.6 million by October and the formal campaign will get on the way in September. If the election was held today, they would only get 35% of the vote. Since African-Americans only account for about 10% of the voting population, the campaign must get the women's community on board to defeat this initiative. They asked for administration support in defeating this initiative.
- **Gender Integrated Basic Training.** The Administration's position supporting gender integrated basic training was heard loud and clear by the attendees of the 50th Anniversary of the Women's Armed Services Integration Act reception at the Women's Memorial. The First Lady and Deputy Secretary John Hamre spoke to hundreds of distinguished women and men from the military and corporate community about the successes and importance of integrated units for training and billeting recruits by gender. Mrs. Clinton presented the first-ever Senator Margaret Chase Smith Leadership Awards to former Secretary of Defense William J. Perry and to Major General Jeanne M. Holm, USAF (Ret.) for their contributions furthering the cause of women in the military.

JEWISH OUTREACH

- **Jewish lawyer with the CIA is threatening to sue the federal government for singling out Jews as security risks.** The multimillion-dollar lawsuit, which has been drafted but not yet filed, charges that the CIA violated Adam Ciralsky's civil and constitutional rights. Ciralsky, 28, was placed on administrative leave in October after CIA officials said that he had unauthorized contacts with Israelis. A member of the CIA's honor program for lawyers, Ciralsky was set to rotate into a post at the NSC. But when the time came for his security clearance to be renewed, the CIA blocked the appointment. According to news reports, the CIA asked Ciralsky about his parents contributions to Jewish causes and his contact with Israelis.
- **The Wisconsin Supreme Court ruling on school voucher program in Milwaukee receives mixed reviews.** The Wisconsin decision marks the first time a state supreme court has ruled on the issue and the highest-level court decision to date on vouchers. Reaction was predictably mixed in the Jewish community, which remains deeply divided

over school voucher initiatives. Orthodox and politically conservative Jewish groups hailed it as a historic development in efforts to expand educational opportunities. Most other mainstream Jewish groups viewed it as a blow to public schools and the separation of church and state.

- **Peace Process.** On Monday, the Jewish Council for Public Affairs adopted a resolution welcoming the Clinton administration's efforts to "reinvigorate" direct negotiations between Israel and the Palestinians. The board of directors of the umbrella Jewish group said the "stagnation in the peace process" was of deep concern to the organized American Jewish community.

BUSINESS OUTREACH

- **"Scrapping the Tax Code."** Next week the National Federation of Independent Business will be hosting its conference on "Scrapping the Tax Code". Thursday's Washington Post front page story on the business communities frustration with the Republican leadership will play into these events. In the story, Speaker Gingrich's spokesperson underscores that the Republicans are the party of small business not the K Street crowd. Look for them to capitalize on this next week. The Speaker will be addressing the conference at a dinner on Thursday evening. NFIB has a commitment from the Republicans to have a vote during the conference on scrapping the tax code. There is no clear indication as to whether the bill will make an outright call to sunset the tax code or not. It is quite possible they will call for something softer like a "sense of the House" on this issue.

cc: Erskine Bowles
Craig Smith
Doug Sosnik
Sylvia Mathews
Sid Blumenthal
Bruce N. Reed
Ron Klain

Rahm Emanuel
Michael McCurry
Gene Sperling
Thurgood Marshall, Jr.
John Podesta
Mickey Ibarra
Larry Stein



ONE AMERICA IN THE 21ST CENTURY

The President's Initiative on Race

The New Executive Office Building
Washington, D.C. 20503
202/395-1010

MEMORANDUM FOR THE PRESIDENT

6-15-73

FROM: JUDITH A. WINSTON *Judith A Winston*
THROUGH: ERSKINE BOWLES
SYLVIA MATHEWS
DATE: JUNE 12, 1998
SUBJECT: PRESIDENT'S INITIATIVE ON RACE WEEKLY REPORT
JUNE 5 - JUNE 12

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reply*

ADVISORY BOARD ACTIVITIES

June Advisory Board Meeting. The next meeting of the Advisory Board is June 18, here in Washington, DC. In preparation for the Board meeting, the members will meet in subgroups on June 17. Each subgroup will be chaired by an Advisory Board Member:

Dr. John Hope Franklin	Learning from and Addressing Different Voices
Governor Winter	Leadership and Values
Governor Kean	Education
Linda Chavez-Thompson	Economic Issues

On June 18, the full Advisory Board will meet to discuss the issues raised in the subgroup meetings.

La Canada High School. On June 2, Angela Oh spoke at La Canada High School in Los Angeles to 150 students about the Initiative.

Offices of Administration and Management and Budget Diversity Panel. On June 10, Angela Oh, Virginia Apuzzo, and I participated on a panel discussion about diversity in the workplace. We spoke about the Initiative and challenges related to race in the workplace. The audience consisted of approximately 150 employees from the Executive Office of the President. The panel is part of OA's and OMB's efforts to promote diversity within the EOP, and they will hold additional activities during this month.

Chinese for Affirmative Action (CAA). On June 12, Angela Oh will be the keynote speaker at the CAA annual banquet in San Francisco.

OFFICE OF THE EXECUTIVE DIRECTOR

Congressional Luncheon. On June 11, you hosted approximately 20 Members of Congress, including three Senators, to engage the Congress in the Race Initiative. The luncheon was very successful because it was a substantive and candid discussion about race. On June 17, I will be participating in the dinner sponsored by Congressmen Lewis and Houghton to launch their "Congressional Conversations on Race." Colin Powell will address the attendees.

Corporate Forum. Advisory Board member Bob Thomas will host the next corporate leaders forum on July 10 in St. Louis.

Weekend of Prayer. Reverend Tony Campolo of St. Davids, Pennsylvania and several other religious leaders will be offering statements, prayers, or sermons to mark the anniversary of the Initiative.

American Indian Issues. On June 11, Initiative staff participated in a meeting that the Office of Intergovernmental Affairs convened to discuss American Indian issues, outreach to Indian country and the Race Initiative.

Promising Practices. We currently have 200 promising practices listed on our website.

Wall Street Journal Article. Attached is the article from the Wall Street Journal that you requested in your comments on the Initiative anniversary briefing memo.

FEDERAL AGENCY ACTIVITIES

DEPARTMENT OF TREASURY

Race Seminars. On June 11, the Department of Treasury sponsored a seminar featuring Dr. Glen Loury, Professor and Director of the Institute on Race and Social Division at Boston University. Professor Loury spoke about the merits of affirmative action.

DEPARTMENT OF INTERIOR

Internet Access for Bureau of Indian Affairs Schools. Working in partnership with the Bureau of Reclamation and the Bureau of Indian Affairs, USGS has connected 42 BIA schools and six BIA colleges to the Internet.

DEPARTMENT OF AGRICULTURE

Choctaw Nation. The United States Department of Agriculture's Office of Small and Disadvantaged Business Utilization (OSDBU) and the Risk Management Agency staff traveled to Hugo, Oklahoma for a working session with representatives of the Choctaw Nation, local economic development officials, and UNISYS, to finalize details for development of the model demonstration site and to establish the Choctaw 8(a) company. UNISYS will serve as a mentor to this company for business establishment and for in-depth technical support. RMA has been very active and supportive of the project, bringing rural America venture opportunities, and has identified contracts that will be directed toward this program. USDA's contract will be awarded by July with work underway shortly after.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Initiative on Race and Health. On June 8, Surgeon General David Satcher gave the commencement address at the UCLA School of Medicine. Surgeon General Satcher discussed tobacco and HHS's Initiative on Race and Health.

DEPARTMENT OF ENERGY

Dialogues on Race. On June 4 and June 8, the Department of Energy's Oakland and Nevada Operations Offices held dialogues on race as part of their efforts to support your Initiative. The round table discussions focused on the vision of a just and unified America, educating the nation about the facts of race in this country, and promoting constructive dialogue.

DEPARTMENT OF EDUCATION

Bilingual Education. On June 4, Secretary Richard Riley of Education wrote to Congress expressing strong opposition to the Riggs bilingual education bill that would repeal the Emergency Immigrant Education program and drastically revise the Bilingual Education Act. The letter discusses the Secretary's objections to various civil rights and bilingual education provisions in the bill and sets forth his principles for strengthening programs that help students with limited English proficiency. The letter indicates that you will send legislation to Congress consistent with these principles at an appropriate time.

SMALL BUSINESS ADMINISTRATION

Memoranda of Understanding. On June 11, Small Business Administration Administrator Aida Alvarez signed a Memoranda of Understanding with the New York State Federation of Hispanic Chambers of Commerce and the National Black Chambers of Commerce.

SOCIAL SECURITY ADMINISTRATION

Federal Policy Roundtable Discussion on Minority Youth with Disabilities. On June 17, the Social Security Administration (SSA) and the Maternal and Child Health Bureau (MCHB) will cosponsor a federal policy roundtable discussion to identify policies and programs that will improve the employment outcome of minority youth with disabilities following graduation from high school, college, and post-secondary employment-training programs. The topic of the roundtable is the "Successful Transition to Employment for Minority Youth with Disabilities." The roundtable will be held in Washington, D.C., and will bring together more than 50 representatives from SSA, MCHB, the Presidential Task Force on Employment of Adults with Disabilities, the President's Committee on Employment of People with Disabilities, the National Council on Disability, DOL, DOEd, HHS and representatives of civil rights and disability advocacy organizations.

Lessons of Life

After 50 Years, Some Try to Lay the Ghost Of Segregation to Rest

In a Carolina Town, Classes
Separated by Race Use
A Reunion to Reconcile
Small Talk About Big Issues

By ROGER THURLOW

Staff Reporter of THE WALL STREET JOURNAL
GASTONIA, North Carolina—When old classmates gather for reunions, these are the things they notice first: receding hairlines and expanding waistlines, hearing aids and walking aids, wrinkles and bifocals and dentures and toupees.

"Before coming, I looked in the yearbook and memorized all the faces," a member of Gastonia High's Class of 1948 tells his classmates at their recent 50th reunion. "And I haven't seen one yet."

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The students are all pushing 70 now, an age when some people grow more intolerant and set in their ways, some more wistful and adventurous. Some like Richard Penegar, Gastonia High Class of '48 president, think about mending old ways and righting old wrongs. So, because Mr. Penegar, a white man, reached out, and because Carrie Washington, a black woman, took his hand, they and their classmates have come together over grits and gravy, trying something they wouldn't have dared try as teenagers.

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Lessons of Life

After 50 Years, Some Try to Lay the Ghost Of Segregation to Rest

In a Carolina Town, Classes
Separated by Race Use
A Reunion to Reconcile
Small Talk About Big Issues

By ROGER THUROW

Staff Reporter of THE WALL STREET JOURNAL

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- **Orange County Securities Fraud:** On June 3, Orange County, CA advised that, as a condition of the County's \$400 million settlement with Merrill Lynch, the County will dismiss its related \$500 million securities fraud action against the U.S. In December 1994, the County filed for bankruptcy after the County's then-treasurer lost \$1.6 billion of County investment pool funds on an investment strategy involving the purchase of structured bonds (sometimes called derivatives) and reverse repurchase agreements. The County later sued various bond issuers, including the U.S.
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THE WHITE HOUSE

WASHINGTON

June 12, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. T.M.

SUBJECT: Summary of Cabinet Weekly Reports
June 6 - 12, 1998

DEPARTMENT OF TREASURY

- **G-7 Deputies Meeting:** On June 10, Deputy Secretary Summers attended a meeting of the G-7 Finance Deputies in Paris. Discussions focused on Russia, but also covered international financial institutions lending to India and Pakistan, the situation in Indonesia, the impact of Japan's economic weakness on Asia, and issues relating to strengthening the global financial architecture. Following the meeting, G-7 Deputies, including Summers, issued statements supporting Russian fiscal reforms and expressing willingness to consider expanded conditional financial support to Russia from international financial institutions.
- **Organization for Economic Cooperation and Development (OECD):** On June 9, the Deputy Secretary attended a meeting of the Working Party 3 of the OECD. Discussions centered around Japan's economic situation, international markets, the impact of the European Monetary Union on Europe's financial system, and general macroeconomics.
- **Cuba:** Treasury's Office of Foreign Assets Control (OFAC) continues working to implement a series of measures for Cuba based on your recent directive. The new measures include expediting authorizations for humanitarian, medical, and related travel for sales or donation of medical items, and also for issuing licenses for exports of medicines to Cuba from U.S. subsidiaries in less developed countries. OFAC is also working to implement new measures reauthorizing air carrier service providers to resume direct flights to Cuba starting June 15 for humanitarian purposes and developing compliance procedures for remittance providers which forward up to \$300 per quarter to family members.
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an event

DEPARTMENT OF INTERIOR

- **Salton Sea:** A coordinated research effort involving Federal, local, state, and tribal representatives is underway for the Salton Sea. Legislation has been reported out of the House Resources Committee. The Republican leadership may seek floor action on the legislation on June 29. The Administration has been supportive of the basic thrust of the House legislation insofar as it codifies and funds the plan that Secretary Babbitt has begun. However, the Administration has expressed reservations about several aspects of the legislation, including the preauthorization of \$350 million in funds for an as-yet unidentified restoration project, proposed exemptions from the Clean Water Act, and several other issues. A bill introduced by Senators Boxer and Feinstein is preferable.
- **Headwaters:** DOI, DOC, and CA have been engaged in negotiations with the Pacific Lumber Company (PALCO) for the 200,000 acres of forest land that are owned by PALCO and are adjacent to the Headwaters Preserve. It was hoped that the plan would be ready for public release during the week of June 6, but several important issues continue to divide the parties; negotiations are on-going. Administration officials are hopeful that an acceptable draft will be agreed upon within the next several days. On June 15, Secretary Babbitt will meet with Democratic legislators in Sacramento to urge support for the appropriation.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Mexico Wildfires:** On June 3-4, Secretary Glickman and USAID Administrator Atwood participated in a Mexico City conference to discuss current assistance and long-term fire management projects for Mexico. As of today, the advent of rains has resulted in a dramatic reduction in the number of active fires reported by the Government of Mexico's firefighting authority, but this reduction may be only temporary. Hot spots continue to burn throughout the region, and if dry conditions return, fire activity will increase. As many as 36 active wildfires are burning throughout the country, affecting 24,000 acres of land. Two of these fires are classified as controlled, while three are large priority fires. 41 U.S. interagency fire personnel continue providing technical assistance.
- **Grain Elevator Explosion:** On June 15, Secretary Glickman will visit the Haysville, KS grain elevator that exploded on June 8. The Secretary will meet with State and Federal officials to discuss ways to coordinate better grain elevator inspections between USDA and OSHA. He will also meet with the industry to discuss meeting grain storage needs this harvest now that this elevator, the third largest in the world, is out of service.

- **ND Agriculture:** On June 8, Secretary Glickman toured farms in the Grand Forks, ND area and met with state farm leaders to discuss the agricultural situation in the Northern Plains. The Secretary, joined by Senators Conrad and Dorgan and Representatives Pomeroy and Peterson, held a farm forum attended by over 1000 farmers. The Secretary announced several steps to address their problems, including: making available \$12 million for livestock producers who have suffered feed-related losses from land submerged under water, increasing by \$100 million export credits available to Turkey, changing the export credit program to facilitate exports to Indonesia, establishing a new risk management education program to help farmers better protect themselves from price volatility, changing the federal crop insurance program, and setting up a program to help dairy farmers protect themselves from changes in milk prices.
- **Minimum Milk Price Petition Denied:** On June 10, USDA announced its decision to deny a petition from a Midwestern dairy cooperative that sought to establish a minimum price of \$13.50 per hundredweight for the basic formula price, which is used to determine the price of milk regulated by federal milk marketing orders.
- **Commodity Markets in Review:** Wheat cash and futures prices fell last week, following rapid harvest progress for the 1998 winter crop. Corn cash and futures prices dropped on generally favorable weather. Rice cash prices remained firm, but futures tumbled as planting was completed in the Delta. Soybean cash prices rose slightly last week, but new-crop futures closed below \$6.00 per bushel as weather continues to be favorable in the Midwest and world supplies are large. Cotton prices jumped, on cool, damp weather in CA and hot, dry weather in TX. Cattle prices were unchanged. Hog prices fell, as traders anticipate an increase in the movement of hogs to market. Broiler prices rose, as demand for parts continues strong. Cheese and butter prices moved higher, as demand remains strong and milkfat supplies tighten.

DEPARTMENT OF COMMERCE

- **India and Pakistan Sanctions:** On June 5, ITA coordinated an interagency meeting to review discretionary activities with India that are not explicitly addressed by the Glenn Amendment. On May 29, the Bureau of Export Administration (BXA) provided guidance on its web site for exporters about export control policy toward India and Pakistan.
- **Textile Bill:** Representative Faleomavaega has requested Administration support for a bill that would alter the textile rules of origin for American Samoa. DOC opposes the legislation because it could be deemed inconsistent with U.S. WTO commitments. The bill is strongly opposed by the textile industry. DOC is advising DOI about its concerns.

- **China:** BXA is working with the Chinese government to reach an end-use visit arrangement in time for the June summit. The Chinese continue to state that they see this as an important issue and hope to reach an arrangement "before or at the summit."
- **Chemical Weapons Convention (CWC):** During the week of June 8, BXA participated in a DoD mock challenge inspection at Fort Belvoir, VA. The purpose of the exercise was to uncover shortfalls in the site's inspection readiness plan, expose site personnel to the intrusive nature of a CWC challenge inspection, and gain site experience in handling foreign inspectors in security areas.
- **U.S.-Japan Science and Technology Framework Agreement:** Several senators, including Senators Rockefeller and Bingaman, are drafting a resolution that states the importance of maintaining U.S. activities related to Japanese science and technology. The resolution is intended to provide Congressional support during the renegotiation of the U.S.-Japan Science and Technology Framework Agreement.
- **Trade Mission to Ulster and Ireland:** On June 2, the *Belfast News Letter* carried a story on Secretary Daley's trade mission to Ulster and Ireland. The article, "The Yanks Are Coming," outlined the purpose of the Secretary's trip. On June 2, the *Belfast Telegraph* published an article entitled, "U.S. Giants in Queue for Ulster Tour," focusing on the business delegation accompanying the Secretary and his schedule while in Ulster and Ireland.

DEPARTMENT OF LABOR

- **General Motors Strike:** According to GM, 18,070 workers at nine plants have been sent home as a result of parts shortages caused by the strike at the Flint, MI metal stamping plant. Given Flint's historical significance to the UAW (beginning with the sitdown strikes of the 1930s), and the animosity between the union and GM over the company's downsizing, this strike may take on added symbolic importance. On June 11, the UAW went on strike against a Delphi parts plant in Auburn Hills, MI that makes spark-plugs and fuel system components for most of the vehicles GM builds in North America.
- **"Work Safe this Summer":** This week, Secretary Herman launched the third annual Work Safe This Summer Campaign to educate teens, employers, and parents about the importance of workplace safety. Every year, 70 young people are killed and 210,000 injured on the job. The campaign's goal is to reduce those tragic figures and educate the public about the need for safe summer work experiences.
- **A Look at 401(k) Fees:** On June 16, DOL's Pension and Welfare Benefits Administration will hold a press roundtable with national media outlets to introduce their new booklet, *A Look at 401(k) Fees*. The booklet was developed to encourage 401(k) participants to educate themselves about the fees associated with the plans.

- **BLS Data Announcements:**
 - ▶ June 16 - Consumer Price Index (May).
 - ▶ June 19 - State and Regional Employment and Unemployment (May).
- **Welfare-to-Work:** This week, DOL will announce formula grant approval for MO (\$3,194,443), OK (\$11,741,519), and WI (\$12,885,951) for FY98. This money is part of the \$2.2 billion available nationwide in state grants to help local communities transform the lives of long-term welfare recipients.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Obesity Guidelines:** On June 17, the National Heart, Lung and Blood Institute will hold a press conference to release the first Federal "Clinical Guidelines on the Identification, Evaluation and Treatment of Overweight and Obesity in Adults." Due to a premature leak of erroneous information about the guidelines, some of the key recommendations were released on June 3. The press conference will highlight important issues that have not yet been covered, including treatment guidelines and other consumer health topics.
- **Olestra:** On June 15-17, FDA's Foods Advisory Committee will hold a public meeting in Reston, VA to discuss the safety of Procter & Gamble's fat substitute olestra, tradename Olean. The discussion will focus on data gathered from complaints attributed to olestra consumption, the active surveillance of populations consuming savory snacks, including olestra snacks, and any new data that has become available bearing on the safety of olestra.
- **Multi-State Outbreak of *Salmonella*:** As of June 8, 211 persons with culture-confirmed *Salmonella* Agona infections identified in April and May have been reported by 12 midwestern and northeastern States; 47 persons have been hospitalized. No deaths have been reported. 56 ill persons reported consuming a particular brand of toasted oats, Millville brand Toasted Oats cereal, a house brand made by Minneapolis-based Malt-O-Meal and distributed by Aldi Inc. supermarkets. The company has voluntarily recalled all toasted oats packaged under various labels that may be associated with the outbreak.
- **Outbreak of Infections Associated with Raw Oysters:** During July-August 1997, the largest reported North American outbreak of culture-confirmed *Vibrio parahaemolyticus* infection occurred. Illness was associated with eating raw oysters harvested from CA, OR, WA, and British Columbia. This report summarizes the investigations of the outbreak, which suggested elevated water temperatures may have contributed to increased illness and highlights the need for enhanced surveillance for human infections.
- **Science Special Issue on AIDS:** The June 19 edition of *Science* will be a special issue on AIDS. It will contain findings from a National Institute of Mental Health (NIMH) HIV prevention trial on reducing HIV-related sexual risk behaviors, and an editorial

written by Drs. Harold Varmus and Neal Nathanson on the broad topic of research and the control of AIDS. On June 18, NIMH will hold a press briefing to announce the findings.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **National Homeownership Week:** In celebration of National Homeownership Week, HUD is involved in more than 1,000 events nationwide, including homebuyer fairs, counseling workshops, and groundbreakings. In addition, HUD is working with Habitat for Humanity to build more than 500 homes in conjunction with the National Partner in Homeownership, a public-private partnership working to achieve your goal of a 67.5 percent homeownership rate by the year 2000.
- **Day Care Center:** On June 5, HUD's Creative Child Development Center, which was the first day care center established in the federal government and instrumental in helping other centers get established, celebrated its 20th anniversary.

DEPARTMENT OF TRANSPORTATION

- **Air Force Two Radar Beacon Data Failure:** On June 7, radar beacon data was lost to air traffic controllers working an Air Force Two flight traveling from LaGuardia Airport to Andrews AFB. Radio contact was never lost and primary radar was available to track the aircraft if necessary. The radar that experienced the data loss was located at Benton, PA and is not the Gibbsboro, NJ radar that experienced a similar problem on June 5 during an Air Force One flight. The incidents are under investigation by the FAA.
- **"Caring for Community" Day:** On June 13, to create awareness of volunteer opportunities for federal employees, Secretary Slater and other federal agency employees will work to clean the river bank along the Anacostia River in Washington, DC.
- **FAA Refresher Training for Controllers:** In response to an April 3 near collision at LaGuardia Airport and as a result of the increase in the number of operational errors, 10,000 FAA air traffic controllers will undergo two hours of refresher proficiency training in an attempt to prevent operational errors.
- **Mexico MOU:** On June 10, DOT and the Secretariat of Communications and Transport of the United Mexican States signed a MOU at the U.S.-Mexico Bi-National Commission Meeting. The MOU provides a framework for cooperative activities and procedures for the administration of drug and alcohol tests.
- **SEPTA Strike Update:** The Southeastern Pennsylvania Transportation Authority (SEPTA) is in the ninth day of their transit strike. Service is normal on the commuter rail lines and the suburban Victory Division. The TWU has offered to go back to work if

SEPTA will agree to binding arbitration. The City Council passed a resolution in support of binding arbitration. SEPTA has refused, saying that they cannot put the future of the transit system in the hands of a disinterested arbitrator.

- **McDonnell Douglas Helicopter Inspection:** The FAA issued an airworthiness directive to inspect and replace where necessary the upper main rotor hub assembly as a result of cracks discovered in six main rotor hubs at the drive plate attachment bolt holes. This action will affect 26 U.S. registered helicopters and cost approximately \$5,840 per helicopter.
- **McDonnell Douglas Fuel Pump Electrical Connectors:** The FAA issued an airworthiness directive to require the installation of a new protective cap in all fuel tank boost/transfer pump housings in DC-10 and related airliners. This action is the result of a longterm operational safety program to review the designs and service histories associated with fuel tank related problems with particular emphasis on potential ignition sources. While no burn-throughs have occurred, arcing and burning could ignite fuel vapors. The protective cap will prevent damage to the pump housing in case of an electrical connector malfunction. This action will affect 151 U.S. registered airplanes with a cost depending of \$4,120 to \$5,820 per airplane.
- **Foreign Driftnet Fishing Vessels:** On June 1, Coast Guard Cutter BOUTWELL boarded the Peoples Republic of China (PRC) fishing vessel SHEN SHUN 600 miles east of Tokyo, Japan. The vessel was suspected of violating the United Nations High Seas Driftnet moratorium. BOUTWELL's embarked PRC shiprider established communications with the SHEN SHUN and helped the Coast Guard conduct the boarding and build a case for PRC prosecution.
- **Mexico:** The Mexican Aeromexico Airline flight attendants' union strike was averted when the Mexican Director General of Civil Aviation announced the Government was taking control of the airline to prevent a strike and to ensure safety of cabin operations. The flight attendants agreed to continue working during contract negotiations with the airline. The negotiations officially concluded on June 6 with the flight attendants receiving approximately 50 percent of their initial requests.
- **France:** The strike by Air France pilots which began on June 1 has ended. The pilots and management reached a deal on June 9.
- **Italy:** On July 13-15, formal negotiations on a bilateral "Open-Skies" agreement with Italy will resume in Washington.

DEPARTMENT OF ENERGY

- **Discover Magazine Awards for Technological Innovation:** On June 6, Secretary Peña presented awards in the *Discover* Magazine's 1998 Awards for Technological Innovation. DOE received two out of eight awards: Argonne National Laboratory's Membrane-Based Process for Producing Lactate Esters and Sandia National Laboratories for its Non-Volatile Field Effect Transistor.

DEPARTMENT OF EDUCATION

- **Southern Education Improvement:** On June 17, Secretary Riley will host a press conference with the Southern Regional Education Board releasing the board's annual report on education reform improvement.
- **America Goes Back to School:** On June 17, the annual meeting of the America Goes Back to School steering committee will be hosted by Mrs. Gore.
- **New Urban High Schools:** On June 25-27, DOEd is cohosting a conference in Washington titled "The New Urban High School Institute: Designs for Learning." The conference will feature the work and findings of the six New Urban High School sites and will unveil a set of design principles for school reform.
- **Youth Violence Event:** On June 25, Secretary Riley will participate in a Chicago public hearing on youth violence at the invitation of Chicago schools CEO Paul Vallas.

VETERANS AFFAIRS

- **Tobacco Bill:** On June 2, during consideration of the omnibus tobacco bill, the Senate passed an amendment that would provide VA \$600 million per year, for a total of \$3 billion, to treat veterans' tobacco-related illnesses.
- **Procedure for Diagnosis of Lower Back Pain:** Epiduroscopy, a new outpatient medical procedure now being performed at the Columbia, SC, VA Medical Center, signals the start of a new era for the treatment of back pain without major surgery. Epiduroscopy enables the physician to question the patient about pain symptoms while working to diagnose the specific soft tissue pathology. In the near future, laser fibers are expected to be used to treat herniated discs and other soft tissues in a similar, minimally invasive procedure.
- **VA Passenger Vans:** On July 17, Secretary West will be presented with 147 new passenger vans worth \$3.2 million from the Disabled American Veterans at a ceremony on the West Lawn of the U.S. Capitol. Following this event, Secretary West will address VA employees and Veterans Service Organizations at VA headquarters.

- **Vietnam Veteran Volunteer:** On June 4, *ABC News* visited the Miami VA Medical Center to videotape a veteran who serves as a volunteer in the spinal cord injury unit. The veteran, who was in Vietnam in 1968, will be featured in Connie Chung's *Turning Point* program.

ENVIRONMENTAL PROTECTION AGENCY

- **Endocrine Disruptors:** On June 17-18, the Endocrine Disruptor Screening and Testing Advisory Committee (EDSTAC) will convene for the last time to complete its report to EPA. EDSTAC will recommend a scheme for prioritizing chemicals and contaminants and screens to identify which compounds should be tested for potential to disrupt the endocrine system of humans and wildlife. On June 2, *PBS's Frontline* featured a one-hour presentation on endocrine disruptors and the Federal government's response.
- **World Cup:** On June 12-16, Administrator Browner will lead the U.S. delegation to the World Cup soccer tournament in Paris, France.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Senate Testimony:** On June 18, Director McCaffrey will testify before the Senate Caucus on International Narcotics Control to discuss international demand for illegal drugs, how U.S. demand compares to other nations, and what programs are aimed at reducing international demand.
- **Congressional Meetings:** On June 17, Director McCaffrey will meet with Representative Hunter to discuss Southwest border issues. Representative Hunter is particularly concerned about a proposal to open a railroad line that would cross the U.S.-Mexico border at points other than existing ports of entry. On June 17, Director McCaffrey will meet with Representative Portman to discuss implementation of the Drug Free Communities Act and pending legislation related to Drug Free Workplace initiatives.
- **France Prime Minister:** On June 17, Director McCaffrey will attend a dinner hosted by the French Prime Minister and Mrs. Lionel Jospin at the French Ambassador's residence.
- **UN Special Session on Drugs (UNGASS):** Director McCaffrey was interviewed by Dan Rather on *CBS Evening News*, taped radio interviews for *ABC*, *CBS*, *CNN*, *WOR*, and *Call America*, and held a press conference at UNGASS with Secretary Shalala, Attorney General Reno, and Special Envoy McLarty following your speech.

SMALL BUSINESS ADMINISTRATION

- **HUBZones:** On June 11, the final SBA rule implementing the new HUBZone procurement program for distressed communities will be published in the *Federal Register*. The government must conform other federal procurement regulations in 180 days before the first HUBZone contracts will be issued. The HUBZone statute sets a goal of one percent (approximately \$2 billion) in contracts the first year. The goal will be increased to three percent of total federal procurement in distressed areas over the next five years.
- **Reports on Loan Monitoring System and Loan Program Privatization:** As required in the Small Business Reauthorization Act of 1997, SBA has delivered two major reports to Congress. The first report provides the project plan for an automated Loan Monitoring System, which is a key component of SBA's three-year systems modernization initiative and its efforts to upgrade its lender oversight functions. The second report on opportunities for privatization in the SBA 7 (a) business loan guarantee program points out that 75 percent of the credit decisions on SBA-guaranteed loans are made by private lenders and initiatives are underway to delegate more servicing and liquidation responsibility to private sector partners.
- **Women's Business Meetings:** Administrator Alvarez will participate in the first joint meeting of the National Women's Business Council and the Interagency Committee on Women's Business Enterprise at the White House.

OFFICE OF PERSONNEL MANAGEMENT

- **Firefighter Pay:** On June 4, the Administration's proposal to revise firefighter pay was sent to Congress. On June 5, OPM officials met with Representative Hoyer's staff and the House Legislative Counsel to assist them in drafting a bill. Affected stakeholders, primarily DOD, VA, and unions representing the firefighters, have accepted this proposal.

UNITED STATES INFORMATION AGENCY

- **Media Reaction to Indian Subcontinent Tensions:** The tensions on the Indian subcontinent following last month's nuclear tests by India and Pakistan have continued to steal the editorial spotlight. Commentators turned their attention to the meeting of the five permanent members of the UN Security Council in Geneva last week, which, writers noted, produced a "coherent communique" but fell short of outlining a clear plan to resolve the conflict. Indian pundits continued to look warily at China and adhered to the line that Beijing's "strategy" is to "keep India down, so that it won't ever become a challenge to China." The pro-reform *Economic Times* urged the U.S. to take advantage of India's nuclear arsenal as a "countervailer to China and Pakistan, and as a stabilizing

factor" in South Asia and the Middle East. Analysts in India also supported Prime Minister Vajpayee's position ruling out "third-party intervention" in the region, particularly on the issue of Kashmir. In Pakistan, an editorial in *Frontier Post* contended that "a solution to the Kashmir dispute without third-party mediation is impossible." Second-largest Urdu-language *Nawa-e-Waqt* maintained that it was "useless" for Pakistan to engage in "disadvantageous talks" on Kashmir with India and "thereby ridicule itself," while others saw bilateral talks as the only way to "move toward peace and normalization."

GENERAL SERVICES ADMINISTRATION

- **Governors Island:** On June 15, the New York Landmarks Conservancy and the National Trust for Historic Preservation will hold a news conference announcing the inclusion of Governors Island as one of America's Eleven Most Endangered Historic Places for 1998. GSA has been told that the groups are concerned about proposals to create a casino on the island and the lack of Congressional appropriations for maintenance of the property until 2002, when GSA will be allowed to dispose of the island, as directed by last year's balanced budget agreement.

SOCIAL SECURITY ADMINISTRATION

- **Quality Review of Disability Cases:** During the week of June 15, SSA expects to publish final rules concerning the referral for quality review of approximately 10,000 disability cases each year which had been decided by administrative law judges (ALJ). These final rules were designed to ensure the accuracy of decisions that ALJs and other adjudicators make at the hearing level of the administrative review process and contribute further to SSA's efforts to "reengineer" the disability claims process.
- **Appeals Council Dispositions:** For the first time ever, the Appeals Council of SSA's Office of Hearings and Appeals issued over 10,000 final actions in a single month during May. In addition, for the 3-month period ending in May, the Appeals Council processed 27,000 claims, the largest number processed for any single calendar quarter in the Appeals Council's 58-year history. Review by the Appeals Council is a claimant's last administrative appeal in the Social Security claims adjudication process.

cc:

The Vice President

Erskine Bowles

Paul Begala

Sandy Berger

Sidney Blumenthal

Maria Echaveste

Rahm Emanuel

Mickey Ibarra

Janis Kearney

Ron Klain

Neal Lane

Jack Lew

Ann Lewis

Sylvia Mathews

Michael McCurry

Katie McGinty

Mack McLarty

John Podesta

Bruce Reed

Craig Smith

Doug Sosnik

Gene Sperling

Larry Stein

Melanne Vermeer

KAY COLLETT GOSS

Dear Mr. President:

This letter is from an Arkansas native, friend of a NLR firefighter, federal employee, and expert on China. He briefed my international program staff + has useful info. Best, Kay

500 "C" Street, S.W.
Washington, DC 20540

FINANCIAL CRIMES
PREVENTION NETWORK

200, Vienna, VA 22182. Telephone (703) 905-3520

5 June 1998

Training and Exercises
Policy

Dear Kay,

I hope you don't are from Arkansas comfortable writing name, one of my cousin, Mary Lou stayed at my parents then back home.) Your secretary told I will be out of town

Most important the White House for some time last month. They are most appreciative, too. In fact, they now believe--mistakenly--that I have great influence in Washington.

I am anxious to learn more about you and how you came to work in this often awful city. Certainly, the devastation wrought by effects of El Nino this year has brought your agency to the fore. Without doubt, you have earned your pay.

As you can tell from this letterhead, I work for Department of the Treasury. After serving about 17 years as a China Operations Case Officer for the Central Intelligence Agency (I am now fully authorized to drop my cover), I joined the law enforcement community. I am a Chinese linguist, and a retired Colonel in the US Army Reserves, where I served as a China expert. One amusing angle to my China experiences over the years is that I was arrested on suspicion of espionage in Beijing in 1978 by the Public Security Bureau, but over the last few years I have worked well and closely with that same agency in controlling international financial crime. Indeed, that Chinese agency recently translated some of my papers into Chinese for dissemination within their service. I am not sure just why they did that, but it is a bit flattering. (Enclosed is an original copy of those papers, in case you have any interest in Asian affairs. I won't send you the Chinese language version, unless you just like to read Chinese.)



Send to Bushhardt
Yes
No

KAY COLLETT GOSS

Dear Mr. President:

This letter is from
an Arkansas native,
friend of a NLR firefighter,
federal employee, and expert
on China. He bridged my
international program stuff +
has useful info. Best, Kay



FINANCIAL CRIMES
ENFORCEMENT NETWORK

2070 Chain Bridge Road, Suite 200, Vienna, VA 22182 Telephone (703) 905-3520



5 June 1998

Ms. Kay C. Gauss
Associate Director for Preparedness, Training and Exercises
Federal Emergency Management Agency
500 "C" Street, S.W.
Washington, DC 20472

Dear Kay,

I hope you don't mind the informality of that salutation. We haven't met, but since you are from Arkansas and I got your name through our friends there, the Dancys, I do feel comfortable writing you this letter. Besides a recent note from the Dancys giving me your name, one of my cousins from Arkansas said I should be sure and contact you. (That cousin, Mary Lou Jaworski, lives over in the Lakewood area of North Little Rock. She stayed at my parents' home in Bethesda last night before driving on today to Nashville and then back home.) Certainly, I hope we can meet when you and I are both back in town. Your secretary told me today that you would be out until next week--when, unfortunately, I will be out of town.

Most importantly, I want to thank you for your help in arranging the VIP tour tickets to the White House for some Canadian friends of mine who will be visiting Washington next month. They are most appreciative, too. In fact, they now believe--mistakenly--that I have great influence in Washington.

I am anxious to learn more about you and how you came to work in this often awful city. Certainly, the devastation wrought by effects of El Nino this year has brought your agency to the fore. Without doubt, you have earned your pay.

As you can tell from this letterhead, I work for Department of the Treasury. After serving about 17 years as a China Operations Case Officer for the Central Intelligence Agency (I am now fully authorized to drop my cover), I joined the law enforcement community. I am a Chinese linguist, and a retired Colonel in the US Army Reserves, where I served as a China expert. One amusing angle to my China experiences over the years is that I was arrested on suspicion of espionage in Beijing in 1978 by the Public Security Bureau, but over the last few years I have worked well and closely with that same agency in controlling international financial crime. Indeed, that Chinese agency recently translated some of my papers into Chinese for dissemination within their service. I am not sure just why they did that, but it is a bit flattering. (Enclosed is an original copy of those papers, in case you have any interest in Asian affairs. I won't send you the Chinese language version, unless you just like to read Chinese.)

Thinking of things Chinese, I must tell you it greatly disappoints me that President Clinton will be going to China soon, but without me. I know President Clinton will have with him all the China experts he needs--but they are not from Arkansas. When my family moved to this area about 40 years ago, we took a lot of guff about our accents and our home state. Well, fortunately, now that an Arkansan resides in the White House, not many people snicker any more at my origins, but even now many people find it hard to believe that an Arkansan can be a Chinese linguist and area expert.

At the risk of seeming to be too self-centered, I am also including a copy of a letter I sent to the Dancys about two years ago, when I was able to reestablish contact with them. It gives more comment on what I've been doing lately. As you will see in the letter, Jim Dancy used to be a fireman at the Park Hill fire station in North Little Rock, just two doors away from my home. I visited them last November. It was so very refreshing to again know some solid people from Arkansas.

This next week I will be speaking on Asian issues at a conference in Cleveland, but when I return I will give you a call. Perhaps we can meet for a chat.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Cordell Hart". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

M. Cordell Hart
Chief, State Coordination
Office of Investigative Support

Encl.: As stated.

5424 Linden Court
Bethesda, MD 20814
2 February 1996

Mr. James A. Dancy
156 Diamond Pointe Drive
Maumelle, AR 72113

Dear Jim,

It was a real treat talking with you last night! Hearing about so many old friends--and hearing it spoken with an accent that I have long missed--brought on a rush of nostalgia. If I put my mind to it real hard, I could probably recall some unhappy events during those days on Park Hill, but that would be unfair. The best summary of things past is exactly as you first think of them. And of Park Hill I only have great memories of wonderful people. What a special community it was, there on Magnolia Street, on the west side of Park Hill. Good, solid people all around. And the fire station was central to that scene. And you were part of that wonderful crew. Particularly where I now live, and in this day and age, I regret so much that my children did not have the opportunity to have such a close community life.

I will send a note to your son today. Since he works homicides and I work financial crime, there may not be a way for us to work together. But my office provides research of financial, commercial and law enforcement databases in support of state and local agency criminal investigations, so I can help expedite anything the North Little Rock Police Department may want from us. I head the State Coordination Unit, Office of Investigative Support, Financial Crimes Enforcement Network, Department of the Treasury. That's a mouthful, but it is just another bureaucracy here in the Washington, D.C. area.

Enclosed is a photo Xmas card showing me and my family. Since I gave up smoking 16 years ago, I put on a lot of weight. You may not recognize me. My wife, Judy, is ethnic Chinese, but born and raised in Hawaii. She doesn't speak any Chinese, but I do. (That has made for some interesting incidents in Asia.) My first son, James, just graduated from Georgia Tech and was commissioned in the Army. He is continuing on there in graduate school. My second son, Raymond, is a sophomore at Penn State. My third son, Richert, is beginning studies at Montgomery College near home. My wife and I keep on working (both of us for the federal government) trying to keep ahead of the bills--and with all the kids in school, that is not easy.

My older brother, Charlie, is quite wealthy and now out in California with a wife and two daughters, aged 15 and 12. (I was the first of the kids to get married.) Even though he is wealthy, he has worries like all of us. It's just that any related dollar figures have more digits than those of our worries. My

younger brother, John, is married with a son and two step-daughters up in Maryland just south of Gettysburg. My younger sister, Nancy, married an exceptionally nice attorney in Bowling Green, Kentucky. He has good Southern ways and is rock-solid in his religion (though a Presbyterian). They have three daughters

I very much enjoyed hearing about your experiences in Asia. You were there when some important history was being made as regards U.S.-China. Please tell me more, if it is convenient. I would also like to hear more about others at the Park Hill Fire Station and those living on Magnolia Street. Sad news about the passing of Eldon and Lynn Matchett, Pinky Nolan, Papa John, and the others, but that's the way things go. Good to know that Bob Van Tuyle is still around. What about Dick Mosely, the guy who lived across the street from the station? And what about Gerard (can't remember his last name), the boy whose mother was French? They lived next door to the Moselys. And do let me know about M.J. Propst. (Did I spell his name right?) I last heard that he was living up here.

I have spent some time in Asia, too, but I am always glad to get home to the U.S. There are some good angles to retiring in Asia, but none match the benefits of Stateside life. I know several guys who opted to take their pension checks in that part of the world, where prices are low, girls abundant, and social restraints on foreigners almost non-existent. ("Send me somewhere east of Suez, where the best is like the worst, where there aren't no Ten Commandments, and a man can raise a thirst. . .") They all come home, eventually.

I spent a total of three and a half years in Vietnam, 18 months with the Army and two years with the CIA. My wife and I abandoned Nha Trang, Khanh Hoa Province, Republic of Vietnam, at the end of March 1975 and, along with all other official Americans in the central region, were evacuated to Saigon, where we worked for a couple of weeks before completing our two-year tour, and being ordered home. We got out on the last commercial flight to leave that beleaguered city. We (the CIA) made a conscious decision to drop all assistance to those who had been so faithful to us: our guards, interpreters, agents, etc. As a way of buying time for our own evacuation of the central region, I was tasked to travel to two key locations and persuade the ethnic Chinese commanders of local militia units to stay in place and fight. Though we knew there was no hope, I strutted with confidence and spoke easily of American troops returning in great numbers the next week. My interpreter and I were armed to the teeth, and our real concerns were whether we should have to fight our way back to Nha Trang, through enemy VC/NVA troops or through "friendly" Vietnamese forces in mutiny. On the day Judy and I finally left Nha Trang--losing almost all our belongings--I first assured our maid and the five ethnic Chinese guards who lived at our villa that I was taking my wife to Saigon, but that I would be back the next day. We left with two very small pieces of luggage--placed in the trunk of our car so as not to alarm the crowds of refugees through which we would

pass in getting to the airstrip. Nonetheless, I think our maid and the guards suspected we would never return. In Saigon, it was chaos all over again. There are a hundred stories I could tell about those days, most of sadness and some of high humor--but nothing for now.

About a year ago, I traveled to Hanoi on official business. I had an odd and complex feeling about the place. In three days there, only one person made any reference to the war. He was a pedicab driver with whom I was trying to converse. (I used to speak a bit of that language.) Asked if I had been to Vietnam before, I explained that in 1965-66 I had been to many places in the south as a Captain in the Army. (I didn't mention my second time there 1973-75 with the agency.) He only responded by saying "And then you left in 1975." On the first day of meetings with Vietnamese officials, however, I had to fight back tears--and I recalled with great clarity the visages of all of my American and Vietnamese friends who had died there--and I felt guilty about having survived. I have read about this psychological thing before, but I never thought it would happen to me. After all, I was never out in the rice paddies getting shot at, and of the many dead bodies I saw, only a few were my own friends/colleagues. Odd, but I never thought I would ever get to be so old that I would mourn the passing of anyone but my blood relatives. Now, I know with sorrow many who have gone on. ("They will not grow old, as we that are left grow old. Age shall not weary them, nor the years condemn. With the going down of the sun and in the morning, we will remember them.")

Well, so much for all of that.

Although at present I just work financial crime, I am still quite involved in things Asian. I'll send your son a collection of papers on the subject of Asian crime which I hand out when speaking at law enforcement conferences. Perhaps he can pass it to you. Since you spent some time in Asia, you might find some of the stuff interesting. I try to keep up my skills in the Chinese language (Mandarin), but it is quite difficult. I think I need a couple of lifetimes to do it right. There is one of John King Fairbank's experiences, regarding learning the Chinese language, which I can fully appreciate. It was detailed in his book, China Bound. He told of going to Hong Kong and Shanghai sometime in the 1920s or so prior to going on to Peking for extended residence and study. He had already established himself at Harvard and Oxford as the new great light of sinology, and others in the field were jealous and apprehensive. When he arrived in Shanghai, he took dinner with an American sinologist who was anxious to learn of Fairbank's plans. Fairbank wrote (this is an approximate quote), "When I said that I planned to go on to Peking to study the language, he noticeably breathed a sigh of relief, because he knew then what I was to learn much later: that many a fine mind had thrown itself into study of the Chinese language, never to be heard from again."

I am still fascinated with many things about Asia, China in particular. The similarities between Confucian ideals and the Southern (U.S.) standards for gentlemanly behavior is one area of fascination. Many of my fellow students over the years from other parts of the United States had a more difficult time understanding and practicing certain Chinese ways. Emphasis on the extended family, filial piety, respect for one's elders, and proper behavior of the true gentleman are parts of both Chinese and traditional Southern culture.

I was 33 before getting married. I had much to do and see in the world before getting on to the more important things. I was tempted to tie the knot with certain Vietnamese and Chinese girls, but I knew that problems attending their different mindset and customs might well overcome the immediate benefits of their language skills. Sounds a bit calculating? Perhaps, but I am not really good at that. Indeed, there are many things that I am not good at. With the "agency" I declined to get involved in possible assassinations, and I could not get over my fundamental belief that one has an obligation to somehow contribute to, or participate in, the ascent of man. The best operators of the agency rather see the world simply as a jungle. Indeed, the term of highest respect, of highest operational accomplishment, for a case officer is "Old Whore," meaning that the case officer is capable of doing *anything* to get the job done. And sometimes that means doing some pretty disgusting things. Too much of me is still a simple Methodist youth.

Yes, I'm still a Methodist--even though I take the devil's brew now and then. I used to smoke, too, but gave that up as decidedly unhealthy. As to religion, I almost became a Bhuddist monk, or at least a student monk. I fell in with some monks in Taiwan some years back. It is a long story. In the end, I decided to simply study their religion, not to practice it.

The agency has received some pretty bad press over the years. Most recently, the case of Rick Ames has been a horror story of perfidy involving the agency. He was one of my "CT" (Career Trainee) classmates. When we were in training together, I didn't think of him as anything special. In fact, he seemed more of a "nerd", likely to be just ineffectual in operations. (He and I both were in sharp contrast to some exceedingly intelligent people in the class.) I was watching TV news when he was shown being led away in handcuffs, but I didn't recognize him or alert to the name "Aldrich Ames." Just another old guy who took his own cues and sold out to the opposition, I thought. Only the next day, upon seeing "Rick" in the newspaper, did I realize that I knew him. What a shame.

Well, enough rambling.

Cheers,

/S/



P.O. Box 277

F.D.R. Station

New York, NY 10150-0277

June 5, 1998

888-711-HOPE

973-912-9433 (fax)

President Bill Clinton
c/o Carolyn Huber
The White House
2nd Floor, East Wing
Washington, DC 20510

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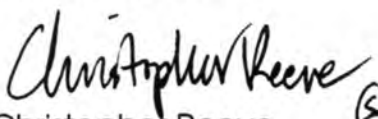
Michael Manganiello

Executive Director

Dear President Clinton:

I am taking the liberty of sending you a copy of a letter I sent to all forty-two members of the House Budget Committee. I feel that there is strong support on the Hill for the NIH proposal and I hope, now that we are past the deficit crisis, that you will be able to give it your full support.

Sincerely yours,


Christopher Reeve (St.)

Send to Burkhardt?

Yes

No

6-13-98



1
P.O. Box 277
F.D.R. Station
New York, NY 10150-0277

888-711-HOPE
212-912-9433 (fax)

June 4, 1998

The Honorable John E. Porter
2373 Rayburn House Office Building
Washington, DC 20515

Dear Representative Porter:

I'm writing to ask you to support doubling the budget of the National Institutes of Health within the next five years or possibly sooner. The arguments in favor of this proposal are almost too numerous to mention. In my opinion, the most compelling reason is that research scientists are making important discoveries on an almost weekly basis, finding new ways to fight devastating illnesses and disabilities. But without adequate funding, thousands of lives will be lost and patients who could be rehabilitated will have to waste valuable years of their lives in nursing homes, VA hospitals, or as virtual prisoners in their own homes.

In the twentieth century, we invented the automobile, the airplane, and weapons of mass destruction. We journeyed to the moon and built shiny new cities all over the country. We concerned ourselves primarily with material success, convenience, and a higher standard of living.

I believe that in the next century, we must commit our energy and all the resources at our disposal to achieving equivalent accomplishments within the human body. At this point, what is needed most is money. As a disabled person, it is very disheartening to hear a leading researcher state, "Give us a hundred million dollars and we can cure Parkinson's." Or to discover that only 22% of NIH grant applications are funded each year due to budget constraints.

If the leading researchers were still operating in the dark, as they were until quite recently, with no clear idea how to conquer these catastrophic conditions, then it would be more difficult to ask you to take a strong position in favor of greater funding. But today, research is not speculative. New technologies have emerged which can cure or at least vastly improve the lives of millions who are now enduring great suffering. Now that there are answers to even the most perplexing medical problems, how can we in good conscience fail to take immediate action? Witness the progress in the fight against AIDS: In 1984, the government spent nothing on AIDS research and the disease was considered a virtual death sentence. Last year, the NIH spent approximately \$1.3 billion on new protocols. Now in many cases, individuals who would have expected to die five years ago are healthier than ever and the virus is nearly undetectable in their blood stream. There may soon be a vaccine against diabetes. There may

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A partner
of the
American
Paralysis
Association

be a drug to retard the process of demyelination of nerves which causes the slow, agonizing deterioration of people with MS. It will be possible to delay the onset of Alzheimer's by as much as five years. Scientists have discovered why nerves in the spinal cord do not regenerate as they do in the peripheral nervous system. They are currently developing antibodies which will allow victims of spinal cord injury paralysis to regain significant functional recovery, possibly allowing even an individual with a high level of injury to walk again.

The obvious question is how to fund the doubling of the NIH budget; how to raise it from the current \$16 billion to \$32 billion. I believe this can be achieved without raising taxes in three ways: 1) By reallocating a significant portion of the \$39 billion Defense Department biomedical research budget; 2) By giving funds raised by a tobacco settlement to the NIH; 3) By enacting legislation that would require insurance companies that offer health premiums to donate one penny per premium to the NIH. This would generate revenues of approximately \$26 billion annually, and would not be an unfair burden to the insurance companies, whose combined earnings last year were approximately \$780 billion. The response to the objection that this would be an unfair tax should be that we tax gasoline to pay for highways, we attach a sales tax to practically every purchase made by consumers. There is even a surcharge at many airports known as a "passenger facility charge" which is used to fund our air transportation system. Why should insurance companies be exempt from this principle, especially when the final result will be healthier customers who submit fewer claims?

Finally, the doubling of the NIH budget would take the politics out of medicine. There are many disease groups that cannot march on Washington, or make a symbolic quilt, or link hands across the country — all highly visible actions which made politicians comfortable supporting increased funding for AIDS research. If you double the budget of the NIH with no strings attached, Dr. Varmus and his associates will be able to support all the disease groups in a fair and equitable manner. The public is entitled to rest assured that every possible step is being taken by the NIH to conquer the afflictions that affect nearly 51 million of us. Now that the deficit is under control and there is even a budget surplus, you have the unprecedented opportunity to enact legislation that has strong bi-partisan support and will benefit every American, whether they are currently healthy or chronically debilitated. As you deliberate the budget this month, please let the well being of our entire population be foremost in your thoughts.

Sincerely yours,


Christopher Reeve (SR)

cc: President Bill Clinton


ERNST & YOUNG LLP

1225 Connecticut Avenue, N.W.
Suite 200
Washington, D.C. 20036

Phone: 202 327 6000
Direct: 202 327 8343
Fax: 202 327 6737

*Staff Sec
JC*

D. Jeffrey Hirschberg
Vice Chairman

May 20, 1998

HAND DELIVERY AND FACSIMILE

The Honorable William Jefferson Clinton
The President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

RE: China

As a follow up to our conversation of April 29, I have just returned from Beijing where I was a participant in a seminar (Enterprise Restructuring and Corporate Governance) with several CEO's of their "State-Owned Enterprises" as part of the Center for Democracy's programs, conducted under the auspices of the State Council. I also had the opportunity to enjoy a private breakfast with Liu Hauqiu, whom as you know, is the Minister in charge of the Office of Foreign Affairs for the State Council. He offered several comments:

1. The Chinese appreciate the degree of attention that you and your Administration have shown and that your attention comes a
2. He is anxious to :
summits.
3. He is amenable to
Congress and the
4. With respect to
Organization, he i
summit; and with

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be a
duplicate*

Send to Barkhard?

Yes ☒

No ☐

coordinate w/ WSC

Yes ☒

No ☐

Ernst & Yc

*Staff Sec
JC*D. Jeffrey Hirschberg
Vice Chairman

May 20, 1998

HAND DELIVERY AND FACSIMILE

The Honorable William Jefferson Clinton
The President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

RE: China

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1. The Chinese appreciate the degree of attention that you and your Administration have shown and that "he thanks you and knows that the attention comes at some political risk"—his words.
2. He is anxious to support the establishment of annual or even semi-annual summits.
3. He is amenable to the suggestion that relations between the United States Congress and the Chinese counterpart be formalized in some manner.
4. With respect to the negotiations for accession to the World Trade Organization, he is hopeful that a partial package can be concluded by the summit; and with respect to professional service firms and the service

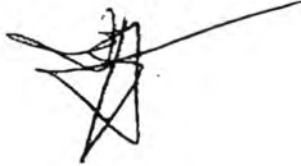
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be a
duplicate*

MAY 22 1998

industry (which you and I discussed), Mr. Liu offered to raise that issue with President Zemin and Prime Minister Zhu.

I placed a call to Sandy to further inform him of the details of the conversation.

Best personal regards,

A handwritten signature, possibly reading "Sandy", is written in dark ink. The signature is stylized with a large, sweeping horizontal stroke that extends to the right, and several vertical and diagonal strokes that form the letters of the name.

copy to: Sandy Berger

Stg Sec.

my copy

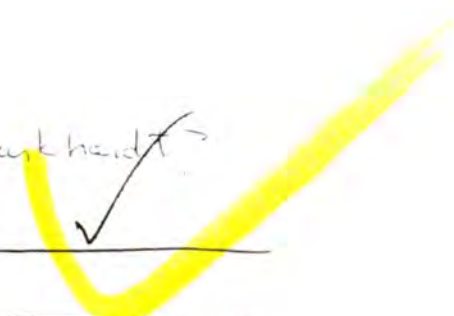
Gulfstream®

6-13-98

Send to Burkhardt

Yes

no



Bryan Moss

May 28, 1998

The President
The White House
Washington, DC 20500

Dear Mr. President:

My compliments on your participation and support of last night's FAPE event at the White House. It was an enjoyable evening that quite properly recognized a very important group of people who are supporting the U.S. embassies around the world.

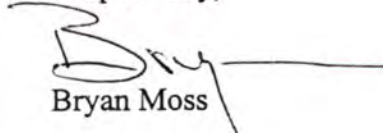
More importantly, I was very pleased with your comments about supporting our efforts to promote Gulfstream aircraft in China. Bill Daley has been actively advocating on our behalf in many areas of the world, but especially in China.

I have relayed our conversation to him, and am expecting to visit with him prior to your departure for China. It is my belief that he will attempt to update you on our key issues and objectives in advance of that trip.

In the meantime, please let me know if you have any questions or need any information about Gulfstream's activities worldwide.

With best regards.

Respectfully,


Bryan Moss

JUN -11 1998

cc: The Hon. William M. Daley

6-15-98

THE WHITE HOUSE
WASHINGTON

June 15, 1998

Copied
Lew
COS

✓
MR. PRESIDENT:

The attached memo from Jack Lew recommends that you refrain from exercising your line item veto authority with respect to the highway bill you signed last Tuesday. *The last day for such action would be today.*

As you know, the bill contains one spending item that is particularly objectionable: while adopting the low student loan interest rate the Administration proposed, the bill requires taxpayers to pay lenders an unnecessary 50-basis-point subsidy on each new guaranteed loan - - a rate of return far in excess of the level needed to maintain lender participation in the loan program. This provision will cost as much as \$298M for loans made between July 1 and October 1, 1998.

Ersine convened a meeting on this issue on Friday. Despite their opposition to this provision, your advisers do not recommend exercising your line item veto authority because doing so might cause lenders to withdraw from the program as a way of pressuring the Administration. Such a withdrawal would require DOEd to take emergency measures to guarantee loan availability.

OMB, NEC, DOEd and Treasury are working with Congress on a possible amendment to the pending higher education bill to authorize pilot programs of an auction-based system that could lower federal costs while maintaining loan availability.

Approve (No Use of Line Item Veto) ☒ Discuss ☐

Sean Maloney 



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

6-15-98

THE DIRECTOR

June 12, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew
Acting Director 

SUBJECT: Cancellation of Spending Items in the Transportation Equity Act for the 21st Century -- DECISION

This memorandum discusses whether you should use your line item veto authority to cancel items in H.R. 2400, the Transportation Equity Act for the 21st Century, which you signed into law on June 9. Your last day to cancel items in this bill is Monday, June 15.

We have reviewed the Act to determine if there are any seriously objectionable direct spending or tax items that would be candidates for use of your line item veto authority. The transportation "demo projects" in the Act are not direct spending items and are therefore not subject to item veto.

However, the bill includes one direct spending item that is seriously objectionable. The provision addresses temporarily -- for new student loans made between July 1, 1998 and October 1, 1998 -- a problem in current law regarding how rates are set for students and lenders for new loans made after July 1. The bill adopts the same low interest rate for students proposed by the Administration, but would require taxpayers to pay lenders an unnecessary 50 basis point subsidy on each new guaranteed loan. A recent Treasury analysis shows that a 50 basis point subsidy will provide banks a rate of return far in excess of the level needed to maintain their participation in the guaranteed loan program.

OMB estimates this will cost \$298 million in outlays for loans made during the three month period. CBO estimates this provision will cost \$90 million in outlays. Overall, the spending in the bill is fully offset.

The Administration opposed the student loan interest rate provision because its statutorily-set lender subsidies are excessive and ignore promising market-based approaches for determining appropriate lender returns. OMB, the NEC, and the Departments of Education and Treasury are working with Congress on a possible amendment to the pending higher education bill that would authorize pilots of an auction-based system to demonstrate that market forces can be harnessed to lower Federal costs over the long term while ensuring loan availability to all students.

Despite our strong opposition to the interest rate provision in H.R. 2400, we do not recommend its cancellation. If the provision were vetoed, some lenders, to put greater pressure on the Administration to agree to including the excessively high subsidy level in permanent law, might withdraw from the program, requiring the Education Department to make alternative arrangements to maintain loan access. Doing so would increase uncertainty in the higher education community regarding availability of student loans, and require Education to begin implementing emergency procedures to ensure all eligible students receive loans if some lenders chose to withdraw. Because the new interest rate structure will be in effect for only three months, enactment of this provision need not preclude agreement in the higher education bill on a less costly, long-term solution that moves toward a market-based system.

Tax Benefits

In addition, the bill contains a provision stating that the Joint Committee on Taxation has determined that there are no limited tax benefits in the bill. Under the Line Item Veto Act, such a statement is conclusive, and prevents your use of the LIV on any tax provision in the bill even if we determined that the bill contained such a provision. Therefore, none of the tax provisions in the bill are subject to item veto.

Recommendation

The Chief of Staff and the NEC join OMB in recommending that you not cancel any direct spending or tax items in the Transportation Equity Act for the 21st Century.

Decision

Agree _____

Let's discuss _____

6-15-98

THE WHITE HOUSE
WASHINGTON

June 15, 1998

Copied
Ruff
Marshall
COS

MR. PRESIDENT:

The attached Ruff/Marshall memo asks you to approve an Administration approach to S. 1645, which would impose civil and criminal liability on those who knowingly transport across state lines an abortion-seeking minor, who has failed to satisfy her home state's parental consent/notification laws.

S. 1645. The bill is a novel form of federal legislation that purports to ban travel assistance to those seeking to do something legal in the destination state. It would be a dramatic incursion on traditional federalism, where citizens are free to take advantage of more favorable laws in other states. The bill is not clearly unconstitutional on federalism or abortion-rights grounds, but policy objections abound (*e.g.*, subjecting family members and third parties to civil/criminal liability; basing liability not on the intent to avoid consent/notification requirements, but on the, perhaps innocent, intent to help a minor obtain an abortion; devoting scarce law enforcement resources to interrogate families and pursue violations).

Strategy/Views. *Chuck and Bill* believe it is unwise to oppose the bill outright, noting the sponsors will conjure up a predatory adult male impregnating a minor then leading her out of state for an abortion. They propose a letter (attached) announcing your opposition to the bill as drafted, while expressing support for a tailored alternative that would, among other things, exempt from liability family members and certain information and service providers. DOJ would separately express constitutional concerns. All of your advisers (*John, Sylvia, Rahm, Elena*) agree with this strategy. A mark-up on the bill is scheduled for this week.

Approve ☒ Disapprove ☐ Discuss ☐

Sean Maloney 

THE WHITE HOUSE
WASHINGTON

June 10, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Charles F. C. Ruff, Counsel to the President
William Marshall, Associate Counsel to the President

SUBJECT: The Child Custody Protection Act

I. THE CHILD CUSTODY PROTECTION ACT

Congress is currently considering S. 1645, the Child Custody Protection Act -- a bill which would impose civil and criminal liability on any person who knowingly transports a minor across a state line to obtain an abortion in cases in which the minor has not satisfied her home state's laws regarding "parental involvement" (i.e. laws requiring parental consent or parental notification).

The bill constitutes a novel form of federal legislation in that it prohibits persons from traveling across state lines to engage in conduct that is legal in the second state.¹ It also uniquely conditions liability upon the law of the state where the person comes from rather than the law of the state in which the conduct occurs.

As described by its sponsors, the bill is designed to protect the rights of parents to participate in their minor child's abortion decision against those who would encourage her to have a "secret" abortion -- a category which, according to the sponsors, includes out-of-state

¹ The only possible exception to this is the Mann Act which may arguably be read as prohibiting transporting women across state lines for prostitution to a state where prostitution is legal.

abortion clinics who advertise the availability of abortions without parental involvement² and adult males who impregnate minors and then attempt to erase the consequences of their actions by transporting the minors out of state for the abortion procedures.

Politically, however, the bill is more easily characterized as an attempt to provoke controversy on a sensitive and divisive issue than as an effort to address a legitimate area of federal interest. Substantively, the bill raises troublesome policy, constitutional, and practical law enforcement concerns and is counterproductive to its asserted goals.

II. BACKGROUND -- PARENTAL INVOLVEMENT REQUIREMENTS

Currently twenty-two states require parental consent for a minor to terminate her pregnancy while seventeen states have opted for the lesser requirement of parental notification. Six of these states require notice to or consent from both parents, while four states would allow the notification or consent requirements to be satisfied by persons other than the minor's parents (such as a grandparent or an adult sibling.) Eleven states have no parental involvement requirements.

The constitutionality of parental involvement requirements has generally been upheld by the Supreme Court. Although holding that pregnant minors have a constitutional right to choose whether to terminate a pregnancy, the Court has determined that a state may require parental notice or consent in the interest of ensuring that the minor's decision to terminate her pregnancy is "knowing, intelligent, and deliberate." The parental involvement requirements, however, may not impose an "undue burden" upon a minor who is capable of giving an informed consent to the abortion procedure. States must also provide a judicial "bypass" mechanism which allows the minor to avoid the parental involvement requirements if she establishes either 1) that she is sufficiently mature and well-informed to make the abortion decision independently or 2) that an abortion without parental involvement would be in her best interests.³

III. ANALYSIS

² The law does not explicitly prohibit advertising. The sponsors might, however, envision extending liability to advertisers through some application of accomplice liability. See Part III, below.

³ The Supreme Court has ruled that bypass procedures are constitutionally mandated in states that require the consent or notification of both parents; but the Court has not had occasion to rule on whether bypass procedures are required in a one parent state.

S. 1645 represents a dramatic incursion into the traditional understanding of federalism. Federalism presumes that a citizen is free to take advantage of favorable laws in other states and that states have the right to regulate matters within their own boundaries (unless the matter is directly regulated by the federal government.) S. 1645, however, is unique in that it attempts, by force of federal law, to enforce one state's laws in the territory of another. As such, it sets a dangerous precedent for federal interference with such matters as gaming, alcohol, tobacco, guns and other items whose regulation varies significantly from state to state.

Despite the seriousness of the federalism concerns, however, S. 1645 is not clearly unconstitutional on those grounds. Because the approach taken by the sponsors is so novel, there is virtually no Supreme Court precedent, on either side, from which to take direction. Accordingly, while constitutional arguments against the legislation can be made based upon general federalism principles (or upon right to travel or privilege and immunities grounds), a definitive constitutional assessment cannot be offered with any degree of certainty. The federalism objection, therefore, is best characterized as a policy, and not as a constitutional, concern.

There is also no constitutional abortion rights argument that would support invalidating the bill as whole. DOJ has indicated that the bill would be unconstitutional as applied in certain circumstances (for example when the law would require the minor to satisfy the parental involvement laws of two separate states) but the constitutional concerns noted by DOJ, although serious, can be remedied by re-drafting the legislation.

The strongest objections to the legislation are based on policy, rather than on constitutional, grounds. The bill's first and most glaring weakness is that it subjects family members to criminal and civil liability. Under the terms of the legislation, grandmothers, aunts, and adult siblings may be prosecuted for coming to the aid of a minor relative in distress. Even a mother or father may be criminally sanctioned if she or he resides in a state that requires the involvement of both parents. Obviously, subjecting family members to criminal and civil sanctions for helping their relatives does not further the interest of healthy family communication. Exposing family members to the possibility of criminal or civil sanction is also counterproductive in that it would further isolate the minor by discouraging her from seeking advice and counsel from those closest to her. Finally, creating a civil action which allows family members to sue each other when a minor within that family has an abortion does not serve the goal of fostering strong families.

Second, the bill could inappropriately impose liability on persons who merely provide information, advertising, counseling, referrals, or medical services to the minor. Through rules of accomplice liability, the bill could subject a telephone receptionist to criminal liability, for example, merely for informing an unnamed caller about the availability of abortion services. The bill's creation of a private cause of action is, from this perspective, even more problematic. A civil action would be a ready tool for those who wish to harass, intimidate, or bankrupt service providers.

Third, the bill imposes criminal liability on persons who may not realize they are violating the law (as when the minor falsely informs the transporter that she has parental consent.) This is because the bill predicates liability on the intent to help the minor obtain an abortion rather than on the intent to help the minor avoid the application of a state's parental notification requirements.

Finally, the bill raises numerous practical law enforcement concerns. These include the use of scarce FBI resources to prosecute violations, the need for federal law enforcement authorities to interrogate family members and close teenage friends in order to pursue violations, and the fact that the defendants in some cases are likely to be minors.

IV. RECOMMENDATION

There would be little advantage in opposing this bill in its entirety. The sponsors' example of the adult male impregnating the female minor and taking her across state lines for an abortion without parental involvement is likely to be politically compelling and, as noted above, there is no definitive case to be made that imposing federal civil and criminal sanctions for this activity is unconstitutional. At the same time, the bill, as written, significantly overreaches and affirmatively harms important policy and constitutional interests.

At this point, it is unclear whether the sponsors are interested in fixing the legislation to meet legitimate objections or whether they are merely interested in provoking confrontation. In either case, we believe that our best action is to announce that the Administration would support narrowly tailored legislation but, for policy and constitutional reasons, is opposed to the bill as currently drafted. The first step in this process would be to submit a letter from the EOP highlighting two specific issues -- the need to exempt family members and the need to exclude from potential liability those persons whose only connection to the abortion is the provision of information, advertising, or a medical, referral, or counseling service. This letter would also indicate that a letter containing constitutional issues would be subsequently forwarded by DOJ and that you have instructed the Department to work with the sponsors in crafting final legislation that meets Administration concerns.

This strategy is not without its difficulties. First, anything short of complete opposition to the bill is likely to raise objections from our allies. Second, the bill's sponsors might accept our objections and submit a bill that you would be obligated to sign. Third, and most troublesome, the sponsors might accept some of our objections and refuse others. This would place you in the position of either signing a bill with seriously objectionable provisions or continuing to oppose a bill that has had some of its more egregious provisions excised, an action that would both potentially weaken the possibility of sustaining a veto and engender the criticism that you are being overly rigid. We believe, however, that unless you would be willing to take the position that you oppose legislation that would make it illegal for adult males to transport minors they impregnate across state lines for abortions without parental consent, the best available course is that outlined in this memorandum.

DRAFT

Dear

The Administration would support properly crafted legislation that would make it illegal to transport minors across state lines for the purpose of avoiding parental involvement requirements. The Administration appreciates the concerns of the sponsors of S. 1645 about fostering parental and family involvement in a minor's decision to obtain an abortion and their concerns about overbearing and sometimes predatory adults who improperly influence minors' abortion decisions. The Administration believes, however, that changes must be made to ensure that S. 1645 is appropriately tailored to achieve these important goals. Unless these changes are made, the Administration strongly opposes the bill.

First, S. 1645 must be amended to exclude close family members from criminal and civil liability. Under the legislation, grandmothers, aunts, and minor and adult siblings could face criminal prosecution for coming to the aid of a relative in distress. Even a mother or father could be exposed to criminal penalty if she or he resides in a state that has a two parent notice or consent law. Imposing criminal and civil sanctions on family members for helping their relatives, however, would not promote healthy family communications. Subjecting family members to criminal or civil sanction, moreover, would further isolate the minor by discouraging her from seeking advice and counsel from those closest to her. Finally, creating a civil action that permits family members to sue each other when a minor within that family has an abortion would not foster strong families.

Second, S. 1645 must be amended to ensure that persons who only provide information, counseling, referral, or medical services to the minor cannot be subject to liability. Exposing such persons to the threat of criminal or civil sanctions would not further the interests of promoting family communication, would not deter those who would inappropriately transport minors across state lines to obtain abortions, and would provide an unintended basis for vexatious litigation against individuals and organizations.

Finally, S. 1645 must be amended to address constitutional infirmities that the Department of Justice has identified in particular provisions of the legislation. The Department will forward these and practical law enforcement concerns in a separate letter and will discuss them with the sponsors.

The Administration is concerned that S. 1645, as written, raises novel and important federalism issues, including the rights of states to regulate matters within their own boundaries. The Administration believes, however, that legislation that addresses the concerns noted above, and that is carefully targeted at punishing non-relatives who transport minors across state lines for the purposes of avoiding parental involvement requirements, would mitigate the federalism concerns.

S/

JAMES M. JEFFORDS
VERMONT

COMMITTEES:
LABOR AND HUMAN RESOURCES
CHAIRMAN
DISABILITY, EDUCATION, HEALTH, PENSION
SUBCOMMITTEES:
AGING (EX OFFICIO)
CHILDREN AND FAMILIES (EX OFFICIO)
EMPLOYMENT AND TRAINING
PUBLIC HEALTH AND SAFETY

United States Senate
WASHINGTON, DC 20510-4503

FINANCE
SUBCOMMITTEES:
HEALTH CARE
SOCIAL SECURITY AND FAMILY POLICY
TAXATION AND IRS OVERSIGHT
VETERANS' AFFAIRS
SPECIAL COMMITTEE ON AGING
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vermont@jeffords.senate.gov
http://www.senate.gov/~jeffords

June 8, 1998

President William Clinton
The White House
Washington, DC 20500

Dear President Clinton:

I am contacting you regarding the case of Rhonda ("Mei Mei") Lan Zhang and urging you to raise her case with Chinese officials during your visit to the People's Republic of China.

As I am sure you are aware, Mei Mei was abducted on October 26, 1996 by her birth mother, Sue Ping Chen, and taken to Guangzhou in the People's Republic of China. Mei Mei was born in the United States and placed in the foster home of Laura Hong and Tom Kovach because of her birth mother's inability to care for her. In June of 1997, Sue Ping Chen's parental rights were terminated due to her diagnosis as a paranoid schizophrenic, and legal custody was granted to Laura Hong who is in the process of adopting Mei Mei.

As your trip to China approaches, I am writing to encourage your action and assistance in resolving this situation for Laura and Tom. I would ask that you do all that you can to urge Chinese cooperation in finding Mei Mei and returning her to the United States. The active involvement of the Chinese Government is critical if this case is to be resolved.

Thank you in advance for your time and attention to this matter, and I appreciate anything you can do to advance this case.

Sincerely,


James M. Jeffords

JMJ:rml

cc: Eric Schwartz

6-15-98

LFGEFF
To Butcher for reply
Yes ☒ No ☐

Coordinate with NSC?

Yes ☒ No ☐

WASHINGTON OFFICE:
728 HART BUILDING
WASHINGTON, DC 20510-4503
(202) 224-5141

MONTPELIER (V)
58 STATE ST
MONTPELIER, VT
(802) 223-5

BURLINGTON OFFICE:
30 MAIN STREET
SUITE 350
BURLINGTON, VT 05401
(802) 658-6001



Glenda J. Cooper, Associate Director
Faculty Development
UAMS # 525
Phone: 661.7965
Fax: 661.7968

Phil
7/14
FAX
JUN 15 1998

To: Ms. Nancy Hernreich

From: Glenda J. Cooper

1.501.661.7965 - phone
1.501.661.7968 fax

Date: June 15, 1998

Number of Pages: +

cooperglendaj@exchange.uams.edu

Remarks:

Nancy:

Thank you for your extraordinary efforts to arrange for Carmen to write an excellent letter based on our script for 25th anniversary of the AHEC program. She faxed it just in time—it was well received and appreciated. The Chancellor read the letter to the audience with great pride and will never know what went into the making of that letter.

Carmen did her usual outstanding job and was delightful to talk to again. I apologize for being such a nag about it. I know that you have so much to do and I really admire and respect your work, but the powers that be here were really pushing me. Take care.

Glenda

Glenda

6-15-98

To Burkhardt for ^{his} information ^{for reply?}

Yes No ☒
REPLY
B. necessary

UAMS

To Teach. To Search. To Serve

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

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6-15-98
Is Burkhardt for reply?
Yes ☒ No ☐
ES **B.**

Mary Washington
PRODUCTION & MANAGEMENT
AP 135
67 MANHATTAN AVE.
BROOKLYN, NEW YORK 11206
(212) 387-4144
(212)

June 11, 1998

Ms. Betty Currie
THE WHITE HOUSE
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ms. Currie:

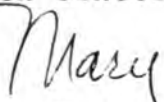
Since we've never met, anything I may say to you at this point could not be appropriate enough to allow you to know how much this correspondence means to me. Or just how much I value your kind response to send you a letter after learning of my calls from the White House operator.

After reading through the enclosed material, I am sure you'll better understand my situation. I chose to contact you simply because I definitely do not agree with the published reports of your lack of strong capability as a person. Simply because of the position you are already in. And I would do a handstand to be in Monica's shoes to become the friend you were to her.

Aside from the importance of this package, I want you to know I believe in my President as I believe in you. That is why I chose to approach you with my dilemma. However first things first. Please take care of our President, Betty. I believe he relies on you in many ways. Please tell him to cheer up, there are people out here praying for him daily! Please know too, I have first hand knowledge Bill Clinton is in God's hands.

But I pray too that you might be able to guide me to the right agency regarding the important matter of my ancestors. You have my utmost thanks and appreciation.

With sincere regards,


Mary Washington

May 20, 1994

William J. Clinton
PRESIDENT
OFFICE OF THE PRESIDENT
OF THE UNITED STATES
1600 Pennsylvania Avenue - N.W.
Washington, D.C. 20500

Dear Bill and Hilary:

I am enclosing (among other things) a request previously sent to UNESCO. (Their response is enclosed). Sadly I have just learned that the United States is no longer a member nation of this prestigious organization doing such innovative and humane things.

Thus I urgently turn to you seeking help from the highest office in the land, THE OFFICE OF THE PRESIDENT OF THE UNITED STATES. Requesting first guidance and assistance in helping re-establish what I consider to be my family's absolute and Constitutional rights. Hoping to bring attention to their plight through my life's work - a 500 page manuscript (and still counting) involving a path in history which today cannot honestly be overlooked. Viewing their "royal" path covering a route that encompassed the entire ancient world on into the new world. Accumulating into a 20 year search tracing my family's tree back to the very roots of mankind. It explains how one determined sleuth driven as if demented uncovers only to reveal a course in history in which true knowledge was suppressed and false knowledge exalted.

Thus my reason for turning to you President Clinton because of your obvious and great concern for oppressed people. Those disallusioned with life while thousands are holed up in our very own jails but mainly all over the world. Mostly, non-violent just weakened unable to ever remember having grasped ahold of a guiding hand. In most cases it was a woman's hand. Africa has the image of a woman a matrilineal image. But the whole world shall never forget the image of Africa nor the golden splendor which adorned her people. Her progress disrupted only in the manner of some (unknown) daemon! Nor, can we black or white, ever forget the 400 years of European enslavement and oppression which African/Americans have had to suffer (and still counting). Nor forget their glorious ancestral background. My work has been reviewed by some

outstanding scholars, who have praised the meticulous research that has been invested in it and the remarkable conclusion which has resulted.

Thus I purposely chose to write you on this very emotional day - a day in particular (4/26/94), giving me the courage while watching CNN's report on the miracle of South Africa. Irregardless of not yet knowing when this package to you will be in its final form reaching you. Letting you know that I, too, viewed the results of that historical day of South Africa's dual election signifying an end to a cruel 300 year reign of Apartheid. Knowing in my heart that you too had to be feeling the same emotions. Believing already through my faith and strong belief in you and in your young administration that it was you who had a final hand in bringing it all to a final conclusion. Even now as I write, while European countries are feverously digging up and excavating all over that ancient land causing massive structural damage and cracks to appear in the precious monuments of Egypt (quotes, The Learning Channel on CNN - 5/9/94). These so-called Egyptologists who feverishly work to make copies and steal the history of millions of black children all over the world. Yet this same Western world right now is in a position to save all of these structures. Instead, copy thousands of structural elements putting them in the copyright office in their names. For future preservation? While letting the original Pharaonic monuments crumble and fall? In the future seen plegarizing them. Black history, created, reappearing in the name of white culture...

In comparison on what I consider to be merely a small amount of literature in the form of letters bringing you up-to-date on the history of this work, you probably by now are anxious to reach its conclusion. However I would like to conclude by mentioning a small quote heard just recently coming from New York's governor Mario Cuomo, "We haven't begun to recognize what was done in the African genocide." (Speaking on the Armenian genocide - 4/25/94 on Channel #4 - 6 P.M. News).

President Clinton, like you born a Baptist coming from generations of Democrats I need an introduction to a party, or parties, interested in the ramifications of the work involved and in its promotion and publication, which can add substantially to the world's knowledge of Africa and the world at large.

Viewing the path of one African/American family using many source materials such as Wills, Land Deeds, Death Certificates, Birth Certificates, Church Deeds, family photos, newspapers, libraries, archives, periodicals, ledgers, (family) Bibles, etc., etc., I refer you now to the enclosed work. Following in the wake of ROOTS, the memorable legacy left us by Alex Haley, my true story herein pictorially traces back a "secret" "hidden" African name retained in my family for perhaps hundreds of thousands of years basically centering around my mother's life. Therein, all similarities end.

I wish to thank you and your remarkable staff in advance for any assistance which you might extend to me in my endeavors. And may God grant you strength to continue to hang in there!

Most sincerely,

Mary Washington
Mary Washington

Department of Orthopaedic Surgery
SPORTS MEDICINE

301 West Markham, Slot 531
Little Rock, Arkansas 72205-7199
01/686-7823
01/686-7948 (fax)

J. L. Vander Schilden, M.D.
Professor

Teresa Jones
Administrative Assistant

LIAMC

6/15/98

Sean
Mac would like a congratulatory note
and would like to receive
a copy of the outgoing -

Send to Burkhardt?

Yes ☒
No ☐

June 12, 1998

Special Envoy Mac McLarty
2323 Wyoming Avenue, N.W.
Washington, DC 20008

Dear Mr. McLarty:

We had the opportunity to chat with your wife, Donna, yesterday concerning my dear friend Art Hopkins. Art was the trainer for UALR for the last several years and is my best friend. He is dying of Lou Gehrig's disease and next week is his 50th birthday.

The President was kind enough to send him a congratulatory note when they named the sports medicine facility at UALR after him a couple of years ago.

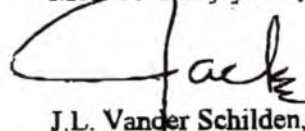
Seeing that this will be his last birthday, would the President be so kind as to drop him a brief but upbeat note on his 50th birthday. I certainly would be most appreciative and eternally grateful.

Please give the President my best regards. He is an old patient of mine, so I'm glad to hear that his back is doing well.

Enclosed is a quick note for him that he can peruse at his leisure.

Thanks again, so very much for taking the time to do this. We are so grateful - to say the least. I do hope we have the opportunity to meet sometime in the future.

Most cordially yours,



J.L. Vander Schilden, M.D.
Professor
Head, Section of Sports Medicine
Department of Orthopaedic Surgery

JLVS/taj

Art Hopkins
10 Liberty Bell Court
Little Rock, AR 72212

Department of Orthopaedic Surgery
SPORTS MEDICINE

West Markham, Slot 531
Little Rock, Arkansas 72205-7199
501/686-7823
501/686-7948 (fax)

J. L. Vander Schilden, M.D.
Professor

Teresa Jones
Administrative Assistant



June 12, 1998

President William Clinton
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

A couple of years ago you were so very kind to send a congratulatory note to my dear friend, Art Hopkins, when they named the sports medicine center at UALR after him. Art is dying from Lou Gehrig's disease and his 50th birthday is on June 21. This will be his last birthday. Would you be kind enough to drop him a brief, but upbeat note on his birthday. I certainly would be most appreciative and eternally grateful.

I'm glad to hear that your quad tendon and back are doing well. Keep up with the weight lifting - you look great! Also best of luck with the upcoming trip to China. And to keep your chin up with all the turmoil that is surrounding the Executive Branch these days.

Once again, we are so grateful.

My best to you always,

A handwritten signature in black ink, appearing to read "Jack" with a stylized flourish at the end.

J.L. Vander Schilden, M.D.
Professor
Head, Section of Sports Medicine
Department of Orthopaedic Surgery

JLVS/taj

Art Hopkins
10 Liberty Bell Court
Little Rock, AR 72212