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Chron





Stanley K. Sheinbaum

22 June, 1998

President Bill Clinton
The White House—West Wing
1600 Pennsylvania Avenue, NW
Washington, DC 20500
Via Fax

THE PRESIDENT HAS SEEN

6-23-98

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Subject: Bibi

Dear Bill,

I should have sent this earlier, but about three days ago Arafat and Nabeel Shaath warned me on the phone—not that you could have done anything about it—that as soon as you turn your back and leave for China Prime Minister Netanyahu would make some sort of offensive move that you would not be in a position to respond to.

Well, he apparently came in a little bit earlier than they had anticipated and got the Knesset to expand Jerusalem.

In that conversation with Arafat and Shaath—not that you need to be told by them generally what is necessary for you to do—I asked them exactly that question. Their response was very quick, and it was two-fold:

1. The first was that you should publicize your plan for redeployment.
2. The second was that you should come down very heavily on Netanyahu himself. — **IT'S GOT TO COME FROM YOU.**

What motivates their response to my question is that they feel very exposed to the criticisms of their extreme left, namely Hamas, who like to make much that Arafat and Company are too catering to your wishes.

These obviously are not new ideas, but this latest move on Jerusalem would make it a good moment to be thinking in these terms or somewhat similar moves.

With warmest wishes,

Stanley K. Sheinbaum
SKS/kc

cc: Sandy Berger

THE WHITE HOUSE
WASHINGTON

PETER —

PLEASE CALL IF YOU WANT

TO DISCUSS. THANKS

J. Edgar

June 23, 1998

I know you were as the troubled as I was by the news of the murder in Jasper, Texas, just two weeks ago

MOVE UP

Dear Mr. Leader:

As you know, there have been a number of recent tragedies across the ^{our} country that involve hate crimes. ~~Two weeks ago, for example, a man in Jasper, Texas was killed after being dragged behind a truck. While~~ This shocking event serves to focus America's attention on the problem of hate crimes. ~~Too many of our fellow citizens are subjected to some kind of violence on account of their race, color, national origin, religion, sexual orientation, gender, or disability.~~

I hope we can join together to reaffirm that no American needs to be

Whether it is ^a the gay American murdered as he walked ^s home from work or ^a the Jewish American whose house of worship was ^{is} desecrated by swastikas, ^{such} these acts are not only acts of bias and bigotry -- they are crimes. They strike at the heart of what it means to be an American. ~~They are the antithesis of the values that define us as a Nation and I know that most Americans find these acts abhorrent.~~ That is why I believe now is the time for us to take strong and decisive action to fight these hate crimes ~~and to put a stop to this intolerance.~~

examples and at

I am writing ~~you today~~ to restate ^{my} ~~my~~ deeply held belief that the ~~Congress must~~ act quickly this year to pass the Hate Crimes Prevention Act of 1998. This crucial legislation would expand the ability of the Justice Department to prosecute hate crimes by removing needless jurisdictional requirements for existing crimes and by giving ^(f) federal prosecutors the power to prosecute hate crimes committed ^(b) because of ~~bias against a person's~~ sexual orientation, gender, or disability. ~~the victim's~~

There is nothing more important to the future of this country than ~~attacking the divisive issue of~~ our standing together against
The Honorable Trent Lott
Page Two

intolerance, prejudice, and violent bigotry. ~~This~~ ^{The Hate Crimes Prevention Act} legislation will lead the way in making all Americans more safe and secure. I implore you to move this vital piece of legislation through ~~Congress~~ without delay.

Sincerely,

the Senate

Robster, ONB,

ed

Senate to



grob su

MISSOURI SENATE
JEFFERSON CITY

JERRY T. HOWARD

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STATE CAPITOL, ROOM 428A
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TELEPHONE (573) 624-8778

June 15, 1998

The Honorable Bill Clinton
President of the United States
White House
1600 Pennsylvania Avenue
Washington, D.C.

6/23/98

Send to Burkhardt?

Dear President Clinton:

Yes ✓
no

Thank you for your work as a farmer with years of experience in Southeast Missouri.

As a
ion.

The area of economic development, isolation and a lack of resources. As a State Senator, I have also founded a number of programs to help people move from despair to the promise of a better future.

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Our past governor ignored Southeast Missouri and other policy makers never seemed to notice that we have potential, but we also need help. I have tried in every way possible to be a strong voice for the people I represent, and for the state I love. I would like to take one more step forward to serve those in need through the Delta Regional Commission.

I have included a description of some of my accomplishments with this letter. Thank you for all your hard work and consideration.

Very truly yours,

Jerry T. Howard
State Senator
25th District



Job

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JEFFERSON CITY

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The Honorable Bill Clinton
President of the United States
White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-2000

Dear President Clinton:

Thank you for all your efforts to establish and fund the Delta Regional Commission. As a farmer with years of service in the Missouri State General Assembly, and a lifelong citizen of Southeast Missouri, I would greatly appreciate an appointment to the Delta Regional Commission.

The area of the state I represent confronts the suffering that comes from poverty, rural isolation and a lack of economic development. We also have a high minority population. As a State Senator, I have made jobs, education and economic development my highest priority. I have also founded a not-for-profit organization known as Creative Communities so we can turn people from despair to the promising, productive lives they deserve.

Our past governor ignored Southeast Missouri and other policy makers never seemed to notice that we have potential, but we also need help. I have tried in every way possible to be a strong voice for the people I represent, and for the state I love. I would like to take one more step forward to serve those in need through the Delta Regional Commission.

I have included a description of some of my accomplishments with this letter. Thank you for all your hard work and consideration.

Very truly yours,

Jerry T. Howard
State Senator
25th District

Curriculum Vitae
Senator Jerry T. Howard

Jerry T. Howard won election to the Missouri House of Representatives in 1972. He served in the House until 1976. As a life-long resident of Southeast Missouri, Howard knew the severe poverty and lack of economic opportunity in his region first hand. To bring more jobs to the area, keep existing businesses and improve the quality of life, he sponsored and passed legislation creating a state level grant program for water and sewer systems.

In 1987, Howard won a special election for the Missouri House of Representatives. From 1988 to 1990, he served in the House, and in 1990 he won a special election to the Missouri Senate. As a farmer, horse breeder and agribusiness man, Howard recognized agriculture as the backbone of the economy in his district. In his second year in the Senate, he passed major legislation allowing counties in Southeast Missouri to join and form their own underground water district to protect the unique, essential water supplies used for crop irrigation and drinking water in the vast rural area he represents.

As a member of the Senate Appropriations Committee, Howard has worked to improve infrastructure that can link products from the Bootheel with the nation and the world. He has successfully sponsored increases in appropriations for targeted, regional agricultural research, and for badly needed improvements for ports along the Mississippi River that offer tremendous potential for shipping goods from Southeast Missouri. He has also sponsored and passed legislation so farmers can join together to create special research districts so local funds can be used directly to solve specific problems for a particular region.

Howard serves as Chairman of the Senate Committee on Aging, Families and Mental Health and Vice Chairman of the Senate Committee on Agriculture, Parks and Tourism. He is also a member of the Senate Judiciary Committee, the Appropriations Committee, the Financial and the Governmental Organizations Committee, and the Elections Pensions and Veterans' Affairs Committee. In addition to his Senate Committees, his committee membership also includes the Joint House-Senate Committees on Economic Development Block Grant Oversight, Administrative Rules, Wetlands and Health Care Policy and Planning. He has served as Chairman for both the committees on Wetlands and Administrative Rules. He represents the Missouri State Senate as a member of the Southern Governor's Conferences Board and the Southern Legislative Conference Regional Project on Infant Mortality.

Howard has founded a not-for-profit organization called Creative Communities that is designed to teach and train people, who would otherwise be trapped by poverty or tempted by criminal activity, so they can instead become productive members of the community. He is a graduate of Southeast Missouri State University. He earned a B. S. in Agriculture and Biology with Minors in Chemistry and History.

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

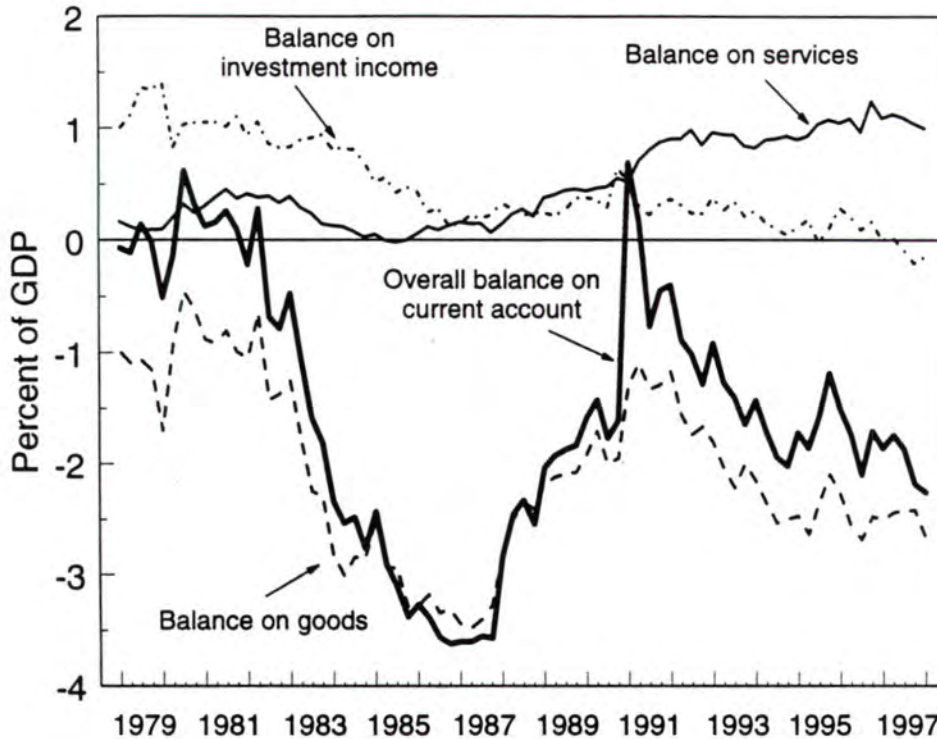
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

June 19, 1998

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CHART OF THE WEEK

The Current Account Balance



The current account deficit widened again, to \$47.2 billion in the first quarter. In dollar terms, this is the second record quarterly deficit in a row—though deficits were much larger as a share of the economy in the mid-1980s. The current account deficit reflects the rate at which U.S. residents must borrow from abroad to finance spending in excess of income. In addition to trade in goods and services, which is reported monthly, the current account deficit includes investment income and unilateral transfers (public and private remittances).

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"Sure, we doctors make a lot of money. But, don't forget, we spend a heck of a lot, too."

MACROECONOMIC UPDATE

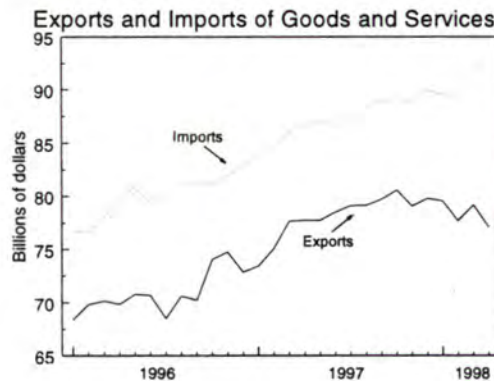
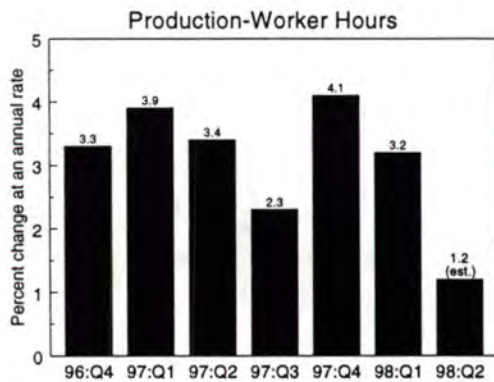
Growth May be Moderating

The supercharged pace of growth over the past year may be moderating.

Employment and output. Increases in production-worker hours appear to have slowed to a 1¼ percent annual rate in the second quarter (see upper chart). In addition, unemployment insurance claims have edged up recently—though they remain very low. Consistent with the high and rising dollar, the slowdown in production is most notable

in manufacturing, where output has grown more slowly than in the economy as a whole so far this year.

Demand. Available data hint that inventories and net exports are the components of demand that are slowing. Inventory investment was very high in the first quarter, and second-quarter stock building is likely to fall back towards a more normal pace. Retail sales in May show that consumption continues to grow at full throttle—with particularly rapid spending on motor vehicles. But to the extent that consumers are buying goods produced abroad, import growth may partly offset the boost from consumption—as it did in the first quarter. Weakness in the Asian economies appears to be reducing exports as well (see lower chart).



The GM strike. The ripple effects of the strike by two United Auto Workers locals are expected to shut down almost all of General Motors' production by the end of this week. Without a strike, real GDP might have grown at around a 3 percent annual rate in the second quarter. But with a strike continuing through the end of the quarter, the CEA estimates that real growth would be about 0.6 percentage point less. Unless the strike is prolonged well beyond the end of June, these output losses could be recouped later in

the year so that the net effect would simply have been to shift output from one quarter to another.

Prices and wages. Inflation has picked up slightly in recent months. Although core CPI inflation has fallen

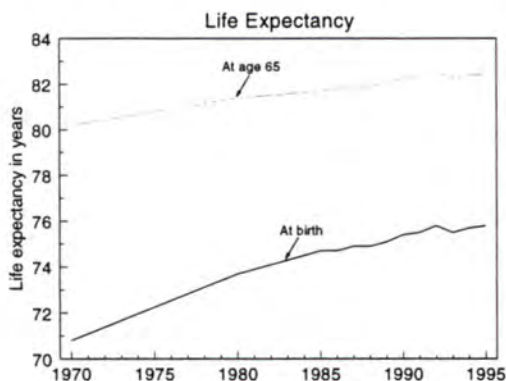


0.3 percentage point over the past year, the core CPI increased at a 2.7 percent annual rate in the 6 months ending in May—up from a 1.9 percent annual rate during the preceding 6-month period (see chart). Nevertheless, inflation remains relatively low and under control. As a result, increases in nominal wages have translated into healthy increases in real wages, which are up 2.8 percent over the past 12 months.

SPECIAL ANALYSIS

Placing a Value on Improvements in Health

Increases in expenditures for health care have been substantial over the past three decades, but have they been “excessive”? The answer depends on the value of health benefits that have flowed from these expenditures. A definitive assessment is impossible, but a recent study finds very large increases in the value of total improvements in health between 1970 and 1990, suggesting that increases in health expenditures may well have been cost effective, on average.



Health improvements. From 1970 to 1990, the health of the population improved markedly. Life expectancy at birth rose from 70.8 to 75.4 years, and life expectancy at age 65 rose from 80.2 to 82.2 (see chart). The quality of health at a given age has also improved. Although, the prevalence of chronic conditions has increased because people are living longer, improved medical technology lets those with many of these conditions enjoy a better quality of life.

Valuing longevity and health. Attaching a dollar value to changes in health and longevity is inherently difficult and likely to result in a wide range of estimates. One strategy pursued in several studies is to look at how much individuals are willing to pay for technologies—such as smoke detectors—that reduce their mortality risk, or how much additional pay individuals demand to work in riskier jobs. Another approach is to use evidence from surveys that ask individuals directly how much they would pay for hypothetical health improvements. The new study uses a central estimate from this literature of \$100,000 per additional year of life in perfect health. The authors then adjust this value to reflect the prevalence and impact of several chronic diseases. An individual’s “health capital” is the present discounted value of expected future “quality-adjusted” years of life. The authors construct estimates of health capital for newborns and 65 year-olds in 1970 and 1990. Changes over time in the value of health capital provide a measure of the value of health improvements.

Results. The study estimates that health capital for an individual born in 1990 was about \$95,000 greater than that for an individual born in 1970. The value of health improvements were even greater for older people; for a 65-year-old, the value of health capital was about \$170,000 greater in 1990 than in 1970. To compare the costs and benefits of medical spending, the change in health expenditures must be measured in comparable present discounted value terms at birth and at age 65. The study estimates that the present discounted value of expected lifetime medical

spending at birth rose \$25,000 between 1970 and 1990, and the present discounted value of remaining health spending at age 65 rose by \$45,000 over the same period.

Is medical care worth the cost? In addition to advancements in medical technology, many factors including smoking, diet, exercise, and environmental quality influence the health of the population. The authors compare changes in health capital to changes in expected lifetime health spending. The cost and health estimates imply that the additional medical spending was, on average, worth it if advancements in medical care were responsible for at least 30 percent of the observed improvements in health. Since these are estimates of the average cost-effectiveness of medical care, they do not imply that every treatment or procedure has been cost-effective.

Conclusion. There are signs that health expenditures may have begun rising more quickly after several years of slow growth—though growth rates recently still do not approach the double-digit growth rates of the 1980s. But it is important to bear in mind the health improvements that additional spending may provide, even though estimating the value of those potentially large health benefits is difficult.

SPECIAL ANALYSIS

Life Insurance: Profiles in Coverage

A recent *New York Times* article suggested that people are forgoing the life insurance coverage that once protected families in the event of the death of a policyholder. In fact, life insurance coverage has declined only modestly: 78 percent of households owned life insurance in 1992, compared with 83 percent in 1960. What *has* declined is usage of those types of life insurance that can also serve as tax-deferred savings shelters or tax-exempt bequests.

Types of life insurance. Term life insurance provides life insurance for a specified period of time, with annual premiums increasing with the life of the policyholder. Cash value life insurance policies (such as whole life), in contrast, charge a constant annual premium throughout the life of the policy. The premium charged in the early years is higher than the actual cost of the insurance coverage; the excess amount of the premium is held in reserve as the policy's cash value, and this cash value grows over time from investment earnings. A policyholder who surrenders a cash value life policy receives the cash value contained in the policy at the time of surrender. Over the last 15 years, there has been a trend in life insurance purchases away from cash value policies and toward term policies.

Why buy life insurance? Both term and cash value policies provide insurance for dependents of the policyholder against financial hardship in the event of the policyholder's death. But cash value life insurance also serves as a savings vehicle. Because the assets in a cash value policy earn interest that is not taxed as it is accumulated, a cash value policy serves as a tax-deferred way of saving. In addition, Federal income and estate taxes can be avoided on money received under a life insurance contract paid by reason of the death of the insured—including the investment income earned on the accumulated cash value. Thus, families with substantial wealth can use cash value life insurance to reduce Federal estate taxes.

Explaining changing patterns of life insurance. There do not appear to be any careful studies of why the demand for the savings features of whole life may have decreased. Lower tax rates may have diminished the attractiveness of tax-deferred savings vehicles. In addition, the development of other attractive tax-deferred savings vehicles, such as IRAs (which were not widely available until 1981) and variable annuities, may have reduced demand for cash value life insurance. Consumer awareness about alternative savings vehicles that offer better returns than cash value life insurance may also have increased.

Conclusion. Life insurance has traditionally served multiple functions, offering not only insurance in the event of death but also a tax-deferred savings vehicle and a tax-exempt bequest vehicle. Americans are covered by insurance against death in roughly similar proportions as always, but they appear less willing than in the past to buy policies that bundle other features together with basic insurance.

ARTICLE**The Malthusian Economics of Easter Island**

Thomas Malthus warned in 1798 that the tendency for growth in population to outstrip growth in the means of subsistence could end in disease, famine, and poverty. Two centuries of impressive gains in living standards, accompanied by rapid population growth and stability (or even decline) in the relative prices of resources and primary commodities have left most economists skeptical of the Malthusian logic. But an intriguing new analysis of the rise and decline of Easter Island suggests that a Malthusian outcome can occur when natural resource degradation occurs gradually, when the payoff from taking action is long-deferred, and when cooperation on a large scale is required.

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The mystery of Easter Island. At the time of its discovery by Europeans in 1722, Easter Island was a Polynesian island with a "late stone age" culture. Enormous carved stone statues, resting on large platforms around the island, bore witness though, to a past in which the island was both richer and more populous. The statues had been moved substantial distances from the island's lone quarry to their destinations; but observers estimated the population of the island at 3,000 in 1722—far too small to have transported the larger statues without appropriate tools. Moreover, the island had no trees suitable for making such statue-transport equipment. Local residents believed that the statues had walked to the platforms under the influence of a spiritual power.

What happened? A variety of theories have been advanced to explain the Easter Island mystery, but recent archaeological evidence suggests that after perhaps a thousand years of peace and prosperity, Easter island suffered a Malthusian fate. Its population rose above a sustainable level, the environment was degraded to the point it could no longer support its population, the social order disintegrated, and the civilization crashed.

The depletion of the palm forest. Easter Island was apparently settled around 400 A.D., at a time when great palm forests flourished. These forests were a nesting place for birds, a source of food. The palms also likely provided the wood needed for tools and for canoes used to fish. With abundant food, the population had ample time for artisan activities including carving and moving statues. As Malthus would predict, population grew rapidly. The statues appear to have been carved between 1100 and 1500 A.D.

The pollen record points to noticeable forest reduction by about 900 A.D., although the pace of forest loss was probably gradual enough to have been imperceptible to the typical Easter Island resident over his 30-year expected lifespan. By 1400 the palm forest was gone. Diet changed for the worse (less fish and hence less protein) with the depletion of the forests, and soil erosion lowered agricultural yields. With falling food consumption, carving activity declined and ultimately ceased. The islanders

developed dagger-like weapons and began inhabiting caves and fortified dwellings, suggesting violent internecine conflict. By 1774, some statues that were still standing in 1722 had been knocked over, statue worship had disappeared, and the population had further declined in size.

Why Easter Island? If the Malthusian theory applies to Easter Island, how did other Polynesian islands, with similar demographics, culture and technologies, escape the same fate? A likely explanation relates to the particular species of palm tree (Chilean Palm) indigenous to Easter Island but found nowhere else in Polynesia. The Easter Island palms are particularly slow-growing, requiring 40 to 60 years to bear fruit. In contrast, the palms found elsewhere in Polynesia reach fruit-growing age in 7 to 10 years. More rapid forest growth implies a greater likelihood that regeneration of a shrinking resource base can occur, which would contribute to other islands' being able to avoid the dramatic collapse suffered on Easter Island. Depletion on Easter Island, once it occurred, would not quickly be reversed. Moreover, the investments needed to rebuild Easter Island's resource base would have produced payoffs for the island's descendants but not for the inhabitants themselves.

Other Malthusian episodes? Recent archaeological evidence suggests that the Easter Island experience was probably not unique. Environmental decline may have precipitated the collapse of the Mayan, Mesopotamian and Chaco Anasazi (southwestern United States) cultures. In each case, decline of the resource base, particularly soil degradation, precipitated a population crash and the decline of a complex civilization. More recently, the violent Rwandan conflict between Hutus and Tutsis could also have been related to resource competition. Between 1950 and 1994, advances in health care and agricultural practice raised real incomes but also increased fertility, resulting in a quadrupling of the population in Rwanda. By the 1980s conflicts over land had increased in severity, and may have precipitated civil war.

Implications. In modern times, technological progress, reduced fertility in the face of rising income, and the evolution of more effective resource management institutions—including well-defined property rights and international agreements to prevent “overgrazing of the commons”—have normally short-circuited the Malthusian dynamic. However, adaptive responses become more difficult when environmental degradation occurs gradually, when the payoff from environmental protection is long-deferred, and when cooperation on a large scale is needed—conditions that are all present, for example, in the case of global warming. Thus, Easter Island provides a cautionary tale about the possibility of Malthusian outcomes in the absence of appropriate institutions and effective policy responses.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Beige Book: U.S. Economy Continues Its Excellent Performance. The economy continued to grow in all Federal Reserve districts and across most sectors, according to the Fed's latest summary of commentary on current economic conditions. The pace of growth varied across Federal Reserve districts, ranging from quite strong in the Northeast, much of the Midwest and the West Coast, to somewhat more modest in the Southeast and in the Dallas district. Growth was fueled by liberal consumer spending and by business investment in plant and equipment. The construction sector was very strong. Manufacturing was robust in several districts, notably Chicago, St. Louis, and Kansas City, but somewhat weaker in an arc from Dallas through Atlanta and Richmond. In agriculture, crop conditions were generally favorable, but prices were low. Oil and gas drilling continued to be slack, while output in other natural resource industries was generally stable. Seven districts reported some adverse effects from economic problems in Asia.

New Evidence on Family Structure and Educational Attainment. Numerous studies have found that living outside a traditional two-parent family has a negative effect on high school completion. However, a new study has found that the lower probability of high school graduation among children living with a divorced, separated, or widowed mother stems primarily from the reduced level of economic resources available to these families. (There were not enough never-married mothers in the sample to evaluate such families.) After taking economic status into account, living in with a divorced, separated, or widowed mother had little or no effect on the high school graduation rates of white males, white females, or black males. Such a family structure did have a slight negative effect on the educational attainment of black females, however, even after economic status was taken into account. Finally, the study found evidence that living in a mother-stepfather family slightly reduced the probability of high school graduation among all groups studied except black males. The author suggests that this effect may be attributable to the increased stress frequently associated with remarriage.

Homeownership Encourages Good Citizenship. Homeownership is strongly correlated with variables associated with good citizenship, according to a recent study. Controlling for factors such as age, race, gender, income, marital status, and having children, homeowners in the United States are 10 percent more likely than renters to work to solve local problems or know their local congressman by name. They are also more likely to know the identity of their school board head, vote in local elections, attend church, and join nonprofessional organizations. The study warns, however, that any judgment about the appropriateness of policies to encourage homeownership (including current tax policy) would require quantitative estimates of these homeownership benefits (which the study does not provide) as well as their costs, both in absolute terms (homeownership reduces mobility in the face of economic shocks) and relative to alternative policies to promote good citizenship.

INTERNATIONAL ROUNDUP

CBO Assesses Antidumping Actions Here and Abroad. U.S. antidumping law imposes duties on imports that are sold here below their estimated cost of production, or below their price in the seller's domestic market, when such "dumped" imports cause "material injury" to the competing U.S. industry. A recent study by the Congressional Budget Office finds that the United States has taken antidumping action against other countries far more than they have against us and that, unlike other industrialized countries, the United States substantially increased its antidumping activity over the 1979-95 period covered by the study. However, U.S. antidumping policy may be coming back to haunt U.S. exporters. Many developing countries that now find their protectionist policies increasingly restricted by WTO discipline are starting to follow the U.S. lead in imposing antidumping duties. However, evidence suggests that in general U.S. firms are not singled out in foreign antidumping cases: In 16 of the 18 countries for which data were available, the share of U.S. imports was higher than the share of antidumping actions taken against the United States. The report also concludes that the application of antidumping duties to upstream goods (those used as inputs in the further production of other goods) is high enough in some cases to disrupt markets and create a significant disadvantage to downstream users. In the United States, two-thirds of the products covered by active antidumping measures are upstream goods, with average duties ranging from 32 percent on intermediate goods to 52 percent on raw and processed materials.

Will Europe Be a Locomotive of Growth? Economic growth in the EU was 3.1 percent over the last four quarters, an increase from the 2.9 percent registered at the end of 1997, and not too far below the U.S. growth rate of 3.7 percent, according to preliminary estimates of first quarter GDP released this week by the EU Statistical Office. Inflation edged up slightly in April but remained low (1.6 percent at an annual rate). Some European commentators have suggested that these trends are an encouraging sign that a broad recovery is underway, but such proclamations may be premature. Almost half of this growth occurred between the first and second quarters of 1997 (growth in the second quarter was 5.7 percent at an annual rate). For the last three quarters, output in the EU has consistently grown at a pace closer to 2 percent at an annual rate, suggesting that a plateau has been reached. April unemployment numbers support this interpretation—unemployment stands unchanged from March at 10.2 percent, down only slightly from the April 1997 rate of 10.7 percent.

Oil Producers Make New Attempt to Raise Prices. Reacting to weak market conditions, the oil ministers of the three producers that initiated cuts this March in Riyadh—Saudi Arabia, Mexico, and Venezuela—agreed to further reductions of 450 thousand barrels per day in Amsterdam earlier this month. Estimates of global demand for the second quarter have been revised downwards by 510 thousand barrels per day to 73 million, due to weak demand among the OECD countries and in Asia. Since last October, there has been a cumulative downward revision of Asia's projected demand for 1998 of 750 thousand barrels per day due to the regional crisis.

RELEASES THIS WEEK

U.S. International Trade in Goods and Services

The goods and services trade deficit was \$14.5 billion in April; it was \$13.2 billion in March.

Housing Starts

Housing starts decreased 1 percent in May to 1.53 million units at an annual rate. During the first five months of 1998, housing starts were 6 percent above the same period a year ago.

Industrial Production and Capacity Utilization

The Federal Reserve's index of industrial production rose 0.5 percent in May following an increase of 0.3 percent in April. Capacity utilization rose 0.1 percentage point, to 82.2 percent.

Consumer Price Index

The consumer price index increased 0.3 percent in May. Excluding food and energy, consumer prices increased 0.2 percent.

MAJOR RELEASES NEXT WEEK

Advance Durable Shipments and Orders (Wednesday)
Gross Domestic Product (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 |
| <hr/> | | | | | |
| | 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 | 0.3 |
| 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**.

FINANCIAL STATISTICS

| | 1996 | 1997 | April 1998 | May 1998 | June 18, 1998 |
|---|------|------|---------------|-------------|------------------|
| Dow-Jones Industrial Average | 5743 | 7441 | 9037 | 9080 | 8813 |
| Interest Rates (percent per annum) | | | | | |
| 3-month T-bill | 5.01 | 5.06 | 4.95 | 5.00 | 5.05 |
| 10-year T-bond | 6.44 | 6.35 | 5.64 | 5.65 | 5.50 |
| Mortgage rate, 30-year fixed | 7.80 | 7.60 | 7.14 | 7.14 | 6.94 |
| Prime rate | 8.27 | 8.44 | 8.50 | 8.50 | 8.50 |

INTERNATIONAL STATISTICS

| Exchange Rates | Current level June 18, 1998 | Percent Change from | |
|---------------------------------|--|----------------------------|-----------------|
| | | Week ago | Year ago |
| Deutschemark-Dollar | 1.793 | -0.6 | 3.5 |
| Yen-Dollar | 137.6 | -3.9 | 21.2 |
| Multilateral \$ (Mar. 1973=100) | 100.5 | -1.2 | 5.2 |

| International Comparisons ^{1/} | Real GDP growth | Unemployment rate | CPI inflation |
|--|----------------------------------|------------------------------|---|
| | (percent change last 4 quarters) | (percent) | (percent change in index last 12 months) |
| United States | 3.7 (Q1) | 4.3 (May) | 1.7 (May) |
| Canada | 3.8 (Q1) | 8.4 (Apr) | 1.0 (Apr) |
| Japan | -3.7 (Q1) | 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.

THE WHITE HOUSE

WASHINGTON

June 22, 1998

6-23-98

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Chris Jennings

RE: Legislation to require health plan coverage of contraceptives

captioned
Reed
Jennings
COS
Lew

Later this week, an appropriations bill may come to the floor with an amendment that would require contraceptive coverage by all plans participating in the Federal Employee Health Benefits Plan. This amendment was sponsored by Congressman Lowey and passed by the House Appropriations Committee last week by a vote of 28 to 26. At the same time, Senator Snowe is considering introducing on the Senate floor a bill that would require this coverage by all health plans. For the reasons that follow, your advisors (DPC, Women's Office, Communications, OMB) generally agree that we should support the Lowey amendment, but be silent on -- or, if pushed take a "do not support" position on -- the Snowe bill.

Most health plans cover at least some kind of prescription contraceptives. An estimated 93 percent of HMOs cover at least one prescription contraceptive, and about 40 percent cover all five of the most commonly used methods: the pill, diaphragm, IUDs, Norplant and Depo-Provera. The plans that participate in FEHBP are fairly representative of most plans: 90 percent cover some type of contraception and about 20 percent cover all five methods.

The benefits of contraceptive coverage are clear. Approximately 60 percent of all pregnancies in the U.S. are unintended, and these pregnancies surely result in many unnecessary abortions. In addition, the cost of requiring plans to cover prescription contraceptives may be negligible. CBO, when assessing the Lowey amendment, found that the cost of the coverage would be fully offset by the reduction in the cost of childbirth.

These pieces of legislation nonetheless raise two difficult issues. First, the health policy community usually opposes mandating particular benefits for fear that coverage decisions will become political rather than substantive and, in most cases, will add to the cost of health insurance. We generally agree with the policy community on this point, and worry that if we go down this road any further, we will find it difficult to oppose benefits mandates that are politically popular but poor policy. Second, Republicans would almost inevitably charge that this mandate -- especially if extended to all health plans, rather than only those in the FEHBP -- is reminiscent of the "micromanagement benefit design approach" taken in the Health Security Act. But some argue, in response, that a governmental role is more warranted for this benefit than for most others, because of concerns about gender discrimination in health decisions.

Taking these concerns into account, your advisors recommend that we support the Lowey amendment but remain silent (or, if pushed, take a "do not support" position) on the Snowe bill. While these positions may appear contradictory, we believe that we can distinguish between them. We would be saying that contraception is an important benefit that all plans should cover, but that the best way to promote such coverage is through making FEHBP a model, rather than imposing a private mandate. Of course, this stance will make it harder for us to reject other coverage requirements on FEHBP plans in the future, but because we often make coverage decisions for Federal programs, this precedent is not as troublesome as it would be in the private arena. And while this stance will not fully satisfy the women's groups (who would also like us to endorse Snowe), we will be supporting the proposal with the greater likelihood of success.

We therefore recommend that you support a contraceptive coverage requirement for FEHBP plans, but not a mandate for private sector plans. We also all agree -- and think that Lowey will as well -- that it is necessary to have a conscience exception to this requirement so that Catholic health plans can participate in FEHBP. If you agree with our recommendation, we propose that HHS and OPM, rather than the White House, convey this policy position to Congress.

Agree

Disagree

Let's Discuss

*remain silent on snowe
for now - do not do "do not support"
on snowe
~~do not support~~*

Staff Sec

ANDERSON, ROSSI & DAVIS
ATTORNEYS AT LAW

FOUR LONGFELLOW PLACE ~ SUITE 3705 ~ BOSTON, MASSACHUSETTS 02114
(617) 742-8200 ~ FACSIMILE: (617) 742-7876

JUN 28 10:47

May 15, 1998

The Honorable William Jefferson Clinton
President of the United States
1600 Pennsylvania Ave.
Washington, D.C. 20543

Dear Mr. President:

This office represents the interests of Lyndon H. LaRouche, Jr. I write to request your intervention on humanitarian and hardship grounds to effect the termination of his parole and enclose a copy of a letter I have forwarded to the parole commission in this regard. Mr. LaRouche was recently stricken with a heart attack while abroad and remains hospitalized and in serious condition. His doctors have advised against any physical or psychological stress and his continued supervision on parole constitutes a grave threat to his survival. Mr. LaRouche, at this stage of his life, should be free to fulfill his dedication to this country and the world, unfettered by stressful and unnecessary restrictions.

Most Respectfully,



Odin P. Anderson

Enclosure

6/23/98

Send to Counsel?

Yes

no

ANDERSON, ROSSI & DAVIS

ATTORNEYS AT LAW

FOUR LONGFELLOW PLACE - SUITE 3705 - BOSTON, MASSACHUSETTS 02114
(617) 742-8200 - FACSIMILE: (617) 742-7876

May 15, 1998

Michael J. Gaines, Chairman
U.S. Parole Commission
U.S. Dept. of Justice
5550 Friendship Blvd.
Chevy Chase, MD 20815-7201

Re: LaRouche, Lyndon
Reg. #: 15204-083

Dear Commissioners:

As the record will reflect, Mr. LaRouche has been on parole and under supervision for nearly 4 1/2 years. Each of his requests for early termination have been rejected by the Commission based on undisclosed "complaints" relating to Mr. LaRouche's "organization". The most recent denial was despite the U.S.P.O.'s termination recommendation and conclusion that "further supervision would serve no useful purpose." Although I regret the result and dispute both the accuracy of the allegation and the fairness of the method, I am not writing to engage these issues.

I write on Mr. LaRouche's behalf to request your reconsideration on humanitarian and hardship grounds. As the Commission has been advised, Mr. LaRouche recently suffered a heart attack while abroad. He remains hospitalized, and while his prognosis is good, his condition is serious. His doctors are adamant in their caution against any physical or psychological stress. As you know, Mr. LaRouche is 75 years-old and as you must realize, the very fact of parole and supervision are by nature, if not design, stressful. I respectfully and earnestly suggest that immediate reconsideration is necessary and request that you implement the U.S.P.O.'s recommendation and terminate his parole. This, in my view, is literally a matter of life and death. I will, of course, provide any documentation you may require in this regard. Please advise.

Very truly yours,



Odin P. Anderson

OPA/ms

larouche\ltrs\commsion.doc

ANDERSON, ROSSI & DAVIS

ATTORNEYS AT LAW

FOUR LONGFELLOW PLACE ~ SUITE 3705 ~ BOSTON, MASSACHUSETTS 02114
(617) 742-8200 ~ FACSIMILE: (617) 742-7876

May 15, 1998

Ms. Carolyn Huber
Director of Personal Correspondence
1600 Pennsylvania Avenue
East Wing, 2nd Floor
Washington, D.C. 20543

Dear Ms. Huber:

Enclosed please find an urgent correspondence to President Clinton. As you can see from the contents, time is of the essence and the expedited transmission of this letter will be greatly appreciated.

Very truly yours,



Odin P. Anderson

Enclosure

OPA/ms



ARKANSAS SCHOOL FOR MATHEMATICS & SCIENCES

200 WHITTINGTON AVENUE • HOT SPRINGS, ARKANSAS 71901

1-800-345-ASMS

98 JUN 23 AM 10:47

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Technology Authority

Director,
Arkansas Department of
Higher Education

President,
ASMS Parents'
Association

President,
ASMS Student Council

Dear President Clinton,

I am a Biology teacher here at the Arkansas School for Mathematics and Sciences (ASMS) in Hot Springs, and I am writing to discuss with you a project that I am developing that would undoubtedly benefit my department, ASMS students, the school, as well as teachers and students across the state.

I know that you and Mrs. Clinton played a key role in making this school a possibility, and that you are surely familiar with our mission. Simply stated, we strive to educate the gifted and talented students of Arkansas using the most advanced teaching methods and technologies available. And secondly, we strive to develop curricula that can be used by all teachers across this state so that their students may benefit from our existence.

Recently, I began communicating with people across the nation who have successfully established biotechnology centers at their high schools, and with the help of one of my students and the support of my department and administrators would like to do the same here at ASMS. I feel that although we as teachers have the knowledge and expertise to demonstrate the latest technologies available in research to our students, without the proper equipment and materials to allow them to participate in them, we are only doing half our job. And as I am sure you are aware, it is difficult for secondary schools to get the funding to support such activities. In short, I would like to begin a nationwide search for corporations and institutions that are willing to donate equipment, money, training, or any other resources that will help make this goal possible. And I would like to know if you could provide me with some words of support and encouragement to send along with my letters to these companies. Being from Arkansas, I know that you share my concerns about the future of our youth, and I feel that any support you show for this initiative would be of great benefit to its success.

I want to thank you for the time you take to read and consider this idea, and appreciate any response you might give me.

Sincerely,

Sh 6123198

Shane W
Biology
Biology/
office: (_____
email: v_____

Send to Burkhardt

Yes

No

Had letter to respond to... let me see response. Good with like Cohen from Calif. Adv refer to Education. PMW

TIME OF TRANSMISSION

TIME OF RECEIPT

**WHITE HOUSE
SITUATION ROOM**

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: [Signature]

DTG: 22 15 98

*6/22/98
Phil
Caplan
The President
would like
to send
a note
to the
widow
if that is
appropriate.
Would you
please let me
know
what we
do. JY*

MESSAGE NO.: SR209

CLASSIFICATION: unclassified

TOTAL: 4
(PAGES INCLUDING COVER)

FROM: Kris Balderston
(NAME)

6-2572
(PHONE NUMBER)

OEUB 160
(ROOM NO.)

MESSAGE DESCRIPTION: _____

38 JUN 23 AM 11:21

TO (AGENCY) DELIVER TO DEPT/ROOM NO. PHONE NUMBE

Sylvia Mathews

AF1

→ D McWhorter

→ Kolodski

6/23/98

Maureen

See attached

Phil

REMARKS:

THE WHITE HOUSE
WASHINGTON

June 22, 1998

MEMORANDUM

TO: Sylvia Mathews
Assistant to the President and Deputy Chief of Staff

Ron Klain
Assistant to the President and Chief of Staff and Counselor to the Vice President

Pat Ewing
Deputy Chief of Staff to the Vice President

FROM: Kris M. Balderston
Deputy Assistant to the President and Deputy Cabinet Secretary

SUBJECT: Fatal Shooting of National Park Service Ranger

As you depart for Tennessee, the President should be aware of the fatal shooting of Great Smoky Mountains National Park Ranger Joseph Kolodski (see attachment). His widow, Florie Takaki, is also a park service employee.

I understand that the Vice President's office is considering a call to Mrs. Takaki.

If you have any questions, please call me (6-2572).

Thank you.

**Great Smoky Mountains National Park
 Second Briefing
 Fatal Shooting of Great Smoky Mountains National Park
 Ranger Joseph Kolodski
 Sunday, June 21, 1998 10 p.m.**

At about 2:22 p.m. this afternoon Rangers from Great Smoky Mountains National Park responded to a report of a man with a rifle along the Blue Ridge Parkway. At 2:50 p.m. a Ranger from the Parks Oconaluftee District headquartered in Cherokee, NC sighted the individual at Big Witch Overlook at Mile 461 on Blue Ridge Parkway.

At about 2:40 p.m. Joe Kolodski, 36, the first Ranger on the scene, confirmed seeing the subject and plans were begun by radio to cordon off overlook. The next call, came at 2:50 p.m., from Blue Ridge Parkway Ranger Tony Welch was of an "officer down", and requested an ambulance. Just as Welch radioed in the gunman fired at his cruiser, smashing his windshield but not injuring him. The subject then fled into the woods with the rifle.

Approximately 70 officers converged on the scene made up of Park Rangers, U.S. Forest Service, NC Highway Patrol, and deputies from five North Carolina counties to search for the subject. About 6:30 p.m. a male subject was taken into custody. However, National Park authorities have not confirmed that he is a suspect pending linking him to the crime through physical evidence, witness reports or personal statements. The subject's name has not been released. The subject is NOT Eric Rudolf who is being sought in connection with one or more bombings in the Southeast.

Kolodski was flown by Lifestar helicopter to University of Tennessee Hospital in Knoxville where he was pronounced dead from a single gunshot wound through the chest. He was wearing a ballistic vest. Joe Kolodski, a resident of Bryson City, NC, has worked as a Ranger in the Smokies for over 5 years and had been a Ranger at the Natchez Trace Parkway (TN/MS) prior to that. His wife is also employed at the Park. The couple has three young children.

The Blue Ridge Parkway is a 470 mile-long scenic roadway administered by the National Park Service out of the Blue Ridge Parkway Headquarters in Asheville, NC. Rangers from the Smokies commonly back up Blue Ridge Parkway Rangers in responding to accidents and other incidents when they are the closest units to the scene.

**For information: Great Smoky Mountains National Park, Public Affairs
 Bob Müller/Nancy Gray (423) 436-1207/**

OPTIONAL FORM NO. 10 (7-90)

FAX TRANSMITTAL

of pages 1

To **DENY GALVIN**

From **JERRY BELSON**

Date/Time **6/22/98**

Phone **423-436-1207**

INFORMATION REGARDING WIFE OF PARK RANGER JOE KOLODSKI

Florie Takaki

1270 Bryson Branch Road
Bryson City, North Carolina
28713

828-488-9085

THE WHITE HOUSE
WASHINGTON

6-23-98

June 19, 1998

copy to
Ibarra
COS
page 2
Schedule
COS

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra *Mickey*

SUBJECT: Office of Intergovernmental Affairs Weekly Report -- June 15 - 19, 1998

Tobacco

- The National Governors' Association (NGA) did not actively support the final McCain bill because last week's amendments reduced the states' share from a potential settlement (\$196.5 billion over 25 years). The NGA is now turning its attention to the House to insure that any legislation will be "state friendly." The NGA will also be looking for legislation to prevent Federal recoupment of state settlement funds. Governors Tommy Thompson (R-OH) and Michael Leavitt (R-UT) are tentatively scheduled to raise this issue at a press conference in Washington on Thursday, June 25. They also plan to state the Governor's opposition to Congressional cuts to Medicaid and TANF at the press conference.

Governors

- On June 23, IGA, in partnership with Department of Interior, will host a day-long meeting with representatives of the Governors, Attorneys General and Indian Tribes to discuss Indian Gaming. A degree of consensus on class III gaming is expected to be reached which would obviate the need for wholesale reopening of IGRA on Capitol Hill.
- IGA is working with the Climate Change Task Force to better inform state and local elected officials of the expectations surrounding this issue, and why they should be concerned with climate change.
- Governor Lawton Chiles (D-FL) and Lieutenant Governor Buddy McKay (D-FL) have requested that the entire coast of Florida, and not just the west coast, be granted an off-shore drilling moratorium. We are working with CEQ to ensure that their request is granted, and hope to have the Vice President announce this news during a conference call with Lieutenant Governor McKay next week.

- Governor Tony Knowles (D-AK) will be greeting you in Alaska when your flight stops to refuel on your way to China. The Governor would like you to encourage China to become a member of the North Pacific Anadromous Fish Commission. Chinese fishing boats have been sighted illegally fishing the waters near Alaska's Aleutian Islands, making it difficult for the state to productively manage its fisheries resources and the Chairmanship of the Arctic Council. The Governor would like the United States to accept the Chairmanship of the Arctic Council (eight arctic nations). The State Department is recommending that we do so.
- Governors Pataki (NY), Wilson (CA) and Locke (WA) have all written requesting that you encourage China to join the APEC forest products agreement.
- Governor Chiles (FL) and Governor Schafer (ND), each expressed their gratitude for the disaster assistance you approved.

Copied
Scheduling
COS

US Conference of Mayors

- You addressed approximately 300 mayors attending the 66th Annual U.S. Conference of Mayors (USCM) live via satellite from the White House today. Additional speakers will include Secretaries Cuomo, Herman, Slater, and Attorney General Reno. Lynn Cutler will attend the meeting and work with the Federal Resource Showcase (One Stop Shop), where 22 Federal agencies will be available to answer questions from mayors. Since you suggested this idea last year, we have organized these centers at many of the meetings of state and local officials.

National Association of Latino Elected Officials (NALEO)

1. Improves
census
series next
year

We arranged for Education Secretary Riley to address 700 Latino elected officials on Friday, June 19, for NALEO's 15th Annual Conference in Houston, TX. The Secretary will be opening a day-long meeting focused on improving the education of Latino children. Judy Winston and I will participate as panelists in a Conversation on Race on June 20, and at the dinner gala, Commerce Secretary Daley will address the need for an accurate census in the year 2000. Also, all participants will receive a copy of your Portland State University speech and a *How to Conduct a Conversation on Race Kit*.

Indian Country

- IGA covered the mid-year session of the National Congress of American Indians in Green Bay, WI, June 15-17. Administration representatives from Indian Health Service, HUD, Veterans' Affairs, and Commerce addressed the assembly. John Dulles of the U.S.

Commission on Civil Rights also gave a strong presentation.

Insular Affairs

- The Senate Republican Hispanic Affairs Task Force's advisory committee endorsed the Puerto Rico status choice bill, encouraging Task Force Chairman Orrin Hatch (R-UT) to do so as well.
- Health and Human Services submitted legislation to Congress developed with our assistance to fulfill your pledge to propose more equitable funding for the unincorporated areas in the new Children's Health Insurance Program.
- Fred DuVal and Jeff Farrow met with Virgin Islands Governor Roy Schneider (I) regarding your initiative to give the territory all collections of the tax on its rum; his request for the Federal Emergency Management Agency to forgive its loans to the fiscally hard-pressed territory, and the 150th anniversary of the emancipation of the slaves in the Islands. We arranged for Race Initiative Director Judy Winston to go to the anniversary celebration and deliver a message on your behalf.
- Jeff Farrow spoke to leaders gathered for the National Puerto Rican Parade in New York City of your interest and that of the Vice President in the 3.2 million Puerto Ricans in the States as well as the 3.9 million in the Islands.

- Governor Tony Knowles (D-AK) will be greeting you in Alaska when your flight stops to refuel on your way to China. The Governor would like you to encourage China to become a member of the North Pacific Anadromous Fish Commission. Chinese fishing boats have been sighted illegally fishing the waters near Alaska's Aleutian Islands, making it difficult for the state to productively manage its fisheries resources and the Chairmanship of the Arctic Council. The Governor would like the United States to accept the Chairmanship of the Arctic Council (eight arctic nations). The State Department is recommending that we do so.
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*Copied
Scheduling
COS*

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National Association of Latino Elected Officials (NALEO)

*1. signed
circular
series letter
year*

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ARTICLE**The Malthusian Economics of Easter Island**

Thomas Malthus warned in 1798 that the tendency for growth in population to outstrip growth in the means of subsistence could end in disease, famine, and poverty. Two centuries of impressive gains in living standards, accompanied by rapid population growth and stability (or even decline) in the relative prices of resources and primary commodities have left most economists skeptical of the Malthusian logic. But an intriguing new analysis of the rise and decline of Easter Island suggests that a Malthusian outcome can occur when natural resource degradation occurs gradually, when the payoff from taking action is long-deferred, and when cooperation on a large scale is required.

copied
+ RC
COS

The mystery of Easter Island. At the time of its discovery by Europeans in 1722, Easter Island was a Polynesian island with a "late stone age" culture. Enormous carved stone statues, resting on large platforms around the island, bore witness though, to a past in which the island was both richer and more populous. The statues had been moved substantial distances from the island's lone quarry to their destinations; but observers estimated the population of the island at 3,000 in 1722—far too small to have transported the larger statues without appropriate tools. Moreover, the island had no trees suitable for making such statue-transport equipment. Local residents believed that the statues had walked to the platforms under the influence of a spiritual power.

What happened? A variety of theories have been advanced to explain the Easter Island mystery, but recent archaeological evidence suggests that after perhaps a thousand years of peace and prosperity, Easter island suffered a Malthusian fate. Its population rose above a sustainable level, the environment was degraded to the point it could no longer support its population, the social order disintegrated, and the civilization crashed.

The depletion of the palm forest. Easter Island was apparently settled around 400 A.D., at a time when great palm forests flourished. These forests were a nesting place for birds, a source of food. The palms also likely provided the wood needed for tools and for canoes used to fish. With abundant food, the population had ample time for artisan activities including carving and moving statues. As Malthus would predict, population grew rapidly. The statues appear to have been carved between 1100 and 1500 A.D.

The pollen record points to noticeable forest reduction by about 900 A.D., although the pace of forest loss was probably gradual enough to have been imperceptible to the typical Easter Island resident over his 30-year expected lifespan. By 1400 the palm forest was gone. Diet changed for the worse (less fish and hence less protein) with the depletion of the forests, and soil erosion lowered agricultural yields. With falling food consumption, carving activity declined and ultimately ceased. The islanders

THE WHITE HOUSE
WASHINGTON

June 19, 1998

Copied
Reed
Kagan
COS

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Meeting with Senator Hatch: As you requested, Erskine, Larry, and we met with Senator Hatch to discuss his alternative tobacco legislation. Although Hatch would not give us a copy of his bill, his remarks suggested that it differs little from the June 20th settlement. We do not think this bill could command majority support (let alone the 60 votes needed to invoke cloture) in the Senate. The liability provisions (not only an annual liability cap, but also a prohibition on punitive damages and class actions) should make it unacceptable to most of the 60-plus Senators who just two weeks ago voted to strip the much weaker liability protections from the McCain bill. In addition, the payment and lookback provisions (probably resulting in an increase of about 75 cents per pack, plus abatable surcharges) would be too small -- and the FDA provisions too weak -- for most Democrats. Hatch himself admits that this legislation would not pass the Senate without the strong support of Senators Lott and Daschle. But even if Lott were to become sufficiently nervous to enter into a deal of this kind, Daschle almost surely would refuse to do so. The bill, at least as it now stands, is simply too close to the June 20th agreement to obtain the support of more than a handful of Democrats. Our meeting with Hatch -- and the present state of his bill -- reinforced our conviction that we need to spend some time putting pressure on Republican senators before we enter into any compromise discussions.

try to get it settled

2. Tobacco -- Medicare Suits: We have asked the Department of Justice to analyze the possibility of bringing suit against the tobacco companies for losses suffered by the Medicare program as a result of tobacco-related disease. This suit would be an analogue to the suits brought by 42 states for losses suffered by their Medicaid programs. We expect the Justice Department to note the significant possibility of losing such a suit, perhaps even within a few months. (One large problem is that the Medicare statute does not clearly authorize suits against third-party tortfeasors, as the Medicaid statute does; the suit thus would be subject to an immediate motion to dismiss.) We and the Counsel's Office will transmit to you the Justice Department's analysis, and also will advise you on how such a suit would affect our broader youth smoking strategy.

3. Tobacco -- Events: We are preparing a directive for you to announce on Monday (at the Gores' family conference) to initiate work on a new survey to measure youth smoking. This survey, which HHS will develop and conduct, will provide the most accurate possible

measure not only of overall youth smoking rates, but also of the distribution of youth smoking among different tobacco companies and brands. The survey, which the McCain bill would have mandated, also would form the basis of any lookback surcharges imposed in future tobacco legislation. We also are considering a number of other tobacco-related announcements, including a new Treasury report on the effect of price increases on youth smoking (to highlight the insufficiency of the expected no-money House bill) and a directive preventing movie makers from using federal lands (e.g., military installations and national parks) if their movies contain or glamorize youth smoking.

4. Health -- Vice President's Family Conference: The Gores will host their annual family conference next week, which will focus on health care. In addition to urging Congress again to pass a patients' bill of rights, you and the Vice President will announce an executive directive on children's outreach and a multi-faceted national health initiative for older Americans. The initiative for the elderly includes: new preventive benefits for Medicare beneficiaries; a national Internet site for Medicare beneficiaries; and a new nationwide public/private Medicare council with over 80 organizations that is designed to encourage prevention and wellness among older Americans and to ensure that they have the information they need to select the best possible health plan. To highlight the new preventive benefits, the First Lady will release a new public service announcement on osteoporosis, featuring her and Mrs. Gore. You also will reiterate your commitment to comprehensive anti-tobacco legislation and announce an executive directive to develop a survey on youth smoking (see above).

5. Health -- Medicare and Hyde Amendment: Secretary Shalala will transmit a letter to Senator Nickles on Tuesday that reaffirms the Health Care Financing Administration's longstanding policy to apply the Hyde Amendment to the Medicare program. Prior to the release of the letter, we will hold meetings with the women's advocacy organizations, the Catholic Health Association (CHA), and Senator Nickles's staff. In our meeting with the CHA, we will offer a way for Catholic health plans to decline to provide any abortion services (even those permitted under Hyde) and still become Provider Sponsored Organizations eligible to receive Medicare payments.

6. Health -- FDA Commissioner Nomination: You are tentatively scheduled to announce on Tuesday that Jane Henney is your nominee for FDA Commissioner. We do not expect Henney to have an easy road to confirmation, but we are working closely with Sen. Domenici, her home-state sponsor, to ensure that she gets the best possible send-off.

7. Health -- Patients' Bill of Rights Legislation: The Republican House Leadership is expected to release proposed health care legislation next week, which apparently will include a watered-down patients' bill of rights initiative combined with "Health-Mart" and "multi-employer welfare association" (MEWA) provisions. The patients' bill of rights initiative almost certainly will lack both a strong enforcement mechanism and any "body-part mandates" (e.g., for breast reconstruction following a mastectomy). The Health-Mart and MEWA provisions probably will enable small businesses to exempt themselves from state

health regulations (including state-passed patients' bills of rights) and lead to further segmentation of the insurance market (i.e., separating healthy from sick populations). The Republican initiative also may include some inefficient tax incentives. As of now, we are not sure whether this bill will satisfy Congressman Norwood's desire for a patients' bill of rights initiative. If it fails to do so, we expect him to work with Congressman Dingell on a discharge petition to bring strong bill of rights legislation to the House floor.

8. Drugs -- Drug Courts: In response to your interest in drug courts, we are preparing an event in which you will announce the release of the latest Justice Department drug court grants. Approximately 150 jurisdictions will receive \$27 million in grants to help plan, implement, enhance, or evaluate drug courts. Some of the cities receiving grants are San Francisco, Omaha, Little Rock, Washington, D.C., and Atlanta. We may want to combine this announcement with the nationwide launch of our anti-drug media campaign, tentatively scheduled for July 9.

9. Drugs -- PRIDE Survey: The National Parents' Resource Institute for Drug Education (PRIDE) released on Thursday its annual report on teen drug use. The report shows that drug, alcohol, and tobacco use by teens generally dropped during the 1997-98 school year -- the first across-the-board declines since the 1990-91 school year. Among the most notable declines: (1) marijuana use among junior and senior high students fell from 15% to 13% and from 36% to 33%, respectively, last year; and (2) cigarette use by junior high students fell from 32% to 29% last year -- the first such decline in the 11-year history of the PRIDE survey. The single discordant note in the report is that students in the 12th grade reported slight increases in their use of cigarettes, cocaine, uppers, and downers.

10. Drugs -- Pulse Check Report: ONDCP will release on Thursday its biannual Pulse Check report on the use and distribution of illicit drugs in 30 cities. The information contained in Pulse Check is gathered from ethnographers, law enforcement officials, and drug treatment providers. Some of the report's key findings include: (1) methamphetamine has continued its spread eastward and is now considered an emerging drug in Baltimore and Columbia, MD; (2) heroin use is stable or rising, with young users who snort or smoke the drug increasing across the country; (3) crack is failing to attract new users, although powder cocaine use is rising among the affluent in a few areas; and (4) marijuana use is widespread, crossing economic and social groups. Director McCaffrey is planning to unveil the Pulse Check report with DEA Administrator Tom Constantine and NIDA Director Alan Leshner.

11. Crime -- Brady Handgun Checks: The Justice Department will release on Sunday a report on Brady checks conducted in 1997. The report shows that state and local officials conducted 2.5 million background checks last year and prevented 69,000 sales of handguns. About 62 percent of the 69,000 rejections were for felony convictions or current indictments; 9 percent were for domestic violence misdemeanors; 6 percent were for fugitive status; and 2 percent were for domestic violence protective orders. The report also states that from February 28, 1994 (the Brady Law's effective date) through the end of 1997, background

checks have prevented 242,000 handgun sales to prohibited purchasers. We previously have used a slightly higher figure (300,000 sales), based on a Justice Department estimate that could not fully separate sales of handguns and long guns.

12. Crime -- Modified Assault Weapons: We successfully deflected an attempt last week to add a rider to the Senate Treasury-Postal appropriations bill that would have undermined our recent decision to prevent the importation of modified assault weapons. The rider would have grandfathered more than a hundred thousand of these weapons into the country. To prevent the rider from passing, we helped craft an alternative amendment to reimburse importers for a limited number of firearms (roughly 2,000 to 3,000) that were in or en route to bonded warehouses when we announced our administrative action. This amendment, which also provides for the destruction of these weapons, passed instead of the broad rider originally proposed.

13. Crime -- Zero Tolerance: As you know, you signed a law in 1995 requiring all states to adopt a zero-tolerance standard for underage drinking and driving by October 1, 1998. On June 29, South Carolina will become the 50th state to enact a zero tolerance law. Delaware's zero tolerance law, however, does not fully comply with the federal standard and must be amended.

14. Education -- Teacher Education: Senator Bingaman has proposed an amendment to the Higher Education Bill (to be taken up by the Senate next week), which would impose new accountability requirements on teacher education programs. The amendment would require teacher education programs to publish the percentage of their students passing state teacher certification tests, and would cut off financial aid to students in programs with less than a 70 percent pass rate. The amendment has the strong support of the NEA, but is opposed by the higher education community and Senators Jeffords, Coats, Kennedy, and Dodd. We are working with Bingaman and Kennedy to find an approach that retains the amendment's strong emphasis on accountability without penalizing students for the low quality of their program.

15. Education -- Charter Schools: The Senate Human Resources Committee will mark up a bill to expand the charter schools program when the Senate returns from its July 4th recess. The House passed a similar bill last summer, which you supported. We are working with Sen. Kennedy to ensure that the Senate's version of the bill enables charter schools to expand more rapidly, while making sure they are held accountable for outcomes.

16. Welfare Reform -- GAO Report: The GAO issued a report last week showing sharp increases in the proportion of welfare recipients going to work. The GAO found that in three of the seven states studied (California, Louisiana, and Maryland), the proportion of welfare recipients who obtained jobs more than doubled between 1995 and 1997 and in another two states (Oregon and Wisconsin), the proportion increased by more than 70 percent. In one state (Texas), the proportion declined very slightly. In the last state (Connecticut), data

on jobs was not available, but there was a substantial increase in the number of families leaving welfare because of increased earnings.

17. Welfare Reform -- Conference of Mayors Report: The U.S. Conference of Mayors released a report Friday on welfare reform in urban areas. A survey of 125 mayors included in the report indicates that while they see some cause for optimism after the first 18 months of welfare reform, they remain concerned about creating enough jobs and connecting people to those jobs. They note especially the lack of adequate child care, transportation, and affordable housing near employment. The report also estimates that the number of welfare recipients in urban areas needing jobs over the next five years could exceed by about 350,000 the number of jobs created in that time. HHS has methodological questions about this overall projection, noting for example that the study ignores welfare recipients who are already working and can take advantage not only of new jobs, but of turnover in the existing labor market. The study, however, clearly shows significant disparities among urban areas in the size of projected job gaps. In areas such as Fort Worth, Las Vegas, Little Rock, Miami, Phoenix, and San Francisco, projected job growth exceeds the expected number of job seekers; in areas including Detroit, Providence, Newark and Cleveland, the projected ratio of low skill job seekers to jobs is very high.

18. Welfare Reform -- Civil Rights Guidance: A number of agencies, including HHS, DOJ, EEOC, and DOL, have drafted guidance on the application of civil rights laws to welfare reform, particularly work requirements and time limits. The guidance notes, for example, that a racially neutral criterion that exempts disproportionately few racial minorities from the five year time-limit is permissible, but only so long as the state has a substantial and legitimate justification for this criterion and there is no comparably effective alternative that would exempt more minorities. HHS intends to share this guidance in the coming weeks with civil rights groups, advocates, and the states. Although we share HHS's view that the guidance is useful, we are somewhat concerned that the states may interpret it as imposing new requirements, rather than simply showing how existing law applies to new programs. We accordingly are working with HHS to ensure a smooth roll-out of this draft guidance to the states.

THE WHITE HOUSE

WASHINGTON

June 19, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
RE: NEC WEEKLY REPORT
cc: ERSKINE BOWLES

Africa Trade Bill: At the request of Rep. Rangel, Larry Stein and I joined House co-sponsors to discuss the outcome of Wednesday's (6/17) hearing and to work on the next steps for moving the bill. Albright, Daley and Summers gave convincing testimony at the hearing and raised public awareness. At this time, bill supporters in both houses are short of what is needed, but we are making some progress on increasing the numbers. To be expected, most of the free traders support the bill, with some in the Senate linking their support to changes in the textile provisions. We will work with the House co-sponsors to make more calls and try to bring more Finance Committee Members on board. We are planning another meeting with congressional Members for early next week.

Chubias
Gard

Russia: We continue to monitor closely the economic situation in Russia through a series of conference calls with the NEC, NSC, Treasury and State. It has been a mixed week following your phone call with Yeltsin. On the one hand, markets have been relatively stable, moving up and down within a tolerable range. Yeltsin's announcement that Chubias will be the chief liaison with the IMF was seen as a positive step by markets. On the other hand, Russia fell short of implementing several requirements for distribution of the next tranche (\$670 million) of the existing IMF loan. As a result, the IMF board delayed release of these funds. The IMF is sending a high-level delegation to Moscow next week; these discussions should provide some comfort to the markets.

Sanctions: As you know, Principals have approved of the plan to implement sanctions against India and Pakistan. You should be aware that these sanctions have started what may be a changing tide in Congress about the use of unilateral sanctions. Specifically, the Glenn Amendment, because it provides too little flexibility for the President in implementation, has led many on the hill to question the wisdom of unilateral sanctions. As Secretary Albright stated, these sanctions are "all stick, no carrot." The NEC and NSC along with the State Department (Stu Eizenstat) have been developing ideas on ways to impose discipline on the promulgation of new sanctions. They are also working with Senator Lugar and Representative Hamilton on a bill they have introduced which lays out a number of procedural hoops that must be overcome before a new sanctions regime is put in place. We like the thrust of the bill but have problems with some of the details and are in conversations with Lugar and Hamilton to try to narrow differences.

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Budget Resolution: As you know, Republican factions continued to jockey over the tax cut and have postponed final consideration of the budget until after the July 4th recess. Majority Leader Lott and Speaker Gingrich both publicly talked this week about a five-year tax cut of roughly \$60-70 billion. Both House and Senate conservatives heavily criticized their leadership's statements, saying that anything below the House's \$101 billion is unacceptable to them. , it remains difficult for them to finance even the \$60 billion. Facing Senate Republican opposition (and a 60 vote hurdle) to the House's discretionary cut, Gingrich has said that most of the savings can come from mandatory programs. However, the Senate has so far signaled that it would only be willing to accept \$4-10 billion of House mandatory savings of the roughly \$40 billion which remain following the enactment of the transportation bill. By process of elimination, the Republicans are likely going to be pushed towards using some of the surplus.

Sunsetting the Tax Code: As you know, the House passed the bill 219-209 with 15 Democrats supporting and 20 Republicans opposing. Your strong stand against the bill kept many Democrats opposed and ensures that the House is well below veto override strength. Following the House vote, Senate Finance Committee Chairman Roth came out strongly against the bill, echoing many of our talking points about the home mortgage deduction and the future of IRAs. Lott, who earlier in the year promised a Senate vote, may bypass him, but Roth's comments are helpful nonetheless. In addition to you commenting on the House bill, Secretary Rubin held a press conference and sent a letter of opposition to the House, I met with business representatives, and Deputy Secretary Summers spoke to the National Association of Manufacturers to stress our opposition.

Direct Loan Consolidation (refinancing): NEC, Education, OMB and Treasury reached a consensus that we should go forward with the new, low interest rate for consolidated direct student loans on July 1. While this may bring some criticism from Congress and lenders, it has become clear that *not* implementing the new rate would subject us to considerable criticism from the student and college associations (and they have promised to defend us vigorously if the rate reduction causes a processing backlog). Furthermore, offering the lower rate may prompt negotiations with Congress that could improve other elements of the Higher Education Act reauthorization. The lead Democrats in Congress support this decision, and we are in the process of informing key Republicans. To ease Republican fears that this is an attempt at a direct loan takeover, we are promising them that we will not make a big announcement, and we will state our intention to work with Congress to bring the low rate to the guarantee program as well. We are working to make sure that Education does everything possible to efficiently handle a large volume of applications, and to inform borrowers of possible delays.

Technology for Improving Student Aid: A few months ago, you forwarded a letter from Bob Reich regarding "card technology" that would allow citizens to access all their education and job training benefits from one "account." Thanks in large part to the VP's rego team, a pilot effort called Access America is developing rapidly with the Education Department, and may be implemented for student aid as early as this fall. Other modernization efforts at Education are also beginning to bear fruit: negotiations are underway with the unions over the creation of a

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performance-based organization (PBO) for delivering student aid; and interviews have begun for the first-ever Chief Operating Officer.

High Hopes: In our efforts to incorporate our proposal in the current program that Chairman Jeffords created, he has been very agreeable in conversations with both Secretary Riley and me, but the detail-work at the staff level has proved more difficult. It looks as if we will get some significant concessions in the manager's amendment, but not enough to call it a victory. This does, however, move us a long way toward a very good ultimate deal in conference. Bob Shireman on my staff has been keeping Rep. Fattah informed of the progress of the negotiations.

Higher Education Act: As you know, the reauthorization bill is still imminent on the Senate floor. In addition to High Hopes and other managers' amendments, fights are developing over: a Bingaman proposal -- supported by the NEA but vigorously opposed by the higher education groups -- that would deny student aid eligibility to teacher training departments whose graduates do not have at least a 70 percent passage rate on state teacher licensing examinations (we have not taken a position, but have tried to be helpful in mediating the dispute); a Harkin amendment to cut student fees (we support); a Kennedy amendment to allow pilots on market-based mechanisms for setting lender subsidies (an Administration proposal); and a Wellstone proposal to require colleges to provide four years notice before eliminating non-revenue generating sports (no Administration position). Republicans have apparently agreed to limit amendments to higher education issues. Incidentally, Senators Kennedy and Jeffords have agreed to include most of the Administration's proposals on distance learning in a manager's amendment to the Higher Education Act. This includes a \$30 million grant program that can support "virtual university" pilots, and authority for the Department of Education to waive regulations that are roadblocks to the growth of distance learning.

Coverdell/School Construction: As you know the House passed the conference report on the Coverdell education IRAs by a vote of 225-197 (10 Democrats supported, 12 Republicans opposed), a comfortable margin for sustaining your veto. A Rangel motion on school construction failed by a virtually identical vote. The Senate will probably vote on Tuesday (6/23).

H-1B Visas: On Wednesday (6/17) I briefed the House "Blue Dogs" on our position on the status of legislation to increase the number of temporary visas for skilled foreign workers. The House Republican leadership asked Rep. Smith to work out a deal with Senator Abraham before the bill reaches the House floor and negotiations began last week. We will monitor these talks closely because we strongly oppose the Senate version of the bill which does not provide adequate protections for U.S. workers. At the same time, there is a training component in the Senate version which is absent in the House version. There is a chance this bill will reach the House floor before the July 4th recess.

H-2A Visas: Sally Katzen chaired a DPC/NEC Deputies meeting last week on our administrative proposals to improve the timeliness of the application process for temporary agricultural (H-2A) workers. While DOL, USDA, and INS have been working on these proposals for the past few months, the issue has reached a head in the wake of two (related) events: (1) Vidalia onion growers in GA had a clash with INS over the H-2A program and (2) Sen. Coverdell has put a hold on a DOL nomination until the Administration responds to his concerns about the H-2A program. In addition, there is legislation to institute a new pilot guest-worker program on which we sent a letter to the House Judiciary subcommittee on immigration that Sec. Herman would recommend a veto. You should also know that these administrative improvements allow us to make good on promises the Administration made a few years ago. Our hope is to begin the rulemaking process on our proposals in the next week or two. While our improvements do not address the really tough problems with the H-2A program, they are likely to buy demonstrate our good faith and get us more time to work on the remaining issues.

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G.I. Bill: Progress is continuing in the conference on the G.I. Bill. Business groups have been lobbying hard and the Republicans seem receptive to their efforts. (Of course, the Republicans have also been hearing from the family groups who oppose the bill, but hopefully the business groups will prevail.) NEC, WH legislative affairs, DOL, and Education staff are closely monitoring the progress of the conference and are cautiously optimistic that we will have a bill before the end of the summer.

Child Labor: Last week, DoL announced support for Senator Harkin's efforts to modernize domestic child labor laws, especially in agriculture. This week, we learned that Harkin is planning to offer an amendment to the Treasury/Postal Appropriations to prevent U.S. government procurement of goods made with child labor. While we support this goal, the Harkin amendment was badly written and raised a host of problems, including violation of NAFTA and WTO agreements affecting about a dozen countries, imposing responsibilities on thousands of procurement officials without the capacity to meet the requirements, and interference with efforts to negotiate a ratifiable ILO convention on the most intolerable forms of child labor. Working with DoL, USTR, State, OMB, and OFPP, we are preparing an alternative that avoids these problems. Harkin's staff responded positively and promised feedback from the Senator on Monday.

ILO Declaration on Core Labor Standards: On Thursday (6/18), the ILO adopted a new Declaration on fundamental worker rights and a follow-up procedure to increase the scrutiny of member states regarding their compliance with core labor standards. The U.S. was a strong supporter of the Declaration and your team (led by Secretary Herman) fought hard to get a strong statement and effective follow-up mechanism. The AFL-CIO called the Declaration "an historic breakthrough," noting that it followed only a few weeks after your remarks "urging the WTO to put respect for core labor standards and environmental protection at the center of its agenda." The U.S. and the AFL-CIO had opposed references in the final Declaration that seek to limit use of its provisions for "protectionist" trade purposes; however, Secretary Herman and John Sweeney noted that such language has no practical effect. *John*

6-23-98

Financial Modernization: On Wednesday (6/17) Secretary Rubin and Chairman Greenspan faced off before the Senate Banking Committee. Both men emphasized that their strong differences on Financial Modernization have not affected the rest of their relationship. Secretary Rubin argued that, while important, the legislation was not urgent and should be done right, since it will become the constitution for the financial industry for a long time to come. The bill that passed the House by one vote, he said, would restrict business choice of corporate structure, allow financial companies to avoid responsibilities to communities, and shift banking policy -- a key component of economic policy -- away from the elected government to the unelected Federal Reserve. Greenspan urged no further delay. He said the Administration's approach would lead to greater risk to the insurance funds and taxpayers and would give the benefits of the safety net (of insured banks) to non-banking firms. Senator D'Amato pressed the Administration to compromise but was noncommittal about whether he will move legislation this year.

E-rate: On Friday (6/19), AT&T announced that it would recover the cost of universal service for (93 cents) on monthly residential phone bills. Of this, only 19 cents per month is for the e-rate (schools, libraries, rural health centers). The balance is for traditional universal service low income and rural consumers. MCI has still not decided how they will recover universal service. Next week the Senate Appropriations Committee is scheduled to mark-up the Commerce, Justice, State appropriations bill which contains the FCC's budget. Some Senators (e.g. Hollings, Stevens) may try to attach a rider to the bill which would put the e-rate on hold. Senator Bumpers has agreed to lead the fight against any effort to do this.

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6-23-98

June 19, 1998

MEMORANDUM FOR THE PRESIDENT

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

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PROTECTING COMMUNITIES FROM TOXICS

Napalm Shipments

The Navy and EPA continue to work through the names of possible subcontractors to handle the 22 tons of napalm currently in Fallbrook, California. Currently, the list includes four subcontractors, three in Texas and one in Utah. The Navy has already briefed the congressional delegations regarding this. In addition, next week the Navy and EPA will brief the potentially effected communities and state governors.

RESOURCE STEWARDSHIP

American Heritage Rivers

On Tuesday, the American Heritage Rivers initiative Advisory Committee met in St. Louis to further discuss the list of nominated rivers. The Committee will recommend the following ten rivers to you for designation as American Heritage Rivers: the Connecticut River (CT, VT, NH, MA), Detroit River (MI), Hanalei River (HI), Hudson River (NY), New River (NC, VA), Rio Grande River (TX), Potomac River (MD, PA, VA, D.C., WV), St. Johns River (FL), Upper Mississippi River (IA, IL, MO, MN, WI) and the Willamette River (OR).

The Committee continues to be extremely impressed with the grassroots enthusiasm for all 126 nominations and the way the initiative has galvanized community action around river revitalization efforts. Next week, the Committee will submit to you a report with the above designation recommendations as well as other suggestions for shaping the initiative. Your designation announcement is expected sometime next month.

OTHER

6-23-98

Environmental Budget Priorities

On Tuesday, the Vice President, along with various environmentalists and Democratic Members of Congress, expressed the Administration's disappointment with Congress' inactivity on our environmental priorities. The Vice President also reiterated our strong opposition to the adoption of anti-environmental riders as part of the legislative process.

Strong support for our position on the anti-environmental rider issue was expressed by the environmental community and the Democratic Members who participated in the event (Representatives Stokes, G. Miller, Waxman, Rivers, Borski, Matsui, Furse, Tauscher, and Senators Lautenberg, Baucus, and Bingaman). Tuesday's event will help create a solid foundation on which to build a campaign against such riders by bringing this matter to the public's attention. We now need to follow up by sending a message to the Hill that we will not tolerate riders as part of the legislative process.

The Administration has correctly diagnosed Congress' intention to pursue the use of anti-environmental riders. Already, there are provisions included in appropriations bills that will affect our ability to work on such initiatives as climate change, the American Heritage Rivers initiative and food safety for example.

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THE WHITE HOUSE

WASHINGTON

June 19, 1998

6-23-98

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN ^{TS}
SUBJECT: Climate Change Weekly Report

Dan Burkhardt:
Please coordinate
the reply.

Domestic

Industry consultations. Following a number of preparatory meetings, CEO meetings at the White House have now been set for Aluminum (July 8), Steel (July 16) and Forest Products (July 23), and we are working on electric power and cement. Preparatory discussions are underway with airlines, bulk chemicals, semi-conductors/electronics, glass, metal casting, and gas pipelines. These industries represent 80-90% of industrial emissions. Several oil companies are also showing some interest -- BP, Sun, Arco, Shell, Citgo. Our aim for the consultations is to get industries, by the fall, to (1) agree to inventory and monitor their emissions; (2) agree to do a bottoms-up review of their energy practices; (3) announce a stretch goal for reducing emissions; and (4) agree to develop an action plan for achieving their goal.

Solar Roof Financing Event. On Thursday, June 25, Katie McGinty will participate in an event announcing a good development in achieving the million solar roofs initiative. Currently, loans for installing solar panels in new or retrofitted homes are categorized as high risk and cost around 12-15%. GMAC, one of the country's leading lenders, has agreed to offer such loans at the prime mortgage rate -- around 7% -- or below. The event will take place at the ground breaking for a moderate income housing project with solar generated heat and electricity in an empowerment zone in Southwest Philadelphia.

Combined heat and power. After long negotiations, Trigen and Pepco are apparently ready to move forward on a fascinating project that would capture the wasted energy from a major Pepco power station and use it to heat much of the federal government. I will convene a meeting shortly with relevant agencies and private parties to explore the feasibility of the project. If it proves feasible, it could be a striking example of federal leadership in using energy more efficiently.

Diplomatic

EU environment ministers agreed this week on a deal to allocate the 8% emissions reduction agreed at Kyoto among Member States. Ministers also agreed on general policies for achieving reductions, stressing the importance of renewable energy and the need to curb emissions in the transport sector. On the issue international emissions trading, although the EU has been pressing for restrictions -- a bad idea we strongly oppose -- the meeting this week gave cause for a bit of optimism, since there was clearly disagreement within the EU ranks on the issue.

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Congressional

There was action on all three of the appropriations bills that contain portions of the Climate Change Technology Initiative. The general GOP approach to these bills has been to eliminate our requested increase and return funding to about the FY 98 level. In addition, egregious anti-climate language has been proposed for the Committee Report to the House VA-HUD bill. And there is an undesirable anti-climate rider in the House VA-HUD. The one piece of good news is that the full Senate accepted the Jeffords renewable energy amendment restoring around \$60 million to the Senate Energy and Water bill (your requested increase was \$100 million). We are reviewing strategy for the Interior and VA-HUD bills now, but it seems likely at this point that we will have to fight for add-backs during the end game this fall.

On Tuesday, the Vice President, joined by a dozen lawmakers, did a good event denouncing budget cuts on the environment, including climate change, as well as proposed riders.

Rep. David McIntosh chaired another climate change hearing this week, pressing OMB's Ed DeSeve (Acting Deputy Director for Management) to explain why OMB and 21 other agencies are taking so long to respond to his written questions. Ed explained that we are following the normal clearance process and that it takes time to deal with the 44 letters, 485 questions and hundreds of document requests that McIntosh has served upon the Administration.

Weekly Press Coverage

NBC did a very strong, extended piece tonight on extreme weather, focussing on the intense rainfall in New England this week, the numerous fires in Texas and the 30 *feet* of snow at Volcano Park since April -- nine feet since Memorial Day. The piece suggested that this weather may well be a product of global warming and that more and worse may be in store in the future.

On Wednesday, the *Times* ran a story on a new fuel cell technology that will, for the first time, supply all the power to a suburban home in Latham, New York. The work is being supported and partly financed by DOE and Sec. Pena was quoted in the story. Fuel cells are still too expensive for everyday use in cars or homes, but the technology is developing rapidly.

cc: Vice President
Erskine Bowles
John Podesta
Ron Klain
Jack Lew
Katie McGinty
Gene Sperling
Jim Steinberg
Janet Yellen



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

June 19, 1998

6-23-98

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MEMORANDUM FOR THE PRESIDENT

FROM: KERRI-ANN JONES *O.B. for K.A.J.*

CC: ERSKINE BOWLES

SUBJECT: OSTP WEEKLY REPORT

GINGRICH PROPOSES DOUBLING R&D FUNDING BY CUTTING SOCIAL PROGRAMS

The Speaker vowed to double science funding over eight years in commencement addresses he delivered last weekend. He identified cuts in social programs as the funding source.

Despite the Speaker's avowed support for boosting science and defense funding, the House Appropriations committee actually cut your FY99 request for defense basic research by \$58 million, to \$1.053 billion. They did increase funding for applied research and advanced development by 6 percent, but much of that funding was directed toward member-interest items.

YOUR G-8 MESSAGES CARRIED BACK TO SCIENCE MINISTERS

In a meeting last week with the G-8 Science Ministers, Neal Lane found their nations' leaders had taken your message on Y2K to heart. Some of the Science Ministers attributed new and significant pressures on them to identify and resolve the shortcomings in their own countries' computer systems to the fact that you raised the issue at the Birmingham Summit.

Your obvious, strong commitment to increasing U.S. R&D investments also stirred things up among the G-8. Your decision to retain America's premier position in science and technology has rekindled European interest in S&T as a leadership issue and may be an impetus to new R&D investment strategies in those countries as well.

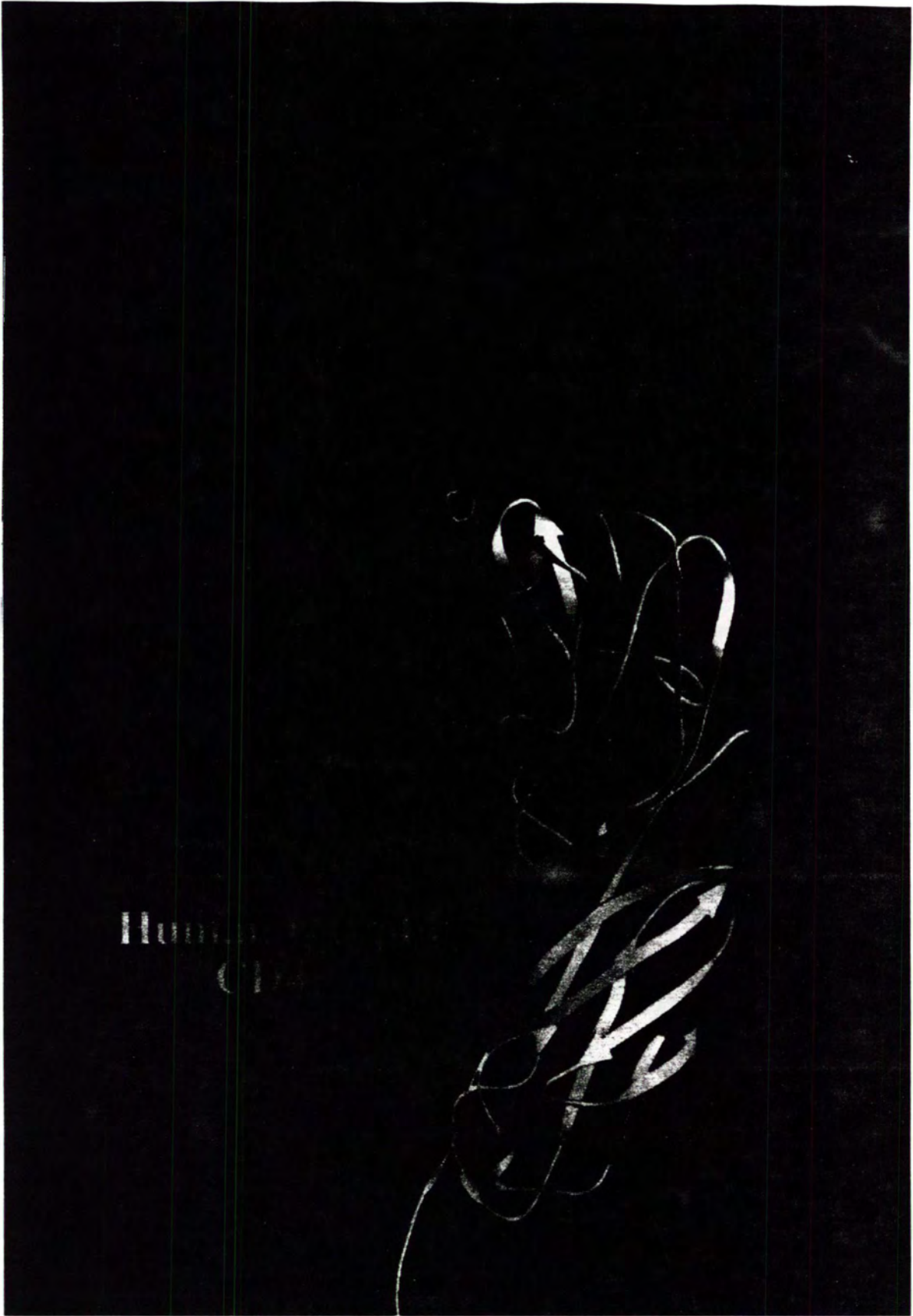
MAJOR BREAKTHROUGH IN AIDS RESEARCH

For the first time, scientists have unraveled the complex interaction that occurs between HIV and human T-cells that is a prerequisite for infection and the eventual development of AIDS. U.S. researchers at Columbia University and the Dana-Farber Cancer Center were able to see details of how the virus recognizes and binds to certain human immune cells at the atomic level (photograph is attached). The research used innovative molecular biology and protein crystallography techniques made feasible by the Brookhaven National Laboratory's National

Synchrotron Light Source (NSLS). Many of those techniques were developed by Dr. Hendrickson and others at the Stanford Synchrotron Radiation Laboratory while it was under the direction of Arthur Bienenstock, your appointee to the position of Associate Director for Science in OSTP. Operation of NSLS, which is funded by the Department of Energy Basic Energy Science program, was enhanced markedly by your DOE Scientific Facilities Initiative of FY '96. As a consequence of the structural work, scientists now have excellent targets for drug therapies. Unfortunately, initial analyses of the structure also indicate that development of an effective vaccine will be even more difficult than previously thought.

OCEAN SCIENCE NEEDS ATTENTION

Your ocean initiatives announced at the National Ocean Conference in Monterey, CA, contained strong research components and were well received. Neal Lane and Katie McGinty co-chaired an enthusiastic panel discussion on exploration, education and research. You asked the Cabinet to report back in a year on their recommendations for a coordinated, disciplined, long-term federal ocean policy. The National Science and Technology Council plans to assist in coordination of science and technology aspects, and OSTP will work with CEQ and NSC to help integrate our oceans programs to meet 21st century challenges.



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THE WHITE HOUSE
WASHINGTON

June 19, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL WALDMAN

SUBJECT: DOMESTIC SPEECHES FOR THE UPCOMING WEEK

6/22 **Family Reunion Conference**

We recommend that you, the Vice President, the First Lady, and Mrs. Gore each make a strong statement on tobacco, as the greatest health concern faced by America's families. The DPC is working to craft a policy proposal for your remarks. In any event, the current plan is for you to announce 150 initiatives by eight federal agencies to extend health coverage to eligible children. This implements last year's balanced budget agreement.

6/23 **Appointment of FDA Commissioner**

This brief ceremony will formally nominate Jane Henney to be Commissioner of the Food and Drug Administration. You will praise the FDA as a critical watchdog for the health of America's families, but will not aggressively address either tobacco or food safety. (These issues would actually detract from her chances of confirmation.)

Bill signing for the Agricultural Research, Extension and Education Reform Act

This bill invests in agricultural research, improving upon the 1996 farm bill; the signing is a chance to send a strong message about our agenda for rural America. In addition, this bill reinstates food stamp benefits to 250,000 legal immigrants and 75,000 children. This measure shows the good that can come from bipartisan cooperation, and you will once again call upon Congress to show that spirit in addressing tobacco (and tobacco farmers).

6/24 **Bill signing for the Deadbeat Parents Punishment Act of 1998.**

The bill establishes new felony offenses for egregious non-payment of child support. You called for this legislation in 1996, and reiterated the call in the 1997 SOTU. It is also likely you will be able to announce new child support collection numbers. And -- to generate news -- the remarks will challenge Congress not to pass provisions of the bankruptcy bill that would pit parents and children against credit card companies.

6/24- **Trip to China**

7/3 The NSC has sent you a message schedule under separate cover.

THE WHITE HOUSE
WASHINGTON

6-23-98

June 12, 1998

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARIA ECHAVESTE

SUBJECT: OPL WEEKLY REPORT June 6 - June 12

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Counsel
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ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

- **The public health advocates were very disappointed by this week's tobacco action.** However, according to the ENACT Coalition, they regrouped on Thursday to look at a recess strategy (focusing on key states and House members,) consideration of a PAC, and other ideas. The ENACT leadership would like to sit down with Erskine and Bruce to strategize on tobacco.
- **Immigration Speech.** Your immigration speech was received enthusiastically by immigrant communities. OPL sent out your speech to over 600 people. Many contacted us to express their enthusiasm for your celebration of the value of immigration and your concerns about the naturalization process. The ethnic community was noted that it had been a long time since someone has addressed immigration in a positive manner and urge you to visit Ellis Island.
- **Africa Trade Bill.** We are continuing to generate support for the Africa Trade Bill. Several African American business leaders including James Wade, CEO of Wade Industries, Don Barden, CEO, Barden International and Carl Ware of Coca Cola have thrown their weight behind the effort. We will host a strategy session on Tuesday with NGO representatives, business leaders and members of the newly formed Coalition to pass the Growth and Opportunity Act.

CONSTITUENT OUTREACH AND OTHER ISSUES

JEWISH OUTREACH

- **Iran Missile Sanctions.** Most Jewish groups supported the overwhelming passage of the Iran Missile Proliferation Sanctions Act which would impose sanctions on companies found to be sharing missile technology with Iran. These same groups will oppose your expected veto.

RELIGIOUS OUTREACH

- **Religious Freedom Abroad.** Your announcement of Robert Seiple should be very helpful with administration critics on religious freedom. At the briefing by Assistant Secretary Shattuck which followed your event with the religious leaders, these three points regarding your trip to China were raised by members of the State Department Advisory Committee and religious leaders: Request that you ask that the legality of both the arrest and the conviction of Bishop Xu be re-evaluated. If he is to be freed, it should be within China not to the west; they urge support for: one, the establishment of a commission to ensure due process for religious believers; and two, establishment of a government liaison position to be the point of contacts for the families of religious prisoners. There is some fear that when the Dalai Lama dies, the government will appoint his successor.

WOMEN'S OFFICE OUTREACH

- **Joint Meeting of the Interagency Committee on Women's Business Enterprise (ICWBE) and the National Women's Business Council (NWBC).** At a joint meeting of ICWBE and NWBC both organizations agreed that meeting the federal goal of 5% procurement, primarily in the areas of defense spending, but also commerce and transportation, is their primary goal. White House officials relayed support for taking up discussions at the cabinet level on how to make this Administration-wide 5% goal a real priority and highlighted other challenges facing women business owners, especially minority women.
- **The Washington Mystics.** Mrs. Gore officially welcomed the new Washington Mystics women's professional basketball team to town with a reception and press avail at the Vice President's residence.

ASIAN PACIFIC AMERICAN OUTREACH

C. Stein

Civil Rights Advocates Rallying around Paul Igasaki. LCCR and others are mindful that few legislative days remain and are worried that Igasaki's reappointment to the EEOC will be lost in the process.

HISPANIC OUTREACH

- **Bilingual Education.** OPL, DPC and NEC met with the Department of Education to discuss the possible proposed alternative to the Riggs proposal. The Department of Education is in the process of drafting the proposed language. Tactical issues remain as to the timing of the introduction of an alternative.
- **Families of the Cuban Pilots.** OPL met with the families of the Cuban Pilots who

expressed concern that their case has been under investigation with the FBI for the past 2 ½ years and no decisions have been made. They met with the Attorney General this week and have had many discussions with the FBI. Still they have not gotten any answers as to where the investigation is and how much longer it will take. They feel that the reason they have not gotten a response is because the United States is somehow implicated in the incident or because the pilots are Hispanic.

HEALTH CARE OUTREACH

- **AMA install president.** This week, the AMA installed Nancy Dickey as the first women AMA President. Dr. Dickey is a family physician from Texas. They also selected the Chair of the Board of Governors as the new President Elect, Thomas Readon. You selected Dr. Readon to serve on the Quality Commission. This is good news for the White House as we have worked closely with both.
- **Radio Address.** The Prostrate Cancer Coalition is thrilled about your doing the Radio Address on prostrate cancer. They have been looking to do something with this Administration for some time.

AGRICULTURE

- **Secretary Glickman announced last week he would not set a floor on dairy.** The dairy folks from Arkansas were very disappointed and last we heard they were trying to set up talks with USDA. We continue to hear from the rural groups about the deteriorating economic conditions in rural America due to low commodity prices, Asian financial crisis, transportation problems and other issues. This comes in the wake of both the House and Senate Ag Appropriations committee's cutting of Administration priorities.

AFRICAN AMERICAN OUTREACH

- **HBCU's.** Following a report issued by the National Trust for Historic Preservation, we are receiving numerous calls from African Americans concerned about deteriorating buildings on Historically Black College campuses. This has been an issue with alumni and presidents of these colleges for some time. Bill Gray, UNCF President, and Dr. William Keaton, Chancellor of Arkansas Baptist and Chairman of NAFEO are calling for more to be done to preserve these historical institutions.

GAY AND LESBIAN ISSUES

- **McCurry applauded by rights advocates for remarks on the origins of sexual orientation.** His exchange with Lott also gives a boost to the Hormel nomination, as D'Amato writes Lott to distance himself and for the first time publicly calls for a vote on

the nomination.



Settlement of McVeigh computer privacy case seen as important step in setting limits on don't ask, don't tell. The Navy tells reporters on background that they wanted to proceed but had to settle on account of WH and DOJ pressure.

AIDS

- **Federal study shows sharp decline in the rate of HIV infection in young white men.** African American and Hispanic civil rights communities will become more focused on AIDS issues as this study shows that about 2/3 of young people with HIV are black or Hispanic.

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|-----|----------------|------------------------|
| cc: | Erskine Bowles | Rahm Emanuel |
| | Craig Smith | Michael McCurry |
| | Doug Sosnik | Gene Sperling |
| | Sylvia Mathews | Thurgood Marshall, Jr. |
| | Sid Blumenthal | John Podesta |
| | Bruce N. Reed | Mickey Ibarra |
| | Ron Klain | Larry Stein |

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6-23-98

ONE AMERICA IN THE 21ST CENTURY

The President's Initiative on Race

The New Executive Office Building
Washington, DC 20503
202/395-1010

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Attachment:
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COS

MEMORANDUM TO THE PRESIDENT

FROM: JUDITH A. WINSTON *JAW*
THROUGH: ERSKINE BOWLES
SYLVIA MATHEWS
DATE: JUNE 19, 1998
SUBJECT: PRESIDENT'S INITIATIVE ON RACE WEEKLY REPORT
JUNE 13 - JUNE 19

ADVISORY BOARD ACTIVITIES

June Advisory Board Meeting. Members of the Advisory Board participated in four subgroup meetings on June 17 where they discussed ideas and challenges in the areas of education, economic opportunity, leadership, values, and a vision for One America. The Advisory Board held a public meeting on Thursday, June 18 in Washington, D.C. and presented ideas and options raised during the subgroup meetings. For example, ideas that were discussed included establishing a Presidential council on race to continue the Initiative's work and increasing funding for school construction through Federal matching grants. Initiative staff will work with Advisory Board members following this meeting to include their discussions and recommendations in a written report to you.

Letter on Race and Stereotypes. On behalf of the Advisory Board, Dr. Franklin has written a letter to you reporting on the March Advisory Board meeting in Denver on Race and Stereotypes. A copy of the letter is attached.

Tufts University. On June 12, Governor Winter spoke to a group of 35 college presidents gathered at Tufts University in Boston. Governor Winter spoke about the Initiative and received a warm reception from the gathering. Members of the group urged that the work of the Initiative continue.

American-Arab Anti-Discrimination Committee. On June 13, Linda Chavez Thompson and Chris Edley were the keynote speakers at the Fifteenth National Convention of the American-Arab Anti-Discrimination Committee in Crystal City,

Virginia. Ms. Chavez-Thompson spoke about the accomplishments of the Initiative and urged the members of the audience to play a key role in building One America in the 21st Century.

Southern Growth Policies Board Conference. On June 16, Governor Winter introduced Dr. Franklin, who was the featured speaker at the Southern Growth Policies Board Conference in Louisville, Kentucky which was attended by political and private sector leaders.

Native American Journalists Association. On June 19, Angela Oh and senior Initiative staff attended the Native American Journalists Association conference in Tempe, Arizona. Angela Oh gave the opening remarks and answered questions from the audience about the Initiative and its accomplishments during the breakfast session.

OFFICE OF THE EXECUTIVE DIRECTOR

Public Service Announcement (PSA) Award. The PSA, "On Target," which the Initiative produced in conjunction with the Leadership Conference Education Fund, the Ad Council and the Griffin Bacal Advertising Agency won the 1998 Tele Award, the advertising industry's honor for best public service announcement.

Corporate Leaders Forum. The Corporate Leaders Forum in St. Louis has been rescheduled from July 10 to July 23 as a result of a conflict in Secretary Slater's schedule.

Congressional Conversations on Race. On June 17, I attended the first Congressional conversation on race, co-sponsored by Representatives John Lewis and Amo Houghton. The discussion included approximately 50 Members of Congress, and Colin Powell gave the keynote address. This was the first of four conversations on race that they plan to have in the coming year.

National Council of La Raza. On June 15, I met with representatives of the National Council of La Raza, including their Executive Director Raul Yzaguirre, to discuss Initiative activities related to data and research on the Latino community. We agreed to continue to consult with them during the preparation of the Advisory Board's report to you.

National Association of Latino Elected Officials (NALEO). On June 20, I will attend the annual NALEO Educational Fund conference and participate in a panel entitled "Dialogue on Race and Ethnic Relations" in Houston, Texas. The NALEO annual conference is the largest gathering of Latino elected and appointed officials with an expected attendance of 700 public officials. Mickey Ibarra will be addressing the conferees as well.

Religious Leaders. On June 22, Chris Edley, Initiative staff, Office of Public Liaison staff, and I will meet with a small group of religious leaders to discuss ways in which they can build on the foundation established by the Initiative.

FEDERAL AGENCY ACTIVITIES

Department of Justice

Latino Civil Rights Awards. On June 25, the Attorney General Janet Reno will speak at the Latino Civil Rights Center's Annual Awards.

Department of Agriculture

Memorandum of Agreement. The United States Department of Agriculture's Natural Resource Conservation Service has finalized a Memorandum of Agreement with the Minority Business Technology Consortium, and the Agricultural Research Service, to make agricultural technology more readily available to minority farmers and rural communities through the local Resource Conservation and Development Councils.

Department of Commerce

National Association of Latino Elected Officials. On June 20, Secretary William Daley will speak before the National Association of Latino Elected Officials in Houston, TX.

Department of Labor

Workforce Development. On June 24 and 25, Secretary Alexis Herman will meet with members of the Congressional Black Caucus and the Congressional Hispanic Caucus respectively to discuss the Workforce Development legislation.

Department of Health and Human Services

Organ Transplant Discrimination. On June 15, Deputy Inspector General George Grob was interviewed by the 300-station American Urban Radio Network on the IG's report, "Racial and Geographic Disparity in the Distribution of Organs for transplantation," which shows a growing disparity in the wait time between blacks and whites for kidney transplants.

Department of Transportation

African/African American Summit. On June 25, Secretary Rodney Slater will address the First Bi-Annual African/African American Summit Report to America in Washington, DC.

Department of Energy

Summer Diversity Program. On June 19, Secretary Federico Pena will speak to student interns participating in the Department of Energy's Summer Diversity Program. Among the topics he will discuss are the importance of giving back to the community. He will also stress the importance of education and opportunities like the Department of Energy's summer internship program.

Department of Education

Department of Education Listening Session. On June 22, Secretary Richard Riley will conduct the third and final listening session of the Department of Education's Department-wide race initiative.

Department of Veterans Affairs

Race Dialogues. On July 1, the Department of Veteran Affairs' Deputy Assistant Secretary for Equal Opportunity will participate in a dialogue on race at the National Convention of the League of United Latin American Citizens in Dallas, TX.

Small Business Administration

Lending Outreach Initiative. Small Business Administration's Regional Administrator signed a Memorandum of Understanding with the Kansas City Hispanic Chamber of Commerce to commit both organizations to work to further the agency's goals to increase lending activity in the underserved small business communities.

Office of Personnel Management

Hispanic Senior Executive Workshop. On June 24, Director Janice Lachance is co-hosting the Hispanic Senior Executive Workshop with the Department of Energy's Secretary Federico Pena.

United States Information Agency

Website Highlights Race Relations. The United States Information Agency's recently-launched website on perspectives on race relations features transcripts and background on the President's Initiative on Race, affirmative action and race, and law and ethnic diversity.



ONE AMERICA IN THE 21ST CENTURY

The President's Initiative on Race

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

JUN 16 1998

Dear Mr. President:

I am very pleased to provide you with an overview of the key observations, insights, and recommendations which emerged from the March meeting of your Advisory Board on the subject of Race and Stereotypes. The Board meetings took place at the University of Colorado Auraria Campus in Denver on the evening of March 23, and the morning and afternoon of March 24. In addition to this overview, I am also providing two attachments which discuss the activities and findings of the meeting in greater depth.

The issue of racial stereotypes is a core element of our problems of racial division and the lack of inclusion. Stereotypes influence how people of different races and ethnicities view each other, and as a consequence, treat each other. Perhaps because the issue is so intensely personal and simultaneously so important to race relations between groups, the proceedings were sometimes very emotional, but ultimately were quite enlightening. In fact, the Board and Secretary Federico Pena, who joined us, learned a great deal about how the Initiative can include more Americans in the national discussion on race. In this letter, I will discuss two major issues: first, how to use the information we gathered concerning stereotypes to expand the national dialogue so that the discussion is more inclusive; and second, the need to develop a strategy that will meet the diverse needs and concerns of American Indians.

Causes, Effects, and Strategies for Combating Racial Stereotypes

The meeting had been designed to increase the Board's understanding of the causes and effects of racial stereotypes, and potential strategies for combating them. We distilled three primary messages about the causes of racial stereotypes.

- Everyone is subject to having stereotypes, because stereotyping is an inevitable, automatic, and often unconscious function of the human mind.
- The idea that we should aspire to a "colorblind" society is an impediment to reducing racial stereotyping. On one hand, the concept discourages placing value on race: on the other hand, if one ignores or eliminates consideration of race, there is no way to deal with the manifestations of racial bias or prejudice (i.e. racial discrimination). Given that research has demonstrated that the best way to reduce

*CC Bureau
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racial stereotyping is to be conscious about racial differences, it is important to present a thoughtful alternative to the “colorblind society” concept.

- Studies have shown that racial stereotyping is learned. The sources of information that help form stereotypes include families, media images, and various social institutions, including schools.

Panelists at the meeting discussed three different effects that racial stereotypes have on people and society.

- Most well-known were the effects of stereotypes on relations between individuals in different groups. These effects range from people being denied respect to people being denied significant opportunities, such as for housing or employment.
- The Board also learned about the effects of stereotypes on people within negatively stereotyped groups. For instance, there is very strong, documented evidence that reminding people of their membership in a negatively stereotyped group not only measurably raises people’s stress, but also lowers their performance on “objective” measures (such as standardized tests). Equally important, negative stereotypes about a group tend to lead people in that group to limit expectations for themselves.
- Perhaps most pernicious are the ways in which stereotypes can become institutionalized by organizations. This happens merely because organizations rely on the discretion of individuals who are subject to acting on racial stereotypes, often without their awareness. For example, if a high school’s counselors tend to discourage minority students from entering advanced placement classes, they teach both minority and majority students that minority students are not associated with academic excellence.

Our discussion of strategies for combating stereotypes touched on the primary role of personal motivation, but also focused on the institutional conditions that increase the odds that people will be motivated to pay attention to their stereotypes and overcome them. These conditions occur when:

- Authority figures have established norms and values for egalitarian behavior, and hold people accountable for how all groups are treated.
- People are supervised by people in racial groups other than their own.

- People are involved in collective action where they are in interdependent relationships with people from other groups.

Your own administration has reflected a commitment to creating conditions that help combat stereotypes. By appointing a cabinet that looks like America, by requesting greater funding to fight housing and employment discrimination, by advocating for affirmative action, and through your promotion of Americorps and the Promising Practices project of the Initiative, you have shown significant leadership by influencing institutions in the ways described.

A more thorough discussion of the causes, effects, and strategies for combating stereotypes is provided in Attachment 1.

Recommendations for the President

Because the issue of racial stereotypes is a core issue to race relations, and because the issue affects all people and institutions, the Board is recommending three new courses of action.

Create a major Presidential media event that focuses on stereotypes, and what can be done about them.

As the nation's leader and as a leading authority figure, you are in the unique position to underscore the link between racial discord in society and the stereotypes that lurk in the very private realm of our hearts and minds. The public needs to understand that each person -- yourself included -- is subject to having racial stereotypes, because our minds cannot help but absorb the racial stereotypes that unfortunately have always polluted American culture. The public needs to be challenged with the idea that overcoming racial stereotypes may not be as easy as declaring oneself "colorblind," but rather might be a continual process of reexamining how one's thoughts and actions are either reflecting or overcoming racial stereotypes. The public needs to understand that this process of reexamination is not merely a personal activity requiring introspection, but also a social process involving dialogue with others. This dialogue also serves the vital function of educating people so that knowledge about other people replaces stereotypes that they have learned. The public also needs a reminder that your own push for involvement in interracial civic projects is a proven way for people to reduce racial stereotypes.

In creating an event that garners significant media and public attention, you could choose from either a traditional or innovative approach. For example, a traditional approach would be to deliver a major Presidential address on the subject. In such an address, you would demonstrate a clear understanding of the issue of racial stereotypes,

and offer your reflections about how each of us must engage in a lifelong struggle with them. You also might choose a more innovative communicative approach, such as free-form "fireside chat" with a few thoughtful Americans who would engage you in a group discussion about stereotypes. This approach would allow the public a chance to see you thinking out loud with other citizens about the personal and societal struggles against stereotypes.

There is little doubt that some might question your focusing a Presidential event on racial stereotypes, instead of more traditional race-related policy issues such as education, poverty, immigration, or employment. However, we believe that an event about stereotypes could be cast in a way that not only encourages personal reexamination, but also calls for our nation to revisit the ways that our institutions are operating. Your event could integrate race-related institutional and public policy problems by also discussing the ways that our personal thinking and institutional decision-making about such issues are often subtly influenced by racial stereotypes. By identifying the connection between the country's racial problems and the issue of stereotypes, you could redefine racial dilemmas in personal, institutional, as well as public policy terms. The event -- whether a speech, fireside chat, or other format -- would need to include a call to action. This call to action would remind people that all of us -- especially local leaders -- are in a position to advocate for changes in the ways that stereotypes become unconsciously institutionalized into virtually every organization in society.

I should add that there is ample historical precedent for Presidents using the bully pulpit to bring public attention to such issues. After the Birmingham church bombings, President Kennedy delivered a powerful speech in June 1963 lamenting the attack, and pointed out the damage to our nation's collective spirit when people classify some racial groups as "other" than themselves. After the passage of the Voting Rights Act of 1965, President Johnson gave a notable commencement address at Howard University which recognized the historical legacy of racism and which encouraged Americans to grapple with the personal and institutional burdens that this legacy leaves with us. In our view, a Presidential event that redefines personal and institutional problems around race in terms of racial stereotypes would continue the tradition of Presidents offering the nation greater clarity about our on-going dilemmas of race.

• *Institutionalize the administration's promotion of racial dialogue.*

In a variety of ways, the Initiative is promoting involvement in small group racial dialogue. (Examples of these Initiative efforts include the production of the One America Dialogue Guide, the Campus Week of Dialogue which included about 600 institutions, and the Statewide Days of Dialogue, which included over 40 governors and over 100 YWCA branches). In addition to helping more Americans learn about racial issues, these

efforts help reduce stereotypes by creating interdependencies and a common mission between people of different racial groups. We urge you to continue your commitment to racial dialogue so that it is institutionalized after the end of the Initiative. For example, you might declare one month per year as Racial Dialogue Month, and urge government, educational, and other institutions to provide forums for people to talk about racial issues. Perhaps you could explore increases in the funding of the Justice Department's Community Relations Service, which attempts to use community dialogue to reduce racial tensions. While I am not familiar with all of the possibilities for institutionalizing the dialogue within the government and society, we urge that you ask your staff to help you define useful strategies in this regard.

✓ *Convene a high-level meeting of executives, practitioners, and scholars in various media industries about the problem of racial stereotypes.*

The primary purpose of the meeting would not be to assign blame, but rather to focus Presidential and public attention on the role of the media in both helping and hindering societal progress about the issue of stereotypes. The meeting would help clarify for the public the dilemmas that media decision-makers face about stereotypes. (For example, racial stereotypes work very well as a shorthand for quickly conveying thoughts and feelings to the public, but relying on these images helps perpetuate unfortunate patterns of behavior based on race). During the meeting, you could encourage participants to pursue a number of strategies so that the media could play a more positive role with respect to stereotypes. For example, you might discuss their interest in producing new shows or series which might explore race-related issues often ignored. In addition, you might discuss the possibility of media organizations developing mechanisms to monitor their own progress in diminishing the occurrence of racial stereotypes.

American Indian Inclusion

As mentioned, members of the Initiative conducted two special meetings with American Indian leaders before the Board meeting. At each of these meetings, participants expressed dismay and frustration about the lack of direct Indian representation on the Advisory Board. Because no one in either meeting was able to change this reality, and because an effort to add an Indian Board member would likely take several months, the conversation moved to other mechanisms for ensuring that American Indian perspectives were part of the Board's deliberation. Some of these ideas will be enumerated below.

Despite the fact that the discussions around these options seemed cordial, our March 23 meeting was nevertheless disrupted by people angrily criticizing the constitution of the Board. More importantly perhaps, while only a relatively small number of people actively disrupted the meeting, a much larger number appeared to tacitly

support the protestors' position. Furthermore, many non-Indian community speakers expressed their dismay over the lack of American Indian inclusion on the Board. For a significant part of the meeting, the community was so concentrated on the Indian issue that they were unable to focus on the agenda of the meeting.

Though I disagreed with the tactics by some members of the audience, I do have some understanding of why they were so incensed. There is a long history of people, especially minorities, feeling that the apparatus of government has made a conscious attempt to exclude their voices. I expect that there may have been some understandable reasons for not including an American Indian on the Board. Nevertheless, the continued lack of an American Indian Board member reminds many of historical patterns of exclusion that you are committed to changing.

In order that the Initiative's public events not be continually overwhelmed by this issue to the exclusion of broader concerns, it is essential that the you undertake some very public actions to rectify current perceptions by the public.

Some of the options discussed during the meetings in Denver include:

- conducting an unprecedented Presidential visit to an Indian reservation;
- convening a White House summit about economic developments in Indian Country;
- convening a report specifically-focused on American Indian concerns (the lead might be taken by a council of tribes which would share information with appropriate federal agencies)

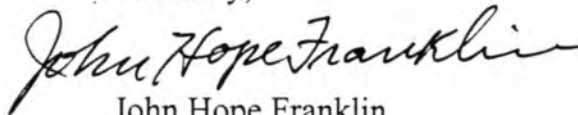
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We recognize that efforts to leverage the knowledge gained at this meeting about racial stereotypes and about the perceptions of American Indian inclusion will require significant effort. At the same time, our new understanding clarifies important opportunities. A public event discussing the nature of our personal and institutional challenges to stereotypes would likely serve the nation well. Institutionalizing Presidential commitment to racial dialogue would help ensure that the important strides made during the Initiative are continued into the 21st century. A meeting with media representatives about their role in helping eradicate racial stereotypes would likely have a very profound effect on the media and the public. Lastly, I hope that you can take decisive action to increase the input of American Indians to the Initiative so that we can proceed to address American Indian concerns within the larger context of the nation's ongoing racial challenges.

There are 2 attachments to provide you with additional information about our

Board meeting. Attachment 1 reviews the findings about stereotypes in greater depth, and discusses some important insights we gained about the diverse purposes of racial dialogue. Attachment 2 provides excerpts of the panelists' comments about how racial stereotypes affect the American Indian community.

Sincerely,

A handwritten signature in cursive script that reads "John Hope Franklin". The signature is written in black ink and is positioned above the printed name and title.

John Hope Franklin
Chairman

Attachment 1: Racial Stereotypes and Racial Dialogue

The following attachment provides a more thorough discussion and explanation of many of the points in the letter about racial stereotypes. It also discusses some important insights that were gained about racial dialogue.

As mentioned, the meeting distilled three important lessons about the causes of racial stereotypes.

Lesson 1) Everyone is subject to having stereotypes, because stereotyping is an inevitable and automatic function of the human mind.

The human mind naturally places objects it perceives in categories in order to make split-second assessments necessary for making decisions in the world; we do this for people as well as for furniture, animals, and all objects we perceive. This natural and unavoidable function of the mind, in combination with this nation's extraordinary racial diversity makes it impossible for us to not notice what racial group people belong to. Our placing humans in racial groups inevitably brings to our minds (often unconsciously) generalizations we have learned to associate with these groups. In addition, the generalizations we make about categories of people (and other objects), are very resilient, and are often maintained even in the face of numerous "exceptions."

These generalizations are especially easy to maintain in light of the residential segregation that we learned about at earlier meetings. That is, because the vast majority of Americans live in racially isolated communities, we have relatively few experiences where we might discover that the racial generalizations we learn are likely to lead us to misjudge people. As a result of this legacy of racial segregation (which we did not create), we are very subject to believing and perpetuating stereotypes of groups other than our own.

Lesson 2) Racial stereotypes in America are particularly hard to eliminate

Our unavoidable habit of noticing people's race would not be problematic, except for the fact that this habit combines with three other social processes. First, whether people define their groups based on region of birth, age, religion, ethnicity, race, or other arbitrary factors, human beings have a natural inclination to think more positively of members of their own group than members of other groups. Second, American culture's unfortunate inheritance of racism includes a system of hierarchical racial categories wherein some groups are considered superior to others; in addition, within our culture's ideological inheritance is an association of some racial groups, with particular negative social traits.

The final social process that makes American racial stereotypes difficult to eradicate is relatively new, and is the most changeable. When the nation began to unravel some of its cultural legacy of racism in the 1960's and 1970's, many people began to believe that the best way for individuals to limit the effects of the nation's racist past was to act as if race did not exist. Though well-intentioned, this myth was ultimately very unfortunate. At the meeting, we learned from social scientists that because stereotypes typically function below the level of conscious awareness, the way to reduce their effect is to *consciously try* to notice and overcome them. Thus, the idea that people should be "colorblind" is worse than an inaccurate myth -- it is actually *counterproductive* to racial reconciliation. Although well-intentioned, the myth of colorblindness inhibits people from making the effort to become educated about the individual and group experiences of others -- an education which is critical to the diminishment of stereotypes.

Lesson 3) Societal institutions play a major role in perpetuating racial stereotypes

The primary institutions that are considered responsible for stereotype perpetuation are those that directly create knowledge for people at early stages in life. These include most prominently families and peer groups, the news and entertainment media, and educational institutions. Not only do these sources of information imprint racial stereotypes on us at remarkably early ages, they subsequently reinforce the stereotypes by reminding us which members of groups are considered "normal," "abnormal," and which are considered "exceptions that prove the rule."

Institutions also play a role in perpetuating stereotypes beyond the formative years. For instance, to the extent that institutional roles are fulfilled in ways that reflect stereotypes, these institutions function to confirm those stereotypes. For example, an organization that has overwhelmingly minority support staff and overwhelmingly white management tends to subconsciously confirm -- for people both inside and outside the organization -- the stereotype that people of color are not appropriate for management positions.

Effects of Stereotypes

The Board learned that there is strong scientific evidence that being reminded of one's membership in a negatively stereotyped group not only measurably raises the stress experienced by people, but also can lead to decreased performance on "objective" measures, such as standardized tests. One of our panelists (Dr. Claude Steele from Stanford) has uncovered a phenomenon called "stereotype threat" that can have negative effects on people's performance. Specifically, he has found that simply by reminding people, even vaguely, that they are in a group which is thought to have less academic talent than other groups influences people to score less well on standardized tests. This effect has been found most dramatically for blacks and Hispanics; it has also been found for whites when they are reminded before a test that Asians are reputed to be smarter

academically.

Another way that racial stereotypes affect stereotyped groups is to influence them to change their expectations for themselves. Research both in this country and abroad indicates that while negative stereotypes do not necessarily reduce a group's self-esteem, they often influence people in the group to redefine where their sources of esteem come from. Thus, negative stereotypes about Hispanics' academic success, for example, might influence Hispanics to focus less on school success and more on supporting their families as a component of their self-esteem.

Stereotypes also lead to a wide range of denials of respect and/or privileges that people should be accorded. Some of these denials can be of respect and dignity; for example, Secretary Pena and Dr. Franklin both discussed cases when they were presumed to be waiters and parking attendants. Stereotypes can lead whites and people of color to deny to others basic presumptions of character; for instance, the meeting included whites who discussed being stereotyped as racist by people of color who did not know them. These presumptions and negative assessments can even apply within groups, such as when people in negatively stereotyped groups think that their group is incapable of success. Finally, these stereotypes can result in significant disruptions of people's freedoms and liberties, such as when racial stereotypes lead to denials of access to housing or employment.

Also, because stereotypes are widespread through society, they can become institutionalized in the practices of societal organizations. For example, police profiling based on race not only is caused by societal stereotypes that some minority groups are prone to criminality, but also has the effect of maintaining the stereotypes by keeping arrest rates for some racial groups disproportionately high.

Strategies for Combating Racial Stereotypes

While the unavailability of stereotypes and their impact in daily life represent perhaps bad news, there is a great deal of good news that emerged from the meeting. Specifically, the meeting highlighted what all people committed to fighting racism know - that with sufficient motivation and conscious effort people can overcome the negative associations about other racial groups. But while the solutions to racial stereotypes largely hinge on individuals' motivation to reexamine themselves, society's institutions and the people who lead them have a special role to play. It turns out that there are particular conditions that are known to increase people's motivation to pay attention to their stereotypes and overcome them. These conditions are described below:

Condition 1) People are supervised by people in racial groups other than their own.

Research about racial and non-racial stereotypes generally shows that people in

subordinate positions tend to have fewer and more changeable stereotypes than those in superior positions. This is caused by the fact that being in a subordinate position requires people to make more refined assessments of those in power, while people in more powerful positions do not necessarily experience negative consequences if their assessments of subordinates are muddied by racial stereotypes. As a result, having people from negatively stereotyped groups (people of color, women, the disabled, etc.) in positions of power and authority not only expands opportunity, but also forces people to confront their stereotypes of these groups.

Condition 2) The authority figures in an organization have established norms and values for egalitarian behavior, and hold people accountable for how all groups are treated.

Institutional norms for egalitarian behavior and accountability measures against discriminatory treatment serve as “carrot and stick” functions for people to reexamine their stereotypes. That is, authority figures can motivate people to combat racial stereotypes by aggressively promoting the positive value of egalitarian treatment of people from all groups. At the same time, institutional leaders can give these values teeth by enforcing negative sanctions for managers who do not ensure that people from all groups are treated fairly. As many recent examples from the corporate world attest, these strategies work best when leaders combine efforts to punish discriminatory behaviors with messages that racial diversity is something that is positively valued.

Condition 3) People are involved in collective action where they are in interdependent relationships with people from other groups.

Research indicates that people are more motivated to reduce stereotypes after they have had an experience where they relied upon people from other groups in order to complete a common task. The experience of working toward a common goal makes it more difficult to believe that people in other groups are fundamentally different than oneself; the experience of working in a truly interdependent manner increases the likelihood that people will recognize and challenge whatever stereotypes they hold that portray some racial groups as having more inherent value than other groups.

To a large extent, your own administration has reflected a commitment to creating conditions that help combat stereotypes. By appointing a cabinet that looks like America, you fight stereotypes by giving hundreds of thousands of federal employees (and the rest of the nation) an opportunity to ponder that people of all racial groups could serve as top management. By requesting greater funding to fight employment discrimination and by advocating affirmative action, you fight stereotypes by increasing the number of people whose institutions remind them that people from all groups are to be treated equally. And through your promotion of Americorps, the Promising Practices effort of the Initiative, and involvement in small dialogue groups, you fight stereotypes by encouraging more participation in actions that foster interdependent relationships with a common mission

across racial lines.

Discoveries about Racial Dialogue

The level of engagement and emotion of the public in our meeting illustrated important lessons about creating forums of dialogue that foster feelings of inclusion. The March 23 citizen dialogue, modeled after the Akron Town Hall, was disrupted by people who wanted to confront the Board about its not having an American Indian representative. In response to the disruption, the format of the meeting was changed into a more traditional community forum, where members of the public could make comments at a microphone in the audience. In the course of the evening, members of the community not only lamented the constitution of the Board, but also frequently mentioned the need for voices from all communities to be heard by the Board, and by all of those in attendance.

The expert panel on March 24 to some extent ran according to our planned format of experts offering their testimony to the Board. However, well before the schedule called for questions from the audience, people began to loudly complain that “this is not a dialogue,” and demanded that the community be allowed to speak. Many of them spoke about how the issue of stereotypes had personally affected them, while others talked about a host of other topics, such as their perceptions that some federal agencies did not enforce civil rights laws, institutional racism by police departments and educational systems, or their individual obligations in the fight against racism. Although the original agenda called for using the afternoon session to let the Board summarize what it had learned about stereotypes, the community forum continued after lunch.

As mentioned, the eagerness of the audience to participate in the conversation illustrated that the issue of racial stereotypes is extraordinarily compelling to average community members. In addition, the meeting crystallized that dialogue on race actually has a number of different purposes, not all of which can be achieved in one standard format. As various ways to foster public dialogue about race after the Initiative year ends are considered, it is important to recognize several lessons about the very diverse needs and purposes of “dialogue about race.”

Specifically, the nation’s cultural taboo against talking honestly about race in mixed company has fostered a need for venues that allow people to openly express their frustrations about a range of racial issues, including their sense that their opportunities have been limited because of race. For many people, forums designed to accommodate the discussion of a wide set of topics are necessary so that many people can feel welcomed in offering their personal testimony about how racial issues have affected them. By contrast, focused deliberation about a particular problem and potential solutions is also an important goal of some racial dialogues; many people feel frustrated if a

conversation merely focuses on the expression of widely disparate problems and does not focus on considering alternative solutions. This spectrum of discussion -- from open expression of feelings to focused deliberation on solutions -- might be called the content dimension of dialogue.

In addition, people need to communicate their perspective on race relations to authority figures and decision-makers. Despite your admirable efforts to make the public feel included in your administration, many people do not feel included in society's decision-making processes, and want to communicate their concerns about race to people they perceive to be in positions of power. Many people told us explicitly that they wanted to express their concerns about race to us, so that we would take their messages back to Washington and perhaps begin to provide relief. By contrast, people also need forums for communicating with fellow citizens about their concerns. Several people also told us of their desire to communicate their thoughts and feelings about race to other members of their own communities so that they could more effectively design local solutions. This spectrum of audiences - from remote authority figures to fellow members of the local community -- might be called the target dimension of dialogue.

In order for an organization fostering racial dialogue to most effectively serve the public, it must explicitly consider the specific ways that its forums fulfill both the content and target dimensions of its dialogue. Specifically, people who are trying to foster discussion about race clarify the important but limited functions that large public events serve within the larger framework of racial dialogue. The Initiative must better educate the public that the Board meetings -- wherein national experts deliberate solutions for the benefit of the Board -- do not constitute the "national dialogue on race," but are instead only a small part of it. It is the job of all those connected with the Initiative to not only educate the public about issues of race, but also inform them about the very different forms and functions of racial dialogue.

Attachment 2: Meeting excerpts -- Racial stereotypes and Native Americans

In order to make a special effort ensure that the perspective of American Indians is considered, two excerpts from the March 24 morning meeting are provided. These excerpts present the bulk of meeting remarks focused on how racial stereotypes have and continue to affect the American Indian community. The speakers are Mr. William Gollnick, Director of Legislative Affairs of the Onieda Tribe, Dr. Phyllis Katz, Director of the Institute for the Study of Social Problems, and Dr. Joe Feagin, University of Florida, Gainesville.

(Excerpt 1)

MR. GOLLNICK: One of the very unfortunate things that I have observed is that our public schools, elementary and secondary, are certainly institutions that, if not suggesting strongly that stereotypes continue to be representative of the people, they do suggest depth to those people than what is existing in the textbook series, and so on. Such that, I mean, the textbooks are developed in the United States to formulas that are driven basically by California, Texas, and New York. Those of us who are not of so-called minorities, in those states where we then become significant, do not become part of those text series.

Teachers in teacher education programs are not introduced to content that has to do with certain Native American peoples. And in my personal recollections, I recall a photograph of the driving of the golden spike, that promontory point, where the two railroads came together, and made a national railroad. And looking at the picture, there was not one Asian in the scene. And yet, almost all of the labor that made that railroad possible was done by Asians. There has been a systematic attempt to leave others out of the curriculum. And I think as we look to schools today, it's going to become increasingly important that we don't become, as detractors have suggested, educational or historic revisionists. But rather that we look at the legitimate history of the United States, and let our curricula demonstrate that.

DR. FEAGIN: I think when you think about the sources of stereotypes, you can think about them coming from the bottom up, and from the top down. And we tend to, I think, focus on the role of everyday people, and ordinary folks, in creating racist or racial stereotypes of other groups. But I think one thing we need to introduce in the discussion is the responsibility over the long course of American history of the elites, and the leadership of the country, in intentionally fostering stereotypes and images of certain groups in order to exploit or oppress them.

I think you can go all the way back to the Indians, whose current descendants protested last night, perhaps the first recorded hostile stereotypes created in North America were created by the English settlers who came to Jamestown and other places. Who saw native Americans as savages, as uncivilized, as un-Christian, which were images created in order to take their lands, and to see them as not human beings, and therefore we could take their lands.

Now, what is striking about the Native Americans, and later of African-Americans who were brought in as slaves, many of these early images were created by the leadership of the colonies in the new United States. The racist thinking that's so pervasive now in Klan-type materials is very similar to the arguments of leading German, and European, and American scholars around 1776, 1790.

Thomas Jefferson, for example, articulated a very racist image of Africans as lazy, as an inferior race. And our leadership, over time to the present day, must take some responsibility in education, in politics, in the ministry, for these racist images and stereotypes of out-groups.

DR. KATZ: So you're suggesting, then, that there was a deliberate quality to this? Or were they just expressing their own attitudes?

DR. FEAGIN: I think there is an intentional quality to some of it. The attempt to rationalize -- I guess the word is rationalization. One of the reasons for stereotyping and prejudices is to rationalize behavior. That if I'm taking your land, or I'm taking you as a slave, it's easier for me as a white Christian to believe that you're inferior, un-Christian, uncivilized. It's easier for me to enslave you, or to take your land.

(Excerpt 2)

MR. GOLLNICK: It seems to me that as we talk again about institutions, the reality is that stereotypes, as it relates to Indian people, continues to evolve. I mean, we have historic stereotypes, the mascot type of characters, or the B-westerns types of characterize. One of the stereotypes that exists about American Indians today in Washington has to do with all Indians being rich, for instance. And using a stereotype as a way to de-humanize, to objectify a people, means that then the issue can be looked at through a corporate lens, as opposed to a personal lens.

When we look at the effect of tribes beginning to be successful, we find that there is an incredible backlash in many communities. Arguments from some Members of Congress about Indians actually being corporations now, as opposed to tribal

governments. And using that as a foundation for proposing, for instance, a 34 percent tax of any revenue generated by any tribe. This seriously misleads the public about the role of government. I know my tribal chair, for instance, has an annual salary of \$47,000. Although we have 4,000 employees, and we're the largest employer in our area. The second largest employer has her equivalent in a seven-figure salary.

That is private sector. We have to function as governments. And yet, there isn't that understanding. I think the stereotypes about Indian people have not gone to the historic or the contemporary, as related to the media issue earlier. Even as we see better portrayals of Indian people historically, through the media, we see no portrayals of Indian people in the contemporary. And what that means is that Americans still think of Indians as past-tense phenomena. We are presumed to be a defeated people, even though in the state of Wisconsin, my home state, every foot of land was acquired by treaty, none of it by conquest.

And when we think of the fact that the -- that my people also participated in the Revolutionary War. And President Washington said, "Were it not for the aid of the Indians, the war would have been lost." And that does not find its way into our history.

DR. KATZ: Millions of native Americans and others are offended by some sports team names that refer to Indian people. Yet millions of other Americans are attached to the traditions that those sports team names convey. So, how should we think about balancing these various concerns?

MR. GOLLNICK: The issue in professional sports is one where, as long as America is comfortable with subjugating and objectifying Indian people, that those private sector areas will continue to use that logo, those mascots, those images. As long as it's acceptable to Americans, as long as people will continue to buy the product, they'll go to the game. They'll buy the jerseys. They'll do the other things that make it attractive for the owners to use those logos and mascots. It will continue.

It seems to me that while we look at those issues, and we have concern about that, the greater issue for me occurs in the elementary and secondary schools, where logos and mascots continue to be used. And those are places where our young people should have an opportunity to learn about other cultures in legitimate ways. That we're preparing in those schools the future generation of these Americans that we're talking about now.

I mean, the whole -- the whole focus of this body, as I understand it, is to make recommendations about where we need to go. And I think certainly that is one of the recommendations that needs to be addressed. There needs to be a focus, a series of recommendations, by qualified educators, about content in the public schools, that

prepares our children, not only in the areas of math, reading, and science, but also in the areas of inter-cultural awareness.

And I suggest that be something that become part of an integrated curriculum. That is to say that we can inter-cultural examples as we teach math. We can use different kinds of language examples during social studies. There are a lot of ways in which we can do things together, when many academics suggest that we have to give up one thing to do the other. I don't think that that's necessary, at all.

I think the issue of mascots and logos are ones where it typifies the understanding, America's understanding of Indian people. Who would feel comfortable in this room if we put a generic white gentleman on the wall, and said, we're putting him up there to honor him? He might be German, he might be Italian, he might be French. It really doesn't matter. The concept is an honoring one, and therefore, we're acknowledging all people of that race. I think for anyone else in America, that would be an outrage. For Indians, it's been resisted over, and over, and over again. And I think it's really time that we look at this seriously, and do something about it.

RELIGIOUS OUTREACH

- **Religious Freedom Abroad.** Your announcement of Robert Seiple should be very helpful with administration critics on religious freedom. At the briefing by Assistant Secretary Shattuck which followed your event with the religious leaders, these three points regarding your trip to China were raised by members of the State Department Advisory Committee and religious leaders: Request that you ask that the legality of both the arrest and the conviction of Bishop Xu be re-evaluated. If he is to be freed, it should be within China not to the west; they urge support for: one, the establishment of a commission to ensure due process for religious believers; and two, establishment of a government liaison position to be the point of contacts for the families of religious prisoners. There is some fear that when the Dalai Lama dies, the government will appoint his successor.

WOMEN'S OFFICE OUTREACH

- **Joint Meeting of the Interagency Committee on Women's Business Enterprise (ICWBE) and the National Women's Business Council (NWBC).** At a joint meeting of ICWBE and NWBC both organizations agreed that meeting the federal goal of 5% procurement, primarily in the areas of defense spending, but also commerce and transportation, is their primary goal. White House officials relayed support for taking up discussions at the cabinet level on how to make this Administration-wide 5% goal a real priority and highlighted other challenges facing women business owners, especially minority women.
- **The Washington Mystics.** Mrs. Gore officially welcomed the new Washington Mystics women's professional basketball team to town with a reception and press avail at the Vice President's residence.

ASIAN PACIFIC AMERICAN OUTREACH

- Ca Stein*
- **Civil Rights Advocates Rallying around Paul Igasaki.** LCCR and others are mindful that few legislative days remain and are worried that Igasaki's reappointment to the EEOC will be lost in the process.

HISPANIC OUTREACH

- **Bilingual Education.** OPL, DPC and NEC met with the Department of Education to discuss the possible proposed alternative to the Riggs proposal. The Department of Education is in the process of drafting the proposed language. Tactical issues remain as to the timing of the introduction of an alternative.
- **Families of the Cuban Pilots.** OPL met with the families of the Cuban Pilots who



ONE AMERICA IN THE 21ST CENTURY

The President's Initiative on Race

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

JUN 16 1998

Dear Mr. President:

I am very pleased to provide you with an overview of the key observations, insights, and recommendations which emerged from the March meeting of your Advisory Board on the subject of Race and Stereotypes. The Board meetings took place at the University of Colorado Auraria Campus in Denver on the evening of March 23, and the morning and afternoon of March 24. In addition to this overview, I am also providing two attachments which discuss the activities and findings of the meeting in greater depth.

The issue of racial stereotypes is a core element of our problems of racial division and the lack of inclusion. Stereotypes influence how people of different races and ethnicities view each other, and as a consequence, treat each other. Perhaps because the issue is so intensely personal and simultaneously so important to race relations between groups, the proceedings were sometimes very emotional, but ultimately were quite enlightening. In fact, the Board and Secretary Federico Pena, who joined us, learned a great deal about how the Initiative can include more Americans in the national discussion on race. In this letter, I will discuss two major issues: first, how to use the information we gathered concerning stereotypes to expand the national dialogue so that the discussion is more inclusive; and second, the need to develop a strategy that will meet the diverse needs and concerns of American Indians.

Causes, Effects, and Strategies for Combating Racial Stereotypes

The meeting had been designed to increase the Board's understanding of the causes and effects of racial stereotypes, and potential strategies for combating them. We distilled three primary messages about the causes of racial stereotypes.

- Everyone is subject to having stereotypes, because stereotyping is an inevitable, automatic, and often unconscious function of the human mind.
- The idea that we should aspire to a "colorblind" society is an impediment to reducing racial stereotyping. On one hand, the concept discourages placing value on race: on the other hand, if one ignores or eliminates consideration of race, there is no way to deal with the manifestations of racial bias or prejudice (i.e. racial discrimination). Given that research has demonstrated that the best way to reduce

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racial stereotyping is to be conscious about racial differences, it is important to present a thoughtful alternative to the “colorblind society” concept.

- Studies have shown that racial stereotyping is learned. The sources of information that help form stereotypes include families, media images, and various social institutions, including schools.

Panelists at the meeting discussed three different effects that racial stereotypes have on people and society.

- Most well-known were the effects of stereotypes on relations between individuals in different groups. These effects range from people being denied respect to people being denied significant opportunities, such as for housing or employment.
- The Board also learned about the effects of stereotypes on people within negatively stereotyped groups. For instance, there is very strong, documented evidence that reminding people of their membership in a negatively stereotyped group not only measurably raises people’s stress, but also lowers their performance on “objective” measures (such as standardized tests). Equally important, negative stereotypes about a group tend to lead people in that group to limit expectations for themselves.
- Perhaps most pernicious are the ways in which stereotypes can become institutionalized by organizations. This happens merely because organizations rely on the discretion of individuals who are subject to acting on racial stereotypes, often without their awareness. For example, if a high school’s counselors tend to discourage minority students from entering advanced placement classes, they teach both minority and majority students that minority students are not associated with academic excellence.

Our discussion of strategies for combating stereotypes touched on the primary role of personal motivation, but also focused on the institutional conditions that increase the odds that people will be motivated to pay attention to their stereotypes and overcome them. These conditions occur when:

- Authority figures have established norms and values for egalitarian behavior, and hold people accountable for how all groups are treated,
- People are supervised by people in racial groups other than their own.

- People are involved in collective action where they are in interdependent relationships with people from other groups.

Your own administration has reflected a commitment to creating conditions that help combat stereotypes. By appointing a cabinet that looks like America, by requesting greater funding to fight housing and employment discrimination, by advocating for affirmative action, and through your promotion of Americorps and the Promising Practices project of the Initiative, you have shown significant leadership by influencing institutions in the ways described.

A more thorough discussion of the causes, effects, and strategies for combating stereotypes is provided in Attachment 1.

Recommendations for the President

Because the issue of racial stereotypes is a core issue to race relations, and because the issue affects all people and institutions, the Board is recommending three new courses of action.

Create a major Presidential media event that focuses on stereotypes, and what can be done about them.

As the nation's leader and as a leading authority figure, you are in the unique position to underscore the link between racial discord in society and the stereotypes that lurk in the very private realm of our hearts and minds. The public needs to understand that each person -- yourself included -- is subject to having racial stereotypes, because our minds cannot help but absorb the racial stereotypes that unfortunately have always polluted American culture. The public needs to be challenged with the idea that overcoming racial stereotypes may not be as easy as declaring oneself "colorblind," but rather might be a continual process of reexamining how one's thoughts and actions are either reflecting or overcoming racial stereotypes. The public needs to understand that this process of reexamination is not merely a personal activity requiring introspection, but also a social process involving dialogue with others. This dialogue also serves the vital function of educating people so that knowledge about other people replaces stereotypes that they have learned. The public also needs a reminder that your own push for involvement in interracial civic projects is a proven way for people to reduce racial stereotypes.

In creating an event that garners significant media and public attention, you could choose from either a traditional or innovative approach. For example, a traditional approach would be to deliver a major Presidential address on the subject. In such an address, you would demonstrate a clear understanding of the issue of racial stereotypes,

and offer your reflections about how each of us must engage in a lifelong struggle with them. You also might choose a more innovative communicative approach, such as free-form "fireside chat" with a few thoughtful Americans who would engage you in a group discussion about stereotypes. This approach would allow the public a chance to see you thinking out loud with other citizens about the personal and societal struggles against stereotypes.

There is little doubt that some might question your focusing a Presidential event on racial stereotypes, instead of more traditional race-related policy issues such as education, poverty, immigration, or employment. However, we believe that an event about stereotypes could be cast in a way that not only encourages personal reexamination, but also calls for our nation to revisit the ways that our institutions are operating. Your event could integrate race-related institutional and public policy problems by also discussing the ways that our personal thinking and institutional decision-making about such issues are often subtly influenced by racial stereotypes. By identifying the connection between the country's racial problems and the issue of stereotypes, you could redefine racial dilemmas in personal, institutional, as well as public policy terms. The event -- whether a speech, fireside chat, or other format -- would need to include a call to action. This call to action would remind people that all of us -- especially local leaders -- are in a position to advocate for changes in the ways that stereotypes become unconsciously institutionalized into virtually every organization in society.

I should add that there is ample historical precedent for Presidents using the bully pulpit to bring public attention to such issues. After the Birmingham church bombings, President Kennedy delivered a powerful speech in June 1963 lamenting the attack, and pointed out the damage to our nation's collective spirit when people classify some racial groups as "other" than themselves. After the passage of the Voting Rights Act of 1965, President Johnson gave a notable commencement address at Howard University which recognized the historical legacy of racism and which encouraged Americans to grapple with the personal and institutional burdens that this legacy leaves with us. In our view, a Presidential event that redefines personal and institutional problems around race in terms of racial stereotypes would continue the tradition of Presidents offering the nation greater clarity about our on-going dilemmas of race.

4. *Institutionalize the administration's promotion of racial dialogue.*

In a variety of ways, the Initiative is promoting involvement in small group racial dialogue. (Examples of these Initiative efforts include the production of the One America Dialogue Guide, the Campus Week of Dialogue which included about 600 institutions, and the Statewide Days of Dialogue, which included over 40 governors and over 100 YWCA branches). In addition to helping more Americans learn about racial issues, these

efforts help reduce stereotypes by creating interdependencies and a common mission between people of different racial groups. We urge you to continue your commitment to racial dialogue so that it is institutionalized after the end of the Initiative. For example, you might declare one month per year as Racial Dialogue Month, and urge government, educational, and other institutions to provide forums for people to talk about racial issues. Perhaps you could explore increases in the funding of the Justice Department's Community Relations Service, which attempts to use community dialogue to reduce racial tensions. While I am not familiar with all of the possibilities for institutionalizing the dialogue within the government and society, we urge that you ask your staff to help you define useful strategies in this regard.

Convene a high-level meeting of executives, practitioners, and scholars in various media industries about the problem of racial stereotypes.

The primary purpose of the meeting would not be to assign blame, but rather to focus Presidential and public attention on the role of the media in both helping and hindering societal progress about the issue of stereotypes. The meeting would help clarify for the public the dilemmas that media decision-makers face about stereotypes. (For example, racial stereotypes work very well as a shorthand for quickly conveying thoughts and feelings to the public, but relying on these images helps perpetuate unfortunate patterns of behavior based on race). During the meeting, you could encourage participants to pursue a number of strategies so that the media could play a more positive role with respect to stereotypes. For example, you might discuss their interest in producing new shows or series which might explore race-related issues often ignored. In addition, you might discuss the possibility of media organizations developing mechanisms to monitor their own progress in diminishing the occurrence of racial stereotypes.

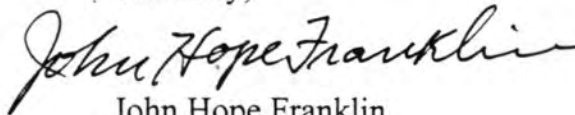
American Indian Inclusion

As mentioned, members of the Initiative conducted two special meetings with American Indian leaders before the Board meeting. At each of these meetings, participants expressed dismay and frustration about the lack of direct Indian representation on the Advisory Board. Because no one in either meeting was able to change this reality, and because an effort to add an Indian Board member would likely take several months, the conversation moved to other mechanisms for ensuring that American Indian perspectives were part of the Board's deliberation. Some of these ideas will be enumerated below.

Despite the fact that the discussions around these options seemed cordial, our March 23 meeting was nevertheless disrupted by people angrily criticizing the constitution of the Board. More importantly perhaps, while only a relatively small number of people actively disrupted the meeting, a much larger number appeared to tacitly

Board meeting. Attachment 1 reviews the findings about stereotypes in greater depth, and discusses some important insights we gained about the diverse purposes of racial dialogue. Attachment 2 provides excerpts of the panelists' comments about how racial stereotypes affect the American Indian community.

Sincerely,

A handwritten signature in cursive script that reads "John Hope Franklin". The signature is written in black ink and is positioned above the printed name and title.

John Hope Franklin
Chairman

Attachment 1: Racial Stereotypes and Racial Dialogue

The following attachment provides a more thorough discussion and explanation of many of the points in the letter about racial stereotypes. It also discusses some important insights that were gained about racial dialogue.

As mentioned, the meeting distilled three important lessons about the causes of racial stereotypes.

Lesson 1) Everyone is subject to having stereotypes, because stereotyping is an inevitable and automatic function of the human mind.

The human mind naturally places objects it perceives in categories in order to make split-second assessments necessary for making decisions in the world; we do this for people as well as for furniture, animals, and all objects we perceive. This natural and unavoidable function of the mind, in combination with this nation's extraordinary racial diversity makes it impossible for us to not notice what racial group people belong to. Our placing humans in racial groups inevitably brings to our minds (often unconsciously) generalizations we have learned to associate with these groups. In addition, the generalizations we make about categories of people (and other objects), are very resilient, and are often maintained even in the face of numerous "exceptions."

These generalizations are especially easy to maintain in light of the residential segregation that we learned about at earlier meetings. That is, because the vast majority of Americans live in racially isolated communities, we have relatively few experiences where we might discover that the racial generalizations we learn are likely to lead us to misjudge people. As a result of this legacy of racial segregation (which we did not create), we are very subject to believing and perpetuating stereotypes of groups other than our own.

Lesson 2) Racial stereotypes in America are particularly hard to eliminate

Our unavoidable habit of noticing people's race would not be problematic, except for the fact that this habit combines with three other social processes. First, whether people define their groups based on region of birth, age, religion, ethnicity, race, or other arbitrary factors, human beings have a natural inclination to think more positively of members of their own group than members of other groups. Second, American culture's unfortunate inheritance of racism includes a system of hierarchical racial categories wherein some groups are considered superior to others; in addition, within our culture's ideological inheritance is an association of some racial groups with particular negative social traits.

The final social process that makes American racial stereotypes difficult to eradicate is relatively new, and is the most changeable. When the nation began to unravel some of its cultural legacy of racism in the 1960's and 1970's, many people began to believe that the best way for individuals to limit the effects of the nation's racist past was to act as if race did not exist. Though well-intentioned, this myth was ultimately very unfortunate. At the meeting, we learned from social scientists that because stereotypes typically function below the level of conscious awareness, the way to reduce their effect is to *consciously try* to notice and overcome them. Thus, the idea that people should be "colorblind" is worse than an inaccurate myth -- it is actually *counterproductive* to racial reconciliation. Although well-intentioned, the myth of colorblindness inhibits people from making the effort to become educated about the individual and group experiences of others -- an education which is critical to the diminishment of stereotypes.

Lesson 3) Societal institutions play a major role in perpetuating racial stereotypes

The primary institutions that are considered responsible for stereotype perpetuation are those that directly create knowledge for people at early stages in life. These include most prominently families and peer groups, the news and entertainment media, and educational institutions. Not only do these sources of information imprint racial stereotypes on us at remarkably early ages, they subsequently reinforce the stereotypes by reminding us which members of groups are considered "normal," "abnormal," and which are considered "exceptions that prove the rule."

Institutions also play a role in perpetuating stereotypes beyond the formative years. For instance, to the extent that institutional roles are fulfilled in ways that reflect stereotypes, these institutions function to confirm those stereotypes. For example, an organization that has overwhelmingly minority support staff and overwhelmingly white management tends to subconsciously confirm -- for people both inside and outside the organization -- the stereotype that people of color are not appropriate for management positions.

Effects of Stereotypes

The Board learned that there is strong scientific evidence that being reminded of one's membership in a negatively stereotyped group not only measurably raises the stress experienced by people, but also can lead to decreased performance on "objective" measures, such as standardized tests. One of our panelists (Dr. Claude Steele from Stanford) has uncovered a phenomenon called "stereotype threat" that can have negative effects on people's performance. Specifically, he has found that simply by reminding people, even vaguely, that they are in a group which is thought to have less academic talent than other groups influences people to score less well on standardized tests. This effect has been found most dramatically for blacks and Hispanics; it has also been found for whites when they are reminded before a test that Asians are reputed to be smarter

academically.

Another way that racial stereotypes affect stereotyped groups is to influence them to change their expectations for themselves. Research both in this country and abroad indicates that while negative stereotypes do not necessarily reduce a group's self-esteem, they often influence people in the group to redefine where their sources of esteem come from. Thus, negative stereotypes about Hispanics' academic success, for example, might influence Hispanics to focus less on school success and more on supporting their families as a component of their self-esteem.

Stereotypes also lead to a wide range of denials of respect and/or privileges that people should be accorded. Some of these denials can be of respect and dignity; for example, Secretary Pena and Dr. Franklin both discussed cases when they were presumed to be waiters and parking attendants. Stereotypes can lead whites and people of color to deny to others basic presumptions of character; for instance, the meeting included whites who discussed being stereotyped as racist by people of color who did not know them. These presumptions and negative assessments can even apply within groups, such as when people in negatively stereotyped groups think that their group is incapable of success. Finally, these stereotypes can result in significant disruptions of people's freedoms and liberties, such as when racial stereotypes lead to denials of access to housing or employment.

Also, because stereotypes are widespread through society, they can become institutionalized in the practices of societal organizations. For example, police profiling based on race not only is caused by societal stereotypes that some minority groups are prone to criminality, but also has the effect of maintaining the stereotypes by keeping arrest rates for some racial groups disproportionately high.

Strategies for Combating Racial Stereotypes

While the unavailability of stereotypes and their impact in daily life represent perhaps bad news, there is a great deal of good news that emerged from the meeting. Specifically, the meeting highlighted what all people committed to fighting racism know - that with sufficient motivation and conscious effort people can overcome the negative associations about other racial groups. But while the solutions to racial stereotypes largely hinge on individuals' motivation to reexamine themselves, society's institutions and the people who lead them have a special role to play. It turns out that there are particular conditions that are known to increase people's motivation to pay attention to their stereotypes and overcome them. These conditions are described below:

Condition 1) People are supervised by people in racial groups other than their own.

Research about racial and non-racial stereotypes generally shows that people in

subordinate positions tend to have fewer and more changeable stereotypes than those in superior positions. This is caused by the fact that being in a subordinate position requires people to make more refined assessments of those in power, while people in more powerful positions do not necessarily experience negative consequences if their assessments of subordinates are muddied by racial stereotypes. As a result, having people from negatively stereotyped groups (people of color, women, the disabled, etc.) in positions of power and authority not only expands opportunity, but also forces people to confront their stereotypes of these groups.

Condition 2) The authority figures in an organization have established norms and values for egalitarian behavior, and hold people accountable for how all groups are treated.

Institutional norms for egalitarian behavior and accountability measures against discriminatory treatment serve as “carrot and stick” functions for people to reexamine their stereotypes. That is, authority figures can motivate people to combat racial stereotypes by aggressively promoting the positive value of egalitarian treatment of people from all groups. At the same time, institutional leaders can give these values teeth by enforcing negative sanctions for managers who do not ensure that people from all groups are treated fairly. As many recent examples from the corporate world attest, these strategies work best when leaders combine efforts to punish discriminatory behaviors with messages that racial diversity is something that is positively valued.

Condition 3) People are involved in collective action where they are in interdependent relationships with people from other groups.

Research indicates that people are more motivated to reduce stereotypes after they have had an experience where they relied upon people from other groups in order to complete a common task. The experience of working toward a common goal makes it more difficult to believe that people in other groups are fundamentally different than oneself; the experience of working in a truly interdependent manner increases the likelihood that people will recognize and challenge whatever stereotypes they hold that portray some racial groups as having more inherent value than other groups.

To a large extent, your own administration has reflected a commitment to creating conditions that help combat stereotypes. By appointing a cabinet that looks like America, you fight stereotypes by giving hundreds of thousands of federal employees (and the rest of the nation) an opportunity to ponder that people of all racial groups could serve as top management. By requesting greater funding to fight employment discrimination and by advocating affirmative action, you fight stereotypes by increasing the number of people whose institutions remind them that people from all groups are to be treated equally. And through your promotion of Americorps, the Promising Practices effort of the Initiative, and involvement in small dialogue groups, you fight stereotypes by encouraging more participation in actions that foster interdependent relationships with a common mission

across racial lines.

Discoveries about Racial Dialogue

The level of engagement and emotion of the public in our meeting illustrated important lessons about creating forums of dialogue that foster feelings of inclusion. The March 23 citizen dialogue, modeled after the Akron Town Hall, was disrupted by people who wanted to confront the Board about its not having an American Indian representative. In response to the disruption, the format of the meeting was changed into a more traditional community forum, where members of the public could make comments at a microphone in the audience. In the course of the evening, members of the community not only lamented the constitution of the Board, but also frequently mentioned the need for voices from all communities to be heard by the Board, and by all of those in attendance.

The expert panel on March 24 to some extent ran according to our planned format of experts offering their testimony to the Board. However, well before the schedule called for questions from the audience, people began to loudly complain that “this is not a dialogue,” and demanded that the community be allowed to speak. Many of them spoke about how the issue of stereotypes had personally affected them, while others talked about a host of other topics, such as their perceptions that some federal agencies did not enforce civil rights laws, institutional racism by police departments and educational systems, or their individual obligations in the fight against racism. Although the original agenda called for using the afternoon session to let the Board summarize what it had learned about stereotypes, the community forum continued after lunch.

As mentioned, the eagerness of the audience to participate in the conversation illustrated that the issue of racial stereotypes is extraordinarily compelling to average community members. In addition, the meeting crystallized that dialogue on race actually has a number of different purposes, not all of which can be achieved in one standard format. As various ways to foster public dialogue about race after the Initiative year ends are considered, it is important to recognize several lessons about the very diverse needs and purposes of “dialogue about race.”

Specifically, the nation’s cultural taboo against talking honestly about race in mixed company has fostered a need for venues that allow people to openly express their frustrations about a range of racial issues, including their sense that their opportunities have been limited because of race. For many people, forums designed to accommodate the discussion of a wide set of topics are necessary so that many people can feel welcomed in offering their personal testimony about how racial issues have affected them. By contrast, focused deliberation about a particular problem and potential solutions is also an important goal of some racial dialogues; many people feel frustrated if a

conversation merely focuses on the expression of widely disparate problems and does not focus on considering alternative solutions. This spectrum of discussion -- from open expression of feelings to focused deliberation on solutions -- might be called the content dimension of dialogue.

In addition, people need to communicate their perspective on race relations to authority figures and decision-makers. Despite your admirable efforts to make the public feel included in your administration, many people do not feel included in society's decision-making processes, and want to communicate their concerns about race to people they perceive to be in positions of power. Many people told us explicitly that they wanted to express their concerns about race to us, so that we would take their messages back to Washington and perhaps begin to provide relief. By contrast, people also need forums for communicating with fellow citizens about their concerns. Several people also told us of their desire to communicate their thoughts and feelings about race to other members of their own communities so that they could more effectively design local solutions. This spectrum of audiences - from remote authority figures to fellow members of the local community -- might be called the target dimension of dialogue.

In order for an organization fostering racial dialogue to most effectively serve the public, it must explicitly consider the specific ways that its forums fulfill both the content and target dimensions of its dialogue. Specifically, people who are trying to foster discussion about race clarify the important but limited functions that large public events serve within the larger framework of racial dialogue. The Initiative must better educate the public that the Board meetings -- wherein national experts deliberate solutions for the benefit of the Board -- do not constitute the "national dialogue on race," but are instead only a small part of it. It is the job of all those connected with the Initiative to not only educate the public about issues of race, but also inform them about the very different forms and functions of racial dialogue.

Attachment 2: Meeting excerpts -- Racial stereotypes and Native Americans

In order to make a special effort ensure that the perspective of American Indians is considered, two excerpts from the March 24 morning meeting are provided. These excerpts present the bulk of meeting remarks focused on how racial stereotypes have and continue to affect the American Indian community. The speakers are Mr. William Gollnick, Director of Legislative Affairs of the Onieda Tribe, Dr. Phyllis Katz, Director of the Institute for the Study of Social Problems, and Dr. Joe Feagin, University of Florida, Gainesville.

(Excerpt 1)

MR. GOLLNICK: One of the very unfortunate things that I have observed is that our public schools, elementary and secondary, are certainly institutions that, if not suggesting strongly that stereotypes continue to be representative of the people, they do suggest depth to those people than what is existing in the textbook series, and so on. Such that, I mean, the textbooks are developed in the United States to formulas that are driven basically by California, Texas, and New York. Those of us who are not of so-called minorities, in those states where we then become significant, do not become part of those text series.

Teachers in teacher education programs are not introduced to content that has to do with certain Native American peoples. And in my personal recollections, I recall a photograph of the driving of the golden spike, that promontory point, where the two railroads came together, and made a national railroad. And looking at the picture, there was not one Asian in the scene. And yet, almost all of the labor that made that railroad possible was done by Asians. There has been a systematic attempt to leave others out of the curriculum. And I think as we look to schools today, it's going to become increasingly important that we don't become, as detractors have suggested, educational or historic revisionists. But rather that we look at the legitimate history of the United States, and let our curricula demonstrate that.

DR. FEAGIN: I think when you think about the sources of stereotypes, you can think about them coming from the bottom up, and from the top down. And we tend to, I think, focus on the role of everyday people, and ordinary folks, in creating racist or racial stereotypes of other groups. But I think one thing we need to introduce in the discussion is the responsibility over the long course of American history of the elites, and the leadership of the country, in intentionally fostering stereotypes and images of certain groups in order to exploit or oppress them.

I think you can go all the way back to the Indians, whose current descendants protested last night, perhaps the first recorded hostile stereotypes created in North America were created by the English settlers who came to Jamestown and other places. Who saw native Americans as savages, as uncivilized, as un-Christian, which were images created in order to take their lands, and to see them as not human beings, and therefore we could take their lands.

Now, what is striking about the Native Americans, and later of African-Americans who were brought in as slaves, many of these early images were created by the leadership of the colonies in the new United States. The racist thinking that's so pervasive now in Klan-type materials is very similar to the arguments of leading German, and European, and American scholars around 1776, 1790.

Thomas Jefferson, for example, articulated a very racist image of Africans as lazy, as an inferior race. And our leadership, over time to the present day, must take some responsibility in education, in politics, in the ministry, for these racist images and stereotypes of out-groups.

DR. KATZ: So you're suggesting, then, that there was a deliberate quality to this? Or were they just expressing their own attitudes?

DR. FEAGIN: I think there is an intentional quality to some of it. The attempt to rationalize -- I guess the word is rationalization. One of the reasons for stereotyping and prejudices is to rationalize behavior. That if I'm taking your land, or I'm taking you as a slave, it's easier for me as a white Christian to believe that you're inferior, un-Christian, uncivilized. It's easier for me to enslave you, or to take your land.

(Excerpt 2)

MR. GOLLNICK: It seems to me that as we talk again about institutions, the reality is that stereotypes, as it relates to Indian people, continues to evolve. I mean, we have historic stereotypes, the mascot type of characters, or the B-westerns types of characterize. One of the stereotypes that exists about American Indians today in Washington has to do with all Indians being rich, for instance. And using a stereotype as a way to de-humanize, to objectify a people, means that then the issue can be looked at through a corporate lens, as opposed to a personal lens.

When we look at the effect of tribes beginning to be successful, we find that there is an incredible backlash in many communities. Arguments from some Members of Congress about Indians actually being corporations now, as opposed to tribal

governments. And using that as a foundation for proposing, for instance, a 34 percent tax of any revenue generated by any tribe. This seriously misleads the public about the role of government. I know my tribal chair, for instance, has an annual salary of \$47,000. Although we have 4,000 employees, and we're the largest employer in our area. The second largest employer has her equivalent in a seven-figure salary.

That is private sector. We have to function as governments. And yet, there isn't that understanding. I think the stereotypes about Indian people have not gone to the historic or the contemporary, as related to the media issue earlier. Even as we see better portrayals of Indian people historically, through the media, we see no portrayals of Indian people in the contemporary. And what that means is that Americans still think of Indians as past-tense phenomena. We are presumed to be a defeated people, even though in the state of Wisconsin, my home state, every foot of land was acquired by treaty, none of it by conquest.

And when we think of the fact that the -- that my people also participated in the Revolutionary War. And President Washington said, "Were it not for the aid of the Indians, the war would have been lost." And that does not find its way into our history.

DR. KATZ: Millions of native Americans and others are offended by some sports team names that refer to Indian people. Yet millions of other Americans are attached to the traditions that those sports team names convey. So, how should we think about balancing these various concerns?

MR. GOLLNICK: The issue in professional sports is one where, as long as America is comfortable with subjugating and objectifying Indian people, that those private sector areas will continue to use that logo, those mascots, those images. As long as it's acceptable to Americans, as long as people will continue to buy the product, they'll go to the game. They'll buy the jerseys. They'll do the other things that make it attractive for the owners to use those logos and mascots. It will continue.

It seems to me that while we look at those issues, and we have concern about that, the greater issue for me occurs in the elementary and secondary schools, where logos and mascots continue to be used. And those are places where our young people should have an opportunity to learn about other cultures in legitimate ways. That we're preparing in those schools the future generation of these Americans that we're talking about now.

I mean, the whole -- the whole focus of this body, as I understand it, is to make recommendations about where we need to go. And I think certainly that is one of the recommendations that needs to be addressed. There needs to be a focus, a series of recommendations, by qualified educators, about content in the public schools, that

prepares our children, not only in the areas of math, reading, and science, but also in the areas of inter-cultural awareness.

And I suggest that be something that become part of an integrated curriculum. That is to say that we can inter-cultural examples as we teach math. We can use different kinds of language examples during social studies. There are a lot of ways in which we can do things together, when many academics suggest that we have to give up one thing to do the other. I don't think that that's necessary, at all.

I think the issue of mascots and logos are ones where it typifies the understanding, America's understanding of Indian people. Who would feel comfortable in this room if we put a generic white gentleman on the wall, and said, we're putting him up there to honor him? He might be German, he might be Italian, he might be French. It really doesn't matter. The concept is an honoring one, and therefore, we're acknowledging all people of that race. I think for anyone else in America, that would be an outrage. For Indians, it's been resisted over, and over, and over again. And I think it's really time that we look at this seriously, and do something about it.

THE WHITE HOUSE

WASHINGTON

June 19, 1998

b-25-98

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. T.M.

SUBJECT: Summary of Cabinet Weekly Reports
June 13 - 19, 1998

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DEPARTMENT OF TREASURY

- **Sunsetting the Tax Code:** On June 17, the House voted 219-209 to sunset the current tax code in 2002. On June 16, Secretary Rubin held a press conference with Minority Leader Gephardt, Rep. Rangel, and Rep. Stenholm to discuss his opposition to sunseting the tax code. Deputy Secretary Summers spoke before National Association of Manufacturers (NAM) on June 17, and emphasized the uncertainties the legislation would have on businesses and individuals because it does not provide for a new tax system to replace the current code. He warned that the uncertainties would result in stifled investment and cause an unprecedented deficit in 2003 and 2004. He noted that the Administration has taken important steps to improve savings, citing changes for IRAs and the investments made in the human capital of children and the impact the legislation could have on the confidence of other nations in our economy. NAM is preparing a letter of opposition to the bill, and Treasury has provided the Hill with copies of letters from the Tax Executives' Institute and the former IRS Commissioners, and your speech to the mortgage bankers in March.
- **Japan:** On June 17, Deputy Secretary Summers, NY Federal Reserve Bank President McDonough, and a State Department official traveled to Tokyo to discuss Japan's economy and the Japanese Government's plans to restore stability to the Japanese financial sector and strengthen domestic demand. On June 20, Summers will participate in a joint meeting in Japan of the Manila framework group, consisting of deputy finance and deputy central bank ministers from Southeast Asian countries, and the G-7 deputies.
- **Africa:** On July 10, Secretary Rubin and other Treasury officials will travel to meet with government officials and business representatives during stops in Côte d'Ivoire, South Africa, Mozambique, and Kenya. On July 6, Secretary Rubin will host a dinner with five businessmen and experts who specialize in African finance.

- **Asia Trip:** On June 24, Secretary Rubin will travel to China to join you in meetings with Premier Zhu Rongji, President Jiang, and other government officials. On June 28, Secretary Rubin will travel to Malaysia to meet with government officials and business representatives, and will then travel to Thailand to meet with officials and business representatives to discuss the effects of the financial crisis. The Secretary will conclude the trip with a stop in Korea to meet with President Kim, Finance Minister Lee, and other government and business officials.
- **South Africa:** Treasury hosted a delegation of South African government officials from the Housing Ministry, Finance Ministry, the South African Reserve Board, the Mortgage Indemnity Fund, and provincial housing agencies. The discussions centered on CRA and access to capital as a follow up to a trip of Treasury officials in November, and Secretary Rubin's visit to South Africa next month, which will focus on microenterprise. The South African representatives met with officials from Treasury, HUD, OCC, and CDFI, as well as private sector bankers and community development specialists, and also toured Harlem and Baltimore to see examples of neighborhood redevelopment.
- **Community Development Financial Institutions (CDFI) Fund:** On June 17, Under Secretary Hawke, Director Lazar and Deputy Director Jones testified before the Subcommittee on Financial Institutions and Consumer Credit of the House Committee on Banking and Financial Services on the reauthorization of the CDFI Fund. Chairman Bachus indicated support for the goals of the Fund and also indicated his preference that the CDFI Fund focus more on funding start-up organizations.
- **Taxpayer Guidance:** In the coming weeks, Treasury and IRS expect to issue several items of taxpayer-favorable administrative guidance in the international area, including a regulation increasing the tax benefits available to the software industry under the foreign sales corporation rules.

DEPARTMENT OF JUSTICE

- **Ford Clean Air Act Recall:** DOJ filed a complaint and lodged a consent decree to resolve Clean Air Act claims against Ford Motor Co. for violations of regulations on emissions from mobile sources. DOJ alleges that Ford's 1997 Econoline vans used a defeat device to increase fuel economy at the expense of increased emissions of nitrogen oxides. Ford is required to recall 60,000 Econoline vans from 1997 and recalibrate the engines to deactivate the defeat device, at an estimated cost of \$1.3 million; pay civil penalties of \$2.5 million to the U.S. and \$250,000 to CA; and purchase 2,500 tons of nitrogen oxide credits, worth approximately \$2.5 million, to offset the excess NOx emissions caused by the defeat devices.
- **Gun Control Act:** A police officer employed by the City of Indianapolis brought an action for temporary injunctive relief against the City and its Police Department

challenging the constitutionality of the Lautenberg Amendment to the Gun Control Act of 1968. The Lautenberg Amendment prohibits any individual convicted of a misdemeanor crime of domestic violence from possessing, shipping, transporting, or receiving any firearm in or affecting interstate commerce. The plaintiff, who was convicted of a misdemeanor crime of domestic violence in 1995, has been threatened with termination from his law enforcement position on the basis of the Lautenberg Amendment. On June 8, Judge Barker rejected plaintiff's challenges to the Lautenberg Amendment.

- **Firearm Case:** The Supreme Court held that a defendant "carries" a firearm when the defendant has the firearm with him in a locked glove compartment or the trunk of a vehicle to facilitate a drug transaction. The majority rejected the argument that "carries" connotes that the weapon carried must be readily accessible to the defendant. The majority held that common understandings of the term "carry," as well as the statute's legislative history, make clear that Congress intended the term to encompass carrying a weapon in a vehicle, even if the weapon is out of the range of immediate access.
- **Black Farmers:** On June 15, White House staff, OMB, USDA, and DOJ met with Democratic staff for the House Appropriations Committee to discuss the black farmers legislation. It is anticipated that an amendment will be offered to the House Agriculture Appropriations measure during full Committee markup or will be added to the bill during House floor debate.

DEPARTMENT OF INTERIOR

- **Park Service Construction:** On June 16, the National Academy of Public Administration (NAPA) released its review of NPS construction practices. DOI relied on the Academy to recommend financial management improvements for the \$150-200 million appropriated each year for NPS construction. The report calls for increased use of the private sector for design and construction oversight services. DOI announced its willingness to carry out the report's recommendations.
- **CA Record Rainfall:** From July 1, 1997-June 3, 1998, 114.83 inches of rain have been recorded at Shasta Reservoir in northern CA, making this the wettest year on record. There are 10,713,200 acre-feet of water in Reclamation's northern Central Valley Project, which is 127 percent of the 15-year average. This is well within the system's capacity.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Grain Elevator Safety:** On June 15, in response to the KS grain elevator explosion, Secretary Glickman announced that USDA will execute an agreement with OSHA to facilitate sharing of information between the two agencies concerning safety problems that USDA inspectors may uncover during their examinations.

- **Drought Assistance:** USDA has authorized emergency grazing of Conservation Reserve Program acreage in four states, MT, ND, SD, and TX, where severe weather conditions have depleted hay supplies or impaired the growth of hay and pasture this year. In addition, USDA has allocated \$730,000 in Emergency Conservation Program funds to six MT counties to help livestock producers provide water to livestock.
- **China Beef Grading System:** A Chinese team will tour U.S. beef packing, processing, distribution, and retailing industries, universities, research institutions, and industry associations as part of USDA's program to help China implement a modern beef grading system.
- **Commodity Markets:** Cash and futures prices for wheat fell last week as the harvest proceeded without incident, yields have been higher than expected, and export sales continued weak. Cash corn prices fell last week on heavier farmer selling, but new-crop futures prices advanced slightly following private forecasts for dry weather in late June and July. Soybean cash and futures prices dropped on excellent crop conditions. Cash and futures rice prices rose last week, as stocks of long-grain rice remain tight and export business continues to be brisk. Cotton prices moved higher, as the TX High Plains remained dry. Rising wholesale beef prices helped boost cattle prices. Cash hog prices rose last week, on slightly lower slaughter weights, but futures fell. Broiler prices also advanced, as demand for parts continues to be good.
- **Families and Health:** On June 22, Secretary Glickman will attend the Vice President's Forum on Families and Health, in Nashville, TN.

DEPARTMENT OF COMMERCE

- **Trade Mission to Northern Ireland:** On June 9, a small Massachusetts-based manufacturer participating in Secretary Daley's mission, Techman International, announced its intent to open a production facility in Derry, employing 127 workers. Shorts, a manufacturer of advanced composites for the aerospace industry, announced the doubling of its workforce from 250 to 500 to meet an increase in demand from Boeing, the Company's largest customer.
- **Mexican Fires:** On June 19, Bureau of Export Administration (BXA) staff met with representatives from California Microwave to discuss strategies to provide an aerial surveillance system for Mexico to fight the recent forest fires. BXA is working with other agencies to determine the most effective way to provide this system.
- **Conspiracy to Send Turbines to Iran:** On June 8, a federal judge in Portland, OR sentenced Hamid Abdol Rashidian to serve 21 months in prison, followed by three years supervised release for his participation in a conspiracy to violate U.S. export laws on trade with Iran. BXA and Customs investigated the case.

- **E - Rate:** On June 8, Secretary Daley co-signed with Secretary Riley, Secretary Glickman, and Secretary Shalala a letter to FCC Chairman Kennard in support of the "E-rate," which provides discounted telecommunications services for Internet hook-ups for schools and libraries.
- **China Satellite Hearings:** On June 18, Under Secretary for Export Administration William Reinsch testified on satellite exports before a joint hearing of the House International Relations Committee and National Security Committee and the International Security, Proliferation, and Federal Services Subcommittee of the Senate Governmental Affairs Committee.

DEPARTMENT OF LABOR

- **GM Strike:** The Flint, MI metal-stamping plant strike began on June 5, when 3,400 workers walked off the job after negotiators failed to resolve disagreements over staffing, work rules and new investments at the plant. On June 11, 5,800 workers at the Delphi Flint Complex went on strike after separate negotiations failed to produce an agreement on health, safety and subcontracting issues at the plant. The Delphi facility makes spark plugs and fuel system components for most of the vehicles GM builds in North America. As of June 18, 49,820 GM hourly workers in the U.S. have been laid off due to the two UAW local strikes. A total of 77,400 GM hourly workers in North America have been laid off.
- **ILO Declaration:** The International Labor Organization's (ILO) annual meeting is expected to adopt a declaration committing them to upholding basic worker rights. Core labor standards covered by the declaration are: 1) the right to form and join trade unions and bargain collectively; 2) the elimination of all forms of forced labor; 3) the "effective abolition" of child labor; 4) the elimination of discrimination in employment. Member nations would report back annually to the ILO on their efforts to comply with the principles. The results will be contained in an annual global report giving a snapshot of one of the four major categories of rights.
- **FLSA 60th Anniversary:** June 25 is the 60th Anniversary of the Fair Labor Standards Act (FLSA). DOL is developing an announcement strategy to be forwarded to the Vice President's Office. Included in the strategy may be the releasing of the 4D(1) minimum wage report required by FLSA, which is supportive of a minimum wage increase.
- **Disaster Relief:** On June 18, DOL provided an additional disaster relief grant of \$2,403,397 to NY for a project to assist up to 1,080 workers who lost their jobs as a result of severe flooding and ice storms last January.

- **Dislocated Worker Grant:** Within the next two weeks, DOL plans to award a grant of \$4,487,336 to VA to fund the Metro-Area Reemployment Project to assist dislocated federal government workers who have been laid off due to government downsizing.
- **Technology Demonstration Grants:** Within the next two weeks, DOL plans to award several Technology Demonstration Grants totaling \$6 million to fund projects designed to train unemployed workers in the skills necessary for jobs that involve the application of advanced technology, and where employer demand exceeds the supply of skilled workers. A major focus for the grant projects is expected to be in the field of information technology.
- **BLS Data Announcement:** On June 15, BLS released data on Employee Benefits in Small Private Industry Establishments for 1996 showing an overall increase in the number of small employers providing retirement benefits and a decline in the number providing health care benefits. Employees are also being asked to pay a larger share of health care costs and are increasingly participating in HMOs.
- **Welfare-to-Work:** This week, DOL announced formula grant approval for MO (\$3,194,443), OK (\$11,741,519), WI (\$12,885,951), CO (\$9,878,865), and WA (\$22,674,526) 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. During the week of June 22, DOL will announce formula grant approval for NC (\$25,332,173), OR (\$8,636,930), and VT (\$2,761, 875). DOL is also working with the Vice President's Office to coordinate the announcement of a TX (\$76,058,852) grant to coincide with his trip. If the CA grant (\$190,417,247) is ready to move forward, DOL will coordinate the announcement with the White House.
- **UAW Convention:** On June 22, Secretary Herman will address the 32nd Annual UAW Convention in Las Vegas, NV.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Medicare+Choice Regulation:** During the week of June 22, HHS will publish a regulation describing how health plans and organizations can become part of the new Medicare+Choice program. Starting in January 1999, in addition to original fee-for-service Medicare and HMOs, a broader array of health plans will be offered to Medicare beneficiaries including preferred provider organizations, provider sponsored organizations, private fee-for-service plans, and a Medical Savings Account demonstration project.
- **TX and ID Children's Health Insurance Program (Title XXI):** On June 15, HCFA approved the State of TX Title XXI plan. This program, which was submitted to HCFA on April 1, will expand Medicaid coverage to children between the ages of 15 and 18 in

families with incomes below 100 percent of the Federal poverty level (FPL). TX expects to cover an additional 57,488 children by FY2000. On June 15, HCFA approved the State of ID Title XXI plan. This program, which was submitted to HCFA on February 17, will expand Medicaid coverage to children up to age 19 in families with incomes up to 160 percent of the Federal poverty level (FPL). State legislation has reduced the Title XXI income threshold to 150 percent of the FPL, effective July 1. ID expects to enroll 4,875 children in its Title XXI program by the end of FY99. TX and ID are the nineteenth and twentieth states to have their Title XXI plans approved.

- **HIV Testing Day:** On June 27, HRSA's HIV/AIDS Bureau's Division of Training and Technical Assistance will co-sponsor the Fourth Annual National HIV Test with the National Association of People with AIDS, which is coordinating the event in cities across the country.
- **Organ Donation:** During the week of June 15, HCFA will publish a regulation aimed at substantially increasing organ donation in the U.S. Although about 20,000 Americans each year receive an organ transplant, there are not enough organs available to help everyone in need. As part of the National Organ and Tissue Donation Initiative, launched by the Vice President last December, the Secretary has established a goal to increase organ donation by 20 percent within two years of publication of the regulation.
- **Taiwan Enterovirus:** On June 2, CDC was contacted by the Taiwan Ministry of Health (MOH) concerning a cluster of deaths among infants and young children. Since April, large numbers of children have contracted hand, foot, and mouth disease, usually a mild, self-limited illness that primarily affects infants and young children. Preliminary results from the investigation include identification of enterovirus 71, but it is not yet confirmed as the cause of the outbreak or the deaths. CDC is providing on-site consultation to the Ministry of Health and reagents to laboratories in Taiwan.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Public Housing:** On June 17, Secretary Cuomo announced a new public housing initiative -- the Public Housing Assessment System (PHAS) -- to grade the performance of America's 3,400 local public housing authorities and to inspect every public housing development in the nation for the first time. The new state-of-the-art system, which is designed to improve living conditions for public housing residents and stop the waste of taxpayer dollars, will be carried out with the assistance of advanced hand-held computers that will communicate with HUD via the Internet. PHAS will be based on a physical inspection, financial assessment, management review, and customer resident survey of all 14,000 public housing developments in the U.S.

- **Housing Report:** On June 15, the Center on Budget and Policy Priorities released a new study that documents the need for additional affordable housing and for approval of housing and community development funding proposed by you.
- **FY99 Appropriations:** Mark-up of the HUD FY99 Appropriations Bill took place in the Senate last week and in the House on June 18. HUD is addressing the impact of the Senate mark-up relative to HUD's budget priorities. On the positive side, the Senate has included a provision to increase FHA Loan Limits. On a far less positive note, the Senate funded only 7,000 incremental vouchers compared to the Administration's request for 103,000 vouchers, funded the Community Empowerment Fund (Economic Development Initiative) as an \$85 million set aside of CDBG (including targeted projects of \$65 million), and included no funding for the PATH initiative. The Committee report also highlights several new HUD reporting requirements and inhibits funding for the training of HUD's new Community Builders.

DEPARTMENT OF TRANSPORTATION

- **Labor Agreement:** On June 15, Secretary Slater announced the completion of a historic labor agreement between the FAA and the National Air Traffic Controllers Association (NATCA). The five-year pact sets the FAA-NATCA relationship on a new cooperative course based on a shared vision of the system's future staffing level needs, classification of ATC facilities' controller pay and internal efficiencies to increase productivity. The labor agreement is the first reached under landmark FAA personnel reform legislation signed into law in 1995.
- **Shipping Contracts:** On June 12, Secretary Slater announced the award of 39 performance-based contracts to ten American ship-owning and -operating companies to manage 89 ships which stand at the ready to support U.S. armed forces. The total estimated combined value for all 39 contracts over the next five years is \$1.1 billion. This figure includes the expected costs of shipyard work and other maintenance and operational expenses for which the ship managers will be reimbursed.
- **World Bank and Africa:** On June 9, Secretary Slater and Deputy Secretary Downey met with World Bank President Wolfensohn to discuss potential areas for cooperation in planned transportation initiatives in Africa, particularly the U.S. "Safe-Skies" initiative aimed at improving the safety and security of airports in the region. Secretary Slater and President Wolfensohn agreed to establish a DOT-World Bank partnership on Africa.
- **U.S.-Mexico MOU:** On June 10, Secretary Slater and Mexico Secretary of Communications and Transportation Ruiz Sacristan signed a MOU under which Mexico will assure that its drug and alcohol testing program for commercial drivers meets U.S. standards. The U.S. will assist Mexico in these efforts.

- **Gibbsboro Radar Site:** On June 12, FAA announced a plan to solve the problem of lost beacon signals of air traffic over the Northeast Corridor due to a problem with the Gibbsboro radar site. The fix involves a realignment of the radar so as to eliminate Gibbsboro's incidence of missing radar beacon data. This is the site that recently failed to track vital information on air traffic, including Air Force One and Two. Congressman Andrews joined FAA officials in making the announcement.
- **Northwest Airlines:** FAA is investigating allegations that Northwest Airlines improperly maintained its aged DC-9 airplanes and that an FAA inspector may not have properly supervised the operation. FAA hopes to have the review completed soon.
- **AT&T Communications Circuit:** AT&T has informed FAA that it will probably be unable to fulfill its contractual obligations to install a communication circuit between the Anchorage Center and the air traffic control center in Anadyr, Russia. If this circuit is not operational by July 1, the Anchorage Center will be forced to reduce traffic entering these routes by 75 percent (from eight per hour to two per hour).
- **Coast Guard Migrant Interdictions:** On June 7, the Coast Guard, working with Guam authorities, interdicted a fishing vessel near Tumon Bay in Guam. The 27 Chinese migrants found on board were turned over to INS and are being processed for expedited removal to China. On June 9, 14 Cuban migrants were interdicted north of Flemming Key, FL by a Coast Guard boat. All 14 migrants were repatriated to Cuba. On June 12, the Cutter PADRE interdicted 16 Cuban migrants southeast of Molasses Reef, BF. Six migrants were transferred to Guantanamo Bay, Cuba, while ten were repatriated to Cuba. On June 12, 103 Haitian migrants were interdicted south of Great Inagua Island, Bahamas by the Cutter BEAR. All migrants were repatriated to Haiti on June 15.
- **Northwest and Air Line Pilots Association (ALPA):** Northwest and ALPA have been negotiating a new collective bargaining agreement since November 1996. The parties have been in mediation since August 1997. A recent vote by the Northwest pilots authorized a strike. According to the Northwest pilots union, 99 percent of the 5,700 eligible pilots voted in favor of the authorization. The National Mediation Board must now decide whether to resume talks or proffer arbitration for Northwest and ALPA. Northwest has been advocating binding arbitration, but ALPA has been reluctant to agree.
- **Northwest and International Association of Machinists and Aerospace Workers (IAM):** The NMB has also been involved in mediating Northwest's negotiations with the IAM. The IAM represents about 27,000 mechanics, ground service workers, ticket agents, clerks, security personnel, and flight kitchen employees at Northwest. On June 17, the IAM and Northwest announced that they had reached a new tentative contract after 22 months of negotiations. The contract is subject to ratification by the union membership.

- **St. Lawrence River Pollution:** On June 17, a Bahamian tanker traveling on the St. Lawrence River struck the approach wall to the Eisenhower lock and damaged its hull. The tanker discharged 50 gallons of xylene into the river. The Coast Guard is investigating the crash.
- **IN Commuter Train Collision:** On June 18, a Northern Indiana Commuter Transportation District (NICD) train struck a tractor trailer truck loaded with coiled steel at a highway-rail grade crossing in Portage, IN. When it struck, at least one of the 20 ton steel coils was knocked loose from the truck trailer and penetrated the rail car, killing an off-duty employee and two passengers. The train crew and two passengers suffered minor injuries. Warning devices at the crossing were operating. FRA has three inspectors at the scene and the Regional Deputy Administrator. NTSB will investigate.

DEPARTMENT OF ENERGY

- **Home Fuel Cell:** On June 17, DOE announced that for the first time a suburban house will receive its entire electricity supply from a fuel cell which creates energy from hydrogen and oxygen. DOE helped pay for the fuel cell research by Plug Power of MI. Plug Power predicts that it can commercialize fuel cells for houses by the year 2000, at a cost of \$3,000-\$5,000 each.
- **WIPP:** In a court proceeding seeking to enjoin the receipt of waste at Waste Isolation Pilot Project (WIPP) plaintiffs have filed a motion for leave to file an amended complaint alleging violations of RCRA, NEPA, and the APA. In addition, the plaintiffs filed a motion for a preliminary injunction seeking to enjoin DOE from taking any action to introduce radioactive waste at WIPP, based upon their allegation that doing so would violate RCRA. DOE's response is due June 22.
- **Hanford Lawsuit:** On June 8, WA Governor Locke and Attorney General Gregoire announced plans to sue DOE for failing to comply with Tri-Party Agreement milestones. They issued a 60-day "notice of intent to sue" DOE for missing two deadlines to begin pumping radioactive waste out of underground single-shell storage tanks at Hanford.

DEPARTMENT OF EDUCATION

- **Voluntary National Tests:** The National Academy of Sciences announced on June 12 the results of its DOEd-funded study, mandated in the 1998 Labor-HHS-Education Appropriations Act, of the feasibility of linking existing tests to the National Assessment of Educational Progress (NAEP) so that the results can be compared, as an alternative to the Voluntary National Tests proposal. The report found that the various tests that states and school systems use are too diverse to allow meaningful comparisons of student achievement. On June 12, Secretary Riley issued a statement declaring that the study

showed that work on developing the Voluntary National Tests must continue and that work is proceeding under the authority of the National Assessment Governing Board.

- **New York City Special Education:** A proposal by Mayor Giuliani for changes in New York's special education program has received substantial local press coverage. The proposal would privatize evaluation of students for special education placement and would "mainstream" many special education students.
- **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

- **Passenger Vans:** On June 17, Secretary West accepted the Disabled American Veterans (DAV) donation of 147 new passenger vans to help meet the transportation needs of sick and disabled veterans receiving medical care at VA medical centers throughout the Nation. This was the DAV's largest one-year contribution to their nationwide Transportation Network, to which they will have donated 755 vans since 1987.
- **AMA Award:** Dr. Kenneth Kizer, Under Secretary for Health, has been named by the American Medical Association as the 1998 recipient of the Dr. Nathan Davis Award, one of the most esteemed forms of recognition for outstanding public service in the advancement of public health.

ENVIRONMENTAL PROTECTION AGENCY

- **Endocrine Disruptors:** The Endocrine Disruptor Screening and Testing Advisory Committee (EDSTAC) convened for the last time on June 17-18 to complete its report to EPA. EDSTAC will recommend a scheme for prioritizing contaminants and screens to identify which compounds should be tested for potential to disrupt the endocrine system of humans and wildlife. Chemicals, pesticides, and contaminants testing positive in the screens will be tested in long-term animal studies.

UNITED STATES TRADE REPRESENTATIVE

- **APEC Ministerial:** On June 20, USTR officials and staff left for Kuching, Malaysia to prepare for the APEC Ministerial. While in Kuching, USTR will seek agreements with APEC Leaders on those sectors singled out for early voluntary sectoral liberalization.
- **Asia Trip:** On June 15, Ambassador Barshefsky is in Asia for negotiations with the Chinese on WTO accession and to attend the APEC Ministerial in Kuching, Malaysia. Following the APEC Ministerial, she will return to China for further negotiations with the Chinese on WTO accession.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Athletic Convention:** On June 23, Director McCaffrey will address 200 high school coaches and athletic directors at the National High School Athletic Coaches Convention in Washington, DC. He will announce a national "Coachathon Against Drugs" to be held in the fall that will ask every coach across the country to begin their practices and classes on that day with a ten-minute counter-drug message.
- **"Pulse Check":** On June 25, the next edition of the ONDCP Pulse Check will be released. The Pulse Check is a semi-annual report, based on conversations with people on the front lines of the drug problem, drug researchers, law enforcement officials, and substance abuse treatment providers. Key findings in this edition cover patterns in drug trafficking and trends in the use of methamphetamine and crack.

SMALL BUSINESS ADMINISTRATION

- **Small Business Investment Company:** On June 19, two venture capital companies newly licensed by the SBA are the first in the agency's history to be owned by women and the first to base their investment strategies on helping women-owned companies. Administrator Alvarez made this announcement in St. Louis during her keynote luncheon speech before the National Association of Women Business Owners.
- **Women's Procurement:** On June 15, Administrator Alvarez announced a strategy to expand the federal procurement pie and increase women business owners' share of federal contracts at the first joint meeting of the National Women's Business Council and the Interagency Committee on Women's Business Enterprise. The Administrator is asking each Cabinet member to commit to specific strategies to increase women's share of each agency's contracts; requiring women-owned businesses to be considered when agencies look for contractors in a new, streamlined procurement process; working to get more women-owned firms registered on SBA's Pro-Net database; and appointing an SBA manager to work specifically on the issue of women's procurement.
- **Women's Economic Summit:** On June 15, SBA announced the Vice President's Chairmanship of the next Women's Economic Summit to take place in October, sponsored by the National Women's Business Council and the Interagency Committee on Women's Business Enterprise.
- **BIC Home Page:** A new Business Information Center home page was created and posted live to the public.

FEDERAL EMERGENCY MANAGEMENT AGENCY

- **Declaration Activity:** Total Actions number 47, including 33 Major disasters, 2 emergencies, 6 fire suppression assistance grants, and 6 denials..

OFFICE OF PERSONNEL MANAGEMENT

- **Work and Family Programs:** On June 17, Director Lachance announced OPM's Outstanding Work and Family Programs, which are awarded to agencies that have implemented your directive to develop family-friendly work places. This year's winners are the Naval Inventory Control Point, Department of the Navy, Philadelphia, PA; Headquarters 10th Air Base Wing, Department of the Air Force, USAF Academy, CO; and the U.S. General Accounting Office, Washington, DC.

UNITED STATES INFORMATION AGENCY

- **First-Ever Survey in Cyprus:** A USIA first-ever survey in Cyprus shows Greek Cypriots favor unification with proportional representation. Majorities consider two possible solutions acceptable: unification with proportional representation (89 percent) and political integration with Greece (72 percent). Many fewer (29 percent) consider a federation or confederation with equal power sharing acceptable. Hardly any are willing to accept the status quo (6 percent) or permanent partition (6 percent). Consistent with these views, they prefer joining the EU with (66 percent) the Turkish Cypriots rather than without (29 percent) them. A majority of Greek Cypriots are favorable in their overall views of Turkish Cypriots (57-40 percent). But nearly all have unfavorable views of the "Turkish Cypriot Administration" (97 percent) and Turkish settlers in Cyprus (98 percent).
- **Tiananmen Square Commoration:** Labor activist Han Dongfang joined China's most famous exiled dissidents, Wei Jingsheng and Wang Dan (now in the U.S.), in addressing a rally in Hong Kong to commemorate the students who died in Tiananmen Square. Han was the only one of the three to protest openly while still in China. Beijing freed Wei and Wang in the run-up to your planned visit to China later this month. Although the Tiananmen anniversary candlelight vigil has been an annual tradition in Hong Kong since the tragedy in Beijing, the June 4 gathering "marked the first time the Tiananmen massacre has been commemorated on Chinese soil".
- **U.S.-India Ties:** A poll in the field at the time India set off its nuclear weapons tests last month indicates that Indian public perceptions of good ties with the U.S. have substantially narrowed. Though two-thirds (63 percent) of urban college graduates still call ties with the U.S. at least fairly good, this is substantially down from nearly all (96 percent) last November. The poll also shows that six-in-ten agree that India should "publicly declare itself a nuclear weapons state and openly develop a nuclear weapons

program," although an even larger majority (7-in-10) predict that such a declaration would worsen ties with the U.S. and the international financial community.

SOCIAL SECURITY ADMINISTRATION

- **INS Information:** On July 1, SSA expects to publish final regulations describing the process by which INS and State will provide information, collected as part of the immigration process, to SSA to enable the Agency to assign Social Security numbers (SSN) to aliens when they enter the U.S. By implementing these rules, INS will transmit enumeration information directly to SSA, thereby reducing the potential for SSA employees to inadvertently accept inappropriate and/or counterfeit documents, and aliens who currently must first contact INS and subsequently contact SSA will be able to accomplish both transactions in a single contact. The final rules are being sent to OMB for review.
- **SSI Fraud:** Working with the Office of the U.S. Attorney in Tacoma, WA, SSA's Seattle Office of the General Counsel assisted in the first prosecution under a special anti-fraud project involving SSA's Office of the Inspector General. The project is aimed at prosecuting fraud in the Social Security and SSI programs. After a three week jury trial, Narith Kong, a Cambodian national, was convicted of 16 counts of fraud in Federal district court in Tacoma. Kong was found to have coached nearly one hundred Southeast Asian refugees on how to fabricate impairments so they could qualify for SSI disability benefits.

cc:

The Vice President
Erskine Bowles
Paul Begala
Sandy Berger
Sidney Blumenthal
Maria Echaveste
Rahm Emanuel
Mickey Ibarra
Janis Kearney
Ron Klain
Neal Lane
Ann Lewis
Sylvia Mathews
Michael McCurry
Katie McGinty
Mack McLarty
John Podesta
Franklin Raines
Bruce Reed
Craig Smith
Doug Sosnik
Gene Sperling
Larry Stein
Melanne Verveer

- **St. Lawrence River Pollution:** On June 17, a Bahamian tanker traveling on the St. Lawrence River struck the approach wall to the Eisenhower lock and damaged its hull. The tanker discharged 50 gallons of xylene into the river. The Coast Guard is investigating the crash.
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TO: PHIL CAPLAN

FROM: *PM* DAN BURKHARDT

DATE: June 23, 1998

COMMEMORATIVE PROCLAMATION REQUEST

98 JUN 23 17:07

Commemoration Title: National Remembrance Day for the Integration of the Armed Forces

Commemoration Date(s): July 26, 1998 (print deadline early July)

Requestor Name(s): Secretary Cohen

Organization: Department of Defense

Request Date: June 19, 1998

Congressional Support: None

Contact Telephone Number:

History:

NOTES: I believe that this is an important proclamation to do. Although DOD claims to need it for a July 1 print deadline, staff there already has stated that the date could slip a couple of days because of the lateness of the request

Please indicate approval or disapproval of a PROCLAMATION, or another recommendation:

PMC _____

*OK - but
would it a nice
message since for
the program, which
seems to be the
driving force here.
Your call.
Phil*

6/23/98

Phil -

Per my email.

Dr



THE SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

JUN 18 1998

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

The Department of Defense would like to request your signature on a proclamation commemorating the 50th Anniversary of the Integration of the Armed Forces. The commemoration will honor the past and present men and women serving in America's Armed Forces.

To properly observe this important milestone in our Nation's history, the Army is planning a Commemorative Concert at Constitution Hall, Washington, DC, Friday, July 24, 1998, 7:00 pm to 8:30 pm.

A Presidential Proclamation will highlight the historic event. The Proclamation itself will be a central part of the event and published in the 50th Anniversary of the Integration of the Armed Forces souvenir brochure.

Therefore, Mr. President, we in America's Armed Forces would be extremely honored to have your signature on the proclamation. We have provided a sample proclamation for your consideration.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Bill Clinton", written in a cursive style.





WASHINGTON HEADQUARTERS SERVICES
DIRECTORATE FOR
CORRESPONDENCE & DIRECTIVES

JUN 19 1998

MEMORANDUM FOR THE WHITE HOUSE
MILITARY OFFICE

Attn: Mr. R. Wright / TSgt. J. Otto

SUBJECT: Army's 50th Anniversary of the Armed Forces

This memorandum is provided to describe the two attached letters from the SecDef to the President.

The letter at Tab A asks the President to sign a proclamation that will become a part of the Armed Forces souvenir brochure.

The second letter at Tab B asks the President to sign a message that will be displayed in the commemorative program for the July 24 event.

We were told the printing date for the brochure and the program is on or about July 1st. In advance, thanks for your assistance.



Larry D. Horner

Correspondence & Directives

2 Attachments:
As stated

The Gateway For SecDef Correspondence

National Remembrance Day
for the
Integration of the Armed Forces

By the President of the United States of America

A Proclamation

“...It is essential that there be maintained in the armed services of the United States the highest standards of democracy, with equality of treatment and opportunity for all those who served in our country’s defense...”

Fifty years ago on July 26, 1948, President Harry S. Truman signed Executive Order 9981, “Establishing the President’s Committee on Equality of Treatment and Opportunity in the Armed Forces,” and Executive Order 9980, “Regulations Governing Fair Employment Practices Within the Federal Establishment,” changing the course of our nation, and the military forces that protect the American way of life.

With these crucial signings, segregation was officially ended in the Armed Forces resulting in the integration of the World’s premier military fighting forces.

Integration has resulted in equality of treatment and opportunity for all persons in the Total Force. Our military forces are truly representative of the diversity which has made America great; not just at home, but in providing peace and freedom throughout the world.

NOW, THEREFORE, I WILLIAM J. CLINTON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim July 26, 1998, as National Remembrance Day for the Integration of the Armed Forces. I call upon all Americans to observe this period with appropriate programs and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this **ADD DATE** day of June, in the year of our Lord nineteen hundred and ninety-eight, and of the Independence of the United States of America the two hundred and twenty-first.

I N T E R

O F F I C E

MEMO

To: Dan Burkhardt
From: Lana Dickey *L.D.*
Subject: Anniversary of the Integration of the Armed Forces
Date: June 19, 1998

The Secretary of Defense has sent a letter to the President asking him to proclaim July 26, 1998, as a "National Remembrance Day for the Integration of the Armed Forces." This commemorates the 50th anniversary of the integration of the Armed Forces. The Army is planning a concert on July 24 with a print deadline date of July 1, 1998 for the program brochure. Defense would like the proclamation to become a part of the souvenir brochure. I have discussed this with the military office and Defense definitely wants a proclamation, and July 1 is not a drop dead deadline date. We can stretch this a couple of days.

Last year we did proclamations for "National Department of Defense Week" and National Employer Support of the National Guard Reserve Week." We did a **message** for the 50th Anniversary of the Air Force, just to name a few similar requests.

Draft attached

THE PRESIDENT HAS SEEN

6-23-98

To Release U



PRACTICAL
PARENTING
PARTNERSHIPS

Fyi -
B.C.

PPP Center

2412-C Hyde Park Road
Jefferson City, MO 65109

(573) 761-7766
(573) 761-7760 fax

Nancy Davis, Ph.D.
Program Development Coordinator
ndavis@computerland.net

copied
Ver over
CO S

For Mrs. Clinton,
Please contact
our organization.
We want to help.
Sincerely,
Mary Davis

Don-

Can you look at this,
put it in excel, and
let me see.

Phil
6/23

THE WHITE HOUSE
WASHINGTON

'98 JUN 23 PM 1:53

June 23, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

RE: LETTER FROM JESSE JACKSON ON MINORITY OWNERSHIP IN
BROADCASTING

Recently, the Reverend Jesse Jackson sent you a letter challenging the decision not to auction the spectrum that will be used for digital television. He has also met with the Vice President to express concerns about declining minority ownership in broadcasting. His proposal is to auction the spectrum for digital television, and to reserve a portion for a special class of bidders who would commit to serve the interests of minorities and children. We believe that Jackson's concerns are legitimate, but that his specific proposal is unworkable. The FCC has already released a plan which specifies channel assignments for all digital broadcast licenses. FCC rules require that broadcasters in the top ten markets in the U.S. be on the air with digital television by November of this year. We believe that you should send Reverend Jackson the attached letter, which makes it clear that: (1) you share his concerns about this issue; and (2) while you can not support his specific proposal, your Administration is committed to working with him to develop policies that will expand opportunities for minority ownership in broadcasting.

Dear Jesse:

Thank you for your letter on minority ownership in broadcasting.

I share your commitment to ensuring that broadcasting reflects the cultural diversity of our Nation, and your concern that minority ownership in the broadcast industry is declining. Broadcast is our most important medium of communication, and it is critical that employment and ownership in the industry support a "diversity of voices."

Although I do not believe that it would be possible or desirable to auction the spectrum for digital television, given that the FCC has already begun to grant licenses for digital broadcasting, I am committed to exploring other public policies that will increase opportunity for minority ownership and employment.

We are acting on several fronts. Recently, the Justice Department petitioned for a rehearing of the Lutheran Church-Missouri Synod v. FCC case. If upheld, this decision could overturn a 30 year policy that has helped to increase minority employment in the broadcast industry from 9 percent in 1971 to 20 percent in 1997. I know that you personally expressed your concerns about this case to the Department.

Vice President Gore and I have also directed an inter-agency working group involving the FCC, the National Telecommunications and Information Administration, the Department of Justice and others to develop innovative policies for promoting diversity in broadcasting. The working group will explore ways to encourage minorities to become involved in the broadcasting industry, through owning stations, managing broadcasting firms, and working in key jobs. Another effort has been led by Bill Kennard, the Chairman of the Federal Communications Commission, who has challenged the broadcast industry to find new ways to increase opportunities for women and minorities, for example by expanding mentoring and internship programs.

Finally, I have established an Advisory Committee on Public Interest Obligations of Digital Television Broadcasters. This committee is considering proposals that would expand access to the airwaves for independent programmers, including minorities and small businesses.

I am confident these efforts will lead to some real change in the industry. Thank you for your leadership on this critical issue. I hope that you will continue to work with the Administration to expand opportunity for minority ownership and employment in broadcasting. If you or your staff wish to discuss this further, please contact Gene Sperling, the Director of my National Economic Council.



National Office

930 East 50th Street • Chicago, Illinois 60615 • Phone: 773-373-3366 • Fax: 773-373-3571

Washington, DC Bureau

1002 Wisconsin Avenue, NW • Washington, DC 20007 • Phone: 202-333-5270 • Fax: 202-728-11

Wall Street Bureau

40 Wall Street, Suite 429 • New York, New York 10005 • Phone: 212-425-7874 • Fax: 212-968-141

May 20, 1998

President William Jefferson Clinton
The White House
Washington, DC 20500

Dear Mr. President:

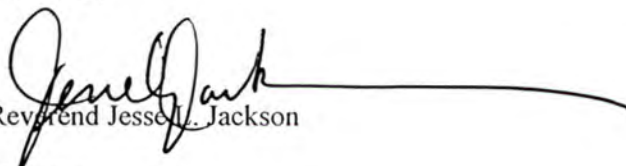
We have been active in the telecommunications industry for a number of years working to ensure equal access, employment and ownership opportunities for minorities. We have traced a pattern of government exclusion of minorities from the early allocation of radio and television licenses, through the award of cable television franchises. Also, the current wave of media mergers is closing the door of opportunity for minorities and small businesses that desire to own a piece of the telecommunications industry.

As we enter the digital age we are once again confronted with a government initiated program that maintains the status quo and thereby reduces the chance for new voices on the airwaves. For example, the repeal of the tax certificate in 1995 eliminated the most successful program to encourage minority ownership of telecommunications facilities. Now, we must make every effort to ensure that minorities have a meaningful opportunity to obtain their fair share of the new telecommunications technologies.

We are particularly alarmed about the proposed \$70 billion giveaway of the digital television spectrum. Not only does it exclude small businesses, minorities and women from participating in this new and dynamic industry, but it also protects incumbent TV broadcasters at the expense of competition and diversity. Therefore, we call upon you to personally intervene in this debate and create a climate of compromise that will balance the legitimate interest of the broadcast industry with the calls for access by those historically excluded from broadcast ownership.

The auction plan currently under review by the FCC will likely violate the public interest by delivering digital spectrum only to the most powerful and most wealthy of our society. The auction plan should be revised to carve out a segment of the digital spectrum for a special class of bidders that make a definitive commitment to enhance the public interest by offering a new and diverse type of programming targeted to minorities and children. We look forward to working with you and to ensure that the problems and practices of the past are not repeated in the allocation of the digital broadcast network.

Sincerely,



Reverend Jesse L. Jackson

JLJ:smg

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Rev. Willie T. Barrow, *Co-Chair of Board of Trustees* • Angela Jordan Davis, *Co-Chair of Board of Trustees*

THE PRESIDENT HAS SEEN
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DATE: 6/10/98

TIME: 3:15

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FAX SENT TO:

Betty Currie

NAME

The White House

COMPANY

Office of the President

DEPARTMENT

202-456-2883

FAX NUMBER

Handwritten note:
Handwritten signature/initials

FROM:

Ramesh V. Kapur

Dear Betty:

Please give this article to the President to read immediately.

Let me know at what time on either June 11, 12, 13 or 14 B. K. Agnihotri and I can meet with the President in order to set up a telephone conference between our President of the oldest democracy and the Prime Minister of the largest democracy. I met President Clinton on June 4, and he asked me to call you to arrange this meeting.

Many thanks!

Armaments race hit by leader from India

By Chel Kaulman/
State-Times writer

Public pressure and world leadership must unite behind "a new approach" to arms control that would eliminate the drive toward nuclear superiority, one of India's political leaders said here this morning.

"The mad race for armaments must be stopped," Shri Atal Behari Vajpayee said. As president of India's second largest political party and leader of the opposition in India's Parliament, Vajpayee gained an audience before the Louisiana Legislature. He was scheduled to address them at 2 p.m. today.

During a morning press conference, he said he wanted to tell lawmakers the arms race "makes the world spend over \$150,000 daily on armaments while the majority of mankind goes hungry, shelterless and deprived of other essentials. We are spending more on arms than the fight against poverty, disease and ignorance."

The 56-year-old statesman and former cabinet minister arrived in Baton Rouge Tuesday to visit an old friend, Dr. B.K. Agnihotri, dean of the law school at Southern University and a former judge in India.

Even though the trip was intended as a social call, Vajpayee said, he wanted to make a few "political" calls as well, such as his visit to the Capitol.

"Public opinion is very important," he said. "I'm glad to see people are getting more involved here and in India too."

"Nuclear war must be avoided. I don't agree with the Chinese who say it is inevitable. Nobody will win a nuclear war. It is up to our world leaders and public opinion," he said.

Vajpayee said India has not developed nuclear weapons, although it does have the capability. Across its border, Pakistan is developing nuclear technology, which Vajpayee said is making India somewhat uneasy.

"Pakistan said she is not developing nuclear weapons and we hope she keeps her word. We are a peace-loving nation and we do not have nuclear weapons. But if Pakistan does develop such weapons, public opinion in India might ask the leadership to reconsider its position to develop nuclear weapons," he said.

"I do not favor the building of nuclear weapons," he said. However, he said, he has not thought about what position he would take if Pakistan does build a nuclear bomb.

"Barring some reaction by the lunatic fringe, there should not be a nuclear confrontation," he said. "I'm more worried about regional wars, such as Iran-Iraq, Lebanon, Syria's invasion of Chad, and Southeast Asia. These are the flashpoints. The regional conflicts may lead to greater conflagration if the regional powers do not exercise great restraint," he said.



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THE PRESIDENT HAS SEEN
6-23-98

June 19, 1998

CF: EUB
Sanchez

MEMORANDUM

To: The President ✓

From: Nancy Hernreich
Ana Lee Sanchez

Re: Northern Ireland - Silicon Valley Initiative

Ellis Mottur sent you an article regarding the Northern Ireland-Silicon Valley Initiative. Mottur calls the program "an institution building which is creating whole new relationships" rather than just a trade mission.

Later this month, administration officials will meet at San Jose Mayor Susan Hammer's office with a group of Silicon Valley technology executives, investment bankers, and academics. They will discuss how to apply the valley's technology in building an entrepreneurial, technology-based economy in the war-torn British province. The Northern Ireland effort marks the first time this administration has reached out to Silicon Valley's expertise as a tool in international diplomacy, Mottur said. "It highlights a new level in the area's growing political involvement."

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FAX TRANSMISSION



Date: 6/16/98

To: NANCY HERNREICH

Fax #: 456-2883

Pages: 5 , including this cover sheet.

From: ELLIS MOTTUR

Subject: NORTHERN IRELAND - SILICON VALLEY INITIATIVE

Ellis R. Mottur, Acting
Assistant Secretary for Trade Development
U.S. Department of Commerce, Room 3832
14th & Constitution Avenue, NW
Washington, DC 20230
202 482-1461 (Phone)
202 482-5697 (Fax)

*Can Lee
Tommy*



U.S. DEPARTMENT OF COMMERCE
International Trade Administration

6/16/98

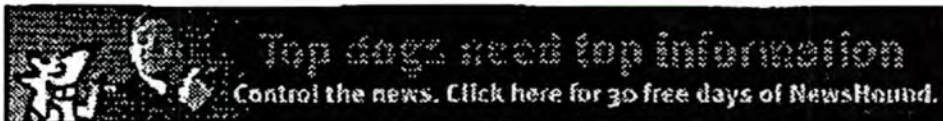
To : *THE PRESIDENT*

From : Ellis R. Mottur
Acting Assistant Secretary
for Trade Development

*I thought you might like
to see this article on our
Northern Ireland - Silicon Valley
Initiative.*

Best wishes

Ellis



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News

Published Tuesday, June 16, 1998, in the San Jose Mercury News

Can Silicon Valley tame the Troubles?

Investment sought for N. Ireland

BY MICHELLE QUINN
Mercury News Staff Writer

You might call it technodiplomacy: The Clinton administration is reaching out to Silicon Valley leaders to help keep the peace in Northern Ireland.

Later this month, administration officials will meet at San Jose Mayor Susan Hammer's office with a group of Silicon Valley technology executives, investment bankers and academics. They will discuss how to put the valley's high-tech IQ to work in building an entrepreneurial, technology-based economy in the war-torn British province.

"If you have prosperity and jobs for people, they are less likely to throw bombs at each other," said Ellis Mottur, acting assistant secretary for trade development at the U.S. Department of Commerce.

The government's initiative, tentatively dubbed the Northern Ireland-Silicon Valley Partnership Program, "is very different than a trade mission," Mottur said. "It's institution building. It's creating whole new relationships."

Silicon Valley has become accustomed in recent years to visits by heads of state and foreign delegations wanting to soak up the ambience, get tips on how to make their countries more entrepreneurial and lure investments. Just last week, President Kim Dae Jung of South Korea dined with chairman of BancAmerica Robertson Stephens of San Francisco and

Jerry Yang, Yahoo co-founder, among others.

But the Northern Ireland effort marks the first time the Clinton administration has reached out to Silicon Valley's expertise as a tool in international diplomacy, Mottur said. And it highlights a new level in the area's growing political involvement. Predating even his 1992 election to the White House, Clinton has successfully courted valley leaders in a region that used to steer clear of Washington.

Tough obstacles

With 1.6 million residents, Northern Ireland suffers from an image of violence. The peace plan, ratified by 71 percent of Northern Ireland voters last month, came with a promise of economic help from the United States and the United Kingdom. Britain has announced a Northern Ireland economic package worth more than \$500 million, including more spending on transportation and infrastructure.

If Northern Ireland wants to be the Silicon Valley of Europe, it faces fierce competition for that title from its neighbor to the south. An impressive array of technology companies have already settled in the Irish Republic. The list includes Intel, IBM, 3Com, Hewlett-Packard, Apple, Seagate, Oracle, Sun and many others. One-third of all the personal computers sold in Europe are manufactured in Ireland, according to Ireland's Industrial Development Agency.

On June 25, Mottur will be joined at Mayor Hammer's office by James Lyons, special adviser to the president and secretary of state for economic initiatives in Northern Ireland. They will talk with top executives from Xerox's Palo Alto Research Center, Hewlett-Packard, BancAmerica's Stephens, Silicon Valley Bancshares and Adobe Systems, as well as academics and leaders from Stanford University, Santa Clara University and De Anza College.

The Clinton officials will invite the group to create a steering committee to offer their expertise. "My hope would be that there would be significant joint ventures that the people in the valley would find profitable," Mottur said.

But success is far from certain. For one thing, Northern Ireland remains deeply divided, and technological know-how is not a panacea for decades of strife. For another, the Commerce Department doesn't have a budget for this work, Mottur said.

'More than happy talk'

That's a big problem, said economist Kenneth Flamm, an expert on technology policy and senior fellow at the Brookings Institution, a Washington think tank. "It's going to take more than happy talk," said Flamm, who thinks ultra-capitalistic Silicon Valley will want some payback if investments -- not just advice -- are desired. "I don't think the economic incentive for investing in Belfast is self-evident. Unless the valley is smitten with this cause, (a government) is going to have to bring dollars to the table."

At least for one local leader, altruism is enough incentive for now. "I'm not doing it for the money," said Bill Cleary, founder of CKS Group, a Cupertino-based marketing company. Cleary said his Irish descent plays no role in his interest. "Maybe it's about giving back to that part of the world that most needs help right now."

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