

Chon

10/10



EMBASSY OF ISRAEL  
PRESS OFFICE

groz  
10/14

**FACSIMILE COVER SHEET**

Date: 8/20/98

To: Mrs. Betty Currie and/or Mrs. Nancy Hennreich

Fax No: 456-2883

From: .....

9-3-98  
Send to  
Correspondence  
for standard  
Response? yes

**Message:**

The following letter had been faxed to our office by Iftah Shahf who asked us to send it to the president's office. He would appreciate if you could help him to get his letter to the president.

Page 1 of 2

tvg

BIL Clinton 001 202 364 5607  
(urgent)!!!

my God. (SELF) helped me,

your truth is with you,

I believe in you...

IFTAH SHAH

K. LEAVOT HABASHAN

ISRAEL. (DOR-TRV)

GOOD LUCK!

(god is with you)...

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THE WHITE HOUSE  
WASHINGTON

September 3, 1998

9-3-98

copied  
Bowles

MEMORANDUM FOR THE PRESIDENT

FROM: ERSKINE BOWLES

SUBJECT: ISSUES UPDATE

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

CABINET AFFAIRS REPORT

- **SwissAir Flight 111 Crash.** In the aftermath of last evening's 9 p.m. crash of SwissAir Flight 111 in Nova Scotia, U.S. Government agencies have offered to provide a range of assistance to the Canadian Government. There were 215 passengers and 14 crew members aboard -- all are presumed dead. Of the casualties, at least 136 were U.S. citizens, including the internationally-renowned AIDS/HIV leaders Jonathan Mann, MD, PhD and his wife Mary-Lou Clements-Mann, MD, PhD. (Both advised the Presidential Advisory Council on HIV/AIDS on your AIDS Vaccine Initiative.) The families of nearly all of the U.S. victims have been notified.

A wide range of federal assistance has been offered to the Canadian government. Our National Transportation Safety Board (NTSB) team arrived at the accident site in Nova Scotia early this morning. NTSB briefed Canadian counterparts on our recommended procedures for counseling victim families and also made available Family Affairs Officers to provide support and assistance in New York. We expect ABC's Nightline to commend the manner in which the SwissAir victim families have been handled thus far. The U.S. Public Health Service has offered the services of a mortuary team. The Canadians have not yet responded to that offer. DOD's Joint Chiefs of Staff offered the assistance of Navy divers. The Canadians have declined that offer but indicated a possible interest in a U.S. Navy deep sea salvage ship. DOD is readying that vessel for deployment.

There are U.S. Coast Guard assets in the general vicinity of the accident and the Commandant has tendered a general offer of assistance. State Department Operations and embassy staff have been working closely with Canadian and Swiss authorities. State has been making notification calls to next of kin and offering assistance. The Department of Justice remains in contact with the Royal Canadian Mounted Police and other Canadian law enforcement authorities. DOJ has offered assistance on issues ranging from terrorism to fingerprint identification, and has dispatched the two FBI agents who set up the New York command

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post that handled the TWA 800 crash. The FBI, as is its standard practice, is currently interviewing any individual who came in contact with the plane while it was serviced at JFK International Airport.

- **Hurricane Earl.** Last night Hurricane Earl came ashore and drenched the Florida Panhandle with torrential rains and 80 mph winds. Today, as it pushed northeast into southern Georgia, the hurricane weakened and was downgraded to a tropical storm. At 5 p.m., Earl was 45 miles SSE of Macon, Georgia moving NE at 20 mph. The storm's path along the Gulf Coast caused flooding and tornadoes. At least one person was killed and three are reported missing.

### CEA REPORT

- **Unemployment numbers.** On Friday at 8:30 a.m. EDT the Labor Department will release unemployment numbers for the month of August. For the third consecutive month the rate remained at 4.5 percent, close to market expectations. (See attached CEA memo.)

### LEGISLATIVE AFFAIRS REPORT

#### **House of Representatives**

- The House stands in recess until September 9. While the schedule has not been finalized, it is anticipated that the House will take up several suspensions and approximately three other pieces of legislation, including: H.R. 3892, the English Fluency Act; H.R. 2538, the Guadalupe-Hidalgo Treaty Land Claims Act; and H.R. 2863, the Migratory Bird Treaty Reform Act. House Republican Leadership has indicated that recorded votes will be completed by 2 p.m. on Friday, September 11.

#### **The Senate**

- **FY99 Foreign Operations Appropriations Bill (S. 2334):** The Senate passed (90-3) S. 2334, the FY99 Foreign Operations Appropriations Bill. Overall, the bill allocates \$12.6 billion in foreign aid, near the maximum allowed by the budget. The bill reduces economic aid to Israel by \$120 million to \$1.08 billion and increases military assistance by \$60 million to \$1.86 billion. The bill also includes \$740 million for newly independent states of the former Soviet Union and provides \$15.3 million to the Baltic states in grants and loans. S. 2334 also includes \$17.9 billion for the IMF, the same amount you requested. The bill calls for IMF loan policy changes, but does not condition the funding on such changes.

During consideration, the Senate took the following action: failed to table (11-80) and then passed (voice) an amendment sponsored by Senators McCain (R-AZ) and Kay

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Bailey Hutchison (R-TX) which cuts off \$35 million in U.S. funds to an international consortium overseeing efforts to meet North Korea's energy needs unless the Administration certifies that North Korea has halted missile technology transfers and efforts to develop nuclear weapons. The amendment also requires the Administration to submit to Congress any classified evidence used to certify North Korea's compliance with its pledge to dismantle its nuclear weapons programs.

Senior advisors have recommended that you veto the committee bill because its funding is insufficient to make the necessary investments in programs and there are a number of objectionable restrictions and earmarks, that combined with the reduced funding level, would seriously limit the Administration's ability to conduct foreign policy.

*What's the  
message  
in 3?*

**Treasury-Postal FY99 Appropriations Bill (S. 2312):** The Senate passed (91-5) S. 2312, the Treasury-Postal FY99 Appropriations bill. S. 2312 appropriates \$29.9 billion for Treasury-Postal operations, which is \$4.6 billion above FY98 funding levels and \$3.1 billion above the Administration's request. Among the increases over your request are funding for IRS customer service, drug enforcement and gang resistance accounts. Also included in the bill is \$33.7 million for the FEC, \$2 million more than FY98; 3.6 percent cost of living adjustment for federal workers; and, a salary freeze for Members of Congress.

- **Consumer Bankruptcy Reform Bill (S. 1301):** The Senate began consideration of S. 1301, the Consumer Bankruptcy Reform Bill. Majority Leader Lott filed a motion to invoke cloture on S. 1301. The Senate will vote on the motion on Wednesday, September 9.

### Outlook

On Friday, September 4, the Senate will convene for a brief period during which no business will be conducted.

### NEC REPORT

- **Northwest Airlines Strike Update:** Secretary Slater made progress in his effort to get "essential air service" by two Northwest-controlled commuter airlines back to 17 midwest communities. Predictably, the commuter airlines told him early today that they could not provide the service because a) it would not be commercially viable, and b) they are dependent on Northwest services (e.g., meteorologists) that have been suspended. To deal with the first problem, Slater got the pilots union to agree to have the commuter airlines fly routes that are covered by the strike (i.e., to perform "struck work"). To deal with the second problem, Slater told CEO John Dasburg that Northwest would have to provide those services for the commuter airlines, just as it is currently doing for KLM and Icelandic Air on their code-shared international routes. Slater made clear that if

9-3-98

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- ✓ Northwest and the commuter airlines are not in compliance by Tuesday, DOT will immediately file an enforcement action. DOT also is taking steps to increase service by other small airlines that serve the affected region. Slater spoke with several governors, including Governors Thompson and Engler, neither of whom pressed him for a PEB.
- ✓ Finally, Northwest reported that it would not issue any more layoff notices this week.



THE DIRECTOR

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

September 2, 1998

9-3-98

Copied  
Lew  
Bowles

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew 

SUBJECT: Emergency Supplemental Funding in Response to Bombing of U.S. Embassies and Other Emergency Supplemental Requests

Working with the foreign policy team, we have developed an emergency package to address the needs that have arisen out of the U.S. embassy bombings in Tanzania and Kenya. This week, I will go to the Hill with George Tenet and others from the State Department to informally discuss the elements of the package and how much should be spent in each area. For the purposes of this discussion, we have developed three different categories of options (necessary, prudent, and additional activities) that are described in more detail in the attached paper. Through the informal consultations with Congress, we hope to encourage their ownership and ensure that we have a package that will move quickly and meet our needs. We are also going to discuss with the Hill that we believe that the package should be classified so that we do not telegraph our strategic approach to combating terrorism.

The package includes elements that we have discussed with you whether directly or indirectly (embassy repair, security upgrades for overseas posts, counter- and anti-terrorism efforts, funding for Secret Service security increases, and assistance in some form to Kenya and Tanzania) as well as elements such as ensuring that we have the equipment to respond when such incidents occur. We will keep you posted on our conversations with Congress and hope to transmit the package early next week. In addition, we have transmitted an emergency request for the year 2000 computer conversion fund (\$3.2 billion) today and we are planning to transmit the following additional supplemental requests to Congress next week:

- Agriculture disaster funding (\$500 million to \$1.1 billion). The funding request from USDA has risen from \$500 million to \$2.7 billion. We are working with USDA and the NEC to evaluate the current proposal.
- Funding to alleviate DOD problems in the aftermath of the South Korean floods (\$255 million).

Including Bosnia funding (\$1.9 billion), we currently estimate emergency funding requests will total approximately \$8 billion. Given the size of the emergency requests, it is essential that Congress adopt these requests as emergency funding with no offset. Without the emergency designations, it will be very difficult to secure additional funding for Administration. I will send you a separate memo on our plans for appropriations negotiations and how we believe the emergency supplementals fit into the overall appropriations strategy.

#### ATTACHMENTS

CC: Erskine Bowles  
John Podesta  
Samuel Berger

## EMERGENCY SUPPLEMENTAL

*Approximate Millions of Dollars*

### **What We Believe We Must Absolutely Do** **about \$1 billion** (security measures/counter-terrorism/response capabilities)

|                                                                              |     |
|------------------------------------------------------------------------------|-----|
| • Temporary standup and rebuilding of two Embassies<br>in Kenya and Tanzania | 200 |
| • Security upgrades for overseas posts                                       | 360 |
| • Selected posts get significant security upgrades                           |     |
| • Others get tailored upgrades                                               |     |
| • Limited post relocations                                                   | 90  |
| • Classified counter terrorism programs                                      | 120 |
| • Treasury/Security Service security programs                                | 85  |
| • Emergency Response Aircraft and FBI response teams                         | 80  |
| • Anti-terrorism assistance expansion                                        | 10  |
| • Medical assistance/reconstruction aid for Africans                         | 50  |
| • Agency reimbursements/review panel                                         | 10  |

### **What We Believe Is Prudent for a Package** **about \$1.4 billion** (increment is above 'What we believe we must absolutely have')

|                                                              |      |
|--------------------------------------------------------------|------|
| • Security upgrades for overseas posts                       | +120 |
| • additional significant upgrades                            |      |
| • Additional post relocations                                | + 60 |
| • Classified counter terrorism programs                      | + 80 |
| • Treasury/Security Service security protection enhancements | + 30 |
| • Anti-terrorism assistance expansion                        | + 10 |
| • Additional Emergency Response Aircraft                     | + 95 |
| • FBI response teams                                         | + 5  |

### **What We Would Identify absent financial constraints** **about \$3.3 billion** (increment is above 'What we believe is prudent')

|                                                              |      |
|--------------------------------------------------------------|------|
| • Standup and reconstruction of two Embassies                | + 30 |
| • Security upgrades for overseas posts                       | +600 |
| • Additional significant upgrades                            |      |
| • Additional post relocations                                | +850 |
| • Treasury/Security Service security protection enhancements | + 75 |
| • Classified counter terrorism programs                      | + 50 |
| • Anti-terrorism assistance expansion                        | + 70 |
| • Medical assistance/reconstruction aid for Africans         | + 70 |
| • FBI response                                               | + 20 |

9-3-98

02-Sep-98

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**OPTIONS FOR EMERGENCY SUPPLEMENTAL  
RESPONSE TO EMBASSY BOMBINGS**  
Budget Authority in millions of dollars

| <b>Program:</b>                                                                                 | <b>Option #1</b> | <b>Option #2</b> | <b>Option #3</b> |
|-------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <b>Embassies in Kenya and Tanzania</b>                                                          |                  |                  |                  |
| Full standup of temporary and construction of new embassies.....                                | 200              | 200              | 231              |
| Reimburse USG agencies for support activities.....                                              | 10               | 10               | 10               |
| <b>Review Panel.....</b><br>(administrative expenses)                                           | 3                | 3                | 3                |
| <b>Anti-terrorism Assistance.....</b>                                                           | 10               | 20               | 87               |
| <b>Upgrade Security of Posts.....</b>                                                           | 359              | 480              | 1,080            |
| Immediate security measures/protection                                                          | 20               | 20               | 20               |
| Top 45 get major upgrades<br>(includes additional regional security officers)                   | 134              | 126              | incl below       |
| Up to 175 other posts get tailored upgrades<br>(includes additional regional security officers) | 170              | 279              | incl below       |
| Comprehensive Upgrades for 220+ Posts                                                           |                  |                  |                  |
| ---- local guards                                                                               |                  |                  | 189              |
| ---- facilities, equipment, tech support for physical security                                  |                  |                  | 429              |
| ---- armored vehicles                                                                           |                  |                  | 101              |
| ---- U.S. personnel, including regional security officers                                       |                  |                  | 90               |
| Other upgrades for 220+ posts                                                                   |                  |                  |                  |
| ---- radio replacements, software, and other                                                    |                  |                  | 158              |
| ---- guards for domestic State Dept installations                                               |                  |                  | 28               |
| Other agencies' overseas facilities upgrades                                                    | 35               | 55               | 65               |
| <b>Temporary Relocation of Posts.....</b>                                                       | 90               | 150              | 1,000            |
| Relocate three posts at high threat level                                                       | 90               | 90               | 90               |
| Relocate five posts at high threat level (3 from above +2)                                      | --               | 60               | 60               |
| Relocate all 25 posts (5 from above + another 20)                                               | --               | --               | 850              |
| <b>Assistance to Kenya and Tanzania.....</b>                                                    | 50               | 50               | 120              |
| Assistance for victims (est. only)                                                              |                  |                  | 40               |
| Economic assistance, Infrastructure Replacement (est. only)                                     |                  |                  | 50               |
| Economic Recovery Grant (est. only)                                                             |                  |                  | 30               |
| <b>Emergency Response Aircraft .....</b>                                                        | 66               | 131              | 131              |
| <b>FBI Response Teams.....</b>                                                                  | 16               | 52               | 73               |
| New response teams and equipment                                                                | 16               | 22               | 26               |
| Gulfstream Aircraft                                                                             | --               | 30               | 30               |
| O&M and transportation reimbursement                                                            | --               | --               | 17               |
| <b>Treasury/Secret Service Activities.....</b>                                                  | 85               | 112              | 187              |
| Secret service                                                                                  | 78               | 87               | 150              |
| Customs and other                                                                               | 7                | 25               | 37               |
| <b>Intelligence Community Needs.....</b>                                                        | 123              | 202              | 247              |
| <b>TOTAL SUPP COST</b>                                                                          | <b>1,012</b>     | <b>1,410</b>     | <b>3,289</b>     |
| <b>Unbudgeted Future Costs (FY 2000 and beyond)</b>                                             |                  |                  |                  |
| Annual Recurring Costs                                                                          | 329              | 408              | 619              |
| New Embassy Construction                                                                        | 150              | 250              | 1,250            |

9-3-98

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20502

September 3, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: JANET L. YELLEN

SUBJECT: Employment and Unemployment in August, Labor  
Department Release, Friday, 8:30 a.m.

The unemployment rate remained at 4.5 percent in August--the third consecutive month at this level and close to market expectations.

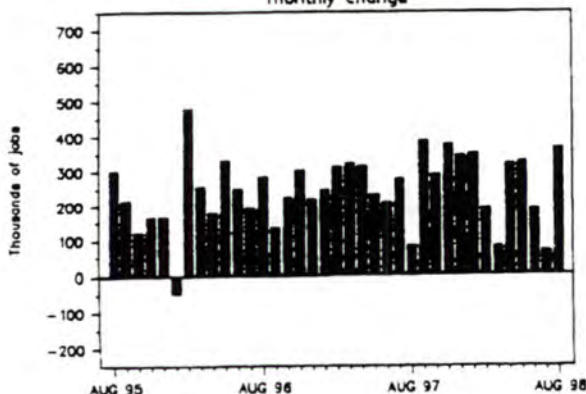
Nonfarm payroll employment rose 365,000 in August--in line with market expectations. The increase includes about 150,000 GM workers who returned to work following the settlement of the strike.

- Payroll employment has increased 16.7 million since January 1993, with 15.5 million of these jobs in the private sector.
- Employment growth was strong in construction and services. Manufacturing, in contrast, gained only 95,000 jobs in August despite the return of the GM workers. Since March, factory employment has fallen 154,000.
- Production-worker hours increased 0.1 percent in August. For the third quarter as a whole, production-worker hours are on track to increase at about a 2½ percent annual pace.

Average hourly earnings of production workers rose 0.5 percent in August, close to market expectations. Over the past 12 months, this wage measure increased 4.2 percent, up from a 4.0 percent increase during the year-earlier period.

Overall labor demand remains strong. The August employment report, together with other recent data, point to real GDP growth of about 2 to 3 percent at an annual rate in the third quarter.

NONFARM PAYROLL EMPLOYMENT  
monthly change



CIVILIAN UNEMPLOYMENT RATE

