Monday, October 5, 1998

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THE WHITE HOUSE

WASHINGTON

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Echaveste
Moore
Lewis
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September 29, 1998

MEMORANDUM TO THE PRESIDENT

FROM: Maria Echaveste
Minyon Moore
Ann Lewis

RE: Director of Women's Initiatives and Outreach

Over the last few weeks, we have held intensive meetings with over ten candidates for the position of Director of Women's Initiatives and Outreach. We determined that the optimal candidate should be both substantively knowledgeable in women and family issues and an organizer--capable of reaching women outside the Beltway. We consulted internally with the First Lady's Office and the Vice President's Office, among others, and externally.

We narrowed the field to three candidates: Jennifer Luray, Legislative Director for Congresswoman Nita Lowey; Susan Bianchi-Sands, Executive Director of the National Committee on Pay Equity and Chair of the National Council of Women's Organizations; and Debra Carnahan, Special Advisor to the HUD Fraud Enforcement Center.

After much discussion and further interviews, we recommend Jennifer Luray as our top choice for the position. As you can see from her attached biography, she has an extensive background in outreach to women in Congress and to various women's advocacy groups. Throughout her eight-year tenure as a legislative aide in Congress, she has focused on women's issues, including family planning, abortion rights, and women's health. In addition, she has developed invaluable relationships with various women's organizations through public speaking and coordinating efforts. In this way, she would bring a unique blend of outreach, organizing, and policy to the office.

We recommend that you consider Jennifer Luray for the appointment as Deputy Assistant to the President and Director of Women's Initiatives and Outreach.

Accept ✓_____ Regret _____ Let's discuss _____

JENNIFER M. LURAY

1842 California Street NW
Washington DC 20009
h (202)-588-5546
w (202)-225-6506

EMPLOYMENT

May 1995 - Present
CONGRESSWOMAN NITA M. LOWEY (D-NY) WASHINGTON, DC
Legislative Director
Oversee legislative activities for fifth-term member of Congress and former co-chair of Congressional Caucus on Women's Issues; coordinate legislative strategy around high profile issues such as family planning, abortion rights, and women's health; assist member with responsibilities on the House Appropriations Subcommittee on Labor, Health and Human Services, and Education; support member with House Democratic leadership duties.

1992-1995
DEMOCRATIC STUDY GROUP WASHINGTON, DC
U.S. HOUSE OF REPRESENTATIVES
Policy Analyst
Prepared detailed analyses for Members of Congress and staff on economic and social policy legislation pending before U.S. House of Representatives; wrote briefs on health care reform, welfare reform, women's issues and social security.

Summer 1990
JOINT ECONOMIC COMMITTEE, U.S. CONGRESS WASHINGTON, DC
Research Assistant
Contributed to joint House-Senate committee report on family income trends.

1987-1989
HARVARD UNIVERSITY TRADE UNION PROGRAM CAMBRIDGE, MA
Acting Executive Director; Assistant Director
Directed all facets of international, residential program for top-level union leadership; developed long-term plan leading to a large increase in university funding; co-designed Kennedy School of Government course, *Labor and Public Policy*.

1985-1987
OFFICE TECHNOLOGY EDUCATION PROJECT BOSTON, MA
Education and Research Director
Led seminars to train public sector managers and union leaders to more effectively use new workplace technologies; guest lectured at Sloan School of Management (MIT) and Harvard School of Public Health.

EDUCATION

1991
HARVARD UNIVERSITY CAMBRIDGE, MA
KENNEDY SCHOOL OF GOVERNMENT
M. P. A.
Teaching Assistant, Introductory Microeconomics; Research Assistant, Center for Business and Government.

1983
BROWN UNIVERSITY PROVIDENCE, RI
A. B. Sociology
Awarded Samuel J. Lamport prize for academic achievement in the social sciences.

OTHER

- Advise Emily's List candidates on public policy issues (1996 and 1998 election cycles)
- Extensive public speaking to women's, education, and health care advocacy groups
- Congressional representative to Harvard University health policy forum, Spring 1998
- Congressional representative to National Breast Cancer Coalition's Aspen Institute Project
- GOTV volunteer coordinator during 1992 Presidential campaign in Michigan's 12th Congressional district.

10-5-98

THE WHITE HOUSE

WASHINGTON

October 2, 1998

MR. PRESIDENT:

Attached are the following weekly reports:

(A) Weekly Economic Briefing

(B) Interest Rates/Update on Global Markets

(C) DPC Report

(D) NEC Report

(E) CEQ Report

(F) OSTP Report

(G) Upcoming Speeches

(H) Legislative Report

(I) Public Liaison Report

(J) Intergovernmental Report

(K) Cabinet Affairs Report

(L) Political Report

Phil Caplan Phil

Tab A - Entire Report Yellen/COS
Tab C - Reed/Kagan/COS
Tab D - Sperling/COS
Tab G - Waldman/COS
~~Tab H - Stein/COS~~
Tab L - Smith/COS

10-5-98

EYES ONLY

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WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

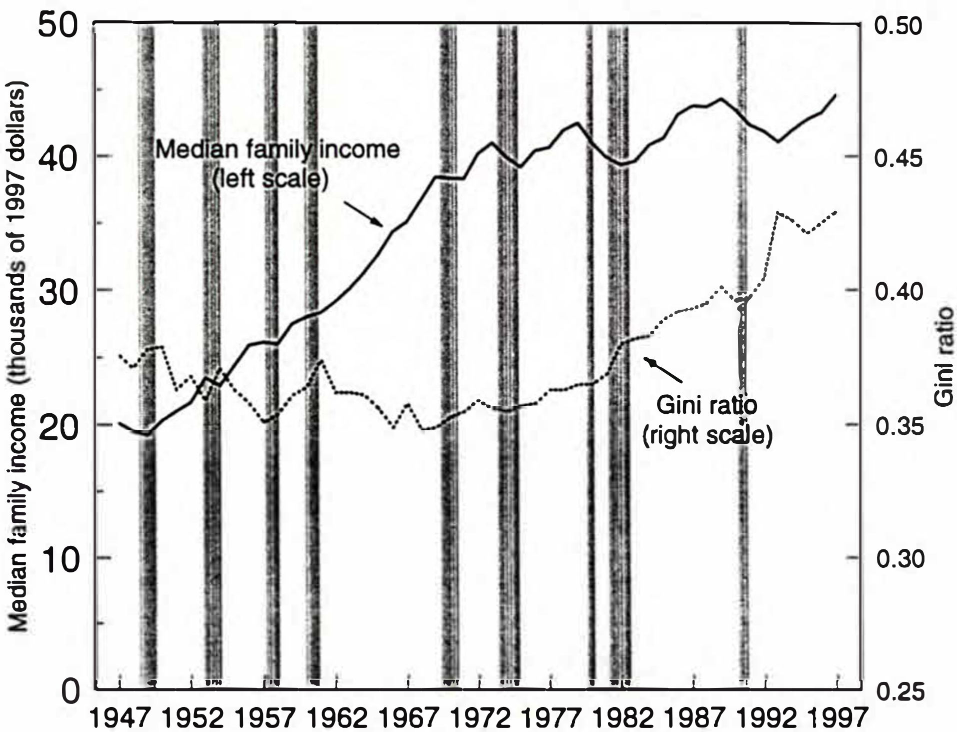
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice Presi

October 2, 1998

Copied
Yellen
COS

CHART OF THE WEEK

Family Income over the Past Fifty Years



Median family income doubled between 1947 and 1973, after adjusting for inflation. Growth since then has been much more modest and more subject to cyclical fluctuations (the gray bars in the chart represent recession periods). Slower growth in real median family income over the past two decades has also been accompanied by increasing inequality in the distribution of income, as measured by the Gini ratio.

EYES ONLY

CONTENTS

"And now, if you don't want to know today's Dow Jones closing, look away from your set until the music stops."

EYES ONLY

CURRENT DEVELOPMENT

Hedge Fund Gets Clipped

Last week, a group of large financial institutions urgently invested $3.5 billion in the hedge fund Long-Term Capital Management (LTCM) in order to prevent its collapse. What is a hedge fund and what got LTCM in trouble?

Funds for the sophisticated. The label "hedge fund" is usually applied to investment funds that are unregulated because they restrict participation to a relatively small number of wealthy investors. No precise figures are available, but the amount invested in hedge funds appears to be in the $200-300 billion range. These funds often make combinations of transactions—including the use of derivatives—that allow them to hedge some kinds of risk (see box).

What went wrong at LTCM? According to press accounts, LTCM gambled that yield spreads between Treasury bonds and many riskier types of debt would narrow. Instead, the recent "flight to quality" sharply widened risk spreads, causing many of LTCM's bets to fail at the same time. In addition, LTCM had financed many transactions by borrowing. By leveraging its relatively small amount of equity capital, the fund raised profits when its investment decisions were correct, but reduced its margin for error.

What is the role for government? If LTCM had gone bankrupt and been forced to liquidate its large and somewhat illiquid portfolio quickly, financial markets might have been seriously disrupted. To avoid this outcome, the New York Federal Reserve Bank brought LTCM's principal creditors together, but it did not set the terms of the rescue or invest public money. Still, analysts have noted that even the appearance of government assistance might encourage greater risk-taking by investment firms in the future.

Why Are They Called Hedge Funds?

By engaging in specific combinations of transactions, hedge funds protect their portfolios against all risks except the ones they choose to take. For example, if a hedge fund believes that the yield spread between mortgage-backed securities and U.S. Treasuries is likely to decline, it can buy mortgage-backed securities and sell Treasuries short. Then, changes in the yield spread will generate gains or losses for the fund, but common movements in the yields will be a wash. Such a "pure play" focuses risk exposure but does not eliminate it.

EYES ONLY

SPECIAL ANALYSIS

Are Large Firms More Technologically Innovative?

Joseph Schumpeter conjectured more than 50 years ago that large enterprises, by virtue of their superior ability to attract capital and brain power, bear risk, and recoup investments, were superior innovators to small firms. Empirical studies have provided both limited support and important challenges to Schumpeter's claim.

Innovative input: research and development. Studies consistently find that bigger enterprises are more likely than smaller ones to undertake at least some R&D. In addition, among those firms that do undertake R&D, bigger firms tend to make larger R&D investments. But are these investments *proportionately* larger? Early studies found that the intensity of R&D varied somewhat by industry. For example, large firms were found to spend proportionately more on R&D in the chemicals industry, but proportionately less in pharmaceuticals. But in most industries and in most cross-industry studies, size did not prove to be a good predictor of R&D investment per dollar of sales volume or other measures of firm scale. More sophisticated recent research has led to a consensus that, in general, R&D rises only proportionately with firm size. These results suggest that large firms have no particular tendency—nor any notable reluctance—to engage in innovation.

Innovative output: patents. Although evidence based on R&D investment is instructive, several scholars have argued that it would be better to test Schumpeter's conjecture by looking at innovative output. Here several studies spanning the 1960s through the 1990s have found that small firms account for a disproportionately large share of patents—though once again with some variation across industries. Studies that have explicitly matched R&D investment with patent output have found that smaller firms produce more innovations per R&D dollar than do large firms.

These results do not necessarily imply a negative assessment of large firms' innovative efforts. First, there may be diminishing returns to R&D, and large firms may simply be more willing to invest in projects with less prospect of success. Second, not all patents or other innovative outputs are equivalent in value. So simply counting patents and dividing by R&D investment is an imperfect measure of innovative productivity. Third, large firms may earn higher returns on R&D than small ones because of their ability to deploy innovations across a broader array of products or take advantage of process cost savings over a larger production volume. So even though a large firm might produce fewer patents per R&D dollar, it may earn more per patent, perhaps explaining why large firms continue to invest in R&D even after their proportionate patent yield drops below that of smaller firms.

Conclusion. The relationship between firm size and innovation is complex. Available evidence calls into question Schumpeter's conjecture that large firms are superior innovators, but it does not lead to the contrary view that large firms are bad for technological progress and economic growth.

EYES ONLY

SPECIAL ANALYSIS

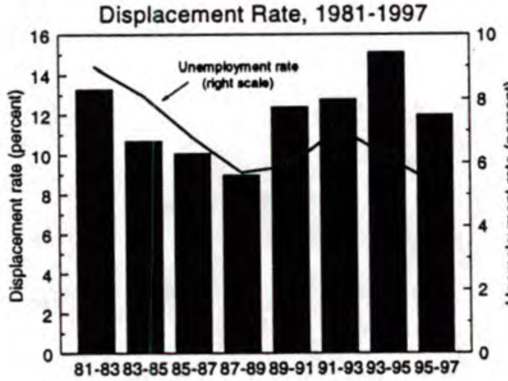
Conditions Improve Substantially for Displaced Workers

Based in part on data from the 1996 survey of displaced workers, which showed job displacement to be unusually high given the overall strength of the labor market, some analysts argued that the employer-employee relationship had changed and job instability was on the rise. But new data showing a substantial decline in job displacement and a record low loss in workers' earnings associated with displacement suggest that this interpretation may have been premature.

The displaced worker survey. Since 1984, the Department of Labor has conducted a biennial survey of workers who have been displaced from their job sometime in the 3 years prior to the survey. Displacement is defined as job loss due to a plant closing, insufficient or slack work, abolishment of a position or shift, or some other similar reason.

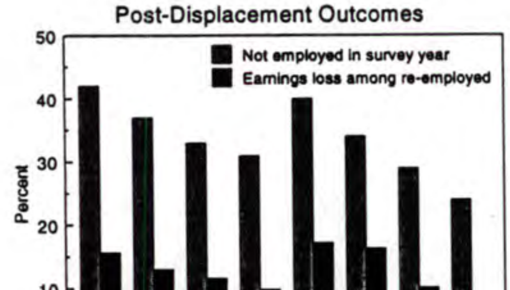
Displacements on the decline. The 1996 survey was cause for concern because it indicated that the number of workers who reported being displaced at some time between 1993 and 1995 was equivalent to 15.1 percent of the workforce—up from 12.8 percent in 1991-93, despite a drop in the overall unemployment rate (see upper chart). The 1998 survey is more encouraging, showing a drop in the displacement rate to 12.0 percent for the 1995-97 period. Moreover, declines were evident for all major groups of workers: men and women, younger and older workers, high school dropouts and college-educated workers, and workers in manufacturing as well as professional services. Nevertheless, the rate of job displacement in 1995-97 was 20 percent higher than it was in 1987-89—when the unemployment rate was roughly the same.

Displacement Rate, 1981-1997



Costs of displacement. Historically, 30 to 42 percent of displaced workers were not re-employed 1 to 3 years after losing their jobs. Thus it is encouraging that this rate has fallen to 24 percent in the latest survey (see lower chart). In addition, re-employed workers typically earn less than they did in their previous jobs. For example, one study of workers with at least some earnings in the years after displacement found an average earnings decline of 29 percent in the year

Post-Displacement Outcomes



of displacement that subsequently shrank to an average loss of 10 percent. The latest data, by contrast, show that the loss in weekly earnings among those who were re-employed was at a record low of 5.7 percent overall in 1995-97. Losses are at or near record lows for workers of all education levels, with workers at higher education levels now experiencing particularly small losses.

Conclusion. The latest data on job displacement goes a long way toward laying to rest the most serious concerns raised by the 1996 results. Nevertheless, job displacement remains more common than it was in the 1980s, which will continue to fuel the discussion of employment insecurity.

10-298

EYES ONLY

ARTICLE

Climate Forecast: Increasing Sun and Wind

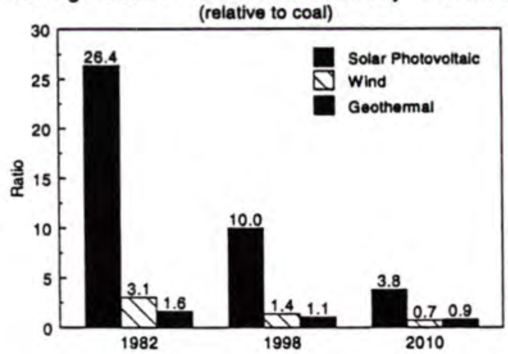
Improvements in (non-hydropower) renewable energy technologies have substantially reduced the costs of these technologies over the past two decades, and some analysts have expressed enthusiasm for the opportunities for such renewable energy to replace significant amounts of fossil fuel-based power. However, the weight of the evidence suggests that these renewable energy sources will most likely supply only a small fraction of total U.S. energy over the next two decades.

Trends and projections. Renewable energy has long been a significant component of U.S. electricity generation. In 1950, hydropower was about 30 percent of total electricity generation—second only to coal as a source of electricity. In the late 1960s, new generation came from non-hydro renewable sources, traditionally defined as wind, solar, biomass and waste combustion, and geothermal power. Non-hydro renewable generation increased through the 1970s and 1980s, in part due to R&D devoted to alternative energy sources spurred by the 1973 and 1979 oil shocks.

By 1996, the share of hydropower had ~~fallen to about~~ 10 percent, while non-hydro renewable generation had ~~climbed to 2.2 percent of~~ total electricity generation. The share of hydropower generation is projected to fall further between 1996 and 2020, while other renewables are projected to edge up to 2.6 percent of total electricity generation. Since most good opportunities for hydropower development have already been employed, growth in renewable power will likely depend on the development of these other sources. Although their costs are projected to decline further, use of non-hydro renewable energy sources is not likely to increase much in the face of low coal prices.

Costs are coming down. While hydropower has long been a cheap source of energy, non-hydro renewables have historically had much higher generation costs. In 1982, solar photovoltaic power cost more than 25 times as much as coal while wind power was about 3 times as expensive (see chart). But continued technological advances, together with cost reductions arising from greater economies of scale in production, have lowered generation costs. Wind is now competitive in some areas, while the costs of solar photovoltaics have fallen 70 percent. In addition, geothermal is now competitive in those limited areas where it is feasible.

Average Cost of Renewable Electricity Generation
(relative to coal)



Renewables and climate change. Non-hydro renewable energy that generates electricity without carbon dioxide emissions can help address the risks of climate change. The economics of renewables become more attractive, for example, when coal and natural gas prices include the cost of a greenhouse gas permit. Several modeling simulations indicate, however, that the cost of a greenhouse gas permit would need to be relatively high for non-hydro renewables to increase significantly by 2010. In one simulation, for example, the permit price had to be about $350 per ton for the share of electricity generation from non-hydro renewables to double; at a price as high as $65 per ton non-hydro renewables displaced less than 0.5 percent of fossil fuel-based electricity generation in 2010. These results indicate that during the first "budget period" established under the Kyoto Protocol, electricity generators would more likely switch over to natural gas than to non-hydro renewable sources.

Conclusion. Electricity generation costs from non-hydro renewable sources have fallen significantly over the past two decades. Drawing from this experience, one recent analysis even suggests that solar photovoltaic power could cost-effectively replace fossil fuels midway through the next century. Over the next 20 years, however, these renewables most likely will continue to account for only a small share of electricity generation.

EYES ONLY

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Fed Eases; Markets Unimpressed. A week ago financial markets reacted favorably when Federal Reserve Chairman Greenspan signaled that a rate cut was imminent. But the cut in the Federal funds target rate from 5½ to 5¼ percent seemed to disappoint markets, which apparently were hoping for a stronger move by the Fed—either a larger rate cut or an accompanying cut in the discount rate (the rate the Fed charges banks who borrow reserves from it). The Fed funds futures market implies that investors expect a further 0.5 percentage point cut by year-end.

FCC Thwarts Bell Operating Companies on Long Distance—Again. This week the Federal Communications Commission ruled that business agreements entered into by Ameritech and U S WEST to provide long distance service to their local customers violate the Communications Act because the companies have not yet demonstrated that their local telephone markets are open to competition. Both companies had agreements with a third firm, Qwest Communications Corp., to offer Qwest's long distance service as part of a package of services they offered customers under their own brand name. Section 271 of the Telecommunications Act is meant to prevent Bell Operating Companies (BOCs) from leveraging their bottleneck control of local telephone markets into the long distance market and to provide an incentive to open their local market to competition. In 1997, Ameritech made the first of several BOC efforts to try to enter the long distance market, but it withdrew its application when the FCC determined that it had not yet opened its local markets to competition.

Program for Poor Fathers Shows Poor Results. The Parents' Fair Share Demonstration, conducted at seven sites since 1994, offered a quid-pro-quo to low-income noncustodial fathers: in return for their cooperation with the child support system, participants received employment and training services as well as peer support focused on responsible parenting. An experimental evaluation found no increases in employment, earnings, or average child support payments during the first 18 months. The percentage of fathers who made any child support payment during the period showed a modest increase, from 69 to 73 percent. The participants were a disadvantaged group, with the majority in poverty and with little access to public assistance. Half lacked a high school diploma and 70 percent had an adult arrest record.

Census Documents 50 Years of Economic Change Using the CPS. This week the Census Bureau released a chart book chronicling a half century of measuring income in America using the Current Population Survey (see the Chart of the Week, for example). Highlighted trends include a 150 percent increase in the real median income of married-couple families between 1947 and 1997 (due in part to an increase in the number of married women in the labor force); a rise in the ratio of female-to-male earnings to a record high; and a continuing three-decade-long increase in the number of children in poverty. The March supplement to the CPS provides the data for Census' annual income and poverty estimates.

EYES ONLY

INTERNATIONAL ROUNDUP

IMF Staff Urges Looser Monetary Policy. The International Monetary Fund staff is recommending that monetary policies be eased or that accommodative monetary policies be retained in countries accounting for 90 percent of world GDP, according to IMF chief economist, Michael Mussa. Tighter fiscal policies are being recommended for countries accounting for only about 10 percent of world GDP. Speaking at a press conference on the release of the latest *World Economic Outlook*, Mussa attacked the popular impression that the Fund staff has nothing to recommend but tighter monetary and fiscal policies. Recommendations for easier policies reflect the latest IMF expectation that world GDP will grow only 2 percent this year and 2.5 percent next year.

Pessimism about Global Economy Increases. Private sector concerns regarding the fallout from the Asian crisis are building. For instance, Goldman Sachs recently reported that securities prices are consistent with a 40 percent probability of recession in the next 12 months. WEFA states that the likelihood of a global meltdown is now "significant," assessing its probability at 30 percent. Noting the recent occurrence of key elements of its worst-case scenario, Standard & Poor's DRI also increased its subjective probability of a world recession to 30-35 percent. Included among its concerns are the potential for policy mistakes such as foot-dragging on IMF funding and rising protectionist pressures.

Hungary Stays on Growth Path, Aims for EU Integration. Like other transition economies, Hungary at first suffered a sharp drop in GDP (17 percent between 1990 and 1993). But the stabilization and reform program introduced in 1995 led to a strong recovery, with 4.4 percent GDP growth in 1997. Sustained growth now seems achievable, fueled by exports and investment and supported by comprehensive structural reforms. Privatization and regulatory reform have occurred in infrastructure sectors (such as electricity, gas, telecommunications, and transportation), and regulatory agencies have been created and strengthened in the financial sector. The newly elected center-right government has declared its intent to continue the reform process, and achieving integration into the EU has become the most important issue on the economic agenda. Budget deficits and inflation have been reduced, but progress must continue and the enforcement capacity of the country's legal institutions must be improved.

IIF Forecasts Substantial Fall in Emerging Market Capital Flows. Net private capital flows in 1998 are expected to fall to just over half of their 1996 levels, according to the Institute of International Finance, a global association of private sector financial institutions. The IIF predicts that portfolio equity flows will decline much more than direct investment, which should hold firm. Contraction in commercial bank lending, however, largely accounts for the overall decline. Data for Indonesia, Malaysia, South Korea, Thailand, and the Philippines indicate an expected net private outflow of $25 billion this year. Reduced bank lending more than accounts for this total; $30 billion in loans will be withdrawn in 1998.

EYES ONLY

RELEASES THIS WEEK

Employment and Unemployment

****Embargoed until 8:30 a.m., Friday, October 2, 1998****

In September, the unemployment rate was 4.6 percent; it was 4.5 percent in August. Nonfarm payroll employment rose by 69,000.

NAPM Report on Business

The Purchasing Managers' Index was unchanged in September at 49.4 percent.

Leading Indicators

In August, the composite index of leading indicators was unchanged, following an increase of 0.5 percent in July.

Consumer Confidence

Consumer confidence, as measured by The Conference Board, fell 7.1 index points in September, to 126.0 (1985=100).

MAJOR RELEASES NEXT WEEK

There are no major releases scheduled for release.

EYES ONLY

U.S. ECONOMIC STATISTICS

	1970-1993	1997	1997:4	1998:1	1998:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.8	3.0	5.5	1.8
GDP chain-type price index	5.4	1.7	1.1	0.9	0.9
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.5	1.7	0.9	3.5	0.1
Real compensation per hour:					
Using CPI	0.6	1.9	2.8	4.1	2.0
Using NFB deflator	1.3	2.0	3.9	4.3	3.4
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.6	10.7	11.0	11.2
Residential investment	4.5	4.0	4.1	4.2	4.3
Exports	8.2	11.9	12.0	11.6	11.3
Imports	9.2	13.1	13.2	13.1	13.1
Personal saving	5.2	1.5	1.2	0.9	0.3
Federal surplus	-2.7	-0.3	0.0	0.7	0.9

	1970-1993	1997	July 1998	August 1998	Sept. 1998
Unemployment Rate (percent)	6.7**	4.9**	4.5	4.5	**4.6**
Payroll employment (thousands)					
increase per month			**118**	**309**	**69**
increase since Jan. 1993					**16745**
Inflation (percent per period)					
CPI	5.8	1.7	0.2	0.2	N.A.
PPI-Finished goods	5.0	-1.2	0.2	-0.4	N.A.

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

New or revised data in **boldface.**
Employment and unemployment data **embargoed until 8:30 a.m., Friday, October 2, 1998.**

EYES ONLY

FINANCIAL STATISTICS

	1996	1997	August 1998	September 1998	Oct. 1, 1998
Dow-Jones Industrial Average	5743	7441	8479	7910	7633
Interest Rates (percent per annum)					
3-month T-bill	5.01	5.06	4.90	4.61	4.13
10-year T-bond	6.44	6.35	5.34	4.81	4.33
Mortgage rate, 30-year fixed	7.80	7.60	6.92	6.72	6.60
Prime rate	8.27	8.44	8.50	8.49	8.25

INTERNATIONAL STATISTICS

Exchange Rates	Current level October 1, 1998	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.650	-1.6	-7.0
Yen-Dollar	135.8	0.3	12.4
Multilateral $ (Mar. 1973=100)	95.52	-0.9	-2.3

International Comparisons [1]	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	3.6 (Q2)	**4.6** (Sept)	1.6 (Aug)
Canada	3.1 (Q2)	8.4 (Jul)	1.0 (Aug)
Japan	-1.8 (Q2)	4.2 (Jul)	-0.2 (Aug)
France	3.0 (Q2)	11.7 (Jul)	0.7 (Aug)
Germany	2.5 (Q2)	[2] 7.4 (Jul)	0.7 (Aug)
Italy	1.1 (Q2)	12.4 (Apr)	1.9 (Aug)
United Kingdom	2.6 (Q2)	6.3 (May)	3.3 (Aug)

U.S. unemployment data **embargoed until 8:30 a.m., Friday, October 2, 1998**

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 July 1998 is 9.6 percent.

10-3-98

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THE WHITE HOUSE

WASHINGTON

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October 3, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- State Settlement: Rumors continue about an upcoming settlement between the states and the tobacco companies, as R.J. Reynolds and Brown & Williamson returned yesterday to the negotiating table. The parties, however, still have not worked out some difficult problems -- most prominently, how to prevent companies that do not join the settlement from gaining a competitive advantage -- and the return of RJR and B&W to the table may make resolution of these issues even more complicated. As you know, some plaintiffs' lawyers continue to suggest a broadening of the current negotiations to include the federal government. Both the states and the companies, however, have responded negatively to these proposals, fearing that the intrusion of the federal government would queer the deal they have been working on for so many months.

2. Health -- Medicare Managed Care Program: As you know, Friday marked the last day that HMOs participating in Medicare could decide whether to stay in the program for the upcoming year. Preliminary data from HHS indicates that some 25 companies in 320-400 counties serving 240,000-300,000 beneficiaries -- about 5 percent of the six million beneficiaries now in Medicare HMOs -- have decided to withdraw from the program. Most affected beneficiaries will have the option of joining another HMO in the same county. But in 60-100 counties, some 30,000-75,000 beneficiaries -- less than two percent of the total -- will no longer have any HMO option and will have to return to traditional fee-for-service coverage. Secretary Shalala has recommended that in these 60-100 counties we (1) expedite the approval of new plans, and (2) allow plans that have just withdrawn to come back into the market with increased premiums and/or decreased benefits. She argues that these steps will allow us to say that we have done everything possible to ensure that Medicare beneficiaries have access to managed care plans. We believe, however, that the second part of the Secretary's recommendation would reward bad actors and create perverse incentives for the future. We will meet with the Secretary and Erskine Monday to resolve our differences on this matter (and if necessary, come to you), so that we can announce our response as soon as possible.

3. Health -- CHIP Waiver Request: Governor Thompson is pushing HHS to approve a waiver that would allow Wisconsin to use federal match dollars from the Children's Health Insurance Program (CHIP) to provide insurance coverage for parents as well as children. Thompson has broad support in Wisconsin for this proposal (including among some traditionally Democratic constituencies), and last week Senators Lott and Roth sent a letter to Secretary Shalala saying that she should grant the waiver and suggesting that they would seek legislation next year if she did not do so. HHS so far has refused to approve any waivers from CHIP, reasoning that we should first get the baseline program off the ground. HHS also has serious substantive objections to Thompson's proposal, believing that CHIP dollars were designed for children rather than adults, and that granting waivers of this kind could prevent us from reaching our goal of covering five million children. Many supporters of the CHIP program in Congress agree with HHS, including Senators Hatch, Rockefeller, Jeffords, and Chafee and Congressmen Dingell and Waxman. We believe that HHS should refuse the waiver request and work with this bipartisan group of legislators to try to defeat any legislative attempt to reverse this ruling.

4. Health -- Statistics on Uninsured: You asked last week about the increase in the uninsured population since 1993. About 43.4 million Americans are now uninsured, up almost 10 percent from 39.7 million in 1993. Among the total number of uninsured are 10.7 million children, up from 9.6 million in 1993. As we noted last week, the number of uninsured children did not increase at all last year, in part because of our focus on children's health. We anticipate that within two years, we will see a noticeable decline in the number of uninsured children as a result of the full implementation of CHIP. In contrast, the number of uninsured people ages 55 to 64 increased by 7 percent last year, validating the need for your initiative to increase coverage options for this population. We will soon send you a more detailed memo shortly describing the new Census data and outlining additional policy options.

5. Health -- Dean Ornish: We have worked with Dr. Ornish in recent weeks to obtain funding for his research on the impact of diet on prostate cancer. The conference report on the DOD appropriations bill now includes $2.5 million for this research initiative. Although Ornish had hoped for a $5 million grant, he was very pleased with this amount. Ornish also has requested that we provide assistance in his ongoing efforts to obtain Medicare reimbursement for his diet treatment plan. Ornish will meet with high-level officials at HCFA later this month to discuss this issue, and we will ensure that they give his proposal full and fair consideration. We also discussed ways for him to engage members and staff of the Medicare Commission on this issue. Ornish is pleased with the Administration's responsiveness and asked us to pass along his personal appreciation to you.

6. Education -- Charter Schools: We are hopeful that Congress will pass charter school legislation prior to adjourning this year. House and Senate staff met last week to pre-conference the bill, and reached agreement on virtually every issue. We think that they will finish their work within the next few days, and that the leadership then will bring up the bill for a vote. The NEA and AFT continue to be lukewarm to the legislation, but we do not now anticipate that any Democrats will try to derail it.

10-5-98

7. Education -- Class Size Reduction: We are talking with Democrats in Congress about whether to insist on a scaled-down class size reduction initiative in the Labor-HHS-Education appropriations bill. Senators Murray and Harkin have developed a proposal to provide $500 million in new Title 1 funds specifically for class size reduction. Secretary Riley believes that if we push hard enough, we can get the Republicans to sign on to this kind of proposal. Senate Democrats appear supportive of this approach. House Democrats, however, have sent mixed signals about whether to get a class size initiative in the bill or leave it out and preserve a campaign issue. We will continue to engage them on this matter.

8. Welfare Reform -- Noncustodial Fathers Study: The Manpower Demonstration Research Corporation released last week the first full-scale study of a program focusing on the non-custodial fathers of children on welfare (the Parents' Fair Share program, which was created by the Family Support Act). The results were generally disappointing. The program, which operated in 7 cities, raised child support payments by an average of $173 or 7 percent, but failed to improve participants' employment status or earnings level. We are currently holding discussions with policy experts and government officials to try to find more effective approaches. Many states are using their Welfare-to-Work funds to serve the fathers of children on welfare, and we want to make sure that these funds are put to the best possible uses. We are hoping to have policy proposals ready for this year's budget and State-of-the Union.

9. Welfare Reform -- Federal Welfare-to-Work Hiring Numbers: Federal agencies hired 926 former welfare recipients last month, bringing the total number hired to 7,087 since April 1997. As you recall, our goal is to hire 10,000 welfare recipients by the year 2000, so we are well on our way to success in this area.

10. Crime -- COPS Grants: You asked last week about the total number of law enforcement officers that the COPS program has funded. The program now has provided $5.2 billion to fund over 88,000 new and redeployed officers across the country. We will probably reach the 100,000 mark ahead of schedule -- in the middle of Fiscal Year 1999, rather than at the end of Fiscal Year 2000. As you know, however, there is a lag of about 18 months between the time funding is provided to hire police officers and the time the officers actually hit the street.

11. Crime -- NAPO Event: You are currently scheduled to participate in the NAPO Top Cops Award ceremony on Friday. Although we are still considering message options, we probably will recommend that you blast Congress for failing to pass legislation that would extend education benefits to surviving children of law enforcement officers killed in the line of the duty, despite widespread bipartisan support. At the same time, you could criticize Congress for failing to pass a host of measures that would continue our progress in fighting crime.

[illegible]

12. Drugs -- Medical Marijuana: Five states (AK, WA, OR, NV, CO) and the District of Columbia have medical marijuana initiatives on their ballots for November 3. We are working with ONDCP and other federal agencies on a targeted media and outreach strategy to inform the public about the Administration's position on this issue. The strategy will place special emphasis on D.C.'s medical marijuana initiative, and will include communications to local opinion leaders, elected officials, churches, and law enforcement officials. There are currently eight states with medical marijuana statutes.

13. Children and Families -- Head Start Reauthorization: We expect that Head Start Reauthorization (part of the Community Services bill that also includes LIHEAP and IDA demonstrations) will pass by the end of next week. The bill coming out of conference is generally quite good -- authorizing the program at levels near your request and adding an important new "school readiness" goal for Head Start grantees. The bill does include a requirement -- championed by Congressman Goodling and insisted upon by the Republicans in conference -- that a greater percentage of Head Start dollars be spent on activities to promote quality. Currently, 25 percent of dollars are set aside for quality improvement; this bill requires that 60 percent be set aside in fiscal year 1999, 50 percent in 2000, 47.5 percent in 2001, 35 percent in 2002, and 25 percent in 2003. Unless we obtain additional investments in Head Start in the future, this requirement will prevent us from reaching our goal of serving one million children by 2002.

14. Community Empowerment -- CDFI Fund: The CDFI Fund awarded $75 million to 190 institutions last week. Of the total, $44 million in loans and grants went to 42 CDFIs in 21 states, $2.9 million in technical assistance grants went to an additional 70 CDFIs, and $27.9 million went to traditional insured depository institutions that have increased their lending to distressed areas or invested in CDFIs. We are working closely with Treasury to ensure appropriate funding of your Fiscall Year 1999 CDFI budget request.

10-5-98

THE WHITE HOUSE

WASHINGTON

October 2, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

RE: NEC WEEKLY REPORT

cc: ERSKINE BOWLES

This is very important

INTERNATIONAL

Japan Steel Issue: This past Wednesday Erskine, Secretary Daley, Secretary Rubin, Ambassador Barshefsky, Lael Brainard and I met with the Steel Industry CEO's and George Becker of the United Steelworkers who warned of additional layoffs and plant closures from the surge in imports. On Wednesday, U.S. steelmakers filed dumping cases against Japan, Brazil and Russia, and asked the Department of Commerce to take all steps within their authority to expedite relief. Commerce has publicly indicated it will devote the resources necessary to expedite decisions in these cases consistent with U.S. laws. Industry has also asked that Commerce apply discretionary or new methodologies in dumping cases that could result in higher dumping margins and retroactive imposition of dumping duties. Furthermore, industry and labor would like us to support softening the legal standard for injury in our Section 201 import surge safeguard laws. We are exploring domestic measures as well (e.g., tax, pension, regulatory) that may provide relief if warranted. An interagency deputies group is presently reviewing options which will be reviewed by NEC principals in a meeting next Tuesday. Following Tuesday's meeting, Secretaries Rubin, Daley, Ambassador Barshefsky, and I will meet with the leadership of the House and Senate Steel Caucuses.

Romanian Prime Minister Visit: We met on Friday with Romanian Prime Minister Radu Visale. Romania has made little real progress towards economic reform, and the IMF and the World Bank have suspended activities there. In our meeting, we stressed to Visale the importance of fiscal austerity, banking sector restructuring and privatization, and overall privatization of state-run enterprises.

Canada Agricultural Trade Dispute: We have worked hard over the past week on a gameplan to address the concerns of American farmers along the Canadian border, halt to the governors' harassment of Canadian agricultural freight trucks and involve the Congressional delegation. Secretary Glickman sat down with the border governors and Congressional delegation last Tuesday to develop a list of grievances. Separately, Erskine Bowles hosted a meeting with Senator Dorgan along with Secretary Glickman, Ambassador Barshefsky, and the NEC where Dorgan reiterated the importance he attached to Administration "self-initiation" of a Section 201 (escape clause) action in order to restrain Canadian wheat imports. We expressed some concerns about self-initiating a 201 and requested some time to address his concerns as part of our broader approach to the Canadian agricultural problem. On Thursday, Lael Brainard convened NEC deputies to define and prioritize a set of actions and demands to address the farmers' concerns in negotiations with the Canadians, including possible steps to relieve import pressure responsive to Dorgan's concerns. USTR on Thursday wrote to the Canadian Minister of Trade asking for intensive discussions on these issues and a variety of broader agricultural issues that were included at Senator Daschle's request. On Friday, the Canadians agreed to this agenda, and the governors in return agreed to call off their actions starting next Monday (10/5). Erskine Bowles agreed to meet again with Senator Dorgan next Tuesday (10/6) to review these developments.

WIPO (World Intellectual Property Organization): The Administration has been fighting for legislation that would ratify two international treaties that would bring copyright law into the digital era. This legislation is very important for copyright-based industries (e.g. movies, publishing, software) that account for $60 billion in U.S. exports. There are provisions of the bill that have been added dealing with the protection of databases that are opposed by the Department of Justice on constitutional concerns and by the science agencies because of their potential impact on the dissemination of data for educational and scientific purposes. The Administration is attempting to resolve these issues in the House-Senate conference currently taking place.

Meeting with Lockheed Martin CEO: I met today with Vance Coffman, Chairman and CEO of Lockheed Martin, to discuss the privatization of INTELSAT and Inmarsat, two international treaty organizations that provide satellite capacity for global telecommunications. Lockheed Martin is proposing to buy Comsat, the Bethesda-based U.S. Signatory to these international satellite organizations (ISOs) and their largest shareholder. The ISOs are finally embracing privatization -- something the United States has fought for since 1994 so as to put the ISOs on an even footing with their purely commercial competitors. However, Congress is considering legislation that, while its stated intent is to promote privatization, would in practice keep the ISOs out of the most rapidly growing U.S. markets for satellite services (e.g., Internet access) -- markets the ISOs already serve. Such legislation would not only harm U.S. consumers but also delay ISO privatization efforts by undermining U.S. credibility. Lockheed Martin will be an important ally as we try to find an acceptable compromise with key Members of Congress.

World Tourism Organization: Dorothy Robyn, of my staff met this week with Francesco Frangialli, Secretary-General of the Madrid-based World Tourism Organization. The NEC has become more active in exploring how economic policy effects travel and tourism, a $500 billion-a-year industry that represents this country's largest services export. Later this month, I will speak to the Travel Business Roundtable, chaired by Loews Hotels Chairman Jonathan Tisch.

DOMESTIC

Y2K Liability Legislation: Both the House and Senate passed the "Year 2000 Information and Readiness Disclosure Act" by unanimous consent, largely based on the proposal you put forward just three months ago -- that such bipartisan support for a liability reform proposal advanced such a short time ago is remarkable. The final bill should encourage significantly greater information sharing, while leaving unaffected underlying liability for the Y2K performance of products and continuing to protect consumers from false or misleading marketing statements for consumer products.

Tax Cuts: Senate Republicans have not decided on how they will handle the tax cut proposal;

they apparently are having a hard time getting 50 votes. They face defections from Republican Senators at both ends of the spectrum -- those who think that the tax cut is too small and those who think it is too big. We and Senator Daschle have signaled our eagerness for you to have the chance to veto the bill. On Thursday, Secretary Rubin met with Senate Finance Committee Democrats to discuss a tax cut end-game, once the Republican tax cut fails in the Senate or is vetoed. Most likely, the House and Senate would move a small package of paid-for tax extenders, such as the R&D tax credit and the Work Opportunity Tax Credit from our budget. It is possible that attempts could be made to add other provisions to the mix, but a widely held view is that if the package were opened up, it would fall apart. If there is movement towards going somewhat beyond extenders in a paid-for package, we will be ready to make a big push for some of our key priorities, such as school construction.

Hedge Fund Bailout: The House Banking Committee held a hearing on Thursday (10/1) on the rescue of Long-Term Capital Management (LTCM). Chairman Greenspan testified that the rescue of LTCM was necessary to avoid global market turmoil. Nonetheless, he argued, hedge funds should not be more strictly regulated because doing so would force them to relocate overseas. Chairman Leach said that the bailout raised troubling questions of financial concentration and that DOJ should review the creation of the rescue plan to see if it violates antitrust laws. CFTC Chair Brooksley Born asserted that the LTCM failure demonstrates the need for the possible regulation of over-the-counter (OTC) derivatives that she proposed last spring, which was condemned by the Federal Reserve, SEC, and Treasury. (Congress has imposed a moratorium on her further action.) The dispute between the CFTC and Treasury, however, may deal more with who the regulator should be than whether any regulation is required. Secretary Rubin has directed your Working Group on Financial Markets to study the recent events and possible regulation of the OTC derivatives market.

Bankruptcy Reform: As you requested, I had a candid conversation with Gov. Ann Richards and made clear that our position is that an acceptable bill must stay close to the moderating and balancing provisions of the Senate bankruptcy bill. After our conversation, NEC, Treasury and DoJ staff met with several credit card industry representatives to see if we could find common ground; they showed no sign of movement. On the Hill, the real conference discussions are occurring between House and Senate Republicans behind closed doors. Speaker Gingrich reportedly told lobbyists that it will be "the House bill or no bill;" however Senate Republicans made an offer Friday night to House Republicans containing watered down versions of the essential reforms from our proposal. There has been no report of any response as of yet.. OMB Director Lew sent a letter to conferees that included a senior advisors' veto threat on the House bill and set forth provisions of the Senate bill that are essential for our support. That letter, and the First Lady's column that ran on Thursday in the *Washington Times*, were well received by Democrats and advocates. Senators Leahy, Durbin, Dodd, Kennedy, Sarbanes and Reed sent a letter thanking you for your leadership and saying "we know you will stand with us to make sure that a fair and equitable result is obtained."

Head Start Reauthorization: On Wednesday (9/30) the conferees reached tentative agreement on the Human Services (Head Start, Community Services Block Grant, LIHEAP reauthorization and IDA demonstration) conference report. While we support the agreement on Head Start reauthorization, the conferees essentially adopted the House position with regard to the quality set-aside, increasing it from the current law 25 percent (of any inflation-adjusted increase in Head Start funding) to 60 percent in FY 1999, and then scaling it back to 25 percent over four years. Increasing the set-aside reduces the funding available for expansion, making it more difficult to reach your goal of one million children in Head Start by 2002. The bill does include your proposal to increase the promising Early Head Start program (which serves infants and toddlers) from 5 percent of total program funding to 10 percent by 2002.

Medicare Commission: On Monday (10/5) and Tuesday (10/6), the Medicare Commission will have its second closed-door meeting. Senator Breaux and Representative Thomas want the Commission to begin to discuss specific policy options, and have circulated a "premium support" (defined contribution) issues paper and descriptions of raising the age eligibility, income-related premiums, and extending BBA provisions beyond 2002 as a starting point for discussion. Republican Commission members have been meeting privately to develop their own options, and the Democratic members are considering doing the same. At this point, we are hesitant to develop a specific package, and are instead, suggesting that, our appointees insist that any proposal be guided by a set of principals (e.g., a guarantee of benefits, an option to cover prescription drugs, a viable fee-for-service option, Medigap reform, and low-income protections).

Budget Surplus Event: Wednesday's budget surplus event led two networks and was second on the other and was above-the-fold in the *New York Times*, and *Los Angeles Times*. The "surplus clock" played prominently in all the pictures from the event. You should know that all the stories focused on who deserved credit for the deficit reduction. We pushed very hard on the fact that no Republicans voted for your 1993 Economic Plan, that Republicans claimed that your Economic Plan would actually *increase* the deficit, and that 92 percent of the deficit reduction had occurred *before* the 1997 balanced budget agreement even took effect.

Social Security: On Friday morning (10/2), I met with the New Democrat Coalition's Entitlement Reform Task Force -- chaired by Rep. Kind and Rep. Tauscher -- to discuss the outcomes of our Social Security forums and to solicit their ideas on how to make the White House Conference a constructive step towards reform. Larry Stein and I also had meetings this week with Senators Dorgan, Grassley, and Domenici to discuss how we find a bipartisan consensus around Social Security reform. Our internal working group also continued to meet. This week, we focused on the technical assumptions underlying analyses of reform plans. Finally, we worked with Marilyn Moon -- a public trustee of the Social Security system -- in preparing her presentation to the Senate Democratic Social Security Task Force on retirement trends, Social Security financing, and implications on the unified budget.

H-1B Visas: Last week the House passed legislation (based on an agreement I reached with Sen. Abraham) to increase the number of temporary (H-1B) visas for highly skilled foreign workers. Since then, there has been a lot of press coverage (largely positive) about our compromise. While we were excited that we were successful in getting support from Silicon Valley while still maintaining a "not support/not oppose" from the AFL-CIO, a couple of union groups have made negative comments on their own. I am meeting with Morty Bahr on Monday to explain the compromise and that the significant progress that was made was due solely to our efforts. You should know that the bill, as passed, did not completely reflect our agreement, largely because we did not have time to insert many of the changes before the House vote. As a result, we have spent much of the past week working on the final details. We expect the bill to pass back through both the House and Senate next week. In the end, some of the attestations for higher income workers may not be as strong as we had hoped for, but the amount of training money may be as high as $100 million a year -- a significant win since before our efforts there was no guaranteed new money at all.

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THE WHITE HOUSE

WASHINGTON

October 3, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL WALDMAN MW

SUBJECT: SPEECH THEMES FOR WEEK AHEAD

In the coming week, you will have an opportunity to make significant public statements on the international economy, and on the budget fights in Congress. These will underscore the argument that there are vital public issues that need attention and action.

10/5 **Attending G-22 meeting**

You will make brief opening remarks during a pool spray.

DNC and Unity fundraisers

10/6 **Address to the meeting of the IMF and World Bank**

This address will argue that we must build an international economy that works for ordinary citizens and is responsive to their needs. It will reiterate the discrete steps, which you have outlined in the past two weeks, to seek to limit the financial crisis. And it will point forward to the building of a new financial architecture for the 21st Century -- one that seeks to limit the impact of boom and bust, insists on openness and market discipline, reflects strong social structures and democratically accountable institutions, and lifts the poorest countries into a growing world economy.

10/7 **Higher education bill signing**

This will be an opportunity to call on Congress, again, to act on your remaining agenda to strengthen the public schools. It will be an opportunity to comment on the appropriations process, as necessary.

Good

Brief remarks to League of Conservation Voters reception (tentative)

This will be an opportunity to discuss the environmental appropriations riders before a committed and sympathetic audience.

10/9 **NAPO "Top Cop" awards and grants**

You will discuss crime and present the 'top cop' awards. This, too, will be an opportunity to comment on the course of the appropriations process.

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COPY: POTUS
VPOTUS
SEC. RUBIN
SEC. DALEY
AMB. BARSHEFSKY
PODESTA
SPERLING
TRAMONTANO

September 30, 1998

'98 OCT 1 PM 7:13

Erskine B. Bowles
Chief of Staff to the President
The White House
Washington, D.C.

Dear Erskine:

We, on behalf of our respective companies, the domestic steel industry and the United Steelworkers of America, very much appreciated meeting with you and your colleagues yesterday. We welcome your personal attention, and that of the President and the Cabinet, to find and implement solutions to deal with the current crisis in steel trade.

You asked for our ideas of what needs to be done. We believe that in the current circumstances, extraordinary measures are necessary.

First, and foremost, the current flood of imports must be stopped immediately. The levels and rates of increase are unprecedented and intolerable. We ask that the ~~President put in place relief that is comprehensive, effective, enforceable~~ and immediate. We believe that the President could use his Executive Branch powers to put such a program in place. The Executive Branch agencies will have their own judgments as to which of the available authorities would be most appropriate to use, and we would be pleased to consult as to what form of relief would be most useful.

Second, as cases are filed by the domestic industry, we ask that the Department of Commerce take all steps within its authority to expedite relief. The relief must be put into place as early as possible in order to stop the surging imports. Specifically, we would like the Department to grant a critical circumstances request within 30 days of the initiation of any case. The Department should also expedite its preliminary determination to be within 140 days of filing. This will ensure that products coming in after 50 days from the date of filing are subject to appropriate duties. It is also essential that any cases not be resolved by suspension agreements but that applicable dumping duties be imposed. The effectiveness of trade cases depends

10-5-98

entirely on the vigor and determination with which enforcement is undertaken. We ask that the Administration take every lawful action to make the relief immediate and as effective as the law allows.

Third, there are other actions that can and should be taken to help respond to the steel import crisis. These are things which are not in and of themselves current remedies but will help to alleviate some of the problem. You should immediately expedite the release of import data no later than three weeks after the end of any period. In addition, legislative authorization should be sought for a system of import licensing similar to that used in Canada. The regulations against subsidies, under interagency review now, should be as strong as possible, particularly with respect to privatization. These anti-subsidy regulations should be issued immediately. We promise to work with you and the Congress to strengthen the trade remedies, including Section 201 and restore leverage both for opening foreign markets and countering injurious and unfair trade in this market.

We suggest that we visit further with you and your colleagues in the Cabinet on October 20 or 21, in conjunction with our testimony at the International Trade Commission on injury to our industry. We look forward to knowing on or before that time what actions the Administration has taken and will be taking.

This matter is of such urgent importance that we respectfully request a meeting with President Clinton at that time, or shortly thereafter. We and our respective advisors will be available to you at any time to be of support and assistance. Please contact any of us, or Hank Barnette, and George Becker.

Very truly yours,

George Becker
International President
United Steelworkers of America

Curtis H. Barnette
Chairman & CEO
Bethlehem Steel Corp.

Paul J. Wilhelm
President
U.S. Steel Group, a unit of USX Corporation

Robert J. Darnall
Chairman, President & CEO
Inland Steel Industries, Inc.

Robert Grow
President & COO
Geneva Steel

J. Peter Kelly
President & CEO
LTV Steel Company, Inc.

John Lefler
President
Gulf State Steel, Inc.

David Robertson
Executive Vice President
Weirton Steel Corporation

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10-5-98

THE WHITE HOUSE

WASHINGTON

September 28, 1998

'98 OCT 2 PM12:20

MEMORANDUM TO THE PRESIDENT

FROM: **MARIA ECHAVESTE**

SUBJECT: **President's Initiative on Race: Transition Activities**

The purpose of this memorandum is to update you on the transition plans for the President's Initiative on Race (PIR). As you know, on September 30, 1998, the term of the Advisory Board (created by Executive Order) expired. In transitioning to the next phase of your initiative, our objectives are threefold: 1) to sustain PIR's achievements; 2) to continue your commitment to improving race relations; and 3) to create a transition structure of some kind to accomplish the necessary tasks. Below is a description of immediate and longer term transition activities necessary to achieve these objectives:

Sustaining PIR's Achievements. We are committed to sustaining the projects undertaken by PIR over the past year. These activities include the following:

- Submitting to you a weekly report of race-related activities within the White House and the agencies.
- Identifying promising practices for improving race relations through our agency representatives.
- Updating the PIR page on the White House website which posts Presidential remarks on race, promising practices, the *One America Dialogue Guide*, and when available, your report on race.
- Coordinating the correspondence regarding race issues addressed to the White House and drafting responses.
- Continue to identify appropriate venues for you to talk about race and your policies.

Improving Race Relations. To continue your commitment to improve race relations, we will carry on the work of PIR in the following ways:

Completing Your Report. We are working with Christopher Edley to complete your report on race. We are currently circulating a draft of his book outline based on your input when we last met. We plan on having that to you next week. After reaction from you, Edley and Terry Edmonds will work (with input from the White House staff as appropriate) to finish a draft for your review by December 15. (To support the book effort, we arranged with DOJ to have 8 PIR staff stay through 12/31; 4 other staff will finish with their assignments by the end of October.)

Highlighting Racial Trends. On October 15 and 16, the National Research Council, the research arm of the National Academy of Sciences, will host a national research conference that will examine past and current trends for Blacks, Hispanics, Asians, and American Indians in several key areas. PIR and CEA provided the impetus for the conference which will effectively highlight the continuing Administration engagement on race issues. To this end, we will make available the conference papers as a resource to policy makers, news media, and scholars.

Continuing Your Focus on Race. To do so, we will engage in the following ongoing tasks:

- Coordinating the various White House offices with regard to policies involving race issues.
- Serving as a liaison between the White House and civic leaders, members of Congress, local government representatives, civil rights organizations, community organizations, and the general public on race-related matters.
- Identifying issues involving race on which the White House could take a leadership role.

A Transition Structure. In order to sustain PIR's achievements as well as to continue our focus on race-related matters, we propose establishing a task force of White House staff members and agency representatives. The charge of this team is to manage effectively the short- and long-term transition, outreach, and policy activities outlined above. We plan to form the action team in an expeditious manner. To ensure our success, I have asked Minyon Moore to coordinate the team's activities with that of the Office of Public Liaison and together, she and I will serve as its "governing board." We would need to bring on three staff members (two for OPL, one for DPC) to ensure that we will succeed in the above described tasks.

We will continue to update you on the progress of our transition activities.

10-5-98

THE WHITE HOUSE

WASHINGTON

October 3, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN Phil
SEAN MALONEY
DAVID GOODFRIEND

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Mayors' Letter to Hill Leadership --** Lynn Cutler forwards a copy of a letter to Hill Leadership, signed by a bipartisan group of over 40 mayors, asking Congress "to move quickly to closure on the controversy facing President Clinton" and to move forward on urban and suburban issues (*e.g.*, drugs, crime, schools, and housing). The mayors support your leadership on such issues.

(B) **Steel Industry Letter to Erskine --** Erskine wanted you to see this letter from steel industry and labor leaders, sent following a meeting with him, Gene and other senior staff, requesting several Administration actions to assist the domestic steel industry. As noted in the NEC Weekly Report, a Principal's meeting on these and related issues is scheduled for Tuesday; you will be receiving informational and decisional memoranda shortly thereafter.

(C) **Race Initiative Transition Memo from Maria --** Maria updates you on plans for transition to the next phase of the PIR; says transition has 3 objectives: (1) sustain the PIR's achievements (*e.g.,* continue weekly reports, identify promising practices, maintain the website); (2) continue the commitment to improving race relations (*e.g.,* complete the race report by mid-December, document racial trends, maintain the focus on racial issues); and (3) develop a transition structure that can continue to work on these areas; Maria plans to establish a task force, under her and Minyon's direction, of White House staff and agency reps to handle outreach and policy initiatives; she plans to hire three staffers (2 OPL, 1 DPC).

(D) **Secretary Slater Memo on Africa Mission --** Secretary Slater traveled with senior DOT officials to Cape Verde, Ethiopia, Zimbabwe, Angola, Cameroon, and Senegal last July 7-15. The primary focus was implementing the Safe Skies for Africa initiative, promoting U.S./Africa air links through improved aviation safety and airport security. African leaders praised your U.S./Africa efforts. Among other actions, Secretary Slater signed two declarations with his African counterparts to foster future cooperative efforts.

THE WHITE HOUSE
WASHINGTON

Date 10/5

To: David Beier

From: The Staff Secretary

President met this gentlemen at an event (probably in CA) and wanted someone to call him re: "standards in Communication for Internet". These are vague marching orders from the boss but I thought you were the best candidate

Phil Caplan

10-2-98

out of our minds

pittardsullivan

ED SULLIVAN

310.845.3330 FAX 845.3305
mr.ed@pittardsullivan.com
3535 HAYDEN AVENUE
CULVER CITY, CA 90232

THE PRESIDENT HAS SEEN
10-5-98

URGENT

UNION-TRAVAIL-JUSTICE

AMBASSADE
DE LA
RÉPUBLIQUE GABONAISE
AUX ÉTATS-UNIS
2034 20TH STREET, N.W.
WASHINGTON, D.C. 20009

WASHINGTON, LE SEP 30 1998

202-797-1000

Sweeney
Call 1 see him
for (10-15 minutes)?

N° 0451 /98/AGW/

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

Dear Mr. President:

It is with a sense of humility and anticipation that I write to you today with this request.

The President of the Gabonese Republic, His Excellency El-Hadj Omar Bongo, will be in Washington, D.C., next week, to meet with members of your Cabinet and other Americain leaders. He will also be addressing a gathering of business executives, diplomats, and African specialists at the Africa Economic Forum.

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Bongo
COS
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President Bongo has asked me to request a meeting with you at the White House during his stay in Washington. He is eager to discuss with you the successes and potentials of U.S. African policy, particulary in the Central African region, where President has played a major diplomatic role in arranging for the adversaries of several disputes to meet peaceably in Libreville to discuss their differences in a civil, constructive manner.

Understanding that your own schedule is quite busy, President Bongo will accept a time and date of your choosing.

I would like to express my own appreciation of the work you have done on behalf of improved American relations with the countries of Africa, and I am certain that President Bongo shares this appreciation.

Thank you for your kind consideration.

L'AMBASSADEUR

PAUL BUNDUKU-LATHA

AMBASSADE DE LA RÉPUBLIQUE GABONAISE AUX ETATS-UNIS UNION-TRAVAIL-JUSTICE

REPUBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES
MISION PERMANENTE ANTE LAS NACIONES UNIDAS

'98 OCT 5 PM 1:35

Mr. John Podesta
Deputy Chief of Staff
to the President
The White House
Washington, D.C.

New York, September 25, 1998

Dear Mr. Podesta

Ambassador Somavia, Ambassador of Chile to the UN and Director General elect of the International Labour Organization (ILO), spoke to President Clinton on Monday at the UN. On that occasion your President asked the Ambassador to write him a letter on the subject of their conversation.

Enclosed you will find that letter. I would greatly appreciate if you could pass it on to President Clinton.

With appreciation,

10-5-98

Came in interoffice mail:
Send to NSC?
Yes ✓
No

Cecilia Mackenna E.
Minister Counsellor
Chief of Staff to the Ambassador

REPUBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES
MISION PERMANENTE ANTE LAS NACIONES UNIDAS

PRIVATE

New York, 23 September 1998

H.E. President Bill Clinton
The White House
Washington, DC

Dear Mr. President,

In response to your request during our brief exchange at the UN lunch in New York, I am transmitting some thoughts in writing on the need to address the impact of the financial crisis on workers' rights.

I do so in my capacity as President of the Economic and Social Council of the United Nations (ECOSOC, a Charter Body). Also, I have been elected, as of March next year, Director-General of the International Labour Organisation in Geneva (with strong US Government backing through Madeleine Albright, Bill Richardson and Alexis Herman).

Your visionary speech to the Council on Foreign Relations constitutes the foundation of a new global governance structure which naturally concentrates now on the urgency of the immediate financial challenge.

In that context, my principal point is that at this early stage, respect for basic rights of workers needs to be written into the design of the new financial architecture of the 21st century. In my mind, it is the equivalent of a balanced budget in the social field. It is another indispensable and sometimes tough discipline necessary to build stability, social integration and long- term sustainable investment and growth.

One approach would be to incorporate into your six points a reference in the future to the recently approved ILO Declaration on the "Fundamental Principles and Rights at Work" (Geneva, June 1998).

It declares that "All members, even if they have not ratified the Conventions in question, have an obligation, arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

(a) freedom of association and the effective recognition of the right to collective bargaining;

(b) the elimination of all forms of forced or compulsory labour;

(c) the effective abolition of child labour; and

REPUBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES
MISION PERMANENTE ANTE LAS NACIONES UNIDAS

(d) the elimination of discrimination in respect of employment and occupation

With this declaration, ILO has begun implementing the mandate to promote these rights given to it by the World Summit for Social Development held in Copenhagen in 1995 and renewed by the WTO Ministerial Conference held in Singapore in 1996.

In terms of your proposals, the social floor of future global governance structures could consist of a commitment for more and better jobs through investment, enterprise creation and sustainable growth, an expanded social compact initiative to reinforce safety nets, particularly in adjustment processes and the promotion of ILO's Declaration on fundamental principles and rights at work.
Two complementary notions:

a) The plight and development needs of the least developed countries (mainly in Africa and parts of Asia) need to be acknowledged. They are basically absent from world financial flows. Their main problem in this field is foreign debt. Many were in crisis before the financial crisis erupted.

b) Increasingly, effectiveness of decisions by Governments in the global financial sphere will depend on the degree of participation and sense of ownership by business, workers' organizations and diverse civil society interests. Promoting social dialogue among private actors and with Governments –one of ILO's "raison d'etre" given its tripartite composition-can be an important source of ideas and political support.

I hope these thoughts can be of use to you. I am at your disposal and that of your collaborators for any follow-up needed.

Finally, let me say that I have had the privilege of meeting the First Lady on different occasions here at the UN, but namely during her participation at the Social Summit in Copenhagen whose preparatory committee I chaired. She was kind enough to invite me some months later to the White House to talk about implementation. I am glad that the ILO declaration moves in that direction. She is loved in Chile and we are so happy that she will be visiting us again soon.

Please receive my close personal regards for you and the First Lady.

Yours,

Juan Somavia
Ambassador of Chile to the UN

THE PRESIDENT HAS SEEN
10-5-95

Copied
VP
COS

EASTERN
TECHNOLOGY COUNCIL

Go AL!

TO VP - He's
[illegible]

Rob McCord
PRESIDENT AND CEO

435 DEVON PARK DR. • BLDG 300
WAYNE, PA • 19087-1945
610-975-9430 EXT:3150
FAX: 610-975-9432
EMAIL: RMCCORD@TECHCOUNCIL.ORG

Bc

THE WHITE HOUSE
WASHINGTON

Date 10/5

To: Sandy Berger

From: The Staff Secretary

Clay Constantinou asked the President for "someone in the Administration high up" to do a recommendation for him for Dean at Seton Hall School of Diplomacy. Do you think Madeleine would be appropriate? Phil

'98 OCT 2 PM 4:38

Phil -
Who showed be
rec? ___
Fred

CLAY CONSTANTINOU
AMBASSADOR OF THE UNITED STATES OF AMERICA

United States Department of State
Washington, D.C. 20520

October 1 1998

Dear Nancy,

it was a pleasure to see you yesterday. Thank you <u>very much</u> for your support in setting up the meeting with the President! You have always been a kind and generous friend.

I am following up on my request for a letter regarding my candidacy at SETON HALL UNIVERSITY SCHOOL OF DIPLOMACY AND INT. RELATIONS. I am a candidate for the position of DEAN.

I am providing you my C.V. and letters of recommendation. I am also including the position's requirements as advertised and I have highlighted the specific area the letter should address.

If my request is granted, the letter should be forwarded to:

HUMAN RESOURCES / SODIR
Seton Hall University
400 South Orange Avenue
South Orange New Jersey 07079.

Sincerely
Clay Constantinou

) at Colorado Springs

AND ADMINISTRATION

s and applications for the position of Dean of the Col-
ness Administration. The Dean reports directly to the
he College. The Dean represents the College of Busi-
l business communities.

of Colorado system. It has a special responsibility for
gion, as well as serving a diverse student body from
campus is evolving as a "new generation" university,
ually, partnering with the community and enhancing
ently 7,000 and is expected to reach 10,000 by the
s to accommodate the demand for growth within the
to a residential campus. In the last three years, the
m/office building, a campus services building, and a
technology building will be added over the next two

highly diversified economy that includes: a concentra-
l, Oracle; defense-related industry; and a thriving lei-
emiconductor industry, and serves as headquarters

fers the Bachelor of Science and MBA degrees. The
n. The College's distance learning MBA Program are
ently highlighted in Forbes magazine as one of the na-
ograms are accredited by the American Assembly of
an 1000 students enrolled, with about two-thirds un-
ctured into teams with substantial interaction among
vation of Dwire Hall, which houses the College of Busi-

within the University and with the business communi-
paign slated to soon begin its public phase. The Dean
the Total Learning Environment goals for the Univer-
's goals.

business and/or academic communities. An earned
or a visionary leader with a proven record in building
nt. A clearly demonstrated entrepreneurial attitude
are essential.

complete resume and be sent to the address shown
8, and will continue until a suitable candidate is

mith
Committee
0
lorado Springs
933-7150
-4552
1200
.uccs.edu
edu/
oloradosprings.org

rings is an Affirmative Action.
ges a diversity of applicants.

Seton Hall University

Dean, School of Diplomacy and International Relations

Seton Hall University invites nominations and applications for the position of Dean of its recently established School of Diplomacy and International Relations (SODIR). The Dean will be charged with achieving for the School and Seton Hall the stature of a world leader in international and intercultural education, as well as supporting Seton Hall's dedication to academic excellence and its Catholic mission. The Dean reports directly to the Provost.

The School of Diplomacy and International Relations was founded in 1997 in an alliance with the United Nations Association of the USA. SODIR educates an international student body for careers in multi-lateral diplomacy and public service throughout the world in such institutions as the United Nations and related agencies, in governmental and other organizations involved in international relations, and in international business. The School's competency-based programs are interdisciplinary and emphasize intellectual rigor and ethical development. Please see the School's web page for additional information at www.shu.edu/sodir.

The Dean must possess exceptional interpersonal and presentation skills, an extraordinary record of accomplishment and a vision for the School's future along with a practical strategy to realize this vision. Preferred qualifications include:

- **A Ph.D. or terminal degree in an appropriate field.**
- **Significant and successful experience in academic administration.**
- **College teaching experience with appropriate credentials and experience to lead a college faculty.**
- **A proven record of accomplishment in development and fundraising as the Dean will be responsible for securing the ongoing resources to support the School's mission.**

Seton Hall University was founded in 1856 and is the oldest and largest diocesan university in the United States. SHU is a Carnegie Doctoral II institution. Nestled on 58 acres in the suburban village of South Orange, NJ, Seton Hall is but 15 miles and a short train ride from Manhattan. The university is comprised of eight schools and colleges including the School of Law. Total enrollment in Fall 1998 was approximately 4,800 undergraduates and 4,500 graduate students.

Appointment date for the position is January 1, 1999, or as soon thereafter as possible. Compensation package is extremely attractive. Review of applications will begin on October 12, 1998, and will continue until the position is filled. To apply please send a cover letter with a vita that includes the names, e-mail addresses and phone numbers of at least three references. Applications may be sent electronically or by fax to:

Human Resources/SODIR
Seton Hall University
400 South Orange Avenue, South Orange, New Jersey 07079
E-mail: hylandpa@shu.edu
Fax: 973-761-9007

Seton Hall University offers a smoke-free work environment
Equal Opportunity/Affirmative Action Employer

UCATION
(ed)

iversity
sippi

the position of Dean of the School of Education.

strative leadership to the School and reports directly
for the quality and effectiveness of the instructional
on of the budget.

ementer

xperience in an academic environment;

on of academic programs;

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ale's designated urban institution and has approx-

University invites applications and nominations for a tenured position at the associate or full professor level in Clinical Psychology to begin September, 1999. We are interested in enhancing our Clinical Training Program by recruiting a person whose interests fall in the broad area of adult psychotherapy, particularly as studied in the context of personality theory, or the contexts of cultural, community or family influences on social adaptation. Along with distinction in research, we seek candidates who are also committed to participation in graduate clinical training (both research and practice) and quality teaching at the graduate and undergraduate level. All applications must be eligible for North Carolina licensure. Our chosen candidate will join a faculty with a wide range of research interests in clinical, personality, social, health, social-developmental, and cognitive psychology. The Department's Clinical Training Program has a long-standing reputation as one of the most successful Boulder-Model programs that promotes broad-based scholarship, a strong research apprenticeship program, and excellence in clinical training. The collaboration between Medical Center and Arts and

three letters of recommendation by November 30, 1998, to Dr. Laura Skandera-Trombley, Vice President for Academic Affairs, Coe College, 1220 First Avenue, Cedar Rapids, Iowa 52402. Coe College is an Equal Opportunity and Affirmative Action educator and employer.

Psychology: Tenure-track, assistant professor, beginning fall of 1999. Candidates must have completed a Ph.D. in psychology. Teach undergraduate classes in general experimental psychology, including Learning and Cognition, Biopsychology, and Research/Statistics. Send a letter of application describing teaching and research interests, vita, graduate transcripts, and three letters of recommendation to Dr. Victor Agruso, Chair, Department of Behavioral Sciences, Drury College, 900 North Benton, Springfield, Missouri 65802; 417-873-7204; vagru so@lib.drury.edu. Applications will be accepted until position is filled. Women and minorities are especially to apply. Drury College is an equal opportunity employer.

Public Health: The West Virginia University School of Medicine, Department of Com-

ephone numbers of three professional references and graduate transcripts to: Dr. Kenard McPherson, Professor and Director of Educational Programs, Department of Community Medicine, West Virginia University, P.O. Box 6116, Morgantown, West Virginia 26506. WVU is an Affirmative Action, Equal Opportunity Employer.

Public Relations: Bradley University, tenure-track Assistant/Associate Professor of Public Relations for Spring or Fall 1999. Teach a variety of public relations courses, help develop innovative approaches to the rapidly changing communication industry. Applicants should have strong professional experience in public relations and a strong teaching record. Ph.D. or ABD with early definite completion date required. Teaching has highest priority, but all faculty advise students, conduct research or creative activities, and perform service. Interest or experience in international media and communication, in addition to a demonstrated commitment to cultural diversity, is highly desirable. Applications will be accepted until position is filled, but to assure consideration, completed applications should be re-

P. 1   FAX NO. 9596   SEP-29-98 TUE 10:02 AM

Clay Constantinou
Ambassador of the United States of America
American Embassy Luxembourg
PSC 9, Box 9500
APO AE 09123

Tel: (352) 46-0123
Fax: (352) 46-01-14

April 8, 1998

Human Resources /DSDI
Seton Hall University
400 South Orange Avenue
South Orange, New Jersey 07079

To the Honorable Members of the Search Committee:

I am very pleased to apply for the position of Dean at the University's newly established School of Diplomacy and International Relations. In order to help familiarize you with my background I have enclosed my *curriculum vitae* and a memorandum highlighting my recent professional experience.

I believe my commitment to education, personal credentials and professional experience will enable me to secure the support and resources necessary for the school to achieve its mission. I am equally confident that I can provide the required leadership to meet the challenges that lay ahead and guide the school to national prominence and success.

I am also looking forward to the academic environment and the many opportunities it offers to deepen my expertise in the fields of diplomacy, international relations and trade. I am particularly excited by the prospect of joining an institution where I would be exceptionally motivated, as I feel already part of the family.

Should you need additional information or references please do not hesitate to contact me.

Very truly yours,

Clay Constantinou
Ambassador

CLAY CONSTANTINOU

U.S. EMBASSY LUXEMBOURG
PSC 9 BOX 9500
APO AE 09123
Home: 011 352 465165
Office: 011 352 460123
Fax: 011 352 226457

CURRENT APPOINTMENT

U.S. Ambassador to Luxembourg, July 1994 to present.
Presidential appointment requiring U.S. Senate confirmation.

As chief of mission I am the principal advocate of U.S. diplomatic interests, bilateral and multilateral (EU, NATO, UN, WEU, OECD, OSCE), in Luxembourg. My responsibilities also include: actively promoting American economic and commercial interests; enhancing the U.S.-Luxembourg defense relationship; cooperating in combating international crime and terrorism; and protecting and assisting Americans in Luxembourg and the immediate region.

PREVIOUS EMPLOYMENT

Partner, Wilentz, Goldman & Spitzer, P.C., Woodbridge, NJ
January 1993 to July 1994

One of New Jersey's premier law firms. I concentrated my practice in all areas of business transactions, corporate and commercial matters and litigation, tort litigation, public finance, banking and administrative law.

Principal, Law Offices of Clay Constantinou, West Orange, NJ.
March 1986 to December 1993

Partner, Law Offices of Constantinou and Carroll, West Orange, NJ
November 1981 to March 1986

Lecturer, Fairleigh Dickinson University, Teaneck, NJ
1985.

Special Agent, John Hancock Life Insurance, Millburn, NJ
November 1973 to November 1981.

PRESENTATIONS (selected)
Keynote speaker, Annual Dinner of the American Business Association of Luxembourg, "United States – European Union Relations: The New Transatlantic Agenda", *December, 1997*

"United States - European Union Joint Initiative to Prevent Trafficking of Women From and Through Eastern Europe and the New Independent States", *November 1997*

Keynote speaker Commencement Exercises, at the American International School of Luxembourg, *June 1997*

"United States, Presidential Campaigns and Elections", Cercle Munster, *October 1996*

"United States, Luxembourg Income Tax Convention", American Chamber of Commerce of Luxembourg, *April 1996*

Keynote Speaker Commencement Exercises, at the American Academy High School Cyprus, *June 1995*

"The United States Relationship with the European Union and the Changing Europe", European Commission incoming class, *June 1995*

"United States Diplomacy and Economic Power", American Bankers Association of Luxembourg, *November 1994*

BOARDS AND COMMISSIONS (selected)
Commissioner, New Jersey Turnpike Authority, East Brunswick, NJ
1990 to 1994.
Gubernatorial appointment requiring NJ State Senate confirmation. Set policy and directed operations, maintenance and expansion of America's premier highway toll system. A quasi-governmental organization with more than 2,300 employees and 330 million dollars in annual revenues. During my tenure we implemented a five-year highway expansion program in excess of $2 billion. We also refinanced the largest highway transportation issue, valued at more than $2.5 billion.

Commissioner and Vice Chairman, Essex County Utility Authority, Newark, NJ
1992 to 1993

Member, Board of Directors, Medigroup Inc., (HMO Blue) Newark, NJ
1993 to 1994

Member, Board of Directors, Jersey City State College Development Fund, J.C., NJ
1991 to 1994

EDUCATION
Harvard University, Kennedy School of Government, Senior Managers in Government Program, *1996*

LL.M., New York University Graduate School Of Law, *1987*

J.D., Seton Hall University School of Law, *1981*
Managing Editor, Legislative Journal, *1981*; ***Student Director***, Legal Services, *1981*

B.A., Jersey City State College, *1973*
Selected to New Jersey State Colleges "All Conference" in Tennis and Soccer; Recipient of the Student Government Organization Athletic Award; Who's Who in American Colleges and Universities.

BAR ADMISSION-PROFESSIONAL LICENSES
Supreme Court of NJ *1981*
U.S. District Court, District of NJ *1981*
National Association of Security Dealers, *1976 to 1981*
Life, Health, Variable Annuity, General Property and Casualty, *1973 to 1981*

COMMUNITY MEMBERSHIPS, PROFESSIONAL AFFILIATIONS (Selected)
Deputy Treasurer/North East Political Advisor, Democratic National Committee, *1993*

Finance Co-Chairman, 52nd Presidential Inaugural, *1992*

President, NJ State Electoral College, *1992*

President, Supreme Lodge, Cyprus Federation of America, *1987 to 1991*

Member, Board of Directors, NJ State Democratic Finance Committee, *1989 to 1993*

National Co-Chair and NJ State Finance Chair, Clinton for President Inc., *1991 to 1992*

National Co-Chair and NJ State Finance Chair, Dukakis for President Inc., *1987 to 1988*

During the 1988 and 1992 Presidential campaigns, I joined both candidates' campaigns prior to the official announcements. I created the fundraising structures in New Jersey from scratch, without any budget and with only one assistant. On both occasions my organization was cited for raising the fourth largest amount of funds in the country, $2 million in 1988 and $4 million in 1992.

Delegate, Democratic National Convention, *1988 and 1992*

Managing Trustee, Democratic National Committee, *1988 and 1992*

Member, Board of Directors, Essex County Community Health Services, *1990*

Member, Board of Directors, Cyprus Children's Fund Inc., *1986 to 1990*

President, American Academy Alumni Association of New York Inc., *1983 to 1986*

AWARDS AND HONORS

Seton Hall University School of Law, Distinguished Graduate, *1997*
New Jersey State Joint Legislative Resolution Citation, *March, 1997*
Ellis Island Medal of Honor, *1995*
New Jersey State Senate Resolution Citation, *July 1994*
United States Congressional Record Citation *March 1993*
Cyprus Federation of America, Biennial Testimonial Honoree, *1993*
Jersey City State College, Alumnus of the Year, *1991*
Jersey City State College, Athletic Hall of Fame, for Soccer and Tennis, *1987*

LANGUAGES

In addition to English, I am a native speaker of Greek and speak fluent French.

C. Michael Armstrong
Chairman of the Board

295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-7020

April 15, 1998

To the Honorable Members of the Search Committee

Re: Position of Dean - School of Diplomacy and International Relations

I am delighted to recommend for your consideration, Ambassador Clay Constantinou, as candidate for Dean of Seton Hall's School of Diplomacy and International Relations.

My introduction to Clay came several years ago under a difficult and competitive satellite procurement situation with a Luxembourg customer. As my company, Hughes Electronics, attempted to deal with the competitive politics and European relationships we had to overcome, Ambassador Constantinou quickly became involved, studied and learned the technology and helped us to get the appropriate access while he worked to establish a level playing field.

Throughout the situation, he maintained complete integrity and never let his energy and enthusiasm be interpreted by anything but respect and effectiveness.

It is this leadership that I am confident will serve Seton Hall and its students with insight and value for years to come.

Sincerely,

Human Resources/DSDI
Seton Hall University
400 South Orange Avenue
South Orange, New Jersey 07079

COURT OF JUSTICE
OF THE
EUROPEAN COMMUNITIES

The President

Luxembourg, 30 April 1998

*The Honourable Members
of the Search Committee
Human Resources/DSDI
Seton Hall University
400 South Orange Avenue
South Orange, New Jersey 07079
U S A*

Re: Position of Dean - School of Diplomacy and International Relations

Dear Honourable Members of the Comittee,

I am delighted to recommend Ambassador Clay Constantinou as candidate for Dean of the University of Seton Hall's School of Diplomacy and International Relations.

I have known him since he took up his functions as Ambassador to the United States in Luxembourg in 1994. During this period he has launched and accomplished a number of initiatives effectively and efficiently and has always demonstrated a high degree of commitment, drive and strong interpersonal and diplomatic skills.

One notable example of Ambassador Constantinou's accomplishments is the Dean Acheson Legal "Stage" Programme whereby young law graduates from a group of United States Law Schools, including Seton Hall, come to spend a few months "clerking" at the Court of Justice. This programme, which was engineered by him, has enjoyed increasing success over the last couple of years and has offered an invaluable opportunity to young law graduates.

I have no doubt that he would make a valuable contribution to the School of Diplomacy and International Relations and an excellent Dean for the School and the students alike.

Yours faithfully,

Gil Carlos Rodriguez Iglesias

L-2925 Luxembourg

Northeastern University

College of Arts and Sciences
Department of Political Science

April 24, 1998

Human Resources, DSDI
Seton Hall University
400 South Orange Avenue
South Orange, New Jersey 07079

RE: Clay Constantinou

To the Members of the Search Committee:

Clay Constantinou tells me that he is a candidate for the position of Dean of the University's new School of Diplomacy and International Relations.

I don't know precisely what kind of dean you are looking for and the particular focus that the school will be taking. I can tell you, however, that Clay is an extraordinarily capable person who has done a superb job as American Ambassador to Luxembourg, and, even more importantly, as a key player in our relations with the European Community.

Admittedly, I am biased. I first met Clay in 1987 as I was beginning my campaign for the presidency, and he soon became a valued friend, advisor and fund-raiser extraordinaire. We have stayed in close touch ever since, and he has called on me for advice from time to time as he has taken on more and more assignments in the public sector.

Clay is one of the most capable people I have ever worked with. He is very bright. He has an energy level that far exceeds that of most mortals. He has great people skills. He is very well organized and a fine manager. I am not at all surprised by his success as a representative of the United States in Europe.

[illegible] Meserve Hall
Northeastern University
Boston, Massachusetts 02115
617-[illegible] (office) 617-373-5311 (fax)

As somebody who has spent the last seven years of his life on university campuses, I think he would make a superb dean, especially for a school that is just beginning to get under way. He combines intellect and practical diplomatic and political experience in a way that one rarely finds on most campuses, and if his performance on the campaign trail is any indication, he will be prodigious fund-raiser. As a faculty member, it would be a pleasure to teach and work with him. He has a great ability to inspire the people with whom he works to new heights and new opportunities.

In short, I recommend him very, very highly, and I would be happy to talk to you personally about him. I can be reached here at Northeastern at 617-373-4396.

Sincerely,

Michael S. Dukakis

MSD/rml

New York University
A private university in the public service

King Juan Carlos I of Spain Center

Third Floor
53 Washington Square South
New York, NY 10012-1098
Telephone: (212) 998-3636
FAX: (212) 995-4810

May 4, 1998

Honorable Clay Constantinou
Ambassador of the United States
American Embassy
Luxembourg

Via Fax: 011 352- 46 01 14

Dear Clay:

Back in New York after the expedition my wife Mary Ellen and I made to Cambodia, Vietnam, Korea and Japan, I write to assure you that I have sent a letter to the Search Committee at Seton Hall warmly commending your candidacy.

I hope my letter helps!

Warmest regards,

Yours ever,
John

John Brademas
President Emeritus

JB:mbm

TOTAL P.01

JCSC

Jersey City State College
2039 Kennedy Boulevard, Jersey City, New Jersey 07305-1597

Office of the President, Hepburn Hall, Room 313 201-200-3111

May 28, 1998

Human Resources/DSDI
Seton Hall University
400 South Orange Avenue
South Orange, New Jersey 07079

Members of the Search Committee:

I wholeheartedly endorse Ambassador Constantinou's candidacy for the position of Dean of the newly established School of Diplomacy and International Relations at Seton Hall University.

I had the opportunity to collaborate with Ambassador Constantinou on several projects and witnessed first hand the workings of a lucid mind coupled with a public presence that commands attention and respect.

In the academic field, Ambassador Constantinou led a major effort to introduce and, in some instances, expand throughout Europe the involvement of American universities in degree programs. Also, through the Ministry of Education, he was able to develop a state-of-the-art ISDN network for the K-12 system in Luxembourg. Equally successful were his initiatives to expand American universities study abroad and faculty exchange programs. Leaders from different fields and walks of life were brought together to discuss the significant role of education in creating an enlightened European and international community.

Ambassador Constantinou spearheaded a comprehensive initiative to deepen and broaden the traditional concept of 'diversity' by including not only language differences but also the notion of color, race and religion. He organized and supported a series of national and European cultural events to bring about a better understanding and acceptance of human differences.

Clay Constantinou has done extensive work with heads of state, corporate executives and political leaders to facilitate the discussion and planning for the rapidly emerging global economy. His sophisticated approach to the analysis of global issues within a context of interdependence, has facilitated seminal encounters in Luxembourg, the European community and the United States. He developed invaluable networks and personal contacts that will indeed serve the School of Diplomacy and International Relations well.

Prior to his ambassadorial appointment, Clay Constantinou played an equally significant role in major regional and national fund-raising campaigns in the U.S.A. These successful endeavors, nurtured by the cultivation of friends and donors, will provide a solid springboard for the launching of similar initiatives at Seton Hall.

In brief, I enthusiastically recommend Ambassador Constantinou's candidacy for the position of Dean of the School of Diplomacy and International Relations. He is an effective leader, a seasoned public figure, and charismatic personality. I have always been impressed by the power of his intellect and his ability to unite different people for a common goal.

Should you have questions, do not hesitate to call my office. I can be reached at 201-200-3111.

Sincerely,

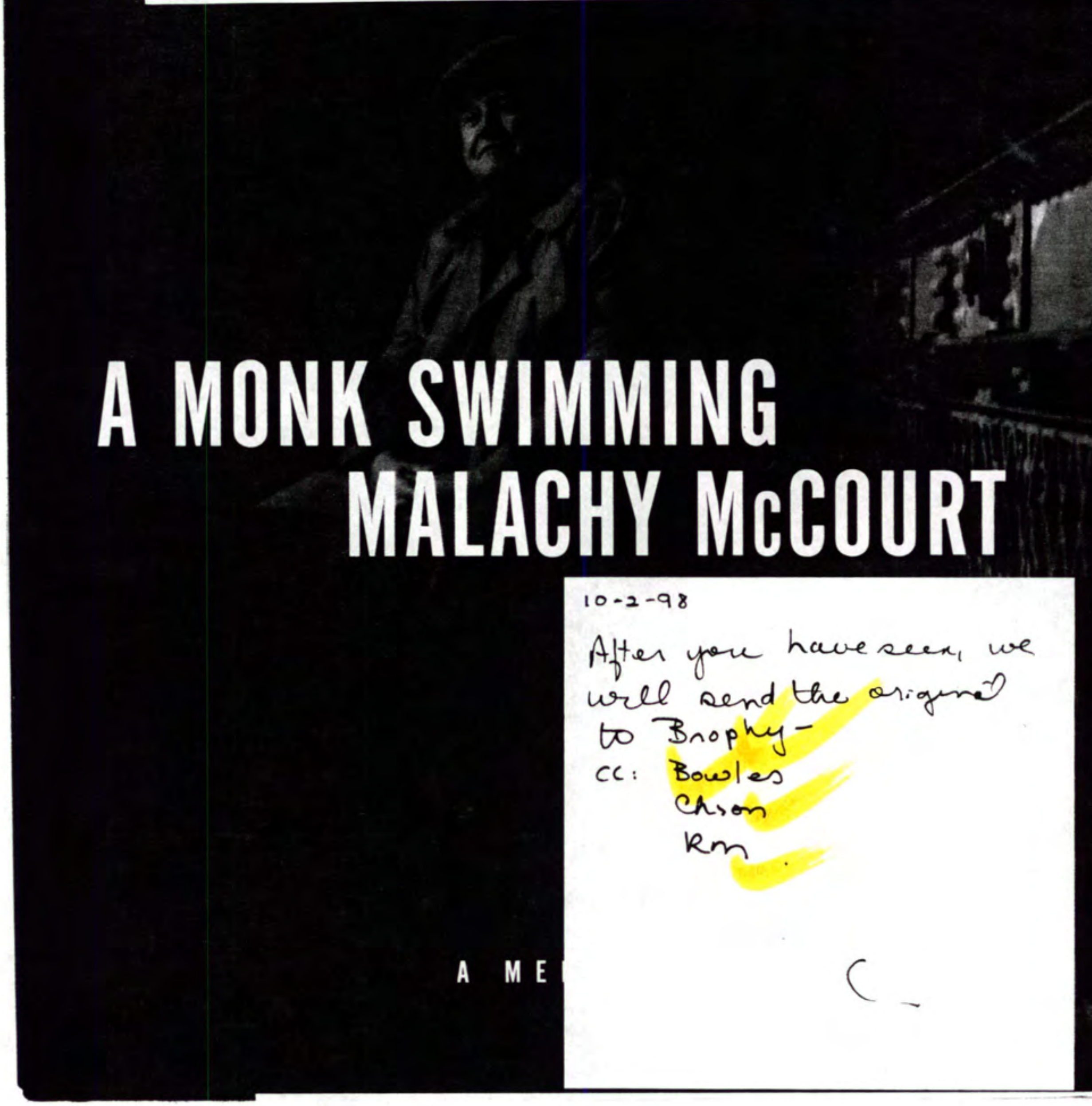
Carlos Hernández

Carlos Hernández, Ph.D.
President

To Susan Brophy

BC

THE PRESIDENT HAS SEEN
10-2-98



10-2-98
After you have seen, we will send the original to Brophy-
cc: Bowles
Chron
Rm

C

10-5-98

98 OCT 2 P4:55

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

THE DIRECTOR

copied
Lew
Stein
COS

October 2, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew
Larry Stein

SUBJECT: Final 1999 Appropriations Negotiations

This memorandum outlines a proposed strategy for proceeding with our final 1999 appropriations negotiations. Your economic team has been meeting frequently over the last few weeks to solidify the Administration's position for these negotiations. As you know, many of the remaining bills pose serious concerns and we have issued veto threats on eight of the thirteen appropriations bills.

To date, only the Military Construction and Energy and Water bills have been sent to you for signature. It is possible that the Defense and Legislative Branch bills also will be sent to you as separate bills, though we have pushed the leadership not to send the Legislative Branch bill unless the Treasury/Postal bill containing White House funding is also sent. We expect the Commerce/Justice/State, Foreign Operations, Interior, Labor/HHS/Education, Treasury/Postal, and District of Columbia bills to be included in a final, year-end omnibus bill. In addition, it is likely that our emergency supplemental requests will be included in the omnibus bill. In total, we have requested almost $9 billion of emergency funding for addressing the Y2K computer problem, supporting our troops in Bosnia, ameliorating the effects of the agriculture disaster, and repairing our military bases in Korea damaged by severe weather. Including the Daschle/Harkin amendment on farm assistance, the emergency funding level is $14 billion. The Agriculture, Transportation, and VA/HUD bills may be transmitted to you as separate bills or as part of the omnibus bill.

Strategy for Funding Priorities

You recently signed a Continuing Resolution (CR) that funds government activity through October 9. We believe that a second short-term CR, extending for a few days beyond October 9, will be proposed so that the appropriations bills can be completed. Our strategy over the next ten days to two weeks is to:

10-5-98

- **Maximize leverage.** On the bills that are likely to be completed separately, we are working with conferees to try to resolve issues of concern. To the extent that issues are not resolved, we may need to threaten to veto the conference report. As a practical matter, this would shift the vetoed bills to the omnibus. Alternatively, you could choose to sign a conference report and we could work to add additional funding for priorities in the omnibus.

  On bills that are likely to be included in the omnibus, we propose to wait to engage Congress in final negotiations until we have a good idea of what the tentative conference funding levels are. The House and the Senate have funded several programs, most notably the Labor/HHS/Education programs, at vastly different levels. Waiting for a tentative conference funding level will allow us to have a clearer idea of which base we should be requesting increased funding from and maximize how much we can achieve. We expect that in many areas they will address our concerns in the conference agreements. If we present our demands before they make additional concessions, we will increase how much of the adds we will have to pay for with offsets.

- **Put Language First.** We propose to try to resolve language concerns first because we believe this will be our hardest fight and we do not want the money issues all resolved adding pressure to accept offensive language provisions. Many of the appropriations bills contain numerous offensive language riders, ranging from environmental riders in the Interior bill, to social riders such as the abortion provision in the District of Columbia bill, to the Brady-handgun provision and census sampling prohibition in the Commerce/Justice/State bill. We are working with CEQ and the communications team to increase pressure to remove the environmental riders.

  Yes!

  ~~[illegible]~~ veto & win fix

  It is likely that it will take a great deal of time and effort to get these offensive riders removed. In addition, increased spending to provide additional funds for your priorities would require offsets to pay for them. We would like to hold our offsets until the later part of a negotiation. It is likely that the earlier we make our offsets known, the more likely they will be used to pay for Congressional priorities. It also increases the risk that opposition to the offsets will develop.

- Yes. **Stand with the Democrats.** Finally, we propose that all of our appropriations negotiations be done working closely with congressional Democrats. Our leverage in the final negotiations is predicated on our ability to sustain a veto. There are two views among congressional Democrats. Senator Daschle believes it would be most advantageous to finish by Sunday, October 11. Representative Obey would like to prolong the negotiations an additional week. We most likely will engage by the middle of next week in serious discussions over the remaining bills.

Conclusion

We would like to meet with you prior to final negotiations as soon as we better understand the likely conference positions. In the meantime, we have reviewed the appropriations bills program by program and can respond to any concerns you have about particular funding levels or language issues for individual programs.

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10-5-98

Congress of the United States
House of Representatives
Washington, DC 20515-0537

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
SUBCOMMITTEES ON
AVIATION
SURFACE TRANSPORTATION

COMMITTEE ON
SMALL BUSINESS
RANKING MEMBER
SUBCOMMITTEE ON TAX, FINANCE AND EXPORTS
SUBCOMMITTEE ON
EMPOWERMENT

DEMOCRATIC REGION ONE WHIP
CONGRESSIONAL WOMEN'S CAUCUS
CO-CHAIR WOMEN OWNED BUSINESS
LEGISLATIVE TEAM

September 24, 1998

The Honorable Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton,

I wanted to let you know that even during this difficult time, I, my constituents and millions of Americans are behind you. You and your family are in our thoughts and in our prayers.

This past Saturday, as I addressed the Congressional Black Caucus Prayer Breakfast, I quoted the 51st Chapter of the Book of Psalms, "Have mercy upon me lord in accordance with your loving kindness..." I talked with those in attendance about the power of forgiveness and the model God has created for us to learn how to forgive. Forgiveness is never any easy process -- whether it is forgiveness from oneself or from those we love. But through faith and through time, God has shown us that all can be forgiven.

I finished my talk on Saturday with a quote from Naomi Rosenblatt's inspiring book *Wrestling with Angels*: "The power of an internalized spiritual identity can even transcend circumstances beyond our control." I believe that in times of trouble it truly is our inner spirituality that guides us and ultimately leads us as I hope it will lead you to redemption.

10-5-98

Warmest regards,

Juanita

JUANITA MILLENDER-McDONALD
Member of Congress

After you have seen, we will send to Legislative Affs for reply.

Cul

Congress of the United States
House of Representatives
Washington, DC 20515–0537

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M.C.

CONFIDENTIAL

The Honorable Bill Clinton
c/o Mr. Erskine Bowles, Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

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MARKING INITIALS: MS DATE: 1/26/22
2016-0503-S

THE PRESIDENT HAS SEEN
10-5-98

kinney system, inc.

Lewis Katz
Chairman of the Board

October 2, 1998

The Honorable William Jefferson Clinton
1600 Pennsylvania Ave.
Washington, DC

Dear Mr. President:

First of all, I hate to write letters. Secondly, I have been a loyal and avid supporter from the day I met you in 1990 and decided you were the right person for the job. Eight years later, our budget is balanced, our cities are safer and a bankrupt business that I bought for $10,000 in New York City was sold for $225 million thanks in no small measure to the health of our national economy. In all of this, you have not for one minute forgotten the plight of the working poor and serve as a wonderful role model for never forgetting one's roots.

I am proud and incredibly privileged to have lived at a time when your leadership has not only left an indelible mark on my family's life, but for my children and future grandchildren, whose life will be immeasurably better thanks to your service.

As our Hebrew philosopher Hillel once said, "This too shall pass".

Stay the course and know how loved you are.

10-5-98

After you have seen,
we will send to
Burkhardt for reply—

Carl

Lewis

n Avenue, New York, N.Y. 10010 (212) 889-4444

kinney
system, inc.
60 Madison Avenue
New York, N.Y. 10010

THE PRESIDENT HAS SEEN
12-3-98

The Honorable William Jefferson Clinton
1600 Pennsylvania Ave.
Washington, DC

Do nice reply
to Terry + letter
to the woman who
wrote him —

10-5-98

We will send to
Burkhardt for reply after
you have seen. [illegible]

Coordinate with NSC?

Yes ✓ B.
No —

[illegible]

THE PRESIDENT HAS SEEN
10-5-98

10 - 2 - 98

THE AMBASSADOR

Mr. President -

The enclosed letter from the head of a major company here is representative of the feelings many, many Trinidadians have expressed to us. As I mentioned when I called Nancy H., you are viewed as the best US President since FDR in this region.

Congratulations on the surplus. I remember

EMBASSY OF THE UNITED STATES OF AMERICA
PORT OF SPAIN, TRINIDAD AND TOBAGO

Well being in the Rose Garden with John B. on the day of the historic vote in '93. He is still recovering from eye surgery.

All of us serving in embassies overseas wish Congress would spend more time and $ on embassy and staff security and less on trying to bring you down. You might want to go after them on this point.

I hope you will come visit either officially or unofficially. This is a great country which greatly appreciates all we do for them. The P.M. is a lawyer and a golfer. Our residence is very nice and very private and secure. You and Hillary could get some R+R by the pool. Hang tough, Terry

DRUG TREATY: Prime Minister Basdeo Panday (right) and US Ambassador in Port-of-Spain Edward Shumaker sign the 1998 Counter Narcotis Letter of Agreement at the Prime Minister's Office yesterday. ***Photo by BRIAN NG FATT.***

Panday appeals to US Ambassador: Help me catch Ramdhanie

By RICHARD LORD

ALMOST two weeks after convicted drug lord, Deochan Ramdhanie escaped from police custody in Princes Town, he remains at large and Prime Minister Basdeo Panday has asked for US assistance in recapturing the prisoner.

"I would like you to help me catch Ramdhanie," Panday told the United States Ambassador to Port-of-Spain, Edward Shumaker III during yesterday's signing of a Counter Narcotics Letter of Agreement at his Twin Towers office.

Panday signed on behalf of Trinidad and Tobago while the Shumaker affixed his signature on behalf of the US Government.

Panday said the agreement provides for this country to receive US$400,000 "to enhance Government's capability to suppress and ultimately eliminate the illicit cultivation, production, processing, trafficking and consumption of drugs within Trinidad and Tobago."

The Prime Minister said the agreement also provides for addressing the transit of illicit drugs through this country's territorial waters and other types of international crime.

Panday said the agreement also provides for the US to assist TT with "material, personnel equipment and training."

Shumaker stressed that the United States was very pleased to assist the Government and people of this country in the fight against the illicit drug trade. "Counter-narcotics trafficking," he added, "is a major threat to democracy in this hemisphere."

It was after the Ambassador thanked Prime Minister Panday for all his Government's efforts at stamping out the illicit drug trade, that Panday, in turn, appealed for US assistance in the recapture of Ramdhanie.

Moments later National Security Minister, Brigadier Joseph Theodore who was also present said that "help" was already sought.

Shumaker then confirmed this saying: "Yes, help has already been offered to the Minister from our DEA (Drug Enforcement Agency)."

NEWSDAY Thursday September 24, 1998 Page 13

TWO GRADS: US Ambassador to TT Edward Shumaker poses with Rhodes Scholarship winner, Suzanne Lambert.

Two Dartmouth College grads meet

US AMBASSADOR of Trinidad and Tobago, Edward E Shumaker, a graduate of Dartmouth College in Hanover, New Hamshire met recently with Suzanne Lambert a fellow Dartmouth graduate and winner of a Rhodes Scholarship to study law at Oxford University.

Lambert is one of the three Trinidadian graduates of Dartmouth College in the 1990's to win a Rhodes Scholarship. She will leave for England next week to begin her scholarship.

Kishore S Advani.
Berger Paints Trinidad Limited
P.O. Box 546, 11 Concessions Road,
Sea Lots, Port of Spain, Trinidad, W.I.

41B Ridgewood Towers,
Four Roads,
Diego Martin.
30 September 1998

His Excellency
Ambassador E. Shumaker
Ambassador Of The United States Of America,
Marli Street,
Port Of Spain

PERSONAL/CONFIDENTIAL

Dear Ambassador Shumaker,

Reference my brief discussions with you last Tuesday, I enclose, for your information, two articles which appeared on Pages 8A & 10A of the Sunday Gleaner of Jamaica dated September 27, 1998. The Press (as you can see) in the Caribbean are more understanding and supportive of the President than the media in the US.

I personally feel really sad at the way President Clinton is being run down in the US and the effect this is having on the US image overseas. He is a great President and I wish him and his family every success. I would certainly like to see him continue as the President.