

Friday, December 11, 1998

OK

PHOTOCOPY  
P. 1000-1000



CHARLES M. VEST, PRESIDENT

ROOM 8-208  
77 MASSACHUSETTS AVENUE  
CAMBRIDGE, MASSACHUSETTS 02139-4208  
617-253-0148

December 11, 1998

VIA FAX 202-456-2215

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

Dear Mr. President:

We write in support of your leadership in information technology. The President's Committee of Advisors on Science and Technology, we reviewed the importance of the Information Technology Initiative (ITI) in leading us to the next century of S&T progress and economic prosperity. Subsequent discussions with colleagues in both academia and industry have emphasized that this initiative must have high priority because of its promise in advancing so many fields of endeavor. We endorse an ambitious new research program for information technology that fits well with a bold, broad S&T portfolio.

Under Neal Lane's leadership, the federal R&D agencies have worked cooperatively to craft an ITI that fulfills three objectives. First, the initiative will support a balanced research portfolio in computer and information science that will strengthen the national investment in fundamental research. Second, through development of dramatically increased and broadly accessible computing capabilities, the initiative will provide strong new links between research in information science and critical fields like biology, physics, and materials science by initiating a new paradigm of simulation-based research. And third, the initiative will reflect the interests of all federal agencies with major requirements in information technology.

The result is a balanced R&D portfolio that will meet broad national objectives and lay the foundation for future innovation, while ensuring support for mission goals for advancing science and engineering. Funding the ITI at a sufficiently high level will provide progress for advancing our national capabilities in information technology, as envisioned in your address at the Massachusetts Institute of Technology last June.

Although we recognize the constraints on the budget for FY2000, we strongly urge that you provide funding at the \$3-billion level that the President's Information Technology Advisory Committee recommended in its Interim Report for ITI to encompass sufficiently the complementary objectives — fundamental R&D for information science, applications of high-end computing in support of other basic sciences, and addressing mission information technology requirements.

Respectfully yours,

Charles M. Vest

John A. Young

12-11-98

Came in on 5/5 Sec Fax

Send to Burkhardt

Yes ✓

Coord  
with  
AMB  
+ OSTP

THE WHITE HOUSE  
WASHINGTON

December 10, 1998

MR. PRESIDENT:

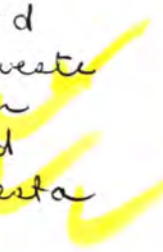
Attached is a memo on the status of immigrants from Honduras, Nicaragua, El Salvador and Guatemala in the wake of Hurricane Mitch. It is styled as an information memo, but it could easily be read as seeking a decision from you. *I've spoken with Maria about it, and there's no need for you to make any decisions -- unless you object, your advisors are implementing a plan of action consistent with sentiments you've previously expressed.*

Please note however, that because Honduran and Nicaraguan nationals will receive different treatment than those from El Salvador and Guatemala, your advisors recommend delaying announcement of these relief actions until after your meeting tomorrow with the Central American Presidents.

Phil Caplan



copied  
Echaveste  
Bergen  
Reed  
Podesta





## THE WHITE HOUSE

WASHINGTON

December 9, 1998

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: MARIA ECHAVESTE  
SAMUEL BERGER  
BRUCE REED

SUBJECT: Immigration Response to Hurricane Mitch

In the wake of Hurricane Mitch, one of the key issues raised by both the Presidents of countries in Central America and many immigration advocacy groups is what to do about Central Americans who are without legal status in the United States. In early November, the Immigration and Naturalization Service (INS) temporarily stayed removals of all nationals from Honduras, Nicaragua, El Salvador, and Guatemala. At your request, the INS then extended that delay until January 7, 1999. The long-term economic devastation and social destruction left by Hurricane Mitch, however, requires a more systematic approach to the treatment of those individuals. This memorandum sets out a proposed course of action.

Temporary Protected Status

As you know, the Attorney General has authority to grant Temporary Protected Status (TPS) for 6 to 18 months to nationals of a country if she finds that there has been an environmental disaster in that country that renders it temporarily unable to handle the return of its nationals. Persons who qualify for TPS are not subject to removal and are eligible for permission to work in the United States during the time period designated by the Attorney General.

The Department of State has evaluated conditions in Central America and recommends that the Attorney General grant TPS to nationals from Honduras and Nicaragua. The Department of Justice (DOJ) agrees that TPS would be appropriate for nationals of these countries. We recommend that the Attorney General grant TPS to nationals from Honduras and Nicaragua for a period of one year. At the end of that one year period, the designation could be renewed.

cc: Vice President  
Chief of Staff

The Department of State does not recommend TPS for nationals from El Salvador and Guatemala. The Department has concluded that the effect of Hurricane Mitch in these two countries is insufficient to warrant a TPS designation. More than 90 percent of the deaths and displacement caused by Mitch occurred in Honduras and Nicaragua. Moreover, while the economic and infrastructure damage in El Salvador and Guatemala has been serious, it is not severe enough to meet the TPS standard.

#### Alternative Relief for El Salvador and Guatemala

Because Mitch had serious effects on El Salvador and Guatemala and because we are interested in providing a coordinated response to all four affected countries, we believe we must also address the circumstances of Salvadorans and Guatemalans in the United States.

As you recall, the Nicaraguan Adjustment and Central American Relief Act (NACARA), enacted in late 1997, authorized virtually automatic permanent status for Nicaraguans and Cubans living in the United States since December 1995, while providing those Salvadorans and Guatemalans who applied for asylum prior to 1992 with only an opportunity to be considered under the more lenient (pre-1996 Act) rules for suspension of deportation (a form of immigration relief leading to permanent status). Hondurans were excluded altogether from this legislation. In your signing statement to the NACARA legislation, you noted that the Administration would seek to overcome disparities created by the legislation through the implementation process. In line with this statement, DOJ has recently proposed regulations that would greatly improve the chances for Salvadorans and Guatemalans seeking to obtain permanent status by affording them an additional non-adversarial hearing before an INS officer and codifying the legal standard applicable to their claims. The regulations, however, still do not provide the kind of guarantee of permanent status enjoyed by Nicaraguans and Cubans. And although DOJ has committed to ensuring that immigration officers take the effects of Mitch into account when adjudicating suspension claims under NACARA, even this special consideration will not guarantee that all Salvadorans and Guatemalans would meet the "extreme" hardship standard required for suspension of deportation.

During the last session of Congress, Rep. Gutierrez sponsored legislation that would have provided amnesty to Salvadorans, Guatemalans, and Hondurans equivalent to that obtained by the Nicaraguans and Cubans in NACARA. We did not support that legislation because we have generally not favored grants of



amnesty. However, given (1) that similarly situated Haitians were granted amnesty in the last session, and (2) the changed circumstances brought on by Hurricane Mitch, ~~we recommend that we now commit to working with Congress to pass legislation that provides amnesty for Salvadorans and Guatemalans covered by NACARA (i.e., the pre-1992 asylum seekers), as well as a small group of similarly situated Hondurans.~~ *gf* Though legislation of this kind would not provide relief for all nationals of El Salvador and Guatemala living in the United States, it would help a significant number -- approximately 300,000 out of an estimated 500,000 -- and would be consistent with your commitment to achieving parity for all similarly situated individuals covered by NACARA.

In addition to seeking parity through legislation, we also recommend that we seriously consider ~~granting Deferred Enforced Departure (DED) to those covered by the proposed legislation (which would also make them eligible for work authorization).~~ *gf*

We would need to identify significant U.S. foreign policy and national security interests to justify this extra-statutory measure based on your constitutional authority with respect to U.S. foreign relations. Use of DED authority would help allay the perception that Salvadorans and Guatemalans are receiving second-class treatment in our immigration policy response to Mitch, and would ensure that individuals are not subject to deportation while we seek permanent relief for them. As you recall, we granted DED to Haitians in December 1997.

#### Timing

*gf* Because we recommend a TPS designation for nationals of only two of the four Central American countries affected by Mitch, we strongly recommend ~~delaying this announcement until after the visit by the four Central American presidents at the end of this week.~~ *gf* ~~We also recommend that when we do make the TPS announcement, we put it in the context of the broader immigration relief that we are prepared to provide to people from the region.~~ This will help to alleviate the disappointment that El Salvador and Guatemala may feel at not being granted TPS. We also believe we should hold off on making any announcement until after we have had more of an opportunity to consult with the Hill. We have received indications that some members, including some key Republican members, may also be interested in pursuing legislative relief for Salvadorans and Guatemalans; a premature announcement of our intention to seek parity legislation might prejudice our chances of enacting the legislation.

Gravis

He is a self-made  
+ a good success --

I'd like to do something  
on Miss. Delta, &  
bring ~~him~~ him into  
coordinated African  
effort -- Mr. African  
by him --

BK

Copied  
Spelling  
Podesta



USDA

THE PRESIDENT HAS SEEN

12-11-98

**United States  
Department of  
Agriculture**

Rural Business –  
Cooperative Service

Washington, D.C. 20250

December 10, 1998

William J. Clinton  
President of the United States  
The White House  
Washington, DC 20500

Mr. President:

In 1992 you created a new covenant to use the powers of government to create an “expanding entrepreneurial economy of high-wage, high-skill jobs.”<sup>1</sup> I request an opportunity to meet with you to discuss the following proposals to help further the success of your Administration in this regard.

My first proposal regards the economic development of the Lower Mississippi Delta Region. Given that the United States Government now includes a President from Arkansas, a Senate Majority Leader from Mississippi, and a (soon to be) Speaker of the House from Louisiana, the time seems appropriate to zealously pursue economic development in the Lower Mississippi Delta Region.

Having served as Chairman of the Lower Mississippi Delta Commission, you are aware of negative effects that prejudice and neglect have inflicted upon the region, as well as, the opportunities for practical remediation of these negative effects. I would like to help you to ameliorate some of the negative conditions that have oppressed the people of the Delta Region since Reconstruction.

My second proposal regards economic development and the development of new markets for U.S. commerce in the nations of sub-Saharan Africa<sup>2</sup>. We can serve the needs of American

---

<sup>1</sup>Clinton, William J., *A New Covenant*., Speech to the Democratic National Convention Accepting the Party Nomination for President of the United States, July 16, 1992.

<sup>2</sup>The group of sub-Saharan Africa countries we are considering includes: Botswana, Zimbabwe, Namibia, Uganda, Ghana, Kenya, Senegal, Cote d’Ivor, Mozambique, and Malawi.





business and industry by creating new trading partners and improving our relationship with our current trading partners. You have asserted that in order to build a prosperous future, we must cultivate partnerships that will help the countries of Africa move their people from the economic margins to the mainstream of the global economy. By strengthening potential trading partnerships and fostering business and market development in sub-Saharan Africa, a region with a combined GDP of \$179.4 billion<sup>3</sup> and imports exceeding \$15.6 billion per year<sup>4</sup>, we can create economic opportunities not only for the people of Africa, but also for business and industry in the United States. In response to the challenges put forward in your Initiative on Africa, I suggest establishment of a White House Working Group on sub-Saharan Africa to develop strategies and recommendations for implementation of a formal Department-level, Inter-Agency sub-Saharan Africa program.

Mr. President, as you stated at Entebbe, "We are committed to work on finding new strategies to hasten Africa's global integration." By forming the White House Working Group on sub-Saharan Africa, you will be taking a significant step toward meeting the critical fundamental needs of the African people, as well as the creation of trading partners for United States businesses.

I have attached, for your consideration, some specific proposals regarding the Lower Mississippi Delta Region and the sub-Saharan Africa Region. At your convenience, I would appreciate an opportunity to further explore these ideas with you.

Thank you for your consideration of these matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wilbur T. Peer', with a stylized, cursive script.

WILBUR T. PEER

Associate Administrator

---

<sup>3</sup>1995-96 estimates. *The World Factbook 1997*, Central Intelligence Agency, 1997.

<sup>4</sup>Id.

# Proposal For The President of the United States From Wilbur T. Peer

## Attachment 1

### The Lower Mississippi Delta Region

As you know, there are portions of the U.S. geography and segments of the U.S. population that continue to be economically disenfranchised. Among the regions of our country experiencing economic hardship is the Lower Mississippi Delta region. The following are among the proposals we have to offer in regard to the Delta Region (and possibly elsewhere as well):

#### ◆ **Establish a Lower Mississippi Delta Strike Force**

In order to ensure concrete, attainable objectives that will result in delivered assistance to the Lower Mississippi Delta Region, I recommend that you establish a Lower Mississippi Delta Strike Force, composed of representatives from all federal agencies, to develop a plan-of-action over the next four months, to be implemented over the next two years, that will cover all aspects of improving socio-economic conditions in the Lower Mississippi Delta Region. Given the current representation in the Federal Government, the Strike Force should focus, with great particularity, on the states of Arkansas, Mississippi, and Louisiana.

#### ◆ **Upgrade U.S. Highway 79.**

The African-American population in the delta of Arkansas is effectively cut-off, by insufficient roadways, from the University of Arkansas at Pine Bluff, which is the primary institution of higher education providing service to African-Americans in Arkansas. U.S. Highway 79 should be upgraded to interstate quality from West Memphis to Pine Bluff. There is already a plan to upgrade the portion of U.S. Highway 79 from Pine Bluff to the Louisiana border as part of the Interstate 69 Corridor Project. By improving U.S. Highway 79, African-Americans will be better able to access and benefit from the resources at the University of Arkansas at Pine Bluff. As you know, effective utilization of university resources is particularly crucial for economic and social advancement in African-American communities.

#### ◆ **Locate government facilities in the Lower Mississippi Delta Region.**

By locating some government facilities in economically depressed areas, the government can save money while providing the necessary economic stimulus to facilitate the creation of sustainable businesses. The following are examples of facilities that might be located in the Lower Mississippi Delta Region:

Federal Executive Training Institute  
Federal Information Center

Social Security Offices  
Veterans Administration Facilities  
Department of Energy Laboratories  
Federal Student Loan Servicing and Processing Facilities

◆ **Encourage businesses that provide products or services to the government to locate in the Lower Mississippi Delta Region.**

Through the General Services Administration and through the Defense Logistics Agency, the various departments and agencies of the United States Government purchase billions of dollars of supplies and services each year. These contracts should be awarded in such a manner that businesses that are located or are willing to locate in the Delta will receive priority consideration.

◆ **Develop a tourism promotion strategy that celebrates America's diversity.**

The United States has benefitted from the contributions of people from every racial and ethnic group. Tourism in the United States should be promoted by establishing "routes" of historical sites related to particular racial and ethnic groups. For example, someone of Irish decent may be very interested in learning about the history of the Irish in the United States, and, therefore, might enjoy a vacation that includes visits to sites where significant events relating to Irish-Americans took place. The same is true for Chinese-Americans, Japanese-Americans, African-Americans, Native-Americans, Americans of Scandinavian descent, etcetera. If these historical sites are developed and marketed together, the results will include not only economic empowerment, but also a deeper understanding of the issues that divide us, and an opportunity to help "make every American part of a nation that is coming together."<sup>1</sup>

◆ **Establish a program to provide financial counseling to anyone who needs it.**

Today, we are fortunate to enjoy good economic times; however, even in good times there are those who feel financial pressures. Too often, hard-working Americans, with decent jobs, incur debt that they cannot repay or properly service. Many people do not have the education or training necessary to develop a personal budget and financial plan.

In the interest of ensuring that every American can enjoy the benefits of our thriving economy, we propose a coordinated network of financial planning and credit-counseling centers that can be tools for the community at-large and for the state courts. If a Judge can send the parties to a divorce to a financial planner, or send someone accused of wrongdoing related to financial pressures to a credit counselor, that Judge may not have to see the same people in court time after time. It is crucial to link these centers into a network that can be a tool for Judges to help eliminate the causes of controversy. These

---

<sup>1</sup>Clinton, William J. And Gore, Albert, Jr., *Putting People First: How We Can All Change America.*, Times Books, A Division of Random House, Inc., New York, 1992.



centers will provide an opportunity for people to overcome many of the financial pressures that cause discord within families and within communities.

This proactive approach to alleviating financial pressures will strengthen the family structure, provide support for children, reduce unpaid child-support, and prevent violence toward women. The result will be an economy that continues to strive forward, but leaves no one behind.

# Proposal For The President of the United States From Wilbur T. Peer

## Attachment 2

### The Sub-Saharan Africa Region

Mr. President, we can also serve the needs of American business and industry by creating new trading partners and improving our relationship with our current trading partners. You have asserted that in order to build a prosperous future, we must cultivate partnerships that will help the countries of Africa move their people from the economic margins to the mainstream of the global economy. By strengthening potential trading partnerships and fostering business and market development in sub-Saharan Africa, a region with a combined GDP of \$179.4 billion<sup>1</sup> and imports exceeding \$15.6 billion per year<sup>2</sup>, we can create economic opportunities not only for the people of Africa, but also for business and industry in the United States. In response to the challenges put forward in your Initiative on Africa, we suggest establishment of a White House Working Group to develop strategies and recommendations for a formal Department-level, Inter-Agency sub-Saharan Africa program.

Based upon the nature of the identified developmental needs of the region, the working group should be composed of high level representatives from the following:

- The United States Department of Agriculture
- The United States Department of Commerce
- The United States Department of Transportation
- The United States Agency for International Development

The charge to the working group would include the following:

1. *Finalize a list of countries targeted for assistance.*

While all of the countries of sub-Saharan Africa have vast needs, it is important that we target our resources to have the maximum developmental effects. We should only be involved where the necessary infrastructure, capacity, and political stability are present to enable our efforts to have an immediate impact. Furthermore, we should consider targeting nations with the capacity for adding value to our assistance. We should select 6-8 nations from a short list including: Botswana, Zimbabwe, Namibia, Uganda, Ghana, Kenya, Senegal, Cote d' Ivor, Mozambique, and Malawi. (South Africa should be excluded from the efforts of this task force because Vice President Gore's Bi-National Commission already has programs in place to assist development in South Africa.)

2. *Establish specific types of assistance to be provided to targeted countries.*

---

<sup>1</sup>1995-96 estimates. *The World Factbook 1997*, Central Intelligence Agency, 1997.

<sup>2</sup>Id.

In order to provide the training and develop the infrastructure that these countries need, we should consider, inter alia, assistance in the following areas:

- ◆ Improvement of access to credit and financial services.
- ◆ Technical assistance for rural business and enterprise development.
- ◆ Small and emerging farmer training and technical assistance.
- ◆ Creation of farmer-owned cooperatives to provide market-access opportunities.
- ◆ Water conservation, access to safe drinking water.
- ◆ Establishment of trading partners and trade opportunities.
- ◆ Enhancement of private sector confidence in investment and development on the African continent through aggressive use of U. S. credit guarantee programs, such as, GSM 102 and GSM 103.
- ◆ Public infrastructure necessary to efficiently move products to market.

3. *Design an organizational structure and operating plan for the Department-Level Sub-Saharan Africa Program.*

4. *Identify the Sub-Saharan Africa Program's requirements for human and financial resources, and the potential sources for fulfilling those requirements.*

A program that will effectively advance development in sub-Saharan Africa will require a commitment of resources for up to four years. If we are to engage in this arena, we should do so in a meaningful way.



PRESIDENT HAS SEEN  
THE WHITE HOUSE  
12-11-98  
WASHINGTON  
October 9, 1998

MR. PRESIDENT:

Attached for your review is a draft outline of your race book written by Chris Edley. It's been reviewed by Maria, Sylvia, Bruce Reed, Elena Kagan, Gene Sperling, Paul Begala, Sid Blumenthal and Mayes.

Phil Caplan

Maria

1. Union - American  
Strongest administrative community  
service as a part of public  
service - connection to  
Mandate - Protagonist  
12-11-98

Copied  
Echaveste  
Podesta

## INTRODUCTION

1. Context for the book; why I launched this; 21<sup>st</sup> century challenges; no subject more vexing; my personal experiences and motivation, in private and public life
2. Executive Summary:
  - a. Summary of core themes and vision
  - b. Summary of proposals to build community and close the opportunity gap
3. Appreciation to the Advisory Board

## PART I: THE AMERICA WE WANT

1. Getting the facts right: What America looks like and where we are going; salience of race/ethnicity in our daily lives
  - a. Race and community: Summary of authoritative evidence on demographic trends; the extent of discrimination and prejudice; information on integration, social relations; most salient progress to date
  - b. Race and opportunity: Summary of authoritative evidence on disparities in social and economic indicators; how far public and private policy changes have brought us
  - c. The effects of racial and ethnic divisions in polluting our political and policy discourse
2. My vision of One America with racial and ethnic justice in the 21<sup>st</sup> century, and why this vision is preferable to competing visions: seeking clarity about our value commitments and ambitions for One America
  - a. Building a sense of community: removing the barriers between our hearts
    - i. Why progress is so difficult; viewing human history as a struggle to overcome our seemingly innate tendency to fear, discriminate against and even hate the "other"
    - ii. Cherishing what is unique about our distinctive subgroup identities, while celebrating the diversity of the larger group – the struggle to find a way to do both of these without a mortal external threat or a dire internal crisis
    - iii. Modeling how to think about a selected set of complex, hard questions

illustrating this challenge of community and connection; searching for the kernel of truth in what the other side of the debate is saying -- not providing the “right” answer, but showing the importance of well-informed, thoughtful engagement that gets us beyond platitudes in searching for “first values” and ways to bridge them.

- b. Building racial and ethnic justice by closing the opportunity gap between the races
  - i. Tearing down barriers, like discrimination
  - ii. Affirmative opportunity so that we will someday erase the social and economic legacy of disadvantage -- especially through public and private steps related to education, jobs/economic development and criminal justice.
- c. Why this vision is preferable to competing visions

## **PART II: THE COMMUNITY WE MUST BUILD**

1. The importance of promising practices: building bridges to connect people across lines of class and color, creating community and the creating the mutual concern that is the basis for bold action on the opportunity agenda.
  - a. *Criteria:* Does it help build bridges across lines of class and color? Is it action that improves people’s lives, or does it lead to such action? Is it sustainable over time, and can it be used by others elsewhere?
  - b. Unpromising practices: what doesn’t work, and makes our problems worse
  - c. The work of the Advisory Board and its staff; description of the guidelines for effective conversations on race, as developed by PIR staff in consultation with experts and practitioners
2. Examples and descriptions from different sectors: government, business, the media, the faith community, education, nonprofit sector, etc. And in different modalities: dialogue; education efforts; service efforts; action efforts, etc.
3. Establishing an ongoing program to recognize and replicate promising practices, analogous to the Ford Foundation-funded Kennedy School program on Innovations in Government, which produces annual awards and publishes case studies. And also: build on the experience and interest of the National Civic League.



## PART III: THE OPPORTUNITY WE DESERVE

Overview and background: It is not enough to stop doing what is wrong. Therefore, we must think in each sector both about how to tear down barriers, such as discrimination, and how to affirmatively build opportunity.

- Workplan organized by sectors/subject matter. *This is not just about the federal government, and not just about government.*<sup>1</sup>
- Context: The nation's recent progress, reflected in the record and leadership of the Clinton-Gore Administration, and in examples of public and private progress around the country.

1. **The Workplan for Education Opportunity.** Education is primary to achieving my vision, by: eliminating disparities; strengthening accountability; reviving the integration ideal. These problems have long gone unsolved not only because they are difficult and because race has divided us, but also because we need to reassess the roles of the different levels of government and of the family in education. The old formulas need revision, the old problems need new thinking, and the old values need new life. New thinking, including:

- State and metropolitan approaches to overcome local limitations
- Toward a new Federal role to redress a national legacy of color-coded disadvantage and unequal opportunity
- Higher standards for what we can accomplish: zero tolerance for "system failure"
- Personal, family and community responsibilities – more than regulations and bureaucracy, but dealing with the consequences of personal choices and culture
- Summation: We need to provide every family with an Education Bill of Rights,<sup>a</sup> regardless of race or zip code.

- a. *Eliminate racial disparities in educational opportunity and achievement;*
  - i. Resources – especially teachers, curriculum, infrastructure and early childhood
  - ii. Expectations and support – high expectations from parents and strong support from parents
  - iii. Access to higher education
- b. *Strengthen accountability and reinforce responsibility* for administrators, teachers and students, as well as for the political institutions governing education. Fair and effective

---

<sup>1</sup> Very few elements will have FY 2000 budget implications, although many long-term directions can find beginning steps in Administration accomplishments and proposals. The narrative will be largely thematic, issuing a series of challenges and principles, with a few broad-brush policy directions. Some added detail will be in stand-apart textual boxes or in an appendix. The narrative will be largely thematic, issuing a series of challenges and principles, with a few broad-brush policy directions. Some added detail will be in stand-apart textual boxes or in an appendix.

assessment tools are a start.

- c. *Promote racial and economic integration in education* by reinvigorating the integration ideal.

- 2. **The Workplan for Jobs and Economic Development.** There are many approaches to the complex of interconnected problems in employment, job creation, community economic development, wealth creation, and so forth. We have been ill-served by the long debate about “people versus places” when, clearly, a blend of approaches is needed. But our workplan should be focused, and I see these three challenges as paramount:

- a. *Break the back of hyper-unemployment among young adults in poor minority communities.* We have for too long tolerated the tragedy of concentrated poverty and joblessness, with all the resulting ills. We can save the next generation if we are willing to challenge the old approaches and focus our resources. Metro regions should be challenged: in return for some additional resources and greatly enhanced flexibility with dozens of current federal and state programs, regions will accept accountability for creatively tackling the problems of young adult unemployment. That means tying together programs in education, training, job search, transportation, employer networking, day care, housing assistance, drug treatment, and many more. Not every community will be prepared to accept the challenge. But for those that are, we should stand ready to reinvent the heavens to help them end the cycle of lost opportunity.
- b. *Put financial markets to work in disadvantaged communities.* From the “un-banked” to mortgage and insurance redlining; from usurious lending to toxic brownfields; from unsympathetic loan officers to unaware consumers – there is no shortage of barriers to overcome in making the financial sector and market forces the engines of economic development and wealth accumulation that they could be in disadvantaged communities.
  - i. Lower the barriers to access: A range of education, regulatory and incentive measures to level the playing field in access to credit and other financial services.
  - ii. Harness the markets and major financial institutions to channel business and economic development resources to our needy communities – opportunities which in many respects are more attractive than the overseas ventures so alluring to many institutions and investors.
- c. *Revive and pursue the ideal of integrated communities*

- 3. **The Workplan for Criminal Justice and Community Security.** From hate crimes to crack houses, from police misconduct to police hiring, from disparate incarceration rates to racial profiling -- barely a week goes by without some aspect of crime and criminal justice standing as a lightning rod for racial and ethnic tensions. No area is more freighted with divisive stereotypes and misunderstanding. Victimization and criminality destroy



communities and families, just as they fuel alienation and division. The scourges of drugs and gun violence are not immutable, and recent progress is some cause for hopefulness. We must not compromise on this goal: every family in every American community has a right to be secure, and that right cannot be hollow for some and hallowed for others.

- a. *Community Security: Eliminate racial disparities in victimization.* The right to be secure cannot be discounted by race. Every American is entitled to live in a safe community, and the race of residents shouldn't tell us the crime rate. The Administration's record has numerous elements, which we can build upon and target to close the disparities.
  - b. *Keep young people out of the criminal justice system, and for those who have contact with it, make it their last.* The chance that a young black male will go to prison during his lifetime is nearly 30%. The realities are flatly inconsistent with an American vision of racial justice and equal opportunity. We know there are effective community strategies (Boston, Chicago), if we can summon the will to use them.
  - c. *Build greater fairness and trust in the criminal system.* Several past and present factors contribute to mistrust in our criminal justice system among persons of color, including negative interactions, disparities in the administration of justice (incarceration, sentencing, death penalty), and lagging diversity in law enforcement (police, prosecutors, judges, juries). Without more trust, creating safe communities is impossible, because legitimacy, support and cooperation don't come free.
4. **The Workplan for Civil Rights Enforcement.** Persistence of discrimination, and of enforcement backlogs. We have opportunities to strengthen and more aggressively enforce civil rights principles, and also support appropriate voluntary actions that promote equal opportunity and access. This includes defending disparate impact doctrine, and defending affirmative action. The traditional agenda needs renovation to (i) increase its efficiency at handling the retail problem of discrimination; (ii) contribute more directly to the opportunity agenda in education, jobs and community economics; (iii) reflect our 21<sup>st</sup> century diversity.
- a. *Overcome racial disparities in opportunity by expanding the use of civil rights enforcement.* Civil rights enforcement can play an especially important role in overcoming barriers to educational and economic opportunity, and we should strengthen and focus civil rights enforcement to complement the opportunity agenda.
  - b. *Fully address all forms of discrimination affecting our increasingly diverse population by strengthening civil rights laws and enforcement.* We must retool our civil rights laws and refocus enforcement efforts to fully address civil rights issues affecting our diverse citizenry.



- c. *Address discrimination and disparities by promoting voluntary efforts in conjunction with enforcement of civil rights laws.* In addition to reacting to civil rights complaints, civil rights enforcement agencies should act proactively to encourage and support voluntary compliance with civil rights laws and values.
- d. *Mend, don't end, affirmative action as enforcement remedy and voluntary measure to promote access and inclusion.*

5. **The Workplan for Civic Engagement and Strengthening Democracy.** Alienation and disaffection are barriers to building One America because: institutions will be more responsive and effective if they are inclusive; civic engagement creates trust and cooperation; and thriving civic organizations can sometimes do what governments are unable or unsuited to do.

*Community  
Sector  
in Focus*

- a. *Education for cultural competence:* Improve K-16 curricula so that we understand our history and each other; media industry as a venue for better understanding of issues; on-line communities.
- b. *Wage war against democracy drop-outs:* The dramatic racial disparities in voter registration and participation are a symptom of disaffection and alienation. We have to adopt measures to change the culture of participation for the better.

## PART IV: THE ROAD FORWARD

1. Leadership call -- American's must hold leaders accountable for active, effective engagement on our most pressing challenges, and race is certainly one of them. We need leaders in institutions and communities as part of this workplan for the nation
  - a. *Community leadership and action* – in communities around the nation, local and metro/regional partnership to formulate and implement a community workplan for building bridges and opportunity.
  - b. *Sectoral leadership and action* – each sector with a tailored plan for both national and grass-roots engagement. Target sectors: higher education; the faith communities; corporate; labor; youth; the media<sup>2</sup>
  - c. *Federal leadership and action* through renaissance of the Civil Rights Commission,

---

<sup>2</sup> For this book, we should be able to describe workplans in-place for higher education, the faith communities, and perhaps the youth and corporate sectors.

making the Federal workplace a model, and establishing the “PIR follow-on entity”

2. My own life’s work – [Clinton Library activities, etc.?]
3. *Conclusion:* Previous presidents – some personalized examples of how some of them chose to move forward, and others didn’t. Tragedies seeded or averted. Opportunities seized and squandered. Optimism about our ideals and spirit. Our standing in the eyes of the world, and in the judgment of historians. We must not be mere participants in the history of this struggle. We must be the authors of that history. Our standing in the hearts of our children and grandchildren; what we owe them. We must lighten their burdens and brighten their futures, each and all. Closing message: response to a letter from a grade school child; and a prayer.

\*\*\*

#### **Endnotes:**

- a. Such a Bill of Rights might include the following:
  - (1) Every child shall have a parent or other adult actively engaged in his/her learning and have access to support services to help that child achieve to his/her full potential.
  - (2) Every child shall have access to early learning opportunities.
  - (3) All parents have the right to send their children to equitably funded schools that are accountable for their child’s learning.
  - (4) Every child shall have access to high-quality teachers.
  - (5) Every child shall be held to high expectations and standards and have access to challenging curricula.
  - (6) Every child shall have access to adequate facilities and modern technology.
  - (7) Every LEP child shall have access to the tools necessary to help him/her learn English within three years.
  - (8) Every child shall learn in a safe environment.
  - (9) All parents and children shall have the right to choose to attend racially and ethnically integrated schools.
  - (10) Every high school graduate shall have the financial support and opportunity to go to college.



THE PRESIDENT HAS SEEN

12-11-98

**Alan D. Solomont**  
400 Centre Street  
Newton, Massachusetts 02158  
Tel 617-332-5522  
Fax 617-332-2196

December 10, 1998

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

Dear Mr. President:

Because of your leadership, our Nation is now working to ensure that Medicare and Social Security will be fiscally sound and able to meet the needs of America's retiring baby boomers in the next century. But missing from the debate is the issue of long term care and our Nation's ability to provide for this critical, senior health care need in the next century.

Medicaid is the source of payment for two-thirds of all Americans in nursing homes today. Just as the financial integrity of Medicare and Social Security is threatened by the demographic tidal wave of aging baby boomers, the growing demand for long term care will stretch Medicaid beyond its capacity.

Many in government recognize the serious nature of this crisis. But there is no consensus over how or where to address it. As a health care issue, some argue that long term care should be part of the Medicare debate. As a retirement issue, others propose to include it in the Social Security debate. The long term care provider community believes it belongs in both.

Mr. President, your leadership is needed on this. I propose that you raise the issue in your State of the Union Address on January 19. As you suggested, I have provided some background and suggested language for this purpose. Of course, I am ready to provide any additional assistance that might be needed.

Allow me to raise one other issue. In July, you announced a series of new initiatives aimed at improving the quality of care in our Nation's nursing facilities. In order to ensure success, it is critical to engage the provider community in a collaborative effort. This has not been achieved to date. I would like to arrange for a small group of leading providers to meet with you soon to discuss how to achieve the goal of your initiatives, improving the quality of care available to frail elders who require nursing home care.

I will be in touch with your office to follow up on both these suggestions.

Sincerely,

Sincerely,



Alan D. Solomont

Copied  
Street  
Jennings  
Podesta



Solomont Bailis Ventures, J.L.C  
400 Centre Street  
Newton, MA 02158  
Phone (617) 630-8081  
Fax (617) 630-8788

**Alan D. Solomont**  
*Co-Chairman and Co-CEO*

## FAX COVER SHEET

|                                         |                   |                      |                                               |
|-----------------------------------------|-------------------|----------------------|-----------------------------------------------|
| <b>To:</b>                              | Nancy Hernreich   | <b>Fax Number:</b>   | 202-456-6703                                  |
| <b>Company:</b>                         | The White House   | <b>Phone Number:</b> | 202-456-6610                                  |
| <b>Date:</b>                            | December 10, 1998 | <b>Time:</b>         | 4:15 p                                        |
| <b>Number of pages including cover:</b> | 4                 | <b>From:</b>         | Celia D. Harris<br>Assistant to Alan Solomont |

**Memo:**

This facsimile transmission is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient(s) or the employee or agent responsible for delivering the message to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original transmission to us at the address listed above via the United States Postal Service. Thank you.

THE WHITE HOUSE  
WASHINGTON

Date

12/11

To:

Mark Childress

From:

The Staff Secretary

As discussed. Thanks for  
looking at this.

Phil

## THE WHITE HOUSE

WASHINGTON

December 10, 1998

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: SAMUEL BERGER (K) *for*

SUBJECT: Nazi War Crimes Disclosure Act

Purpose

To make appointments to the Nazi War Criminal Records Interagency Working Group.

Background

You signed the Nazi War Crimes Disclosure Act on October 8, 1998. The Act calls for you to establish the Nazi War Criminal Records Interagency Working Group to locate, inventory, recommend for declassification, and make available to the public all classified Nazi war criminal records, subject to certain designated exceptions. It also provides for expedited processing of FOIA requests for such records.

The Act calls for you to appoint seven members to the Interagency Working Group by December 8, including the State Department Historian, the Director of the Holocaust Museum, the Archivist of the United States, and the head of any other agency (we recommend the Director of the FBI). The Act calls for the Group to hold its first meeting by January 8, 1999 and to complete its work and report to Congress within a year. Because of the passage of time and recent declassification efforts, it is believed that there are relatively few records on this subject that are still classified, which means it should be possible to meet this deadline.

cc: Vice President  
Chief of Staff



The Act authorizes the head of an agency appointed by you to designate "an appropriate officer" to serve on his or her behalf. Each agency head has designated such an alternate:

- Michael Kurtz, Assistant Archivist for Records Services, Washington, D.C., will represent the Archivist of the United States. Since the Archives has the broadest perspective on this issue, I recommend that you designate Kurtz as chair.
- David Marwell, Associate Director for Museum Programs, will represent the Director of the Holocaust Museum. Marwell served previously as Executive Director of the JFK Assassination Records Review Board.
- John Collingwood, Assistant Director, Office of Congressional and Public Affairs, Federal Bureau of Investigation, will represent the Director of the FBI.

Additionally, I recommend appointing the following individuals:

- William Slany, Department of State Historian
- Eli Rosenbaum, Director of the Office of Special Investigations at the Justice Department. This is the office that will have the responsibility of identifying the Nazi War Criminals who will be the subject of the records search called for in the Act.
- David Holmes, Special Assistant to the Executive Director at the Central Intelligence Agency. Holmes has represented the DCI on several important declassification issues.
- Stewart Aly, Associate Deputy General Counsel (Legal Counsel), Department of Defense, who has broad experience in coordinating DoD declassification reviews.

I will monitor the progress of the Interagency Group by having someone from my staff attend their meetings.

#### RECOMMENDATION

That you sign the attached memo establishing the Nazi War Criminal Records Interagency Working Group and appointing its members.

#### Attachments

Tab A Memo to Agency Heads

Tab 1 Nazi War Crimes Disclosure Act

**TAB A**

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
THE ATTORNEY GENERAL  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION  
THE ARCHIVIST OF THE UNITED STATES  
THE DIRECTOR, U.S. HOLOCAUST MEMORIAL MUSEUM

SUBJECT: Nazi War Crimes Disclosure Act

In accordance with the Nazi War Crimes Disclosure Act which I signed on October 8, 1998, I hereby establish the Nazi War Criminal Records Interagency Working Group to locate, inventory, recommend for declassification, and make available to the public all classified Nazi war criminal records, subject to certain designated exceptions.

The Act calls for the appointment of seven members to the Interagency Working Group, including the State Department Historian, the Director of the Holocaust Museum, the Archivist of the United States, and the head of any other agency. Any agency head appointed by me may designate "an appropriate officer" to serve on his or her behalf. The Interagency Group should hold its first meeting by January 8, 1999 and complete its work "to the greatest extent possible" and report to Congress within a year.

I am appointing the following individuals to the Interagency Group, which remains in existence for three years:

- John Carlin, Archivist of the United States. Michael Kurtz, Assistant Archivist for Records Services, Washington, D.C., will represent the Archivist.
- William Slany, Department of State Historian
- Sara Bloomfield, Acting Director of the United States Holocaust Memorial Museum. (David Marwell, Associate Director for Museum Programs, will represent the Acting Director.)



- Louis Freeh, Director of the Federal Bureau of Investigation. (John Collingwood, Assistant Director, Office of Congressional and Public Affairs, will represent the Director.)
- Eli Rosenbaum, Director of the Office of Special Investigations at the Justice Department
- David Holmes, Special Assistant to the Executive Director at the Central Intelligence Agency
- Stewart Aly, Associate Deputy General Counsel (Legal Counsel), Department of Defense

Michael Kurtz will serve as chair of the Interagency Group. Bill Leary, the NSC's Senior Director for Records and Access Management will serve as NSC liaison to the Interagency Group, to include attending all its meetings.

Attachment

Tab 1    Nazi War Crimes Disclosure Act

# TAB I

Public Law 105-246  
105th Congress

An Act

To amend section 552 of title 5, United States Code, and the National Security Act of 1947 to require disclosure under the Freedom of Information Act regarding certain persons, disclose Nazi war criminal records without impairing any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes. <<NOTE: Oct. 8, 1998 - [S. 1379]>>

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, <<NOTE: Nazi War Crimes Disclosure Act.>>

SECTION 1. SHORT TITLE. <<NOTE: 5 USC 522 note.>>.

This Act may be cited as the ``Nazi War Crimes Disclosure Act``.  
SEC. 2. <<NOTE: 5 USC 522 note.>> ESTABLISHMENT OF NAZI WAR  
CRIMINAL RECORDS INTERAGENCY WORKING GROUP.

(a) Definitions.--In this section the term--

- (1) ``agency`` has the meaning given such term under section 551 of title 5, United States Code;
- (2) ``Interagency Group`` means the Nazi War Criminal Records Interagency Working Group established under subsection (b);
- (3) ``Nazi war criminal records`` has the meaning given such term under section 3 of this Act; and
- (4) ``record`` means a Nazi war criminal record.

(b) <<NOTE: Deadlines. President.>> Establishment of Interagency Group.--

(1) In general.--Not later than 60 days after the date of enactment of this Act, the President shall establish the Nazi War Criminal Records Interagency Working Group, which shall remain in existence for 3 years after the date the Interagency Group is established.

(2) Membership.--The President shall appoint to the Interagency Group individuals whom the President determines will most completely and effectively carry out the functions of the Interagency Group within the time limitations provided in this section, including the Director of the Holocaust Museum, the Historian of the Department of State, the Archivist of the United States, the head of any other agency the President considers appropriate, and no more than 3 other persons. The head of an agency appointed by the President may designate an appropriate officer to serve on the Interagency Group in lieu of the head of such agency.

(3) Initial meeting.--Not later than 90 days after the date of enactment of this Act, the Interagency Group shall hold an initial meeting and begin the functions required under this section.



(c) <<NOTE: Records.>> Functions.--Not later than 1 year after the date of enactment of this Act, the Interagency Group shall, to the greatest extent possible consistent with section 3 of this Act--

(1) locate, identify, inventory, recommend for declassification, and make available to the public at the National Archives and Records Administration, all classified Nazi war criminal records of the United States;

(2) coordinate with agencies and take such actions as necessary to expedite the release of such records to the public; and

(3) <<NOTE: Reports.>> submit a report to Congress, including the Committee on the Judiciary of the Senate and the Committee on Government Reform and Oversight of the House of Representatives, describing all such records, the disposition of such records, and the activities of the Interagency Group and agencies under this section.

(d) Funding.--There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 3. <<NOTE: 5 USC 522 note.>> REQUIREMENT OF DISCLOSURE OF RECORDS REGARDING PERSONS WHO COMMITTED NAZI WAR CRIMES.

(a) Nazi War Criminal Records.--For purposes of this Act, the term "Nazi war criminal records" means classified records or portions of records that--

(1) pertain to any person with respect to whom the United States Government, in its sole discretion, has grounds to believe ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion, during the period beginning on March 23, 1933, and ending on May 8, 1945, under the direction of, or in association with--

(A) the Nazi government of Germany;

(B) any government in any area occupied by the military forces of the Nazi government of Germany;

(C) any government established with the assistance or cooperation of the Nazi government of Germany; or

(D) any government which was an ally of the Nazi government of Germany; or

(2) pertain to any transaction as to which the United States Government, in its sole discretion, has grounds to believe--

(A) involved assets taken from persecuted persons during the period beginning on March 23, 1933, and ending on May 8, 1945, by, under the direction of, on behalf of, or under authority granted by the Nazi government of Germany or any nation then allied with that government; and

(B) such transaction was completed without the assent of the owners of those assets or their heirs or assigns or other legitimate representatives.

(b) Release of Records.--

(1) In general.--Subject to paragraphs (2), (3), and (4), the Nazi War Criminal Records Interagency Working Group shall release in their entirety Nazi war criminal records that are described in subsection (a).

[[Page 112 STAT. 1861]]

(2) Exception for privacy, etc.--An agency head may exempt from release under paragraph (1) specific information, that would--

(A) constitute a clearly unwarranted invasion of



personal privacy;

(B) reveal the identity of a confidential human source, or reveal information about the application of an intelligence source or method, or reveal the identity of a human intelligence source when the unauthorized disclosure of that source would clearly and demonstrably damage the national security interests of the United States;

(C) reveal information that would assist in the development or use of weapons of mass destruction;

(D) reveal information that would impair United States cryptologic systems or activities;

(E) reveal information that would impair the application of state-of-the-art technology within a United States weapon system;

(F) reveal actual United States military war plans that remain in effect;

(G) reveal information that would seriously and demonstrably impair relations between the United States and a foreign government, or seriously and demonstrably undermine ongoing diplomatic activities of the United States;

(H) reveal information that would clearly and demonstrably impair the current ability of United States Government officials to protect the President, Vice President, and other officials for whom protection services, in the interest of national security, are authorized;

(I) reveal information that would seriously and demonstrably impair current national security emergency preparedness plans; or

(J) violate a treaty or international agreement.

(3) Application of exemptions.--

(A) In general.--In applying the exemptions listed in subparagraphs (B) through (J) of paragraph (2), there shall be a presumption that the public interest in the release of Nazi war criminal records will be served by disclosure and release of the records. Assertion of such exemption may only be made when the agency head determines that disclosure and release would be harmful to a specific interest identified in the exemption. An agency head who makes such a determination shall promptly report it to the committees of Congress with appropriate jurisdiction, including the Committee on the Judiciary of the Senate and the Committee on Government Reform and Oversight of the House of Representatives. The exemptions set forth in paragraph (2) shall constitute the only authority pursuant to which an agency head may exempt records otherwise subject to release under paragraph (1).

(B) Application of title 5.--A determination by an agency head to apply an exemption listed in subparagraphs (B) through (I) of paragraph (2) shall be subject to the same standard of review that applies in the case of records withheld under section 552(b)(1) of title 5, United States Code.

[[Page 112 STAT. 1862]]

(4) Limitation on application.--This subsection shall not apply to records--

(A) related to or supporting any active or inactive investigation, inquiry, or prosecution by the Office of Special Investigations of the Department of Justice; or

(B) solely in the possession, custody, or control of that office.

(c) Inapplicability of National Security Act of 1947 Exemption.--Section 701(a) of the National Security Act of 1947 (50 U.S.C. 431) shall not apply to any operational file, or any portion of any operational file, that constitutes a Nazi war criminal record under section 3 of this Act.

SEC. 4. <<NOTE: 5 USC 522 note.>> EXPEDITED PROCESSING OF FOIA REQUESTS FOR NAZI WAR CRIMINAL RECORDS.

(a) Expedited Processing.--For purposes of expedited processing under section 552(a)(6)(E) of title 5, United States Code, any requester of a Nazi war criminal record shall be deemed to have a compelling need for such record.

(b) Requester.--For purposes of this section, the term ``requester'' means any person who was persecuted in the manner described under section 3(a)(1) of this Act who requests a Nazi war criminal record.

SEC. 5. EFFECTIVE DATE. <<NOTE: 5 USC 522 note.>>

This Act and the amendments made by this Act shall take effect on the date that is 90 days after the date of enactment of this Act.

Approved October 8, 1998.

LEGISLATIVE HISTORY--S. 1379:

-----  
CONGRESSIONAL RECORD, Vol. 144 (1998):

June 19, considered and passed Senate.

Aug. 6, considered and passed House.

<all>



# AMERICAN OPINION

A QUARTERLY SURVEY OF POLITICS, ECONOMICS AND VALUES

## HAPPY DAYS: ARE THEY HERE AGAIN?

THE PRESIDENT HAS SEEN  
12-11-98

*A Remarkably Upbeat Mood Is Tempered With Caution About the Future*

### Home Buyers Share Outlook That Future For Economy Will Be Rosy

*In New Jersey,  
Folks Aren't Fazed  
By Hefty Prices*

By BERNARD WYSOCKI JR.  
Staff Reporter of THE WALL STREET JOURNAL

SOUTH RIVER, N.J.

**I**T IS SUNDAY after  
Thanksgiving, a lazy day



### Bright Outlook: After Years Of Expansion, Public Says It's Satisfied

*Officials Benefit  
From Best Mood  
Seen in Decades*

By ALBERT R. HUNT  
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON

**F**OR THE several  
decades after World  
War II, the Ameri-  
can public psyche



# That Future For Economy Will Be Rosy

*In New Jersey,  
Folks Aren't Fazed  
By Hefty Prices*

By BERNARD WYSOCKI JR.  
Staff Reporter of THE WALL STREET JOURNAL

SOUTH RIVER, N.J.

**I**T IS SUNDAY after Thanksgiving, a lazy day of watching football and eating leftover turkey at many American households. But here at the Heritage Landing subdivision of Matzel & Mumford builders, the place is abuzz with wall-to-wall home buyers.

A widely diverse sampling of middle-income America, they stream through the four-bedroom model.

Over here is a 24-year-old electrician and his bride-to-be. Over there is a 40-year-old Newark school principal, family in tow, trading up to a \$300,000 house. They are a cross-section of what America has become in the suburbs of multiethnic New York in the late 1990s—married and unmarried couples, some young, some middle aged, white, Hispanic, African-American and Asian-American.

But for all their diversity, the people congregating here have something in common, beyond the obvious desire for a new house. It's an unmistakable sense of optimism, about themselves, about their future, and about continued economic prosperity in America.

"I'm working seven days some weeks," says Kelvin Bryant, 40, a heavy-equipment operator at the Port of Elizabeth. He works so much overtime, he will earn \$115,000 this year, up from \$106,000 in 1997. He has no fear of losing his job "unless imports stop coming in," he says, pondering the absurdity of the idea.

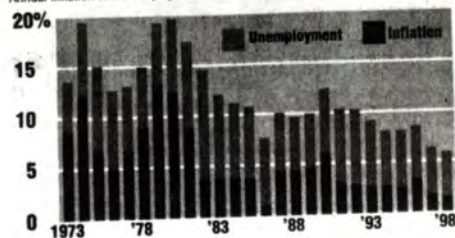
It's much the same with other buyers. They are making what is probably the largest financial commitment of their lives, but they do so without blinking. Most will produce between \$40,000 and \$80,000 in down payment. On top of that, they will commit to \$1,500 per month or more in mortgage payments and taxes for the next 30 years. Some will pour most of their savings into this venture, yet few are buckling at the thought. Everybody

Please Turn to Page A12, Column 3



## 'Misery Index' at a Low

Annual inflation and unemployment rates



## Where We Are Today

How satisfied are you with the state of the U.S. economy today?

|                       |     |
|-----------------------|-----|
| Very satisfied        | 28% |
| Somewhat satisfied    | 54  |
| Somewhat dissatisfied | 13  |
| Very dissatisfied     | 8   |
| Not sure              | 1   |

ILLUSTRATION BY ROBERT NEUBECKER

# Public Says It's Satisfied

*Officials Benefit  
From Best Mood  
Seen in Decades*

By ALBERT R. HUNT  
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON

**F**OR THE several decades after World War II, the American public psyche was marked by an optimistic can-do spirit. With assassination, Vietnam and Watergate, that confidence eroded, reviving some during part of the Reagan years, but only temporarily.

It is back.

The American people are more buoyant both about the economy in general and their own personal financial situations than at any time in memory, according to this month's Wall Street Journal/NBC News poll. It's no surprise: The economic expansion is now more than 7½ years old, the stock market has tripled in value in the past five years, and the misery index—the combination of the rates of unemployment and inflation, often considered a leading political/economic indicator—is at the lowest level since 1966, during the Vietnam war.

The public's feelings, say pollsters Peter Hart and Robert Teeter, who conduct the poll, range from "very positive among lower-income groups to total ecstasy among upper-income groups." And, as Mr. Hart notes, in line with President Kennedy's remark that "success has many fathers," this good economy puts almost everyone in a good light: President Clinton, Federal Reserve Chairman Alan Greenspan, the business community and workers.

To be sure, there are crosscurrents. Most of the public doubts the good times will last forever, and they're not oblivious to the layoffs announced almost daily by big companies such as Boeing Co., or to the economic dangers abroad. There even is the smattering of a more-cautious mood creeping in today.

But almost every measurable index of public opinion shows satisfaction levels in the stratosphere. The last time American Opinion

Please Turn to Page A14, Column 3



# Buoyant Mood Spills Into Suburban Subdivisions

## Home Buyers in New Jersey Share Optimism Over Economic Future

Continued From Page A9

seems so confident in the ability to make ends meet. They consider themselves resourceful.

The school principal, Edwin Melendez, has two master's degrees and a certificate that lets him do some consulting as a psychotherapist on the side. The young electrician, Mauro Cappelluti, expects plenty of work in the months ahead. Even the shoppers—people who haven't committed to buying yet—are fearless about their finances. A couple who work together as stockbrokers in Edison, N.J., say they have an established network of clients to sustain them even if they are laid off from their Wall Street firm.

And so it goes, all afternoon here in this industrial and bedroom community, a 30-minute drive south from Newark airport. The developer/builder couldn't be happier, of course. Some months ago, Roger Mumford, president of Matzel & Mumford Organization, projected his sales here at about five houses a month. But in the first six weeks, he sold 32 houses—nearly five times his projected rate.

This sand-pit-turned-subdivision is a microcosm of an optimistic America in late 1998. The feelings here mirror those in much of the country. Ebullience is the dominant economic mood these days, and the sentiments are confirmed by nationwide polls taken during the past week by Democratic pollster Peter Hart and Republican Robert Teeter.

It's a moment when Americans are feeling secure about their jobs. Some 45% of those polled are "very satisfied" with their job security, up from 40% in December 1997, and far above the 30% who felt very secure in January 1996. Conversely, only 11% are "very dissatisfied" with their job security, a percentage that has shown little change over the past three years. Meanwhile, a rising percentage of Americans polled are optimistic about career advancement.

"Clearly, Americans continue to be very ebullient about the economy, and their own situation," says Mr. Teeter. And at the heart of this optimism, he believes, is the favorable job situation. Not only is unemployment running at 4.4%, but Mr. Teeter finds it significant that only 29% foresee a U.S. recession in 1999. Perhaps even more significantly, only 7% of Americans believe that a recession would result in their own loss of a job.

On the other hand, Americans are just a bit less ebullient than they were in September, the polls found. It's possible that the gyrations in the stock market over the past six months have served as a sobering lesson for some of the once-roaring bulls among consumers.

Those stockbrokers from nearby Edison have turned a bit more cautious, for example. Jack Zotti and Linda Maricich started looking for their first house last summer. The stock market was booming; a share of stock in their employer, Morgan Stanley, had risen from about \$10 to nearly \$100.

### Bottom Line: Better Off Than Four Years Ago

Would you say that you and your family are better off or worse off than you were four years ago?



## Strong Economy May Spur Heftier Holiday Spending

By ELIZABETH CROWLEY

Staff Reporter of THE WALL STREET JOURNAL

The economy is booming, and the stock market is breaking records, but will that translate into more gifts under the tree this year?

As usual, more people say they plan to cut back their holiday spending than to increase it, according to a recent Wall Street Journal/NBC News poll.

But the holidays have always been a time of wishful thinking. Pollsters find that people get into the giving spirit when they read the perfect

### Going Christmas Shopping

The majority of Americans plan to spend about the same amount of money this year as compared to last year

|                          | MORE | SAME | LESS |
|--------------------------|------|------|------|
| <b>ALL ADULTS</b>        | 14%  | 53%  | 30%  |
| <b>Under \$20,000</b>    | 15   | 43   | 40   |
| <b>\$20,000-\$29,999</b> | 18   | 44   | 35   |



As usual, more people say they plan to cut back their holiday spending than to increase it, according to a recent Wall Street Journal/NBC News poll.

But the holidays have always been a time of wishful thinking. Pollsters find that people get into the giving spirit when they spot the perfect gift, not during a phone questionnaire, and that realities often outstrip professed plans.

More than half of Americans, the poll shows, expect to spend as much as they did last year, but low-income Americans are more cautious. "There really is a sense in their answers that lower-income people are saying, 'you know what, I really overdid it last year, and I'm going to cut back this year,'" says Thomas Riehle, an associate of Peter Hart, who, with Bob Teeter, conducts the poll. "We'll see," adds Mr. Riehle.

While resolving to spend less is a holiday tradition among Christmas shoppers, the feeling isn't as widespread this year. In 1990 and 1991, nearly half those polled said they planned to cut back, while fewer than a third expect to save this year.

When it comes to altering holiday-shopping routines, "it depends a lot on how old you are," says Mr. Riehle. "As you get older, you settle into your holiday-shopping pattern." Of those between 18 and 34 years of age, 60% plan to adjust their spending, one way or the other.

Among those who have no plans to cut back this season, some are being attracted to expensive gifts. Neiman Marcus's Christmas catalog sold out of its 100 special-edition Audi TT coupes in three days. The 10 \$150,000 Aston Martins available through the October catalog also sold out, although not in a single week, according to Bernie Feiwus, president and chief executive officer of NM Direct, Neiman Marcus Group's mail-order arm.

Mr. Feiwus says this year's his-and-her gifts—a pair of \$400 Cracker Jack cufflinks for him and for her a \$950 gold squeeze ring with a ruby, sapphire or emerald reminiscent of a popular Cracker Jack "surprise," both packaged in Cracker Jack boxes—have sold very well.

Although more shoppers plan to cut back than let loose, retailers, frequently a pessimistic bunch, need not fear. After all, they and their ad agencies specialize in tempting consumers to exceed their budgets.

Besides, consumer-confidence surveys rarely square with actual Christmas sales. In 1991, for example, when nearly half of shoppers pledged to spend less, the Conference Board's Consumer Confidence survey predicted a 6% drop in holiday

| ALL ADULTS        | 14% | 53% | 30% |
|-------------------|-----|-----|-----|
| Under \$20,000    | 15  | 43  | 40  |
| \$20,000-\$29,999 | 18  | 44  | 35  |
| \$30,000-\$49,999 | 16  | 55  | 29  |
| \$50,000-\$99,999 | 12  | 60  | 27  |
| \$100,000 or more | 8   | 62  | 28  |

sales. But holiday sales in general-merchandise stores climbed 3.5% and have increased every holiday season this decade. Guillermo Araoz, a J.P. Morgan & Co. analyst who produced a study on holiday shopping, attributes such discrepancies to nonrepresentative polling samples, nuanced survey questions and a lack of self-awareness among shoppers.

The figures are "not something to hang your hat on," according to Irwin Cohen, who serves as managing director of consumer-business practices at Deloitte & Touche, the big accounting firm, and conducts an annual holiday shopping survey of retailers and consumers for the National Retail Federation.

Retailers aren't much better than shoppers when it comes to predicting holiday sales. Psychological factors may obscure retailers' perceptions of sales, according to Mr. Cohen. "No one will ever say, 'boy this is really good,'" he explains. "Great economic times are only recognized in retrospect." Moreover, the last 10 days before Christmas represent 45% of holiday sales, which makes early assessment of Christmas business difficult.

This year more than one out of three Americans will order from catalogs, and almost one in 10 will do some holiday shopping over the Internet. Jupiter Communications, a New York media-research firm, says holiday shopping over the Internet is expected to more than double to \$2.8 billion in November and December, from \$1.1 billion in the year-earlier months. This holiday season "could propel Internet sales into the mainstream," said Ken Casar, an analyst for Jupiter. But even with the growing popularity of online shopping, "it's not going to replace store-based shopping," says Mr. Cohen. ♦

Those stockholders from nearby Boston have turned a bit more cautious, for example. Jack Zotti and Linda Maricich started looking for their first house last summer. The stock market was booming; a share of stock in their employer, Morgan Stanley Dean Witter, was valued at nearly \$100. Then came the huge correction of August and September. The stock fell to \$36. Mr. Zotti curtailed his home search.

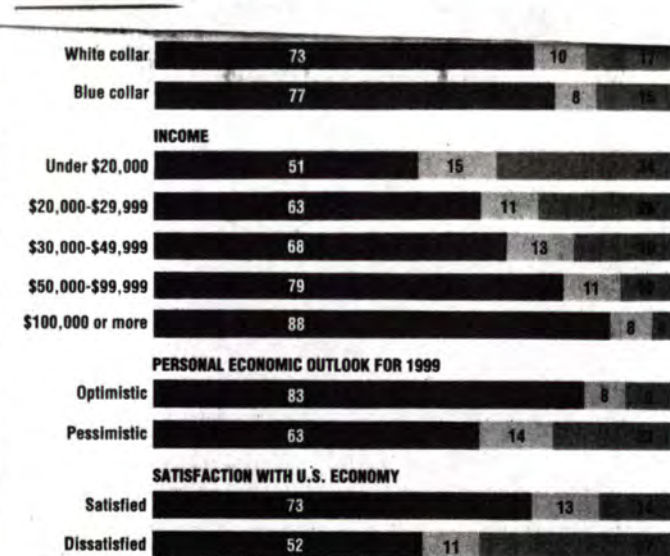
Today their employer's stock is back above \$65 a share. Mr. Zotti and Ms. Maricich are looking for a house again. They say they are a bit chastened by the volatile swings in the stock market, but also better steered psychologically. "I'm getting used to what to expect," says Ms. Maricich.

Maybe, but the roaring bull market of the 1990s is probably the wild card in the U.S. economic expansion. When it comes to big-ticket items—cars and houses in particular—there is no denying that the rising tide on Wall Street has lifted spirits and the urge to spend. It has been dubbed by economists the "wealth effect"—the gradual spending of a portion of the gains from the stock market over time.

Economists can't calculate precisely how wealth translates into spending, unfortunately. Nor do they fully understand how a "reverse" wealth effect might work. There are, however, a few worrying signs of how a sagging stock market might crimp spending.

Last autumn, consumer confidence started to diverge, with older Americans turning pessimistic while younger ones stayed buoyant. Some analysts believe it was a direct reflection of the stock market's decline of almost 20%, because older people tend not only to have greater assets, but also to have more of their assets tied up in financial instruments. With the stock market rebound, the confidence levels of Americans ages 35-54, in addition to those over 55, have revived as well, adding weight to the theory.

In any event, Mr. Mumford says he has been fretting over the high end of the residential real-estate market for more than a year, especially in the affluent New Jersey suburbs west of Manhattan. He has shifted from building \$600,000-plus houses in places such as Basking Ridge, to much more affordable housing in modest places such as here in South River. Moreover, Mr. Mumford has targeted young buyers, including Generation Xers. Much maligned by some, people in their 20s are for Mr. Mumford a bread-and-butter market. He marvels at how so many young couples "have really taken control of their lives." A good example, perhaps, is the 24-year-old electrician, Mr. Cappelluti, and his fiancée, Stephanie Depinto,



who is assistant to a top executive of a consulting firm in Manhattan.

Both of the young people still live with their parents in Hoboken, N.J. (They have been dating for seven years.) They both consider themselves frugal. They are confident about the security of their jobs, and have saved the nearly \$80,000 down payment for their first house, which is still being built and won't be ready to occupy for another six months. As Mr. Mumford listens to their story, he marvels that a young couple in their mid-20s could save so much money.

It's possible that all these eager home buyers are too optimistic, about their own personal futures and about the stability of the U.S. economy over the next several years. Nobody knows how many of these 136 houses will be bought by people with a misplaced sense of optimism. Some of them could be left jobless. Some of them could default on their mortgages and be forced to find shelter elsewhere.

This is an issue anywhere in the U.S., of course, and the widely publicized layoffs of the past few weeks serve as a reminder of the volatile job markets of the early 1990s. Boeing Co. alone announced recently it will eliminate 48,000 positions in the near future. And New Jersey, with its high concentration of pharmaceutical companies and its proximity to Wall Street, remains vulnerable both to industry downturns and to personnel cutbacks in the financial industry.

Yet it's tempting to say that most of these families are optimistic for very sound reasons. For the craftsmen in their ranks, they have portable skills. Mr. Cappelluti sees the building boom in Northern New Jersey and doesn't expect to go hungry. Mr. Bryant sees the boom in international trade, and notes that jobs are going begging at the port. The school principal, Mr. Melendez, suggests that being a middle-school principal in inner-city Newark, N.J., is no picnic. "Principals are in demand," he says, "especially in Newark." ♦

## Class Perceptions: A Profile of Who We Think We Are

### Defining Upper-Income Households

What total family income do you consider to be an upper-income household?

| INCOME              |    |
|---------------------|----|
| Less than \$50,000  | 7% |
| \$50,000-\$74,999   | 23 |
| \$75,000-\$99,999   | 20 |
| \$100,000-\$124,999 | 24 |
| \$125,000-\$149,999 | 4  |
| \$150,000-\$174,999 | 7  |
| \$175,000 or more   | 7  |

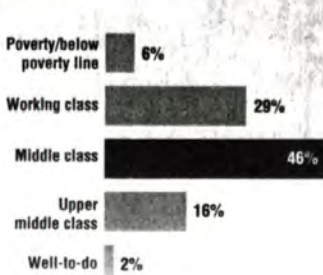
### Defining Middle-Income Households

What total family income do you consider to be a middle-income household?

| INCOME             |    |
|--------------------|----|
| Less than \$30,000 | 5% |
| \$30,000-\$39,999  | 22 |
| \$40,000-\$49,999  | 24 |
| \$50,000-\$74,999  | 35 |
| \$75,000-\$99,999  | 7  |
| \$100,000 or more  | 2  |

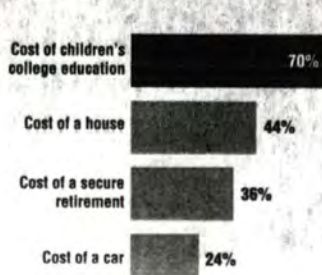
### Most Are Middle Class

How would you describe your economic circumstances?



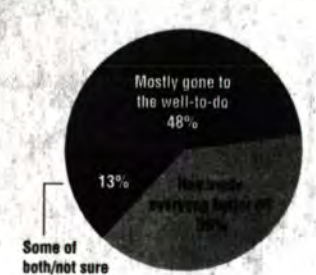
### Higher Education Is Too High

Which of the following do you worry are priced beyond the income of the average family?



### Well-To-Do Reap Benefits

Has the strong economy made everyone better off, or have the benefits mostly gone to the well-to-do?





# U.S. Economic Optimism Hits a High-Water Mark

## NBA Squabble Over Spoils May Send Fans to the Exits

By ALBERT R. HUNT

Staff Reporter of THE WALL STREET JOURNAL

**A**S PATRICK EWING and David Stern continue to hassle over dividing professional basketball's spoils, they could face a revolt from their constituency: fans.

Mr. Ewing, of course, is the star center for the New York Knicks and head of the players union, while Mr. Stern is the commissioner of the National Basketball Association. The pro-basketball lockout, which already has caused cancellation of the first two months of the season, is a bitter battle over money. Whatever the resolution, if the past is any guide, it will result in higher costs to the public.

But that public says it is nearing the breaking point. Americans are brimming with confidence about the economy and their own financial situation, but according to this week's Wall Street Journal/NBC News national poll, almost half of Americans believe that going to sporting events is "becoming too expensive to be worth it" for the average family.

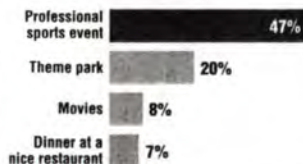
With baseball contracts approaching \$100 million—for one player—and other sports not far behind, the economics may get tougher. Meanwhile, the extent of public disenchantment with the cost of professional athletics dwarfs that of respondents who think entertainment is getting too expensive in other areas, such as going to theme parks, the movies or out to dinner at a nice restaurant.

"American consumers are firing a shot heard round ballparks, coliseums and executive suites in the professional sports industry," warns Leslie Oliver, an associate of Peter Hart who, along with Bob Teeter, conducts the poll. "More are saying the value of professional sporting events just is not worth the ticket price."

The survey turns up some interesting anomalies. Not surprisingly, men, traditionally more sports-oriented, feel more strongly

### Missing the Games

Which one of the following is becoming too expensive for the average family?



about rising prices than do women. But the concerns are much more pronounced among upper-income Americans than among middle-income or lower-income respondents, perhaps reflecting that those who are better off financially spend more time and money at sporting events.

Usually, when owners and players reach a difficult agreement, the easiest way to pay for added costs is to increase prices of tickets and ancillary materials. Major League Baseball, for instance, suffered through a big strike in 1994, causing cancellation even of the World Series. This past season's ticket prices averaged \$13.60, 42% higher than five years ago, the last prestrike full season, or almost triple the rate of inflation over that period.

Baseball has paid a price. After the strike, attendance plummeted. It wasn't until this season, with the Mark McGwire/Sammy Sosa home-run chase, that attendance returned to its prestrike level.

For this season, the average pro-basketball ticket was slated to be \$42.54, slightly higher than hockey or pro-football, according to Team Marketing Inc.

### HOW THE POLL WAS CONDUCTED

The Wall Street Journal/NBC News poll was conducted by the polling organizations of Peter D. Hart and Robert M. Teeter between Dec. 3 and 6. The survey was conducted by telephone among 2,106 adults across the country (2,006 interviews among a main sample of adults and 100 interviews among an oversample of middle-income blacks and upper-income adults. Both oversamples were weighted down to their proper proportion and combined with the main sample.)

The sample was drawn from 520 randomly selected geographic points in the continental U.S. Each region was represented in proportion to its

population. Households were selected by a method that gave all telephone numbers, listed and unlisted, an equal chance of being included.

One adult, 18 years or older, was selected from each household by a procedure to provide the correct number of male and female respondents.

Chances are 19 of 20 that if all adults with telephones in the U.S. had been surveyed, the finding would differ from these poll results by no more than 2.2 percentage points in either direction among all adults. Sample tolerances for subgroups are larger.

—Christin Harvey

## Americans Say They're Satisfied

Continued From Page A9

explored economic attitudes in depth was a year and a half ago. The mood then was remarkably upbeat; it's even more so now.

In June 1997, more than six in ten people were satisfied with the state of the economy, while today 80% of Americans feel that way. This cuts across all economic groups; seven in 10 people making less than \$20,000 express satisfaction with the U.S. economy, and 91% of Americans earning over \$100,000 feel that way. Three quarters of respondents are satisfied with their own financial situation, also a significant increase from June of 1997.

Two other findings stand out. In the 1980 presidential campaign, candidate Ronald Reagan coined a perceptive insight into people's economic attitudes by asking if they thought they were "better off than four years ago?" Then, and for much of the time since then, people did not. Starting a little over three years ago, people began replying affirmatively, and by June of last year 59% said they were better off than four years before. This week a record 69% say they're better off.

### PERVASIVE OPTIMISM

This optimism is pervasive. People express overwhelming satisfaction with: current job security and opportunities for career advancement; the levels of interest rates and inflation, as well their ability to keep up with the cost of living; the return on personal investments and retirement security. Satisfaction levels on all these things are higher than a year before.

As for the traditionally thorny matter of people's satisfaction with the amount of money they are saving, which in recent times has produced a majority of naysayers, the numbers now show an even split. And the vast majority of people are clearly comfortable with their ability to manage any debt and pay their bills.

It may well be that the American public would oppose impeaching President Clinton under any circumstances. But the strong economy plainly is an important factor in his lofty approval ratings amid an exceptionally intense assault by political opponents.

In this month's Wall Street Journal/NBC News poll, almost two-thirds give the president a positive job approval, and 72% approve of his handling of the economy. This matches his average rating for the calendar year, and Messrs. Hart and Teeter note these are the highest numbers for a president on this score at least since Dwight Eisenhower.

In part because they control the White House, but for other reasons too, the Democrats seem to benefit slightly more than the GOP from the economic mood. For years, Republicans and Democrats generally were held in roughly the same level of esteem in polls. However, this time the Democrats received a decidedly positive rating, while a plurality gave the Republicans a negative score. Undoubtedly this reflects some of the GOP's miscalculations in the Clinton scandals, but most experts believe it's due to the economy too.

"Many of the issues Republicans developed in the '70s and '80s were based on uncertainty and fear," notes Democratic Rep. Vic Fazio. "It was fear of economic dissolution, fear of bracket creep

of stagnant wages, as well as other issues like crime. Most of those issues have been blunted with the economy. The focus now is more on quality-of-life issues, where Democrats do better."

Prominent Republicans wouldn't go that far, but many acknowledge there is a point here. "Our agenda, especially tax cuts, works better in bad times," admits Mike Murphy, a top Republican political strategist. Economic hiccups also bring back redistribution politics for the Democrats. That drives them to the left, which is good for us."

Yet few Americans are held in higher esteem today than a quintessential Republican: Federal Reserve Chairman Alan Greenspan. For starters, he is known by 76% of the public, which as the pollsters note, is "an astonishing number" for a central banker. (If you doubt this, a quick query: Who was the Fed chairman preceding Paul Volcker?)

And by 47% to 6% the Fed chairman gets positive ratings, which Mr. Hart notes is "the kind of favorable-to-unfavorable ratio usually reserved for the likes of military heroes like Norman Schwarzkopf." Mr. Greenspan gets overwhelmingly positive numbers from every demographic group and is off the charts with those making more than \$100,000—a 69% to 3% positive rating. (The Fed chairman before Mr. Volcker was G. William Miller.)

When asked who is most responsible for the good economy, Messrs. Greenspan and Clinton are each cited by 18% of Americans, almost double the number who credit congressional Republicans. But even more respondents—28%—give the lion's share of credit to the productivity of workers and businesses.

Looking ahead, there is general optimism—with caveats—that good times will continue. By 2-to-1 people don't think there will be a recession in the next year, but by about the same margin they think there will be a downturn in the next five years. If there is a recession, most people believe they'll have to cut back on everyday expenses, or on extras such as vacations, but don't believe they'll go into debt or lose their jobs.

### HEDGING EXPECTATIONS

Yet throughout, people hedge their expectations and bets. Despite the fact that they see a recession as likely in the next half-decade, they also believe overwhelmingly that they and their families will be better off four years from now than they are today. And while they don't expect a downturn over the next year, they nevertheless want to cautiously hold back a little, rather than engage in any major economic expansions in the immediate future.

"In arms-talk terms," note Peter Hart and Robert Teeter, "this is a 'trust but verify' economy. Expect the best, but be prudent and safe, because extraordinary times cannot continue."

Nevertheless, on a question that probably comes closest to embodying the American dream—do you expect your children's generation to enjoy a higher standard of living than your generation—twice as many Americans answer affirmatively.

Anomalies reign on how to keep this economy humming; when the question is asked directly, people say the best action would be to cut taxes for individuals and families, followed by keeping interest rates down. Less support is expressed for

### Social Security Dilemma

How confident are you that Social Security will still be providing retirement benefits when you reach retirement age?

|                      | Completely/<br>Very Confident | Somewhat/<br>Not Confident |
|----------------------|-------------------------------|----------------------------|
| <b>ALL ADULTS</b>    | 22%                           | 74%                        |
| <b>GENDER</b>        |                               |                            |
| Men                  | 24                            | 72                         |
| Women                | 21                            | 76                         |
| <b>RACE</b>          |                               |                            |
| Whites               | 24                            | 72                         |
| Blacks               | 18                            | 79                         |
| <b>AGE</b>           |                               |                            |
| 18-34                | 8                             | 94                         |
| 35-49                | 10                            | 89                         |
| 50-64                | 35                            | 62                         |
| 65 and older         | 59                            | 28                         |
| <b>INCOME</b>        |                               |                            |
| Under \$20,000       | 29                            | 68                         |
| \$20,000 to \$29,999 | 25                            | 70                         |
| \$30,000 to \$49,999 | 21                            | 75                         |
| \$50,000 to \$99,999 | 19                            | 79                         |
| Over \$100,000       | 21                            | 77                         |
| <b>EDUCATION</b>     |                               |                            |
| High School or Less  | 23                            | 72                         |
| Some College         | 19                            | 78                         |
| College Graduate     | 25                            | 73                         |
| <b>PARTY ID</b>      |                               |                            |
| Democrats            | 24                            | 72                         |
| Independents         | 21                            | 76                         |
| Republicans          | 22                            | 74                         |

more spending on jobs and education or cutting taxes for businesses and investors and preserving the budget surplus.

But when the same respondents are asked what the government's priorities should be, providing more funding for schools is preferred to cutting taxes. Separately, Americans always have said that maintaining a budget surplus is a top priority.

When it comes to which is the most important economic issue facing the country, people rank the trade deficit, taxes, a budget deficit and unemployment about equally. When asked which party has the best economic prescription, most people say both are about the same.

Further, people divide closely on the overall role of government. By a fairly narrow margin, 49% to 41%, more people think the federal government should play an active and direct role in promoting America's competitiveness versus those who think the U.S. should rely on the private sector and the free-enterprise system.

"In good or bad economic times, the debate will always rage," note Messrs. Hart and Teeter, "over the role of government in developing economic policies."

## Economic Assessments Are Positive, But We Still Remain Cautious

Americans Still Feel the Nation Is Headed

And They Give Clinton High Marks

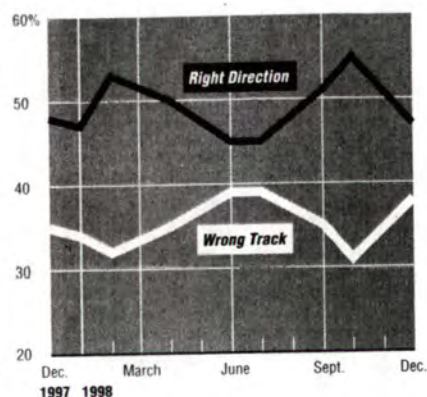
...ent That Our Children Will



## Economic Assessments Are Positive, But We Still Remain Cautious

### Americans Still Feel the Nation Is Headed In the Right Direction...

Percentage who feel things are headed in the right direction vs. off on the wrong track



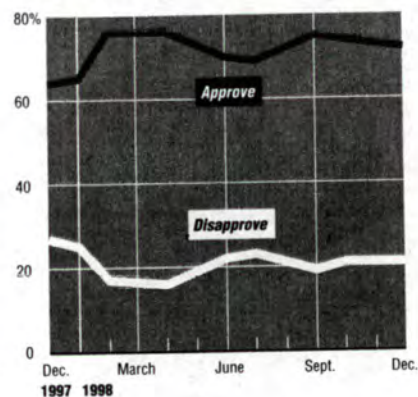
### We Trust Both Parties to Maintain the Strong Economy...

Percentage who think the policies of Republicans or Democrats will maintain and improve the strong economy

|                   | REPUBLICANS | DEMOCRATS | ABOUT THE SAME |
|-------------------|-------------|-----------|----------------|
| <b>ALL ADULTS</b> | 19%         | 19%       | 58%            |
| <b>GENDER</b>     |             |           |                |
| Men               | 22          | 17        | 57             |
| Women             | 16          | 21        | 58             |
| <b>RACE</b>       |             |           |                |
| Whites            | 22          | 18        | 57             |
| Blacks            | 5           | 36        | 53             |
| <b>INCOME</b>     |             |           |                |
| Under \$20,000    | 8           | 26        | 62             |
| \$20,000-\$29,999 | 17          | 21        | 58             |
| \$30,000-\$49,999 | 15          | 18        | 61             |
| \$50,000-\$99,999 | 25          | 17        | 56             |
| Over \$100,000    | 30          | 15        | 53             |
| <b>PARTY ID</b>   |             |           |                |
| Democrats         | 3           | 41        | 51             |
| Independents      | 13          | 10        | 69             |
| Republicans       | 40          | 3         | 55             |

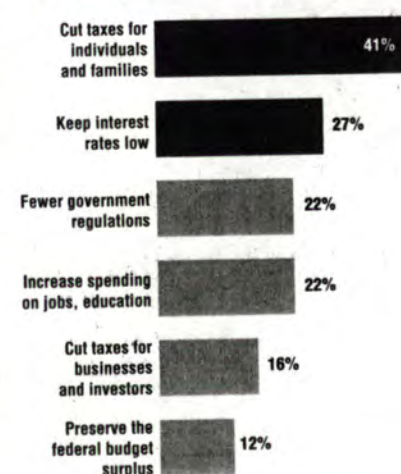
### And They Give Clinton High Marks for Managing the Economy...

Percentage who approve or disapprove of the job Clinton is doing handling the economy



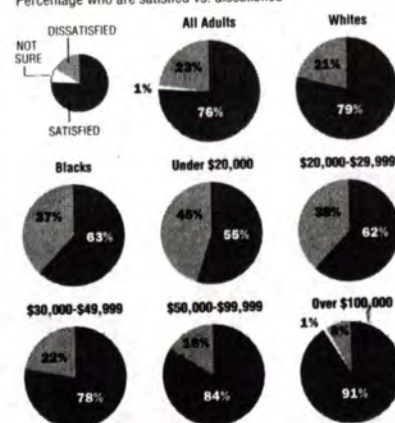
### And Believe the Government Should Cut Taxes and Keep Rates Low...

Steps the government could take to keep the economy moving in the right direction



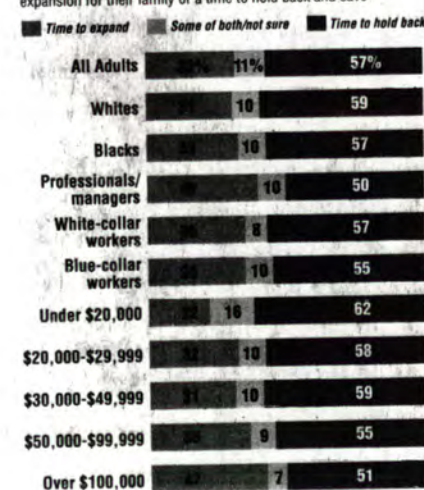
### We Are Generally Satisfied With Our Personal Financial Situation...

Percentage who are satisfied vs. dissatisfied



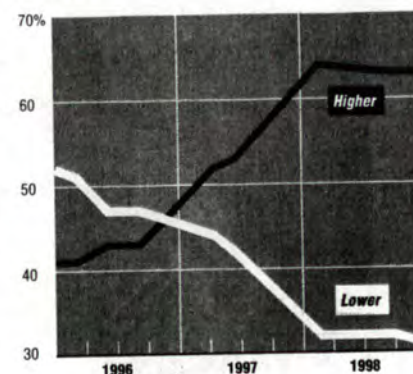
### But Most See 1999 as a Time to Hold Back and Save...

Percentage who feel next year will be a time of economic expansion for their family or a time to hold back and save



### And Are Confident That Our Children Will Enjoy a Higher Standard of Living...

Percentage who expect children to have a higher vs. lower standard of living



### So Adjustments Can Be Made if an Economic Recession Does Occur

Which of the following is likely to happen to you if there is a recession in the next 12 months?

|                   | DRAMATIC IMPACT <sup>1</sup> | MINOR ADJUSTMENTS <sup>2</sup> | NO EFFECT |
|-------------------|------------------------------|--------------------------------|-----------|
| <b>ALL ADULTS</b> | 19%                          | 48%                            | 29%       |
| <b>AGE</b>        |                              |                                |           |
| 18-34             | 25                           | 51                             | 21        |
| 35-49             | 23                           | 50                             | 24        |
| 50-64             | 14                           | 51                             | 30        |
| 65 and older      | 7                            | 36                             | 50        |
| <b>OCCUPATION</b> |                              |                                |           |
| Professional      | 16                           | 51                             | 30        |
| White Collar      | 21                           | 55                             | 21        |
| Blue Collar       | 27                           | 46                             | 23        |
| <b>RACE</b>       |                              |                                |           |
| Whites            | 16                           | 49                             | 31        |
| Blacks            | 27                           | 46                             | 23        |

<sup>1</sup>Lose job or income, go into debt, fail to make car/house payment

<sup>2</sup>Cut back on expenses, not afford extras like vacation, wardrobe



# Trans-Australia run dedicated to Bill Clinton

UW News

Ultramarathon World

★ Ultramarathon World ★ Previous Reports

 **Crystal Brook, South Australia (UW)** - American Jesse Dale Riley is dedicating the remainder of his Trans-Australia Run to embattled U.S. President Bill Clinton.

"You put that out on the Internet," Riley said from a pay phone Thursday in this south coast community north Adelaide. "Bill's our boy and we're behind him. He's not going to go down without a fight, and neither am I. He's come back from everything else in his career, and I bet he will again."

Although he has lived in Florida for the past eleven years, Riley grew up in Little Rock, Arkansas, the capital of Clinton's home state, and he still calls Arkansas home. Now 2,412 kilometres and 41 days into his Trans-Australian run (with about 1,500 kilometres still to go) Riley said he is getting stronger by the day, and thinks Clinton will to.

"The American people are behind him. He's another Aussie Battler, a fighter," said Riley, whose brother John is driving a caravan and providing support along the way. "We're far from home now but our hearts are with him. We're thinking about our hometown boy."

## Honourable man

An Aussie Battler is slang for an honourable man who works hard but is down on his luck.

"Australians think Americans are crazy, trying to impeach a president for something like this," Riley said. "They just can't believe it. When we stop to eat and talk, and they shake their heads. They don't even say it's hypocritical. It's so far beyond that, they don't have words for it."

Riley said he has kept up on the Clinton controversy throughout the run by listening to the radio and reading newspapers. "I'll probably get criticized for sticking up for him, but I don't care. He's one of us and we're proud of him."

12-11-98

To Burkhardt for reply?

Yes ☒ No ☐

B.

Do

Nice

thank you

# Jesse Dale Riley and the trans Australia footrace



## ★ Trans America Footraces

 **Perth, Australia (UW)** - Jesse Dale Riuley, who co-managed three runs across the United States in the early 1990s, will stage a low-key Trans Australia Footrace this year. The race of approximately 4,000 kilometres begins August 8 in Perth and ends October 11 in Sydney. Each daily stage will average 60 kilometres.

So far the following runners have expressed an interest: Don Winkley, Corpus Christi, Texas, USA; Marty Sprengelmeyer, Davenport, Iowa, USA; Patricia Tomada, Denver, Colorado, USA; Teri Hayes, Kapuaa, Haawaii, USA; Tim Corcoran, South Bend, Indiana, USA; and Christopher Rochette, Dijon, France.

*Key WEST*

For further information, write to Jesse Dale Riley, 614 Dey Street, Florida USA 33040. Phone: + 305 745-8241.

If all goes well, he hopes to follow up with a similar Trans South Africa race in 1999, a Trans South America race in 2000 and a North-to-South Trans America race in 2001.





666 Fifth Avenue, 21st Floor, New York, NY 10103  
Tel: 212.245.4227 / Fax: 212.245.0517 / E-mail: IPForum@aol.com

Michael W. Sonnenfeldt  
Chair

Theodore R. Mann  
Executive Committee Chair

Jack Bendheim  
President

Stanley P. Gold  
Vice-President

Henry Rosovsky  
Vice-President

Susan K. Stern  
Vice-President

Allan Kahane  
Treasurer

E. Robert Goodkind  
Secretary

Robert K. Lifton  
Chairman Emeritus

#### Executive Board

Hyman Bookbinder

Sevil A. Fields

Monte N. Friedman

Yona Goldberg

Richard Gunther

Dr. Jeffrey Hirschberg

Michael G. Jesselson

Peter Joseph

Jacqueline Levine

Geoffrey Lewis

Frederic H. Mack

Morton L. Mandel

Michael Pelavin

Debra F. Poll

Judith Stern-Pook

Seymour Reich

Michelle Rosen

Jodi J. Schwartz

Emmanuel Sella

David S. Steiner

Jeffrey Stern

William A. K. Titelman

Peggy W. Tishman

Harriet Mouchly-Weiss

Melvin I. Weiss

Alan L. Wurzel

Jonathan Jacoby  
Executive Vice President

Thomas R. Smerling  
Executive Director

Washington Director

Debra Wasserman-Amdurak  
Managing Director

Schreyer and Associates  
Government Relations

#### Senior Advisors and Staff

Marshall Broger, DC

Eugene Burger, DC

Stephen P. Cohen, NY

Shalom Elcott, LA

Roberta Fahn, Israel

Dan Fleisher, NY

Suri Kasirer, NY

Steven L. Spiegel, LA

#### U.S. Advisory Council

Leon David Black

Matthew Bronfman

Nathan Gantcher

Rabbi Menachem Genack

Bevi M. Gluckhaus

Alexander Grass

Harvey M. Krueger

Howard J. Rubenstein

#### Israel Advisory Council

The Honorable Moshe Arad

Gen. (res.) Shlomo Gazit

Dan Gillerman

Carini Gillon

Aliza Goren

Isaac Herzog

Dov Laufer

Yehuda Ben-Meir

Arye Noor

Jacob Perry

Gen. (res.) Danny Rothchild

Itzhak Stern

Nadine Baudni-Trautenberg

December 10, 1998

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

Dear Mr. President:

We send you our best wishes for a successful journey to Israel and the Palestinian Authority.

As lifelong supporters of the State of Israel, we are deeply grateful for the unprecedented personal involvement you have achieved the peace and security of the State of Israel. Plantation, in particular, res Your visit to the region – we ensure that the gains made in confidence that you will move implementation of the provision final status negotiations.

Events over the past few we involvement in the process. During these decades of Middle United States – and specifically repeatedly been shown to be Arabs and Israelis back from popularity with both the Israeli and Palestinian people, which empowers you as peacemaker. At this moment in time, nothing can substitute for your effort.

It is not only because of our deep concern for the State of Israel that we urge this difficult course upon you. As Americans, we understand that the well-being of our own country is inextricably linked to developments in the Middle East. We have key allies in the region, prime among them Israel – but also Egypt, Jordan and Saudi Arabia. Our strong economy is linked to a secure Mideast oil supply.

Washington Office: 1225 15th Street, NW, Washington, D.C. 20005 / Tel: 202.462.0800 / Fax: 202.462.3892  
Los Angeles Office: 17057 Chatsworth Street, Granada Hills, CA 91344 / Tel: 818.831.2000 / Fax: 818.831.1411  
Israel Office: 43 Emek Refaim Street, Suite 10, Jerusalem 93141 / Tel: 972.2.561.7258 / Fax: 972.2.561.7437



666 Fifth Avenue, 21st Floor, New York, NY 10103  
Tel: 212.245.4227 / Fax: 212.245.0517 / E-mail: IPForum@aol.com

1. *ce Sady* ✓ 12/11  
*B*  
2. *President* ✓  
DEC 11 PM 8:25

December 10, 1998

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

DEC 11 PM 8:25

Dear Mr. President:

We send you our best wishes for a successful journey to Israel and the Palestinian Authority.

As lifelong supporters of the State of Israel, we are deeply grateful for the unprecedented personal investment you have made to help the people of Israel achieve the peace and security they deserve. Your efforts at the Wye River Plantation, in particular, rescued a peace process that appeared moribund. Your visit to the region – which itself is a part of the Wye process – will help ensure that the gains made in late October are not lost. We have every confidence that you will move the process to its necessary next steps – full implementation of the provisions of the Wye Memorandum and the start of final status negotiations.

Events over the past few weeks demonstrate that your continued personal involvement in the process remains necessary. This should not surprise us. During these decades of Middle East tension and war, involvement by the United States – and specifically by the President of the United States – has repeatedly been shown to be an absolutely essential ingredient in moving Arabs and Israelis back from the abyss. Beyond that, you enjoy a personal popularity with both the Israeli and Palestinian people, which empowers you as peacemaker. At this moment in time, nothing can substitute for your effort.

It is not only because of our deep concern for the State of Israel that we urge this difficult course upon you. As Americans, we understand that the well-being of our own country is inextricably linked to developments in the Middle East. We have key allies in the region, prime among them Israel – but also Egypt, Jordan and Saudi Arabia. Our strong economy is linked to a secure Mideast oil supply.

Washington Office: 1225 15th Street, NW, Washington, D.C. 20005 / Tel: 202.462.0800 / Fax: 202.462.3892  
Los Angeles Office: 17057 Chatsworth Street, Granada Hills, CA 91344 / Tel: 818.831.2000 / Fax: 818.831.1411  
Israel Office: 43 Emek Refaim Street, Suite 10, Jerusalem 93141 / Tel: 972.2.561.7258 / Fax: 972.2.561.7437

Michael W. Sonnenfeldt  
Chair

Theodore R. Mann  
Executive Committee Chair

Jack Bendheim  
President

Stanley P. Gold  
Vice-President

Henry Rosovsky  
Vice-President

Susan K. Stern  
Vice-President

Allan Kahane  
Treasurer

E. Robert Goodkind  
Secretary

Robert K. Lifton  
Chairman Emeritus

**Executive Board**

Hyman Bookbinder

Sybil A. Fields

Monte N. Friedkin

Yona Goldberg

Richard Gunther

Dr. Jeffrey Hirschberg

Michael G. Jeanealon

Peter Joseph

Jacqueline Levine

Goldfroy Lawin

Fredric H. Mack

Morton L. Mandel

Michael Palavin

Debra F. Pall

Judith Stern-Pook

Seymour Reich

Michelle Rowen

Jodi J. Schwartz

Emmanuel Sella

David S. Steiner

Jeffrey Stern

William A. K. Titelman

Peggy W. Tishman

Harriet Mouchly-Weiss

Melvin I. Weiss

Alan L. Wurtzel

Jonathan Jacoby

Executive Vice President

Thomas R. Smerling

Executive Director

Washington Director

Delia Wasserman-Amudary

Managing Director

Schryver and Associates

Government Relations

**Senior Advisors and Staff**

Marshall Brager, DC

Eugene Burger, DC

Stephen P. Cohen, NY

Shalom Elcott, LA

Roberta Fahn, Israel

Dan Fleisher, NY

Suri Kasirer, NY

Steven L. Spiegel, LA

**U.S. Advisory Council**

Leon David Black

Matthew Brontman

Nathan Gantner

Rabbi Menachem Genack

Seth M. Glickenhau

Alexander Grass

Harvey M. Krugger

Howard J. Rubenstein

**Israel Advisory Council**

The Honorable Moshe Arad

Gen. (res.) Shlomo Gazit

Dan Gilleman

Carini Gillon

Aliza Goren

Isaac Herzog

Dov Laitman

Yehuda Ben-Meir

Arye Noor

Jacob Perry

Gen. (res.) Danny Rothschild

Yusuf Shimon

Nadine Baudot-Trautenberg



Today, there is an additional reason why the Mideast demands our attention. The proliferation of weapons of mass destruction threatens not only America's interests but ultimately America's heartland. Your efforts to contain Iraq are constructed on your recognition of that threat. Saddam Hussein understands this full well, which is why he wants the Wye process to fail. He knows that progress towards peace could impede his drive to acquire and use non-conventional weapons. That is another reason why it is so important for you to succeed, so that the ambitions of radical militants in the region are thwarted and greater stability is restored to the Middle East.

In conclusion, we want you to know that you take our support and our prayers with you as you embark on your mission. On your first night in Israel, which coincides with the first night of Chanukah, we say a special prayer welcoming the new holiday: *Shehecheyanu, v'kiyemanu v'higiyanu lazman hazeh*. We give thanks for the faith that has sustained the Jewish people throughout the generations ... for the promise that was fulfilled with the establishment of the State of Israel ... and for the opportunity to reach this historic day – a day on which you, Mr. President, are helping us draw ever closer to peace.

Thank you, Mr. President, and best wishes for the holiday season.

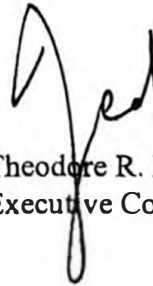
Sincerely,



Michael W. Sonnenfeldt  
Chair



Jack Bendheim  
President



Theodore R. Mann  
Executive Committee Chair